

# Public Document Pack



Neuadd y Sir  
Y Rhadyr  
Brynbuga  
NP15 1GA

Dydd Mercher, 27 Hydref 2021

**Hysbysiad o gyfarfod:**

## **Cyngor Sir**

**Dydd Iau, 4ydd Tachwedd, 2021 at 2.00 pm,  
Neuadd y Sir, Brynbuga – Cyfarfod o Bell**

### **AGENDA**

Cynhelir gweddïau cyn y cyfarfod Cyngor am 13.50pm. Mae croeso i bob aelod ymuno â'r Cadeirydd ar gyfer hynny os ydynt yn dymuno gwneud hynny

<b>Eitem No</b>	<b>Eitem</b>	<b>Tudalennau</b>
1.	Ymddiheuriadau am absenoldeb	
2.	Datganiadau o Fuddiant	
3.	Cwestiynau Cyhoeddus	
4.	Cyhoeddiad y Cadeirydd a derbyn deisebau	1 - 2
5.	Adroddiadau i'r Cyngor:	
5.1.	ADRODDIAD GWERTHUSO DIOGELWCH Ebrill 2020 - Mawrth 2022	3 - 78
5.2.	Strategaeth Hinsawdd a Datgarboneiddio	79 - 112
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5.5.	DATGANIAD CYFRIFON ARCHWILIEDIG A CHYFRIFON ISA260 CYNGOR SIR FYNWY	147 - 274

**6. Rhestr o Gynigion**

**6.1. Cyflwynwyd gan y Cynghorydd Sir Kevin Williams**

Mae'r cyngor yn croesawu'r newidiadau a gynigiwyd i'r Ffiniau Seneddol gan y Comisiwn Ffiniau ar gyfer etholaeth Mynwy. Mae'n penderfynu ysgrifennu i gefnogi'r newid synnwyr cyffredin sydd yn effeithio ar Sir Fynwy i greu sedd newydd sy'n dilyn ffiniau'r cyngor hwn.

**6.2. Cyflwynwyd gan y Cynghorydd Sir D Batrouni**

Bod y Cyngor yn ysgrifennu llythyr at Lywodraeth y Deyrnas Unedig yn mynegi siom am eu penderfyniad i beidio parhau i dalu'r taliad cynnydd o £20 mewn Credyd Cynhwysol, a ddylai gynnwys esboniad o sut y bydd y penderfyniad hwn yn cael canlyniadau effeithiol ar aelwydydd incwm isel yn Sir Fynwy.

**6.3. Cyflwynwyd gan y Cynghorydd Sir A. Watts**

Mae Cyngor Sir Fynwy yn cydnabod yn ffurfiol fod gweithwyr sector gofal wedi mynd uwchben a thu hwnt i ddisgwyliadau a gofynion i gefnogi ein dinasyddion mwyaf bregus drwy gydol y pandemig. Mae'r Awdurdod yn cydnabod eu hymrwymiad a'u hymroddiad drwy weithredu cynnydd yn isafswm cyflog awr i £15.00 ar gyfer pob gweithiwr cyflogedig yn sector gofal yr awdurdod.

**7. Cwestiynau gan Aelodau**

**7.1. Cwestiwn brys: Gan y Cynghorydd Sir A Easson i'r Cynghorydd Sir R. John, Arweinydd y Cyngor**

Monmouthshire's bid for a share of the Levelling up Fund, administered by the Westminster Government, was not successful. In view of this decision, can the Leader make a statement regarding the effect on the economy of Caldicot and Severnside and what plans he will have in respect of the future of Caldicot Town and the Caldicot Leisure Centre.

**7.2. Gan y Cynghorydd Sir A Easson i'r Cynghorydd Sir Jane Pratt, Aelod Cabinet Gwasanaethau Cymdogaeth a Seilwaith**

Beth yw'r gyllideb flynyddol ar gyfer cynnal a chadw ac adnewyddu croesfannau cerddwyr; faint o groesiadau a gafodd eu huwchraddio, faint gafodd eu tynnu neu roi newydd yn eu lle, a faint o groesiadau newydd a osodwyd yn y Sir rhwng 2019 a heddiw..

**7.3. Gan y Cynghorydd Sir A Easson i'r Cynghorydd Sir Jane Pratt, Aelod Cabinet Gwasanaethau Cymdogaeth a Seilwaith**

Beth yw'r meini prawf ar gyfer gosod croesfannau cerddwyr, sut y caiff yr asesiadau hynny eu gwneud cyn ystyried croesfannau newydd ac

	adnewyddu neu roi rai yn lle eraill; a gaiff newidiadau i'r amgylchedd traffig a cherddwyr ei ystyried yn rheolaidd?	
<b>7.4.</b>	<b>Gan y Cyngorydd Sir M. Powell i'r Cyngorydd Sir Lisa Dymock, Aelod Cabinet Llesiant Cymunedol a Chyfiawnder Cymdeithasol</b>  Yn dilyn llacio rheolau'r cyfnod clo, pa mor llwyddiannus oedd y Cynlluniau Chwarae Haf a faint wnaeth eu mynychu?"	
<b>7.5.</b>	<b>From County Councillor P. Jordan to County Councillor S. Jones, Cabinet Member for Economy</b>  A all yr Aelod Cabinet roi diweddariad ar pa gefnogaeth fydd ar gael i'n canol trefi i annog ymwelwyr yn y cyfnod cyn y Nadolig?	
<b>8.</b>	<b>Cadarnhau cofnodion cyfarfodydd blaenorol.</b>	
<b>8.1.</b>	<b>23 Medi 2021</b>	343 - 348
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<b>9.</b>	<b>Cyfarfod nesaf – 16 Rhagfyr 2021</b>	

**Paul Matthews**  
**Prif Weithredwr**

## CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Cynghorwyr Sir:

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

**Gwybodaeth Gyhoeddus**

### **Mynediad i gopïau 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](http://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 trwy gyfrwng y Gymraeg neu'r Saesneg. Gofynnwn yn barchus i chi roi rhybudd digonol i ni er mwyn darparu 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.

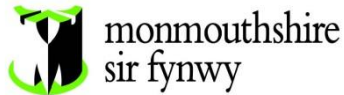
**Gwaith Tim.** Byddwn yn gweithio gyda chi a'n partneriaid i gefnogi ac ysbrydoli pawb i gymryd rhan fel y gallwn gyflawni pethau gwych gyda'n gilydd. Nid ydym yn gweld ein hunain fel 'trefnwyr' neu ddatrysyr problemau, ond gwnawn y gorau o syniadau, asedau ac adnoddau sydd ar gael i wneud yn siŵr ein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

## **Chairman's Report 29<sup>th</sup> September – 26<sup>th</sup> October**

Wednesday 29 <sup>th</sup> September 12.30 p.m.	Long Service Recognition Event
Sunday 3 <sup>rd</sup> October 3 p.m.	Abergavenny Civic Service St Mary's Priory Church, Abergavenny
Saturday 23 <sup>rd</sup> October 1 p.m.	Tour of Eco Brewery Bridge Street, Usk
Monday 25 <sup>th</sup> October 1 p.m.	Opening of new Play Park Chippenham Fields, Monmouth

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**SUBJECT: SAFEGUARDING EVALUATION REPORT April 2020 – March 2021**

**MEETING: COUNCIL 4<sup>th</sup> November 2021**

**DATE: DIVISION/WARDS AFFECTED: ALL**

## **1. PURPOSE:**

The purpose of this report is:

- To evaluate the progress of Monmouthshire County Council's key safeguarding priorities during 2020 / 2021, highlighting progress, identifying risks and setting out actions and priorities for 2021 - 2022.
- 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, amended January 2019.

## **2. RECOMMENDATIONS:**

- 2.1 For members to receive and endorse the Annual Safeguarding Evaluation Report and Activity Plan.

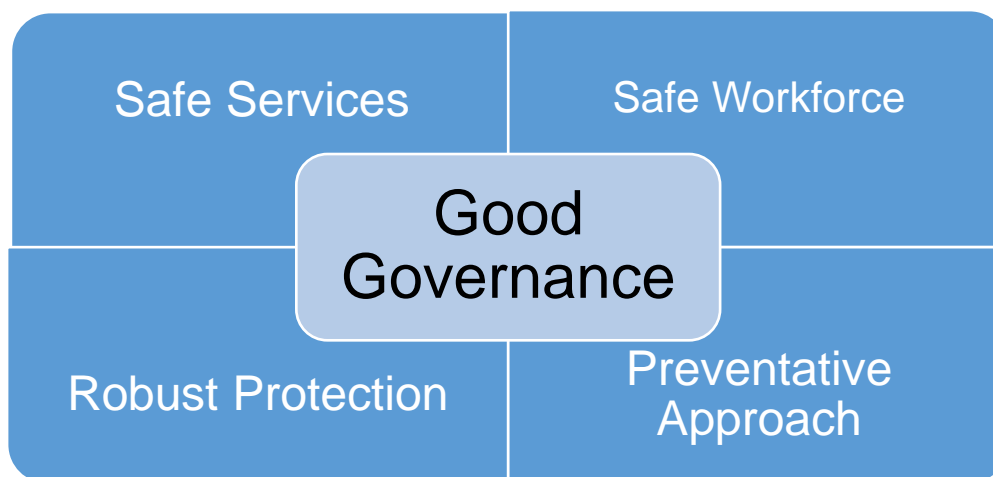
## **3. KEY ISSUES:**

- 3.1 This safeguarding evaluation (see appendix 2) is based on activity and information from April 2020 to March 2021. During the majority of this period COVID restrictions have been in place. This has obviously had an impact on operational safeguarding activity and where relevant, this is referenced within the evaluation and informs the current safeguarding risk assessment (appendix 5)
- 3.2 The report is developed within the context of the approved Monmouthshire County Council's Corporate Safeguarding Policy which covers duties for both children and adults at risk in line with the Social Services and Well Being (Wales) Act (2014). The analysis within the report reflects progress against

priority areas set out within the policy and draws on data and information concerning both groups.

- 3.3 The 5 cornerstones of safeguarding within the Corporate Safeguarding Policy are set out below.

### **The Cornerstones of safeguarding in Monmouthshire**



- 3.4 Embedding and sustaining the highest standards of safeguarding is a continuous endeavor. This evaluation report forms an integral part of the continual development of safeguarding practice across the Council and drives the work of the Whole Authority Safeguarding Group. The evaluation report seeks to balance qualitative and quantitative data as well as drawing in other sources of information to support the evaluation. The evaluation report is at appendix 2.

- 3.5 Relevant sources of external information were used to inform this evaluation including:

- Welsh Audit Office *Follow-up review of Corporate Arrangements for Safeguarding of Children* (issued February 2020)
- Estyn *Report on Education Services in MCC* (issued February 2020)
- CIW Focused Activity Inspection Adult Safeguarding (February 2020)
- CIW Focused Activity Inspection Children Safeguarding (February 2020)
- CIW Assurance Check of Children and Adult Social Services (February 2021)
- Internal Audit Report on Safeguarding Training issued March 2021

- 3.6 The self-assessment score has been agreed by the Whole Authority Safeguarding Group through critical challenge on the basis of evidence reviewed to date. It uses the corporate scoring framework (Appendix 1) to provide an overall judgement of effectiveness between 1 (major weaknesses) and 6 (excellent / outstanding). The current self-assessment is set out below.

#### Self-assessment scores as at March 2021

<b><u>Cornerstone of Safeguarding</u></b>	<b><u>April 17 -Sept 17</u></b>	<b><u>Oct 17- March 18</u></b>	<b><u>April 2018 - March 2019</u></b>	<b><u>April 2019 - March 2020</u></b>	<b><u>April 2020 - March 2021</u></b>
Good Governance	4	5	5	5	5
Safe Workforce	3	4	3	3	4
Preventative Approach	3	4	4	4	5
Robust Protection	4	4	4	3	3
Safe Services	2	3	3	3	4

- 3.5 Priority improvement actions arising from the evaluation form the basis of the WASG action plan which is implemented and monitored through the Whole Authority Safeguarding Group (see appendix 3). The review of the previous year's action plan is at appendix 4.

#### 4. OPTIONS APPRAISAL

Not applicable to this report

#### 5. EVALUATION CRITERIA

Each 'cornerstone' section of the report opens with descriptors of 'what good looks like'. These descriptors provide the basis of how we measure the standard over time using both qualitative and quantitative sources.

Safeguarding progress is reported on an annual basis to full Council.

#### 6. REASONS:

- 6.1 This evaluation report is completed within the context of Monmouthshire County Council's background and history in respect of safeguarding as set out in brief

below and represents a further opportunity for Members to consider the distance travelled by the Local Authority in improving safeguarding practice.

- 6.2 Council Members will be aware that in November 2012 the Local Authority was found to have inadequate safeguarding arrangements in place. Shortcomings included a lack of safeguarding policy as well as operational weaknesses particularly within a schools based context.
- 6.3 The Safeguarding and Quality Assurance Unit was established within Children's Services in 2012 quickly extending its role to supporting the Authority's improvement journey around children's safeguarding.
- 6.4 In February 2014 an Estyn monitoring visit recognised that the council had appropriately prioritised safeguarding and 'set the foundations well for recovery' particularly at service and practitioner. However, the authority still did not have 'effective enough management information systems and processes to enable it to receive appropriate and evaluative management information about safeguarding'. This criticism was echoed by a subsequent Welsh Audit Office review of safeguarding in March 2014.
- 6.5 In response to this the council established the Whole Authority Safeguarding Group (WASG) initially chaired by the Chief Executive with a focus specifically on children. The inaugural meeting took place in July 2014.
- 6.6 The Local Authority came out of Special Measures in November 2015 when strong progress in safeguarding was recognised.
- 6.7 A recommendation was subsequently made to Cabinet and endorsed in July 2016 allowing the work of the WASG to incorporate safeguarding for adults at risk so that good practice and learning could be mutually shared, and marking the statutory basis of adult safeguarding as a consequence of the Social Services and Wellbeing (Wales) Act 2014.
- 6.8 Members will also be aware that Wales Audit Office issued statutory recommendations in respect of safeguarding in respect of the Council's Kerbcraft service in January 2017. This was followed by a Wales Audit Office led inspection which took place in January 2018, in partnership with both CIW and Estyn. The report to this was issued in August 2018 and scrutinised by CYP Select in October 2018. There were 4 main proposals within the report including further strengthening of the policy framework; further steps to ensure a safe workforce and safeguarding within commissioning.
- 6.9 The WAO conducted a follow up 'light touch' inspection to this in September 2019. The written outcome was received 5<sup>th</sup> February 2020 with no further recommendations made.

**7. RESOURCE IMPLICATIONS:**

There are no resource implications to this report.

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

This report is critically concerned with the effectiveness of safeguarding in Monmouthshire County Council.

**9. CONSULTEES:**

Whole Authority Safeguarding Group  
Julie Boothroyd – Chief Officer

**10. BACKGROUND PAPERS:**

Corporate Safeguarding Policy

**11. AUTHOR:**

Jane Rodgers, Head of Children's Services

**12. CONTACT DETAILS:**

Jane Rodgers  
[Janerodgers@monmouthshire.gov.uk](mailto:Janerodgers@monmouthshire.gov.uk)  
01633 644054

## Appendix 1

### The Corporate Evaluation Framework

<b>The evaluation score from 1-6</b>	<b>The evaluative context</b>
<b>Level 6 Excellent</b>	<b>Excellent or outstanding</b>
<b>Level 5 Very Good</b>	<b>Good Major strengths</b>
<b>Level 4 Good</b>	<b>Important strengths with some areas for improvement</b>
<b>Level 3 Adequate</b>	<b>Strengths just outweigh weaknesses</b>
<b>Level 2 Weak</b>	<b>Important weaknesses</b>
<b>Level 1 Unsatisfactory</b>	<b>Major weakness</b>

**APPENDIX 2**  
**The Evaluation**

**1). Good Governance**

**SELF-ASSESSED SCORE = 5**

**What does good look like?**

In Monmouthshire County Council we ensure that safeguarding for children and adults at risk is understood as “everyone’s responsibility”. With strong leadership there is a continuous focus on embedding safeguarding culturally across all parts of the Council at a “hearts and minds” level. Safeguarding is supported by robust policies and operating procedures which are embedded within all settings and services. We work effectively with regional safeguarding boards to sure good alignment and maximise our resources.

**Progress and Evidence**

The Corporate Safeguarding Policy was reviewed and updated in Jan 2019 to include a clearer link to Data Protection issues and Whistleblowing.

The safeguarding policy framework within MCC was highlighted as positive within the Estyn inspection (Feb 2020).

A safeguarding position statement was issued as part of emergency arrangements for COVID. The risks to safeguarding during the pandemic were highlighted as a risk at corporate level and mitigating actions were put in place.

The Whole Authority Safeguarding Group was suspended briefly during emergency, but resumed July 2020.

In February 2021 CIW carried out an Assurance Check with a focus *on how well social services continue to support children and adults with a focus on safety and wellbeing*. This recognised that:

*“At the outset of the pandemic, the local authority introduced a revised purpose and eight new strategic aims to provide clarity and ensure accountability through the period. This includes an aim to help vulnerable young people and adults who need support. Leaders have maintained a line of sight on the changing COVID-19 landscape resulting in clear plans to address the issues presented. This has led to creative and responsive practice.”*

The safeguarding ‘self-assessment’ process is commenced every other year on a directorate basis via the Safeguarding Assessment Framework for Evaluation (SAFE). There was some disruption to the 2019 – 2021 process because of the pandemic. The next iteration of the SAFE (2021 – 2023) was launched in April 2021. As we did for the 2019 programme, we will adopt a similar ‘workshop’ check and challenge approach for directorates to share the outcomes of their SAFEs. This approach uses real case studies to demonstrate safeguarding in action and facilitates the sharing of good practice, collective problem solving and the identification of safeguarding issues / themes.

Additional resource has been provided to the Safeguarding Unit to enhance the business support capacity and positions have now been filled. This should allow for some strengthening of data and information management within the Unit to inform the function / role of the WASG.

Safeguarding is included within the timetable of Internal Audit, with specific areas of audit being discussed and agreed with the WASG. The most recent audit concerned safeguarding training and was undertaken in January – March 2020. The audit was issued in March 2021 and found Considerable Level of Assurance. The action plan arising has been implemented.

The Welsh Safeguarding Procedures came into force in April 2020. There was good awareness raising across the Council regarding the new procedures with the Safeguarding Procedures App being pinned to all Council laptops. Training has been made available for relevant employees. Procedures are being gradually updated through the auspices of the regional safeguarding boards. A new MARF / Duty to Report form is to be issued shortly and will need to be disseminated to all partner agencies.

Regional safeguarding boards have continued to operate during the pandemic at an executive level however, Monmouthshire continues to be represented and maintains good links into both the Gwent Wide Safeguarding Board and the VAWDASV board.

There is strong engagement in regional approaches to Multi-Agency Sexual Exploitation meeting (MASE) Child Sex Exploitation (CSE), Violence Against Women Domestic Abuse and Sexual Violence (VAWDASV) and Contest (PREVENT anti radicalisation).

### Analysis

The work of the WASG continues to be a major strength, which is reflected in our self-assessment score as 5.

#### Key Strengths:

- Policy framework including SAFEs
- Safeguarding response and risk assessment during COVID-19 pandemic
- Positive CIW assurance check
- Considerable level of assurance finding in Internal Audit of safeguarding training.

### Next Steps

- Implement 2021 – 2023 SAFE process
- Evaluate learning and outcomes process and ensure this informs future planning
- Development / implementation of core data set for WASG including comparative data
- Review Corporate Policy to integrate and update in light of COVID
- Ensure new duty to report forms are implemented and embedded across the council

## **2). Safe Workforce**

**SELF-ASSESSED SCORE = 4**



## What does good look like?

We ensure that safe recruitment and human resource practices operate effectively and are embedded across the Council for the whole workforce (paid and unpaid). We ensure that individuals working with children and adults at risk are suitable for the role they are employed to do and are focused on outcomes for people. The whole workforce is clear about their duty to report concerns and to keep children and adults at risk safe.

## Progress and Evidence

### Safe Recruitment

In response to the pandemic, safe recruitment checks were adapted to reflect WG guidance regarding digital recruitment. Elements of digital recruitment continue to be utilised across the whole authority.

Full safeguarding checks are undertaken on every appointment with individuals not being set up on payroll until these are completed.

Safe recruitment is well established and embedded within the Council.

### Volunteers

In regards to volunteers, a Volunteer Kinetic digital management system is in place. This means we have a live central record of volunteer safe recruitment information and activity. The system is structured so that, dependent on the role, the correct safe recruitment checks are carried out and logged on the volunteers' profiles. Training undertaken is also logged on the system (for example Safeguarding Level 1).

The GAVO, Volunteering for Wellbeing and MCC partnership continue to support community groups to develop good governance and safe recruitment.

Safeguarding training is available to all community groups through Be Community

Volunteering activity across the council is continuing to increase as services reopen.

### Training

Level 1 training is delivered via a Training for Trainers approach. Over the last 18 months there has been positive improvement in directorates becoming increasingly self-sufficient in delivering at this level, with less dependency on the SGU. There is a training forum in place to ensure that trainers are kept up to date and provided with support and information, as well as providing a level of Quality Assurance. Forum meetings were held on 29<sup>th</sup> April 2021 and 4<sup>th</sup> May 2021 with good attendance.

There a system in place now which allows for all training records to be centrally recorded and monitored. However, there is still more work to be done to improve accuracy and automate the process. As yet we are still not able to answer the more fundamental question - *who needed training against who received it.*

Data from corporate training shows that **602** people attended Level 1 safeguarding during 2020-2021.

<u>Safeguarding Level 1 attendance by Directorate</u>	<u>2020-2021</u>
Directorate	Number

Resources	0
social care & Health	100
mon life	32
cyp inc schools	423
Operations (enterprise)	13
Volunteers	20
Unknown	3
Chief Execs	3
External	8
<b><u>TOTAL</u></b>	<b><u>602</u></b>

In response to the crisis all direct training courses remain suspended. The council was quick to respond and launched digital versions of Level 1 safeguarding (via SWAY) the Level 2 renewal programme. The most recent addition to this is the Level 2 initial together with a range of digital approaches to level 3 and 4 safeguarding courses. Digital training will continue to be a mainstay of the training strategy, as a positive 'legacy' of the pandemic period.

#### Managing Professional Allegations

During 01/04/20 – 31/03/21 the Unit held Professional Strategy Meetings about 53 professionals, relating to 75 children following professional allegations.

During the same period 40 Professional Strategy Meetings were concluded, of which:

25 x Substantiated

11 x Unsubstantiated

4 x Unfounded

Professional allegation referrals come from a range of referral sources.

There is no data available for numbers of professional allegation processes undertaken in relation to adult safeguarding, or escalating concerns; however, data capture for this is in the process of being developed.

#### **Analysis**

The increased score from 3 to 4 is based on the strengthening arrangements for delivering and centrally recording safeguarding training data whilst recognising that this is still a work in progress. The aspiration remains that an updated HR function will provide monitoring of any unmet training needs from the point of recruitment.

Safe recruitment under the Corporate Safeguarding Policy continues to be a priority and there are good processes and systems in place to ensure that safe recruitment practice is followed. Operationally recruitment practices had to become more digital with the impact of COVID-19. As digital approaches continue to develop (as part of the legacy of COVID-19) safe recruitment practice will need to remain at forefront.

### Key Strengths:

- High priority is given within the council to safe recruitment practices
- The GAVO, Volunteering for Wellbeing and MCC partnership continue to support community groups to develop good governance and safe recruitment.
- There is a strong level 1 training forum in place allowing directorates to be self-sufficient in ensuring Level 1 training whilst the SGU provides quality assurance and support.
- Monmouthshire is fully compliant with the management of Professional Concerns Guidance within Children and Adult Services and has begun to develop adult data.

### Next Steps

- Continue to monitor progress in how the council centrally records mandatory training data
- Revise the safeguarding training strategy so that it reflects developments in digital training options
- Further develop directorate sufficiency for the delivery of Level 1 training
- Undertake an audit of the adapted arrangements for digital recruitment to ensure safeguarding is at the forefront
- Develop data to enable reporting on professional concerns relating to adult safeguarding

## Preventative Approach

### SELF-ASSESSED SCORE = 5

#### What does good look like?

We work with partners to identify emerging issues, risks and challenges to our communities. We demonstrate clear multiagency approaches to developing protocols, processes and practice in how we respond to these issues therefore reducing risks through early intervention and preventative approaches.

#### Progress and Evidence

##### VAWDASV and PREVENT

Training plans are in place across the council to ensure the right levels of training are place in respect of VAWDASV and PREVENT focusing on early recognition of concerns and referral on.

There is further work to be done regarding the council's ability to accurately report on VAWDASV training for Groups 1 and 2, for both initial take up and renewal. This is complicated by the fact that the host site for the training is via ABUHB Learning@Wales platform meaning that some previous training data is no longer available and the training data we have is not in a sufficiently detailed format. (This links to the same issues regarding the need to strengthen arrangements for centrally recording employee data as in section 2.)

However, taken from health board data, Monmouthshire's training rate for Group 1 was just under 100% against a national average of 68% completion rate.

Practitioners in adult and children's services continue to work with multi-agency partners regarding high risk domestic abuse cases through the MARAC process (Multi Agency Risk Assessment Conferences).

This year **120** MARACs were held which is an increase from 112 in 2020, and 97 in 2019.

### CHILD EXPLOITATION

During 01/04/20 – 31/03/21, 47 children (up from 32 children last year) were subject to Child Exploitation Meetings.

In addition to this, 2 MCC children were discussed as part of a Complex Strategy Meeting considering 5 children.

Fortnightly MASE Meetings (Multi Agency Sexual Exploitation meetings) continue between Police, Social Care and partner agencies to identify any patterns, locations and perpetrator identification. The terms of reference for this meeting now extends to children who are at risk of criminal exploitation.

There is good liaison in place between safeguarding, the Safer Monmouthshire Group and the council's Public Protection Unit including licensing.

Prior to the COVID pandemic a Monmouthshire Exploitation Group (MEG) with representation from Safeguarding Unit, Public Protection, Partnerships, Police, Gwent Missing Children's Team, Education, Community Based teams was formed. The group initially oversaw the development of a Monmouthshire Protocol for responding to Modern Day Slavery and Exploitation. The group was put on hold through the pandemic, however, there are now plans in place for a re-launch which will provide the opportunity to reconsider the implementation of the policy particularly around training and awareness raising.

### Safeguarding in Schools

Monmouthshire has adopted a proactive approach to responding to issues of sexual harassment in schools and has worked with colleagues in VAWDASV to promote a Whole School Approach. Schools will be expected to address this issue within the current SAFE process. This will help us scope what issues are being raised within the school settings and use the information to provide targeted support if this is required.

There is an anti-bullying prevention group established in MCC.

Additional resources are being provided to support services within schools to respond to pupil wellbeing issues in regards to the impact of the pandemic – these included summer holiday education hubs.

### Providing Effective Early Help

The Information/ Advice and Assistance (IAA) facility at the front door of Children's and Adults (FISH) services are well embedded. Numbers of referrals received into children and adults services continue to show an upward trend.

The Early Help Panel (EHP) within Children's Services has been operating since Jan 18 and has been recognised nationally as an example of effective early help practice. The early help

panels provide streamlined referrals for families who need preventative and early help from a range of partner agencies and services. During the period April 2020 – March 2021 an average number of 29 referrals per week were made into the EHP equating to 3.4% of the child population in MCC.

Multi-agency meetings (MAMs) are in place in each of the secondary schools and there is a good link between these and the EHP.

#### Preventative approaches during the COVID-19 pandemic.

Early help and support services continued to provide services via digital solutions.

A parenting advice and support line was put up within 2 days of lockdown and over the course of the year 445 calls were received. Resources have been secured to ensure that this advice line remains in place until at least the end of March 2022.

The council turned its resources to supporting the range of community and volunteering activity that sprang up in response to the crisis.

#### Housing

Recent changes in the Council's homeless responsibilities has had an impact on the profile of our homeless clients with higher and more complex needs, making safeguarding of even more relevance, including domestic abuse, homeless young people and care leavers, people with mental health difficulties and applications from high risk offenders. Support to homeless individuals continues to be a focused activity but equally continues to be a challenge in respect of the available resources. As of August 2021, there were **147** households in temporary accommodation, including **73** households in bed and breakfast accommodation. Of these, 60 were single homeless people with multiple support needs.

In order for us to place more appropriately (for both the applicant and other people) and manage risk more effectively there continues to be a need for additional numbers and types of accommodation and support for homeless applicants.

Since last year the Council has established a Homeless Transition Plan but also now needs, under the Councils Social Justice Strategy, to establish a Housing Support Programme Strategy by April 2022 and a Rapid Rehousing Protocol by Sept 22, which effectively will absorb the Transition Plan.

Last year saw the introduction of the Housing Intervention Panel with the aim of preventing homelessness or the threat of homelessness and the provision of co-ordinated services to vulnerable individuals and households through a multi-agency forum. This has now been established as an embedded part of homelessness prevention and housing support.

#### Communities

A social worker within the Partnerships team provides direct support to community groups around prevention and early intervention and acts as a first port of call for safeguarding concerns. Safeguarding training is available to all community groups which raises knowledge at a community level

#### Local Safeguarding Networks

Local Safeguarding Network (LSN) meetings and Safeguarding Practitioner Forums were initially put on hold during the pandemic but these have recommenced since November 2020.

LSNs are used as a multi-agency mechanism for professional leads to exchange information regarding safeguarding issues and build knowledge of safeguarding activity and services across the council. Wider safeguarding practitioner forums have now also recommenced (May 2021) and the council supported to the work of the National Safeguarding Week in November 2020.

### Analysis

Preventative approaches remain a strong area of safeguarding practice within Monmouthshire, built on solid partnership working developed over time. A quote from CIW Annual Letter 19/20 illustrates this well.

"A particular strength of Monmouthshire County Council is its commitment to develop a range of innovative and creative preventative services, and ways of working with people in finding their own solutions in preventing or delaying their need for statutory care and support. We saw evidence in our annual activity of an extensive range of preventative community-based services that support early intervention and good outcomes for people. "

This was equally reiterated in the outcome letter following the CIW Assurance Checking February 2021.

The score remaining at 4 in 2020 reflected the impact of the pandemic and the requirement to massively alter the way that the council connects with vulnerable families and individuals. That said the council responded quickly and flexibly in finding alternative ways to maintain services, keep eyes and ears open and provide support where it was needed. The increased score to 5 is proposed on the basis of how in many ways the response to the pandemic did not inhibited the growth of preventative safeguarding services and in many ways served to strengthen them.

#### Key Strengths:

- Partnership working across the council is recognised as strong
- Consistent drive towards developing preventative approaches across the council are evident
- Place based approaches (adults) are developing and there is strong links with communities
- Early help panel (children) is well established
- Proactive approaches are in place to issues that impact on vulnerable individuals and communities.

### Next Steps

- Work to resolve the issues around being able to report and monitor VAWDASV training across the council.
- Ensure full roll-out of the Modern Day Slavery protocol across the council
- Further analyse and monitor the impact of COVID-19 on families and communities and ensure that services are in place to respond to increased risk and vulnerability
- Continue to support the Council's approach to prevention of homelessness through strengthening homeless prevention, increasing homeless accommodation and enhancing specialist service provision for young people and offenders.

- Continue to develop the Community Support Network approach with communities.

#### 4). Robust Protection

##### SELF-ASSESSED SCORE = 3

##### What does good look like?

We operate best practice in protecting children and adults at risk and ensure that all concerns about possible abuse or neglect are recognised and responded to appropriately. Multi-agency plans and interventions reduce risks and needs for children and vulnerable adults including those at risk of significant harm.

##### Progress and Evidence

##### Children's Services

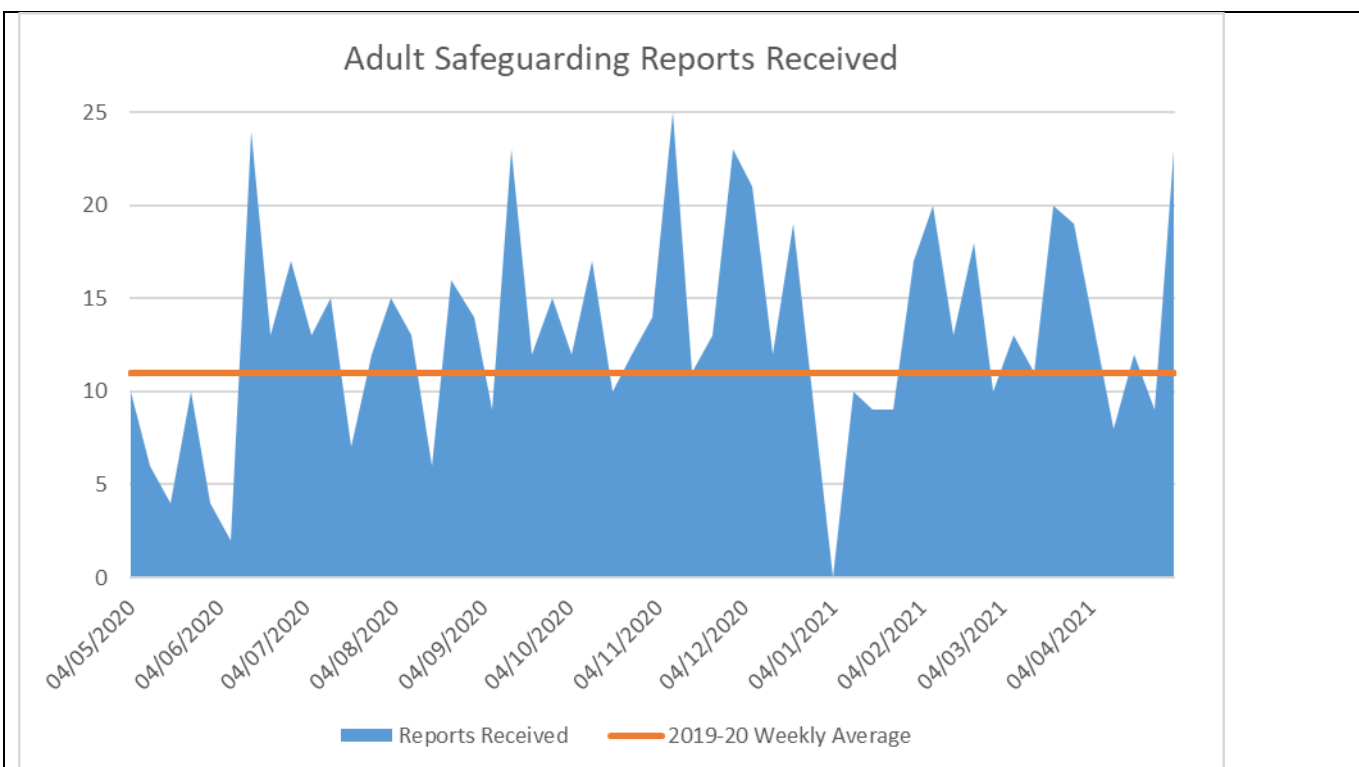
Children's services remain committed to promoting good practice around children protection and safeguarding through the current development programme *Building Best Practice*. Family support services across all tiers of need and vulnerability have been significantly enhanced and there is a good level of stability within the workforce and leadership.

Within the service there was a slight reduction in the numbers of children who are looked after this year, although the overall trend remains upward trend. At year end the number of children looked after was **213** (from 219).

At year end the number of children on the child protection register was **60** (a significant reduction from previous year end of 112). The end of year figure reflected a particular point in time where some larger sibling groups had been de-registered. The number of children on child protection plans does fluctuate – and already we have seen the Q1 figure increase to 84 children. The critical issue here, is that the right children are registered and remain subject to child protection core groups and planning for the right length of time. In the year ahead the areas for improvement include the timeliness of initial core groups (72# / 66.7%) and statutory visits (1408# / 66.6%).

##### Adult Safeguarding

The introduction of the statutory duty to report under the SSWB Act, as well as the low threshold for reporting concerns (which can be based on reasonable cause to suspect) continues to create an upward trend in the number of safeguarding concerns reported via safeguarding referrals. Over the year, 680 safeguarding reports were made concerning 463 adults.



The services’ capacity to complete adult protection enquiries within the statutory timeframe of 7 days remains challenging, and was achieved in just over half of cases (51.1%). This will be an area of focus over the coming year. An adult safeguarding dashboard is in development to help monitor and analyse adult safeguarding activity.

The Wales Safeguarding Procedures come into force in April 2020 and these are now well-embedded into the operations of adults and children’s services. Currently, a new safeguarding referral form is being implemented in line with the new procedures and ensuring this is embedded across all agencies is a priority area moving forward.

In January 2021 the integrated front-door for safeguarding (the Safeguarding Hub) was implemented including co-location of a Police decision maker. Positively, this has seen increased information sharing and multi-agency working. There is a regional process underway for reviewing and evaluating the safeguarding hub.

A CIW focussed inspection for Safeguarding was undertaken in February 2020 and an Assurance Check undertaken in February 2021 looking at how people were safeguarded and their well-being promoted during the pandemic. The findings from both were positive with key strengths noted including:

- The well-being and voice of the child / adult at risk is central to the safeguarding process
- Thorough and responsive safeguarding practices
- The local authority is committed to improvement and has a dedicated workforce who are committed to safeguarding.
- Partner agencies feel confident and able to challenge safeguarding decisions and are clear of the process to challenge safeguarding decisions.
- Positive working relationships with partner agencies and partnership working as a major strength.

There were 0 adult practice reviews / child practice reviews or domestic homicide reviews undertaken within Monmouthshire in 2020 - 2021.



### Analysis

Overall ensuring robust protection for people at risk of harm is a strength within the Council with key strengths in:

- Partnership working
- Commitment to delivering best practice
- Rigorous and transparent approaches to 'understanding the business' and responding to challenges
- Implementation of the safeguarding hub

**Never-the-less, the persistent upward trend in numbers of referrals into both children's and adults services, and for individuals with housing / homelessness needs, has meant that health, social care and housing services across the board are under immense strain. In addition to this, the longer term impact of COVID-19 and extended periods of lock-down on vulnerable families and individuals cannot be underestimated, and has led to increasing complexities in all aspects of practice. These pressures have meant that some additional actions have been taken to ensure that services remain operational and that those in the highest need of care and support are safeguarded. For this reason the self-assessed score remains at 3.**

### Next Steps

- Evaluate the outcomes and impact of the Safeguarding Hub
- Continue to assess and respond to the risks related to the immediate and longer-term impacts of COVID-19
- Develop data so that adult safeguarding can be accurately monitored and reported on
- Improve performance in the completion of adult safeguarding enquiries within 7 days
- Improve performance in child protection core groups and statutory visits
- Implement the new safeguarding referral form across the council and partner agencies

## **5). Safe Services – delivered through commissioning arrangements, grants, partnerships and volunteering**

### **SELF-ASSESSED SCORE = 4**

#### **What does good look like?**

We use our influence to ensure that services operating in Monmouthshire, including commissioned and those outside the direct control of the Council, do so in ways which promote the welfare and safety of children and adults at risk.

#### **Progress and Evidence**

The Corporate Safeguarding Policy has been updated to include the agreed Framework for Minimum Standards for Safeguarding Across Commissioned Services. The current SAFE process will place an additional focus on safe commissioning.

Commissioning Leads within SCH ensure positive relationships with commissioned providers are established allowing any emerging concerns to be addressed through good partnership

working. This means that within social care there is a robust, risk-based, contract management and quality assurance process across all providers.

The COVID pandemic has been a particularly challenging period for provider services. During the COVID-19 pandemic the Local Authority worked collaboratively to provide on-going support to provider services and commissioned services, including residential and nursing homes. All providers adopted a risk assessment approach around their operations which were discussed with the Local Authority.

**There are on-going challenges for many of our provider services, particularly within adult social care, related to the on-going impact of the pandemic on staffing including severe shortages in direct care.**

Similarly the impact of the pandemic continues to have severe consequences for health services, which in turn has an impact on the Local Authority and creates significant challenges within the partnership landscape.

There are well developed arrangements in public protection to ensure safeguarding is given due regard:

- safeguarding training is a requirement for licenced taxi /hackney and private hire drivers.
- school contracts are additionally required to undertake MCC training every two years
- voluntary safeguarding training is offered to alcohol/ entertainment and late night refreshment licensees.

During the reporting period our Licensing section ensured full compliance with all licences, including renewals, issued in the year.

Proactive checks are undertaken throughout the year, both licenced hackney carriage/private hire vehicles and licensed premises. Drivers, operators and vehicles are subject to on-the-spot visits, typically annually. Added to this all complaints are actioned. These processes ensure that no drivers or licensed premises remain unchecked between licence periods.

A report is being presented to the Licensing and Regulatory Committee on 14th September 2021 which if approved with effect from 1st October 2021 DBS checks will be more frequent. All new drivers will be required to do 6 monthly checks an existing licence holders will be required to do 6 monthly checks upon renewal. Operators and vehicle owners who are not drivers will also be required to do annual checks and operators will have to check staff that they employ, who have access to booking records or dispatch vehicle, have had a DBS check.

This report was carried out in line with Welsh Government recommendations, which is the first phase of working towards national standards and the Department of Transport Best Practice Guide.

Monmouthshire Letting and Hiring process requires evidence of the hirer's Safeguarding processes as mandatory prior to letting council property.

Volunteering

The Corporate Safeguarding Policy and Volunteering Policy sets out clear guidelines and expectations for volunteers in commissioned services, which are reflected in individual service contracts.

The Council's role as an 'enabler' and 'influencer' of safeguarding standards within volunteer groups and organisations has developed significantly over the months of the pandemic.

A range of placed based community support network meetings take place across the county, part of the function is to enable and influence groups to develop good governance, best working practices and safe recruitment with safeguarding imbedded as a underpinning principle.

Safeguarding training is available to all community groups which raises knowledge at a community level

### Analysis

Social Care and Health have clear operating processes in place to ensure a robust approach for all social care commissioning for children and adults.

Schools, and other parts of the Council working with children / adults at risk, indicate there are robust arrangements in place for contracted services (including individual school contracts, transport, leisure services).

There is good evidence of safeguarding being embedded within licensing services and other areas of PPU.

However, the evaluative score remains at 3 because:

- We are in the process of completing the current SAFE process
- The changing nature of the task (i.e. supporting provider and commissioned services with their safeguarding arrangements has become considerably more complex since the outbreak of COVID-19)
- Some of the severe current challenges within the provider landscape for SCH.

### Key Next Steps for 2019 - 2020

Ensure that the next SAFE process supports directorates to review the Minimum Standards Self-Assessment Matrix, and evaluate outcomes



### Appendix 3

#### Safeguarding CURRENT ACTIVITY PLAN (20201 – 2022)

<b>Action</b>	<b>Responsibility</b>	<b>Timeframe</b>
<b>GOVERNANCE</b>		
Implement next SAFE process (2021 – 2023)	Safeguarding Unit	March 2023
Evaluate learning and outcomes process and ensure this informs future planning	Safeguarding Unit and WASG	March 2023
Development / implementation of core data set for WASG including comparative data	Safeguarding Unit WASG	Sept 2021
Review Corporate Policy to integrate and update in light of COVID	Safeguarding Unit	March 2022
Ensure new duty to report forms are implanted and embedded across the council	Safeguarding Unit / WASG	Sept 2021
<b>SAFE WORKKFORCE</b>		
Continue to monitor progress in how the council centrally records mandatory training data	People's Services	March 2022
Revise the safeguarding training strategy so that it reflects developments in digital training options	Safeguarding Unit	March 2022
Further develop directorate sufficiency for the delivery of Level 1 training	Safeguarding Unit	March 2022
Undertake an audit of the adapted arrangements for digital recruitment to ensure safeguarding is at the forefront	People's Services	March 2022
Develop data to enable reporting on professional concerns relating to adult safeguarding	Safeguarding Unit	March 2022
<b>Preventative Approaches</b>		
Work to resolve the issues around being able to report and monitor VAWDASV training across the council.	Partnership People's Services	March 2022
Ensure full roll-out of the Modern Day Slavery protocol across the council	MEG / Safeguarding Unit	Jan 2022
Further analyse and monitor the impact of COVID-19 on families and communities and ensure that services are in place to respond to increased risk and vulnerability	SCH / WASG	March 2022
Continue to support the Council's approach to prevention of homelessness through strengthening homeless prevention, increasing homeless accommodation and enhancing specialist service provision for young people and offenders.	Enterprise	September 2022

Continue to develop the Community Support Network approach with communities.	Partnerships	September 2022
<b>Robust Protection</b>		
Evaluate the outcomes and impact of the Safeguarding Hub	Safeguarding Unit	Sept 2022
Continue to assess and respond to the risks related to the immediate and longer-term impacts of COVID-19	SCH	March 2022
Develop data so that adult safeguarding can be accurately monitored and reported on	Safeguarding Unit	March 2022
Improve performance in the completion of adult safeguarding enquiries within 7 days	Adult Services	March 2022
Improve performance in child protection core groups and statutory visits	Children's Services	March 2022
Implement the new safeguarding referral form across the council and partner agencies	Safeguarding Unit	December 2021
<b>SAFE SERVICES</b>		
Ensure that the next SAFE process supports directorates to review the Minimum Standards Self-Assessment Matrix, and evaluate outcomes	Safeguarding Unit WASG	March 2023



## APPENDIX 4

### Review of Previous Action Plan 2020 - 2021 action plan

GREEN – Completed

AMBER – In Progress, continuing

RED – Delayed, not started,

BLUE no longer required / changed

Action	Responsibility	Timeframe	RAG	Comment
<b>GOVERNANCE</b>				
Evaluate summative learning and outcomes from current (2019) process and ensure this informs future planning	Chair WASG	March 2021	GREEN	Now implementing SAFE 2021 - 2023
Plan and implement next SAFE process (2021 – 2023)	SGU	March 2021	AMBER	In progress
Ensure that any learning and actions from the IA report are taken forward	SGU	March 2021	GREEN	Report issues and actions completed
Development / implementation of core data set for WASG including comparative data	SGU	Sept 2021	AMBER	Carried forward
Develop the process for 'learning in action' for the WASG based on case scenarios / areas of concern to replace the SBAR approach.	SGU WASG	March 2021	GREEN	S/G star form in place
<b>SAFE WORKFORCE</b>				
Implement the upgrade of the HR data base to support all aspects of safeguarding as appropriate	Head of People Services	Dec 2021	BLUE	Sitting within People's Services – no specific action required –linked to



				the central recording of training
Revise the safeguarding training strategy so that it reflects developments in digital training options	Safeguarding Unit	Sept 2021		Carried Forward
Further develop directorate sufficiency for the delivery of Level 1 training	Safeguarding Unit	Sept 2021		Good progress Carried forward
Update safeguarding training to reflect the implementation of the Wales Safeguarding Procedures	Safeguarding Unit	Sept 2021		Level 1 and 2 updated
Undertake an audit of the adapted arrangements for digital recruitment	People's Services	Sept 2021		Underway
Continue to develop the council's relationship with community groups to support safe volunteer workforce practices	Enterprise	Sept 2021		On-going – no specific action required
Develop data to enable reporting on professional concerns relating to adult safeguarding	SGU	Sept 2021		In progress Carried Forward
<b>PREVENTATIVE APPROACHES</b>				
Support the further development of MASE to include integrated approaches to all aspects of exploitation	SGU	March 2021		In place
Ensure full roll-out of the Modern Day Slavery protocol across the council	MEG	Sept 2021		Carried forward
Re-launch of the MEG	SCH Directorate	March 2021		First re-launch meeting has taken place
Further analyse the impact of COVID-19 on families and communities and ensure that services are in place to respond to increased risk and vulnerability	SCH Directorate WASG	Sept 2021		On-going

Support the Council's approach to prevention of homelessness	Enterprise	March 2022		Accommodation for homeless people has been increased and services expanded however, further challenges remain
<b>ROBUST PROTECTION</b>				
Ensure that plans are in place to implement the Wales Safeguarding Procedures and WCCIS without unnecessary disruption to operational issues / quality assurance processes	Develop data so that adult safeguarding can be accurately monitored and reported on.	Dec 2021		Plans to WCCIS are paused. Work is in progress to ensure disruption is minimised
Implementation of an integrated front-door for safeguarding	Safeguarding Unit	March 2021		Completed 2021 – evaluation in progress
Further analysis of risks related to the impact of COVID-19	SCH Directorate	September 2021		Actions in place On -going
Continue to deliver risk assessment and strengths based practice across both Children's and Adults Services and at a partnership level	SCH Directorate	March 2022		On-going No need of further specific actions
Develop data so that adult safeguarding can be accurately monitored and reported on.	Safeguarding Unit	September 2022		In progress – carry forward
<b>SAFE SERVICES</b>				
Ensure that the next SAFE process supports directorates to review the Minimum Standards Self-Assessment Matrix, and evaluate outcomes	Safeguarding Unit WASG	September 2023		In progress – carry forward

## **APPENDIX 5**

### **Safeguarding Risk Assessment**



2021SeptSafeguardin  
g Risk Assessment.xls:

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<p><b>Name of the Officer</b> completing the evaluation</p> <p>Jane Rodgers  <b>Phone no:</b>  <b>E-mail:</b> <a href="mailto:janerodgers@monmouthshire.gov.uk">janerodgers@monmouthshire.gov.uk</a></p>	<p><b>Please give a brief description of the aims of the proposal</b></p> <p>To provide members with an annual evaluation of safeguarding within the Council</p>
<p><b>Name of Service area</b></p> <p>Safeguarding</p>	<p><b>Date</b> Oct 2021</p>

1. **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.

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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	Effective safeguarding arrangements within the council provides protection for children – who by virtue of their age are vulnerable.	None	
Disability	Safeguarding applies to children and to all adults who have care and support needs. It is known that children and adults with disabilities are at increased risk of abuse and neglect	None	Safeguarding training includes responding to safeguarding concerns for people with disability.  Ensure people with disability know their rights and have access to information

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?
Gender reassignment	None		
Marriage or civil partnership	None		
Pregnancy or maternity	None		
Race	.Safeguarding and protection services should take into the account the impact of race and culture within family situations.		Safeguarding training includes responding to people from a diverse range of racial and cultural backgrounds. Safeguarding arrangements are in place for unaccompanied assylum seeking children
Religion or Belief	<i>Responding to safeguarding concerns should take account of the individual beliefs, values and religion of people and families. Some of these may interface with safeguarding issues such as HBV or radicalization. It is important that practitioners respect individual beliefs whilst still being able to address safeguarding issues.</i>		Safeguarding training takes account of working within diverse cultures and beliefs. Safegaruding services are in place to support families and individuals affected by HBV and radicalization.

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?
Sex	none		
Sexual Orientation	.None		

## 2. The Socio-economic Duty and Social Justice

Page 33 The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions This duty aligns with our commitment as an authority to Social Justice.

	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
<b>Socio-economic Duty and Social Justice</b>	<i>Effective safeguarding arrangements and responding to concerns considers family and individual needs on a holistic basis and plans will often include tackling aspects of socio economic disadvantage e.g. within parent / carer populations</i>	None	





### 3. Policy making and the Welsh language.



How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p><b>Policy Making</b></p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favourably</p>	<p>None</p>	<p>Safeguarding training within the council is not routinely delivered in Welsh</p>	<p>A welsh medium option for safeguarding should be provided</p>
<p><b>Operational</b></p> <p>Recruitment &amp; Training of workforce</p>	<p>None</p>	<p>It is desirable to have welsh speakers within the council so that people with safeguarding concerns can communicate their concerns in their first language</p>	<p>Have a better understanding of welsh speakers within the council</p>
<p><b>Service delivery</b></p> <p>Use of Welsh language in service delivery</p> <p>Promoting use of the language</p>	<p>None</p>		




**4. 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. There's no need to put something in every box if it is not relevant!

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?
<b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Neutral	
<b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Neutral	
<b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood	Ensuring that vulnerable children and adults are safeguarded and protected from harm / abuse / neglect supports people's health and wellbeing.	
<b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected	Good safeguarding is central to cohesive communities, and helps to ensure that there are the right processes in place to safeguard and protect more vulnerable groups and communities.	
<b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Ensuring that people live free from harm, abuse and neglect is recognised regionally and nationally as a key component to wellbeing.	
<b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Safeguarding is essential to ensure that any vulnerable group or individual using leisure services, or who are engaged in cultural, artistic or sporting activities are protected from potential harm or abuse.	
<b>A more equal Wales</b>	Safeguarding is a key part of ensuring that people can fulfil their potential no matter what their background.	

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?
People can fulfil their potential no matter what their background or circumstances	Equality is at the centre of the services the Authority provide and commission.	

**5. 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>	It deals with immediate safeguarding and protection as well as how preventative steps are utilised to ensure safeguarding is sustainable in the future.	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	The report details how services work in partnership with agencies from different sectors, considers involvement and collaboration with communities and details the progress made in relation to Safeguarding in Monmouthshire.	

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 data-bbox="141 480 297 507"><b>Involvement</b></p> <p data-bbox="349 256 517 443">Involving those with an interest and seeking their views</p>	<p data-bbox="544 256 1328 363">The report includes information from all parts of the council and was a collaborative approach with all the directorates. The SAFEs take account of the needs of individual service areas.</p>	
 <p data-bbox="152 759 293 786"><b>Prevention</b></p> <p data-bbox="349 520 506 818">Putting resources into preventing problems occurring or getting worse</p>	<p data-bbox="544 520 1283 675">The report details the importance of prevention within safeguarding and some of the mechanisms and services that are in place to support prevention and early intervention.</p>	
 <p data-bbox="159 1098 300 1125"><b>Integration</b></p> <p data-bbox="349 858 517 1121">Considering impact on all wellbeing goals together and on other bodies</p>	<p data-bbox="544 858 1261 930">.Good safeguarding and protection supports the wellbeing of vulnerable citizens, groups and communities within the LA.</p>	

**6. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?**

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Safeguarding	This report identifies where we can further improve safeguarding and protection for children and for adults who are at risk.	<i>.Safeguarding is about ensuring that everything is in place to promote the well-being of children and vulnerable adults, preventing them from being harmed and protecting those who are at risk of abuse and neglect</i>	
Corporate Parenting	Children who are looked after have been impacted by harm and abuse and have often experienced many adverse experiences. The report identifies how the impact of adverse experiences can be minimised by ensuring good quality placements and care.		

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

Both qualitative and quantitative data is presented within the report.

- Equalities dashboard link. [Equality data dashboard for EQIA's 2020.xlsx](#)

**8. 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 summarise the key issues arising from the evaluation. This summary must be included in the Committee report template*

**Having effective safeguarding arrangements in place across the council is critical to meeting the health and wellbeing needs of children, adults at risk and their wider families and communities. It is equally important in ensuring that safeguarding runs through all services that are provided to vulnerable people.**

**9. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.**

<b>What are you going to do</b>	<b>When are you going to do it?</b>	<b>Who is responsible</b>
Implement the WASG activity plan	September 2022	Chief Officer Social Care and Health

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**10. VERSION CONTROL: The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.**

<b>Version No.</b>	<b>Decision making stage</b>	<b>Date considered</b>	<b>Brief description of any amendments made following consideration</b>
	<i>e.g. budget mandate, DMT, SLT, Scrutiny, Cabinetetc</i>		

<b>SUBJECT:</b>	<b>CLIMATE AND DECARBONISATION: UPDATED ACTION PLAN</b>
<b>MEETING:</b>	<b>COUNTY COUNCIL</b>
<b>DATE:</b>	<b>4 NOVEMBER 2021</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>ALL</b>

## 1. PURPOSE:

- 1.1 To update the plan which sets the actions which the authority will take to deliver the objectives in the Climate and Decarbonisation Strategy approved by Council in October 2019 and accelerate progress towards the commitment made by Council to reduce our emissions to net zero by 2030.

## 2. RECOMMENDATIONS:

- 2.1 That Council endorse the updated action plan attached as Appendix 1.
- 2.2 That revisions are made to the Climate Emergency Strategy to ensure it reflects the latest data and evidence while maintaining the ten strategic objectives agreed by Council in 2019, with slight amendments to the wording of one of these objectives relating to green spaces as highlighted in paragraph 3.3 below.

## 3. KEY ISSUES:

- 3.1 Climate change is arguably the biggest challenge facing the world in 2021. With Council meeting against the backdrop of the 26<sup>th</sup> United Nations Climate Change Conference (COP26) there is no better time to re-state our commitment and refresh the authority's action plan, setting out what we will do to decarbonise our operations as we work towards becoming net zero by 2030 while encouraging and supporting residents and businesses to reduce their own emissions.
- 3.2 On 16<sup>th</sup> May 2019 Council agreed to declare a Climate Emergency unanimously passing a motion to that effect. A strategy was subsequently developed and approved by council with responsibility for the oversight and ongoing development of the accompanying action plan sitting with a cross-party working group, involving officers and community representatives and chaired by the Cabinet member.
- 3.3 The objectives within the strategy will remain unchanged with the exception of an adjustment to the wording of the commitment on green spaces, to better reflect the action needed to address the nature emergency which we face:
- Energy and Buildings - Reduce the amount of energy that is used for buildings and street lighting
  - Renewable Energy - Speed up the move from fossil fuels to renewable energy
  - Nature Recovery and Green Spaces - Absorb carbon, to support biodiversity and ecosystem resilience, and the ability to adapt (*amended – previously just called Green Spaces*)

- What we Buy - Reduce carbon by thinking carefully about when and what we buy and the whole life costs
- Waste - Reduce waste by encouraging people to reduce, re-use and recycle more
- Active Travel - Encourage and make it easier for people to walk and cycle rather than drive
- Greener Transport - Reduce the impact of vehicles and encourage the use of electric and hydrogen vehicles
- Public Transport - Encourage people to use public transport rather than cars
- Education and involvement - Help people understand climate change and what they can do to make a difference
- Climate Adaptation - Preparing and adapting for the impact of climate change.

3.4 An update was presented to Council in June highlighting progress that had been made including:

- Purchase of electric vehicles for use by different council teams including an electric minibus and two electric road-sweepers
- Establishing libraries of things, repair cafes and a second re-use shop as part of our commitment to the circular economy
- Developing active travel routes to reduce the number of private car journeys people make for short distances
- Continued divestment of fossil fuel intensive industries by the council's pension fund

3.5 Work is currently underway to improve our understanding of the current level of emissions from our own services and to plot a path to net zero. This will recognise that each year we have a diminishing carbon budget that we must operate within necessitating trade-offs and choices between activities. This will use data produced by the Tyndall centre for Climate Change and involve collaborative work across the Cardiff Capital Region, where authorities have committed to measuring and publishing emissions in line with internationally agreed standards produced by the Climate Disclosure Project.

3.6 The revisions to the action plan contained in today's report are based on our current level of knowledge. As the above work concludes we will be in a much stronger position to target our resources at the areas they can make the greatest difference and it is expected that a further revision of the action plan will be produced mid-2022 displaying a higher degree of precision. New activity will continue to be examined by the advisory group.

3.7 The Climate Emergency Action Plan cannot be delivered by the Council alone. We need other partners to join us in helping to reduce carbon emissions across the county including public bodies and anchor institutions sitting on the Public Service Board, citizens, businesses and voluntary groups.

3.8 We must do this while continuing to provide the services which form part of the social foundations on which our communities are built. We know that this will not be easy, we need everyone to support this agenda and, as always, we are indebted to the residents of Monmouthshire for their enthusiasm, energy and expertise.

#### **4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**

4.1 The Climate Emergency Action Plan has significant positive contributions to make to the Wellbeing Goals. In particular it has strong benefits for a Prosperous Wales, by developing a low carbon economy and thinking carefully about sustainable procurement. There are also benefits for a Resilient Wales, based on changes to the way we manage



green spaces. A Healthier Wales will be enhanced by improvements to air quality from more sustainable travel and more walking and cycling. There is also significant potential to contribute to Cohesive Communities, by working collaboratively and in partnership with our communities. There are no negative impacts on the Well-being Goals.

4.2 There are no significant positive or negative impacts on the protected characteristics, safeguarding or corporate parenting. The principles of Long term, Prevention, Integration, Collaboration and Involvement have been used throughout the development of the Action Plan.

## 5. OPTIONS APPRAISAL

5.1 Through the motion, passed in 2019 Council committed to producing an action plan and keeping this up to date, so doing nothing was not an option. However, the content and extent of the action plan remains subject to a number of options, set out below:

	<b>Option</b>	<b>Pros</b>	<b>Cons</b>
1	Focus the action plan solely on direct MCC emissions	Easy to manage and measure Within the remit of the council	Will miss large emissions from the wider community
2	Focus on direct MCC emissions and some actions which will reduce emissions in the whole county	Many actions are easy to manage and measure Will impact on a wider range of emissions Potential to involve wider community and partners Maximises policy levers that we do have in place to influence county emissions e.g. transport, waste	Harder to measure county emissions Will require further resources
3	Broaden the action plan to address all the emissions of the whole county	Could potentially give the most comprehensive carbon reductions Potential to involve wider community and partners	Hard to measure and manage Policy levers to influence wider county emissions are not in place Emissions are beyond council control Lack of council resources to address emissions of whole county

5.2 The decision has been made to continue along the lines of option 2 as a pragmatic approach which incorporates our own emissions as well as some wider county emissions where we have the policy levers to do so.

## 6 EVALUATION CRITERIA

6.1 Updates on progress against each of the actions are presented to the member-led Advisory Group with the Cabinet member providing periodic updates to full council.

## 7 REASONS:

7.1 To ensure that the Council updates its action plan in response to the latest data, evidence and opportunities to deliver its policy commitment and moral obligations to reduce carbon emissions and to deliver on the Climate Emergency motion that was agreed by Council.

## 8 RESOURCE IMPLICATIONS:

- 8.1 Achieving this commitment will not be cost neutral and there are likely to be decisions that will have to be made in future which will require additional capital and revenue financial resources to be allocated. Each will carry an opportunity cost.
- 8.2 The costs for all the actions is not yet fully known, for example the cost of future net zero buildings will depend on a range of factors at the design stage. Actions will be funded in different ways, some are zero cost or will require officer time alone, some will be grant funded, some will be funded by prudential borrowing and invest to save schemes. It is anticipated that where additional funds are needed these will be subject to subsequent decision making processes.

## **9 CONSULTTEES:**

Cabinet

Strategic Leadership Team

Community Climate Champions – via engagement event

Actions were also shaped through public consultation including:

- Online survey publicised via press release and social media,
- Community engagement event at Abergavenny Community Hub,
- Workshops with children and young people at the Monmouthshire Games and Bronze Young Ambassadors conference,
- Community engagement events at Usk Show and Monmouth Climate Futures Festival.

## **10 BACKGROUND PAPERS:**

Monmouthshire County Council Climate Emergency Strategy

<https://www.monmouthshire.gov.uk/climate-emergency/>

## **11 AUTHORS:**

Hazel Clatworthy, Sustainability Policy Officer

Matthew Gatehouse, Head of Policy, Performance and Scrutiny

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## Appendix 1

<b>Title</b>	<b>Climate Emergency Action Plan</b>
<b>Purpose</b>	This plan outlines the council's response to the climate emergency declared in May 2019
<b>Owner</b>	Monmouthshire County Council
<b>Approved by</b>	Not yet approved
<b>Date</b>	November 2021
<b>Version Number</b>	2.0
<b>Status</b>	
<b>Review Frequency</b>	Annual
<b>Next review date</b>	November 2022
<b>Consultation</b>	Community Climate Champions; citizen survey; public consultation events; young people's consultation.

### Notes:

#### Timescale

We have allocated dates that are broadly based on the Welsh Government's Public Sector Decarbonisation Routemap [Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector \(gov.wales\)](#)

**It should be noted that the dates given are the timescale for completion and not for starting the work.** Many of the actions listed are already underway.

# Climate Emergency Action Plan 2021



<b>Reducing energy use</b> Reducing the amount of energy that is used for buildings and street lighting		
Action to reduce MCC emissions	Timescale	Responsible Officer
Develop a low carbon transition plan to identify and implement decarbonisation measures across the existing council estate	2021-23	Energy Manager
All new and replacement lighting within council owned buildings will be low energy LED	2021-23	Energy Manager
All remaining street lighting will be converted to LED bulbs and managed to reduce light pollution and negative impacts on biodiversity	2021-23	Street Lighting Manager
Where reasonably practicable all new council buildings will be designed to be net zero emissions.	2021-23	Head of Property, Fleet & Facilities
Establish a more robust baseline for council carbon emissions in line with the Carbon Disclosure Project* and develop trajectories and pathways to 2030 net zero carbon target	2021-23	Energy Manager
Action to reduce Countywide emissions	Timescale	Responsible Officer
Use planning policy to require net zero carbon standards for all new developments in the Replacement Local Development Plan.	2024-27	Head of Planning
Use and promote low carbon building technologies like green walls or roofs	2024-27	Head of Planning

Work with PSB partners and other organisations to reduce carbon emissions across all public buildings	2021-23	Head of Policy Performance and Scrutiny
Encourage builders and developers to undertake training in low carbon technologies	2021-23	Building Control Manager
Identify and develop the skills needed by industries of the future including green jobs/apprenticeships, working with the Regional Skills Partnership*	2021-23	Head of Enterprise and Community Animation
Promote, educate and help residents take actions to decarbonise their own homes	2021-23	Sustainability Policy Officer
What can I do to play my part?		
Make sure you have got draft proofing, loft and cavity wall insulation in your home – save money and energy. <a href="https://www.energysavingtrust.org.uk/home-insulation">https://www.energysavingtrust.org.uk/home-insulation</a>		
Simple things like switching off the lights, not leaving things on standby and only boiling the water you really need in the kettle can really make a difference. <a href="https://www.energysavingtrust.org.uk/home-energy-efficiency">https://www.energysavingtrust.org.uk/home-energy-efficiency</a>		
Understand how your heating controls work and using thermostats properly can save energy.		
If you use a dishwasher, make sure you only use it when full.		
Make sure your washing machine in full and dry clothes on a line rather than tumble dry if you can.		

\*In addition to work undertaken by officers of the local authority, Monmouthshire County Council is part of the [Cardiff Capital Region City Deal](#). As part of their [Energy Strategy](#) work is being undertaken with partners in the South Wales Industrial Cluster to begin [decarbonising industry](#) through energy efficiency, fuel switching and the creation of local energy hubs. The [Regional Skills Partnership](#) is tasked with identifying and prioritising the skills to support economic prosperity and good growth. The CCR is also commissioning support to enable local authorities to undertake reporting in line with the [Carbon Disclosure Project](#). Some of the work the Council is doing will be run as [Challenge Fund](#) projects through Cardiff Capital Region.



**Using renewable energy**  
Speed up the move from fossil fuels to renewable energy

Action to reduce MCC emissions	Timescale	Responsible Officer
Generate 8 MW of new renewable energy from the council’s estate, subject to location of renewable sites allocated in the Replacement Local Development Plan	2024-27	Head of Property, Fleet & Facilities
Install photovoltaic canopies at council owned car parks to power electric vehicle charge points with renewable energy	2024-27	
Action to reduce Countywide emissions	Timescale	Responsible Officer
Identify areas for renewable generation in the Replacement Local Development Plan	2021-23	Head of Planning
Work with Welsh Government to develop a Local Area Energy Plan in line with wider Cardiff Capital Region Energy Strategy*	2024-27	Head of Property, Fleet & Facilities
Explore potential opportunities for a district heating scheme	2021-23	Rural Programmes Procurement Officer

- What can I do to play my part?
- Switch your energy supplier to a renewable energy contract.  
<https://www.moneysavingexpert.com/utilities/cheap-green-energy/>
  - Find out whether you could install solar panels or another renewable energy in your home.  
<https://www.energysavingtrust.org.uk/renewable-energy>
  - Consider moving your savings or pensions into ethical and socially responsible funds.  
<https://www.finder.com/ca/ethical-savings-accounts>



**Supporting nature recovery and managing green spaces**  
 Absorb carbon, to support biodiversity and ecosystem resilience, and the ability to adapt

Action to reduce MCC emissions	Timescale	Responsible Officer
Promote and, as opportunities arise, use our county farms as exemplars for sustainable and regenerative agriculture.	2021-23	Head of Property, Fleet & Facilities
Expand and promote pollinator friendly management work and reduce grass cutting frequency/extent where appropriate and safe	2021-23	Commercial and Operations Manager
Generate renewable energy from grass cuttings through anaerobic digestion	2024-27	GI Strategy and Projects Officer
Work in partnership to plant more trees, increase area of woodland, improve woodland management and retain and protect existing woodland and trees	2021-23	Environment and Culture Manager
Embed biodiversity throughout decision-making; reduce key pressures on species and habitats; supporting landscape scale nature recovery projects and partnerships to enhance ecosystem resilience	2021-23	Environment and Culture Manager
Action to reduce Countywide emissions	Timescale	Responsible Officer
Promote sustainable land management and regenerative agricultural practices, including nutrient/soil management and natural flood management	2021-23	Environment and Culture Manager
Work with partners to support and promote actions to improve river water quality	2021-23	Environment and Culture Manager / Head of Planning

Explore and establish a target for an increase in the percentage of urban and rural tree cover	2021-23	GI Strategy and Projects Officer
Provide information to encourage new tree planting including in private gardens	2021-23	GI Strategy and Projects Officer
Work with Stump Up for Trees and other similar local organisations to evaluate benefits of biochar for tree plant health and locking up carbon	2021-23	Head of Neighbourhood Services
Protect and enhance green infrastructure through new and existing development	2024-27	Green Infrastructure Manager
Promote and support low impact local and community food growing	2021-23	Rural Programmes Coordinator
Reduce food miles by working with local and regional growers, distributors and retailers to market local food	2024-27	Rural Programmes Coordinator
Develop an adopt-a-garden scheme to increase local food growing and biodiversity	2021-23	Community Well-being Development Lead
What can I do to play my part?		
Leave part of your garden wild, make habitats for wildlife and plant trees to absorb carbon dioxide. <a href="https://www.wildlifetrusts.org/actions">https://www.wildlifetrusts.org/actions</a>		
Join a "Friends of" group to get involved in sustainable green space management, or find out about local groups who are doing community gardening and growing. <a href="https://www.farmgarden.org.uk/">https://www.farmgarden.org.uk/</a>		
Try and reduce your food miles by buying food which is locally grown where possible and in season.		
Think about where meat you buy comes from and have a varied diet with plenty of fruit and vegetables		
Get involved in community allotments or establish a new allotment and have a go at growing your own fruit and veg. <a href="https://www.theallotmentgarden.co.uk/Easier-grow/">https://www.theallotmentgarden.co.uk/Easier-grow/</a>		





**What we buy**  
 Reducing carbon by thinking carefully about when and what we buy  
 and whole life costs

Action to reduce MCC emissions	Timescale	Responsible Officer
Eliminate single use plastics within the council	2024-27	Sustainability Policy Officer
Incorporate climate and decarbonisation into strategic procurement collaborations, using robust, easy to understand, achievable, procurement principles that can be scored against	2021-23	Strategic Procurement Manager
Commission detailed analysis to effectively measure emissions resulting from our spend with third parties and work with managers to begin moving to lower carbon alternatives	2024-27	Strategic Procurement Manager
Eliminate the use of peat based compost from our supply chain	2024-27	Commercial and Operations Manager
Continue to phase out fossil fuel investments from our pension fund	2028-30	Chief Officer Resources

**What can I do to play my part?**

- Think about how much you buy and whether you really need it.
- When you are buying food think local, in season, reduced and recyclable packaging.
- Support your local charity shop and buy second hand, or use schemes such as Freecycle <https://www.freecycle.org/>
- Reduce the amount of “stuff” you buy by borrowing from your local Library of Things, and getting items repaired at a Repair Café. <https://monmouthshire.benthyg.cymru/>

Consider buying “experiences” for people as gifts, or charity gifts that support sustainable projects, rather than buy gifts that aren’t wanted or needed.

<https://onlineshop.oxfam.org.uk/unwrapped/category/oxfam-unwrapped>



**Reducing waste**  
By encouraging people to reduce, re-use and recycle more

Action to reduce MCC emissions	Timescale	Responsible Officer
Focus on reducing and reusing waste whilst continuing to increase domestic, business and schools recycling in line with Welsh Government's Towards Zero Waste strategy	2021-23	Head of Neighbourhood Services
Continue to develop the Council's Reuse Shops at the recycling centres and support the third sector, charity and voluntary projects to reuse waste.	2021-23	Head of Neighbourhood Services
Action to reduce Countywide emissions	Timescale	Responsible Officer
Develop Libraries of Things, Repair Cafes and Community Fridge projects to reduce waste	2021-23	Head of Neighbourhood Services
Make all of our buildings water refill stations and promote them	2021-23	Sustainability Policy Officer
Promote the use of home composters and water butts	2021-23	Head of Neighbourhood Services

- What can I do to play my part?
- Find out about and use all the different types of recycling that Monmouthshire does. <https://www.monmouthshire.gov.uk/recycling-and-waste/>
  - Get recipes and tips for using food and reducing food waste. <https://lovefoodhatewaste.com/>
  - Use refillable water bottles, and reusable containers for your lunch. <https://refill.org.uk/>
  - Try and cut down on single use plastics. <https://www.sas.org.uk/plastic-free-communities/>

Look after your clothes, repair them and don't buy disposable fashion.

<https://www.loveyourclothes.org.uk/>

Donate unwanted clothes, bric-a-brac, books, furniture etc. to your local charity shop, or textile recycling scheme to reduce landfill and help raise money.



**Walking and cycling**  
 Encouraging and making it easier for people to walk and cycle rather than drive

Action to reduce MCC emissions	Timescale	Responsible Officer
Develop schemes that will increase walking and cycling to school	2021-23	Youth Sport and Active Travel Manager / Road Safety Officer
Introduce no idling at problem locations including schools, and explore feasibility of no parking/dropping off near schools	2021-23	Group Engineer, Highways
Reduce business miles travelled by council staff and reduce the amount of commuter journeys made to the office, by building on changes made during the pandemic	2021-23	Chief Officer People and Governance
Use place-based working in social care to reduce staff and service user journeys	2021-23	Chief Officer Social Care, Health and Safeguarding
Action to reduce Countywide emissions	Timescale	Responsible Officer
Improve, expand and maintain safe and convenient cycle and footpath networks, to encourage active travel.	2021-23	Chief Operating Officer, MonLife
Develop e-bike and cycle hire schemes beginning in town centres	2021-23	Youth Sport and Active Travel Manager / Rural Programmes Manager
Ensure the RLDP allocates sites that promote the Twenty Minute Town concept to reduce the number of car journeys people have to make	2024-27	Head of Placemaking, Highways and Flooding

Work with communities to trial 20 mph speed limits in some areas ahead of a national roll-out of this policy	2021-23	Head of Property, Fleet & Facilities
Develop and promote co-working spaces across the county and with partners to reduce the need for long commutes to offices	2024-27	Head of Property, Fleet & Facilities
What can I do to play my part?		
Try and walk for short journeys, and reduce carbon while getting fit at the same time!		
Find out about local cycle routes and cycling groups and get on your bike. <a href="https://www.sustrans.org.uk/national-cycle-network/">https://www.sustrans.org.uk/national-cycle-network/</a>		
Try out an electric bike if you live somewhere hilly or could do with a bit of an extra boost! <a href="https://www.which.co.uk/reviews/electric-bikes/article/electric-bikes-everything-you-need-to-know">https://www.which.co.uk/reviews/electric-bikes/article/electric-bikes-everything-you-need-to-know</a>		
Team up with parents and your local school to develop a walking bus to walk your little ones to school.		
Get involved with local public rights of way volunteering opportunities. <a href="https://volunteer.monmouthshire.gov.uk/">https://volunteer.monmouthshire.gov.uk/</a>		
Ask your employer if they can provide showers and lockers so that you can cycle to work.		



**Greener vehicles**  
 Reducing the impact of vehicle use and encouraging use of electric and hydrogen vehicles

Action to reduce MCC emissions	Timescale	Responsible Officer
Relocate an operations depot in the south of the county to be geared up for EV charging and a move to a low carbon fleet, subject to the Replacement Local Development Plan	2024-27	Head of Property, Fleet & Facilities
Accelerate the transition of the council’s transport fleet to hybrid, electric and hydrogen vehicles as these become available	2028-30	Transport Manager
Understand how, when and where staff travel and use the Council fleet, in order to make best use of existing vehicles	2021-23	Transport Manager
Learn from the Riversimple hydrogen car pilot in Abergavenny to explore the potential for wider hydrogen use	2024-27	Transport Manager
Review our green travel plan for staff and councillor travel, and align it with Changing Spaces work	2021-23	Transport Planning & Policy Officer
Develop an Electric Vehicle Strategy, building on good practice from elsewhere.	2021-23	Head of Property, Fleet & Facilities
Install EV charging points and e-bike charging at all larger council buildings	2021-23	Head of Property, Fleet & Facilities
Action to reduce Countywide emissions	Timescale	Responsible Officer
Encourage the use of electric or hybrid taxis	2024-27	Transport Strategy Business Manager
Develop proposals for increased public EV charging including on street and in car parks	2021-23	Head of Property, Fleet & Facilities

Develop proposals for EV charging in new housing development	2024-27	Head of Property, Fleet & Facilities
Provide free car parking whilst charging in MCC owned car parks for up to 3 hours for electric vehicles	2021-23	
What can I do to play my part?		
<p>Try and car share when you can, to save fuel and money. There are schemes to help.  <a href="https://liftshare.com/uk">https://liftshare.com/uk</a></p>		
<p>If you are thinking of replacing your vehicle, think about whether an electric car would work for you. There are grants which can help. <a href="https://www.energysavingtrust.org.uk/transport/electric-cars-and-vehicles/electric-vehicles">https://www.energysavingtrust.org.uk/transport/electric-cars-and-vehicles/electric-vehicles</a></p>		





**Public transport**  
Encouraging people to use public transport rather than cars

Action to reduce MCC emissions	Timescale	Responsible Officer
Transition Monmouthshire-owned and operated buses to EV or hydrogen when this becomes feasible for rural journeys	2028-30	Transport Manager
Action to reduce Countywide emissions	Timescale	Responsible Officer
Encourage public transport use through the increased investment being made in the South Wales Metro	2024-27	Transport Planning & Policy Officer
Continue to make the case to national governments for improved public transport provision, including train frequencies and station provision	2021-23	
Develop an app or website that gives people journey information for public transport, booking options for demand responsive transport and access to the volunteer operated community lift-share scheme	2021-23	Head of Policy / Head of Enterprise and Community Animation

**What can I do to play my part?**

- Find out about public transport options that could work for you. <https://www.traveline.cymru/>
- If you are 16 to 21 you can get bus travel discounts. <https://mytravelpass.gov.wales/en/>
- If you are 16 to 25 you can apply for a young persons railcard. <https://www.16-25railcard.co.uk/>
- Concessionary bus passes are available from Transport for Wales. <https://tfw.wales/info-for/over-60s>



# Education and involvement

## Education and involvement

Helping people understand climate change and what they can do to make a difference

Action to reduce MCC emissions	Timescale	Responsible Officer
Make energy data available to schools and encourage pupils to get involved in managing energy consumption	2024-27	Energy Manager
Develop carbon dashboards to help council staff understand and monitor carbon emissions	2021-23	Energy Manager
Use the One Planet Centre as a focus for climate change education for schools, groups and organisations	2021-23	Head of Neighbourhood Services
Work with young people to enable them to take positive action on climate change	2021-23	Youth Sport and Active Travel Manager / Rural Programmes Manager
Start schemes for local growing, cooking and food waste reduction in schools, linking with local community groups	2024-27	Rural Programmes Coordinator
Introduce carbon literacy training for all council staff and embed climate change throughout corporate training and development	2021-23	Sustainability Policy Officer
Use the Cardiff Capital Region InFuSe programme to identify and develop innovative and collaborative solutions to the challenge of decarbonisation	2021-23	Head of Enterprise and Community Animation
Action to reduce Countywide emissions	Timescale	Responsible Officer
Signpost businesses to support, advice and information to help them to reduce their carbon emissions	2021-23	Business Insight Manager

Start a communications campaign about simple steps people can take to reduce their carbon emissions and brand up other activity as Climate Emergency action	2021-23	Head of Communications
Support schools to utilise the opportunity provided by the new curriculum to ensure climate change education is embedded into young people's learning.	2024-27	Head of Achievement and Attainment
Deliver carbon literacy training to individuals and community groups to raise awareness and expertise in communities	2021-23	Sustainability Policy Officer
Work with local champions in the community to build local action on climate and signpost to useful advice and guidance	2021-23	Sustainability Policy Officer
Use Monmouthshire Connect to build a group of people in communities to assist others to decarbonise	2021-23	Community Well-being Development Lead
What can I do to play my part?		
Get involved with your school's Eco Committee, or if your school isn't an Eco School, find out more and ask them if they would consider it. <a href="https://www.keepwalestidy.cymru/pages/category/eco-schools">https://www.keepwalestidy.cymru/pages/category/eco-schools</a>		
Does your workplace have recycling or other environmental issues in place? Why not try and start something.		
Get involved with one of the many voluntary groups in Monmouthshire doing great work on climate change. <a href="https://www.transitionchepstow.org.uk/">https://www.transitionchepstow.org.uk/</a> <a href="https://transitionmonmouth.org/">https://transitionmonmouth.org/</a> <a href="https://www.facebook.com/AbergavennyExtinctionRebellion/">https://www.facebook.com/AbergavennyExtinctionRebellion/</a>		



**Climate Adaptation**  
 Preparing and adapting for the impact of  
 climate change

	Timescale	Responsible Officer
Develop and act on Climate Change Risk Assessments for council services to fully understand adaptation requirements	2021-23	Sustainability Policy Officer
Develop the management of green infrastructure to improve climate resilience	2021-23	Environment and Culture Manager
Increase urban tree canopy including new street trees and in car parks to provide a cooling effect	2024-27	Green Infrastructure Manager / GI Strategy and Project Officer
Continue to promote and support council services with business continuity and emergency response strategies	2021-23	Emergency Planning Manager
Continue to promote and support business continuity to external businesses.	2021-23	Emergency Planning Manager
Work with the Business Resilience Forum to signpost businesses to support and advice on adapting to the impacts of climate change.	2021-23	Business Insight Manager
Work with partners to understand potential for and implement natural flood management	2021-23	Project Engineer (Flood Risk Management)
Undertake adverse weather planning, including heatwaves for Social Care and other service area	2021-23	Emergency Planning Manager
Ensure permeable materials and water storage is incorporated into new development and infrastructure	2024-27	Head of Planning

Continue to avoid new development on floodplains, ensuring all new proposals comply with national planning policy guidance in Technical Advice Note 15 (2021)	2024-27	Head of Planning
What can I do to play my part?		
Do you live in an area prone to flooding? Find out what you can do to be prepared. <a href="https://www.monmouthshire.gov.uk/services/planning-for-emergencies/flooding/">https://www.monmouthshire.gov.uk/services/planning-for-emergencies/flooding/</a>		
Could your community group plant trees to reduce flooding, provide habitat and shade? <a href="https://www.woodlandtrust.org.uk/plant-trees/schools-and-communities/">https://www.woodlandtrust.org.uk/plant-trees/schools-and-communities/</a>		
Find out how you can make sure your garden is resilient to our future climate. <a href="https://www.rhs.org.uk/science/gardening-in-a-changing-world/climate-change">https://www.rhs.org.uk/science/gardening-in-a-changing-world/climate-change</a>		

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# Integrated Impact Assessment document

(incorporating Equalities, Future Generations, Welsh Language and Socio Economic Duty)

<p><b>Name of the Officer</b> completing the evaluation Hazel Clatworthy</p> <p><b>Phone no: 0776 8898587</b> <b>E-mail: hazelclatworthy@monmouthshire.gov.uk</b></p>	<p><b>Please give a brief description of the aims of the proposal</b></p> <p>To update the plan which sets the actions which the authority will take to deliver the objectives in the Climate and Decarbonisation Strategy approved by Council in October 2019 and accelerate progress towards the commitment made by Council to reduce our emissions to net zero by 2030</p>
<p><b>Name of Service area</b></p> <p><b>Policy and Performance</b></p>	<p><b>Date</b></p> <p><b>4 November 2021</b></p>

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**Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The Climate Emergency Action Plan will have positive impacts for all age groups. In particular, tackling the climate emergency will have particular benefits for young people and future generations. There may also be specific benefits for young people for example by increasing active travel to school.		
Disability	There will be positive impacts on all protected characteristics.		

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?
Gender reassignment	.There will be positive impacts on all protected characteristics.		
Marriage or civil partnership	There will be positive impacts on all protected characteristics.		
Pregnancy or maternity	There will be positive impacts on all protected characteristics.		
Race	.There will be positive impacts on all protected characteristics.		
Religion or Belief	There will be positive impacts on all protected characteristics.		
Sex	There will be positive impacts on all protected characteristics.		



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?
Sexual Orientation	.There will be positive impacts on all protected characteristics.		

## 2. The Socio-economic Duty and Social Justice

The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions This duty aligns with our commitment as an authority to Social Justice.

	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 67</p> <p><b>Socio-economic Duty and Social Justice</b></p>	<p>There should not be any adverse impacts on low income households. Measures to save energy in the home and improve access to public transport may well benefit low income households. However, central government will need to ensure that low income homes have the financial incentives in order to help them to reduce carbon emissions in their homes.</p>		

### 3. Policy making and the Welsh language.



How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p><b>Policy Making</b></p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favourably</p>	<p>The Climate Emergency action plan will be published bilingually on the Council website, and all climate related press and publicity will be done bilingually.</p>		
<p><b>Operational</b></p> <p>Recruitment &amp; Training of workforce</p>	<p>Not applicable</p>		
<p><b>Service delivery</b></p> <p>Use of Welsh language in service delivery</p> <p>Promoting use of the language</p>	<p>All Climate related materials will be published bilingually.</p>		




**4. 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. There's no need to put something in every box if it is not relevant!

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?
<b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The action plan directly contributes to the Prosperous Wales vision of a low carbon society and action on climate change. There is the potential for green economy jobs to be developed.	
<b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The action plan contributes to more sustainable management of green spaces and includes measures which will build resilience of ecosystems.	
<b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood	Transport measures will improve air quality and increasing walking and cycling will improve physical and mental health.	
<b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected	Many of the actions will involve working closely with local communities to produce local community benefits. Transport measures should increase connectivity between communities, particularly for those without a car.	
<b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Reducing carbon emissions in Monmouthshire will provide a small contribution towards reducing levels of climate change, which are having global impacts including flooding, drought and sea level rise.	
<b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Welsh language will be used for all Climate Emergency communications in line with the Welsh Language measure.	

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?
<b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances	We are keen to work with the Community Climate Champions and other partners, of all ages and all backgrounds, to help us achieve our ambitions.	

**5. 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>The Action Plan sets out how we aim to achieve a target of zero carbon by 2030. This is a plan for the long term, but it requires quick and immediate action now, to reduce the devastating impacts of climate change in the longer term.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The Climate Emergency Working Group comprises of Council officers, members and members of the community. Many of the actions in the Action Plan are being delivered through collaboration, both with community groups, regionally through Gwent and in south east Wales through the Cardiff Capital Region.</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>Involving those with an interest and seeking their views</p> <p><b>Involvement</b></p>	<p>Members of the Community Climate Champions represent the community on the Climate Emergency Working Group. Those on the group include Transition town representatives, town and community councils, a community interest company and energy agency. There has been substantial community engagement in the development of the updated action plan, via an online survey, public events and young peoples events.</p>	
 <p>Putting resources into preventing problems occurring or getting worse</p> <p><b>Prevention</b></p>	<p>The whole aim of reducing our carbon emissions is to prevent (or at least reduce the scale of impact) of runaway climate change.</p>	
 <p>Considering impact on all wellbeing goals together and on other bodies</p> <p><b>Integration</b></p>	<p>.We are in touch with other local authorities across Wales and the UK who have declared a Climate Emergency. We have had guidance from Welsh Government on how they want us to measure and report on zero carbon, so are working closely with them, as well as integrating our work with Cardiff Capital Region activity on decarbonisation. We are also in touch with Town Councils who are considering/have declared a Climate Emergency to think about how we can work together in an integrated way.</p>	

**6. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?**

	Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	There are no safeguarding implications		
Corporate Parenting	There are no corporate parenting implications		

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

Evidence for the urgency to tackle climate change has come from numerous IPCC reports, such as: <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

Local information about energy and climate change has come from our Wellbeing Assessment, 3rd UK Climate Change Risk Assessment etc.

Data and statistics on energy use, emissions etc has come from the Estates Team and National Statistics data.

The action plan has been informed by an officer workshop, plus comprehensive community engagement including: workshop with Community Climate Champions, community engagement at Usk Show, Monmouth Climate Futures Festival and a community drop in workshop, engagement with young people through Monmouthshire Games and Bronze Young Ambassadors conference, and via an online survey.

**8. 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 Climate Emergency Action Plan has significant positive contributions to make to the Wellbeing Goals. In particular it has strong benefits for a Prosperous Wales, by developing a low carbon economy and thinking carefully about sustainable procurement. There are also benefits for a Resilient Wales, based on changes to the way we manage green spaces. A Healthier Wales will be enhanced by improvements to air quality from more sustainable travel and more walking and cycling. There is also significant potential to contribute to Cohesive Communities, by working collaboratively and in partnership with our communities. There are no negative impacts on the Well-being Goals.4.2 There are no significant positive or negative impacts on

the protected characteristics, safeguarding or corporate parenting. The principles of Long term, Prevention, Integration, Collaboration and Involvement have been used throughout the development of the Action Plan.

**9. 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

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**10. VERSION CONTROL:** The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	Council	4 November 2021	

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## MONMOUTHSHIRE COUNTY COUNCIL REPORT

<p><b>SUBJECT:</b> Diversity in Local Democracy <b>MEETING:</b> Democratic Services Committee <b>DATE:</b> 4<sup>th</sup> November 2021 <b>DIVISION/WARDS AFFECTED:</b> N/A</p>
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### 1. PURPOSE:

For this Council to agree to sign up to the WLGA Diversity in Local Democracy programme and agree the actions committed to in the declaration to improve diversity.

### 2. KEY ISSUES:

At its meeting on the 28<sup>th</sup> September 2018, WLGA Council committed to advance gender equality and diversity in local democracy ahead of the 2022 local elections. As such a cross party working group was formed to explore issues and actions that could be developed to improve diversity in local democracy.

WLGA Council received and approved the report of this crossparty working group in early 2021 and identified three areas for action:

- Encouraging Councils to ensure all councillors receive their full entitlement to allowances and salaries and encouraging the introduction of resettlement grants, so that all members receive fair remuneration for their work and that the role of member is not limited to those who can afford it
- An agreement by Council to undertake new or developed work in this area and visibly commit to this by signing up to becoming Diverse Councils.
- To discuss positions and making representation to political parties and acting locally to set quotas and/or voluntary targets for the election of councillors from underrepresented groups.

Monmouthshire County Council has limited or no control over some aspects of the recommendations such as the way in which political parties put forward their candidates for election and the issue of providing resettlement grants to senior salary post holders who are not successful in getting re-elected. Further information on these proposals will be provided at a future meeting of the Democratic Services Committee should they take effect.

This report focusses solely on the request for all Councils to commit to being a Diverse Council and the actions needed to demonstrate the work that is/will be undertaken to support that commitment and also aligns with the motion agreed by Council on the 24<sup>th</sup> June 2021 that aims to achieve a more diverse Council.

Attached at appendix A to this report is an example declaration and list of actions agreed through the Democratic Services Committee that the Council can commit to ahead of the 2022 elections to try and engage with candidates from more diverse backgrounds and encourage them to stand for election.

The report seeks to approve diversity ambassadors from each political group on the Council to encourage diversity within the groups and maintain the standards as set out in the Local Government and Elections (Wales) Act 2021. Ideally, that appointment should be a member of the Democratic Services Committee to allow for continuous monitoring and feedback on the arrangements and application of the declaration. If agreed, group leaders should send the name of the nominated ambassador for their group to the head of democratic services following the appointment.

**3. RESOURCE IMPLICATIONS:**

Limited resource implications. Most of the requirements of the pledge are already being undertaken or scheduled to take place already.

**4. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:**

In signing up to be a Diverse Council, the Council is ensuring candidates and local representatives from all backgrounds are able to stand for election and represent the views of their communities. The more diverse the Council can be, the more diverse and wide ranging policies and decisions taken by the Council will become and better reflect the communities those decisions effect.

**5. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS:**

None

**6. BACKGROUND PAPERS**

[WLGA Report - Diversity in Local Government](#)

**7. AUTHOR:**

John Pearson, Local Democracy Manager  
Email: johnpearson@monmouthshire.gov.uk

## Appendix A – Example Diverse Council Declaration

This Council commits to being a Diverse Council. We agree to:

Commitment	What do we do? Actions needed?
Provide a clear public commitment to improving diversity in democracy	Action: Democratic Services Committee to make a recommendation to the next Full Council meeting requesting the council sign up as a Diverse Council underpinned by the actions here.
Demonstrate an open and welcoming culture to all, promoting the highest standards of behaviour and conduct	Diversity ambassadors to promote the standards within their own groups as well group leaders adhering to the expected levels of behaviour as set out in the Local Government and Elections (Wales) Act 2021.
<p>Set out a local Diverse Council Action Plan ahead of the 2022 local elections including:</p> <ul style="list-style-type: none"> <li>• Appoint a Diversity Ambassador for each political group on the Council to work with each other and local party associations to encourage recruitment of candidates from under represented groups</li> <li>• Encourage and enable people from underrepresented groups to stand for office through the provision of activities such as mentoring and shadowing programmes and information and learning events for people interested in standing and official candidates</li> <li>• Proactive engagement and involvement with local community groups and partner organisations supporting and representing under represented groups.</li> <li>• Ensure that all members and candidates complete the Welsh Government candidates and councillors survey distributed at election time.</li> <li>• Set ambitious targets for candidates from under-represented groups at the 2022 local elections.</li> </ul>	<p>Action: appoint a Diversity Ambassador from the Democratic Services Committee membership for each political group who can feed back updates on progress for committee to monitor and review?</p> <p>Shadowing and mentoring to be considered as part of the induction plan and preparation for the 2022 local elections. Needs political group involvement and buy in and relies on candidates being re-elected to follow through on mentoring programme.</p> <p>At 2012 and 2017 elections, pre-election briefings held with potential candidates to provide details on election process and highlight duties/expectations/commitments needed of a Councillor. Councillors will be invited to attend sessions to give personal experience of being a councillor to potential candidates. Work with other departments/groups to promote sessions as widely as possible.</p> <p>A copy of the survey is given to all candidates who submit a nomination paper to stand for election and it can be filled in online. As much as its promoted and followed up response levels have been low at both 2012 and 2017 elections. Councillors are also an exit survey (circulated on 8<sup>th</sup> October 2021) and are encouraged to complete this survey to</p> <p>Targets are difficult to set with limited control over selection processes but targeted campaigns to encourage participation and briefing sessions dedicated for hard to reach groups will be held.</p>
Work towards the standards for member support and development set out in the Wales Charter for Member Support and Development.	Significant work was undertaken in 2019 to evidence work to apply for charter status with the WLGA but work was halted due to the general election, preparations for the 2020 PCC election and the

	<p>pandemic.</p> <p>At the time there was only a small number of additional evidence required to achieve charter which can be prepared as part of this commitment however, it may be that a new council will be best place to submit that proposal for the next term ensuring it meets their needs.</p>
<p>Demonstrate a commitment to a duty of care for Councillors by:</p> <ul style="list-style-type: none"> <li>• Providing access to counselling services for all councillors</li> <li>• Having regard for the safety and wellbeing of councillors whenever they are performing their role as councillors.</li> <li>• Taking a zero tolerance approach to bullying and harassment by members including through social network.</li> </ul>	<p>A dedicated Health and Safety area for members is included in the member area on the hub here: <a href="#">Democratic Services - Health and Safety</a></p> <p>All members can access the Councils counselling services already through Democratic Services.</p> <p>A recent survey of members was undertaken to identify levels of abuse/harassment members receive in their role. Thankfully, incidents in Monmouthshire are currently very low but the Head of Democratic Services and the Monitoring Officer can support members in dealing with any issues that arise.</p>
<p>Provide flexibility in council business by:</p> <ul style="list-style-type: none"> <li>• Regularly reviewing and staggering meeting times</li> <li>• Encouraging and supporting remote attendance at meetings</li> <li>• Agreeing recess periods to support councillors with caring or work commitments</li> </ul>	<p>The timing of Full Council meetings are reviewed through the Democratic Services Committee at least once every term of Council (twice this term).</p> <p>Committees and Committee Chairs are given the flexibility to adjust their meeting times as they see fit in achieving the outcomes they wish to achieve.</p> <p>The Council Constitution was amended in 2015 to allow remote attendance at Council meetings subject to certain conditions. New legislation allows councillors to attend meetings remotely without the conditions attached to it and members are provided with the equipment and skills to participate remotely where they wish to do so. Recent upgrades to the Council Chamber will further improve the remote meeting experience for members attending remotely as well as in person and will ensure no matter how members participate in meetings, they will have the same experience.</p> <p>The Council diary is already drafted with school holiday periods defined as a period for not allocating meetings where possible and coupled with the conditions above on timings of meetings allow members/committees to influence the meeting diary to suit their needs.</p>

<p>Ensure that all members take up the allowances and salaries to which they are entitled, particularly any reimbursement for costs of care, so that all members receive fair remuneration for their work and that the role of member is not limited to those who can afford it</p>	<p>All members automatically receive the allowance they are entitled to, as set out by the Independent Remuneration Panel for Wales, with exceptions only made at the request of individual members.</p> <p>In publishing the details of allowances, a total cost of care across all members is published rather than itemised against each councillor to encourage members to claim the costs they are entitled to.</p>
<p>Ensure that councillors from under-represented groups are represented whenever possible in high profile, high influence roles.</p>	<p>This would be a role the Diversity Ambassador from each political group would feed into their own groups to ensure appointments to different roles the group are entitled to are distributed with this in mind.</p>

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# Integrated Impact Assessment document

(incorporating Equalities, Future Generations, Welsh Language and Socio Economic Duty)

<p><b>Name of the Officer</b> John Pearson</p> <p><b>Phone no:</b> <b>E-mail:</b>johnpearson@monmouthshire.gov.uk</p>	<p><b>Please give a brief description of the aims of the proposal</b></p> <p>To encourage greater diversity in candidates standing for election and ultimately representing residents as a County Councillor.</p>
<p><b>Name of Service area</b></p> <p>Democratic Services</p>	<p><b>Date</b> 4<sup>th</sup> November 2021</p>

1. **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.

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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 / Marriage or civil partnership / Pregnancy or maternity / Race / Religion or Belief / Sex / Sexual Orientation	A more diverse set of Councillors from wide ranging backgrounds and protected characteristics will hopefully ensure that policies and decisions taken by the Council better reflect society as a whole and serve the needs of all residents. It could also lead to higher levels of engagement in the democratic process to help shape policies through to the decisions being made.		

## 2. The Socio-economic Duty and Social Justice

The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions This duty aligns with our commitment as an authority to Social Justice.

	<b>Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage</b>	<b>Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
<b>Socio-economic Duty and Social Justice</b>	Increased diversity amongst Councillors who make decisions for their ward should ensure that those decisions better reflect the diversity of the residents of that particular area and Monmouthshire as a whole.		



### 3. Policy making and the Welsh language.




<b>How does your proposal impact on the following aspects of the Council's Welsh Language Standards:</b>	<b>Describe the positive impacts of this proposal</b>	<b>Describe the negative impacts of this proposal</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts</b>
<b>Policy Making</b> Effects on the use of the Welsh language, Promoting Welsh language Treating the Welsh language no less favourably	Welsh speaking Councillors may wish to use the Welsh language in meetings and promote that medium through meetings being live streamed.		
<b>Operational</b> Recruitment & Training of workforce	If more Welsh speaking councillors are elected we will need to consider advertising a future vacancy as Welsh essential in order that those councillors can communicate with us through the medium of Welsh		
<b>Service delivery</b> Use of Welsh language in service delivery Promoting use of the language	We comply with the Welsh Language Standards as applicable to us as a department.		



**4. 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. There's no need to put something in every box if it is not relevant!

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?
<b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs	A more diverse Council can contribute to all the Well Being Goals by bringing different experiences and knowledge that the Council doesn't currently have. This can then be used to improve decisions that the Council take that have an impact on all the residents of Monmouthshire.	
<b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)		
<b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood		
<b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected		
<b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing		
<b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation		
<b>A more equal Wales</b>		

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?
People can fulfil their potential no matter what their background or circumstances		

**5. 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>Councillors from different age groups could lead to an increase in candidates standing for election over time and encourage other young people to stand for election.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A diverse Council can lead to better cohesion between the County Council and the Community by introducing relationships that may not exist without the wider representation.</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>A diverse Council could encourage more people to engage in local democracy and shape the decisions the council make.</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><b>Prevention</b></p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Councillors with more diverse backgrounds may highlight issues to the Council at an earlier stage than may have been the case if they were not engaged in the democratic process.</p>	
 <p><b>Integration</b></p> <p>Considering impact on all wellbeing goals together and on other bodies</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. Also think about impacts the proposal may have on other organisations</i></p>	

**6. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?**

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Safeguarding		.	All councillors will be required to undertake the necessary Safeguarding and corporate parenting training as part of their induction programme to make them aware of their responsibilities as a councillor.
Corporate Parenting			

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

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**8. 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?**

A more diverse Council can lead to better and more relevant decisions taken locally that will have a greater impact on residents and the local area.

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**9. 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

**10. VERSION CONTROL:** The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.

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Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration

<b>SUBJECT:</b>	<b>DIARY OF MEETINGS FOR 2022/23</b>
<b>MEETING:</b>	<b>County Council</b>
<b>DATE:</b>	<b>4 November 2021</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>N/A</b>

**1. PURPOSE:**

To approve the diary of meetings for 2022/2023.

**2. RECOMMENDATIONS:**

That the diary of meetings for 2022/2023, as attached, be approved.

**3. KEY ISSUES:**

- 3.1 The diary includes, for information only, dates of meetings for political groups and outside bodies that are not agreed by Council and are subject to change by the organising bodies.
- 3.2 As per previous years, as far as is practicable meetings have not been scheduled during school holidays as requested by Councillors. There is an inevitable need to hold some meetings during school holidays so that the diary does not become too congested and avoids clashes with other meetings and priorities but these have been kept to a minimum.
- 3.3 Included within the diary are proposed induction sessions for new councillors following the election in 2022. Democratic Services Committee have received and reviewed the timetable for the induction programme. Sessions have been kept to minimum to not congest and overburden members at the outset, however this needs to be balanced with ensuring councillors are given the required training to allow the Council to carry out its functions as soon as possible. Mandatory/essential induction modules will run from May to end of July alongside the first meetings of some committees. Following the summer recess in August, further induction sessions will be introduced covering less time critical topics but nevertheless important to bring all members up to speed with work of the Council.
- 3.4 Induction sessions are included in the diary with a 10:00am start time. These are provisional and times will be confirmed closer to the time. The opportunity for recording induction session as well as attending remotely will be increased due to the upgrading of the Council chamber with full benefits being assessed following completion of the works. The WLGA are leading on a programme of works for e-learning modules looking to be available before the 2022 elections which can help compliment the induction programme and any members who are unable to attend a planned induction session.
- 3.5 All candidates standing for election at the May 2022 local elections will be provided with the council diary and induction timetable at the point of submitting their nomination, as well as informed through candidate briefing sessions, to highlight the commitment needed to the role.

**4. REASONS:**

The Council calendar needs to be approved annually to ensure appropriate governance arrangements are in place for the year and enables Members and officers to forward plan effectively.

Early indication of the induction programme will ensure all candidates standing for election are aware of the commitment they will need to give the role immediately following the election.

**5. RESOURCE IMPLICATIONS:**

None as a direct result of this report.

**6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:**

There are no sustainable development or equality impacts arising from this report.

**7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS**

There are no safeguarding or corporate parenting implications associated with this report.

**8. CONSULTEES:**

Democratic Services Committee  
SLT  
Monitoring Officer

**9. BACKGROUND PAPERS:**

None.

**10. AUTHOR:**

John Pearson, Local Democracy Manager

**CONTACT DETAILS:**

Tel: 01633 644212

E-mail: [johnpearson@monmouthshire.gov.uk](mailto:johnpearson@monmouthshire.gov.uk)



# **CALENDAR OF MEETINGS**

**1 MAY 2022 - 1 SEPTEMBER 2023**

<b>MAY, 2022</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>9</b>	<b>10</b> 10.00 am Members Induction - Welcome, Introductions and Orientation, Members' Seminars	<b>11</b>	<b>12</b> 10.00 am Members Induction - Decision making, ethics and standards of behaviour (e- learning), Members' Seminars	<b>13</b>
<b>16</b>	<b>17</b> 10.00 am Members Induction - Chief Executive session, Members' Seminars 2.00 pm AGM, County Council	<b>18</b>	<b>19</b> 10.00 am Members Induction - Chief Executive session, Members' Seminars 12.30 pm Members Induction - ICT Drop in session, Members' Seminars 2.00 pm County Council	<b>20</b>
<b>23</b> 10.00 am Members Induction - Online service area introductions, Members' Seminars	<b>24</b> 10.00 am Members Seminar - Licensing Committee Training, Members' Seminars 2.00 pm Licensing and Regulatory Committee	<b>25</b>	<b>26</b> 10.00 am Members Induction - Introduction to Local Government Finance (e- learning), Members' Seminars	<b>27</b> 10.00 am Members Induction - Orientation, Members' Seminars
<b>30</b>	<b>31</b> 10.00 am Members Induction - Planning Committee Training, Members' Seminars			

<b>JUNE, 2022</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
		<b>1</b>	<b>2</b>	<b>3</b>
<b>6</b> 10.00 am Members Induction - Standards Committee Training, Members' Seminars	<b>7</b> 10.00 am Members Induction - Scrutiny (e-learning), Members' Seminars 2.00 pm Planning Committee	<b>8</b>	<b>9</b> 10.00 am Members Induction - Chairs Training (online), Members' Seminars 2.00 pm Governance and Audit Committee	<b>10</b>
<b>13</b> 10.00 am Members Induction - Safeguarding, Corporate Parenting and Personal Safety (e-learning), Members' Seminars	<b>14</b> 10.00 am Members Induction - Equalities, Diversity & Welsh Language (E-Learning), Members' Seminars	<b>15</b> 10.00 am Standing Advisory Council on Religious Education (SACRE) 3.00 pm Cabinet	<b>16</b> 10.00 am Children and Young People Select Committee	<b>17</b>
<b>20</b>	<b>21</b> 10.00 am Members Induction - Data Management, FOI and GDPR Regulations (E Learning), Members' Seminars	<b>22</b>	<b>23</b> 2.00 pm County Council	<b>24</b>
<b>27</b> 2.00 pm Democratic Services Committee	<b>28</b> 10.00 am Licensing and Regulatory Committee 5.00 pm PROVISIONAL - RLDP Member Workshop - Deposit Plan Member workshop, Members' Seminars	<b>29</b> 5.00 pm Individual Cabinet Member Decisions	<b>30</b> 10.00 am Strong Communities Select Committee	

<b>JULY, 2022</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
				<b>1</b>
<b>4</b> 2.00 pm Wye Valley AONB Joint Advisory Committee	<b>5</b> 2.00 pm Planning Committee	<b>6</b> 3.00 pm Cabinet	<b>7</b> 10.00 am Economy and Development Select Committee	<b>8</b>
<b>11</b> 10.00 am Member Induction - Social Services and Wellbeing Act (E Learning), Members' Seminars	<b>12</b> 10.00 am Adults Select Committee	<b>13</b> 10.00 am Strategic Transport Group 5.00 pm Individual Cabinet Member Decisions	<b>14</b> 2.00 pm Governance and Audit Committee	<b>15</b>
<b>18</b> 11.00 am Monmouthshire Farm School Endowment Trust	<b>19</b> 10.00 am Licensing and Regulatory Committee	<b>20</b> 10.00 am Standing Advisory Council on Religious Education (SACRE)	<b>21</b> 2.00 pm County Council	<b>22</b>
<b>25</b> 10.00 am Members Induction - Policy and Future Generations Act (E-Learning), Members' Seminars	<b>26</b> 10.00 am Members Induction - Planning Committee for Non planning committee (E Learning), Members' Seminars	<b>27</b> 3.00 pm Cabinet	<b>28</b>	<b>29</b>

<b>AUGUST, 2022</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>1</b> 10.00 am PROVISIONAL - Members Induction - Public Speaking and Social Media Training (E-Learning), Members' Seminars	<b>2</b> 2.00 pm Planning Committee	<b>3</b> 5.00 pm Individual Cabinet Member Decisions	<b>4</b>	<b>5</b>
<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>
<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>
<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>
<b>29</b>	<b>30</b>	<b>31</b> 5.00 pm Individual Cabinet Member Decisions		

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# SEPTEMBER, 2022

Monday	Tuesday	Wednesday	Thursday	Friday
			<b>1</b> 10.00 am Strong Communities Select Committee	<b>2</b>
<b>5</b> 10.00 am Member Induction - Climate Change Workshop, Members' Seminars	<b>6</b> 2.00 pm Planning Committee	<b>7</b> 3.00 pm Cabinet	<b>8</b> 10.00 am PROVISIONAL - Members Induction - Violence against Women and Domestic Violence (E-Learning), Members' Seminars 2.00 pm Governance and Audit Committee	<b>9</b>
Page 96	<b>13</b> 10.00 am Licensing and Regulatory Committee	<b>14</b> 5.00 pm Individual Cabinet Member Decisions	<b>15</b> 10.00 am Economy and Development Select Committee	<b>16</b>
	<b>19</b>	<b>20</b> 10.00 am Adults Select Committee	<b>21</b>	<b>22</b> 2.00 pm County Council
<b>26</b> 2.00 pm Democratic Services Committee	<b>27</b>	<b>28</b> 5.00 pm Individual Cabinet Member Decisions	<b>29</b> 10.00 am Children and Young People Select Committee	<b>30</b>

# OCTOBER, 2022

Monday	Tuesday	Wednesday	Thursday	Friday
<b>3</b>	<b>4</b> 2.00 pm Planning Committee	<b>5</b> 3.00 pm Cabinet	<b>6</b> 10.00 am Strong Communities Select Committee	<b>7</b>
<b>10</b> 10.00 am Standards Committee	<b>11</b>	<b>12</b> 5.00 pm Individual Cabinet Member Decisions	<b>13</b> 2.00 pm Governance and Audit Committee	<b>14</b>
<b>17</b> 10.00 am Monmouthshire Farm School Endowment Trust	<b>18</b>	<b>19</b> 10.00 am Strategic Transport Group	<b>20</b> 10.00 am Economy and Development Select Committee	<b>21</b>
<b>24</b>	<b>25</b> 10.00 am Adults Select Committee	<b>26</b> 10.00 am Standing Advisory Council on Religious Education (SACRE) 5.00 pm Individual Cabinet Member Decisions	<b>27</b> 2.00 pm County Council	<b>28</b>
<b>31</b>				

<b>NOVEMBER, 2022</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
	<b>1</b> 2.00 pm Planning Committee	<b>2</b>	<b>3</b>	<b>4</b>
<b>7</b> 2.00 pm Wye Valley AONB Joint Advisory Committee	<b>8</b> 10.00 am Licensing and Regulatory Committee	<b>9</b> 3.00 pm Cabinet	<b>10</b> 10.00 am Children and Young People Select Committee	<b>11</b>
<b>14</b>	<b>15</b>	<b>16</b> 5.00 pm Individual Cabinet Member Decisions	<b>17</b> 10.00 am Strong Communities Select Committee	<b>18</b>
<b>21</b> 2.00 pm Democratic Services Committee	<b>22</b>	<b>23</b>	<b>24</b> 2.00 pm Governance and Audit Committee	<b>25</b>
<b>28</b>	<b>29</b> 10.00 am Adults Select Committee	<b>30</b> 5.00 pm Individual Cabinet Member Decisions		



# DECEMBER, 2022

Monday	Tuesday	Wednesday	Thursday	Friday
			1 2.00 pm County Council	2
5	6 2.00 pm Planning Committee	7 3.00 pm Cabinet	8 10.00 am Economy and Development Select Committee	9
12 Page 99	13 10.00 am Licensing and Regulatory Committee	14 5.00 pm Individual Cabinet Member Decisions	15 10.00 am Children and Young People Select Committee	16
	20	21	22	23
26	27	28	29	30

<b>JANUARY, 2023</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>2</b>	<b>3</b> 2.00 pm Planning Committee	<b>4</b> 3.00 pm Cabinet	<b>5</b> 10.00 am Strong Communities Select Committee	<b>6</b>
<b>9</b>	<b>10</b> 10.00 am Adults Select Committee	<b>11</b> 5.00 pm Individual Cabinet Member Decisions	<b>12</b> 10.00 am Economy and Development Select Committee	<b>13</b>
<b>16</b>	<b>17</b>	<b>18</b> 10.00 am Strategic Transport Group	<b>19</b> 2.00 pm County Council	<b>20</b>
<b>23</b> 2.00 pm Democratic Services Committee	<b>24</b>	<b>25</b> 5.00 pm Individual Cabinet Member Decisions	<b>26</b> 2.00 pm Governance and Audit Committee	<b>27</b>
<b>30</b> 11.00 am Monmouthshire Farm School Endowment Trust	<b>31</b> 10.00 am Licensing and Regulatory Committee			

# FEBRUARY, 2023

Monday	Tuesday	Wednesday	Thursday	Friday
		<b>1</b> 3.00 pm Cabinet	<b>2</b> 10.00 am Children and Young People Select Committee	<b>3</b>
<b>6</b> 10.00 am Standards Committee	<b>7</b> 2.00 pm Planning Committee	<b>8</b> 5.00 pm Individual Cabinet Member Decisions	<b>9</b> 10.00 am Strong Communities Select Committee	<b>10</b>
<b>13</b>  Page 161	<b>14</b> 10.00 am Adults Select Committee	<b>15</b> 10.00 am Standing Advisory Council on Religious Education (SACRE)	<b>16</b> 2.00 pm Governance and Audit Committee	<b>17</b>
	<b>21</b>	<b>22</b> 5.00 pm Individual Cabinet Member Decisions	<b>23</b>	<b>24</b>
<b>27</b>	<b>28</b>			

<b>MARCH, 2023</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
		<b>1</b> 3.00 pm Cabinet	<b>2</b> 10.00 am Economy and Development Select Committee	<b>3</b>
<b>6</b> 2.00 pm Wye Valley AONB Joint Advisory Committee	<b>7</b> 2.00 pm Planning Committee	<b>8</b> 5.00 pm Individual Cabinet Member Decisions	<b>9</b> 2.00 pm County Council	<b>10</b>
<b>13</b>	<b>14</b> 10.00 am Licensing and Regulatory Committee	<b>15</b> 10.00 am Strategic Transport Group	<b>16</b> 10.00 am Children and Young People Select Committee	<b>17</b>
<b>20</b> 2.00 pm Democratic Services Committee	<b>21</b>	<b>22</b> 5.00 pm Individual Cabinet Member Decisions	<b>23</b> 10.00 am Strong Communities Select Committee	<b>24</b>
<b>27</b>	<b>28</b> 10.00 am Adults Select Committee	<b>29</b>	<b>30</b> 2.00 pm Governance and Audit Committee	<b>31</b>

<b>APRIL, 2023</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>3</b>	<b>4</b> 2.00 pm Planning Committee	<b>5</b> 3.00 pm Cabinet	<b>6</b> 10.00 am Economy and Development Select Committee	<b>7</b>
<b>10</b>	<b>11</b>	<b>12</b> 5.00 pm Individual Cabinet Member Decisions	<b>13</b>	<b>14</b>
<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b> 2.00 pm County Council	<b>21</b>
<b>24</b>	<b>25</b> 10.00 am Licensing and Regulatory Committee	<b>26</b> 5.00 pm Individual Cabinet Member Decisions	<b>27</b> 10.00 am Children and Young People Select Committee	<b>28</b>

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<b>MAY, 2023</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>1</b>	<b>2</b> 2.00 pm Planning Committee	<b>3</b> 3.00 pm Cabinet	<b>4</b>	<b>5</b>
<b>8</b>	<b>9</b>	<b>10</b> 5.00 pm Individual Cabinet Member Decisions	<b>11</b> 10.00 am Strong Communities Select Committee	<b>12</b>
<b>15</b>	<b>16</b> 2.00 pm AGM, County Council	<b>17</b>	<b>18</b> 2.00 pm County Council	<b>19</b>
<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>
<b>29</b>	<b>30</b>	<b>31</b>		

<b>JUNE, 2023</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
			<b>1</b>	<b>2</b>
<b>5</b> 2.00 pm Democratic Services Committee	<b>6</b> 10.00 am Adults Select Committee 2.00 pm Planning Committee	<b>7</b> 3.00 pm Cabinet	<b>8</b> 10.00 am Children and Young People Select Committee 2.00 pm Governance and Audit Committee	<b>9</b>
<b>12</b>	<b>13</b> 10.00 am Licensing and Regulatory Committee	<b>14</b>	<b>15</b> 10.00 am Economy and Development Select Committee	<b>16</b>
<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b> 2.00 pm County Council	<b>23</b>
<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>

<b>JULY, 2023</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
<b>3</b>	<b>4</b> 2.00 pm Planning Committee	<b>5</b> 3.00 pm Cabinet	<b>6</b>	<b>7</b>
<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>
<b>17</b> 11.00 am Monmouthshire Farm School Endowment Trust	<b>18</b> 10.00 am Adults Select Committee	<b>19</b>	<b>20</b> 10.00 am Children and Young People Select Committee	<b>21</b>
<b>24</b>	<b>25</b>	<b>26</b> 3.00 pm Cabinet	<b>27</b> 10.00 am Economy and Development Select Committee 2.00 pm County Council 2.00 pm Governance and Audit Committee	<b>28</b>
<b>31</b>				



<b>AUGUST, 2023</b>				
<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
	1 2.00 pm Planning Committee	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

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<b>SUBJECT:</b>	<b>AUDITED STATEMENT OF ACCOUNTS 2020/21 - MONMOUTHSHIRE COUNTY COUNCIL</b>
<b>MEETING:</b>	<b>Council</b>
<b>DATE:</b>	<b>4<sup>th</sup> November 2021</b>
<b>DIVISIONS/WARD AFFECTED:</b>	<b>All</b>

## 1. PURPOSE:

- 1.1. The purpose of this report is to provide the audited Statement of annual accounts for the Authority for 2020/21 for final approval, subsequent to the audit process undertaken by Audit Wales and review and endorsement by the November Governance & Audit Committee.

## 2. RECOMMENDATIONS:

- 2.1. That the final audited Monmouthshire County Council Statement of Accounts for 2020/21 (Appendix 1) are approved by Council.

## 3. KEY ISSUES

### Draft statement of accounts

- 3.1. Under current legislation the draft statement of accounts, prior to audit, have to be produced each year by 31<sup>st</sup> May following the financial year they relate to. During the 2020/21 closure process the finance section faced considerable disruption as a result of the continuing impact of the Covid-19 pandemic with staff resources being limited and the primary focus rightly being directed to ensuring the ongoing financial sustainability of the Council. Consequently, and utilising the flexibility permitted by Welsh Government regulation, the draft statement of accounts were not prepared until 21<sup>st</sup> July and were subsequently reviewed by Governance & Audit Committee at its meeting on 29<sup>th</sup> July 2021.

### Final audited statement of accounts

- 3.2. Council approval of the final audited accounts should follow the audit process and under current legislation this has to be completed by 31<sup>st</sup> July following the financial year they relate to.
- 3.3. Despite the best efforts of the Authority and Audit Wales it was not possible to complete the audit process to meet the statutory deadline. The outbreak of the COVID-19 pandemic has caused significant disruption both to the Authority and Audit Wales in being able to complete the necessary work to satisfy audit requirements to the required deadline.
- 3.4. As a result under Regulation 10(2) of the Accounts and Audit (Wales) Regulations 2014, the Authority was required to publish a notice highlighting the delayed conclusion of the audit which was made on 30<sup>th</sup> July 2021 and can be viewed at:

3.5. The revised timetable is therefore:

<b>3<sup>rd</sup> November 2021</b>	Review & endorsement by G&AC
<b>4<sup>th</sup> November 2021</b>	Approval by Council
<b>5<sup>th</sup> November 2021</b>	Sign off by Audit Wales

#### 4. REASONS

- 4.1. To review and endorse the Authority's final audited Statement of accounts which incorporate all adjustments for "corrected misstatements" which have been identified by Audit Wales and as noted in Appendix 3 of their ISA260 Audit of Accounts report.
- 4.2. It is pleasing to note that the auditors intend to provide an **unqualified audit opinion** on the Accounts, and management would wish to acknowledge the continuing strength of relationship between Council and Audit Wales, and the professional and constructive approach in which audit colleagues have conducted their activities despite the difficult circumstances.
- 4.3. Of significant note, the ISA260 Audit of Accounts report raises the following issues and recommendations, the council's management response to which is included alongside to reassure Members of the ongoing steps being taken to ensure the quality of the accounts.

#### **Uncorrected misstatements**

- ***Overstatement of year-end creditors (£973,000) - where services were incorrectly accrued for in the 2020/21 accounts, despite not being delivered to the Council until 2021/22***

**Management comment:** The 2020/21 financial year-end process corresponded with many unbudgeted grants being notified and received during a short period in March 2021. As a result, finance teams were managing many conflicting demands on staff resources and consequently they were required to use greater estimation and judgement in carrying out many year-end calculations. This included basing their calculations on the information provided to them by budget holders and external suppliers who in many instances were under similar pressure given the ongoing COVID-19 pandemic impact. As a result, assurances received by the finance teams of the timings of goods/services received proved to be inaccurate upon further investigation.

For future closure periods, where material accruals are being calculated finance teams will look to obtain additional evidence to support the information put forward by budget holders and external suppliers.

- ***Overstatement of 2020/21 income (£191,000). Revenue due relating to prior periods had been incorrectly recorded as revenue in 2020/21, as opposed to offsetting a debtor that had been established in a prior accounting period.***

**Management comment:** It is fully accepted that despite staff turnover in the financial management of this area, that the established systems and procedures in place should have proved adequate to maintain the robust and accurate recording of income. A review of the procedures in place for recording of this rental income stream, along with a review of the sections business continuity arrangements will be carried out fully prior to the next closure period as to ensure that this remains an isolated error.

## **Recommendations**

- ***Our cut-off testing identified an item of capital expenditure (£102,000) that was not accrued for in the 2020/21 accounts, despite the works involved being delivered within the financial year. We recommend that the Council review it's close-down procedures and looks to ensure adequate central finance support for the Children and Young people service area to identify future capital accruals.***

**Management comment:** Recommendation agreed. Finance resources were severely restricted during the closure period and in prioritising higher risk areas it is fully accepted that the central finance support provided to the CYP directorate fell short in this lower risk area. Closure procedures will be reviewed with a view to ensuring adequate central finance support is planned for future closure periods.

### **5. OPTIONS APPRAISAL**

- 5.1. Not applicable.

### **6. EVALUATION CRITERIA**

7. Not applicable

### **8. RESOURCE IMPLICATIONS**

- 8.1. As outlined in the respective Statement of accounts to be found in the Appendices.

### **9. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**

- 9.1. There are no implications directly arising from the recommendations and decisions highlighted in this report.

### **10. CONSULTEES**

Strategic Leadership Team  
Cabinet Members  
Deputy Chief Executive, Chief Officer - Resources

### **11. BACKGROUND PAPERS**

- 11.1. Appendix 1: Audited Statement of Accounts 2020/21  
Audit Wales ISA260 Audit of Accounts report

### **12. AUTHORS:**

Jonathan Davies  
Acting Assistant Head of Finance (Deputy Section 151 officer)  
Email: [jonathandavies2@monmouthshire.gov.uk](mailto:jonathandavies2@monmouthshire.gov.uk)  
Phone: (01633) 644114

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## Audit of Accounts Report – Monmouthshire County Council

Audit year: 2020-21

Date issued: October 2021

Document reference: 2652A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

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

We intend to issue an unqualified audit report on your Statement of Accounts. There are some matters to report to you prior to their approval.

## **Audit of Accounts Report**

Introduction	4
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# Audit of Accounts Report

## Introduction

- 1 We summarise the main findings from our audit of your 2020-21 Statement of Accounts in this report.
- 2 We have already discussed these issues with the Finance Manager for Central Accountancy and the Acting Section 151 Officer.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £3.15 million for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
  - Senior officer remuneration: £1,000
  - Related party transactions (for individuals): £5,000
- 6 We have now substantially completed this year's audit, although at the time of issue of this report some work remained outstanding. We do not expect any outstanding work to affect the financial statements, but we will provide a further verbal update to the Governance and Audit Committee when presenting this report.
- 7 In our professional view, we have complied with the ethical standards that apply to our work. We remain independent of yourselves and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Impact of COVID-19 on this year's audit

- 8 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the ongoing challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit.
- 9 The pandemic continues to affect our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

## Exhibit 1 – impact of COVID-19 on this year’s audit

<b>Timetable</b>	<p>Given the continuing impact of COVID-19, the Welsh Government provided flexibility in terms of both the accounts preparation deadlines and the audit deadlines:</p> <ul style="list-style-type: none"><li>• The timescale for completing your accounts was revised by the Welsh Government from 31 May 2021 to 31 August 2021.</li><li>• We received the approved draft accounts on 21 July 2021.</li><li>• Our deadline for completing our audit was extended by the Welsh Government from 31 July to 30 November 2021.</li><li>• We expect your audit report to be signed on 5 November 2021.</li></ul> <p>As stated previously, officers should be commended for the timely completion of the draft financial statements.</p>
<b>Electronic signatures</b>	<p>Given ongoing Welsh Government guidance to work from home where possible, we will continue to use electronic signatures to certify the final Statement of Accounts. We will liaise with management to arrange this.</p>
<b>Audit evidence</b>	<p>Due to social distancing measures, Audit Wales staff are currently working remotely from home. As a result, we have not had direct access to certain systems such as the Council’s financial ledger, associated systems and shared drives. We normally use this access to directly review financial records and obtain invoices where possible.</p> <p>Consequently, we have had to request all such information and working papers from Council staff for the 2020-21 audit, although all information requested has been provided to us.</p>

- 10 We will continue to review what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt to enhance that process.

## Proposed audit opinion

- 11 We intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 12 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.

- 13 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 14 Our proposed audit report is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

- 15 We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these are corrected. If you decide not to correct these misstatements, we ask that you provide us with the reasons in writing for not correcting them.

#### **Overstatement of year-end creditors (£973,000)**

Our testing of year-end creditors identified 4 out of 25 sampled transactions where services were incorrectly accrued for in the 2020-21 accounts, despite not being delivered to the Council until 2021-22. The errors all arose as part of year-end accounts closedown and related specifically to capital items.

The errors identified in our testing are below our materiality threshold. We have performed further audit procedures to provide assurance that there is no likely material misstatement arising in the remaining creditors population and are satisfied that this is the case.

Given the tight timescale in place to approve the final accounts and the immaterial value of the amendments required, the Council has informed us that they do not wish to correct these items. Furthermore, the corrections required for three of the four transactions would result in reclassification of the balances into other creditor types, meaning that the total creditor balance would be unaffected by their correction.

#### **Overstatement of 2020-21 income (£191,000)**

During the audit, management notified us that revenue due relating to prior periods from a tenant of Castlegate Business Park had been incorrectly recorded as revenue in 2020-21, as opposed to offsetting a debtor that had been established in a prior accounting period. This had the effect of overstating income and debtors in the year by £191,000.

Given the tight timescale in place to approve the final accounts and the immaterial value of the amendments required, the Council has informed us that they do not wish to correct this item.

## Corrected misstatements

- 16 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

## Other significant issues arising from the audit

- 17 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you, such as:
- concerns about the qualitative aspects of accounting practices and financial reporting;
  - any significant difficulties during the audit;
  - significant matters discussed and corresponded upon with management which we need to report to those charged with governance;
  - Any other matters significant to the oversight of the financial reporting process that we need to report;
  - Any identified material weaknesses in internal controls; and
  - Any other matters specifically required by auditing standards to be communicated to those charged with governance.
- 18 There are no such matters to report to you for your consideration from this year's audit.

## Recommendations

- 19 One recommendation arising from our audit is set out in **Appendix 4**. Management has responded to it and we will follow up progress against it during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

# Appendix 1

## Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

4 November 2021

### Representations regarding the 2020-21 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 2021 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### Management representations

#### Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2020-21; in particular, the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

### Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Monmouthshire County Council and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is set out below:

### **Overstatement of year-end creditors (£973,000)**

The 2020-21 financial year end process corresponded with many unbudgeted grants being notified and received during a short period in March 2021. As a result, finance teams were managing many conflicting demands on staff resources and consequently they were required to use greater estimation and judgement in carrying out many year-end calculations. This included basing their calculations on the information provided to them by budget holders and external suppliers who in many instances were under similar pressure given the ongoing COVID-19 pandemic impact. As a result, assurances received by the finance teams of the timings of goods/services received proved to be inaccurate upon further investigation.

For future closure periods, where material accruals are being calculated finance teams will look to obtain additional evidence to support the information put forward by budget holders and external suppliers.

### **Overstatement of 2020-21 income (£191,000)**

It is fully accepted that despite staff turnover in the financial management of this area, that the established systems and procedures in place should have proved adequate to maintain the robust and accurate recording of income.

A review of the procedures in place for recording of this rental income stream, along with a review of the sections business continuity arrangements will be carried out fully prior to the next closure period as to ensure that this remains an isolated error.

## **Representations by Monmouthshire County Council**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Monmouthshire County Council on 4 November 2021.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

**Signed by:**

Paul Matthews  
Chief Executive

**Signed by:**

Cllr. Richard John  
Leader, Monmouthshire County Council

Date: 4 November 2021

Date: 4 November 2021



# Appendix 2

## Proposed Audit Report

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

#### Opinion on financial statements

I have audited the financial statements of Monmouthshire County Council for the year ended 31 March 2021 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 international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

In my opinion the financial statements:

- give a true and fair view of the financial position of Monmouthshire County Council as at 31 March 2021 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

#### Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. 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

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

## **Other Information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **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 2020-21;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

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, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

## 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Council's Chief Internal Auditor and those charged with governance, including obtaining and reviewing supporting documentation relating to the Council's policies and procedures concerned with:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud.
  - Obtaining an understanding of the Council's framework of authority as well as other legal and regulatory frameworks that the Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Council.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Council;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Council's controls, and the nature, timing and extent of the audit procedures performed.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **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.

**Adrian Crompton**  
**Auditor General for Wales**  
**5 November 2021**

**24 Cathedral Road**  
**Cardiff**  
**CF11 9LJ**

# Appendix 3

## Summary of Corrections Made

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.

There are no corrections which affect the Council's General Fund balance. The two tables below set out:

- corrections to the financial statements which have no effect on the Council's General Fund; and
- corrections to disclosure notes or other presentational items in the accounts.

### Exhibit 2: financial statement corrections that do not affect the General Fund

Area of correction	Nature of correction	Reason for correction
<b>Balance Sheet:</b> classification of cash and debtors	To ensure that cash and debtor balances are accurately presented.	Our audit identified that an adjustment made to correct for late cash receipts in March 2021 had been incorrectly entered into the ledger, omitting one bank account. £572,000 had been received into this account late in March 2021, meaning that cash needed to be increased (and debtors decreased) by this amount. This has now been corrected in the final accounts.
<b>Note 12.1 (Property, Plant and Equipment):</b> Valuation of one land and building asset and assets held for sale (AHFS).	To ensure that asset revaluations are correctly recorded in line with the CIPFA Code.	Our audit identified that: <ul style="list-style-type: none"> <li>• the valuation of one 'other land and buildings' asset had not been completed in time for inclusion in the draft accounts. The valuation (once complete) resulted in a reduction in value of £2.2 million.</li> <li>• the revaluation of new AHFS in the year had been incorrectly treated in the draft accounts, with the valuation impact (a net revaluation gain of £641,000) recorded after transfer within Note 12.6, as opposed to before transfer within Note 12.1.</li> </ul> These revaluation impacts have now been correctly recorded within the final accounts.
<b>Note 12.5 (Investment Properties):</b>	To ensure that assets are correctly valued	The CIPFA Code requires that investment properties are revalued annually. During the audit we were informed that four asset valuations were not completed

Overstatement of asset valuations.	in line with the CIPFA Code.	in time for inclusion in the draft accounts. The impact of these valuations reduces the overall carrying value of investment properties by £464,000. These valuations have now been appropriately recorded within the final accounts.
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### Exhibit 3: corrections relating to presentational/disclosure matters only

Area of correction	Nature of correction	Reason for correction
<p><b>Note 11.2 (Income and Expenditure Analysed by Nature):</b> Treatment of various elements of grant income.</p>	To ensure that the note accurately reflects the nature of income and expenditure incurred by the Council in the year.	<p>Our audit identified that:</p> <ul style="list-style-type: none"> <li>COVID-19 Hardship Grant funding of £21.3 million had been incorrectly classified within 'fees, charges and other service income' (FCOSI) rather than 'external grants and contributions'.</li> <li>Bus Services Support Grant funding of £27.3 million (received by the Council but passed on to other bodies) has been removed from FCOSI rather than 'external grants and contributions'.</li> </ul> <p>The above matters have now been corrected, the net effect of which is to increase FCOSI and reduce 'external grants and contributions' by £6.0 million.</p>
<p><b>Note 12.5 (Investment Properties):</b> Inclusion of Cardiff Capital Region City Deal (CCRCD) properties.</p>	To ensure that the note correctly includes CCRCD balances.	<p>Our audit identified that investment properties in this disclosure note were recorded at £1.8 million below the total included in the Balance Sheet. The difference related to CCRCD investment properties which had been omitted from the disclosure note.</p> <p>This amount has now been included in the final disclosure note, correctly classified as 'Level 3-Significant Unobservable Inputs'.</p>
<p><b>Note 12.8 (Capital Expenditure and Capital Financing):</b> Correction to value of 'revenue expenditure funded from capital under statute'.</p>	To ensure that 'revenue expenditure funded from capital under statute' is consistently disclosed.	<p>Our audit identified that the various disclosures for 'revenue expenditure funded from capital under statute' were inconsistent throughout the accounts. We confirmed that the correct values should be:</p> <ul style="list-style-type: none"> <li>Note 10.2 and 10.8: £1.5 million;</li> <li>Note 11.6: £1.3 million;</li> <li>Note 12.8: £2.9 million;</li> </ul> <p>Disclosures in the final accounts are now consistent.</p>

<p><b>Note 12.9 (Capital Commitments):</b> Understatement of commitment totals.</p>	<p>To ensure that this disclosure note is complete.</p>	<p>Our audit identified that two capital commitments with a total value of £1.1 million had not been disclosed within the draft accounts. These commitments have now been included within the final accounts disclosure.</p>
<p><b>Note 12.12 (Leases – Authority as Lessee):</b> Understatement of commitments.</p>	<p>To ensure that all commitments are accurately disclosed.</p>	<p>Our audit identified that an error within the working paper behind this disclosure note resulted in an understatement of lease commitments of £308,000. This has now been corrected within the final accounts disclosure.</p>
<p><b>Note 13.1 (Financial Instruments):</b> Classification of long and short-term borrowings.</p>	<p>To ensure that borrowings are correctly classified in line with the CIPFA Code.</p>	<p>Our audit identified that £183.5 million of borrowings was inconsistently classified throughout Notes 13.1 and 13.4, with neither amount agreeing to the carrying value in the Balance Sheet. In all above disclosure notes in the final accounts, amounts have now been corrected to:</p> <ul style="list-style-type: none"> <li>• Long-term borrowings: £98.6 million</li> <li>• Short-term borrowings: £84.9 million</li> <li>• Total borrowings: £183.5 million</li> </ul>
<p><b>Note 16.4 (Related Parties):</b> Corrections to disclosures.</p>	<p>To ensure that related party disclosures are complete and accurate.</p>	<p>Our audit identified that:</p> <ul style="list-style-type: none"> <li>• the disclosures for Members (the value of interests and the number of Members involved) were incorrect; and</li> <li>• figures for Dragon Waste Ltd. were all entered as ‘TBC’ in the draft accounts, due to delays in receiving the company’s draft 2020-21 accounts.</li> </ul> <p>These details have now been corrected in the final disclosure note.</p>
<p><b>Note 16.7 and 16.8 (Senior Officer Remuneration and Emoluments):</b> Corrections to disclosures.</p>	<p>To ensure that this disclosure note is presented in line with the requirements of the Accounts &amp; Audit Regulations (Wales) 2014.</p>	<p>Our audit identified:</p> <ul style="list-style-type: none"> <li>• Within Note 16.7, an offsetting correction of £5,367 between ‘salary’ and ‘pension contributions’ was required for the Chief Officer for Enterprise.</li> <li>• Within Note 16.8, one employee was incorrectly banded within ‘£80,000 - £84,999’, rather than ‘£85,000 - £89,999’.</li> </ul>



<p><b>Note 11.4 (Agency Income and Expenditure):</b> Disclosure of agency transactions and balances.</p>	<p>To ensure that agency transactions and balances are disclosed in line with the CIPFA Code.</p>	<p>Our audit identified that the draft accounts included no disclosure of agency transactions and balances (i.e. amounts which the Council received and paid on behalf of others, with no discretion over the transactions themselves). The CIPFA Code requires material agency transactions and balances to be disclosed, and the Council received material amounts of funding for COVID-19 related activity in 2020-21. A further disclosure note to record this activity has now been included in the final accounts, and we are satisfied that the disclosures meet the requirements of the CIPFA Code.</p>
<p><b>Various:</b> Other presentational changes to supporting notes.</p>	<p>To ensure that all disclosures are accurately presented.</p>	<p>A number of other narrative, presentational and minor amendments were made to supporting notes throughout the final accounts.</p>

# Appendix 4

## Recommendations

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report.

### Exhibit 4: matter arising 1

<b>Matter arising 1 – review of capital expenditure</b>	
<b>Findings</b>	<p>Our cut-off testing identified an item of capital expenditure (£102,000) that was not accrued for in the 2020-21 accounts, despite the works involved being delivered within the financial year.</p> <p>The Finance Manager for Central Accountancy informs us that while there is a process in place for identifying year-end capital accruals, the service area involved in this case (Children and Young People) relies heavily on support from the central finance team when completing capital year-end procedures, as the schemes involved are invariably complex in nature. As a result of the resourcing issues within the central finance team during the accounts closure period there was a shortage of support provided in this instance.</p> <p>The amount involved here is below our trivial threshold, and so has not been corrected in the final accounts. We have also performed additional audit procedures to provide assurance that there is no potential material cut-off error remaining due to similar issues and are satisfied that this is the case.</p>
<b>Priority</b>	Medium
<b>Recommendation</b>	We recommend that the Council review its close-down procedures and looks to ensure adequate central finance support for the Children and Young people service area to identify future capital accruals.
<b>Benefits of implementing the recommendation</b>	This should reduce the risk of future capital accruals not being accounted for in the correct accounting period.
<b>Accepted in full by management</b>	Agreed.

<b>Management response</b>	<p>Finance resources were severely restricted during the closure period and in prioritising higher risk areas it is fully accepted that the central finance support provided to the CYP directorate fell short in this lower risk area. Closure procedures will be reviewed with a view to ensuring adequate central finance support is planned for future closure periods.</p>
<b>Implementation date</b>	<p>2021-22 financial year-end.</p>



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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

# **MONMOUTHSHIRE COUNTY COUNCIL**

## **AUDITED STATEMENT OF ACCOUNTS**

**2020/21**



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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 880sq miles and serving a resident population of around 93,000.

The majority of the Council's administrative and political functions are carried out at County Hall at The Rhadyr, near Usk, Monmouthshire.

### 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 2021) of the Council is 25 Conservative, 9 Labour, 6 Independent members and 3 Liberal Democrat Councillors.

The Cabinet and elected members are supported by the Council's Strategic 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 with a brief overview of their functions are:

#### Social Care, Health & Safeguarding

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

Monitoring (Legal & land charges) and Governance, Democracy & Support.

#### Resources

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

#### Enterprise

Business growth & enterprise, Monlife, Facilities & Fleet, Neighbourhood services, Planning & housing.

#### Corporate

Corporate management, Non-distributed costs, Precepts & levies and Insurance

## 1.2 Financial Performance for the Year

### Revenue Budget for 2020/21

The net revenue budget of £170.7m 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 despite the extraordinary ongoing financial pressures. As a result of significant unbudgeted Welsh Government grants that were communicated to and received by the Authority late in the financial year and that have offset core budget funding, the Council generated a surplus of £4.119m which was used to replenish earmarked reserves, and ensure a level of financial resilience to deal with service pressures and the wider policy commitments that will shape future service delivery.

Soon after setting the 2020/21 budget the Council's operations, along with the rest of the world, were severely affected by the Covid-19 pandemic which placed unexpected changes and demands on the services that we deliver. In working with all parts of the Welsh Public Sector the Welsh Government provided significant one-off support to all areas through numerous funds, ranging from support to local businesses via the Business Restrictions Fund, the Business Support Grant provided to local businesses, and recognition through the Local Government Hardship Fund of the additional costs & loss of income incurred by the Council in dealing with response. These accounts only recognise the one-off resources provided to the Council to support its services.

Further details on the outturn position are provided in the June 2021 outturn report to Cabinet.

	Revised Budget £000	Actual £000	Variance £000
<b>Net Expenditure:</b>			
<b>Net cost of services (as per internal management reporting)</b>	<b>163,657</b>	<b>160,488</b>	<b>(3,169)</b>
Attributable costs – Fixed Asset Disposal	65	68	3
Interest and Investment Income	(252)	(231)	21
Interest Payable and Similar Charges	4,047	3,709	(338)
Charges Required Under Regulation	6,143	6,075	(68)
Borrowing Cost Recoupment	(3,375)	(3,538)	(163)
Capital Expenditure Financing	252	252	0
Earmarked Contributions to/(from) Reserves	169	4,288	4,119
<b>Net Revenue Budget</b>	<b>170,706</b>	<b>171,111</b>	<b>405</b>
<b>Financed by:</b>			
General government grants	(67,723)	(67,723)	-
Non-domestic rates	(30,037)	(30,037)	-
Council tax	(79,831)	(80,238)	(407)
Council Tax Benefit Support (included in NCS)	6,885	6,887	2
<b>Net Financing Budget</b>	<b>(170,706)</b>	<b>(171,111)</b>	<b>(405)</b>
<b>Council Fund (surplus)/deficit - Non-Schools</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Council Fund (surplus)/deficit - Schools</b>	<b>304</b>	<b>(3,853)</b>	<b>(4,157)</b>
<b>Council Fund (surplus)/deficit - Total</b>	<b>304</b>	<b>(3,853)</b>	<b>(4,157)</b>

The net cost of services in the table above of £160.48m is reported on a management accounting basis, i.e. the same basis as the budget reports to Cabinet during the year. The figure for the net cost of services in the Comprehensive Income and Expenditure (CIES) in Section 6 of £167.44m 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	2018/19 £000	2019/20 £000	2020/21 £000
Council Fund Balance	7,110	8,906	8,906
School Balances	(232)	(435)	3,418



Earmarked Reserves	5,550	5,182	9,334
Service Reserves	402	402	407
Trading Accounts	661	800	930
<b>Total Usable Reserves &amp; balances available for Revenue Purposes</b>	<b>13,490</b>	<b>14,854</b>	<b>22,995</b>

**Schools:** In a similar manner to the general revenue activities of the Council, Schools also received Welsh Government support in dealing with the impacts of the Covid pandemic during 2020/21, whilst also experiencing reduced spending on core service delivery during their periods of closure. The following table summarises the schools balances position by school type:

School Balances	2018/19 £000	2019/20 £000	2020/21 £000
Comprehensives	(635)	(931)	554
Primaries	242	347	2,838
Other	161	149	26
<b>Total</b>	<b>(232)</b>	<b>(435)</b>	<b>3,418</b>

### Capital expenditure & financing

In addition to revenue spending the Council also spent £18.7m on its assets which is detailed below along with the corresponding finance streams:

2019/20 £000		2020/21 £000
	<b>Expenditure</b>	
1,427	Schools modernisation programme	393
7,316	Infrastructure	9,482
6,225	Asset management schemes	2,755
659	Other	1,638
908	Inclusion schemes	926
477	ICT schemes	0
5,573	Regeneration schemes	2,509
831	Vehicles	1,003
<b>23,415</b>	<b>Total Expenditure</b>	<b>18,706</b>
	<b>Financing</b>	
(5,910)	Capital receipts	(1,042)
(8,673)	Borrowing and Finance Lease Commitments	(5,859)
(8,547)	Grants and Contributions	(11,553)
(286)	Revenue and Reserve Contributions	(252)
<b>(23,416)</b>	<b>Total Financing</b>	<b>(18,706)</b>

### Significant capital receipts

The most significant capital receipts received in 2020/21 were £2.1m for land at Chepstow Road, Raglan, £2.7m for Crick Road and £1.45m for the share of the former County Hall site, Cwmbran. All other receipts totalled £1.2m. The Council currently ring fences all capital receipts to support ongoing capital investment priorities in line with its Corporate plan.

### 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 2020/21 the valuations included Community Centres, Hubs & Public Contact Centres, Public Conveniences and Primary Schools. The programme for subsequent years is as follows:

- 2021/22 – Community Centres, Corporate Facilities, Recreational Spaces and Leisure Centres
- 2022/23 – Primary Schools, Recreational Spaces and Community Centres

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 Investment Property portfolio is assessed annually by the Authority's Estates section to ensure the value is accurately reflected in the accounts.

During the year the value of our non-current assets has reduced from £399.0m to £392.7m, arising from recognising the in-year asset enhancing spend of £9.6m; the rolling programme of revaluations increasing their held value by £1.3m; depreciation of £(12.8)m; book value of disposals of £(2.5)m; transfers to current assets of £(1.4)m & transactions relating to consolidated arrangements £(0.3)m.

### Borrowing arrangements and sources of funds

The Council's overall borrowing, on a principal valuation basis, totalled £183.46m as at 31st March 2021 (£187.71m as at 31st March 2020), comprising of the following:

31st March 2020 £000		31st March 2021 £000
89,627	Public Works Loan Board	74,647
13,816	Market Loans & Bank loans	13,812
5,248	Welsh Government	5,062
76,023	Local Government bodies	86,944
3,000	Special Purpose Vehicle	3,000
<b>187,714</b>	<b>Total borrowing</b>	<b>183,466</b>

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 2020/21 (including amounts raised for Police and Community Councils) was £1,717.44 (£1,629.72 in 2019/20) for properties in valuation Band D. We collected 96.6% in year of the total due (97.7% 2019/20). Our collection rate for Non-Domestic Rates was 92.8% in 2020/21 (97.7% in 2019/20). During the year £54,000 Council Tax and £27,000 Non-Domestic Rates' debts were written off (£168,000 and £200,000 in 2019/20).

### Pension Liabilities

We are required to state the cost of paying retirement pensions when we become committed to the costs, not when we actually pay them. An Actuary is used to estimate the figure for Monmouthshire and 2020/21 shows a net liability of £306,876,000 (£230,526,000 in 2019/20).

There is a increase in the combined net liability of the Greater Gwent pension funds of £76,350,000 from 1 April 2020 to 31 March 2021. This has resulted from a increase in the value of scheme liabilities of £177m offset by a increase in the value of scheme assets. The increase in liabilities is due to changes in financial assumptions (e.g. increased inflation, decreased discount rate, increased longevity/age presumptions).

The date of the latest actuarial valuation was 31 March 2019 and this updated the employers' contribution rates from April 2020 until 31 March 2023. Further details are given in section 14 of the notes to the Accounts.

## 1.3 The Financial Outlook

**2021/22:** In setting its 2021/22 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 3.89%, which increased the annual band D charge by £53.71 to £1,434.47 (excluding amounts raised for Police and Community Councils). It also approved £4.7m of savings measures to ensure that the approved budget is delivered.

In respect of the Council's forward capital programme this has been constructed to principally support the Schools modernisation programme, Disabled Facilities Grants, Asset management and Infrastructure, with some £73.5m (including contributions to the Cardiff Capital Region City Deal initiative) forecast to be spent from 2021/22 to 2024/25.

**The Medium Term:** The medium term prognosis is still of concern with the current MTFP indicating a funding gap of £15m over the next three years if settlement from Welsh Government remains static. There are currently no indicative settlement figures published which significantly impedes and impacts on forward planning of budgets over the medium term. Demand led cost pressures continue to increase in areas such as Children's services, Adult Social Care, Children's additional learning needs and Transport.

There is still a need to think differently about the even greater challenges of the medium term and this work and engagement will continue in the coming months, and notably with other local authorities, Welsh Government and the Welsh Local Government Association (WLGA) and where funding distribution and projections are concerned.

## Covid19 Impact

2020/21 saw a continuation of the emergency response enabled in March 2020 which necessitated the Council to change how it delivers its services:

- Much of the administrative business undertaken continued with officers working remotely.
- Immediate business critical services were maintained i.e. waste collection, school hubs, social care, benefits etc. Staff within other services that have either been closed or the service reduced were redeployed as appropriate.
- The Council provided representation to the Gwent Strategic Coordinating Group and sub groups for strategic and operational decision making. The Council also established an Emergency Response Team which, alongside the Council's Cabinet and Strategic Leadership Team, oversaw the response/delivery.

The financial challenges facing the Council and resulting from the Covid-19 pandemic were hugely significant during 2020/21 and will continue to be over the medium term as the economy recovers and demands on local services transform in line with the social changes that the pandemic has brought about.

The Council continues to incur significant costs in its response effort and this will continue as it transitions towards recovery. Furthermore and resulting from the restrictions that UK Government and Welsh Government have had to put in place to contain the spread of the virus we are suffering significant shortfalls in our income levels. Some of these will return more quickly than others as services are able to be safely turned back on.

In working with all parts of the Welsh Public Sector the Welsh Government provided significant one-off support to all areas through numerous funds which have been administered by the Council during the year. This has ranged from support to local businesses via Business Support Grants, payments made to care workers and specific Freelancer and Start up grants:

Support fund	£000s
Business Support Grants	25,417
Business Support Grants	13,621
Care Workers £500 Payments	1,193
Covid-19 Freelancer Grant	440
Self Isolation Payments	145
Covid-19 Start Up Grant	143
SSP Enhancement	127
<b>Total</b>	<b>41,084</b>

It is inevitable that the Council will face significant financial challenges as we move into the recovery phase of the pandemic as demands on services change in light of a severely altered socio-economic landscape. Alongside this there will continue to be risks associated with Welsh Government support funding being reduced or stopped. It is therefore important that the Council looks to replenish earmarked reserves to strengthen ongoing financial resilience.

In considering the above and in apportioning the outturn position the future financial stability of the Council was considered, alongside the potential additional unknown costs that could occur in dealing with post Covid-19 recovery, whilst also giving financial resilience to service areas to deal with service pressures and the wider policy commitments that will shape future service delivery.

### Cardiff Capital Region City Deal (CCRCD)

The Council continues to be an active member of the Cardiff Capital Region City Deal initiative. This Council will make a 6.1% contribution to the £120 million with the percentage being based on its proportion of the regional population, and fund the annual costs of this investment. The development and management of this £120 million is the responsibility of the CCRCD Regional Cabinet. The capital contribution in 2020/21 of £122,862 (£0 in 2019/20) was less than anticipated due to projects not being completed as planned.

The Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures. Further details of the arrangement are outlined in note 16.6.

## 1.4 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 2021. The notes are sectioned to aid the user of the accounts to navigate the extensive supporting notes.

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**Peter Davies**  
**Deputy Chief Executive (S151 Officer)**

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**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 line with statute this is the Section 151 Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

### 2.2 The Section 151 Officer's Responsibilities

The Section 151 Officer 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 Section 151 Officer 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 Section 151 Officer has also:

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

## APPROVAL OF STATEMENT 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 2021 and its income and expenditure for the year ended 31st March 2021.

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**Peter Davies**  
**Deputy Chief Executive (S151 Officer)**

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**Date**

Monmouthshire CC

Annual Governance Statement 2020/21

October 2021

### **Executive Summary**

The Statement itself demonstrates that Monmouthshire has appropriate 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 the majority of areas we have effective governance arrangements in place which are continually improving, but also recognise that there is always further work to do.

Despite the pandemic the Council has managed to maintain the majority of its governance arrangements this year and has demonstrated it has sound and effective arrangements in place in the services it delivers and the crisis it had to deal with. The majority of improvements noted in the 2019/20 Action Plan have been addressed during the year such that there is no need for formal Action Plan for 2020/21. The Code of Corporate Governance was presented to the Council's Audit Committee during the year and will be presented to Cabinet for formal approval during 2021/22.

Audit Wales'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.

- 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 2019/20 action plan is shown at Appendix 1.

### **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 (Wales) Measure 2011 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.
- 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 Council's financial management arrangements conform to the governance requirements of the 'CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)'.
- 6 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 initially approved by Council in July 2011; the Code was revised and updated again in June 2020. A copy of the 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 revised Code sets out what governance arrangements are in place within Monmouthshire CC for each of the Governance Principles.

### **The Purpose of the Governance Framework**

- 7 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.
- 8 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.
- 9 The governance framework has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.

### **The Governance Framework**



10 The Council's Corporate Governance is 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

#### **Wellbeing of Future Generations (Wales) Act 2015**

11 Monmouthshire has to demonstrate it is compliant with the Well-being of Future Generations (WFG)(Wales) Act 2015 and this compliments the way it functions in line with the above principles of good governance; the core behaviours being:

- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
- ensuring openness and comprehensive stakeholder engagement

This needs 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.

- Long Term
- Prevention
- Integration
- Collaboration
- Involvement

Monmouthshire Council priority goal (Well-being 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
The best possible start in life	✓		✓	✓		✓	
Lifelong well-being	✓	✓	✓	✓	✓		
Maximise the Potential of the natural and built environment	✓	✓	✓		✓	✓	✓
Thriving and well-connected county	✓	✓	✓	✓	✓		✓
Future-focused Council	✓	✓			✓		✓

- 12 The key elements of the Council's governance arrangements are set out in its Corporate Plan 2017-2022, "A Monmouthshire that works for everyone" which was approved by Council in February 2018. A mid-term refresh was presented to Council in March 2020.
- 13 As part of the requirements of the Well-being of Future Generations (Wales) Act 2015 the Public Service Board (PSB) is 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 and report annually on its progress.
- 14 The Public Service Board has approved four well-being objectives that underpin a clear purpose of "building sustainable and resilient communities".
- 15 An update on the emerging actions being developed to deliver the objectives contained in Monmouthshire's Well-being Plan was signed off by the PSB in April 2018. The Public Services Board Committee was renamed the Public Services Committee in March 2020 in order to scrutinise wider public service provision and where powers allow, to provide greater accountability of services delivered in collaboration or by external partners.
- 16 The PSB presented its annual report 2019/20, in July 2020 to the Public Services Committee.

### Coronavirus (Covid-19) Pandemic

- 17 The Coronavirus pandemic (WEF March 2020) had initially caused significant organisational disruption including new emergency responsibilities, increased staff absence and a requirement for staff to work from home (where possible) while continuing to ensure statutory services were maintained as expected. This statement assesses the governance in place during 2020/21 with the majority of key operations being affected by Coronavirus throughout the year.
- 18 In accordance with the Council's Corporate Emergency Management Plan (revised March 2019) an Emergency Response Team (ERT) was established along with a regional multi-agency Strategic Co-ordination Group (SCG) to deal with this pandemic. These groups started to meet on a daily basis during March 2020 and continued throughout 2020/21.
- 19 Once enacted, the Corporate Emergency Management Plan allowed for an emergency management structure and delegation of emergency powers to the ERT Gold Duty Officer in consultation with the Leader of the Council.

- 20 The pandemic has impacted on the Council's delivery of services as some staff were diverted to front line duties to ensure that critical services were prioritised. There have also been new areas of activity as part of the national response to Coronavirus for example providing emergency assistance to businesses in Monmouthshire.
- 21 There has been funding and logistical consequences of delivering the local government response. To ensure appropriate governance and accountability, these costs have been identified by staff and appropriately coded on the Council's Main Accounting System and reclaimed from Welsh Government.
- 22 In line with public health measures to mitigate the spread of Coronavirus and to enable the Council to focus on the delivery of critical services, all public meetings were initially suspended. This included Council meetings, meetings of full Cabinet and all committee and sub-committee meetings, including Select, Planning and Licensing. The Council felt it was important to re-instate public meetings as soon as it was safe to do so. Using appropriate technology, key meetings were held remotely which could be viewed by the public through live streaming or through You Tube channels later. MCC was the first Council in Wales to get its meetings back up and running (Investment Committee 24 April 20). Cabinet held a virtual and remote meeting on the 6<sup>th</sup> May 2020, Council was run virtually on 4<sup>th</sup> June 2020, Audit Committee June 2020, with other public meetings following.
- 23 Urgent decisions initially were made in accordance with the officer and Members' schemes of delegation as detailed in the Council's Constitution and urgent decision-making procedures.
- 24 As the use of technology came into operation, minimal Council meetings were cancelled; they were held remotely through live video links.
- 25 "The Council has risen to the challenge by establishing new ways of delivering services that support residents and businesses, assisting community activity and supporting staff well-being. The pace of change over the past seven months has been unrelenting, with hundreds of staff re-deployed, new services created almost overnight, and millions of pounds re-directed towards preserving life and helping local businesses remain viable." An evaluation of the Council's progress against its Coronavirus Strategic Aims was taken through Cabinet in November 2020.
- 26 As much as possible, the systems of internal control have continued to operate during the pandemic. The Council's implementation of Office365 (Teams) has allowed the majority of employees to successfully work from home without major disruption.
- 27 In the Chief Internal Auditor's opinion, adequate assurance was obtained over the course of 2020/21 to result in an overall 'Reasonable' audit opinion to be issued for the Council's activities, although this was based on the limited work undertaken by the team. Internal Audit coverage was adversely affected during 2020/21 as it was significantly involved with fraud prevention activities following the Welsh Government business grants support and then supported the Track Trace and Prevent (TTP) operation led by the Council's Public Health Team. Reliance on previous year's audit work has also been taken into consideration in arriving at this year's opinion in that there have been no significant systems or staff changes. 57% of the approved revised audit plan was completed against the target of 82%; 9 audit opinions were issued; no *Limited Assurance* audit opinions were issued. Further detail regarding the Internal Audit team's performance is included within the Internal Audit Annual Report 2020/21.
- 28 In conclusion, during 2020/21 the Coronavirus pandemic did not lead to significant internal control or governance issues which impacted on the overall review of effectiveness. This will be monitored during 2021/22 and reviewed as part of future Annual Governance Statements in future.

### **Review of Effectiveness**

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

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

- i) The Monitoring Officer presented the revised and updated Council Constitution to the Democratic Services Committee in January 2021 and to full Council in March 2021;
- 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; Contract Procedure Rules were reviewed and updated during 2020/21 and approved by full Council within the Constitution in March 2021;
- iii) Whole Authority Strategic Risk Management Assessment and amendments to the Policy were approved by Cabinet in March 2020 & April 2021;
- iv) Formal risk management and ongoing review of the processes involved reported through Audit Committee July 2020 & March 2021
- v) The Audit Committee undertook a self-evaluation exercise towards the end of 2019/20; summary reported to Audit Committee June 2020;
- vi) Annual Audit Committee report to Audit Committee July 2020 and Council September 2020;
- 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; reported through Audit Committee
- 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, Select Committees and Audit Committee as appropriate. Audit Committee receives a regular report on the progress made with recommendations and proposals issued by Audit Wales.
- xi) regular monitoring of performance against the Corporate Plan and service plans and of key targets, and reporting of this to senior management and members;
- xii) Corporate Plan update 2019/20 – Council October 2020;
- xiii) Through the coronavirus pandemic establishing a series of interim strategies to provide clarity in direction and ensure accountability – 'Plan on a Page' to Cabinet May 2020, July 2020 & December 2020
- xiv) Whole Authority Safeguarding Position Statement during Covid – 19 – Cabinet May 2020; Annual Safeguarding Evaluation Report and Activity Plan – Council January 2021;
- xv) Estyn's report into Local Government Education Services in Monmouthshire County Council – Cabinet May 2020;
- xvi) Annual appraisal of the effectiveness of the authority's performance management arrangements reported annually to Audit Committee.
- xvii) Chief Officer for Children and Young People's Annual Report presented to Council May 2019; Chief Officer for Social Care, Safeguarding & Health's Annual Report presented to Council June 2020; Corporate Parenting Annual Report to Council October 2019; Annual Statutory Report on Performance 2019/20 from the Director of Social Care, Safeguarding and Health – Council December 2020;
- xviii) Updated policies and strategies reported through Cabinet and Council

32 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**

- 33** The Code of Conduct for Members and a protocol on Member / Officer relations are set out in the Constitution, updated March 2021. The Council also has a local protocol for the self-regulation of member conduct.
- 34** 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. Due to Covid -19 restrictions, The Standards Committee met once during 2020/21.
- 35** Public Service Ombudsman Wales Annual Report (2019/20) was presented to Cabinet in November 2020.

Conduct Complaints about MCC Members received by the Public Services Ombudsman:

	2017-18	2018/19	2019/20
Not upheld	3	1	2
Referred to Standards Committee	0	0	0
Referred to Adjudication Panel	1	0	0
<b>TOTAL COMPLAINTS CLOSED</b>	<b>4</b>	<b>1</b>	<b>2</b>

- 36** 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 through independent DBS checks.
- 37** In accordance with its statutory responsibilities, the Council has in place a Health and Safety Policy and related procedures.
- 38** There were no successful "call-in" challenges to decisions on procedural grounds; 3 judicial reviews were commenced or dealt with at the pre-action stage in the period. There were no judicial reviews in the previous year.
- 39** Policy and decision-making is facilitated through (i) Council and Cabinet; the meetings of which are open to the public and live streamed online 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 Public Services 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.
- 40** A Scrutiny and Executive Protocol is in place which is aligned to the updated constitution of March 2021 and provides parameters for effective executive and scrutiny relationships.
- 41** The Constitution is updated periodically by the Monitoring Officer; the latest update approved by Council was in March 2021. It can be found on the Council's website.
- 42** To ensure agreed procedures and all applicable statutes are complied with, the Monitoring Officer attends full Council meetings, Cabinet and SLT. To ensure sound financial management is a key factor in decisions, the Chief Officer Resources (Interim Head of Finance) attends SLT, Cabinet and Council meetings.
- 43** 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

- registers of personal and business interests for Members
- declarations of interests for Chief Officers
- 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.

- 44 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. The Monitoring Officer has not issued a Section 5 report in 2020/21 or in the previous year, 2019/20.
- 45 All exemptions of the Contract Procedure Rules are reported through Audit Committee periodically. The Internal Audit team continues to deliver awareness raising sessions on the importance of compliance with these Contract Procedure Rules and Financial Procedure Rules.
- 46 The Audit Committee has the opportunity to call in senior managers during the year and challenge them on why a procurement process went outside the Council's normal tendering processes. Following 2 consecutive **Limited Assurance** audit opinions, the Head of Strategic Projects was called into Audit Committee (March 2020) to justify the lack of improvement in internal controls re Fuel Cards. The Chief Officer Resources reported on progress regarding Anti Bribery, Fraud and Corruption (October 2020). An update on the use of Agency Workers audit was presented to Audit Committee (November 2020). Following previous **Limited Assurance** audit opinions, Heads of Service for Food Procurement and Caldicot Castle provided a progress report to Audit Committee (January 2021).
- 47 As a result of Covid-19 the Internal Audit Team was repurposed during most of the year to undertake extensive counter fraud activities on Welsh Government business grants and support TTP; a report was taken to Audit Committee explaining the situation, January 2021. 9 Internal Audit opinions were issued in 2020/21; **no** audit jobs resulted in **Limited** assurance.
- 48 The overall opinion on the adequacy of the internal control environment for 2020/21 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 2020/21 were as follows:

	2018-19	2019-20	2020-21
Substantial Assurance (Very Good)	2	2	2
Considerable Assurance (Good)	11	11	6
Reasonable Assurance	13	7	1
Limited Assurance (Unsatisfactory)	6	9	0
<b>Total</b>	<b>32</b>	<b>29</b>	<b>9</b>

- 49 Reasons why the outcome of the audit reviews which were deemed to provide Limited assurance have been, or will be, presented in a separate report to Audit Committee; assurances have been sought from respective operational managers that action will be taken to make the necessary improvements in control.
- 50 The Internal Audit team did not have a full complement of staff for the full year for the reasons explained above. 57% of the 2020/21 revised audit plan was achieved, which was lower than the previous year (77%). 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 but this was based on a very limited number of opinions issued. The 2020/21 audit opinion was supported by the knowledge that there were appropriate governance, risk management and internal control assurances in place in the previous year, 2019/20, with no significant changes. The Assistant Head of Finance left MCC in January 2020 but the post was covered by the Central Accountancy Finance Manager and Chief Officer Resources.

- 51 The Internal Audit team continued to ensure its compliance with the Public Sector Internal Audit Standards (PSIAS). This was validated through a peer review process at the end of 2017/18; the outcome of which was that the team are generally compliant.
- 52 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 & 2011. Performance and Improvement Objectives reported to Council in October 2020 through the Corporate Plan Annual Update 2019/20. Work is underway to amend the Council's improvement framework to reflect new performance arrangements and duty established by the Local Government and Elections (Wales) Act 2021.
- 53 The strategies which support this Framework include the Asset Management Plan, People Strategy, Local Development Plan, Financial Plan, Digital Strategy, Economy & Enterprise Strategy which are delivered through service business plans and employee aims & objectives, evaluated and risk assessed.
- 54 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**

- 55 The agendas are published in advance of all meetings on the Council's website; corresponding minutes are published post meeting.
- 56 The scrutiny /select reports on recommendations/outcomes from scrutiny activity are presented to Cabinet quarterly. The scrutiny function has a 'Scrutiny Service Business Plan'. The plan is built into the Council's improvement framework. At Monmouthshire, scrutiny is undertaken by 5 select committees.
- Children and Young People's Select Committee
  - Adults Select Committee
  - Economy and Development Select Committee
  - Strong Communities Select Committee
  - Public Service Select Committee
- 57 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 and a Scrutiny and Executive Protocol have been developed to support Members to carry out their responsibilities effectively 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 Area Committee meeting minutes to all Members.
- 58 Social media, Twitter, Facebook and You Tube for example, is used to engage local people and communicate the corporate message. Scrutiny has a Twitter account to help engage more effectively with the public on democracy. Chief Officers, Members and the Communications team are very proactive in engaging with the public.
- 59 Public engagement events and You Tube continued to be used in 2020/21 for the budget proposals. The Council has encouraged the community within Monmouthshire to actively contribute to making stepped changes to improve the way in which services are provided. This links back to the principles of the Well-being of Future Generations Act which sets out five ways of working including involvement.
- 60 In addition to regular internal communications, throughout the pandemic the Chief Executive has extensively engaged with the public providing updates on essential Covid-19 related statistics and Council service provision.
- 61 In May 2018, Monmouthshire Public Services Board, adopted their Well-being Plan in line with the requirements of the Well-being of Future Generations (Wales) Act. The plan was informed by the Monmouthshire Well-being Assessment which sought the views of Monmouthshire residents and draws

together findings from data, academic research and policy papers and the views of local people. This Plan is challenged publicly through Public Services Select Committee, July 2020.

- 62 The “Our Monmouthshire” approach, which was essential to the Well-being Assessment is about all of us addressing the needs of the future as well as current generations. People in Monmouthshire were asked “*what’s good about your community and what would make it better, now and in the future*”. The well-being assessment was also used as evidence to inform the Council’s Corporate Plan, making sure it addresses some of the really big challenges that Monmouthshire faces in coming years.
- 63 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, Corporate Plan progress, Council activities, achievements, developments, updates and events were included on the Council’s intranet and website, with all Council, Cabinet, Audit Committee and Select Committees live streamed. All public meetings of the Council are live streamed 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.
- 64 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.
- 65 The Council’s website contains links to the following areas of open data in the interests of openness.

Data published by Monmouthshire County Council:

- List of expenditure over £500
- Our spend data as a useful dashboard
- Food Hygiene ratings
- Business property data set
- List of Primary Schools
- List of Secondary Schools

- 66 The Medium Term Financial Plan (MTFP) supports the vision for Monmouthshire and extensive public engagement continued in 2020/21 for the 2021/22 budget and Medium Term Financial Plan which engaged with the public in their own community; this included website, social media, drop in sessions, Cabinet Member YouTube video (January 2021) and open meetings. These were key to providing people with the opportunity to become informed; Cabinet October 2020, January 2021.
- 67 Public engagement and consultation is key to the WFG Act; one of the five ways of working is Involvement. 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 PSB in 2020/21, July 2020.
- 68 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**

- 69 The Council’s five priority goals, which are also the Council’s well-being objectives, are set out in its Corporate Plan 2017-2022, “A Monmouthshire that works for everyone” which was approved by Council in February 2018. A mid-term refresh was presented to Council in March 2020. The 2019/20 Corporate Plan annual report was presented to Council in October 2020. Building sustainable and resilient communities is the unifying purpose of the diverse range of services the Council delivers. This is shared with our partners on the PSB, which is responsible for setting well-being objectives for the County.



- 70** Monmouthshire County Council is a member of the Monmouthshire PSB, where we work 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. Combining the ingenuity and initiative of all partners is key to finding new solutions to pressing, social, economic and environmental problems. This sense of 'power of the collective' is central to its core purpose, reflected in its values and embodied in its culture.
- 71** The Well-being Plan sets out the vision of the PSB. The four identified objectives are to:
- Provide children and young people with the best possible start in life
  - Respond to the challenges associated with demographic change
  - Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change
  - Develop opportunities for communities and business to be part of an economically thriving and well connected county.
- 72** 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
- 73** In March 2018 Council approved the Council's Corporate Plan 2017-2022, which incorporated the Council's well-being objectives, and endorsed the Area Plan. The well-being objectives 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 Well-being Objectives are now incorporated within the Corporate Plan; the 2019/20 update was presented to Council October 2020.
- 74** The Corporate Plan Objectives for 2017 to 2022 are supported by service business plans to operationally deliver these objectives. Service plans are made available on the Council's Hub intranet site. These are quality assessed as part of the service planning process. All service plans were developed to align the delivery of the Council's Corporate Plan. Through the pandemic in 2020/21 the Council's established performance framework has been adjusted and prioritised in its application, where necessary, to reflect the Council's response. Through the coronavirus pandemic a series of interim strategies to provide clarity in direction and ensure accountability have been established– Cabinet May 2020, July 2020 & December 2020. To support this, structures and mechanisms were put in place to track and evaluate progress.
- 75** Audit Wales presented its Certificate of Compliance for the audit of Monmouthshire's 2020/21 Improvement Plan to the Audit Committee in June 2020. It has carried out work with all councils on improvement assessment, the WFG Act, the service user perspective and scrutiny as well as some local work. It concluded that the Council meets its statutory requirements for continuous improvement and there are no formal recommendations.
- 76** Reports were taken through the scrutiny process during the year which included links to the Council's policies, priorities and objectives. The agendas and minutes of which became public documents are available through the Council's website.
- 77** WFG Act continued to be a key theme and foundation through the reporting processes in 2020/21.
- 78** The Council is embracing the benefits of digital communications including social media use, for example "My Monmouthshire", which enables people to interact and transact with the Council using mobile devices. The Council's website includes more transactional functions. In 2018-19 the Council also launched a "chatbot" to further broaden the channels people can use to interact with their local authority. During 2020/21 there was extensive use of Twitter, Facebook and You Tube to raise awareness of forthcoming events, to provide live streaming of Cabinet, Council, scrutiny and other political meetings, to promote the activities and services provided and to show support and encouragement for community groups.
- 79** 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) continued to be a key aspect of improving services throughout 2020/21. Outcomes are measured via the Digital Programme Office Service plan and performance planning process.

- 80 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 now form part of the Cabinet report template. All IT investments are considered through SLT and then Cabinet before decisions are taken as required via Cabinet or Council.
- 81 Regular budget / outturn reports for revenue and capital were presented to and approved by Cabinet during the year; June 2020, July 2020, October 2020, January 2021 & March 2021. 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.
- 82 The MTFP process for 2021/22 to 2024/25 was reviewed and approved by Cabinet in October 2020. The Draft Capital Budget Proposals 2021/22 to 2024/25 were taken to Cabinet in January 2021. Draft Revenue Budget Proposals 2021/22 also went to Cabinet in January 2021. Final Proposals went to Cabinet before being approved by Council in March 2021. 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.
- 83 An authority-wide performance measurement system for the Council, the "data hub", hosted on the Council's intranet site continues to be updated. This enables Members and officers to track and monitor data in key strategic plans through "dashboards". This also allows performance to be compared against other council areas, where applicable. The "data hub" has been reviewed and streamlined to ensure information is up to date and focussed on the most pertinent performance data.
- 84 Audit Wales presented the Audit Wales Certificate of Compliance for the audit Monmouthshire County Council's assessment of performance for 2019/20 to Audit Committee in November 2020. This was an update on the current effectiveness of the Authority's performance management arrangements. Audit Wales concluded that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- 85 The Equality Impact Assessment and Sustainable Development checklists were 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, WFG Act and Welsh Language (Wales) Measure 2011. A range of these were undertaken during 2020/21 which have been published on the website accompanying decision making reports. The integrated checklist has been updated to ensure that new policy decisions are considered against the socio-economic duty which came into effect on 31 March 2021.
- 86 The Council has a long-standing commitment to equality and diversity and under the Equality Act 2010, has to produce a Strategic Equality Plan. The Council's third Strategic Equality Plan 2020-2024 sets the Council's objectives to ensure it delivers better outcomes for people with protected characteristics. An annual monitoring report for 2019/20 has been produced and scrutinised by Strong Communities Select Committee in March 2021.
- 87 The Council has 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. Also the Welsh Language Monitoring Report 2019/20 was presented to Strong Communities Select in September 2020 to note compliance and progress made with the Welsh Language Standards allocated to Monmouthshire County Council.

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

- 88 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).

- 89 Contract Procedure Rules exemptions are normally reported to the Audit Committee every six months; a report will be taken to Governance and Audit Committee during 2021/22 outlining the previous 18 months of exemptions requested. Managers are challenged in year to justify their procurement outside the Council agreed procedures.
- 90 Regular reporting into Cabinet, Scrutiny and Audit Committee enables the achievement of the Council's objectives to be challenged and appropriate actions put in place to address any identified issues so that the intended outcomes can be achieved. The Strategic Risk Register was reviewed by Audit Committee in July 2020. The Whole Authority Strategic Risk Assessment 2020/21 was also reported to Audit Committee (March 2021) and signed off by Cabinet April 2021.
- 91 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 214 complaints received in 2019/20, 207 were resolved informally with 13 being formally investigated, 5 of which were referred the Ombudsman, with only 1 under investigation. 169 comments were received along with 240 compliments; (Audit Committee February 2021).

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

- 92 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. This is complemented by the People Strategy. The Pay Policy is approved annually by Council and is available on the MCC website.
- 93 Developing the digital capabilities of people and systems to enable effectiveness, efficiency and enhanced customer services is important within Monmouthshire and is measured via the Digital Programme Service Business Plan. To further enhance service delivery and better deal with cyber security / information risks the Digital Programme Office has been split into the Information Security and Technology Team and the Digital Design and Innovation Team.
- 94 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.
- 95 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.
- 96 A Scrutiny Member Development Training Programme is in place which provides ongoing specific skills based training for Members and includes scrutiny induction; this is agreed by the Scrutiny Chairs' Group. The training programme forms part of the Scrutiny Service Plan.
- 97 Appropriate and relevant job descriptions were in place for the Chief Executive, Strategic Leadership Team (SLT), Monitoring Officer and Head of Finance.

**Partnerships/collaboration working**

- 98 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. The Authority is required to meet statutory obligations regarding the handling and sharing of data, in accordance with the General Data Protection Regulation 2018. The Information Sharing protocol has been developed to ensure information is only shared appropriately, safely and compliantly.

- 99 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.
- 100 As a key example of our commitment to effective governance, arrangements have been developed for the PSB Select Committee, now the Public Services Committee from March 2020.
- 101 The Community & Partnership Development Team was developed in order to help build sustainable and resilient communities that support the wellbeing of current and future generations in Monmouthshire which is a shared purpose with the public service board partners. The Team work with communities and partners to help bring about social change and improve the quality of life in the county. The team act as enablers, unlocking potential and supporting sustainability through collective impact; providing a resource and tangible link between local communities and a wide range of partners; enabling the delivery of measureable and sustainable programme of activities that will constantly look to the future. The team will ensure MCCs statutory duties are fulfilled across the partnerships landscape.

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

- 102 There are robust arrangements for effective internal 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 Procedure Rules. 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.
- 103 In July 2017 Audit Wales 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" (Good Governance when Determining Significant Service Changes report, March 2017).
- 104 Audit Wales presented its Certificate of Compliance for the audit of Monmouthshire's 2020/21 Improvement Plan to the Audit Committee in June 2020 and concluded that the Council is meeting its statutory requirements.
- 105 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. An Annual risk assessment on fraud and corruption is presented to Audit Committee. The Council's Council Tax Reduction Anti-Fraud Policy was approved by Cabinet in June 2015. A training package has been developed and presented to Audit Committee (January 2020).
- 106 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, July 2021.
- 107 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 a summary of audit findings to the Audit Committee each quarter; he also reports annually an opinion on the overall adequacy and effectiveness of the Council's internal control environment.

**108** The Chief Internal Auditor continues to 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.

**109** The Council has an objective and professional relationship with its external auditors and statutory inspectors. It manages its information resource through strategies and policies to enable effective decision making which is managed via the Information Strategy and action plan.

### **Risk management**

**110** The Council's Strategic Risk Management Policy was updated and approved by Cabinet in March 2019; progress was reported into Audit Committee in July 2020 & March 2021. 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.

**111** 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 its 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 and audit committees. In order to mitigate the risks, proposed actions are recorded and also aligned back into the respective service business plan. The risk assessment is a living document and is updated over the course of the year as new information comes to light.

**112** The Council's Strategic Risk Assessment for 2020/21 contains 18 risks. These were reviewed throughout the year with the latest version was presented to Audit Committee in March 2021. The majority were rated initially as medium risks. Following mitigation there were 4 low risks, 9 medium risks and 5 high risks.

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

**113** The South East Wales Education Achievement Service (EAS) Business Plan 2021/22 was presented to Cabinet in March 2021. The plan sets out the priorities, programmes and outcomes to be achieved by the EAS on behalf of the South East Wales Consortium.

**114** The updated People Strategy was endorsed by Cabinet in July 2018; this is the overarching framework for People and Organisational Development which supports its role in ensuring the organisation is equipped with the collective capacity, capability and mindset to meet financial and improvement challenges and respond to opportunities that present

**115** The Council's first Commercial Strategy was endorsed by Cabinet in July 2018; the purpose of this report was to present for approval the Council's first Commercial Strategy and accompanying action plan. The strategy builds upon aspects of the Procurement, Digital and Asset Management Strategies and is a key means through which the Council can play a role in the self-determination of its future viability and sustainability.

- 116** In September 2019, the updated Digital Infrastructure Action Plan was approved by Cabinet.
- 117** There have been significant developments in technology in the last 4 years, and the experience, data and evidence we have collected from our customers about the way they wish to engage and transact with us has informed this new strategy. Our workforce needs to have the digital knowledge and skills to build in end-to-end automated customer services and business processes. We need to reduce demand through self-service facilities and provision of accurate, relevant data and information that people can use with confidence to make decisions.
- 118** Continued improvements have been made to cyber security arrangements since the onset of Covid-19 which has increased digital working methods.
- 119** In July 2018, the Council's latest iteration of its Procurement Strategy was approved by Cabinet. The Strategy builds upon workshop sessions undertaken with the Economy and Development Select Committee and the aims, aspirations and priorities for procurement, identified throughout the participative process.
- 120** 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 public meetings of the Council, including Council, Cabinet, Select, Audit Committee, Planning Committee 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.
- 121** The Council's enabling strategies have been revised to align to the delivery of the corporate plan, these include the Digital Strategy, People Strategy and Asset Management Strategy as well as linking in with MCC's Service Business Plans.
- 122** 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. The Audit Committee presents its Annual report to Council.
- 123** The Whole Authority Report complaints, comments and compliments 2019/20 was presented to Audit Committee in February 2021 which identified the number and types of feedback received and dealt with from 1 April 2019 until 31 March 2020.

### **Information Governance**

- 124** Monmouthshire County Council (MCC) has restructured its Information Security and Governance offering from June 2021 in response to an increase in digital working and to maintain cyber resilience to protect our information. MCC continues to ensure training and awareness of governance issues is focussed on high risk service departments as well as through continuous updates and Information Security training events. This is to ensure compliance with the General Data Protection Regulation 25<sup>th</sup> May 2018- specifically following the "12 Steps to Compliance" as recommended by the Information Commissioner's Office (ICO). A structured approach to information security and governance is operated internally via the Information Governance Group chaired by Senior Information Risk Officer (SIRO) as well as through collaboration with the wider SRS partners providing our technology infrastructure. GDPR Operational Leads have been established, along with Digital Champions linking in with teams, individuals and volunteers to ensure compliance and messages are communicated.
- 125** MCC have a dedicated intranet site for general advice as well as assistance with GDPR legislative requirements, including templates for privacy notices, records of processing activities (ROPA's) and Data Processing Impact Assessments (DPIA's).
- 126** To keep the public informed, MCC has now published its online privacy notices for relevant service areas. Significant work is underway through 2021/2 to consolidate and update all privacy notices to make them more transparent and sustainable to maintain. A comprehensive list of all data systems is maintained centrally along with information audits for every service area, linking into the ROPA's.
- 127** The Corporate GDPR Policy is 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) and WARP (Warning Advice and Security Point)

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**

**128** 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:

- Deliver awareness raising training sessions on the importance of compliance with new and revised Contract Procedure Rules and Financial Procedure Rules;
- Code of Corporate Governance to be formally approved by Cabinet

**Action Plan 2019/20**

**129** Appendix 1 shows how the 2019/20 Action plan areas for improvement have been addressed during 2020/21.

**Monitoring & Evaluation**

**130** We propose over the coming year to continually review our governance arrangements to ensure they remain effective and appropriate. Steps will be taken, where appropriate, to further enhance our governance arrangements. We are satisfied that these steps will address any need for improvements e identified in the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Signed:** ..... **2021**

**Councillor Richard John                      Leader**

**Signed:** ..... **2021**

**Paul Matthews                                      Chief Executive**

## Progress against the Action Plan 2019/20

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 training sessions on the importance of compliance with the new and revised Contract Procedure Rules and Financial Procedure Rules;	Internal Audit have continued to deliver training sessions within schools and on the manager's induction programme.  Internal Audit will work with the new procurement partnership to ensure the revised and updated CPRs are rolled out across MCC.
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'	Outstanding.  The Code of Corporate Governance has been updated and was presented to Audit Committee in June 2020.  This now needs formal Cabinet approval.
Principle F: Managing risks and performance through robust internal control and strong public financial management	The Council will work through the Audit Wales proposals for improvement in the following areas: <ul style="list-style-type: none"> <li>▪ Scrutiny: Fit for the Future?</li> <li>▪ Review of Asset Management</li> <li>▪ Information Management</li> <li>▪ Whole Authority review of children's safeguarding</li> </ul>	A corporate plan has been developed that sets out a clear direction for the Council up to 2022.  The role and purpose of service planning has been reviewed and a revised process established aligned to the corporate plan.  Council's enabling strategies have been revised to align to the delivery of the corporate plan, these include the Digital Strategy, People Strategy and Asset Management Strategy  The Council's Strategic Risk Management Policy was updated



## Movement In Reserves Statement for the Year Ended 31st March 2021

	Note	Council Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Joint Arrangement - CCRCD	Total Reserves £000
Balance at 1st April 2019		6,877	6,613	4,581	18,072	(57,643)	2,493	(37,077)
<b>Movement in reserves during 2019/20</b>								
Total Comprehensive Income and Expenditure		(23,337)	-	-	(23,337)	60,554	142	37,360
Adjustments between accounting basis & funding basis under regulations	10.2	24,700		(1,374)	23,327	(23,327)		-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		1,363	-	(1,374)	(10)	37,228	142	37,360
Transfers to/(from) Earmarked Reserves	10.4	230	(230)		-			-
Increase/(Decrease) in 2019/20		1,593	(230)	(1,374)	(10)	37,228	142	37,360
Balance at 31st March 2020 carried forward		8,471	6,383	3,208	18,061	(20,415)	2,635	283
<b>Movement in reserves during 2020/21</b>								
Total Comprehensive Income and Expenditure		(6,980)	-	-	(6,980)	(64,449)	34	(71,395)
Adjustments between accounting basis & funding basis under regulations	10.2	15,122	-	6,373	21,495	(21,495)		0
Net Increase/(Decrease) before Transfers to Earmarked Reserves		8,142	-	6,373	14,515	(85,943)	34	(71,395)
Transfers to/(from) Earmarked Reserves	10.4	(4,289)	4,289	-	-	-	-	0
Increase/(Decrease) in 2020/21		3,852	4,289	6,373	14,515	(85,943)	34	(71,395)
Prior period adjustment: CCRCD							29	29
Balance at 31st March 2021 carried forward		12,324	10,672	9,581	32,576	(106,358)	2,698	(71,083)

## Comprehensive Income & Expenditure Statement for the Year Ended 31st March 2021

2019/20				2020/21			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
73,298	(13,317)	59,981	Children & Young People		77,070	(17,822)	59,248
71,689	(17,367)	54,322	Social Care & Health		79,142	(24,684)	54,459
63,253	(28,015)	35,238	Enterprise		66,811	(34,438)	32,373
6,649	(865)	5,784	Chief Executives Unit		8,357	(1,418)	6,940
40,854	(22,658)	18,196	Resources		41,831	(24,341)	17,490
3,591	(2,748)	843	Corporate		2,350	(3,023)	(673)
150	(308)	(158)	Cardiff Capital Region City Deal (CCRCD)	16.6	288	(448)	(159)
<b>259,483</b>	<b>(85,278)</b>	<b>174,206</b>	<b>Cost of Services</b>	<b>11.1</b>	<b>275,850</b>	<b>(106,173)</b>	<b>169,677</b>
			<b>Other operating expenditure:</b>				
			<i>Precepts &amp; Levies:</i>				
11,779	0	11,779	Gwent Police Authority		12,647	0	12,647
4,383	0	4,383	South Wales Fire & Rescue Authority		4,584	0	4,584
2,699	0	2,699	Community and Town Councils		2,952	0	2,952
106	0	106	National Parks		106	0	106
94	0	94	Internal Drainage Boards		94	0	94
300	(229)	71	Gains/losses on the disposal of non-current assets		2,184	(2,188)	(4)
		<b>19,131</b>	<b>Total Other operating expenditure</b>				<b>20,378</b>
17,189	(9,850)	7,340	Financing and investment income and expenditure	11.3	18,156	(13,127)	5,029
			Interest & Investment income: CCRCD			(7)	(7)
			Change in Fair Value of Investment Properties: CCRCD		464		464
			<b>Taxation &amp; non-specific grant income:</b>				
0	(75,628)	(75,628)	Council Tax	11.5	228	(80,466)	(80,238)
0	(30,682)	(30,682)	Non-domestic rates redistribution	11.5	0	(30,037)	(30,037)
0	(71,205)	(71,205)	General government grants	11.6	0	(77,988)	(77,988)
		0	Recognised Capital Grants & Contributions: CCRCD			(275)	(275)
33		33	Tax Expenses: CCRCD			(57)	(57)
		<b>23,195</b>	<b>(Surplus) or Deficit on Provision of Services</b>				<b>6,946</b>
			<b>Other Comprehensive Income and Expenditure:</b>				
		(4,139)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	12.1			201
		401	(Surplus) or deficit from investments in equity instruments designated at fair value through other comprehensive income				(327)
		(56,816)	(Gains)/losses on remeasurement of pension assets / liabilities	14.3			64,575
		<b>(60,554)</b>	<b>Total Other Comprehensive Income and Expenditure</b>				<b>64,449</b>
		<b>(37,360)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>71,395</b>

## Balance Sheet as at 31st March 2021

31st March 2020 £000s		Note	31st March 2021 £000s
241,222	Other land and buildings	12.1	229,194
10,470	Vehicles, plant, furniture and equipment	12.1	10,373
71,151	Infrastructure	12.1	73,613
4,459	Community assets	12.1	4,459
2,844	Assets under construction	12.1	2,016
0	Surplus assets not held for sale	12.1	10
4,792	Heritage Assets	12.7	4,792
63,427	Investment Property	12.5	65,304
220	Intangible Assets		141
91	Long-Term Investments	13.1	1,362
2,993	Long Term Debtors	13.5	2,867
<b>401,670</b>	<b>Long term assets</b>		<b>394,129</b>
5,658	Short Term Investments	13.1	23,444
482	Inventories		442
28,511	Short Term Debtors	13.5	33,047
22,377	Cash and Cash Equivalents	15.3	19,158
2,060	Assets Held for Sale	12.6	2,569
0	CCRCD: Deferred Tax asset		88
<b>59,088</b>	<b>Current Assets</b>		<b>78,748</b>
(1,475)	Cash and Cash Equivalents	15.3	(621)
(95,123)	Short Term Borrowing	13.1	(98,595)
(24,768)	Short Term Creditors	13.6	(36,405)
(4,534)	Provisions	13.7	(4,757)
<b>(125,899)</b>	<b>Current Liabilities</b>		<b>(140,377)</b>
(230,526)	Liability related to defined benefit pension scheme	10.9	(306,876)
(502)	Provisions	13.7	(448)
(92,591)	Long Term Borrowing	13.1	(84,871)
(2,734)	Long Term Creditors: CCRCD		(2,760)
(2,352)	Other Long Term Liabilities	13.1	(2,377)
(3,852)	Capital Grants Receipts in Advance	11.6	(4,214)
(2,018)	Revenue Grants Receipts in Advance		(2,037)
<b>(334,576)</b>	<b>Long Term Liabilities</b>		<b>(403,583)</b>
<b>283</b>	<b>Net Assets</b>		<b>(71,083)</b>
8,471	Council Fund Balance	10.3	12,324
6,383	Earmarked Reserves	10.4	10,671
3,207	Capital Receipts Reserve	10.6	9,581
392	Usable Reserves: CCRCD		181
<b>18,453</b>	<b>Usable Reserves</b>		<b>32,758</b>
41,523	Revaluation Reserve	10.7	38,407
(230,526)	Pensions Reserve	10.9	(306,876)
167,534	Capital Adjustment Account	10.8	164,073
5,479	Deferred Capital Receipts Reserve	10.11	2,692
(517)	Financial Instrument Adjustment Account		(517)
(355)	Financial Instrument Revaluation Reserve		(28)
(3,553)	Accumulating Absence Adjustment Account	10.10	(4,110)
2,243	Unusable Reserves: CCRCD		2,517
<b>(18,171)</b>	<b>Unusable Reserves</b>		<b>(103,842)</b>
<b>283</b>	<b>Total Reserves</b>		<b>(71,083)</b>

## Cash Flow Statement for the Year Ended 31st March 2021

31st March 2020			31st March 2021
£000		Note	£000
23,195	Net (surplus) or deficit on the provision of services	15.1	6,946
(35,955)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	15.1	(41,657)
14,723	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	15.1	22,126
1,963	<b>Net cash flows from Operating Activities</b>	15.1	(12,585)
21,405	Purchase of property, plant and equipment, investment property and intangible assets		12,235
11,607	Purchase of short-term and long-term investments		15,421
0	Other payments for investing activities		0
(4,537)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(7,415)
(19,310)	Proceeds from short-term and long-term investments		236
(10,487)	Other receipts from investing activities		(9,811)
(1,322)	<b>Net Cash (Inflow)/Outflow from Investing Activities</b>		10,666
	<b>Financing Activities</b>		
546	Repayments of short and long-term borrowing		15,504
31	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		34
(8,863)	Cash receipts of short and long-term borrowing		(11,255)
0	Other receipts from financing activities		0
(8,285)	<b>Net Cash (Inflow)/Outflow from Financing Activities</b>		4,283
(7,643)	<b>Net (increase) / decrease in cash and cash equivalents</b>		2,363
13,259	Cash and cash equivalents at the beginning of the reporting period		20,902
<b>20,902</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	15.3	<b>18,539</b>

**Notes to the Accounts  
for the Year Ended  
31st March 2021**

## 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 2019 £000	Movement in Reserve £000	Balance at 31st March 2020 £000	Movement in Reserve £000	Balance at 31st March 2021 £000
<b>Usable Reserves:</b>						
Council Fund balance: Authority	10.3	7,110	1,796	8,906	0	8,906
Council Fund balance: LMS School Balances	10.5	(232)	(203)	(435)	3,853	3,418
Earmarked reserves	10.4	6,613	(230)	6,383	4,288	10,671
Capital Receipts Reserve	10.6	4,581	(1,373)	3,207	6,374	9,581
Usable Reserves: CCRCD		250	142	392	(211)	181
<b>Total Usable Reserves</b>		<b>18,321</b>	<b>133</b>	<b>18,453</b>	<b>14,304</b>	<b>32,758</b>
<b>Unusable Reserves:</b>						
Revaluation Reserve	10.7	38,948	2,575	41,523	(3,116)	38,407
Capital Adjustment Account	10.8	166,977	557	167,534	(3,461)	164,073
Financial Instruments Adjustment Account		(631)	114	(517)	0	(517)
Pension Reserve	10.9	(268,213)	37,687	(230,526)	(76,350)	(306,876)
Deferred Capital Receipts Reserve	10.11	8,168	(2,689)	5,479	(2,787)	2,692
Financial Instrument Revaluation Reserve		46	(401)	(355)	327	(28)
Accumulated Absences Adjustment Account	10.10	(2,939)	(614)	(3,553)	(557)	(4,110)
Unusable Reserves: CCRCD	16.6	2,243	0	2,243	273	2,517
<b>Total Unusable Reserves</b>		<b>(55,400)</b>	<b>37,228</b>	<b>(18,171)</b>	<b>(85,671)</b>	<b>(103,842)</b>
<b>Total Authority Reserves</b>		<b>(37,077)</b>	<b>37,361</b>	<b>282</b>	<b>(71,366)</b>	<b>(71,084)</b>

### 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 2020/21:	Council Fund Balance £000	Usable Reserves £000	Unusable Reserves £000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>			
Charges for depreciation and impairment of Property, Plant and Equipment assets	17,719	0	(17,719)
Charges for impairment of Heritage Assets	1	0	(1)
Revaluation movements on Heritage Assets	0	0	0
Revaluation movements on Property Plant and Equipment (charged to SDPS)	2,503	0	(2,503)
Revaluation movements on Assets Held for Sale (charged to SDPS)	0	0	0
Movements in the market value of Investment Properties	(2,412)	0	2,412

Amortisation and impairment of intangible assets	79	0	(79)
Capital grants and contributions applied	(10,265)	0	10,265
Revenue expenditure funded from capital under statute	1,529	0	(1,529)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	4,593	0	(4,593)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>			
Statutory provision for the financing of capital investment (MRP)	(6,075)	0	6,075
Capital expenditure charged against the Council Fund	(252)	0	252
<b>Adjustments involving the Capital Receipts Reserve:</b>			
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(4,628)	7,415	(2,786)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(1,042)	1,042
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>			
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	0
<b>Adjustments involving the Pensions Reserve:</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	25,801	0	(25,801)
Employer's pensions contributions and direct payments to pensioners payable in the year	(14,026)	0	14,026
<b>Adjustment involving the Accumulated Absences Account:</b>			
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	557	0	(557)
<b>Adjustment between the Capital Adjustment Account and the Revaluation Reserve:</b>			
Depreciation of non-current asset revaluation gains	0	0	0
<b>Total adjustments between accounting basis &amp; funding basis under regulations</b>	<b>15,122</b>	<b>6,373</b>	<b>(21,495)</b>

<b>Movements in 2019/20:</b>	<b>Council Fund Balance £000</b>	<b>Usable Reserves £000</b>	<b>Unusable Reserves £000</b>
<b>Adjustments primarily involving the Capital Adjustment Account:</b>			
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>			
Charges for depreciation and impairment of Property, Plant and Equipment assets	14,523	-	(14,523)
Charges for impairment of Heritage Assets	189	-	(189)
Revaluation movements on Heritage Assets	0	-	0
Revaluation movements on Property Plant and Equipment (charged to SDPS)	518	-	(518)
Revaluation movements on Assets Held for Sale (charged to SDPS)	0	-	0
Movements in the market value of Investment Properties	560	-	(560)
Amortisation and impairment of intangible assets	186	-	(186)
Capital grants and contributions applied	(8,658)	-	8,658
Revenue expenditure funded from capital under statute	4,161	-	(4,161)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	1,290	-	(1,290)

<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>			
Statutory provision for the financing of capital investment (MRP)	(5,564)	0	5,564
Capital expenditure charged against the Council Fund	(286)	-	286
<b>Adjustments involving the Capital Receipts Reserve:</b>			
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(1,847)	4,537	(2,689)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(5,910)	5,910
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>			
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(113)	-	113
<b>Adjustments involving the Pensions Reserve:</b>			
Reversal of items relating to retirement benefits debited or credited to the CIES	32,284	-	(32,284)
Employer's pensions contributions and direct payments to pensioners payable in the year	(13,155)	-	13,155
<b>Adjustment involving the Accumulated Absences Account:</b>			
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	614	-	(614)
<b>Adjustment between the Capital Adjustment Account and the Revaluation Reserve:</b>			
Depreciation of non-current asset revaluation gains	-	-	-
<b>Total adjustments between accounting basis &amp; funding basis under regulations</b>	<b>24,700</b>	<b>(1,374)</b>	<b>(23,327)</b>

### 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 £3,418,000 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 2019 £000	In Year Movement £000	At 31st March 2020 £000	In Year Movement £000	At 31st March 2021 £000
Amount of Council Fund Balance held by Schools under Local Management Schemes	(232)	(203)	(435)	3,853	3,418
Amount of Council Fund Balance generally available for new expenditure	7,110	1,796	8,906	0	8,906
<b>Total Council Fund Balance</b>	<b>6,877</b>	<b>1,594</b>	<b>8,471</b>	<b>3,853</b>	<b>12,324</b>
Earmarked Revenue Reserves	6,613	(230)	6,383	4,288	10,671
<b>Total Usable Reserves available for Revenue Purposes</b>	<b>13,490</b>	<b>1,364</b>	<b>14,854</b>	<b>8,142</b>	<b>22,995</b>

### 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 2020/21 can be summarised as follows:



	At 1st April 2019 £000	Transfer to Reserves £000	Transfer from Reserves £000	At 31st March 2020 £000	Transfer to Reserves £000	Transfer from Reserves £000	At 31st March 2021 £000
Invest to Redesign	1,083	278	(194)	1,168	280	(64)	1,384
Priority Investment	405			405	1,500		1,905
Insurance and risk management	1,019		(83)	935			935
IT Transformation	479		(225)	254	600		854
Treasury equalisation	990			990		(400)	590
Capital Investment	643		(16)	627			627
Redundancy and Pensions	333		(88)	245	700	(88)	857
Capital Receipt Generation	279		(98)	181	300	(65)	416
<b>Other reserves</b>							
Elections	83	35		118	174		292
Museums acquisition	53			53			53
Solar Farm Maintenance & Community Fund	41	23		64	23		87
Castlegate	80			80	233		312
Newport Leisure Park	62			62	126		188
Sustainability - PV Invertor Replacement Reserve	0			0	15		15
Covid19 Hardship Fund Equalisation Reserve	0			0	819		819
<b>Service Reserves:</b>							
Local Resilience Forum	115	84	(2)	198			198
Grass Routes Buses	151	5		156	5		161
Schools sickness & maternity cover	136		(88)	48			48
<b>Trading Accounts:</b>							
Youth Offending Team	150			150			150
Outdoor education centres	0			0			0
Building Control	14		(13)	1			1
Rural Development Plan	413	116		530	92		621
Highways Plant & Equipment Replacement	34	75	(39)	69	75	(44)	100
Homeless Prevention	50			50	8		58
<b>Total</b>	<b>6,613</b>	<b>617</b>	<b>(846)</b>	<b>6,383</b>	<b>4,950</b>	<b>(661)</b>	<b>10,671</b>

**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 £3,418,120 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 2019	In Year Movement	At 31st March 2020	In Year Movement	At 31st March 2021
	£	£	£	£	£
<b>Comprehensives</b>					
Caldicot	(65,012)	(114,680)	(179,693)	409,100	229,408
Chepstow	50,662	(114,232)	(63,570)	(23,231)	(86,801)
King Henry VIII	(82,798)	(142,902)	(225,700)	423,196	197,496
Monmouth	(538,325)	75,795	(462,530)	676,722	214,192
<b>Sub Total Comprehensives</b>	<b>(635,473)</b>	<b>(296,019)</b>	<b>(931,493)</b>	<b>1,485,787</b>	<b>554,294</b>
<b>Primaries</b>					
Archbishop R Williams	73,405	10,311	83,716	122,680	206,397
Cantref	88,391	16,802	105,193	94,604	199,797
Castle Park	(23,773)	25,926	2,153	119,700	121,853
Cross Ash	54,151	10,007	64,157	18,313	82,470
Deri View	80,001	(6,044)	73,956	74,153	148,109
Dewstow	108,642	27,813	136,455	101,356	237,811
Durand	29,087	(16,396)	12,691	65,193	77,884
Gilwern	55,251	9,298	64,549	102,302	166,852
Goytre Fawr	2,738	32,156	34,893	56,646	91,540
Kymin View	5,607	32,348	37,955	97,350	135,305
Llandogo	(83,516)	(93,019)	(176,535)	89,705	(86,830)

Llanfair Kilgeddin CV	0	0	0	0	0
Llanfoist	14,341	10,530	24,871	68,562	93,433
Llantilio Pertholey	(9,643)	(11,373)	(21,016)	88,231	67,215
Llanvihangel Crucorney	34,342	15,343	49,684	54,986	104,670
Magor Vol Aided	(54,651)	35,866	(18,785)	135,987	117,202
New Pembroke Primary	(13,239)	14,444	1,205	124,302	125,507
Osbaston Church in Wales	6	(11,256)	(11,250)	51,859	40,609
Our Lady's & St Michael's Catholic Primary	(14,170)	30,030	15,859	38,534	54,393
Overmonnow	(18,473)	(15,456)	(33,928)	75,032	41,104
Raglan	(108,452)	75,340	(33,112)	141,989	108,878
Rogiet	20,014	(24,418)	(4,404)	82,499	78,095
Shirenewton	132,093	(3,203)	128,890	47,356	176,246
St Mary's (Chepstow)	(63,592)	17,074	(46,518)	67,378	20,860
The Dell	16,389	(13,357)	3,032	45,378	48,410
Thornwell	(53,722)	6,572	(47,150)	112,037	64,887
Trellech	71,983	(21,035)	50,948	64,743	115,691
Undy	(129,534)	(16,391)	(145,925)	152,295	6,370
Usk CV	9,910	36,032	45,942	97,113	143,055
Ysgol Gymraeg Y Fenni	51,306	(55,714)	(4,408)	38,775	34,367
Ysgol Gymraeg Ffin	(32,980)	(12,903)	(45,883)	61,521	15,638
<b>Sub Total Primaries</b>	<b>241,912</b>	<b>105,324</b>	<b>347,236</b>	<b>2,490,578</b>	<b>2,837,815</b>
<b>Other</b>					
Mounton House	141,505	30,555	172,060	(172,060)	(0)
Pupil Referral Unit	19,653	(42,584)	(22,931)	48,943	26,012
<b>Sub Total Other</b>	<b>161,158</b>	<b>(12,029)</b>	<b>149,129</b>	<b>(123,117)</b>	<b>26,011</b>
<b>Total</b>	<b>(232,404)</b>	<b>(202,724)</b>	<b>(435,128)</b>	<b>3,853,248</b>	<b>3,418,120</b>

## 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.

2019/20 £000		2020/21 £000
4,581	Balance as at 1st April	3,207
1,847	Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,628
2,689	Transfer from Deferred Capital Receipts Reserve upon receipt of cash	2,787
(5,910)	Less: use of the Capital Receipts Reserve to finance new capital expenditure	(1,042)
<b>3,207</b>	<b>Balance as at 31st March</b>	<b>9,581</b>

## 10.7 Revaluation Reserve

The Revaluation Reserve contains the net 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 are:

Revalued downwards or impaired;

Used in the provision of services and the gains are consumed through depreciation; or  
Disposed of and the gains are realised.

The Reserve contains 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.

2019/20 £000		2020/21 £000
38,948	Balance at 1 April	41,523
5,411	Upward revaluation of assets	1,818
(1,272)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(2,019)
(1,564)	Difference between fair value depreciation and historical cost depreciation	(2,336)
0	Accumulated gains on assets sold or scrapped	(579)
<b>41,523</b>	<b>Balance at 31 March</b>	<b>38,407</b>

## 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.

2019/20 £000		2020/21 £000
166,977	Balance at 1 April	167,534
	<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>	
(14,523)	Charges for depreciation and impairment of property, plant and equipment assets	(17,719)
0	Revaluation movements on heritage assets	0
(189)	Charges for impairment of heritage assets	(1)
(518)	Revaluation movements on Property, Plant and Equipment	(2,503)
0	Revaluation movements on Assets Held for Sale	0
(186)	Amortisation & impairment of intangible assets	(79)
(4,161)	Revenue expenditure funded from capital under statute	(1,529)
(1,290)	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	(4,013)
1,564	Adjusting amounts written out of the Revaluation Reserve	2,336
5,910	Use of the Capital Receipts Reserve to finance new capital expenditure	1,042
8,658	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	10,265
5,564	Statutory provision for the financing of capital investment charged against the Council Fund	6,075
286	Capital expenditure charged against the Council Fund	252
(560)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	2,412

167,534	Balance at 31 March	164,073
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### 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.

2019/20 £000		2020/21 £000
(268,213)	Balance at 1 April	(230,526)
56,816	Remeasurement gains or (losses) on pension assets and liabilities	(64,575)
(32,284)	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	(25,801)
13,155	Employer's pensions contributions and direct payments to pensioners payable in the year	14,026
<b>(230,526)</b>	<b>Balance at 31 March</b>	<b>(306,876)</b>

### 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. Further information on the calculations of benefits can be found in notes 13.7(c) and 17.6 to the accounts.

2019/20 £000		2020/21 £000
(2,939)	Balance at 1 April	(3,553)
2,939	Settlement or cancellation of accrual made at the end of the preceding year	3,553
(3,553)	Amounts accrued at the end of the current year	(4,110)
<b>(3,553)</b>	<b>Balance at 31 March</b>	<b>(4,110)</b>

### 10.11 Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of Land but for which full 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.

The balance at the 31st March 2021 is primarily due to the Old Abergavenny cattle market site disposed of under a finance lease.

2019/20 £000		2020/21 £000
8,168	Balance at 1 April	5,479
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
(2,689)	Transfer to the Capital Receipts Reserve upon receipt of cash	(2,787)
<b>5,479</b>	<b>Balance at 31 March</b>	<b>2,692</b>

## 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).

2019/20				2020/21		
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
51,883	8,098	59,981	Children & Young People	56,093	3,155	59,248
50,087	4,234	54,322	Social Care & Health	51,327	3,132	54,459
24,376	10,862	35,238	Enterprise	21,688	10,685	32,373
4,735	1,049	5,784	Chief Executives Unit	4,524	2,416	6,940
7,191	11,005	18,196	Resources	6,454	11,036	17,490
16,412	(15,569)	843	Corporate	20,403	(21,076)	(673)
0	(158)	(158)	Cardiff Capital Region City Deal (CCRCD)	0	(159)	(159)
<b>154,685</b>	<b>19,521</b>	<b>174,206</b>	<b>Cost of Services</b>	<b>160,488</b>	<b>9,189</b>	<b>169,677</b>
<b>(156,481)</b>	<b>5,470</b>	<b>(151,011)</b>	<b>Other Income &amp; Expenditure</b>	<b>(160,489)</b>	<b>(2,243)</b>	<b>(162,732)</b>
<b>(1,796)</b>	<b>24,991</b>	<b>23,195</b>	<b>Surplus or Deficit</b>	<b>(0)</b>	<b>6,946</b>	<b>6,946</b>
(7,111)			Opening General Fund Balance	(8,906)		
(1,796)			Surplus or Deficit on General Fund	(0)		
<b>(8,906)</b>			<b>Closing General Fund Balance</b>	<b>(8,906)</b>		

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

2019/20					2020/21			
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
6,623	2,284	(809)	8,098	Children & Young People	8,174	1,117	(6,136)	3,155
1,317	3,739	(821)	4,234	Social Care & Health	1,049	2,239	(156)	3,132
6,662	4,205	(5)	10,862	Enterprise	7,746	2,548	392	10,685
398	592	59	1,049	Chief Executives Unit	2,130	390	(104)	2,416
2,061	1,001	7,943	11,005	Resources	2,864	549	7,623	11,036
2,768	723	(19,060)	(15,569)	Corporate	0	(609)	(20,467)	(21,076)
0	0	(158)	(158)	Cardiff Capital Region City Deal (CCRCD)	0	0	(159)	(159)
<b>19,829</b>	<b>12,543</b>	<b>(12,851)</b>	<b>19,521</b>	<b>Cost of Services</b>	<b>21,963</b>	<b>6,233</b>	<b>(19,007)</b>	<b>9,189</b>
<b>(14,302)</b>	<b>6,586</b>	<b>13,186</b>	<b>5,470</b>	<b>Other Income &amp; Expenditure</b>	<b>(16,649)</b>	<b>5,542</b>	<b>8,865</b>	<b>(2,243)</b>
<b>5,527</b>	<b>19,129</b>	<b>334</b>	<b>24,991</b>	<b>Adjustments between the Funding &amp; Accounting Basis</b>	<b>5,314</b>	<b>11,775</b>	<b>(10,142)</b>	<b>6,946</b>

## 11.2 Expenditure & Income analysed by nature

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

2019/20		2020/21
£000		£000
132,489	Employee benefits expenses	131,994
117,623	Other services expenses	132,394
21,459	Depreciation, amortisation and impairment	24,198
19,070	Precepts & levies	20,382
4,088	Interest payments	3,703
1,337	Gain/loss on disposal of non-current assets	4,593
<b>296,066</b>	<b>Total Expenditure</b>	<b>317,263</b>
(51,115)	Fees, charges & other service income	(48,320)
(440)	Interest and investment income	(239)
(106,310)	Income from council tax & NNDR	(110,560)
(113,158)	External grants and contributions	(146,570)
(1,848)	Gain/loss on disposal of non-current assets	(4,628)
<b>(272,871)</b>	<b>Total Income</b>	<b>(310,317)</b>
<b>23,195</b>	<b>Surplus or Deficit on the Provision of Services</b>	<b>6,946</b>

## 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 2020			Note	31st March 2021			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000	
4,088	-	4,088	Interest payable and similar charges	13.2	3,703	-	3,703
6,586	-	6,586	Pensions interest cost and expected return on pensions assets	14.3	5,542	-	5,542
-	(473)	(473)	Interest receivable and similar income	13.2	-	(206)	(206)
-	(17)	(17)	Interest receivable and similar income: CCRC share		-	(7)	(7)
4,149	(7,025)	(2,876)	Income and expenditure in relation to investment properties and changes in their fair value		6,200	(10,315)	(4,115)
2,367	(2,301)	66	(Surpluses)/deficits on trading undertakings not included in the Net Cost of Services		2,711	(2,581)	130
-	(33)	(33)	Other investment income		-	(25)	(25)
<b>17,189</b>	<b>(9,850)</b>	<b>7,340</b>	<b>Total Financing and Investment Income and Expenditure</b>		<b>18,156</b>	<b>(13,134)</b>	<b>5,022</b>

## 11.4 Agency Income & expenditure

The Council acted as an agent on behalf of the following in the provision of goods and services:

### Covid-19 Grants

Due to the impact of the Covid-19 pandemic on the need for additional services, support for individuals and businesses there have been a large number of new grants and financial support made available by Welsh Government. Local Authorities have been requested to administer on the Welsh Government's behalf because they have the local knowledge and ability to put in place systems quickly to make payments.

The below table details each scheme:

Scheme	Purpose	Amount Received 2020/21 (£000's)
<b>Business Support Grants</b>	Grants to support businesses during lockdown closures.	25,417
<b>Business Support Grants</b>	Relief given to retail, leisure and hospitality.	13,621
<b>Care Workers £500 Payments</b>	Bonus payment for individual care workers.	1,193
<b>Covid-19 Freelancer Grant</b>	Payment available for freelancers in the culture sector of up to £2.5k	440
<b>Self Isolation Payments</b>	£500 for eligible individuals who have to self isolate.	145
<b>Covid-19 Start Up Grant</b>	Financial assistance for newly created businesses facing operational and financial challenges as a result of the Covid-19 outbreak.	143
<b>SSP Enhancement</b>	To top up to full salary where employees only receive statutory sick pay when off sick with Covid-19 or having to self isolate as an infection control measure.	127
<b>Total</b>		<b>41,084</b>

## 11.5 Council Tax & National Non-Domestic Rates

### 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 £46,331.92 for 2020/21 (£46,096.27 for 2019/20).

This average basic amount for a Band D property, £1,717.44 (£1,629.72 in 2019/20), 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
<b>Multiplier</b>	6/9	7/9	8/9	1.0	11/9	13/9	15/9	18/9	21/9
<b>Chargeable Dwellings</b>	515	3,350	7,080	9,101	7,225	7,762	5,409	1,759	668
<b>Valuation (£000)</b>	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:

2019/20 £000		2020/21 £000
(75,619)	Council tax collectable	(80,466)
(10)	Provision for non-payment of council tax	228
<b>(75,628)</b>	<b>Total Council Tax proceeds</b>	<b>(80,238)</b>



## National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Welsh Government specifies an amount for the rate, 0.535p per £ in 2020/21 (0.526p per £ in 2019/20) and, subject to the effects of transitory arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The NNDR income after relief and provisions of £25,952,192 (£25,064,453 for 2019/20) was based on an average rateable value of £62,197,106 (£61,980,991 for 2019/20).

The Authority acts as the Welsh Government's agent and collects rates due from ratepayers in its area and then 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 total amount redistributed from the National Pool to the Council in 2020/21 was £30.04m (£30.7m in 2019/20).

A net creditor of £1,042,517 at 31st March 2021 (£1,341,174 creditor as at 31st March 2020) is included in the balance sheet which represents the amount by which the cash received from Welsh Government exceeds the amount collected from ratepayers.

## 11.6 Grant Income

### Capital Grants and Contributions

The Authority has credited the following capital grants & contributions to the Comprehensive Income and Expenditure Statement in 2020/21:

2019/20 £000		2020/21 £000
2,275	WG General Capital Grant	2,423
952	Section 106 Developer Contributions	507
6,321	WG Grants	8,623
11	Other Contributions	0
<b>9,559</b>	<b>Total</b>	<b>11,553</b>
	<b>Credited to the Comprehensive Income and Expenditure Statement:</b>	
(901)	Grants and contributions applied towards Revenue Expenditure Funded from Capital under Statute	(1,288)
(8,658)	Capital grants and contributions applied and credited to Taxation and Non-specific Grant Income	(10,265)
<b>(9,559)</b>	<b>Total</b>	<b>(11,553)</b>

### 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:

2019/20 £000		2020/21 £000
	<b>Developer Contributions held in Advance:</b>	
3,852	S106 Developer contributions	4,214
<b>3,852</b>	<b>Total</b>	<b>4,214</b>

### Revenue Grants and Contributions

The Authority credited the following revenue grants and contributions to the Comprehensive Income and Expenditure Statement:

2019/20 £000		2020/21 £000
	<b>Revenue Grants credited to services</b>	
	<b>Central Government:</b>	
17,996	Housing Benefit Subsidy	17,553
	<b>Welsh Government:</b>	
0	Welsh Government Covid-19 Hardship fund - Expenditure Support	9,103

0	Welsh Government Covid-19 Hardship fund - Income loss Support	8,382
0	Welsh Government Covid-19 Hardship fund - Other	2,566
3,886	Education Improvement Grant (PDG)	3,959
3,298	Sixth Form Funding (DCELLS)	3,452
2,039	Housing Support Grant (Supporting People)	2,116
1,146	Children & Communities (Flying Start)	1,117
0	MYST (Children's Services Care)	990
522	Waste Management	509
970	Concessionary Fares (PTSG)	622
650	Families First	651
473	Rural Development Plan	362
0	Floods and SUDS	541
0	Government Tech Innovate	315
1,010	Teachers Pension Grant (transferred into RSG 2020/21)	0
7,036	Other WG grants	7,393
	<b>Home Office:</b>	
186	Support /Afghan / Syrian / Unaccompanied Asylum Seekers	203
111	Police and Crime Commissioner	52
2,862	<b>Other Grants &amp; Contributions</b>	1,078
<b>42,186</b>	<b>Total Revenue Grants credited to services</b>	<b>60,965</b>
	<b>Non-Specific Grant Income</b>	
30,682	Non-Domestic Rates	30,037
62,548	Revenue Support Grant	67,723
<b>93,229</b>	<b>Total Non-Specific Grant Income</b>	<b>97,760</b>

## 12 NON-CURRENT ASSET & CAPITAL FINANCING NOTES

### 12.1 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 2021 and 31st March 2020.

Movements in 2020/21:								
	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	PFI Assets Included in Property, Plant and Equipment* £000
<b>Cost or Valuation:</b>								
At 1st April 2020	251,758	21,829	95,742	4,459	0	2,844	376,632	1,259
Additions	3,604	2,906	6,820	(3)	-	1,425	14,753	-
Revaluation movements taken to Revaluation Reserve	(3,031)	(7)	-	0	-	-	(3,038)	(18)
Revaluation movements taken to Surplus/Deficit on Provision of Services	(2,943)	-	-	-	-	0	(2,943)	-
Impairment movements taken to Surplus/Deficit on Provision of Services	(2,168)	(790)	(2,079)	3	0	-	(5,035)	-
Reclassified (to)/from Held for Sale	(2,269)	(733)	-	(1)	10	-	(2,993)	-
Disposals	-	-	(2,255)	(0)	-	-	(2,256)	-
Other transfers	2,254	-	-	-	-	(2,254)	(0)	-
CCRCDC Assets	(2,169)	-	-	-	-	-	(2,169)	-
<b>At 31st March 2021</b>	<b>245,034</b>	<b>23,205</b>	<b>98,228</b>	<b>4,459</b>	<b>10</b>	<b>2,015</b>	<b>372,951</b>	<b>1,241</b>
<b>Accumulated Depreciation:</b>								
At 1st April 2020	(10,535)	(11,359)	(24,592)	0	0	0	(46,486)	0
Depreciation charge	(8,243)	(2,163)	(2,279)	-	-	-	(12,684)	(53)
Depreciation written out on revaluation to Revaluation Reserve	2,497	7	-	-	0	-	2,504	-
Depreciation written out on revaluation to Surplus/Deficit on Provision of Services	440	-	-	-	0	-	440	53
Depreciation written out on impairment to Surplus/Deficit on Provision of Services	-	-	-	-	-	-	0	-
Reclassified to/(from) Held for Sale	-	683	-	-	-	-	683	-
Disposals	-	-	2,255	-	-	-	2,255	-
<b>At 31st March 2021</b>	<b>(15,840)</b>	<b>(12,832)</b>	<b>(24,615)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(53,288)</b>	<b>0</b>
<b>Net Book Value:</b>	<b>229,194</b>	<b>10,372</b>	<b>73,613</b>	<b>4,459</b>	<b>10</b>	<b>2,015</b>	<b>319,663</b>	<b>1,241</b>

Movements in 2019/20								
	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	PFI Assets Included in Property, Plant and Equipment* £000

<b>Cost or Valuation:</b>								
At 1st April 2019	250,654	20,632	91,831	4,319	110	3,019	370,564	1,378
Additions	6,493	2,885	7,308	143	-	2,009	18,839	-
Revaluation movements taken to Revaluation Reserve	(239)	(52)	-	0	-	-	(292)	(119)
Revaluation movements taken to Surplus/Deficit on Provision of Services	(4,796)	-	-	-	-	0	(4,796)	-
Impairment movements taken to Surplus/Deficit on Provision of Services	(2,423)	(376)	(223)	(3)	0	-	(3,025)	-
Reclassified (to)/from Held for Sale	0	(1,259)	-	-	(110)	-	(1,369)	-
Disposals	-	-	(3,174)	(0)	-	-	(3,174)	-
Other reclassifications	(99)	-	-	-	0	-	(99)	-
CCRCO Assets	2,169	-	-	-	-	(2,183)	(14)	-
<b>At 31st March 2020</b>	<b>251,758</b>	<b>21,830</b>	<b>95,742</b>	<b>4,459</b>	<b>0</b>	<b>2,844</b>	<b>376,633</b>	<b>1,259</b>
<b>Accumulated Depreciation:</b>								
At 1st April 2019	(12,046)	(10,229)	(25,746)	-	-	-	(48,021)	(44)
Depreciation charge	(7,158)	(2,319)	(2,021)	-	-	-	(11,498)	(53)
Depreciation written out on revaluation to Revaluation Reserve	4,380	52	-	-	0	-	4,431	-
Depreciation written out on revaluation to Surplus/Deficit on Provision of Services	4,278	-	-	-	0	-	4,278	98
Depreciation written out on impairment to Surplus/Deficit on Provision of Services	-	-	-	-	-	-	0	-
Reclassified to/(from) Held for Sale	-	1,137	-	-	-	-	1,137	-
Disposals	-	-	3,174	-	-	-	3,174	-
Other reclassifications	11	-	-	-	0	-	11	-
<b>At 31st March 2020</b>	<b>(10,536)</b>	<b>(11,359)</b>	<b>(24,592)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(46,487)</b>	<b>0</b>
<b>Net Book Value:</b>	<b>241,222</b>	<b>10,470</b>	<b>71,150</b>	<b>4,459</b>	<b>0</b>	<b>2,844</b>	<b>330,146</b>	<b>1,260</b>

## 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 Head Of Commercial and Integrated Landlord Services (MRICS). 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 2020/21 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 2021. The valuations carried out during 2020/21 primarily include Community Centres, Hubs & Contact Centres, Public Conveniences & Primary Schools.

	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	53	10,373	73,613	4,458	10	2,015	90,522
<b>Valued at current value as at:</b>							
31st March 2021	19,091	-	-	-	-	-	19,091
31st March 2020	37,742	-	-	-	-	-	37,742
31st March 2019	78,832	-	-	-	-	-	78,832
31st March 2018	53,701	-	-	-	-	-	53,701
31st March 2017	39,775	-	-	-	-	-	39,775
<b>Total Cost or Valuation</b>	<b>229,193</b>	<b>10,373</b>	<b>73,613</b>	<b>4,458</b>	<b>10</b>	<b>2,015</b>	<b>319,663</b>

### 12.3 Schools Non-Current Assets

The Authority currently owns and runs four comprehensive schools, twenty four primary schools and one special school. In addition to the twenty four primary schools, there are two 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 other than Raglan Primary (£3,913,125 as at 31st March 2021) as the transfer of legal ownership to the third party is still ongoing.

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 other than Osbaston Primary (£1,646,450 as at 31st March 2021) as the transfer of legal ownership to the third party is still ongoing.

The net book value of school non-current assets as at 31st March 2021, shown in the Authority's balance sheet, is £163,484,094 (£170,725,078 as at 31st March 2020).

### 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 28% 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 2021 being £1,240,744.

## 12.5 Investment Properties

Investment Properties are those that are used solely to earn income 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 consists of long held assets such as County Farms and District Shops and also a Solar Farm, Newport Leisure Park and Castlegate Business Park constructed/acquired more recently. The resultant impact on the Authority's net income is shown below.

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

2019/20 £000		2020/21 £000
(4,983)	Rental income from investment property	(4,845)
2,401	Direct operating expenses arising from investment property	1,725
<b>(2,582)</b>	<b>Net (gain)/loss</b>	<b>(3,120)</b>

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

Three asset valuations due to be carried out by the 31st March 2021 have not yet been completed and as a result are not reflected in these draft statements. These relate to Castlegate Business park, Newport Leisure park and Oak Grove Solar farm. The valuations will be completed during July 2021 and will be reflected in the final statement of accounts.

2019/20 £000		2020/21 £000
64,682	Balance at start of the year	63,427
235	Additions	141
(1,018)	Disposals	(2,458)
(560)	Net gains/(losses) from fair value adjustments recognised in Financing and Investment Income and Expenditure	2,412
88	Transfers (to)/from Property, Plant and Equipment	1,781
<b>63,427</b>	<b>Balance at end of the year</b>	<b>65,304</b>

Capital receipts totalling £5,102,490 were credited to the Capital receipts reserve during 2020/21 in relation to investment properties (£4,206,058 in 2019/20).

### Fair Value Hierarchy

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

2019/20				Type of Property	2020/21			
Quoted Prices in active markets for identical assets	Other Observable inputs	Significant Unobservable inputs			active markets for identical assets	Other Observable inputs	Significant Unobservable inputs	
Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
£000	£000	£000	£000		£000	£000	£000	£000
		90	90	Freehold Reversions			95	95
	29,531		29,531	Agricultural Properties		29,692		29,692
		1,126	1,126	Retail Units			1,236	1,236
		1,709	1,709	Industrial Properties			1,940	1,940
		4,642	4,642	Solar Farm			5,098	5,098
			0	Share of CCRCD Asset			1,781	1,781

		26,330	26,330	Properties acquired for rental income			25,463	25,463
0	29,531	33,896	63,428		0	29,692	35,612	65,304

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, Industrial Properties & Solar Farm located in the local authority area & properties acquired in 2018/19 for rental income 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:

2019/20 £000		2020/21 £000
38,331	Balance at start of the year	33,896
48	Transfers (to)/from Level 3	1,781
(19)	Additions	8
0	Disposals	0
(4,464)	Net gains/(losses) from fair value adjustments included in Surplus or Deficit on the Provision of Services	(73)
33,896	Balance at end of the year	35,612

### 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%	
Investment Assets		Yield	6%	
Investment Assets		Yield	7%	

## 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 2021 are shown below:

2019/20 £000		2020/21 £000
2,100	Balance outstanding at start of year	2,060
0	Additions	0
232	Assets newly classified as held for sale: From Plant, Property & Equipment	2,320
0	Assets declassified as held for sale: To Plant, Property & Equipment	(10)
0	Revaluation gains	334
0	Revaluation losses	0
0	Impairment losses	0
(272)	Assets sold	(2,135)
<b>2,060</b>	<b>Balance outstanding at year-end</b>	<b>2,569</b>

## 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
<b>Cost or Valuation:</b>				
1st April 2019	100	4,464	180	4,744
Additions	237	0	-	237
Revaluation increases/ (decreases) recognised in the SDPS	0	-	-	0
Impairment losses/(reversals) recognised in the SDPS	(189)	-	-	(189)
Reclassified from property, plant and equipment	0	-	-	0
<b>31st March 2020</b>	<b>149</b>	<b>4,464</b>	<b>180</b>	<b>4,792</b>
<b>Cost or Valuation:</b>				
Additions	1	-	-	1
Revaluation increases/ (decreases) recognised in the SDPS	0	-	-	0
Impairment losses/(reversals) recognised in the SDPS	(1)	-	-	(1)
Reclassified from property, plant and equipment	-	-	-	0
<b>31st March 2021</b>	<b>149</b>	<b>4,464</b>	<b>180</b>	<b>4,792</b>



## 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 an existing use value (EUV) basis and were carried out internally by the Authority's Estates Section under the supervision of the Head Of Commercial and Integrated Landlord Services (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 2020 £000		31st March 2021 £000
186,342	Opening Capital Financing Requirement	189,451
	<b>Capital investment:</b>	
	<b>Enhancing value:</b>	
14,802	Property, plant and equipment	9,569
(19)	Investment properties	8
55	Intangible assets	0
49	Heritage assets	0
	<b>Not enhancing value:</b>	

3,025	Property, plant and equipment	5,035
253	Investment properties	133
0	Intangible assets	0
0	Assets held for sale	0
189	Heritage assets	1
5,062	Revenue Expenditure Funded from Capital under Statute	2,816
0	Loans & advances treated as capital expenditure	1,147
	<b>Sources of finance:</b>	
(5,910)	Capital receipts	(1,042)
(2,275)	General Capital Grant	(2,423)
(5,320)	Capital Grants and Contributions	(8,623)
(952)	S106 Contributions	(507)
(286)	Direct revenue contributions	(252)
	<b>Other:</b>	
(5,564)	Minimum revenue provision	(6,075)
0	Capital receipt set aside	0
<b>189,451</b>	<b>Closing Capital Financing Requirement</b>	<b>189,236</b>
	<b>Explanation of movements in year:</b>	
2,403	Increase in underlying need to borrowing - supported by Government financial assistance	2,417
6,270	Increase in underlying need to borrowing - unsupported by Government financial assistance	3,442
(5,564)	Less: Minimum revenue provision	(6,075)
<b>3,109</b>	<b>Increase / (decrease) in Capital Financing Requirement</b>	<b>(216)</b>

## 12.9 Capital Commitments

At 31st March 2021, the Authority had entered into 2 major contracts (i.e. those individually above £200,000) for the construction of Property, Plant and Equipment in 2021/22 and later years, budgeted to cost a total of £1,090,595 (£0 at 31st March 2020).

## 12.10 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".

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

The amount of revenue provision made by the Authority in 2020/21 was £6,075,366 (£5,564,000 in 2019/20).

## 12.11 Leases - Authority as Lessor

### Operating Leases

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

The minimum lease payments receivable includes rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. During the financial year £2,819,107 of minimum lease payments were receivable by the Authority (£2,223,357 in 2019/20).

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

2019/20 £000		2020/21 £000
2,137	Not later than one year	2,660
6,716	Later than one year and not later than five years	6,285
12,793	Later than five years	10,849
<b>21,646</b>		<b>19,794</b>

### Finance Leases

In 2016/17, the Authority entered into a Finance lease arrangement 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.

Present Value of Minimum Lease Payments to the Authority	2019/20		2020/21	
	Gross Amount outstanding from Lessee		Present Value of Minimum Lease Payments to the Authority	Gross Amount outstanding from Lessee
156	160	Not later than one year	156	160
592	640	Later than one year and not later than five years	592	640
2,004	2,720	Later than five years	1,906	2,560
<b>2,753</b>	<b>3,520</b>		<b>2,655</b>	<b>3,360</b>

The present value of the minimum lease payments has reduced during 2020/21 by the £160,000 receivable in year, offset by finance lease interest receivable.

## 12.12 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 £354,511 (£326,411 in 2019/20).

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

2019/20 £000		2020/21 £000
281	Not later than one year	297
582	Later than one year and not later than five years	652
155	Later than five years	181
<b>1,018</b>		<b>1,130</b>

## 13 FINANCIAL INSTRUMENTS, CURRENT ASSETS & LIABILITIES NOTES

### 13.1 Categories of Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes, benefits and government grants, do not give rise to financial instruments.

The Council adopted the IFRS 9 Financial Instruments accounting standard with effect from 1st April 2018. The main changes include the reclassification and remeasurement of financial assets and the earlier recognition of the impairment of financial assets.

Under the new Accounting Standard IFRS 9, financial instruments may be held at amortised cost or at fair value either through other Comprehensive income or Profit & Loss.

Financial assets are held as amortised cost where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows. This is the majority of our treasury investments such as term deposits, certificate of deposits, call accounts, trade debtors for goods and services provided contractually and also lease receivables. This excludes council tax debtors and grants receivable as they are non-exchange transactions.

Financial assets held at amortised cost and some assets held at fair value through other comprehensive income are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council. For most assets, this is 12 month expected credit losses until the risk increases significantly, then it is lifetime expected losses. For trade debtors expected lifetime losses are always used. Due to the high credit rating of counterparties used for treasury investments 12 month expected credit losses are minimal.

Financial assets are held at fair value through other comprehensive income where cashflows are solely payments of principal and interest and it is the Council's business model to collect these cashflows and sell the instruments before maturity. The authority does not hold any such investments. The standard also allows the authority to elect to account for equity investments through other comprehensive income if they are being held for strategic investment purposes, see table below.

All other financial assets are held at fair value through Profit & Loss. This includes an existing unquoted equity investment; a principal of £40,000 representing an equal share with Torfaen County Borough Council in SRS Business Solutions Limited. This investment comprised seed funding for the company and is revalued at £60,000 representing the most likely cash inflows resulting from this asset in the future. Further information is provided in note 16.6.

The following categories of financial assets are carried in the Balance Sheet as at 31st March 2021:

Long-Term 31st March 2020 £000	Short-Term 31st March 2020 £000		Note	Long-Term 31st March 2021 £000	Short-Term 31st March 2021 £000
<b>Financial Assets</b>					
<b>Investments at amortised Cost:</b>					
32	3,000	Principal invested	13.4	1,179	20,458
		Accrued Interest			
<b>Investments at fair value through other comprehensive income:</b>					
	2,658	Equity Investments elected FVOCI			2,986
<b>Investments at fair value through profit &amp; loss:</b>					
60		Unquoted equity investments	13.4	183	
<b>91</b>	<b>5,658</b>	<b>Total Investments</b>		<b>1,362</b>	<b>23,444</b>
<b>Cash &amp; Cash Equivalents at amortised cost:</b>					
	22,363	Principal	15.3		19,158
	14	Accrued Interest			
<b>0</b>	<b>22,377</b>	<b>Total Cash &amp; Cash Equivalents</b>		<b>0</b>	<b>19,158</b>
<b>At amortised cost:</b>					

70	11,857	Trade Receivables			9,879
	(611)	Loss allowance			(597)
2,710	98	Lease Receivables		2,557	100
214	(9)	Loans made for service purposes		210	1
<b>2,993</b>	<b>11,336</b>	<b>Included in Debtors</b>	<b>13.5</b>	<b>2,766</b>	<b>9,383</b>
<b>3,084</b>	<b>39,371</b>	<b>Sub-Total Financial Assets</b>		<b>4,128</b>	<b>51,985</b>
	2,542	<b>Current assets which are not Financial Instruments</b>			3,098
	17,175	Debtors which are not Financial Instruments	13.5	100	23,665
<b>3,084</b>	<b>59,088</b>	<b>Total Financial Assets</b>		<b>4,228</b>	<b>78,748</b>

Long-Term 31st March 2020 £000	Short-Term 31st March 2020 £000		Note	Long-Term 31st March 2021 £000	Short-Term 31st March 2021 £000
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All of the Council's financial liabilities are held at amortised cost including short and long term loans, bank overdraft, lease payables, PFI contracts and trade payables for goods and services.

The following categories of financial liabilities are carried in the Balance Sheet as at 31st March 2021:

Financial Liabilities					
<b>Loans at amortised Cost:</b>					
(92,563)	(94,325)	Principal sum borrowed		(84,843)	(97,911)
	(797)	Accrued Interest		0	(683)
(28)	(1)	EIR adjustments		(28)	(1)
<b>(92,591)</b>	<b>(95,123)</b>	<b>Total Borrowings</b>	<b>13.4</b>	<b>(84,871)</b>	<b>(98,595)</b>
<b>Loans at amortised Cost:</b>					
	(1,475)	Cash & cash equivalents	15.3		(621)
<b>0</b>	<b>(1,475)</b>	<b>Total Cash &amp; Cash Equivalents</b>		<b>0</b>	<b>(621)</b>
<b>Liabilities at amortised Cost:</b>					
(708)		PFI and finance lease liabilities		(674)	
(1,644)		Other Long Term Liabilities		(1,703)	
<b>(2,352)</b>	<b>0</b>	<b>Total Other Long Term Liabilities</b>		<b>(2,376)</b>	<b>0</b>
<b>Liabilities at amortised Cost:</b>					
(7,034)	(2,014)	Trade Payables			(1,134)
<b>(7,034)</b>	<b>(2,014)</b>	<b>Included in Short Term Creditors</b>	<b>13.6</b>	<b>0</b>	<b>(1,134)</b>
<b>(101,977)</b>	<b>(98,612)</b>	<b>Total Financial Liabilities</b>		<b>(87,247)</b>	<b>(100,349)</b>
0	(22,754)	Short term creditors which are not Financial Instruments	13.6		(35,271)
(232,599)	(4,534)	Other Current & long term liabilities which are not Financial Instruments:		(316,335)	(4,758)
<b>(334,577)</b>	<b>(125,899)</b>	<b>Total Balance Sheet Liabilities</b>		<b>(403,582)</b>	<b>(140,378)</b>

Equity instruments elected to fair value through OCI						
31st March 2020 £000	31st March 2020 £000	31st March 2020 £000		31st March 2021 £000	31st March 2021 £000	31st March 2021 £000
Fair value	OCI	Dividends		Fair value	OCI	Dividends
1,295	(254)	66	Kames Capital diversified monthly income fund	1,539	243	67

914	(92)	37	Investec Asset Management Ltd diversified income fund	1,001	88	37
449	(56)	15	CCLA LAMIT Property Fund	446	(3)	19
<b>2,658</b>	<b>(401)</b>	<b>119</b>	<b>Total Balance Sheet Asset</b>	<b>2,986</b>	<b>327</b>	<b>124</b>

The Council has elected to account for the investments in pooled funds above which are equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance.

### 13.2 Financial Instruments - Income, Expense, Gains and Losses

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

31st March 2020 £000					31st March 2021 £000
	<b>Financial Liabilities measured at:</b>	<b>Fair value through P&amp;L</b>	<b>Fair value through OCI</b>	<b>Fair value through OCI - elected</b>	<b>Amortised cost</b>
18	Interest expense - finance lease /private finance initiative debtors	0	0	0	15
0	Losses on de-recognition	0	0	0	0
0	Losses from changes in fair value	0	0	0	0
1	Impairment losses	0	0	0	0
4,068	Other Interest expense	0	0	0	3,688
4,088	Subtotals	0	0	0	3,703
<b>4,088</b>	<b>Total Interest payable and similar charges</b>				<b>3,703</b>
	<b>Financial assets measured at:</b>	<b>Fair value through P&amp;L</b>	<b>Fair value through OCI</b>	<b>Fair value through OCI - elected</b>	<b>Amortised cost</b>
(64)	Interest income relating to finance lease debtors	0	0	0	(64)
(151)	Interest from deferred receipts	0	0	0	0
(119)	Dividend income (elected equity instruments)	0	0	(124)	0
0	Gains on derecognition	0	0	0	0
0	Gains from changes in fair value	0	0	0	0
0	Impairment loss reversals	0	0	0	0
(139)	Other Interest income	0	0	0	(43)
(473)	Subtotals	0	0	(124)	(107)
<b>(473)</b>	<b>Total Interest &amp; Investment income</b>				<b>(231)</b>
<b>3,614</b>	<b>Net impact on surplus/deficit on provision of services</b>				<b>3,472</b>
<b>(Restated)</b>	<b>Impact on other comprehensive income:</b>	<b>Fair value through P&amp;L</b>	<b>Fair value through OCI</b>	<b>Fair value through OCI - elected</b>	<b>Amortised cost</b>
0	Gains on revaluation	0	0	330	0
(401)	Losses on revaluation	0	0	(3)	0
0	Amounts recycled to surplus/deficit on provision of services	0	0	0	0
(401)	Subtotals	0	0	327	0
<b>(401)</b>	<b>Impact on other comprehensive income</b>				<b>327</b>
<b>3,213</b>	<b>Net (gain)/loss for the year</b>				<b>3,799</b>

### 13.3 Fair Values of Financial Instruments

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including pooled funds, the fair value is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2021, using the following methods and assumptions

- Shares in SRS Business Solutions Limited have been valued by discounting the expected future cashflows at a rate reflecting the risk to the cashflows.

The value of financial instruments held at amortised cost have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2021, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- Discount rates for "Lender's Option Borrower's Option" (LOBO) loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March 2021.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at an appropriate rate.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

#### Financial liabilities

Balance Sheet 31st March 2020 £000	Fair Value 31st March 2020 £000		Balance sheet position	Fair Value Level	Balance Sheet 31st March 2021 £000	Fair Value 31st March 2021 £000	
		<b>Financial liabilities held at amortised cost:</b>					
(187,714)	(210,863)	Borrowings	Borrowing (ST & LT)	2	(183,466)	(204,695)	
(708)	(678)	PFI and finance lease liabilities	Other LT Borrowing	3	(674)	(695)	
<b>(188,422)</b>	<b>(211,541)</b>	<b>Subtotal</b>				<b>(184,140)</b>	<b>(205,390)</b>
		<b>Financial liabilities held at amortised costs for which fair value is not disclosed:</b>					
(1,475)		Cash & Cash equivalent	C & C E		(1,193)		
(2,014)		Trade payables	Short term creditors		(1,134)		
(1,644)		Net agency creditor and lease deposits	Other LT Borrowing		(1,703)		
<b>(193,556)</b>		<b>Total financial liabilities</b>				<b>(188,169)</b>	

The fair value of financial liabilities held at amortised cost 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 current rates available for similar loans 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.

## Financial Assets

Balance Sheet 31st March 2020 £000	Fair Value 31st March 2020 £000		Fair Value Level	Balance Sheet 31st March 2021 £000	Fair Value 31st March 2021 £000
		<b>Financial assets held at fair value:</b>			
2,658	2,658	Equity investments elected FV through OCI	ST Investments	2,986	2,986
60	60	Unquoted equity investments held at FVP&L	LT Investments	183	183
<b>2,718</b>	<b>2,718</b>	<b>Subtotal</b>		<b>3,168</b>	<b>3,168</b>
		<b>Financial assets held at amortised cost:</b>			
2,753	2,662	Lease receivables	LT debtors	2,657	2,799
2,630	2,573	Trade receivables - deferred receipt	LT debtors		
<b>8,100</b>	<b>7,952</b>	<b>Subtotal</b>		<b>5,825</b>	<b>5,967</b>
		<b>Financial assets held at amortised cost for which fair value is not disclosed:</b>			
22,377		Cash & Cash equivalent	C&CE	19,158	
5,658		Short term investments	ST Investments	23,444	
11,857		Trade Receivables	Short term debtors	9,879	
214		Loans made for service purposes	Long term debtors	210	
<b>48,206</b>		<b>Total financial assets</b>		<b>58,517</b>	

There is a small difference between the fair value and carrying value of long term lease receivables and long term trade receivables.

## 13.4 Nature and Extent of Risks arising from Financial Instruments

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2017.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. 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.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Welsh Government Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its management practices seek to achieve a suitable balance between risk and return or cost.



Whilst the majority of Investments used continue to be with institutions which are given a high credit rating by external rating agencies and which continue to show other measures of credit worthiness, the authority's investment portfolio now includes £3m in strategic pooled funds which achieve higher returns. The risk is controlled by following the advice of the Authority's treasury management advisors, by the use of experienced fund managers and diversification within the funds purchased.

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

- Credit risk – the possibility that the counterparty to any of the Authority's financial assets will fail to meet its contractual obligations to pay the amounts due, causing a loss to the Council.
- Liquidity risk – the possibility that the Authority might not have cash available to make contracted payments on time
- Market risk – the possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

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.

#### a) Credit Risk

##### Treasury Investments

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £2m is placed on the amount of money that can be invested in unsecured investments with a single counterparty (other than the UK government) for the majority of the Authority's activities (for more details see the Treasury Strategy).

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

Balance Long-term 31st March 2020	Balance Short-term 31st March 2020	Counterparty Group	Investment Vehicle	Average	Country	Balance Long-term 31st March 2021	Balance Short-term 31st March 2021
£'000	£'000			rating		£'000	£'000
0	3,000	UK Government	Term Deposit with DMADF	AA+	United Kingdom	0	20,000
0	0	Local Authority	Term Deposit	AA+	United Kingdom	0	0
0	0	Bank	Term Deposit	A+	United Kingdom	0	16,015
<b>0</b>	<b>3,000</b>					<b>0</b>	<b>36,015</b>
		<b>Credit risk Not applicable *</b>					
0	2,658	Pooled funds			United Kingdom	0	2,986
91	0	Unquoted Equity			United Kingdom	1,239	274
<b>91</b>	<b>5,658</b>	<b>Total Investments</b>				<b>1,239</b>	<b>39,275</b>

\* Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any sum of money.

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies, multiplied by 131% (2020: 365%) to adjust for current and forecast economic conditions. A two-year delay in cash flows is assumed to arise in the event of default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating. They are determined to be credit-impaired when awarded a "D" credit rating or equivalent. At 31st March 2021, £nil of loss allowances related to treasury investments.

#### Trade & Lease receivables and Contract assets

Credit risk also arises from the Authority's customers and other contractual debtors. 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 age.

Trade receivables are normally written off to the Surplus or Deficit on the Provision of Services when over due, but steps are still taken to collect sums owing until all economic avenues have been explored. The amount provided for but still subject collection processes and its age profile is provided in note 13.5.

The Council has one finance lease receivable as a result of a lease disposal of a piece of land, which is held on the balance sheet at amortised cost. The Council's credit risk on lease receivables is mitigated by its legal ownership of the asset leased, which can be repossessed if the debtor defaults on the lease contract, so no loss allowance has been applied. At the 31st March 2021 the carrying value was £2,657,000. The fair value was £2,799,000 reflecting the difference in interest rates used for the two estimates.

#### Loans, Financial Guarantees and Loan Commitments

The Council has not made any material Loans, Financial Guarantees and Loan Commitments.

#### 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 occur, the authority has ready access to borrowing at favourable rates from the Public Works Loans Board, other local authorities. There is no significant risk that it will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will be bound to replenish a significant proportion of its borrowings at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring net short term borrowing is no more than 50% of the Council's net total borrowing.

The maturity analysis of financial instruments is as follows:

31st March 2020				31st March 2021		
£000	£000	£000		£000	£000	£000
Borrowings	Investments	Net		Borrowings	Investments	Net
			<b>The Loans Mature as follows:-</b>			
0	(2,718)	(2,718)	No defined maturity	0	(3,626)	(3,626)
95,201	(3,000)	92,201	Less than one year	98,595	(20,000)	78,595
7,921	0	7,921	Between one and two years	3,013	0	3,013
13,207	0	13,207	Between two and five years	13,448	0	13,448
13,739	(32)	13,708	Between five and ten years	11,510	(1,179)	10,331
12,717	0	12,717	Between ten and twenty years	12,924	0	12,924
44,928	0	44,928	More than twenty years	43,976	0	43,976
<b>187,714</b>	<b>(5,750)</b>	<b>181,965</b>	<b>Total</b>	<b>183,466</b>	<b>(24,806)</b>	<b>158,660</b>

The Counterparty analysis of Borrowing is shown below:

31st March 2020		31st March 2021
£000		£000
89,627	Public Works Loan Board	74,647
13,816	Market Loans & Bank loans	13,812
5,248	Welsh Government	5,062

76,023	Local Government bodies	86,944
3,000	Special Purpose Vehicle	3,000
<b>187,714</b>	<b>Total</b>	<b>183,466</b>

The financial liabilities due to Welsh Government at the 31st March 2021 are the outstanding balances from interest free loans provided to fund energy saving Street Lighting capital schemes and 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

Investments measured at amortised cost and loans borrowed are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact the Comprehensive Income and Expenditure Statement. 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. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Authority has a number of strategies for managing interest rate risk. The current 2020/21 treasury strategy includes a limit on the Authority's exposure to interest rate risk. This limit of 50% applies to the percentage of net variable rate debt to total net debt, where net debt is debt net of investments.

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.

The interest payable and interest receivable during 2021/22, on borrowings and investments held at the 31st March 2021, with all other variables held constant, would increase / (decrease), if interest rates were 1% higher. The most significant impact would relate to variable rate and short term loans & investments, with long term instruments not being affected:

31st March 2020	Effect of a 1% increase in interest rates	31st March 2021
£000		£000
650	Increase in interest payable on borrowings	829
(29)	Increase in interest receivable on investments	(190)
0	Decrease in fair value of investments held at FVP&L	0
<b>621</b>	<b>Impact on Surplus or Deficit on the Provision of Services</b>	<b>639</b>
(13,459)	Decrease in fair value of fixed rate borrowing *	(12,630)

\* No impact on Comprehensive Income and Expenditure

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

## ii) Price risk

The market prices of the bond component in the Council's multi asset pooled funds are governed by prevailing interest rates and the price risk associated with these instruments is managed alongside interest rate risk. It is carrying a £60,000 investment in shares of SRS Limited, a company set up with and jointly owned by Torfaen Borough Council & Gwent Police Authority. The property element of the Council's multi asset pooled funds is subject to the risk of falling commercial property prices. The equity element of the Council's multi asset pooled funds is subject to the risk of falling share prices. These risks were limited by the Council's maximum exposure to strategic pooled funds of £6m. A 5% fall in the value of the property component or equity component held within these funds could result in a charge to Other Comprehensive Income and Expenditure. The due diligence carried out before these investments purchased would indicate that any such loss is expected to be either temporary or compensated for by the dividend income. One advantage of a multi asset pooled funds is that property, equity and bonds prices are not fully correlated with each other reducing the risk of losses.

## 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 2021, repayable in the short term (within 12 months of the balance sheet date) and long term (after 12 months of the balance sheet date), is summarised below:

31st March 2020					31st March 2021			
Long Term £000	Short Term £000	Impairment £000	Net £000		Long Term £000	Short Term £000	Impairment £000	Net £000
				<b>Central Government Bodies:</b>				
0	3,671	0	3,671	Welsh Government		9,444		9,444
0	1,274	0	1,274	HM Customs & Excise		1,083		1,083
0	1,238	0	1,238	NNDR Debtor		2,306		2,306
0	708	0	708	Council Tax and Housing Benefit Subsidy		406		406
0	0	0	0	Other				0
				<b>Other entities and individuals:</b>				
0	4,871	(22)	4,849	Other Local Authorities		4,956	(4)	4,952
0	2,655	0	2,655	Deferred Capital receipts				0
2,710	195	0	2,905	Finance Lease	2,557	100		2,657
0	6,657	(55)	6,602	Revenue debtors		7,542	(55)	7,487
0	2,671	(1,667)	1,004	Council tax arrears		3,925	(1,895)	2,031
0	842	(154)	688	Corporate sundry debtors		1,323	(235)	1,088
0	1,540	(664)	876	Housing benefit overpayments		1,284	(649)	635
0	2,729	(2)	2,727	NHS Bodies		1,756		1,756
0	901	(168)	733	Social Services debtors		784	(154)	630
0	256	(172)	84	Rent arrears		275	(204)	71
0	752	0	752	Capital debtors		16		16
204	0	0	204	Housing Advances	201			201
79	455	0	534	Other	109	1,043		1,152
2,993	31,416	(2,904)	31,505	<b>Total Debtors</b>	<b>2,867</b>	<b>36,244</b>	<b>(3,196)</b>	<b>35,914</b>

The aged analysis of short term debtors outstanding as at 31st March 2021 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
<b>Central Government Bodies:</b>						
Welsh Government	9,035	409	0	0	0	9,444
HM Customs & Excise	1,083					1,083
NNDR Debtor	1,025		969	300	12	2,306
Council Tax and Housing Benefit Subsidy	406					406
Other						0
<b>Other entities and individuals:</b>						
Other Local Authorities	1,893	2,545	210	307	0	4,956
Deferred Capital receipts						0
Finance Leases	100					100
Revenue debtors	7,447		34	27	34	7,542
Council tax arrears	0		2,333	700	892	3,925
Corporate sundry debtors	67	673	369	123	92	1,323
Housing benefit overpayments			333	296	655	1,284
NHS Bodies	9	1,492	245	10	0	1,756
Social Services sundry debtors	64	170	247	123	181	784
Capital debtors	16					16
Rent arrears	33	21	43	33	145	275
Housing Advances						0
Other	883					883
<b>Total</b>	<b>22,061</b>	<b>5,310</b>	<b>4,783</b>	<b>1,919</b>	<b>2,010</b>	<b>36,084</b>

The associated impairment for potential default and uncollectability for debtors outstanding as at 31st March 2021 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	0	0	0	0	0
NHS Bodies	0	0	4	0	0	4
Revenue debtors	0	0	17	14	24	55
Council Tax Arrears	0	0	516	487	892	1,894
Social Services sundry debtors	48	24	33	5	44	154
Corporate sundry debtors	0	0	89	79	67	235
Rent arrears	0	4	23	33	144	204
Housing benefit overpayments	0	0	66	64	519	649
<b>Total</b>	<b>48</b>	<b>28</b>	<b>748</b>	<b>682</b>	<b>1,690</b>	<b>3,196</b>

### 13.6 Creditors

It is the Authority's policy to pay creditors promptly, without undue delay and within mutually agreed terms. 97.88% of payments were paid within a 30 day target settlement date (93.44% in 2019/20).

The nature and value of payments due to be made by the Council in the year but not actually made as at 31st March 2021 is summarised below:

31st March 2020 £000		31st March 2021 £000
2,852	Central Government Bodies	10,222
3,383	Other Local Authorities	2,874
409	NHS Bodies	411
2,307	Capital Creditors	4,922
15,817	Other entities & individuals	17,975
<b>24,768</b>	<b>Total</b>	<b>36,405</b>

### 13.7 Provisions and Contingent Liabilities

The value of provisions as at 31st March 2021, together with their movement for the year, is summarised below:

	Note	As at 1st April 2020 £000	Additional Provisions Made £000	Amounts Used £000	Unused Amounts Reversed £000	As at 31st March 2021 £000
Insurance Claims	13.7a	794	851	(794)	0	851
Insurance Claims - MMI	13.7b	32	0	0	0	32
Accumulating Compensated Absences	13.7c	3,553	557	0	0	4,109
Shared Resource Service (Public) Debt	13.7d	86	0	0	0	86
School Redundancies		482	0	(482)	0	0
CCRCDC Consolidation		89	38	0	0	127
<b>Total</b>		<b>5,036</b>	<b>1,446</b>	<b>(1,276)</b>	<b>0</b>	<b>5,205</b>

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 2020 £000	Long Term 31st March 2020 £000		Current 31st March 2021 £000	Long Term 31st March 2021 £000
397	397	Insurance Claims	546	305
16	16	Insurance Claims - MMI	16	16
3,553	0	Accumulating Compensated Absences	4,109	0
86	0	Shared Resource Service (Public) Debt	86	0
482	0	School Redundancies	0	0
0	89	CCRCDC Consolidation	0	127
<b>4,534</b>	<b>502</b>	<b>Total</b>	<b>4,757</b>	<b>448</b>

#### 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 2021. 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 Section 151 Officer. 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 2021 was £851,000 (£794,000 at 31st March 2020) and the balance on the insurance and risk management reserve as at 31st March 2021 was £846,000 (£846,000 as at 31st March 2020). These balances are deemed to provide sufficient cover for the Authority's claims exposure.

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

31st March 2020		31st March 2021
£000		£000
622	Public Liability	632
172	Employer's Liability	219
794	Total	851

#### 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 2021, a provision of £31,137 has been made for outstanding claims of this nature, unchanged from 2019/20.

#### 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 2021 was £4,109,744 (£3,552,832 at 31st March 2020).

#### d) Shared Resource Service (SRS) Public Debt

Financial administration of the Shared Resource Service (Public) transferred to Torfaen CBC on 1st April 2019. As part of the winding up of the administration it is possible that Monmouthshire CC may incur a write off for unrecoverable debt relating to bills raised by SRS Public up to and including the 31st March 2019. The probability and timing of these write offs still remains uncertain at the balance sheet date and therefore an FRS12 provision of £86,254 has been maintained as at 31st March 2021.

#### e) Asbestos Indemnity (Contingent Liability)

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 indemnity is one where the authority has negotiated an initial limited contingent liability of £6.003million, to be updated annually by RPI, for a period of 15 years from the date of transfer of 20th January 2008. 2 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 the potential future liability, after updating for RPI is £6.679 million (£6.582 million as at 31st March 2020) , 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 2021) is £124,456 (previously £124,456 for the period 21st January 2008 to 31st March 2020).



## 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.

The Council makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in two separate pension schemes; the Greater Gwent Pension Fund (Local Government Pension Scheme (LGPS)) and the Teachers' Pensions Scheme (TPS), both of which provide defined benefits to members (retirement lump sums and pensions) earned as employees worked for the Council.

#### *Teachers Pension Scheme (TPS) – Unfunded Defined Benefit Scheme Accounted for as a Defined Contribution Scheme*

Whilst this is an unfunded multi-employer defined benefit scheme it is required to be accounted for as if it were a defined contribution scheme, because the arrangements are such that the liabilities cannot ordinarily be identified specifically to the Council. A notional fund is used as the basis for calculating the employer's contribution rate paid by local authorities and valuations of the notional fund are undertaken every four years. This scheme is administered by the Teachers' Pensions Agency (TPA). No liability for future payments of these benefits is recognised in the Council's Balance Sheet.

The Authority's payments to the scheme relating to 2020/21 totalled £5,991,000 (£4,992,000 in 2019/20) in respect of teachers' retirement benefits.

Under this scheme there are separate arrangements for the award of discretionary post employment benefits upon early retirement – these are unfunded defined benefit arrangements, under which liabilities are recognised when awards are made.

There were £495,227 of contributions remaining payable to the scheme at the year end (£479,000 at 31st March 2020). The Council is not responsible for any other employers' obligations under this pension plan.

#### *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 are based on pensions being 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 2021 is split as follows, along with the weighted average duration of each group:

2019/20			2020/21		Average Age 31st Mar 2021 in Years
£000's	%		£000's	%	
242,171	44%	Active	367,088	51%	51
101,334	19%	Deferred	138,897	19%	51
202,078	37%	Pensioners	216,972	30%	68
<b>545,583</b>	<b>100%</b>	<b>Total</b>	<b>722,957</b>	<b>100%</b>	<b>19.6</b>

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 Investment Portfolio.

#### 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.

An allowance was made for the McCloud judgement in last year's results Schedule and no further adjustment has been made within this year's result Schedule. The previous allowance within the balance sheet will simply be rolled forward and therefore included within the closing position at the accounting Date. No explicit additional adjustment for McCloud has been added to the current service cost for 2020/21 (or the projected service cost for 2021/22).

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
2019/20 £000's	2019/20 £000's		2020/21 £000's	2020/21 £000's
		<b>Comprehensive Income and Expenditure Account</b>		
		<b>Net Cost of Services:</b>		
24,341	0	current service cost	20,168	0
1,357	0	past service cost / (gain) including curtailments	91	0
0	0	settlement gain	0	0
<b>25,698</b>	<b>0</b>	<b>Total Net Cost of Services</b>	<b>20,259</b>	<b>0</b>
		<b>Financing and Investment Income and Expenditure:</b>		
14,982	109	interest cost on pension liabilities	12,905	(86)
(8,505)	0	interest income on plan assets	(7,449)	0
0	0	Impact of asset ceiling on net interest	0	0
<b>32,175</b>	<b>109</b>	<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>25,715</b>	<b>(86)</b>
		<b>Other Comprehensive Income and Expenditure:</b>		

(56,332)	(484)	(Gains) and losses on remeasurement	64,244	331
0	0	Effect of business combinations and disposals	0	0
<b>(56,332)</b>	<b>(484)</b>	<b>Total Other Comprehensive Income and Expenditure</b>	<b>64,244</b>	<b>331</b>
<b>(24,157)</b>	<b>(375)</b>	<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>89,959</b>	<b>245</b>
		<b>Movement in Reserves Statement</b>		
(32,175)	(109)	reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits	(25,715)	86
		<b>Actual amount charged against the Council Fund for pensions in the year:</b>		
12,724	431	employers' contributions payable to scheme	13,617	409

#### 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 2021 is £12,905,000. Expected contributions for Teachers Unfunded Discretionary Benefits scheme in the year to 31 March 2021 are £418,000.

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

A draft report of the results of the latest full actuarial valuation of the Greater Gwent (Torfaen) Pension Scheme, based on the position of the fund at 31st March 2019, was released in December 2019. In between formal valuations which occur every three years the actuary assesses the extent of the employers pension assets and liabilities. The Actuaries report for 31st March 2020 including the projections for 20/21 is therefore based on this 31st March 2019 full valuation.

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 2021	31st March 2020	31st March 2019
Rate of increase in salaries	3.2%	2.2%	2.9%
Rate of increase in pensions (inline with CPI)	2.9%	1.9%	2.5%
Rate for discounting scheme liabilities	2.0%	2.3%	2.4%
<b>Life Expectancy:</b>			
Current male pensioner aged 65 (years)	20.7	20.6	21.5
Current female pensioner aged 65 (years)	23.4	22.9	23.9
Future male pensioner aged 65 in 20 years' time (years)	22.1	21.6	23.6
Future female pensioner aged 65 in 20 years' time (years)	25.4	24.6	26.1

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.

## 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 2021	Approximate % increase to Employer	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	10%	75,080
0.5% increase in the Salary Increase Rate	1%	7,381
0.5% increase in the Pension Increase Rate	9%	66,132

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 2020		Category	Quoted in Active markets	31st March 2021	
£000	%			£000	%
47,772	14.8%	Equities	Yes	62,764	14.8%
		<b>Investment funds &amp; Unit Trusts</b>			
186,585	57.8%	Equities	No	245,139	57.8%
54,190	16.8%	Bonds	No	71,196	16.8%
23,466	7.3%	Other	No	30,830	7.3%
8,129	2.5%	Property	No	10,680	2.5%
2,838	0.9%	Cash accounts	No	3,729	0.9%
0	0.0%	Alternatives	No	0	0.0%
<b>322,980</b>	<b>100.0%</b>	<b>Total</b>		<b>424,338</b>	<b>100.0%</b>

## 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
2019/20 £000	2019/20 £000		2020/21 £000	2020/21 £000
353,171	0	As at 1st April	322,980	0
0	0	Settlement costs	0	0
8,505	0	Interest on plan assets	7,449	0
12,724	431	Employers contributions	13,617	409
3,352	0	Contributions by scheme participants	3,539	0
(39,633)	0	Gains / (losses) on remeasurement of assets	91,626	0
0	0	Administration expenses of plan assets	0	0
(15,139)	(431)	Benefits paid	(14,873)	(409)

322,980	0	As at 31st March	424,338	0
<b>The Movement in Fund Liability</b>				
(616,635)	(4,749)	As at 1st April	(549,563)	(3,943)
(24,341)	0	Current service cost	(20,168)	0
(1,357)	0	Past service (cost) / gain (including curtailments)	(91)	0
0	0	Settlement gains	0	0
0	0	Curtailment costs	0	0
(14,982)	(109)	Interest on pension liabilities	(12,733)	(86)
(3,352)	0	Contributions by scheme participants	(3,539)	0
95,965	484	Gains / (losses) on remeasurement of liabs	(155,870)	(331)
15,139	431	Benefits paid	14,873	409
0	0	Effect of business combinations & disposals	0	0
(549,563)	(3,943)	As at 31st March	(727,091)	(3,951)

There were £1,124,000 of contributions remaining payable at the year end for the Local Government Pension Scheme (at 31 March 2020 £1,119,000 was payable) and £2,000 was owed to the Authority for the Teachers unfunded discretionary benefits scheme (£2,000 at 31 March 2020).

Within the £727,091,000 of pension liabilities for the Local Government Pension Scheme at 31 March 2021 (£549,563,000 31 March 2020), there are £3,957,000 of unfunded liabilities (£3,993,000 as at 31st March 2020). £328,000 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 2021, the fund's actuaries have estimated that the Authority had the following assets and liabilities:

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
<b>Local Government Pension Scheme</b>					
Present value of scheme liabilities	(531,153)	(544,485)	(616,635)	(549,563)	(727,091)
Fair value of scheme assets	319,333	331,910	353,171	322,980	424,338
<b>Surplus / (deficit) in the scheme</b>	<b>(211,820)</b>	<b>(212,575)</b>	<b>(263,464)</b>	<b>(226,583)</b>	<b>(302,753)</b>
<b>Teachers Unfunded Discretionary Benefits</b>					
Present value of scheme liabilities	(5,417)	(5,070)	(4,749)	(3,943)	(3,951)
Fair value of scheme assets	0	0	0	0	0
<b>Surplus / (deficit) in the scheme</b>	<b>(5,417)</b>	<b>(5,070)</b>	<b>(4,749)</b>	<b>(3,943)</b>	<b>(3,951)</b>
<b>Total</b>					
Present value of scheme liabilities	(536,569)	(549,555)	(621,384)	(553,506)	(731,042)
Fair value of scheme assets	319,333	331,910	353,171	322,980	424,338
<b>Surplus / (deficit) in the scheme</b>	<b>(217,236)</b>	<b>(217,645)</b>	<b>(268,213)</b>	<b>(230,526)</b>	<b>(306,704)</b>
<b>Year on year increase in net liability (or deficit)</b>		<b>(409)</b>	<b>(50,568)</b>	<b>37,687</b>	<b>(76,178)</b>

There is a increase in the combined net liability of the Greater Gwent pension funds of £76,178,000 from 1 April 2020 to 31 March 2021. This has resulted from a increase in the value of scheme liabilities of £177m offset by a increase in the value of scheme assets. The increase in liabilities is due to changes in financial assumptions (e.g. increased inflation, decreased discount rate, increased longevity/age presumptions).

## 15 NOTES TO THE CASH FLOW STATEMENT

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

2019/20 £000		2020/21 £000
23,195	Net (surplus) or deficit on the provision of services	6,946
	<b>Non-cash transactions:</b>	
(11,498)	Depreciation of non-current assets	(12,684)
(3,732)	Impairment and downward valuations	(7,539)
(186)	Amortisation of intangible non-current assets	(79)
229	Increase/decrease in impairment for provision for bad debts	(409)
52	Increase/(decrease) in inventories	(40)
(1,309)	Increase/(decrease) in debtors	4,417
2,267	(Increase)/decrease in creditors	(11,438)
(850)	(Increase)/decrease in provisions	(132)
(19,129)	Pension liability	(11,775)
51	CCRCD: Capital & Revenue Grants recognised	201
(1,290)	Carrying amount of non-current assets, assets held for sale and investment properties which are sold or derecognised	(4,593)
(560)	Movement in the value of investment properties	2,412
	<b>Items classified in another classification in the cash flow statement</b>	
(2,085)	Other payments for investing activities	2,909
10,487	Other receipts from investing activities	9,811
(31)	Other payments for financing activities	(34)
(921)	Other receipts for financing activities	(753)
7,274	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	10,193
<b>1,963</b>	<b>Net cash flows from Operating Activities</b>	<b>(12,585)</b>

### 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:

2019/20 £000		2020/21 £000
	<b>Returns on Investments received:</b>	
(448)	Interest received	(219)
(33)	Other interest and investment income	(25)
	<b>Servicing of Finance paid:</b>	
4,301	Interest paid	3,801
18	Interest element of finance lease rental payments	15
<b>3,838</b>		<b>3,572</b>

### 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 2020	In Year Movement	At 31st March 2021
	£000	£000	£000
<b>Current Assets</b>			
Cash held by the Authority	424	(251)	172
Bank current accounts	0	0	0
Short-term call account deposits	21,953	(2,967)	18,986
<b>Current Liabilities</b>			
Bank current account overdrafts	(1,475)	854	(621)
<b>Total</b>	<b>20,902</b>	<b>(2,365)</b>	<b>18,538</b>

## 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 Councillors and co-optee members of the council during the year:

2019/20 £000		2020/21 £000
595	Basic allowance	608
202	Special responsibility allowance	208
26	Travel allowance	2
0	Subsistence allowance	0
6	ICT Costs	4
<b>829</b>	<b>Total</b>	<b>822</b>

### 16.2 Audit Costs

The Authority has incurred the following costs during 2020/21 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:

2019/20 £000		2020/21 £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
55	Fees payable to the appointed auditor for certification of grant claims & returns	40
<b>334</b>	<b>Total</b>	<b>319</b>

### 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.

The income and expenditure for the pooled fund arrangements for the financial year ended 31st March 2021 was:

2019/20 £000		2020/21 £000
	<b>Funding</b>	
(257)	Monmouthshire County Council	(262)
(194)	Monmouthshire Local Health Board	(197)



(451)	<b>Total Funding</b>	(459)
	<b>Expenditure</b>	
326	Employee related	326
72	Premises related	78
3	Transport related	1
30	Supplies & Services	35
40	Agency & Contracted	39
<b>471</b>	<b>Total Expenditure</b>	<b>479</b>
<b>20</b>	<b>Net (Under)/over spend</b>	<b>20</b>

#### **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 £4,106,000 (£3,398,000 for 2019/20) and gross income of £4,106,000 (£3,398,000 for 2019/20) for the financial year ended 31st March 2021. Monmouthshire County Council's contribution for the year was £382,000 (£323,000 for 2019/20).

#### **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 £3,768,000 (£3,687,000 for 2019/20) and gross income of £3,612,000 (£3,489,000 for 2019/20) for the financial year ended 31st March 2021. Monmouthshire County Council's total contribution for the year was £1,171,000 (£1,166,000 for 2019/20).

#### **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 £16,623,000 (£16,458,000 for 2019/20) and gross income of £16,637,000 (£16,571,000 for 2019/20) for the financial year ended 31st March 2021. Monmouthshire County Council's total contribution for the year was £1,411,000 (£1,361,000 for 2019/20).

#### **e) Pooled Fund for Care Home Accommodation Functions for Older People**

Under section 169 and Part 9 Statutory Guidance of the Social Services and Wellbeing Act (Wales) 2014, Welsh Government has directed the forming of a pooled arrangement across Wales for Care Home Accommodation Functions for Older People.

The Gwent Regional Partnership Board decided to establish a pooled fund and service, by establishing a 'Gwent' section 33 agreement from the 6 organisations being 5 Local Authorities comprising of Monmouthshire, Newport, Torfaen, Blaenau Gwent and Caerphilly, along with Aneurin Bevan University Health Board.

Torfaen County Borough Council is the host for the Partnership, who recorded gross expenditure of £95,841,580 (£104,976,167 for 2019/20) and funding of £95,841,580 (£104,976,167 for 2019/20) for the financial year ended 31st March 2021. Monmouthshire County Council's total contribution for the year was £8,870,266 (£9,737,712 for 2019/20).

## 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 note 11.6 to the Accounts and balances owing to/from these parties is outlined in notes 13.5 & 13.6.

### Members

Members of the council have direct control over the council's financial and operating policies. The total of members' allowances paid in 2020/21 is shown in Note 16.1. During 2020/21, works and services to the value of £17,892m (£19.118m in 2019/20) were commissioned from other public bodies and companies in which nine members had an interest. Contracts were entered into in full compliance with the council's standing orders. In addition, grants totalling £96,809 (£117,743 in 2019/20) were made to voluntary organisations in which three members had positions on the governing body. No grants were made to organisations whose senior management included close members of the families of members. In all instances, the grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Details of all these transactions are recorded in the register of members' interest, open to public inspection at the Council headquarters during office hours at its offices at County Hall, Usk, Monmouthshire, NP15 1GA.

### 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 Monitoring Officer for the Authority, Chief Officer for Children & Young People, Chief Officer Social Care Safeguarding & Health and the Head of Policy and Governance have no pecuniary interests.

The Chief Executive was the Acting Returning Officer and Electoral Registration Officer for Monmouthshire during 2020/21 and held the following position during the year:

- **Member of the Cardiff Capital Region Investment Committee**
- **Shared Resource Services - Board Member**
- **Innovation Point Wales - Non-Executive Director**

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

- **Non-Executive Director to Dragon Waste Limited**

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

- **Shared Resource Services - Business Solutions - Director**

The Deputy Chief Executive (Chief Officer for Resources) has an indirect involvement with:

- **Cardiff Capital Region - City Deal**
- **Science and Innovation Advisory Council**
- **UKRI's Research England Board**
- **Prince's Trust - Wales**

Any transactions and balances held with these parties are shown within note 16.6 to the accounts.

## 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 2021:

2019/20					2020/21			
Income £000	Expend £000	Assets £000	Liabilities £000		Income £000	Expend £000	Assets £000	Liabilities £000
(209)	618	5,143	(178)	<b>Welsh Church Act Fund</b>	(604)	258	5,542	(230)

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.

0	0	114	(114)	<b>Llanelly Hill Social Welfare Centre</b>	(3)	3	129	(61)
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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.

(5)	0	6	(1)	<b>Chairman's Charity</b>	(0)	0	7	0
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The Chairman's Charity supports and raises funds for the Chairman's nominated Charity of the year.

				<i>Funds for which Monmouthshire County Council acts as custodian trustee:</i>				
(27)	54	636	(4)	<b>Monmouthshire Farm School Endowment</b>	(42)	16	656	(2)
(1,094)	930	833	(669)	<b>Appointeeship - Personal Monies</b>	(1,332)	1,119	1,045	0

## 16.6 Related Businesses and 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.

In respect of the Cardiff Capital Region City Deal (CCRC), the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures. Further details of the arrangement are outlined below.

The Council's remaining interests in other entities, 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 for these entities within these statements. In order to ensure compliance with the Code, a range of narrative disclosures have been made as follows:

### 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 2020.

31st March 2020		31st March 2021
£000 Final		£000 Draft
168	Net Assets/(Liabilities)	Not available
183	Profit/(Loss) before Taxation	Not available
183	Profit/(Loss) after Taxation	Not available
0	Dividends	Not available

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

Net payments of £1,597,524 were made to Dragon Waste Limited during 2020/21 (£2,166,743 during 2019/20).

The Authority owed £281,345 to Dragon Waste Limited at the 31st March 2021 (£177,005 owed to Dragon Waste as at 31st March 2020) in respect of Waste Management contract income.

Once published, further information can be found in the Dragon Waste Limited Financial Statements for the year ended 31 March 2021 which will be 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 core contribution during 2020/21 included in the Council's Accounts totalled £2.133m (£2.169m in 2019/20).

The Authority owed £3,541 to SRS Public at the 31st March 2021 (£2,933 owed as at 31st March 2020).

Financial administration of the Shared Resource Service (Public) was transferred to Torfaen CBC on 1st April 2019. As part of the winding up of the administration it is possible that Monmouthshire CC may incur a write off for unrecoverable debt relating to bills raised by SRS Public up to and including the 31st March 2019. The probability and timing of these write offs remains uncertain at the balance sheet date and therefore an FRS12 provision of £86,254 has been maintained as outlined in note 13.7.

#### 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.

The Company's latest available trading results are the draft estimates for the year ending 31st March 2021.

31st March 2020		31st March 2021
£000 Final		£000 Draft
139	Net Assets/(Liabilities)	133
(139)	Profit/(Loss) before Taxation	(3)
(139)	Profit/(Loss) after Taxation	(3)
0	Dividends	0

There were no transactions between Monmouthshire County Council and SRS (BS) during 2020/21 (nil in 2019/20). Financial administration of SRS (BS) transferred to Torfaen Borough Council on the 19th October 2019.

### Melin Homes & Y Prentis

Y Prentis is 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 31st May 2021.

The company is exempt from audit under section 477 of the companies act 2006 for the financial year ending May 2021.

30th Sept 2019		31st May 2021
£000		£000
Final		Draft
313	Total Assets/(Liabilities)	308
12	Profit/(Loss) before Taxation	8
12	Profit/(Loss) after Taxation	8
0	Dividends	0

There were no transactions between Monmouthshire County Council and Y Prentis during 2020/21 (nil in 2019/20). A capital receipt of £2.7m was received by Monmouthshire County Council during the year from Melin Homes as part of the sale of land relating to Crick Rd development.

### 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 2021.

31st March 2020		31st March 2021
£000		£000
Final		Draft
280	Total Assets/(Liabilities)	244
27	Profit/(Loss) before Taxation	(2)
27	Profit/(Loss) after Taxation	(2)
0	Dividends	0

Payments of £43,000 were made to the EAS during 2020/21 (£1,049,000 during 2019/20). There were no balances owing to/from the EAS at 31st March 2021 (nil at 31st March 2020).

### 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 2020.

31st March 2020		31st March 2021
£000		£000
Final		Draft

307	Total Assets/(Liabilities)	305
39	Profit/(Loss) before Taxation	(2)
39	Profit/(Loss) after Taxation	(2)
0	Dividends	0

Payments of £182,244 were made to Gwent Archives during 2020/21 (£182,244 during 2019/20). There were no balances owing to/from Gwent Archives at 31st March 2021 (nil at 31st March 2020).

#### 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 2021.

31st March 2020		31st March 2021
£000 Final		£000 Draft
2,247	Total Assets/(Liabilities)	2,363
138	Profit/(Loss) before Taxation	63
138	Profit/(Loss) after Taxation	63
0	Dividends	0

A payment of £210,382 was received from Gwent Crematorium during the 2020/21 financial year (£140,255 during 2019/20). There were no balances owing to/from Gwent Crematorium at 31st March 2021 (nil at 31st March 2020).

#### 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 2020.

31st March 2020		31st March 2021
£000 Final		£000 Draft
322	Total Assets/(Liabilities)	308
(8)	Profit/(Loss) before Taxation	(12)
(8)	Profit/(Loss) after Taxation	(12)
0	Dividends	0

Payments of £27,000 were made to Project Gwyrdd during 2020/21 (£27,000 during 2019/20). There was £27,000 owing to Project Gwyrdd at 31st March 2021 (nil at 31st March 2020).

#### Cardiff Capital Region City Deal (CCRC)

A Joint Working Agreement formally established the Cardiff Capital Region Joint Committee (the Regional Cabinet) as a Joint Committee, with delegated functions, from 1st March 2017. It is a partnership between the 10 councils in South East Wales and its aim is to oversee the Region's economic growth and to deliver the commitments set out in the CCR City Deal, specifically in relation to the Wider Investment Fund, which amounts to £495 million, with £120 million being contributed by the 10 councils on a pro rata population basis.

In accordance with the Code requirements, the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures.

In terms of capital spending a contribution of £122k was made in 2020/21 (Nil contribution in 2019/20). There were no balances owing to/from the joint committee at 31st March 2021 (nil at 31st March 2020).

### CSC Foundry

During 2020/21 MCC had 'Significant Influence' over CSC Foundry Ltd which is a subsidiary of CCRCD. As at 31st March 2021 CSC Foundry had £3.0m invested with the Authority which is classified within Short term borrowing in the Balance sheet (£3.0m in 2019/20).

## 16.7 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 2021	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
Post Holder	£	£	£	£	£	£
Chief Executive Officer	119,955	0	0	<b>119,955</b>	27,710	<b>147,665</b>
Chief Officer - Children and Young People	88,095	0	0	<b>88,095</b>	20,350	<b>108,445</b>
Chief Officer - Enterprise	86,871	0	0	<b>81,304</b>	20,067	<b>106,938</b>
Chief Officer - Social Care, Safeguarding	88,095	0	0	<b>88,095</b>	20,350	<b>108,445</b>
Chief Officer - Resources & Acting Section 151 Officer	88,095	0	0	<b>88,095</b>	20,350	<b>108,445</b>
Head of Law & Monitoring Officer	75,859	0	0	<b>75,859</b>	17,523	<b>93,382</b>
Head of Policy & Governance	70,353	0	0	<b>70,353</b>	16,252	<b>86,605</b>
<b>Total</b>	<b>617,323</b>	<b>0</b>	<b>0</b>	<b>611,756</b>	<b>142,602</b>	<b>759,925</b>

Year ended 31st March 2020	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
Post Holder	£	£	£	£	£	£
Chief Executive Officer	116,744	0	0	<b>116,744</b>	26,968	<b>143,712</b>
Chief Officer - Children and Young People	85,737	0	0	<b>85,737</b>	19,805	<b>105,542</b>
Chief Officer - Enterprise	83,355	0	0	<b>83,355</b>	19,255	<b>102,610</b>
Chief Officer - Social Care, Safeguarding	84,546	0	0	<b>84,546</b>	19,530	<b>104,076</b>
Chief Officer - Resources & Acting Section 151 Officer	81,959	0	0	<b>81,959</b>	18,851	<b>100,810</b>
Head of Law & Monitoring Officer	72,638	0	0	<b>72,638</b>	16,779	<b>89,417</b>
Head of Policy & Governance	66,089	0	0	<b>66,089</b>	15,267	<b>81,356</b>
<b>Total</b>	<b>591,068</b>	<b>0</b>	<b>0</b>	<b>591,068</b>	<b>136,455</b>	<b>727,523</b>

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 23.1% of pensionable pay for staff within the Local Government Pension Scheme (23.1% for 2019/20). Expense allowances are defined as those additional costs that are chargeable to income tax and no such costs are reported in respect of 2020/21 (Nil in 2019/20).

In satisfying the requirement to report the Chief Executive's remuneration as a proportion of the full time equivalent median salary of Monmouthshire County Council employees. In 2020/21, the median employee position has been calculated as £24,012, equating to spinal point 16 and resulting in a median ratio when compared with the Chief Executive Officer salary of 5:1

In 2019/20, the median employee position was calculated as £22,911, equating to spinal point 15 and resulting in a median ratio when compared with the Chief Executive Officer salary of 5.10:1

For the purposes of reporting remuneration, voluntary aided schools' employees have been included in the remuneration notes 16.7 to 16.9, where appropriate, as if they were employees of the council even though their contract of employment is with their respective governing body.

## 16.8 Officers' Emoluments

The number of employees whose remuneration was £60,000 or more in bands of £5,000, during the year ended 31st March 2021, was:

2019/20		Remuneration Band	2020/21	
Number of employees	(Of which are teaching staff)		Number of employees	(Of which are teaching staff)
0	0	£130,000 - £134,999	1	1
0	0	£125,000 - £129,999	0	0
0	0	£120,000 - £124,999	0	0
1	0	£115,000 - £119,999	2	0
2	1	£110,000 - £114,999	0	0
0	0	£105,000 - £109,999	0	0
0	0	£100,000 - £104,999	0	0
0	0	£95,000 - £99,999	1	1
1	1	£90,000 - £94,999	1	1
2	1	£85,000 - £89,999	5	1
5	2	£80,000 - £84,999	0	0
2	0	£75,000 - £79,999	5	2
8	3	£70,000 - £74,999	12	2
14	8	£65,000 - £69,999	12	11
14	9	£60,000 - £64,999	17	15
<b>49</b>	<b>25</b>	<b>Total</b>	<b>56</b>	<b>34</b>

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 16.7.

Employers' pension contributions were paid at a rate of 23.1% of pensionable pay for staff within the Local Government Pension Scheme (23.1% for 2019/20) and 23.68% of pensionable pay for staff within the Teachers' Pension Scheme (20.7% in 2019/20).



## 16.9 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.

2019/20			Exit package Cost band	2020/21		
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
47	8	388	£0 - £20,000	29	8	203
14	1	409	£20,001 - £40,000	1	0	27
0	0	0	£40,001 - £60,000	1	3	193
2	0	129	£60,001 - £80,000	2	1	194
1	1	170	£80,001 - £100,000	0	2	169
2	0	268	£100,001 - £150,000	0	0	0
2	0	314	£150,001 - £200,000	0	0	0
<b>68</b>	<b>10</b>	<b>1,678</b>	<b>Total</b>	<b>33</b>	<b>14</b>	<b>786</b>

## 16.10 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 2020/21 financial year and its position at the year-end of 31st March 2021.

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

These practices, under Section 21 of the Local Government Act 2003, primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS).

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, under the assumption that the Council will continue in existence for the foreseeable future.

Unless otherwise stated the convention used in this document is to round to amounts the nearest thousand pounds. All totals are the rounded totals of unrounded figures and, therefore, may not be the strict sums of the figures presented in the text or tables. Throughout the Statements all credit balances are shown with parentheses e.g. (£1,234).

### 17.2 Accounting Standards issued not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2020/21 Code.

- **Definition of a Business: Amendments to IFRS 3 Business Combinations**
- **Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7**
- **Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**

These changes are not expected to have a material impact on the Councils financial statements.

• **IFRS 16 – Leases** will require local authorities that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities (there is recognition for low-value and short-term leases). CIPFA/LASAAC have deferred implementation of IFRS16 for local government to 1 April 2022. The adoption of IFRS 16 will likely have a material impact to the accounts but the exact impact is not yet known.

### 17.3 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place rather than when cash payments are made or received. In particular:

- Revenue from the sale of goods or services is recognised in accordance with the terms and conditions of the contract.
- 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.

- 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 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 minimus 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 in this note, 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:

- 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.

- Council Tax Reduction Scheme (CTRS) – a number of points are considered relevant in determining to present this item of expenditure as gross in the Cost of Services segment of the Comprehensive Income and Expenditure Statement rather than netting it off Council Tax income in the Taxation and Non-Specific Grant Income segment. The most persuasive and significant of these being that, as there is no specific reference to the proper accounting treatment of CTRS in the CIPFA Accounting Code of Practice or Guidance Notes, reliance has been placed on IPSAS 23 - Revenue from Non-Exchange Transactions (taxes and transfers). This standard is relevant to public sector bodies, and states that taxation revenue shall be determined at a gross amount; it shall not be reduced for expenses paid through the tax system.

## 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 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Consequences if actual results differ from assumption
Revaluation of Property, plant & equipment and Investment Property	The valuations carried out for the Council by its valuers this year recognises that the Covid-19 pandemic and the measures & restrictions implemented to tackle it continue to impact economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the valuations are not reported as being subject to 'material valuation uncertainty' as they were last year. It is recognised however that there is potential for market conditions to move rapidly in response to changes in the control or future spread of Covid-19 and the valuers therefore simply highlight the importance of the valuation date.	If the actual results differ from the assumptions the value of PPE and Investment Property will be over or understated. This would be adjusted when the assets were next revalued.
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 2021. 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 2021 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 2021, the Authority had an outstanding balance of short term debtors totalling £36.2m. Against this debtors balance, there is an impairment allowance of £3.2m. It is not certain that this impairment allowance would be sufficient as the Authority cannot assess with certainty which debts will be collected or not.	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 instruments are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

### *Financial Liabilities*

Financial liabilities are initially measured at fair value and subsequently measured at amortised cost. For the Council's borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest).

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

### *Financial Assets*

Financial assets are held as amortised cost where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows. This is the majority of our treasury investments such as term deposits, certificate's of deposit and call accounts and also trade debtors for goods and services provided contractually and also lease receivables. This excludes council tax debtors and grants receivable as they are non-exchange transactions.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council. For most assets, this is 12 month expected credit losses until the risk increases significantly, then it is lifetime expected losses. For trade debtors expected lifetime losses are always used.

Financial assets are held at fair value through other comprehensive income where cashflows are solely payments of principal and interest and it is the Council's business model to collect these cashflows and sell the instruments before maturity. The authority does not hold any such investments. The standard also allows the authority to elect to account for equity investments through other comprehensive income if they are being held for strategic investment purposes.

All other financial assets are held at fair value through Profit & Loss.

## **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 measured initially at cost and subsequently at fair value. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end.

Revaluation gains and losses are recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement. However, regulations do not permit unrealised gains and losses to impact the General Fund balance. Therefore, gains and losses are reversed via the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Net rental income together with any revaluation gains and losses or impairments are recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

### **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 Interests in companies and other entities**

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.

In respect of the Cardiff Capital Region City Deal (CCRCDC), the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures.

However the Council's remaining interests in other entities, 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 for these entities 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 Statement 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:**
  - Carriageways** – Straight Line over 27 years
  - Street Lighting** – Straight Line over 20 years
  - Principal Rights of Way** – Straight Line over 15 years
  - Green Infrastructure** – Straight Line over 20 years
  - Bridges & Major Retaining Walls** – Straight Line over 30 years
  - Abergavenny & Caldicot Town Centre** – Straight Line over 20 years
  - Flood Alleviation & Land Slip** – Assessed on a case by case basis.

Useful lives of Infrastructure assets are reviewed annually.

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**

Legislation requires defined items of revenue expenditure charged to services within the Comprehensive Income and Expenditure Statement to be treated as capital expenditure. All such expenditure is transferred from the General Fund balance via the Movement in Reserves Statement to the Capital Adjustment Account.

## **17.27 VAT**

The Comprehensive Income and Expenditure Account excludes amounts relating to VAT and will be included as an expense only if it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income within the Council's Income and Expenditure account.

## MONMOUTHSHIRE COUNTY COUNCIL REPORT

**SUBJECT:** Statement of Gambling Policy and Proposals for Casinos

**DIRECTORATE:** Social Care, Safeguarding and Health

**MEETING:** Full Council

**Date to be considered:** 4<sup>th</sup> November 2021

**DIVISION/WARDS AFFECTED:** All Wards

### 1. PURPOSE:

- 1.1 To consider the Council's existing resolution to not permit casinos within the County of Monmouthshire.
- 1.2 To agree the Council's 'Statement of Gambling Policy 2022'.

### 2. RECOMMENDATION(S):

- 2.1 To refuse any casino applications made under the Gambling Act 2005, and stated within the Authority's Gambling Policy.
- 2.2 To adopt the 'Statement of Gambling Policy 2022' for Monmouthshire County Council, provided in Appendix A (changes highlighted in red).

### 3. KEY ISSUES

- 3.1 Section 349 of the Gambling Act 2005 requires that before each successive period of three years, the Council, in its role as the Licensing Authority, prepares and publishes a policy statement that it proposes to apply in exercising its functions under the Act during that period. The current Gambling policy covers the three-year period that began on 31 January 2019. A review must therefore be undertaken and the next Gambling policy published before 31 January 2022.
- 3.2 The Council will need to consider firstly if they wish to continue with the resolution not to have a casino within the County. The decision on this will then be inserted into the revised Gambling Policy that will be published on 31 January 2022.
- 3.3 Central Government upon the advice of the Casino Advisory Panel permitted 8 large and 8 small casinos along with those who had grandfather rights when the Act came into force, which have all been duly issued. There is currently no further provision for more casinos to be allocated. However, the Council still need to consider the course of action they wish to take with casinos and place this within the Gambling Policy should the availability of casinos change.
- 3.4 Before any licence for a Casino is granted, the Casino Advisory Panel will advise Central Government that the area is in need of regeneration and Monmouthshire would have to satisfy them that this is the case along with the type of area, social impact, community benefits and unique characteristics. In addition, before a decision is made to go against the current stance not to have casinos within the County, Members should be aware of Chief Medical Officer for Wales Report concerning health and gambling referred to in Future Generation report attached as Appendix B.

3.5 With regards to the Policy and how the Council will discharge their functions. The Policy must contain objectives regarding the following;

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime,
- Ensuring that gambling is conducted in a fair and open way, and
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

The Council will also need to have regard to any relevant code of practice issued by the Secretary of State, guidance issued by the Gambling Commission, how they exercise their functions consistent with the objectives and in accordance with the policy itself.

3.6 The Policy must be approved by Full Council and can last for a period of three years, in accordance with Section 154(2) of the Gambling Act 2005. It further states within Section 349 the prior to approval consultation must take place with:-

- The Chief Officer of police for the Authority's area;
- One or more persons who appear to the Authority to represent the interests of persons carrying on gambling businesses in the Authority's area, and
- One or more persons who appear to the Authority to represent the interests of persons who are likely to be affected by the exercise of the Authority's functions under the Act.

3.7 The revised policy must be published and in place for commencement on 31<sup>st</sup> January 2022. Licensing Officers within Monmouthshire, Torfaen, Caerphilly, Blaenau Gwent and Newport has worked collaboratively with the aim of all five Authorities adopting this Policy, subject to changes pertinent to each Authorities area and character.

3.8 At the Licensing and Regulatory Committee on 28<sup>th</sup> June 2021, Members agreed in principle to retain the current resolution not to issue casino licences within the County of Monmouthshire prior to consideration at Full Council. They further agreed at this meeting to review the 'Statement of Gambling Policy 2022', following the consultation period of this document, which ended on 31<sup>st</sup> August 2021. No responses were received on this consultation. Members reviewed the Policy at the Licensing and Regulation again on 14<sup>th</sup> September 2021 prior to submission at Full Council.

3.9 At these meetings, Members were made aware that since its publication in January 2019, the current Gambling policy has proved effective in guiding Officers, Members, the holders of licences and other authorisations granted under the Gambling Act 2005, plus members of the public, in understanding how the Authority will apply its' discretion and use its powers under the Act. It is therefore not considered necessary to greatly change the information contained in the current Gambling policy.

3.10 Additionally, it was noted that the Government is currently undertaking a review of the Gambling Act 2005 with a view to ensuring that the regulatory framework is fit for purpose, within the digital age, and can continue to meet its aims and objectives referred to in 3.5 above. The Government's review of the Act are to:

- Examine whether changes are needed to the system of gambling regulation in Great Britain to reflect changes to the gambling landscape since 2005, particularly due to technological advances.

- Ensure there is an appropriate balance between consumer freedoms and choice on the other hand, and prevention of harm to vulnerable groups and wider communities on the other.
- Make sure customers are suitably protected whenever and wherever they are gambling, and that there is an equitable approach to the regulation of the online and land based industries.

3.11 A White Paper is expected later this year which may result in legislative changes that will require a further more comprehensive review of the Gambling policy in the near future. This will not avoid the statutory requirement to now review and publish the policy for the next three year period, that will commence on 31 January 2022.

#### **4. REASONS:**

- 4.1 The policy is necessary to guide consistent decisions and takes account of guidance.
- 4.2 There is a need to take account of collaborative approaches
- 4.3 To ensure that applications with no relevant information to consider can be dealt with without unnecessary delay.
- 4.4 To enforce the provisions of the Gambling Act 2005 effectively.

#### **5. RESOURCE IMPLICATIONS:**

- 5.1 Any additional costs will be absorbed within our existing licensing budget.

#### **6. WELLBEING AND FUTURE GENERATIONS IMPLICATIONS**

- 6.1 The 'Future Generations' template is attached as Appendix B. In summary, currently the Authority has a resolution not to permit casinos within the County. If this resolution is lifted it may promote excessive gambling within casinos. This may in turn impact on those who are vulnerable or addicted to gambling.
- 6.2 If the resolution not to permit casinos is maintained, this protects children and so contributes positively to the wellbeing of existing and future generations.
- 6.3 It is a statutory requirement to compile a Gambling Policy, as outlined in Section 3. Although not a 'proposal' (therefore not requiring full assessment) it does contribute positively to protecting children and other vulnerable persons from being harmed or exploited by gambling.

#### **7. CONSULTEES:**

- SLT
- Cabinet Members
- Chairs of Select Committee
- Head of Legal Services
- Relevant bodies as outlines in 3.6 and 3.7 above
- The Licensing and Regulatory Committee (28<sup>th</sup> June 2021 and 14<sup>th</sup> September 2021)

#### **8. BACKGROUND PAPERS:**

- 1. [Monmouthshire County Council's Statement of Gambling Policy 2019](#)

2. [Gambling Act 2005](#)
3. [The Gambling Act 2005 \(Licensing Authority Policy Statement\) \(England and Wales\) Regulations 2006](#)
4. [Gambling Commission Guidance to Local Authorities](#)

**9. AUTHOR:**

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monmouthshire  
sir fynwy

## **Gambling Act 2005 Statement of Licensing Policy 2022**

**January 2022**

Further information can be obtained from:  
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NP7 6EL  
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Email: [licensing@monmouthshire.gov.uk](mailto:licensing@monmouthshire.gov.uk)  
Website: [www.monmouthshire.gov.uk/licensing](http://www.monmouthshire.gov.uk/licensing)

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# 1. Statement of Licensing Policy

## 1.1 Introduction

The Gambling Act 2005 requires the Council to prepare and publish a “Statement of Licensing Policy” that sets out the principles the Council proposes to apply in exercising its licensing functions when dealing with applications for Premises Licences, as required by the Act.

This Policy Statement takes effect on **31<sup>st</sup> January 2022**. This Licensing Authority will update and publish a new Licensing Policy whenever necessary but in any case within 3 years of the date of this Policy, and will fully consult with partners, trade associations and residents groups as appropriate at that time, any representations received will be considered at that time.

However where updates are required due to changes in national legislation, statutory guidance or contact details the council reserves the right to amend this policy without consultation where it is necessary to ensure the policy reflects national legislation or statutory guidance.

In producing the final Policy Statement the Council declares that it has had regard to the licensing objectives of the Gambling Act 2005, the Guidance to Licensing Authorities issued by the Gambling Commission, any codes of practice and any responses from those consulted on the Policy Statement.

The Council has a legal obligation to comply with all legislation that promotes equality it has a policy in place to promote equality to all. The **Neighbourhoods** Planning and Public Protection Service Area has its own equalities framework which is available for inspection on our website. Licensing of persons and premises under the Gambling Act 2005 will actively promote equality of service and enforcement to all members of the community.

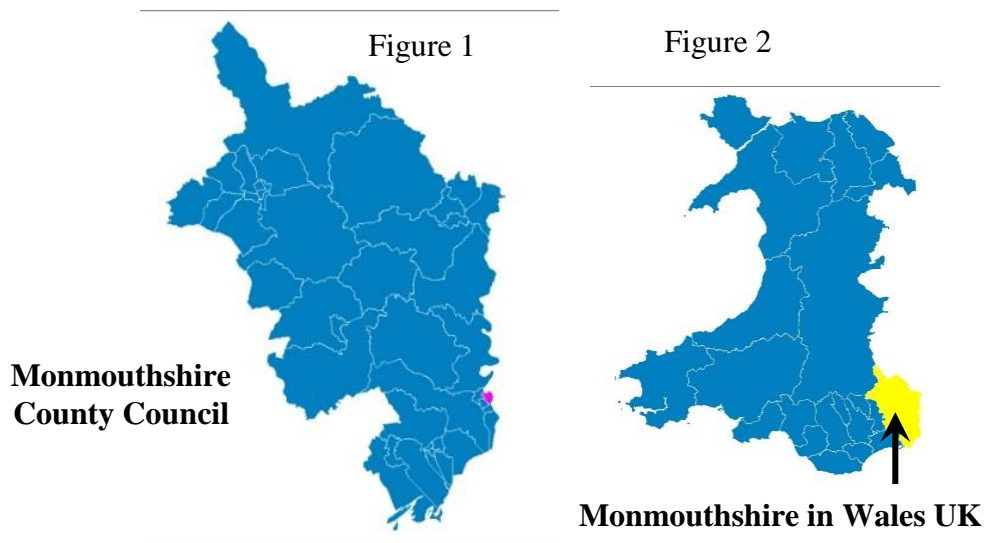
The Human Rights Act 1998 incorporates the European Convention on Human Rights and makes it unlawful for a local authority to act in a way that is incompatible with such a right. The council will have regard to the Human Rights Act when considering any licensing issues, and particularly in respect of the way in which applications are considered and enforcement activities are carried out.

The council acknowledges that it may need to depart from this Policy and from the guidance issued under the Act in individual and exceptional circumstances, and where the case merits such a decision in the interests of the promotion of the licensing objectives. Any such decision will be taken in consultation with the appropriate legal advisors for the Licensing Authority, and the reasons for any such departure will be fully recorded.

## 1.2 Profile of Monmouthshire

The County of Monmouthshire is mainly rural in character. The County has five main towns namely Monmouth, Abergavenny, Caldicot, Chepstow and Usk, which are surrounded by numerous villages, each with their own individual character.

The area has a population of approximately 94,150. Monmouthshire is not densely populated, there is approximately 1 person per hectare, although there are concentrations of housing in some areas.



## 1.3 Objectives

In exercising most of its functions under the Gambling Act 2005 the Council, as the Licensing Authority, must have regard to the following licensing objectives:

- **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;**
- **Ensuring that gambling is conducted in a fair and open way;**
- **Protecting children and other vulnerable persons from being harmed or exploited by gambling.**

It should be noted that the Gambling Commission has stated: “The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling”.

The Council is aware that, as per Section 153, in making decisions about premises licences and temporary use notices it should aim to permit the use of premises for gambling insofar as it thinks it:

- **In accordance with any relevant code of practice issued by the Gambling Commission;**
- **In accordance with any relevant guidance issued by the Gambling Commission;**
- **Reasonably consistent with the licensing objectives;**
- **In accordance with the Council's Statement of Licensing Policy.**

#### **1.4 The Licensing Authority Functions**

The Council is required under the Act to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing Premises Licences;
- Issue Provisional Statements;
- Regulate members' clubs and miners' welfare institutes who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits;
- Issue Club Machine Permits to Commercial Clubs;
- Grant permits for the use of certain lower stake gaming machines at unlicensed family entertainment centres;
- Receive notification from alcohol licensed premises (under the Licensing Act 2003) of the use of two or fewer gaming machines;
- Issue Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines;
- Register small society lotteries below prescribed thresholds;
- Issue Prize Gaming Permits;
- Receive and endorse Temporary Use Notices;
- Receive Occasional Use Notices;
- Provide information to the Gambling Commission regarding details of licences issued (see section below on information exchange);
- Maintain registers of the permits and licences that are issued under these functions.

It should be noted that local licensing authorities are not involved in licensing remote gambling at all, which is regulated by the Gambling Commission via Operator Licences.

The Council recognises that the licensing function is only one means of promoting delivery of the three objectives and should not therefore be seen as a means for solving all problems within the community. The Council will therefore continue to work in partnership with neighbouring authorities, Heddle Gwent Police, the Community Safety Partnership, Public Health, local businesses, local people and those involved in child protection to promote the

licensing objectives as outlined. In addition, the Council recognises its duty under Section 17 of the Crime and Disorder Act 1998, with regard to the prevention of crime and disorder.

## **1.5 Consultation**

The Council has consulted widely upon this Statement before finalising and publishing. A list of those persons consulted is provided below, in line with the Act and the Gambling Commission's Guidance. Further details, together with a list of comments made and the consideration by the Council of those comments is available on request.

- The Chief Officer of Police;
- The Fire Authority;
- Representatives of the holders of various licences for premises within the County who will be affected by this Policy;
- Bodies representing businesses and residents in the County;
- Departments (including Responsible Authorities) within the Council with an interest in the licensing of gambling;
- Local Safeguarding Children Board;
- County Councillors
- Community and Town Councils;
- Other organisations as appear to be affected by licensing matters covered by this Statement;
- H.M. Revenue and Customs.
- Local Health Board

Consultation took place between **1<sup>st</sup> June 2021** and **31<sup>st</sup> August 2021** and, as far as practicable, the Council followed the Consultation Principles issued by the government which is available at <https://www.gov.uk/government/publications/consultation-principles-guidance>

This policy was approved at a meeting of the Full Council on **XXXXX 2021** and was published on **3<sup>rd</sup> January 2022**, as well as being available at [www.monmouthshire.gov.uk](http://www.monmouthshire.gov.uk)

## **1.6 Responsible Authorities**

In exercising the Council's powers under Section 157(h) of the Act to designate, in writing, a body that is competent to advise the Council about the protection of children from harm, the following principles have been applied:

- The need for the body to be responsible for an area covering the whole of the Council's area;
- The need for the body to include senior and responsible representatives of appropriate public bodies in the county borough area, who have as a principal duty, responsibility for the protection of children from harm

In accordance with the Gambling Commission's Guidance this Council designates the Social Care, Safeguarding and Health Department for this purpose. Details of the bodies identified under the Act that are to be treated as Responsible Authorities are available via the Council's website.

### **1.7 Interested Parties**

Interested Parties can make representations about licence applications, or apply for a review of an existing licence based on the three licensing objectives as detailed in paragraph 1.3 of this Policy Statement.

An Interested Party is someone who:-

- (a) Lives sufficiently close to the premises to be likely to be affected by the authorised activities;
- (b) Has business interests that might be affected by the authorised activities; or
- (c) Represents persons in either of the two groups above.

The principles the Council will apply to determine whether a person is an Interested Party are:

Each case will be decided upon its merits. This Council will not apply a rigid rule to its decision-making. It will consider the examples of considerations provided in the Gambling Commission's Guidance for local authorities. It will also consider the Gambling Commission's Guidance that "business interests" should be given the widest possible interpretation and include partnerships, charities, faith groups and medical practices and Local Health Board.

Interested Parties can be persons who are democratically elected, such as Councillors and MP's. No specific evidence of being asked to represent an interested person will be required as long as the Councillor/MP represents the ward likely to be affected. Likewise, Town and Community Councils likely to be affected will be considered as interested parties. Other than these, however, this Council will generally require written evidence that a person, body (e.g. an advocate/relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or business interests that might be affected by the authorised activities. Correspondence from one of these persons, requesting the representation is sufficient.

If individuals wish to approach Councillors to ask them to represent their views, then care should be taken that the Councillors are not part of the Licensing and Regulatory Sub-Committee dealing with the licence application or in any other way have a personal interest that would preclude them from participating in a hearing. If there are any doubts then please contact the Licensing Section.

### **1.8 Exchange Of Information**

The principle that the Council will apply in respect of the exchange of information between it and the Gambling Commission and those bodies listed in Schedule 6 of the Act is that it will act in accordance with the provisions of the Gambling Act 2005 which includes the provision **that the data protection legislation, as defined in section 3 of the Data Protection Act 2018,** will not be contravened. The Council will also have regard to any guidance issued by the Gambling Commission to Local Authorities on this matter, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

## **1.9 Enforcement**

The Council's principles are that it will be guided by the Gambling Commission's Guidance to local authorities, the Regulators Code and the council's enforcement policy. It will endeavour to be:

- Proportionate: regulators should only intervene when necessary, remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open, keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem, and minimise side effects.

As per the Gambling Commission's Guidance to Licensing Authorities, the Council will endeavour to avoid duplication with other regulatory regimes so far as possible.

The Council has adopted and implemented a risk-based inspection programme, based on:

- The licensing objectives;
- Relevant codes of practice;
- Guidance issued by the Gambling Commission
- The principles set out in this Statement of Licensing Policy.
- The council's enforcement policy.

The main enforcement and compliance role for this Council in terms of the Gambling Act 2005 is to ensure compliance with the Premises Licences and other permissions, which it authorises. The Gambling Commission is the enforcement body for the Operator and Personal Licences. Concerns about manufacture, supply or repair of gaming machines are dealt with by the Council but should be notified to the Gambling Commission.

The council will take account of the Gambling Commissions guidance document 'Approach to Test Purchasing' when considering making test purchases at gambling premises. The council will also follow its own policies and procedures regarding the use of underage test purchasers.

The Council also keeps itself informed of developments as regards the work of the Better Regulation Delivery Office in its consideration of the regulatory functions of local authorities.

### **1.10 Fundamental Rights**

Under the terms of the Act any individual/company may apply for a variety of permissions and have their applications considered on their individual merits. Equally, any Interested Party or Responsible Authority has a right to make relevant representations on an application or to seek a review of a licence or certificate where provision has been made for them to do so in the Act.

Applicants and those making relevant representations in respect of applications to the Council have a right of appeal to the Magistrates Court against the decisions of the Council.

### **1.11 Integrating Strategies and Avoiding Duplication**

By consulting widely prior to this Policy Statement being published, the Council will take full account of local policies covering crime prevention, culture, transport, planning and tourism as part of an integrated strategy for the Council, Police and other agencies. Many of these strategies may not be directly related to the promotion of the three licensing objectives, but may indirectly impact upon them.

When considering any application, the Council will avoid duplication with other regulatory regimes so far as possible. Therefore, the Council will not attach conditions to a licence unless they are considered necessary, reasonable and proportionate to the use of premises for gambling consistent with the licensing objectives.

### **1.12 Sustainable Development Community Strategy**

The Local Government Act 2000 requires all local authorities to produce a community strategy within the framework of the UK Sustainable Development Strategy – "A better Quality of Life" and relevant regional strategies. The Wellbeing and Future Generations (Wales) Act 2015 requires all Welsh local authorities to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

Community strategies provide a focal point for the identification of local issues and aspirations on social inclusion, environmental protection, employment and economic development.



Local strategic partnerships, typically involving the police, local authorities, local health boards, and representatives from education, business and the voluntary sector organisations, are responsible for the achievement of locally set objectives.

Under the Crime and Disorder Act 1998 local authorities must have regard to the likely effect of the exercise of their functions on, and do all they can to prevent crime and disorder in the area. The Council will have particular regard to the likely impact of licensing on related crime and disorder in the County, particularly when considering the location, impact, operation and management of all proposed licence/permit applications, renewals and variations of conditions.

## **2. Premises Licences**

### **2.1 General Principles**

Premises Licences authorise the provision of gambling facilities on the following:-

- Casino Premises;
- Bingo Premises;
- Betting Premises (including race tracks used by betting intermediaries);
- Adult Gaming Centres (AGCs);
- Family Entertainment Centres (FECs).

Except in the case of Tracks (where the occupier may not be the person offering gambling), Premises Licences will only be granted to those issued with an Operating Licence by the Gambling Commission.

Premises Licences are subject to the requirements set out in the Gambling Act 2005 and regulations, as well as specific mandatory and default conditions, which are detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.

The Council is aware that in making decisions about Premises Licences it should aim to permit the use of premises for gambling insofar as it thinks it:-

- In accordance with any relevant code of practice issued by the Gambling Commission;
- In accordance with any relevant guidance issued by the Gambling Commission;
- Reasonably consistent with the licensing objectives; and
- In accordance with this Policy Statement.

This Council may also consider measures to meet the licensing objectives when making such decisions, for example:

- Proof of age schemes
- CCTV
- Supervision of entrances/machine areas
- Physical separation of areas
- Location of entry
- Notices/signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare;
- Measures/training for staff on how to deal with children on the premises, for example, suspected truancy from school.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

It is appreciated that as per the Gambling Commission's Guidance for local authorities "moral objections to gambling are not a valid reason to reject applications for Premises Licences" and also that unmet demand is not a criterion for a licensing authority.

The Licence Conditions and Code of Practice (LCCP) issued by the Gambling Commission places the onus on licence holders to complete a risk assessment. The council will have regard to this when considering applications. This is covered in detail in Section 6 of this statement.

***Definition of "Premises":***

Premises is defined in the Act as "any place". Section 152 therefore prevents more than one premises licence applying to any place. But a single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall to obtain discrete premises licences, where appropriate safeguards are in place. However, licensing authorities should pay particular attention if there are issues about sub-divisions of a single building or plot and should ensure that mandatory conditions relating to access between premises are observed.

The Gambling Commission states in its Guidance to Licensing Authorities that: "In most cases the expectation is that a single building/plot will be the subject of an application for a licence. But, that does not mean that a single building plot cannot be the subject of separate premises licence, e.g. the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on

the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer.

However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example, by ropes or moveable partitions, can properly be regarded as different premises.”

The Council takes particular note of the Gambling Commission’s Guidance for local authorities which states that licensing authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular, they should be aware of the following –

- The third licensing objective seeks to protect children from being harmed by gambling. In practice that means not only preventing them from taking part in gambling, but also preventing them from being in close proximity to gambling. Therefore, premises should be configured so that children are not invited to participate in, have accidental access to or closely observe gambling where they are prohibited from participating;
- Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not “drift” into a gambling area. In this context it should normally be possible to access the premises without going through another licensing premises or premises with a permit;
- Customers should be able to participate in the activity named on the premises licence.

The Guidance also gives a list of factors, which the licensing authority should be aware of, which may include:

- Do the premises have a separate registration for business rates?
- Is the Premises’ neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from any other gambling premises?

## **2.2 Appropriate Licence Environment**

The Guidance to Local Authorities and the Licence Conditions and Codes of Practice (LCCP), set out additional matters that the council should take into account when considering licence applications for premises licences.

The Guidance prescribe restrictions on gambling activities on premises, previously known as primary gambling activity. The council will consider any application based on the provisions in these codes and guidance.

Where gambling facilities are provided at premises as a supplementary activity to the main purpose of the premises; e.g. motorway service areas and shopping malls, the council will expect the gambling area to be clearly defined to ensure that customers are fully aware that they are making a choice to enter into the gambling premises, and that the premises is adequately supervised at all times.

The Council will consider these and any other relevant factors in making its decision, depending on all the circumstances of the case.

The Gambling Commission's Guidance for relevant access provisions for each premises type is reproduced in Appendix A:

### **2.3 Premises "ready for gambling"**

The Guidance states that a licence to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use.

If the construction of a premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement should be made instead.

In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, the Council will determine applications on their merits, applying a two stage consideration process:

- First, whether the premises ought to be permitted to be used for gambling;
- Second, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

Applicants should note that this authority is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.

More detailed examples of the circumstances in which such a licence may be granted can be found in the Guidance.

### **2.4 Other Considerations**

***Location:***

The Council is aware that demand issues cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives are relevant to its decision making. As per the Gambling Commission's Guidance for local authorities, the Council will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Should any specific policy be decided upon as regards areas where gambling premises should not be located, this Statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant showing how potential concerns can be overcome.

### ***Planning***

The Gambling Commission Guidance to Licensing Authorities states:

- In determining applications the licensing authority has a duty to take into consideration all relevant matters and not to take into consideration any irrelevant matters, i.e. those not related to gambling and the licensing objectives. One example of an irrelevant matter would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal.

The Council will not take into account irrelevant matters as per the above guidance. In addition, the Council notes the following excerpt from the Guidance:

- When dealing with a premises licence application for finished buildings, the licensing authority should not take into account whether those buildings have or comply with the necessary planning or building consents. Those matters should be dealt with under relevant planning control and building regulation powers, and not form part of the consideration for the premises licence. Section 210 of the 2005 Act prevents licensing authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a premises licence application. Equally the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building.

### **2.5 Duplication with other Regulatory Regimes:**

The Council seeks to avoid any duplication with other statutory/regulatory systems where possible, including planning. The Council will not consider whether a licence application is likely to be awarded planning permission or building regulations approval in its consideration of it. It will though listen to, and consider carefully, any concerns about conditions, which are not able to be met by licensees due to planning restrictions, should such a situation arise.

When dealing with a premises licence application for finished buildings, the Council will not take into account whether those buildings have to comply with

the necessary planning or building consents. Fire or health and safety risks will not be taken into account, as these matters are dealt with under relevant planning control, buildings and other regulations and must not form part of the consideration for the premises licence.

## **2.6 Licensing Objectives:**

Premises licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, the Council has considered the Gambling Commission's Guidance to licensing authorities and some comments are made below.

### ***Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime:***

The Council is aware that the Gambling Commission takes a leading role in preventing gambling from being a source of crime. The Gambling Commission's Guidance does, however, envisage that licensing authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective. Thus, where an area has known high levels of organised crime, the Council will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors. The Council is aware of the distinction between disorder and nuisance and will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it, so as to make that distinction. Issues of nuisance cannot be addressed via the Gambling Act provisions.

### ***Ensure that gambling is conducted in a fair and open way:***

The Council has noted that the Gambling Commission states that it does not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way, as this will be addressed via operating and personal licences. There is, however, more of a role with regard to tracks, which is explained in more detail in the "tracks" section.

### ***Protecting children and other vulnerable persons from being harmed or exploited by gambling:***

The Council has noted the Gambling Commission's Guidance for local authorities states that this objective means preventing children from taking part in gambling (as well as restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children). The Council will, therefore, consider, as suggested in this Guidance, whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances/machines, segregation of areas, etc.

The Council is also aware of the Codes of Practice, which the Gambling Commission issues as regards this licensing objective, in relation to specific premises.

As regards the term “vulnerable persons” it is noted that the Gambling Commission does not seek to offer a definition but states that “it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs”. The Council will consider this licensing objective on a case by case basis.

The Gambling Commission Guidance to Local Authorities sets out considerations that an operator must make in order to protect children and young people from accessing gambling premises.

The Licence Conditions and Codes of Practice (LCCP) prescribe how operators must prevent children from using age restricted gaming or gambling activities, particularly where gaming machines are licensed.

In particular operators must ensure that;

- all staff are trained,
- that all customers are supervised when on gambling premises
- must have procedures for identifying customers who are at risk of gambling related harm and also where to signpost people for support (training is available from a number of sources including Citizens Advice Bureau (CAB) and GambleAware).

The council will expect all operators to have policies and procedures in place as required by the LCCP codes on social responsibility to cover all aspects of the code, in particular staff training records and self-exclusion records

Further provisions with regard to self-exclusion and marketing are included in the social responsibility code. The council will take all conditions and codes into account when considering applications or performing enforcement activities.

See section 6 of this policy statement for further details and on the council's requirements in relation to the LCCP.

The Council will have regard to the Chief Medical Officer for Wales report to support the licensing objective in order to protect children and other vulnerable persons from being harmed or exploited by gambling.

The Council would expect applicants and licence holders to carry out the necessary checks on all relevant members of staff to ensure their suitability for employment, particularly in respect of premises where children and vulnerable people have access.

## 2.7 Bet-Watch:

The council encourage and will support local operators to create and maintain an information sharing network to discuss issues of problem gamblers that are identified. This will also be an opportunity for operators to discuss issues with the licensing officers.

## 2.8 Conditions:

Any conditions attached to licences will be proportionate and will be:

- Relevant to the need to make the proposed building suitable as a gambling facility;
- Directly related to the premises and the type of licence applied for;
- Fairly and reasonably related to the scale and type of premises; and
- Reasonable in all other respects.

Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures the Council will consider utilising should there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas, etc. Specific regard will be against the local risk assessment for each premise, when making such decisions. There are specific comments made in this regard under some of the licence types below. The Council will also expect the licence applicant to offer his/her own suggestions as to ways in which the licensing objectives can be met effectively, in conjunction with mandatory conditions specified in the Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007.

Conditions the Council may impose on a licence could include;

### Security conditions

- A minimum of two members of staff after 10pm;
- The premises will have an intruder alarm and panic button;
- A monitor shall be placed inside the premises above the front door showing CCTV images of customers entering the premises.

### Anti-social behaviour conditions

- The licensee shall develop and agree a protocol with the police as to incident reporting, including the type and level of incident and mode of communication, so as to enable the police to monitor any issues arising at or in relation to the premises;
- The licensee shall place and maintain a sign at the entrance which states that 'only drinks purchased on the premises may be consumed on the premises';
- The licensee shall implement a policy of banning any customers who engage in crime or disorder within or outside the premises.

### Underage controls



- Customers under 21 will have to provide ID;
- No machines in the Unlicensed Family Entertainment Centre to be sited within one metre of the Adult Gaming Centre entrance;
- Staff training records or certified copies should be available at the premises for inspection.

#### Player protection controls

- There shall be no cash point or ATM facilities on the premises;
- The licensee shall train staff on specific issues related to the local area and shall conduct periodic refresher training. Participation in the training shall be formally recorded and the records produced to the police or licensing authority upon request;
- Prominent GamCare documentation will be displayed at the premises.

This list is not exhaustive and merely gives an example of the type of conditions which may be imposed depending on the circumstances at each premises.

The Council will also consider specific measures, which may be required for buildings, which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Gambling Commission's Guidance and Codes of Practice(s).

The Council will also ensure that where category C or above machines are on offer in premises to which children are admitted:

- All such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- Only adults are admitted to the area where these machines are located;
- Access to the area where the machines are located is supervised;
- The area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- At the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises, including buildings where multiple premises licences are applicable.

The Council is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this Council will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

It is noted that there are conditions, which the Council cannot attach to premises licences, which are:

- Any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- Conditions relating to gaming machine categories, numbers, or method of operation;
- Conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and
- Conditions in relation to stakes, fees, winning or prizes.

### **2.9 Door Supervisors:**

The Gambling Commission advises in its Guidance to licensing authorities that if it is concerned that a premises may attract disorder, or be subject to attempts at unauthorised access (e.g. by children and young persons) then it may require that the entrances to the premises are controlled by a door supervisor, and is entitled to impose a premises licence to this effect.

Where it is decided that supervision of entrances/machines is appropriate for particular cases, a consideration of whether these need to be SIA licensed or not will be necessary. It will not be automatically assumed that they need to be licensed as the statutory requirements for different types of premises vary.

### **2.10 Adult Gaming Centres**

The Council will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the Council that there will be sufficient measures to, for example, ensure that under 18 year olds do not have access to the premises.

Where gambling facilities are provided at premises as a supplementary activity to the main purpose of the premises; e.g. motorway service areas and shopping malls, the council will expect the gambling area to be clearly defined to ensure that customers are fully aware that they are making a choice to enter into the gambling premises and that the premises is adequately supervised at all times.

### **2.11 (Licensed) Family Entertainment Centres**

The Council will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the Council, for example, that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas. The applicant for a Family Entertainment Centre provide evidence that a suitable criminal record check with the Disclosure and Barring Service (DBS) has been conducted on all staff in his/her employment.

Children and young persons are permitted entry to licensed FECs but are not permitted to play Category C machines. The Council expects the applicant to ensure that there will be sufficient measures in place to prevent under 18 year olds having access to the adult only gaming machine areas. The Council will expect applicants to meet the licensing objectives and comply with all mandatory conditions and Codes of Practice issued by the Gambling Commission.

There is a requirement that there must be clear segregation between the types of machine in order that children do not have access to Category C machines. All Category C machines must be located in an area of the premises which is separate from the remainder of the premises by a physical barrier, which will prevent access other than through a designated entrance. The Council will seek to ensure that:

- only adults are admitted to the area where the machines are located;
- access to the area where the machines are located is supervised;
- the area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder; and
- at the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18

## **2.12 Casinos**

There are currently no casinos operating within the County. Following considerable debate at full Council on 25<sup>th</sup> October 2018 a resolution was passed not to issue casino licences within the County of Monmouthshire as provided for in section 166 Gambling Act 2005. This resolution may be reviewed as necessary, and at least every three years in line with the adoption of the Statement of Gambling Policy. There is no right of appeal against this resolution. Potential licence applicants should note that as a 'no-casino' resolution has been passed by this Council no applications for casino premises licence will be considered. Any applications received will be returned with a notification that a 'no casino' resolution is in place.

## **2.13 Bingo Premises**

Licensing Authorities will need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded areas.

A holder of bingo premises licences may make available for use of a number of category B gaming machines, not exceeding 20% of the total number of gaming machines, which are available for use on the premises

Children and young people are allowed into bingo premises; however, they are not permitted to participate in the bingo and if category B or C machines are made available for use, these must be separated from areas where children and young people are allowed.

Where Category C or above machines are available in the bingo premises to which children are admitted, the Council will seek to ensure that;

- all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier to prevent access other than through a designated entrance;
- only adults are admitted to the area where the machines are located;
- access to the area where the machines are located is supervised;
- the area where the machines are located is arranged so that it can be observed by staff or the licence holder; and
- at the entrance to, and inside any such area, notices are prominently displayed indicating that access to the area is prohibited to persons under 18.

Where bingo is permitted in alcohol-licensed premises, this must be low turnover bingo only and applicants are expected to comply with any Codes of Practice and advice issued by the Gambling Commission. High turnover bingo will require a Bingo Operating Licence.

## **2.14 Betting Premises**

### ***Betting machines:***

### ***Self Service Betting Terminals (SSBTs):***

The Act provides that a machine is not a gaming machine if it is designed or adapted for use to bet on future real events. Betting premises may make available machines that accept bets on live events, such as horseracing, as a substitute for placing a bet over the counter. These “betting machines” are not gaming machines: they merely automate the process, which can be conducted in person and, therefore, do not require regulation as a gaming machine.

However, where a machine is made available to take bets on virtual races (that is, results and/or images generated by computer to resemble races or other events) that machine **is** a gaming machine and counts towards the maximum permitted number of gaming machines, and must meet the relevant category limitations for the premises.

The Council will, as per the Gambling Commission’s Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the

number/nature/circumstances of betting machines an operator wants to offer. The premises should also display notices with contact for help organisations e.g. GamCare.

The Authority recognises that certain bookmakers have a number of premises within its area. In order to ensure that any compliance issues are recognised and resolved at the earliest stage, operators are requested to give the authority a single named point of contact who should be a senior individual and to whom the Authority will contact first should any compliance queries or issues arise.

## **2.15 Tracks**

The Council is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, the Council will especially consider the impact upon the third licensing objective (i.e. protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

The Council will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.

## **2.16 Gaming Machines:**

There are many categories of gaming machine permitted at licensed and other premises and the number of such machines that may be permitted in each type of gambling premises are set out in the Act. The Council does not have the power to set different limits or further expand or restrict the categories of machine that are permitted. The exception to this is alcohol-licensed premises that hold gaming machine permits, where licensing authorities have discretion to specify the number of permitted gaming machines. In addition, limits are set separately in the Act for certain types of permit issued by licensing authorities. A table setting out gaming machine entitlement at each type of premises is attached at Appendix C.

There is a minimum age of 18 for all players for all category A, B and C machines, including category B3A gaming machines offering lottery style games. However there is no minimum age for players of category D machines. The holder of any permit or premises licence must comply with the codes of practice issued by the Commission on the location of and access to gaming machines by children and young persons, and the separation from category C and B machines where those are also located on the same premises.

Where the applicant holds a pool betting operating licence and is going to use the entitlement to four gaming machines, machines (other than Category D machines) should be in areas from which children are excluded.

### **2.17 Betting Machines:**

The Council will, as per the Gambling Commission's Guidance, take into account the size of the premises and the ability of staff to monitor the use of machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

### **2.18 Applications and plans:**

The Gambling Act and Regulations requires applicants to submit plans of the premises with their application, in order to ensure that the Council has the necessary information to make an informed judgement about whether the premises are fit for gambling. They will also be used for the Council to plan future premises inspection activity.

Plans for tracks should be drawn to scale sufficiently detailed to include the information required by regulations.

Some tracks may be situated on agricultural land where the perimeter is not defined by virtue of an outer wall or fence, such as point-to-point racetracks. In such instances, where an entry fee is levied, track premises licence holders may erect temporary structures to restrict access to premises.

In the rare cases where the outer perimeter cannot be defined, it is likely that the track in question will not be specifically designed for the frequent holding of sporting events or races. In such cases betting facilities may be better provided through occasional use notices where the boundary premises do not need to be defined.

The Council appreciates that it is sometimes difficult to define the precise location of betting areas on tracks. The precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because of the difficulties associated with pinpointing exact locations for some types of track. Applicants should provide sufficient information that this Council can satisfy itself that the plan indicates the main areas where betting might take place. For racecourses in particular, any betting area subject to the "five times rule" (commonly known as betting rings) must be indicated on the plan.

### **2.19 Travelling Fairs**

This Council is responsible for deciding whether, where category D machines and/or equal chance prize gaming without a permit is to be made available for

use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.

The Council will also consider whether the applicant falls within the statutory definition of a travelling fair contained in Section 286 of the Gambling Act 2005.

The 27-day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. The Council will work with its neighbouring authorities to ensure that land, which crosses our boundaries, is monitored so that the statutory limits are not exceeded.

## **2.20 Provisional Statements**

Developers may wish to apply to this Council for provisional statements before entering into a contract to buy or lease property or land to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.

Section 204 of the Gambling Act provides for a person to make an application to the Council for a provisional statement in respect of premises that he or she:

- expects to be constructed;
- expects to be altered; or
- expects to acquire a right to occupy.

The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence. Responsible authorities and interested parties may make representations and there are rights of appeal.

In contrast to the premises licence application, the applicant does not have to hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they do not have to have a right to occupy the premises in respect of which their provisional application is made.

The holder of a provisional statement may then apply for a premises licence once the premises are constructed, altered or acquired. The Council will be constrained in the matters it can consider when determining the premises licence application, and in terms of representations about premises licence applications that follow the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless:

- they concern matters which could not have been addressed at the provisional statement stage; or
- they reflect a change in the applicant's circumstances.

In addition, the Council may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- which could not have been raised by objectors at the provisional statement stage;
- which in the Council's opinion reflect a change in the operator's circumstances; or
- where the premises have not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and this Council notes that it can discuss any concerns it has with the applicant before making a decision.

### **3. Permits/Temporary And Occasional Use Notices**

These forms of authorisations are as follows;

- Unlicensed Family Entertainment Centres (uFEC) Permits
- Prize Gaming Permits
- Licensed Premises Gaming Machine Permits
- Club Gaming Permits
- Club Gaming Machine Permits
- Temporary Use Notices (TUNs)
- Occasional Use Notices (OUNs)

A table setting out gaming machine entitlement is attached at Appendix D.

#### **3.1 Unlicensed Family Entertainment Centre Gaming Machine Permits**

Only premises that are wholly or mainly used for making gaming machines available may hold an Unlicensed Family Entertainment Centre. As a result, it is generally not permissible for such premises to correspond to an entire shopping centre, airport, motorway service station or similar. Typically, the machines will be in a designated enclosed area and clearly defined when making an application to the Council.

Where a premise does not hold a Premises Licence but wishes to provide category D gaming machines, it may apply to the Council for this permit.

It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use and would, therefore, exclude any premises primarily used for any other purposes, e.g. canteens, fast food takeaways, leisure centres, garages and petrol filling stations, taxi offices.



An application for a permit may be granted only if the Council is satisfied that the premises will be used as an unlicensed Family Entertainment Centre and the Chief Officer of Police has been consulted on the application.

The Council will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits. However, they may include appropriate measures/training for staff as regards suspected truant school children on the premises, measures/training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on/around the premises.

This Council will also expect, as per Gambling Commission Guidance, that applicants demonstrate:-

- A full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed Family Entertainment Centres;
- That the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act);
- That staff are trained to have a full understanding of the maximum stakes and prizes.

It should be noted that the Council cannot attach conditions to this type of permit.

### **3.2 (Alcohol) Licensed Premises Gaming Machine Permits**

There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the licensing authority. The Council can remove the automatic authorisation in respect of any particular premises if:

- Provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- Gaming has taken place on the premises that breaches a condition of Section 282 of the Gambling Act (i.e. that written notice has been provided to the licensing authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with);
- The premises are mainly used for gaming; or
- An offence under the Gambling Act has been committed on the premises.

If a premises wishes to have more than 2 machines, then an application for a permit must be submitted and the Council must consider that application based upon the licensing objectives, any guidance and codes of practice issued by the Gambling Commission and “*such matters as the Council think relevant.*” The Council considers that “such matters” will be decided on a case by case

basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the Council that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the Council that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be of help. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets/helpline numbers for organisations such as GamCare.

It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.

It should be noted that the Council can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.

It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

### **3.3 Prize Gaming Permits**

The Council has the right in accordance with this 'Statement of Principles' to specify matters that this authority propose to consider in determining the suitability of the applicant for a permit.

It also specifies that the applicant should set out the types of gaming that he or she is intending to offer and that the applicant should be able to demonstrate:-

- That they understand the limits to stakes and prizes that are set out in Regulations;
- And that the gaming offered is within the law;
- Clear policies that outline the steps to be taken to protect children from harm.

In making its decision on an application for this permit the licensing authority does not need to have regard to the licensing objectives but must have regard to any Gambling Commission guidance.

It should be noted that there are conditions in the Gambling Act 2005 by which the permit holder must comply, but that the licensing authority cannot attach conditions. The conditions in the Act are:-

- The limits on participation fees, as set out in regulations, must be complied with;

- All chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- The prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- Participation in the gaming must not entitle the player to take part in any other gambling.

### **3.4 Club Gaming and Club Machines Permits**

Members Clubs and Miners' Welfare Institutes (but not Commercial Clubs) may apply for a Club Gaming Permit or a Club Gaming Machines Permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance. Members Clubs and Miners' Institutes and also Commercial Clubs may apply for a Club Machine Permit. A Club Gaming Machine Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D). Commercial Clubs may not site category B3A gaming machines offering lottery games in their club.

The Council has to satisfy itself that the club meets the requirements of the Act to obtain a club gaming permit. In doing so it will take into account a number of matters as outlined in the Gambling Commission's Guidance. These include the constitution of the club, the frequency of gaming, and ensuring that there are more than 25 members.

The club must be conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. The Secretary of State has made regulations and these cover bridge and whist clubs.

The Council may only refuse an application on the grounds that:

- (a) The applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
- (b) The applicant's premises are used wholly or mainly by children and/or young persons;
- (c) An offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- (d) A permit held by the applicant has been cancelled in the previous ten years; or
- (e) An objection has been lodged by the Commission or the police.

There is also a 'fast-track' procedure available under the Act for premises which hold a Club Premises Certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). Commercial clubs cannot hold Club Premises Certificates

under the Licensing Act 2003 and so cannot use the fast track procedure. As the Gambling Commission's Guidance for local authorities states: "Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the grounds upon which an authority can refuse a permit are reduced." and "The grounds on which an application under the process may be refused are:

- (a) That the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- (b) That in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- (c) That a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled."

There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

### **3.5 Temporary Use Notices**

Temporary Use Notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a Temporary Use Notice, according to the Gambling Commission, would include hotels, conference centres and sporting venues.

The Council can only grant a Temporary Use Notice to a person or company holding a relevant operating licence, i.e. a non-remote casino operating licence.

The Secretary of State has the power to determine what form of gambling can be authorised by Temporary Use Notices. The Gambling Act 2005 (Temporary Use Notices) Regulations 2007) state that Temporary Use Notices can only be used to permit the provision of facilities or equal chance gaming, where the gaming is intended to produce a single winner, which in practice means poker tournaments.

There are a number of statutory limits as regards temporary use notices. The meaning of "premises" in part 8 of the Act is discussed in the Gambling Commission Guidance. As with "premises", the definition of "a set of premises" will be a question of fact in the particular circumstances of each notice that is given. In the Act "premises" is defined as including "any place". In considering whether a place falls within the definition of "a set of premises", the Council needs to look at, amongst other things, the ownership/occupation and control of the premises.

This Council expects to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises; as recommended by the Gambling Commission's Guidance to licensing authorities.

### **3.6 Occasional Use Notices**

Where there is betting on a track on 8 days or fewer in a calendar year, betting may be permitted by an occasional use notice (OUN) without the need for a full premises licence. The intention behind OUNs is to permit licensed betting operators with appropriate permission from the Commission, to use tracks for short periods for conducting betting, where the event upon which the betting is to take place is of a temporary, infrequent nature (the OUN dispenses with the need for a betting premises licence for the track in these circumstances).

Non-commercial, fundraising race nights can be run as betting events at sporting venues under the authority of an OUN, whether or not the sporting event on which the bets are taken is held at that venue. The sporting event on which the bets are or will be taken also need not be taking place at the same time as the betting under the OUN.

The Council has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. The Council will though consider the definition of a 'track' and whether the applicant is permitted to avail him/herself of the notice.

## **4. Small Society Lotteries**

The Gambling Act 2005 sets out a definition of a lottery, detailed below, and provides that promoting or facilitating a lottery is illegal, unless it falls into one of two categories of permitted lottery, namely:

- licensed lotteries – these are large society lotteries and lotteries run for the benefit of local authorities that are regulated by the Commission and require operating licences;
- exempt lotteries – there are four types of exempt lottery that are expressly permitted under Schedule 11 of the Act, including the small society lottery.

A lottery is any arrangement that satisfies all of the criteria contained within the statutory description of either a simple lottery or a complex lottery, in accordance with section 14 of the Act.

A 'society' is the society, or any separate branch of such a society, on whose behalf a lottery is to be promoted, and has been established as a non-commercial organisation. Section 19 of the Act defines a society as such if it is established and conducted:

- for charitable purposes, as defined in section 2 of the Charities Act 2006;
- for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity;

- for any other non-commercial purpose other than that of private gain.

The society must have been established for one of the permitted purposes as set out in section 19 of the Act, and that the proceeds of any lottery must be devoted to those purposes. It is not permissible to establish a society whose sole purpose is to facilitate lotteries.

Local authorities are entitled to operate their own lotteries, but may only do so if licensed by the Gambling Commission. Local authorities must commit a minimum of 20% of the proceeds from such lotteries for a purpose for which they have power to incur expenditure, and must also adhere to the other relevant provisions in the Act. They may also need to hold a remote gambling operating licence, in the event that they wish to sell lottery tickets via electronic or other remote technological methods such as over the telephone, email or via the internet.

Applications for small society lottery registrations must be in the form prescribed by the Secretary of State and must be accompanied by a registration fee and a copy of the terms and conditions and the constitution to prove that they are a non-commercial society. Paragraphs 47 and 48 of Schedule 11 of the Act set out the grounds for licensing authorities to refuse a small society lottery registration application.

The Council will adopt a risk based approach towards its enforcement responsibilities for small society lotteries. The Council considers that the following list, although not exclusive, could affect the risk status of the operator:

- submission of late returns (returns must be submitted no later than three months after the date on which the lottery draw was held)
- submission of incomplete or incorrect returns
- breaches of the limits for small society lotteries

Non-commercial gaming is permitted if it takes place at a non-commercial event, either as an incidental or principal activity at the event. Events are non-commercial if no part of the proceeds is for private profit or gain. The proceeds of such events may benefit one or more individuals if the activity is organised:

- by, or on behalf of, a charity or for charitable purposes
- to enable participation in, or support of, sporting, athletic or cultural activities.

Charities and community groups should contact the Council via e-mail to [licensing@monmouthshire.gov.uk](mailto:licensing@monmouthshire.gov.uk) or by letter at Licensing Section, Monmouthshire County Council, Abergavenny Community Education Centre, Old Hereford Road, Abergavenny NP7 6EL to register the lottery and to provide proof the collection is for charitable purposes, to support sporting, athletic or cultural activities.

## **5. Decision Making**

### **5.1 Administration, Exercise and Delegation of Functions**

The powers and duties of the Council under the Act may be carried out by the Licensing Committee, by a Sub-Committee or by one or more officers acting under delegated authority.

It is considered that many of the functions will be largely administrative in nature with no perceived areas of contention. In the interests of efficiency and cost effectiveness these will, for the most part, be carried out by officers.

The following schedule sets out the recommended delegation of functions and decisions by guidance. The Council may, nevertheless, refer any matter to the Licensing Committee or Sub-Committee.

The schedule of delegation of licensing functions is attached at Appendix B.

### **5.2 Appeals Procedure**

Entitlements to appeal for parties aggrieved by decisions of the Council are set out in Sections 206 to 209 of the 2005 Act. Appeals must be made to the Magistrates Court for the area in which the licensing authority, which has considered the application, is situated.

An appeal has to be commenced by giving notice of the appeal by the appellant to; The Clerk to the Justices, Gwent Magistrates Court, The Law Courts, Faulkner Road, Newport, NP20 4PR, within a period of 21 days, beginning with the day on which the appellant was notified by the Council of the decision to be appealed against.

On determining an appeal, the Court may:

- Dismiss the appeal;
- Substitute the decision appealed against with any other decision that could have been made by the licensing authority;
- Remit the case to the licensing authority to dispose of the appeal in accordance with the direction of the Court.
- Make an order about costs.

### **5.3 Giving Reasons for Decisions**

In anticipation of such appeals, the Council will give comprehensive reasons for its decisions. The Council will address the extent to which decisions have been made with regard to any relevant codes of practice and guidance issued by the Gambling Commission, reasonably consistent with the licensing objectives and in accordance with this Policy Statement.

#### **5.4 Implementing the Determination of The Magistrates' Court**

As soon as the decision of the Magistrates' Court has been notified to all parties, the Council will not delay its implementation and necessary action will be taken forthwith unless ordered by a higher court to suspend such action (for example, as a result of an ongoing judicial review). The Act provides for no other appeal against the determination of the Magistrates' Court.

#### **5.5 Complaints against Licensed Premises**

The Council will investigate complaints against licensed premises in relation to matters relating to the licensing objectives for which it has responsibility. In the first instance, complainants are encouraged to raise the complaint directly with the licence holder or business concerned to seek a local resolution.

Where an interested party has made either a valid representation about licensed premises or a valid application for a licence to be reviewed, the Council may initially arrange a conciliation meeting to address and clarify the issues of concern.

This process will not override the right of any interested party to ask that the Licensing and Gambling Sub-Committee consider their valid objections, or for any licence holder to decline to participate in a conciliation meeting.

Due consideration will be given to all relevant representations unless they fit the exceptions in 5.6 below.

#### **5.6 Reviews**

Requests for a review can be made by Interested Parties or Responsible Authorities. However, it is for the Council to decide whether the review is to be carried out based upon any relevant codes of practice and guidance issued by the Gambling Commission, reasonably consistent with the licensing objectives and in accordance with this Policy Statement.

The request for the review will also be subject to the consideration by the Council as to whether it is frivolous, vexatious, or whether it will not cause this Council to alter/revoke/suspend the licence, or whether it is substantially the same as previous representations or requests for review.

The Council can also initiate a review of a particular premises licence, or a particular class of premises licence on the basis of any reason, which it thinks is appropriate.

Once a valid application for a review has been received by the Council, representations can be made by responsible authorities and interested parties during a 28 day period. This period begins 7 days after the application was



received by the Council, who will publish notice of the application within 7 days of receipt.

The Council must carry out the review as soon as possible after the 28 day period for making representations has passed.

The purpose of the review will be to determine whether the Council should take any action in relation to the licence. If action is justified, the options open to the Council are:-

- add, remove or amend a licence condition imposed by the Council;
- exclude a default condition imposed by the Secretary of State (e.g. opening hours) or remove or amend such an exclusion;
- suspend the premises licence for a period not exceeding three months; and
- revoke the premises licence.

In determining what action, if any, should be taken following a review, the Council must have regard to the principles set out in Section 153 of the Act, as well as any relevant representations.

In particular, the Council may also initiate a review of a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative manner without intending to use them.

Once the review has been completed, the Council must, as soon as possible, notify its decision to:

- the licence holder;
- the applicant for review (if any);
- the Commission;
- any person who made representations;
- the chief officer of police or chief constable; and
- Her Majesty's Commissioners for Revenue and Customs.

## **6. Licensing Conditions and Codes of Practice 2020 (LCCP)**

The Gambling Act 2005 requires the Gambling Commission to issue one or more codes of practice about the manner in which facilities for gambling are provided. The codes may be directed at the holders of operating or personal licences, or any other person involved in providing facilities for gambling.

The Act also requires licensing authorities to take into account when exercising their functions, any relevant code of practice issued by the Commission under section 24, in this case:-

- The Commission's *Licence conditions and codes of practice* (LCCP), which apply to holders of Gambling Commission operating or personal licences;
- Other codes - these are the Commission's code of practice for equal chance gaming and its code of practice for gaming machines in clubs and premises with an alcohol licence

The LCCP contains two types of code provision:

### **Social responsibility code provisions**

These are provisions describing arrangements which should be made by persons providing facilities for gambling for the purpose of:-

- (a) ensuring that gambling is conducted in a fair and open way;
- (b) protecting children and other vulnerable persons from being harmed or exploited by gambling; and
- (c) making assistance available to persons who are or may be affected by problems related to gambling.

Compliance with these is a condition of operator licences; therefore any breach of them by a licensed operator may lead the Commission to review the operator's licence with a view to suspension, revocation or the imposition of a financial penalty and would also expose the operator to the risk of prosecution; these provisions are in shaded boxes in the remainder of this document.

### **Ordinary code provisions**

These do not have the status of licence conditions in the case of licensed operators, but set out good practice; these code provisions are in the unshaded boxes in this document.

Codes of practice are admissible in evidence in criminal or civil proceedings and must be taken into account in any case in which the court or tribunal think them relevant, and by the Commission in the exercise of its functions; any departure from code provisions by an operator may be taken into account by the Commission, for example on a licence review (but could not lead to imposition of a financial penalty).

However, the Commission has made it clear that licensed operators may adopt alternative approaches to those set out if they have actively taken account of the provision and can demonstrate that an alternative approach is reasonable in the particular circumstances; or that to take an alternative approach would be acting in a similarly effective manner.

### **Risk Assessments - Premises**

The LCCP requires all existing licensees that provide gambling at their premises to assess the local risks to the licensing objectives and have policies, procedures and control measures to reduce those risks. Licensees must take

into account any relevant matters identified in the licensing authorities (gambling) Statement of Policy when making their risk assessments.

A local risk assessment should also be undertaken or updated by a licensee, when applying for:-

- A new premises licence;
- When applying for a variation of an existing premises licence;
- To take into account any local significant changes in the local area;
- When there are significant changes within their premises that may affect the existing local risk assessment.

Operators are required to make the risk assessment available to licensing authorities when an application is submitted and a copy should be kept at the premises or otherwise on request, and this will form part of the Council's inspection regime or investigating complaints.

The code requires the Council to set out matters they expect the operator to take account of in the risk assessment in its statement of policy and this council expects the following matters to be considered by operators when making their risk assessment.

- Information held by the licensee regarding self-exclusions and incidences of underage gambling,
- Gaming trends that may reflect benefit payments
- Arrangement for localised exchange of information regarding self-exclusions and gaming trends.
- Urban setting such as proximity to schools, commercial environment, factors affecting footfall,
- Range of facilities in proximity to the licensed premises such as other gambling outlets, banks, post offices, refreshment and entertainment type facilities
- Known problems in the area such as problems arising from street drinkers, youths participating in anti-social behaviour, drug dealing activities, etc.

**Betting Track Premises** – The Gambling Commission states within it's LCCP code that Operators are required to make a risk assessment. However, Betting Track Premises are not required to seek an Operators Licence with the Gambling Commission and as such are not required to conduct a risk assessment. However, in the interest of the objectives of the Gambling Act 2003, namely i) preventing gambling being a source of crime or disorder, being associated with crime or disorder or being used to support crime; ii) ensuring that gambling is conducted in a fair and open way; iii) protecting children and other vulnerable persons from being harmed or exploited by gambling, this Council would expect a Betting Track Premises to conduct a risk assessment for their premises.

The council expects the following matters to be considered by operators when making their risk assessment.

Matters relating to children and young persons, including;

- Institutions, places or areas where presence of children and young persons should be expected such as schools, youth clubs, parks, playgrounds and entertainment venues such as bowling alleys, cinemas etc.;
- Any premises where children congregate including bus stops, café's, shops, and any other place where children are attracted;
- Areas that are prone to issues of youths participating in anti social behaviour, including such activities as graffiti/tagging, underage drinking, etc.;
- Recorded incidents of attempted underage gambling.

Matters relating to vulnerable adults, including;

- Information held by the licensee regarding self-exclusions and incidences of underage gambling;
- Gaming trends that may mirror days for financial payments such as pay days or benefit payments;
- Arrangement for localised exchange of information regarding self-exclusions and gaming trends;
- Proximity of premises which may be frequented by vulnerable people such as hospitals, residential care homes, medical facilities, doctor's surgeries, council housing offices, addiction clinics or help centres, places where alcohol or drug dependant people may congregate, etc. The consideration of the location of alcohol licensed premises will also be a key consideration for gambling licence applications.

Other issues that may be considered could include;

- Matters of faith, including all religious or faith denominations including proximity to churches, mosques, temples or any other place of worship.
- the economic make-up of an area;
- the surrounding night-time economy;
- children's homes and care facilities;
- the area footfall eg. residential or commercial areas;
- banks and ATM nearby;
- known anti-social behaviour issues;
- housing facilities;
- job centres;
- hostel and support services for the homeless;
- alcohol and drug support facilities;
- pawn brokers and payday loan businesses;
- other gambling premises;
- If there is an existing cluster of gambling premises
- mental health facilities;

- community buildings;
- residential care establishments;
- transport and parking facilities eg. bus stops, taxi ranks, train stations;
- presences of rough sleepers;
- unemployment rates for area;
- types and rates of crime in the area that could impact on the premises
- areas with significant areas of children, eg parks and playgrounds.

This list is not exhaustive and other factors not in this list that are identified must be taken into consideration.

### **Significant changes to the premises**

From time to time operators will undertake a refresh of the premises' layout and décor, which is unlikely to prompt a review of the risk assessment for that premises. However, where there is a significant change at the premises that may affect the mitigation of local risks, then an operator must review its risk assessment and if necessary update it, taking into account the change and how it may affect one or more of the licensing objectives.

It is expected that gambling operators will undertake this risk assessment process as a matter of course for any premises refit, changes to layout or internal control measures. If any changes do require a review of the risk assessments for that premises gambling operators should ensure that they have a system in place to record and action any measures identified in that review.

The gambling operator will be responsible for identifying when a significant change to the premises has occurred. In order to assist gambling operators the Council has provided the following list of examples of what could be classified as a significant change to the premises (some of which may also require a variation to the existing premises licence).

- Any building work or premises refit where gambling facilities are relocated within the premises.
- The premises licence is transferred to a new operator who will operate the premises with its own procedures and policies which are different to those of the previous licensee.
- Any change to the operator's internal policies which as a result requires additional or changes to existing control measures; and/or staff will require retraining on those policy changes.
- The entrance or entrances to the premises are changed, for example, the door materials are changed from metal with glazing to a full glass door or doors are reallocated from egress to ingress or vice versa.
- New gambling facilities are made available on the premises which were not provided previously, for example, bet in play, handheld gaming devices for customers, Self Service Betting Terminals, or a different category of gaming machine is provided.

- The premises operator makes an application for a licence at that premises to provide an activity under a different regulatory regime, for example, to permit the sale of alcohol.

As with the examples of significant changes in local circumstances, the list above is not an exhaustive list of significant changes to premises.

The Council will not, as general practice, request a copy of the reviewed risk assessment if a significant change to the licensed premises has occurred, unless the change is one that will necessitate a variation application.

### **Variation of the premises licence**

Variations to premises licences are only those required to be made under section 187 of the Act and will not include changes of circumstances such as a change of premises' name or a change of licensee's address, etc.

The Commissions LCCP social responsibility code provision 10.1.1 requires that gambling operators must undertake a review of the local risk assessment and update it if necessary when preparing an application to vary the premises licence. Operators submitting a variation application to the Council may consider submitting a copy of the reviewed local risk assessment when submitting the application. This will then negate the need for the Council requesting to see a copy of this risk assessment and could potentially reduce the likelihood of a representation being made to the application.

If an operator wishes to vary a converted casino premises licence from one premises to another then the gambling operator should consider producing a new risk assessment for that premises. It is advisable that a copy of that assessment is submitted to the Council with the application form.

### **Regular review of risk assessment**

As a matter of best practice the Council recommends that operators establish a regular review regime in respect of their local risk assessments. This review programme can be carried out alongside other reviews on Health and Safety risk assessments for the premises. This review programme would ensure that, regardless of whether or not any of the trigger events set out above have occurred, these risk assessments are considered at regular intervals and updated if necessary.

It will be up to the gambling operator as to the frequency of these reviews but it is recommended that no more than three years should pass before these assessments are reviewed. Operators may wish to synchronise their reviews of the local risk assessments with the publication of the Council's Statement of Licensing Principles for Gambling. This would enable gambling operators to consider the Local Area Profile, which has been published in the Council's Statement of Licensing Principles for Gambling.

### **Local risks and control measures**

There are two specific parts to the risk assessment process:

- the assessment of the local risks
- the determination of appropriate mitigation to reduce those risks

The risks that operators must identify relate to the potential impact a gambling premises and its operation may have on the licensing objectives. Gambling operator should identify and list all of the local risks within the assessment that they have identified. The level of such risks can range from being low to very high depending on the potential impact that the gambling operator has assessed it to have on the licensing objectives. The level of any given risk will have a direct impact on the type and extent of the control measures that the gambling operators deems as being necessary to mitigate such risk.

Operators will already be assessing locations when looking for new sites or when reviewing the performance of their premises. The design of premises is also assessed to ensure that they will meet the needs of the gambling operation, will provide protection for staff and customers; and will have facilities for recording crime. Operators will also have implemented policies and procedures for the operation of premises in line with statutory and other regulatory requirements placed upon them by the Commission and other agencies.

Operators will already be familiar with identifying risks in relation to health and safety and food hygiene legislation. Risk assessments are also used for security and crime purposes, for example for money laundering and as part of trade association best practice, such as the Safe Bet Alliance.

This local risk assessment process, although similar requires a much broader range of considerations when identifying local risk. The requirement of the Commissions LCCP social responsibility code provision 10.1.1 is that gambling operators consider the local area in which the premises are situated and the impact that the premises operation may have on the licensing objectives.

### **Local area risks**

There are a number of factors relating to the local area that operators may consider which is independent of who the operator believes is their target market. It will be for the gambling operator to identify these risks. However, there may be occasions that the Commission or the Council will provide information on what they perceive as being a local risk. This may be specified in the Statement of Licensing Policy or in a separate guidance document, both of which will be found on the Council's website.

The local area will be different depending on the premises and the size of its operation. For example a large Bingo hall may have a wider catchment area than a neighbourhood betting shop as the Bingo hall attracts customers from further afield.

### **Risk Assessment**

Although gambling is a legal entertainment activity it can, in some locations, have a negative impact on individuals and the wider community. The consideration of the proximity of gambling premises to locations where groups vulnerable to problematic gambling may congregate, e.g. schools, alcohol services, supported housing, will be a priority for the applicant and licensing authority. Monmouthshire Public Service Board has produced a Wellbeing Assessment as part of the Wellbeing of Future Generations Act. The Assessment considers Economic, Social, Environmental and Cultural Wellbeing in the county as a whole whilst also focusing on 5 areas based around : Abergavenny, Monmouth, Chepstow, Caldicot and Central Monmouthshire.

Full details can be found on <http://www.monmouthshire.gov.uk/our-monmouthshire>

Crime data for local area can be obtained from [www.gwent.police.uk](http://www.gwent.police.uk)

Bangor University has conducted an interactive map which explores area-based vulnerability to gambling related harm across Wales.

<https://www.bangor.ac.uk/psychology/research/gambling/gambling-and-health-in-wales>

### **Gambling operational risks**

The gambling operation relates to how the premises will be or is run. This will include the operator's policies and procedures which have been put in place to meet the requirements of the business, the Act and/or specific code provisions within the LCCP.

Gambling operators should identify operational risks in the local area to the licensing objectives and then consider whether there are control measures in excess of those already in place that would mitigate the risk. For example if there is a known illegal drug use in the local area the gambling operator may consider using control measures such as maglocks on the toilet doors or change the design to the toilet to deter people from using it for illegal drug use. It is likely that the identification of risks associated with this element of the assessment will be very similar for all premises with slight variations depending on any specific factors that relate to the premises or the local area.

The control measures that operators will put in place to mitigate any risk associated with the gambling operation will be dependent on the type of gambling activities provided, how the company operates and the size of the organisation.

### **Premises design risks**

The design of the premises is an extremely important factor when considering local risks. For example, an Adult Gaming Centre which is located within an



area which has a high number of children and young people present throughout the day may identify that the doors on either side of the premises are being used by local children as a short cut to access the adjacent street. The appropriate mitigation in this case may be that the gambling operator closes off one of the doors to prevent it being used as a short cut.

As part of the design process, the layout of the premises is a major consideration as poorly conceived design may create significant risks to one or more of the licensing objectives. Gambling operators are experienced in premises design and often these considerations are made during the planning phase. It is advisable that gambling operators ensure that there is a process in place to record these key decisions at an early stage of the planning process for the premises design so that this can be included in their risk assessment.

### **Interior design risks**

The internal design and layout will reflect the premises operation and the type of gambling facilities that it offers. For some premises the design will be subject to certain limitations due to mandatory conditions on the gambling premises licence, such as the distance between gaming tables and other gambling facilities in casinos, and restrictions on the location of ATMs.

Operators should assess the risk presented by the internal layout of the premises and the location of gambling facilities within them. For example, if a gaming machine is placed within the direct line of sight of the cashier counter then staff will be able to monitor player behaviour and undertake interventions if there is a concern over the customers' spending habits. Staff can also monitor the use of the machines and can challenge any customers who are believed to be under the age of 18, or who damage the machines, or who appear to be attempting to launder money. By a simple assessment of the optimum location for these machines, operators can significantly reduce the risk to the licensing objectives.

### **Exterior design risks**

The exterior of premises will be a major advertisement for the gambling operator. However, the design should be assessed based on the associated risk. Operators may identify a risk associated with the design and introduce control measures based on that perceived risk. For example, if the premises have a large amount of glass frontage in an area prone to criminal damage, operators may consider the risk of damage to the standard toughened glass to be high and introduce a control measure such as roller shutters and/or external CCTV cameras.

### **Control measures**

Depending on the nature of the risk factors, the control measures identified to mitigate the perceived risk may be a combination of systems, design and physical measure. Control measures that relate to systems may be measures

that have been put in place through policies and procedures. These can either be systems that apply to all of the operator's premises or systems that have been developed specifically for particular premises to deal with a specific local risk factor. System control measures may include staff training, security policies and procedures. They may also relate to having security personnel on entrances, implementing membership criteria and/or providing support to local vulnerable groups through financial or other means.

Design control measures are measures that are built into the design of the premises. These can include the location of gambling facilities and the design and location of cashier counters within the premises, and the exterior design of premises. For example, a control measure for the interior of the premises could involve moving a cashier counter from the rear of the premises to the front of the shop next to the main entrance. An external design control measure may involve the exterior design being tailored to address local risks, for example, more open window displays to enable staff can see out of the premises or a design to avoid attracting children to the premises.

The final control measures relate to specific physical measure that will address an identified risk factor. These physical control measures may, for example, include alarms, CCTV cameras, doors, magnetic locks, time locks on safes, spit kits, window shutters, fogging systems, UV lights in toilets.

The control measures identified to mitigate a perceived risk may involve a combination of systems, design and physical measures. For example to address the risk factors relating to children gaining access to an over 18 restricted gambling premises, the operator may identify the following control measures:

**Systems:** PASS card or age verification policies, challenge 21 scheme, staff training and door staff.

**Design:** Exterior design which will not attract children into the premises, the entrance layout will enable staff and security to watch those entering the premises and challenge them on the grounds of age.

**Physical:** Magnetic door locks and ID scans.

### **Step 1: Undertaking a local risk assessment**

The risk assessment should be carried out through a step-by-step approach. Gambling operators may first assess the local area and identify the relevant risk factors, then assess the gambling operation, and finally assess the premises design, both internal and external. Once the risk factors have been identified, the control measures to mitigate the risks should be considered. These control measures will either already be in place or will need to be implemented.

- Assessors should start by identify the local risk factors surrounding the premises. The risk factors will differ from location to location so an understanding of the specific characteristics of the local area and the

people who live, work or visit that area is important. Use Community wellbeing profile and local knowledge will assist.

## **Step 2: Gambling operation and physical design**

In assessing the risk factors associated with a gambling operation the assessor should take into account the local risks which are commonly accepted by broader stakeholders and how that gambling operation may affect that risk.

The physical design of the premises is a key consideration as this could have a significant impact on the risk to the licensing objectives. In assessing the risk factors associated with the premises design and layout reference is needed to the local area risks factors already identified to ensure the design doesn't add to that risk. The design, both internal and external should be considered and specific risk factors identified and noted.

## **Step 3: Control measures**

Once the risk factors have been identified, the assessor should seek to identify control measures that would mitigate the identified risks. Such control measures will relate to one of the three categories of control measures mentioned above (systems, design and physical). Some risk factors may require a combination of control measures to adequately mitigate the risk.

## **Step 4: Action Plan**

Once the assessment has been carried out an action plan should be completed so that any identified actions are documented and a deadline for completing the required piece of work is set and agreed.

## **Completed assessment**

The control measures must be implemented on the premises and, if applicable, staff on the premises should be trained in their use or trained on the new policy or procedure. The assessment must be retained and should be reviewed whenever a trigger occurs or as part of a regular review regime

## **7. Further Information**

Further information about the Gambling Act 2005, this Statement of Licensing Policy or the application process can be obtained from:

Licensing Section  
Monmouthshire County Council  
Abergavenny Community Education Centre  
Old Hereford Road  
Abergavenny  
NP7 6EL  
Telephone: 01873 735420  
Fax: 01633 644878

Email: [licensing@monmouthshire.gov.uk](mailto:licensing@monmouthshire.gov.uk)  
Website: [www.monmouthshire.gov.uk/licensing](http://www.monmouthshire.gov.uk/licensing)

Information is also available from:

The Gambling Commission  
Victoria Square House  
Birmingham  
B2 4BP  
Telephone: 0121 230 6666  
Fax: 0121 230 6720  
Email: [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk)  
Website: [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

The Department for Digital Culture, Media & Sport  
100 Parliament Street  
London  
SW1A 2BQ  
Telephone: 020 7211 2210  
Website: [www.culture.gov.uk](http://www.culture.gov.uk)

## **Appendix A Access to Premises**

### **Casinos**

- The principal access entrance to the premises must be from a street;
- No entrance to a casino must be from premises that are used wholly or mainly by children and/or young persons;
- No customer must be able to enter a casino directly from any other premises, which holds a gambling premises licence.

### **Adult Gaming Centre**

- No customer must be able to access the premises directly from any other licensed gambling premises.

### **Betting Shops**

- Access must be from a street or from another premises with a betting premises licence;
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a café – the whole area would have to be licensed.

### **Tracks**

No customer should be able to access the premises directly from:

- a casino;
- an adult gaming centre.

### **Bingo Premises**

No customer must be able to access the premises directly from:

- a casino;
- an adult gaming centre;
- a betting premises, other than a track.

### **Family Entertainment Centre**

No customer must be able to access the premises directly from:

- a casino;
- an adult gaming centre;
- a betting premises, other than a track.

Part 7 of the Gambling Commission's Guidance to Licensing Authorities contains further guidance on this issue, which this authority will also take into account in its decision-making.

## Appendix B Schedule of Delegation of Licensing Functions and Decisions

Matters to be dealt with	Full Council	Sub-Committee	Officers
Three year Gambling Policy	x		
Policy not to permit casinos	x		
Fee Setting – when appropriate (Fee Setting for Premises Licence be delegated to the Licensing and Regulatory Committee)		x	
Application for Premises Licence		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn/authorised to dispense with a hearing if all parties are in agreeance/authorised to assess if a representation is valid.
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn/authorised to dispense with a hearing if all parties are in agreeance/authorised to assess if a representation is valid.
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representation has been received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn/authorised to

Matters to be dealt with	Full Council	Sub-Committee	Officers
			dispense with a hearing if all parties are in agreeance/authorised to assess if a representation is valid.
Review of a Premises Licence		x	
Revocation of a premises licence for failure to pay annual licence fee			x
Application for club gaming/club machine permits		Where objections have been made (and not withdrawn)	Where no representations received/representations have been withdrawn/authorised to dispense with a hearing if all parties are in agreeance/authorised to assess if a representation is valid.
Cancellation of club gaming/club machine permits		x	
Applications for other permits		Where objections have been made and not withdrawn	Where no representations received/representations have been withdrawn/authorised to dispense with a hearing if all parties are in agreeance/authorised to assess if a representation is valid.
Cancellation of licensed premises gaming machine permits		x	Authorised to cancel a permit, with the holder having the right to a hearing at the Sub-Committee.
Consideration of temporary use notice			Consideration/authorised to dispense with a hearing if all parties are in agreeance/authorised

Matters to be dealt with	Full Council	Sub-Committee	Officers
			to assess if objection is valid.
Decision to give a counter notice to a temporary use notice		x	
Small Society Lotteries		x	Registration, Refusal and revocation of a lottery registration with the applicant/holder having the right to a hearing at the Sub-Committee.



## Appendix C Definitions

**NOTE:** In this Policy, the following definitions are included to provide an explanation to certain terms included in the Act and, therefore, in the Statement of Licensing Policy. In some cases they are an abbreviation of what is stated in the Gambling Act 2005 or an interpretation of those terms. For a full definition of the terms used, the reader must refer to the Gambling Act 2005.

‘The Council’ means Monmouthshire County Council, acting as the Licensing Authority as defined by the Gambling Act 2005.

‘The Act’ means the Gambling Act 2005.

‘The County’ means the County of Monmouthshire.

‘The Licensing Authority’ the authority in whose area the premises is wholly/partly situated. The Licensing Authority (as in the issuing authority) is also a responsible authority.

‘The Gambling Commission’ a body set up by the Government as the unified regulator for gambling, replacing the Gaming Board.

‘Responsible Authority’ means a public body that must be notified of certain applications for premises licences and permits, and are entitled to make representations on any of the licensing objectives.

‘Children’ means individuals who are less than 16 years old.

‘Young person’ means individuals who are aged less than 18 years old and 16 years and over.

‘Vulnerable person’ will not be defined but the assumption is that this group includes people who gamble more than they want to, people who gamble beyond their means, and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs.

‘Mandatory Conditions’ means a specified condition provided by regulations to be attached to premises licences.

‘Default Conditions’ means a specified condition provided for by regulations to be attached to a licence unless excluded by the Council.

‘Premises’ means any place, including a vessel or moveable structure.

‘Tracks’ means a horse-race course, dog track or other premises on any part of which a race or other sporting event takes place or is intended to take place.

## Appendix D Summary of Machine Provisions by Premises

Machine category							
Premises type	A	B1	B2	B3	B4	C	D
<b>Large casino</b> (machine/table ratio of 5-1 up to maximum)				Maximum of 150 machines Any combination of machines in categories B to D (except B3A machines), within the total limit of 150 (subject to machine/table ratio)			
<b>Small casino</b> (machine/table ratio of 2-1 up to maximum)				Maximum of 80 machines Any combination of machines in categories B to D (except B3A machines), within the total limit of 80 (subject to machine/table ratio)			
<b>Pre-2005 Act casino</b> (no machine/table ratio)				Maximum of 20 machines categories B to D (except B3A machines), or any number of C or D machines instead			
<b>Betting premises and tracks occupied by pool betting</b>				Maximum of 4 machines categories B2 to D (except B3A machines)			
<b>Bingo premises<sup>1</sup></b>		Maximum of 20% of the total number of gaming machines which are available for use on the premises categories B3 or B4			No limit on category C or D machines		
<b>Adult gaming centre<sup>2</sup></b>		Maximum of 20% of the total number of gaming machines which are available for use on the premises categories B3 or B4			No limit on category C or D machines		
<b>Licensed family entertainment centre<sup>3</sup></b>				No limit on category C or D machines			
<b>Family entertainment centre (with permit)<sup>3</sup></b>				No limit on category D machines			
<b>Clubs or miners' welfare institute (with permits)<sup>4</sup></b>				Maximum of 3 machines in categories B3A or B4 to D			
<b>Qualifying alcohol-licensed premises</b>				1 or 2 machines of category C or D automatic upon notification			
<b>Qualifying alcohol-licensed premises (with licensed premises gaming machine permit)</b>				Number of category C-D machines as specified on permit			
<b>Travelling fair</b>		No limit on category D machines					

<sup>1</sup> Bingo premises licence are entitled to make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines on the premises. Where a premises licence was granted before 13 July 2011, they are entitled to make available eight (The Gambling Act 2005 (Gaming Machines in Bingo Premises) Order 2009) category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. Category B machines at bingo premises are restricted to sub-category B3 and B4 machines, but not B3A machines.

<sup>2</sup> Adult gaming centres are entitled to make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises and any number of category C or D machines. Where a premises licence was granted before 13 July 2011, they are entitled to make available four category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. Category B machines at adult gaming centres are restricted to sub-category B3 and B4 machines, but not B3A machines.

<sup>3</sup> Only premises that are wholly or mainly used for making gaming machines available may hold an unlicensed FEC gaming machine permit or an FEC premises licence. Category C machines may only be sited within licensed FECs and where an FEC permit is in force. They must be in a separate area to ensure the segregation and supervision of machines that may only be played by adults. There is no power for the licensing authority to set a limit on the number of machines under the FEC permit.

<sup>4</sup> Members' clubs and miners' welfare institutes with a club gaming permit or with a club machine permit, are entitled to site a total of three machines in categories B3A to D but only one B3A machine can be sited as part of this entitlement.

<sup>5</sup> Commercial clubs with club machine or gaming permits are entitled to a total of three machines in categories B4 to D.

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monmouthshire  
sir fynwy

## Equality and Future Generations Evaluation

<p><b>Name of the Officer:</b> Linda O’Gorman / David H Jones</p> <p><b>Phone no:</b> 01633 644214</p> <p><b>E-mail:</b> <a href="mailto:lindaogorman@monmouthshire.gov.uk">lindaogorman@monmouthshire.gov.uk</a></p>	<p><b>Please give a brief description of the aims of the proposal</b></p> <p>To consider the Council’s Gambling Policy and the existing resolution to not permit casinos within the County of Monmouthshire</p>
<p><b>Name of Service area</b></p> <p>Licensing</p>	<p><b>Date</b></p> <p>21<sup>st</sup> October 2021</p>

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**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	Protects children by not ‘normalising’ gambling		
Disability	Neutral		
Gender reassignment	Neutral		

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?
Marriage or civil partnership	Neutral		
Pregnancy or maternity	Neutral		
Race	.Neutral		
Religion or Belief	.Neutral		
Sex	Neutral		
Sexual Orientation	.Neutral		

## 2. The Socio-economic Duty and Social Justice

The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions. This duty aligns with our commitment as an authority to Social Justice.

	<b>Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage</b>	<b>Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
<b>Socio-economic Duty and Social Justice</b>	The impacts of gambling addiction can include the inability to function at work, and financial problems which can lead to homelessness.		

### 3. Policy making and the Welsh language.





How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p><b>Policy Making</b></p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favourably</p>	Neutral		
<p><b>Operational</b></p> <p>Recruitment &amp; Training of workforce</p>	N/A		
<p><b>Service delivery</b></p> <p>Use of Welsh language in service delivery</p> <p>Promoting use of the language</p>	N/A		


**4. 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. There's no need to put something in every box if it is not relevant!



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?
<b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Generally considered that gambling has a negative impact on the personal wealth of participants.	Would not want to encourage wider scale gambling, as could lead to addiction and financial hardship.
<b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	N/A	
<b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood	Could promote excessive gambling, which may impact on those who are vulnerable/addicted to gambling if Casinos are permitted	As above.
<b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected	Larger scale gambling can be problematic and have a negative impact on local communities.	
<b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The proposal has a positive impact by clearly stating casinos will not be permitted in Monmouthshire.	
<b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	N/A	
<b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances	The impacts of gambling addiction can lead to financial problems and poverty, which can lead to homelessness.	

5. 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>A resolution not to permit casinos protects vulnerable people from being harmed or exploited by gambling.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>N/A</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Gambling addiction is well documented</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>By preventing a casino coming to Monmouthshire protects some of our more vulnerable members of society.</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 data-bbox="349 256 521 520">Considering impact on all wellbeing goals together and on other bodies</p>	As above	

**6. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?**

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Safeguarding	The resolution to not permit a casino contributes positively to protecting children		
Corporate Parenting			

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

The Chief Medical Officer for Wales Annual Report 2016-17 – Gambling with our health’ <http://gov.wales/topics/health/professionals/cmo/reports/?lang=en>

Some of the key points that this report has raised is as follows;

The most important benefit of the gambling industry is the tax revenues, which are considerable in the UK: in 2017 this amounted to £2.7 billion. This income is used by the UK government to help fund its programme for government. However, the economic benefits of gambling need to be balanced against the social and health harms to people who gamble, their family, friends and wider society. While most people who participate in gambling activities do so without any significant problems, for others gambling is problematic; causing damage to their health and to wider society.

The availability of gambling products and platforms to diverse groups, and the developments in the infrastructure of game design, make gambling an immediate and rapidly evolving public health issue. The public health approach aims to improve quality of life for all and to achieve health equity. This focus on equity is necessary as people living in areas of deprivation are more likely to experience gambling-related harm.

The harms caused by gambling for the individual include anxiety, stress, depression, and alcohol and substance misuse. These factors are likely to have a wider impact on family and friends. Further family problems can include ‘money troubles’ and family breakdown, as well as neglect and violence towards any partner or children. There are higher rates of separation and divorce among problem gamblers compared to the general population. Further impacts of gambling include the inability to function at work, and financial problems which can lead to homelessness. The harms from gambling to wider society include fraud, theft, loss of productivity in the workforce, and the cost of treating this addiction. Gambling harm not only affects the individual, but the family and wider society.

Since this report Joint work published by a team led by Prof Robert Rogers, Bangor University, with colleagues from **Public Health Wales**, Heather Wardle Research Ltd and Swansea University highlights the widespread harms that gambling can cause, not only for those who gamble, but also for families, friends and communities. Gambling is increasingly being recognised as a public health priority.

The work consists of two reports published in January 2019:

1. [Gambling as a public health issue in Wales](#) and 2. [Framing a public health approach to gambling harms in Wales: Challenges and opportunities](#)

**8. 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?**

Continuing the existing resolution not to permit casinos in the County has a positive impact by protecting children and other vulnerable persons from being harmed or exploited by gambling.

**9. 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
Incorporate resolution into the Authority's Gambling Policy 2022.	By 31/1/2022	

**10. VERSION CONTROL: The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.**

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
	Full Council	04/11/2021	
	Publication of Gambling Policy	03/01/2022	
	Commencement of Gambling Policy	31/01/2022	

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# Public Document Pack Agenda Item 8a

## MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held  
at County Hall, Usk - Remote Attendance on Thursday, 23rd September, 2021 at 2.00 pm

**PRESENT:** County Councillor M.Feakins (Chairman)  
County Councillor A. Webb (Vice Chairman)

County Councillors: P. Clarke, D. Batrouni, J.Becker, L.Brown, L.Dymock, A. Easson, C.Edwards, R. Edwards, P.A. Fox, R.J.W. Greenland, M.Groucutt, L. Guppy, R. Harris, G. Howard, S. Howarth, R.John, L.Jones, P. Jones, S. Jones, P. Jordan, M.Lane, P. Murphy, P.Pavia, M. Powell, J.Pratt, R.Roden, V. Smith, B. Strong, T.Thomas, J.Treharne, J.Watkins, A. Watts, K. Williams and S. Woodhouse

### **OFFICERS IN ATTENDANCE:**

Matt Phillips	Chief Officer People and Governance and Monitoring Officer
Paul Matthews	Chief Executive
Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Will McLean	Chief Officer for Children and Young People
Nicola Perry	Senior Democracy Officer
Frances O'Brien	Chief Officer, Enterprise
Julie Boothroyd	Chief Officer Social Care, Safeguarding and Health
Matthew Gatehouse	Head of Policy and Governance

### **APOLOGIES:**

County Councillors D. Blakebrough, A.Davies, D. Evans, J. Higginson, D. Jones, S.B. Jones and F. Taylor

#### **1. Declarations of interest**

None.

#### **2. Public Questions**

None.

#### **3. Chairman's announcement and receipt of petitions**

No petitions received.

#### **4. Reports for Council:**

#### **5. SOCIAL CARE, SAFEGUARDING AND HEALTH ANNUAL DIRECTORS PERFORMANCE REPORT 2020/2021**

The Chief Officer for Social Care, Safeguarding and Health presented the Annual Statutory Report on Performance 2020/21.

Members welcomed the presentation and were invited to comment.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of County Council held at County Hall, Usk - Remote Attendance on Thursday, 23rd September, 2021 at 2.00 pm

During discussion Members were keen to congratulate Julie Boothroyd, Chief Officer Social Care, Safeguarding and Health on her achievements, and wish her well in her retirement.

The Cabinet Member for Social Care, Safeguarding and Health commended the excellent and inspirational report adding that it highlighted all that the Officer and her teams have accomplished, to the benefit of so many people.

Questions were raised regarding future-proofing Monmouthshire, considering the demographics. The Chief Officer responded that she is confident that we have an approach which is about futureproofing and ensuring communities are as resilient and strong as they can be. A suite of early intervention and prevention work is very strong and very driven.

With regards to Chepstow Community Hospital, the Chief Officer confirmed that we want to see as much maximised into the space as possible.

There are approximately 200 people in receipt of direct payments across the County. People often want to be in a position where they are in control of their own support. This is run by a small but passionate team and Council were assured that there is a good hold on this service.

There were concerns around the issue of bed-blocking and it was stated that we should find a way of providing more sustainable care at home.

**Council resolved to accept the statutory report.**

*County Councillor Simon Howarth left the meeting at 14:56pm*

#### **6. GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT**

The Chair of Governance and Audit Committee was in attendance to present the Audit Committee Annual Report for 2020/2021.

In doing so we heard that the committee had met 5 times over the year and had fulfilled its role as determined in the terms of reference.

It was suggested that consideration be given to the extending membership of the committee to 15 or 16 members, to maintain political balance as well as the four co-opted members.

**Council resolved to accept the report.**

#### **7. CORPORATE PLAN ANNUAL REPORT 2020/21**

The Leader presented the report to seek Council approval of the Corporate Plan Annual Report 2020/21. The report sought to ensure that members have a clear understanding of progress made against the aspirations within the Corporate Plan and the subsequent 'plan on a page' documents which have provided clear direction and accountability during the different stages of the pandemic.

The Leader of the Opposition expressed disappointment at the reality of the report, particularly noting the lack of qualitative measures in place.



## **MONMOUTHSHIRE COUNTY COUNCIL**

### **Minutes of the meeting of County Council held at County Hall, Usk - Remote Attendance on Thursday, 23rd September, 2021 at 2.00 pm**

It was stated that there is a set of indicators at the end of each section demonstrating progress.

County Councillor Tudor Thomas highlighted concerns around the distribution of the levelling-up funding, stating that Abergavenny had received nothing from the funding. The Leader referred to the new school development in Abergavenny. The Cabinet Member for Social Justice was disappointed in the comment and highlighted the investments in Abergavenny Leisure Centre and Borough Theatre.

Members were keen to hear plans for Chepstow area.

**Upon being put to the vote Council resolved to accept the recommendation:**

**That the Corporate Plan Annual Report 2020/21 be approved.**

#### **8. BOROUGH THEATRE, ABERGAVENNY- REFURBISHMENT PROGRAMME**

The Cabinet Member for Social Justice and Community presented the report to seek approval for the proposed investment at the Borough Theatre, Abergavenny to ensure that the theatre remains fit for purpose for future generations and attractive to existing user groups and theatre goers.

There was wide support for the proposal and agreement that this was beneficial to the entire County, not just Abergavenny.

County Councillor Sheila Woodhouse declared a personal interest as part of an amateur theatre group that utilises the Borough Theatre. She provided detail of the history of the theatre and was keen to add her support.

County Councillor Martyn Groucutt, as Chair of Policy and Resources Committee, Abergavenny Town Council, expressed the Town Council had also contributed £50,000 to the theatre and entered into a long-term commitment to support the Melville Arts Centre.

The Leader of the Opposition expressed concern around the financial management and rationale of the proposal as opposed to other cultural opportunities across the County.

It was noted that there were increased costs due to the pandemic.

**Upon being put the vote Council resolved to recommend the recommendation:**

**To support the proposed investment at the Borough Theatre, Abergavenny.**

**The Authority conclude discussions with Abergavenny Town Council regarding any further contribution to meeting the funding gap and the Council to underwrite any remaining shortfall.**

**In the event of the Council underwriting any remaining shortfall, that the Section 151 officer decides upon the most appropriate capital funding in the form of capital receipts or borrowing, and; in the event that borrowing is undertaken whether the service revenue budget or corporate financing budget will bear the associated financing costs.**

## MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council held  
at County Hall, Usk - Remote Attendance on Thursday, 23rd September, 2021 at 2.00 pm

### 9. Notices of motion:

#### 10. Submitted by County Councillor Kevin Williams

*This council commends the contribution to community life by our young care leavers during their time in care. It acknowledges the positive impact we, as a council, can make to enhancing their lives upon leaving the care system and furthermore will continue to offer support and guidance to them after they Public Document Pack leave the care system, including the financial support they will need.*

County Councillor Tudor Thomas seconded the motion and expressed how care leavers really need the support of Council. He explained the vulnerability of care leavers when they are catapulted into the wide world and added that suitable housing is a major issue and a vital part of the support Council could offer.

*County Councillor Phil Murphy left the meeting at 16:02pm  
County Councillor Jez Becker left the meeting at 16:04pm*

The Cabinet Member for Social Care, Safeguarding and Health explained that a main priority of the Corporate Parenting Strategy is to support all care leavers in education, training and employment to the age of 25. Care leavers have three personal advisors who provide advice and support in every aspect required.

The Leader of the opposition proposed an amendment:

This council commends the contribution to community life by our young care leavers during their time in care. It acknowledges the positive impact we, as a council, can make to enhancing their lives upon leaving the care system and furthermore will continue to offer support and guidance to them after they leave the care system, including the financial support they will need. ***Therefore, the Council welcomes the Welsh Government's announcement to pilot Universal Basic Income that will focus on care leavers and believes the Conservative administration should reverse its decision to prevent Monmouthshire care leavers to be part of any pilot.***

The Cabinet Member felt unhappy to support the motion without adequate information.

Upon being put to vote the amended motion was defeated and debate returned to the original motion.

**Upon being put to the vote the original motion was carried.**

#### 11. Submitted by County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services

*This Council calls upon Welsh Government to accelerate the provision of a railway station at Magor, to link up the M48 with a new junction to service Severn Tunnel Junction and make public transport links and hubs for buses, trains, cyclists and cars at our railway stations a priority. Time has passed and our response to the climate emergency needs to see a greater sense of urgency and more progress from Welsh Government if we are to get people out of their cars and onto public transport.*

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of County Council held at County Hall, Usk - Remote Attendance on Thursday, 23rd September, 2021 at 2.00 pm

County Councillor Richard John seconded and endorsed the motion.

County Councillor Dimitri Batrouni proposed and amendment:

This Council calls upon Welsh Government ***to continue to work with all interested parties*** to accelerate the provision of a railway station at Magor, to link up the M48 with a new junction to service Severn Tunnel Junction and make public transport links and hubs for buses, trains, cyclists and cars at our railway stations a priority. Time has passed and our response to the climate emergency needs to see a greater sense of urgency and more progress from Welsh Government if we are to get people out of their cars and onto public transport; ***and in recognising such urgency and demonstrating this Council's commitment to tackling climate change, the Council calls upon the Conservative administration to support Welsh Government's policy of no more road building in Monmouthshire and Wales.***

The Cabinet Member for Neighbourhood Services and Infrastructure did not support the amendment as one of the things to be done in order to provide a fast bus road from M48 to Severn Tunnel Junction would involve building a road.

Upon being put to the vote the amended motion was defeated and debate returned to the original motion.

The Cabinet Member for Social Justice and Community welcomed the motion and highlighted it as a quick fix for WG. It would also see a decrease in traffic on the B4245.

**Upon being put to the vote the motion was carried.**

#### 12. Submitted by County Councillor Dimitri Batrouni

*For Monmouthshire County Council to work with other local Gwent authorities to help secure funding for sign language courses for Gwent families with hearing impaired children.*

Seconded by County Councillor Martyn Groucutt.

The Cabinet Member for Education commended the timeliness of the motion with it being International Day of Sign Languages and was supportive of the motion.

He advised that WG is rolling out a BSL GSCE in the new curriculum from 2022, and while this will raise awareness of deaf community and deaf culture it is very different to achieving skilled language proficiency. However, it is hopeful that it would encourage those skills being achieved over the long term.

**Upon being put to the vote the motion was carried.**

#### 13. Members Questions:

## MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of County Council held  
at County Hall, Usk - Remote Attendance on Thursday, 23rd September, 2021 at 2.00 pm**

**14. From County Councillor Tony Easson to County Councillor Paul Pavia, Cabinet Member for Education**

*There are 30 primary and the 4 secondary schools in Monmouthshire, which suggests that there are about 400 School Governors. What is the actual number of Governors, and how many of those Governors had DBS checks in place at the start of the new school year?*

The Cabinet Member responded that MCC is the only authority in Gwent that requires all its school governors to have a DBS check. This is done as it is part of our volunteering policy. There are currently 450 governors in post, 53 vacancies and as at this week there are 370, being 82% who have a current DBS check. A further 50, 11%, have a DBS application in process. This leaves 16, 4%, without a current DBS and we are working with those schools to understand this figure and to understand why the DBS checks are outstanding.

As a supplementary Councillor Easson asked who is responsible for monitoring the system and if the system is still fit for purpose.

In response the Cabinet Member agreed to clarify in a written response.

**14.1. From County Councillor Tony Easson to County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services**

*With the Queens Jubilee approaching in 2022, I have been asked by constituents who wish to organise street parties next summer. I ask Cllr Pratt therefore, if logistic arrangements can be developed by Highways early rather than late, so that interested residents can plan ahead. These need to be developed by New Year at least.*

The Cabinet Member responded that the matter of Platinum Jubilee celebrations had been discussed at the Event Safety Advisory Group on 2<sup>nd</sup> September 2021 and the extended bank holiday commences on 2<sup>nd</sup> June 2022. The most likely date for street parties is thought to be Sunday 5<sup>th</sup> June 2022. She agreed that earlier preparations would be encouraged, and previous advisory material prepared for the Diamond Jubilee celebrations in 2012 will be updated. Anyone interested in arranging a party next year will be signposted to this guidance, which will provide information on applying for a road closure, temporary event notices, food safety. MCC Event Safety Advisory Group are discussing this approach with other groups within the Gwent region to ensure a consistent and fair approach to all, and where possible events will be encouraged in light of their positive impact on bringing local communities together. The revised guidance will be published prior to Christmas.

As a supplementary Councillor Easson presented a potential problem with access and questioned if it would be more advisable to hold celebrations on both Saturday and Sunday?

In response, the Cabinet Member agreed that the logistics would have to be discussed and local communities will need to liaise with each other.

**15. To confirm the minutes of the meeting held on 22nd July 2021**

**The meeting ended at 5.20 pm**

# Public Document Pack Agenda Item 8b

## MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of County Council held  
at County Hall, Usk - Remote Attendance on Friday, 1st October, 2021 at 10.00 am**

**PRESENT:** County Councillor P. Clarke (As Chairman)

County Councillors: P. Clarke, L.Brown, A. Easson, C.Edwards, R. Edwards, R.J.W. Greenland, L. Guppy, R. Harris, J. Higginson, G. Howard, S. Howarth, R.John, L.Jones, P. Jones, S. Jones, P. Jordan, M.Lane, P. Murphy, M. Powell, J.Pratt, R.Roden, V. Smith, B. Strong, T.Thomas , J.Watkins, B. Jones and S. Woodhouse

### **OFFICERS IN ATTENDANCE:**

Matt Phillips	Chief Officer People and Governance and Monitoring Officer
Paul Matthews	Chief Executive
John Pearson	Local Democracy Manager
Nicola Perry	Senior Democracy Officer
Richard Williams	Democratic Services Officer

### **APOLOGIES:**

County Councillors L.Dymock, D. Evans, M.Feakins, P.A. Fox, M.Groucutt, D. Jones, P.Pavia, F. Taylor, J.Treharne, A. Webb and K. Williams

#### **1. Declarations of interest**

County Councillor Peter Clarke was elected as Chair.

There were no declarations of interest from Members.

#### **2. To exclude the press and public from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information**

Council resolved to exclude press and public from the meeting.

#### **3. Appointment of Chief Officer Social Care, Safeguarding & Health**

Council unanimously resolved to appoint Jane Rodgers as Chief Officer, Social Care, Safeguarding and Health.

**The meeting ended at 11.30 am**

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