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County Hall
Rhadyr
Usk
NP15 1GA

Dydd Mercher, 6 Gorffennaf 2022

Hysbysiad o gyfarfod

Pwyllgor Llywodraethu ac Awdit

Dydd Iau, 14eg Gorffennaf, 2022 at 2.00 pm,
Neuadd Y Sir, Y Rhadyr, Brynbuga, NP15 1GA

AGENDA

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Paul Matthews
Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Andrew Blackmore	Lay Member	
Colin Prosser	Lay Member	
Martin Veale	Lay Member	
County Councillor Ian Chandler	Llantilio Crossenny;	Green Party
County Councillor John Crook	Magor East with Undy;	Welsh Labour/Llafur Cymru
County Councillor Tony Easson	Dewstow;	Welsh Labour/Llafur Cymru
County Councillor Robert Greenland	Devauden;	Welsh Conservative Party
County Councillor Malcolm Lane	Mardy;	Welsh Conservative Party
County Councillor Phil Murphy	Caerwent;	Welsh Conservative Party
County Councillor Peter Strong	Rogiet;	Welsh Labour/Llafur Cymru
County Councillor Laura Wright	Grofield;	Welsh Labour/Llafur Cymru

Gwybodaeth Gyhoeddus

Mynediad i gopiâu papur o agendâu ac adroddiadau

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

Edrych ar y cyfarfod ar-lein

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

Y Gymraeg

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

Nodau a Gwerthoedd Cyngor Sir Fynwy

Ein diben

Adeiladu Cymunedau Cynaliadwy a Chydnerth

Amcanion y gweithiwn tuag atynt

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

Ein Gwerthoedd

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

Tegwch. Darparwn gyfleoedd teg, i helpu pobl a chymunedau i ffynnu. Os nad yw rhywbeth yn ymddangos yn deg, byddwn yn gwranddo 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.

Caredigrwydd – Byddwn yn dangos caredigrwydd i bawb yr ydym yn gweithio gyda nhw, gan roi pwysigrwydd perthnasoedd a'r cysylltiadau sydd gennym â'n gilydd wrth wraidd pob rhyngweithio.

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Public Document Pack Agenda Item 4

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held
at County Hall, Usk - Remote Attendance on Monday, 20th June, 2022 at 2.00 pm

PRESENT: Andrew Blackmore (Chairman)
County Councillor Peter Strong (Vice Chairman)

County Councillor: Ian Chandler, John Crook, Tony Easson,
Bob Greenland, Malcolm Lane and Laura Wright

Martin Veale (Lay Member)
Colin Prosser (Lay Member)

OFFICERS IN ATTENDANCE:

Andrew Wathan	Chief Internal Auditor
Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Wendy Barnard	Democratic Services Officer
Charlotte Owen	Audit Wales Officer
Emma Davies	Performance Officer
Richard Jones	Performance Manager
Jonathan Davies	Acting Assistant Head of Finance
Rachel Freitag	Audit Wales Officer

APOLOGIES:

County Councillors Phil Murphy

1. Declarations of Interest

Item 9 – Update on Unfavourable Audit Opinions: County Councillor I. Chandler declared a personal, non-prejudicial interest in respect of the Passenger Transport Vehicle Maintenance audit opinion as he has three children that travel to school on PTU buses.

2. Public Open Forum

No Members of the Public were in attendance.

3. To note the Action List from the previous meeting

It was agreed that a letter of thanks would be sent by the Chair to former Chair of the Committee, Philip White.

There were no actions arising from the previous meeting.

4. Audit Wales Work Programme

A quarterly update on the Audit Wales Work Programme as at the end of March 2022 was presented by the Audit Wales Officer; the document shared with Committee and Officers is for information.

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The Audit Wales Officer provided updates on the 2021/22 performance work programme since the report was published:

- Draft report for Springing Forward Review on Workforce and Assets to be issued to Officers shortly.
- Summary report on assurance and risk assessment work on the Council's financial position, its preparations to meet the Local Government and Elections (Wales) Act 2021 and its work on carbon reduction plans in the summer; and.
- A local risk-based project is yet to be determined.

Following presentation of the report questions were invited from Committee Members. No questions were put forward.

5. Annual Governance Statement

The draft Annual Governance Statement was presented by the Chief Internal Auditor. Following presentation of the report, Committee Members were invited to ask questions and make comments.

A Member referred to para.49 (overall opinion on the adequacy of the internal control environment) and sought clarity on the definition of the overall opinion of "Reasonable". The Chief Internal Auditor explained that the definition is based on internal audit opinions. The Governance Statement is based on a wider element feeding into the overall opinion (this also takes account non-audit issues). To assist the reader, it was suggested that the explanatory scale needs a note to clarify that para. 49 applies to internal audit opinions. It was confirmed that clarification will be added.

Referring to para. 51 (64% of the Audit Plan achieved), a Member asked if the Council benchmarks assurance against performance of similar authorities. It was confirmed that the Welsh Chief Auditors Group benchmarks performance indicators for internal audit teams across Wales to provide an annual performance assessment average which ranks authorities within Wales.

A Member referred to para. 48 (fraudulent activities during Covid), the level of fraud being investigated and the limited assurance opinion. The Chief Internal Auditor explained that the Covid grant work has stopped. Any key concerns have been reported to the Police with no feedback to date. 20 internal audit opinions have been identified, of which 2 were categorised as "Limited assurance". The opinion in para. 48 is not related to fraud work.

A Member referred to policies and procedures to manage risks and suggested that some require review and update and queried if this could be added to the workplan. It was confirmed that there is a programme of review, but this is dependent on team resources and vacancies and the need to catch up on Audit work from when the Internal Audit Team was redeployed during the pandemic.

Regarding online privacy notices (para. 127), there is a note to say there has been significant work in 2021/22 that requires amendment.

The Deputy Chief Executive referred to the Forward Work Plan and updated the Committee that he would bring forward an Anti-Fraud and Bribery risk assessment report. Consideration will also be given to a programme for review of policies and procedures for managing risks.

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The Chair provided comments for consideration to the Chief Internal Auditor prior to the meeting. Additionally, he referred to the wording of the last sentence of the executive summary that could reflect that some of the governance arrangements are less than effective. The Chief Internal Auditor will review that section.

Committee Members may provide additional comments to the Chief Internal Auditor by the end of June.

Summing up, the Chair commented that the statement provides a reasonable reflection of the state of governance and control across the authority. As per the report recommendations, the Governance and Audit Committee contributed to the appropriateness and content of the draft AGS 2021/22 and subsequently endorsed it.

6. Annual Audit Plan 2022/3

The Audit Wales Financial Audit Manager for Monmouthshire County Council and Performance Audit Lead presented the Annual Audit Plan 2022/23. It was explained that absolute assurance is not sought for the financial statements. Work is carried out to a level of materiality where an error would mislead or change the user's opinion of the financial position of the authority.

An update was provided that 2021 grant claims certification work is nearing completion and a draft letter of findings will be provided by the end of June. Grant certification of housing benefits, teachers' pensions and non-domestic rates will follow in the Autumn. It is hoped to complete the financial audit work by September/October.

Following presentation of the report, Committee Members were invited to ask questions and make comments.

In response to a question, the Assistant Head of Finance confirmed that the asset valuation element is causing concern. There is a risk that the financial accounts will be presented to Governance and Audit Committee without valuations being completed. Discussions on this all-Wales issue continue. It was clarified that other authorities have presented their accounts with valuation of assets to follow separately.

A Member asked how the Committee can assess quality. It was explained that there are annual external quality reviews by the Institute of Chartered Accountants of England and Wales (ICAEW) plus internal peer reviews. It was agreed that the Audit Wales Officer will investigate the use of key performance indicators.

Regarding the reference to resumption of onsite activities, Audit Wales teams have resumed working together in the office and visits to client sites have commenced when deemed relevant and efficient.

A Member asked if asset valuation includes investment assets. It was explained that investment assets must be valued on an annual basis and are outside of the scope. It was also queried, given the disparity between the book value and real value, how would it be ensured that an asset disposal valuation is accurate and value for money. It was clarified that assets for disposal should be revalued to market value.

The Committee noted the Annual Audit Plan 2022/23.

7. Freedom of Information (FOI), Data Protection Act (DPA) Breaches and Data Subject Access Request (DSARs) Report (twice yearly)

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The Head of Information, Security and Technology presented the report. Following presentation of the report, Committee Members were invited to ask questions and make comments.

A Member sought clarification on the 20-day response time for Freedom of Information (FOI) requests querying if 90% is an internal target. It was confirmed that the 20-day response time is statutory. It was explained that the Information Commissioner recognises that this is difficult to achieve and the recommended target is 95%. Our performance is 93% and it was added that during the pandemic staff were redeployed and the Information Commissioner's Office allowed an explanatory notification to be added to initial FOI requests regarding the potential for delay. The legacy effect of Covid has affected the ability of services to respond.

The Member asked how data breaches are classified and if training opportunities are promoted thereafter. It was explained that breaches are graded according to harm caused and to whom (e.g. Numbers affected, type of information and vulnerability). Comprehensive training is available and there is collaboration with Department Management Teams (DMTs) to promote and prioritise training.

In response to further question, it was explained that there is no specific criteria list to guide when to report to the ICO. The Data Protection Information Governance Manager confirmed that FOI breaches can be unclear. The ICO has a self-assessment checklist to assist. Completing the list provides clarification on the need to report. A briefing session for Member is tomorrow.

A Member was informed there is an Information Retention Schedule. Some retention is governed by law. The authority also works to the Local Government Classification Scheme which details types of documents and time to be retained. The schedule is linked to the online Information Management System.

A Member referred to FOI numbers and topics and was advised that topics are wide-ranging e.g. planning applications, suppliers, children's services. They are published on the authority website. It was queried how lessons are learned from E mail data protection breaches. It was explained that often, the wrong person/attachment is selected. Breaches are discussed, graded, and handled accordingly. Service areas are noted and used to identify training needs. Regarding mandatory GDPR training, more detail on numbers completing training was requested. It was explained that every effort is made to ensure all staff are trained.

In response to a question about the Culture surrounding data security, it was explained that there is a slow change and an ongoing commitment to train staff to understand of the importance of information to the authority.

As per the report recommendations, the Committee scrutinised the report and requested clarification of the information within it. Members made suggestions on how to improve the layout of the stats or the level of detail in order to make the data more useful and meaningful.

8. 6 monthly update - Progress Report on Unfavourable Audit Opinions

The Chief Internal Auditor presented the 6-monthly update on Unfavourable Audit Opinions. Following presentation of the report, questions and comments were invited.

A Member asked about procedures in place to manage risks referring to historic music events held at Caldicot Castle, whilst monetising the asset to maximum extent. The Deputy Chief Executive drew a distinction between events organised by the Council and other events where the venue is hired out to external providers who bring in expertise/services from outside. The Limited opinion referred to previous music events organised by the authority. An update was

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provided that the Council has a different approach to the organisation of events now. It was queried if the hire rates could be reviewed without detriment to hirers from the local community.

A Member asked for an update on Agency Workers and if the new contract had been finalised. It was responded that a new contract is in place. Audit requires key controls to be in place for the agency worker system to ensure sound financial management, governance arrangements and risk management etc. The work has been followed up and the resulting opinion will be presented to Governance and Audit Committee in due course. It was suggested that the service manager would be able to provide more details. The Member will follow this up.

County Councillor I. Chandler declared a personal, non-prejudicial interest as he has three children travelling to school on PTU buses. He referred to the Passenger Transport Unit Vehicle Maintenance risk identified as "High" and the revised opinion to follow in 2022/23. The process was queried between identification as a high risk, limited opinion and moving to a revised opinion to follow up in the current year. It was queried if the service manager works with internal audit to remedy the risk. The Chief Internal Auditor explained that the level of risk is as perceived by the team when the audit plan is undertaken based on the information available. The service manager would be better placed to address operational risks.

The Deputy Chief Executive explained that dialogue with the SLT (Strategic Leadership Team) and DMTs (Directorate Management Teams) has been strengthened to support progress, improvement and responsiveness to audit reports. It is a priority that Limited audit opinions are acted upon promptly to avoid two successive limited opinions.

A Member asked about attendance management and was informed that some weaknesses were identified initially, and an action plan put in place. The majority of improvements were implemented, and the opinion was changed to reasonable. It was confirmed that an improvement has been noted arising from implementation of the improvements. The Chief Internal Auditor will provide further information at a future meeting.

It was requested that the Committee is provided with the two limited opinion reports in full at the next committee meeting

In response to a question about the lateness in presenting opinions from Sept 2021, it was explained that timing of meetings and cancellations had caused delays.

In line with the report recommendations, the Governance and Audit Committee:

1. Noted the improvements made by service areas following the original **Limited** assurance audit opinions issued; and
2. Endorsed that if the Members of the Governance & Audit Committee are concerned about any of the audit opinions issued or lack of improvement made after the follow up audit review, consideration be given to calling in the operational manager and the Head of Service to provide justification for lack of progress and hold them to account for future improvements.

9. Internal Audit Draft Operational Plan 2022/3

The Chief Internal Auditor introduced the Draft Internal Audit Operational Plan Following presentation of the report, questions and comments were invited:

A Member asked for further information on the audit cycle and asked how often a secondary school expected to be audited. The Chief Internal Auditor explained that there would normally be just one secondary school and several primary schools on the audit cycle each year and a

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secondary school should expect to be audited every 5-6 years depending on the risk profile. Primary schools should expect to be audited every 5 years. Currently staffing resources are limited so these periods are extended to 8 years. If a particular issue is identified, audits can be brought forward, or unannounced visits conducted. Other areas are audited every 5 years according to an annual risk assessment.

It was questioned how the Committee can judge the adequacy of the Audit Plan. The Deputy Chief Executive explained that there is a more detailed working document shared with the SLT to facilitate discussion between Chief Officers and the Chief Internal Auditor whereby emerging risks are flagged and capacity determined. Officers will reflect on how best to improve assurance for Committee Members. Assurance was provided of good coverage across the organisation.

It was clarified that Enterprise doesn't include Landlord Services; the industrial units and leisure park are a component part of Resources.

A Member asked how performance is measured mentioning that of the 975 available days, there are 658 audit days. The Chief Internal Auditor clarified that quarterly reports are provided to include progress against the plan, work undertaken, audit opinions issued against the plan. There is also performance assessment based on performance indicators such as progress against plan, timeliness of issue of draft and final reports, turnover in team, response to special investigations etc.

The value added by Internal Audit was queried in terms of what control and value for money improvements have been made as a result of internal audit recommendations. The Chief Internal Auditor will report back in due course.

In response to a question, it was explained that Torfaen County Borough Council Internal Audit Team is responsible for the audit of SRS Data Centre. The outcomes are reported annually and included in the Chief Internal Auditor's Annual Report for third party assurance. It was queried what other collaboration risks are outside the organisation and how assurance is obtained. It was explained that the MCC Audit Team audits all the authority's systems. It is not involved in the audit of other collaborations. It was agreed that a list of the key collaborations and arrangements for audit would be brought back to a future Governance and Audit Committee meeting.

As per the recommendations, the Governance and Audit Committee reviewed, commented on and approved the Draft Internal Audit Plan 2022/23 on the understanding that any material changes would be brought back before Committee for information or approval.

10. Self Assessment Process

The Performance Manager presented a report on the Self-Assessment Process. After presentation of the report, questions and comments were invited.

In line with the report recommendations, Members reviewed the self-assessment process to inform their understanding of the arrangements the council has in place.

11. GOVERNANCE AND AUDIT COMMITTEE FORWARD PLANNER 2022

The forward planner was noted. The Governance and Audit Committee Annual Report 2021/22 will be added.

The Chair requested that reports include reconciliation with the terms of reference

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It was confirmed that the Draft self-assessment document will be brought to the next meeting. Strategic Risk Assessment will be reported to six-monthly. These elements to be confirmed.

12. To confirm minutes of the previous meetings held on the following dates:

The minutes of the previous meeting were confirmed as an accurate record.

13. To confirm the date of the next meeting as Thursday 14th July 2022 at 2.00pm

Meeting ended at 4.10 pm

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Audit Committee Action List 20th June 2022

Agenda Item:	Subject	Officer	Outcome
4	Action List	Chair/Peter Davies	Letter of thanks to Former Chair, Philip White
6	Annual Governance Statement	Andrew Wathan	<p>Amendments: Para 49 explanatory scale needs a note to clarify that para. 49 applies to internal audit opinions Para 127 note to say there has been significant work in 2021/22 that requires amendment.</p> <p>Programme for review of policies and procedures for managing risks.</p> <p>Last sentence of the executive summary that could reflect that some of the governance arrangements are less than effective. The Chief Internal Auditor will review that section.</p>
7	Annual Audit Plan	Rachel Freitag	Audit Wales Officer will investigate the use of key performance indicators.
9	Unfavourable Audit Opinions progress	Andrew Wathan	<p>Committee provided with further information about attendance management implementation of recommendations and improvements</p> <p>Full limited opinion (two) reports to be presented to GAC at the next meeting</p>
10	IA plan	Andrew Wathan/Peter Davies	<p>Reflect on how best to improve assurance for Committee Members regarding the adequacy of the Plan</p> <p>Value added in terms of what control and value for money improvements have been made as a result of internal audit recommendations</p> <p>Provide GAC Members with a list of key collaborations and who audits</p>
11	Forward Planner	Peter Davies/Andrew Wathan	reports include reconciliation/cross reference with the terms of reference

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REPORT

SUBJECT:	TREASURY OUTTURN REPORT 2021/22
MEETING:	Governance & Audit Committee
DATE:	14th July 2022
DIVISIONS/WARD AFFECTED:	All

1. **PURPOSE:**

- 1.1. During 2021/22, the Council's treasury management activity was underpinned by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities (the Prudential Code), and complimented by the CIPFA guidance "Treasury Management in the Public Services" which sets out good practice in treasury management.
- 1.2. These place a requirement on local authorities to produce annually a Treasury Management Strategy Statement and Prudential Indicators on their likely financing and investment activity, and to ensure that the appropriate governance function that oversees the treasury management activities of the Authority is kept informed at least twice a year.
- 1.3. This report represents the second update of treasury management activity during 2021/22 following the [mid-year report](#) to Governance & Audit committee on the 3rd November 2021.

2. **RECOMMENDATIONS:**

- 2.1. That Governance & Audit committee review the results of treasury management activities and the performance achieved in 2021/22 as part of their delegated responsibility to provide scrutiny of treasury policy, strategy and activity on behalf of Council.

3. **SUMMARY OF KEY ISSUES:**

- 3.1. The continuing economic recovery from coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues over the period.
- 3.2. The Bank of England (BoE) increased the bank rate across the year from 0.10% to 0.75% by March 2022. The MPC also voted unanimously to start reducing the stock of its asset purchase scheme by ceasing to reinvest the proceeds from maturing bonds as well as starting a programme of selling its corporate bonds.
- 3.3. Inflation has increased significantly over the course of the year from 0.7% in March 2021 to 7.0% in March 2022. Inflation was initially driven by a combination of rising global costs and strong demand which was exacerbated by supply shortages and transport dislocations. The MPC noted that the invasion of Ukraine had caused further large increases in energy and other commodity prices, with the expectation that the conflict will worsen supply chain disruptions around the world and push CPI inflation to around 8% later in 2022

- 3.4. In a local context the treasury strategy of the Authority continued with the approach of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce counterparty risk and keep interest costs low.
- 3.5. At the 31st March 2022 the Authority had a borrowing [Capital Financing Requirement](#) (CFR) of £187.0m and gross external borrowing of 178.5m. Total borrowing has reduced year-on-year by £4.3m which primarily related to the temporary high borrowing balance at the previous year end alongside the delay in expending budgeted capital expenditure during the year.
- 3.6. Borrowing rates increased during the year and further rises are expected in the near term. As a response to this, during the year the Authority looked to secure additional long-term borrowing at comparatively low rates. This has increased the proportion of long-term to short-term borrowing and provides an added element of balance and certainty over future interest payments. The movement in the overall maturity structure of borrowing is noted in table 11 of this report.
- 3.7. In year, the Authority's total treasury investments increased by £9.0m to £48m primarily due to higher temporary year end balances relating to the receipt of large amounts of unbudgeted grant towards the end of March 2022. This position was temporary in nature and since year-end investment balances have reduced considerably in line with expected cashflow.
- 3.8. The Authority continues to hold a minimum of £10m of investments to meet the requirements of a professional client under the [MIFID II regulations](#) (Markets in financial instruments directive).
- 3.9. £4m of the Authority's investments are held in externally managed strategic [pooled multi-asset and property funds](#) where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an average total return 3.26%, comprising a 3.43% income return which is used to support services in year, and 0.17% of unrealised capital losses. It is important to note that unrealised capital movements on these funds do not impact the income and expenditure account of the Authority and will only materialise at the time that the investments are disposed of. At the 31st March 2022 net unrealised capital losses across all pooled funds totalled £38,509.
- 3.10. As shown in section 11 the Authority achieved a saving of £506,000 against net treasury budgets of £3.6m primarily due to lower overall borrowing costs than budgeted as rates remained at extremely low levels for the majority of the year.
- 3.11. As reported in sections 12 and 13, the Authority complied with the CIPFA code of practice on treasury management, and acted within the approved 2021/22 Treasury management strategy and indicators during the year.
- 3.12. **Impact of the Covid-19 pandemic on treasury activities**
- 3.13. Since the outbreak of the pandemic the Council has needed to monitor the impact on cash flow closely. Throughout 2021/22 the Council saw an increase in Covid-19 related expenditure, a reduction in income across some services, and pressures in the collection of Council Tax and Non-Domestic Rates (NDR) which resulted in additional support in the form of extraordinary settlement funding and the provision of resourcing to assist with taxation relief schemes such as NDR Relief Scheme for retail, leisure and hospitality businesses.
- 3.14. All of the above had a significant impact on cash flow, however Welsh Government mitigated a significant proportion of this impact by reimbursing increased expenditure and income losses through the funding support provided. The Council has therefore not been required to undertake additional borrowing to address cash flow considerations.

4. **INTRODUCTION**

- 4.1. The Authority's treasury management strategy for 2021/22 was approved by Council on 11th March 2021. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.
- 4.2. Treasury risk management at the Authority is conducted within the framework of the CIPFA Prudential code and Treasury Management in the Public Services which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report.
- 4.3. This annual treasury outturn report presents the following information:
- An update on the [external market conditions](#) impacting treasury activity during the year;
 - An update of the [movement in treasury balances](#) and performance against budget during the year;
 - details of [borrowing strategy](#), [investment activity](#) and [non-treasury investment](#) performance;
 - [compliance](#) with treasury limits and indicators for the year.

5. **External market conditions**

- 5.1. Economic background (as at 31st March 2022): The continuing economic recovery from coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues over the period.
- 5.2. [Bank Rate](#) was 0.1% at the beginning of the reporting period. April and May saw the economy gathering momentum as the shackles of the pandemic restrictions were eased. Despite the improving outlook, market expectations were that the Bank of England would delay rate rises until 2022. Rising, persistent inflation changed that.
- 5.3. UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for February 2022 registered 6.2% year on year, up from 5.5% in the previous month and the highest reading in the National Statistic series. Core inflation, which excludes the more volatile components, rose to 5.2% y/y from 4.4%.
- 5.4. The government's jobs furlough scheme insulated the labour market from the worst effects of the pandemic. The labour market began to tighten and demand for workers grew strongly as employers found it increasingly difficult to find workers to fill vacant jobs. Having peaked at 5.2% in December 2020, unemployment continued to fall and the most recent labour market data for the three months to January 2022 showed the unemployment rate at 3.9% while the employment rate rose to 75.6%. Headline 3-month average annual growth rate for wages were 4.8% for total pay and 3.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 0.1% while regular pay fell by 1.0%.
- 5.5. With the fading of lockdown – and, briefly, the 'pingdemic' – restraints, activity in consumer-facing sectors improved substantially as did sectors such as oil and mining with the reopening of oil rigs but

materials shortages and the reduction in the real spending power of households and businesses dampened some of the growth momentum. Gross domestic product (GDP) grew by an upwardly revised 1.3% in the fourth calendar quarter of 2021 according to the final estimate (initial estimate 1.0%) and took UK GDP to just 0.1% below where it was before the pandemic. The annual growth rate was revised down slightly to 7.4% (from 7.5%) following a revised 9.3% fall in 2020.

- 5.6. Having increased Bank Rate from 0.10% to 0.25% in December, the Bank of England hiked it further to 0.50% in February and 0.75% in March. At the meeting in February, the Monetary Policy Committee (MPC) voted unanimously to start reducing the stock of its asset purchase scheme by ceasing to reinvest the proceeds from maturing bonds as well as starting a programme of selling its corporate bonds.
- 5.7. In its March interest rate announcement, the MPC noted that the invasion of Ukraine had caused further large increases in energy and other commodity prices, with the expectation that the conflict will worsen supply chain disruptions around the world and push CPI inflation to around 8% later in 2022, even higher than forecast only a month before in the February Monetary Policy Report. The Committee also noted that although GDP in January was stronger than expected with business confidence holding up and the labour market remaining robust, consumer confidence had fallen due to the squeeze in real household incomes.
- 5.8. GDP growth in the euro zone increased by 0.3% in calendar Q4 2021 following a gain of 2.3% in the third quarter and 2.2% in the second. Headline inflation remains high, with CPI registering a record 7.5% year-on-year in March, the ninth successive month of rising inflation. Core CPI inflation was 3.0% y/y in March, was well above the European Central Bank's target of 'below, but close to 2%', putting further pressure on its long-term stance of holding its main interest rate of 0%.
- 5.9. The US economy expanded at a downwardly revised annualised rate of 6.9% in Q4 2021, a sharp increase from a gain of 2.3% in the previous quarter. In its March 2022 interest rate announcement, the Federal Reserve raised the Fed Funds rate to between 0.25% and 0.50% and outlined further increases should be expected in the coming months. The Fed also repeated its plan to reduce its asset purchase programme which could start by May 2022.
- 5.10. Financial markets: The conflict in Ukraine added further volatility to the already uncertain inflation and interest rate outlook over the period. The Dow Jones started to decline in January but remained above its pre-pandemic level by the end of the period while the FTSE 250 and FTSE 100 also fell and ended the quarter below their pre-March 2020 levels.
- 5.11. Bond yields were similarly volatile as the tension between higher inflation and flight to quality from the war pushed and pulled yields, but with a general upward trend from higher interest rates dominating as yields generally climbed.
- 5.12. The 5-year UK benchmark [gilt yield](#) began the quarter at 0.82% before rising to 1.41%. Over the same period the 10 year gilt yield rose from 0.97% to 1.61% and the 20-year yield from 1.20% to 1.82%.
- 5.13. The Sterling Overnight Rate (SONIA) averaged 0.39% over the quarter.
- 5.14. Credit review: In the first half of FY 2021-22 [credit default swap \(CDS\)](#) spreads were flat over most of period and are broadly in line with their pre-pandemic levels. In September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but then fell back. Fitch and Moody's revised upward the outlook on a number of UK banks and building societies on the Authority's counterparty to 'stable', recognising their improved capital positions compared to 2020 and better economic growth prospects in the UK.

- 5.15. Fitch also revised the outlook for Nordea, Svenska Handelsbanken and Handelsbanken plc to stable. The agency considered the improved economic prospects in the Nordic region to have reduced the baseline downside risks it previously assigned to the lenders.
- 5.16. The successful vaccine rollout programme was credit positive for the financial services sector in general and the improved economic outlook meant some institutions were able to reduce provisions for bad loans. However, in 2022, the uncertainty engendered by Russia's invasion of Ukraine pushed CDS prices modestly higher over the first calendar quarter, but only to levels slightly above their 2021 averages, illustrating the general resilience of the banking sector.
- 5.17. Having completed its full review of its credit advice on unsecured deposits, in September Arlingclose extended the maximum duration limit for UK bank entities on its recommended lending list from 35 days to 100 days; a similar extension was advised in December for the non-UK banks on this list. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

6. **Revised CIPFA Codes, Updated PWLB Lending Facility Guidance**

- 6.1. In August 2021 HM Treasury significantly revised guidance for the [PWLB](#) lending facility with more detail and 12 examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.
- 6.2. CIPFA published its revised Prudential Code for Capital Finance and Treasury Management Code on 20th December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments.
- 6.3. The principles of the Prudential Code took immediate effect although local authorities could defer introducing the revised reporting requirements until the 2023/24 financial year if they wish. Monmouthshire have taken the decision to defer the requirement to report on treasury activity quarterly until the 2023/24 financial year.
- 6.4. To comply with the Prudential Code, authorities must not borrow to invest primarily for financial return. This Code also states that it is not prudent for local authorities to make investment or spending decisions that will increase the CFR unless directly and primarily related to the functions of the authority. Existing commercial investments are not required to be sold; however, authorities with existing commercial investments who expect to need to borrow should review the options for exiting these investments.
- 6.5. Borrowing is permitted for cashflow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal borrowing. Borrowing to refinance capital expenditure primarily related to the delivery of a local authority's function but where a financial return is also expected is allowed, provided that financial return is not the primary reason for the expenditure. The changes align the CIPFA Prudential Code with the PWLB lending rules.
- 6.6. Unlike the Prudential Code, there is no mention of the date of initial application in the Treasury Management Code. The TM Code now includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version.

7. **Movement in Treasury balances**

7.1. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available to offset the CFR or for investment.

7.2. On 31st March 2022, the Authority had net investments of £48.0m arising from its revenue and capital income and expenditure activity. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.21 Actual £m	Movement Actual £m	31.3.22 Actual £m
General Fund CFR	189.2	0.2	189.4
Less: *Other debt liabilities	(2.4)	(0.0)	(2.4)
Borrowing CFR	186.8	0.2	187.0
External borrowing	(182.8)	7.3	(175.5)
Internal borrowing	4.1	7.4	11.5
Less: Usable reserves	(28.5)	(10.1)	(42.7)
Less: Working capital	(14.6)	(2.2)	(16.8)
(Net Investments) at 31st March 2021	(39.0)	(9.0)	(48.0)

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

7.3. Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. The Authority therefore pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce overall risk and keep interest costs low.

7.4. The treasury management position at 31st March 2022 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.21 Balance £m	31.3.21 Rate %	Movement £m	31.3.22 Balance £m	31.3.22 Rate %
Long-term borrowing	85.5	3.6	18.8	104.3	3.1
Short-term borrowing	97.2	0.3	(26.0)	71.2	0.2
Total borrowing	182.8	1.9	(7.3)	175.5	2.0
Long-term investments	0.0	N/A	0.0	0.0	N/A
Short-term investments	(20.0)	0.5	6.0	(14.0)	0.12
Pooled Funds	(3.0)	4.6	(1.0)	(4.0)	3.40
Cash and cash equivalents	(16.0)	Included in ST above	(14.0)	(30.0)	Included in ST above
Total investments	(39.0)	0.5	(9.0)	(48.0)	0.40
Net Borrowing	143.8		(16.3)	127.5	

7.5. Interest rates increased during the year and are expected to increase further in the near term. As such, during the year the Authority looked to secure additional long-term borrowing at comparatively low rates. This has increased the proportion of long-term to short-term borrowing and provides an added

element of certainty over future interest payments.

- 7.6. The balance of cash and cash equivalents at the 31st March 2022 was significantly higher than the previous year end reflective of the receipt of significant temporary external grant funding that was expected to be expended in the near term, and consequently was held in extremely liquid instruments.
- 7.7. The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 3 below.

Table 3: Performance

Interest Payable	Actual £'000	Budget £'000	Over/ (under)
PWLB	2,620	2,597	23
Market loans	652	697	(45)
Short term loans	127	443	(315)
Total Interest payable on borrowing	3,399	3,737	(337)
Interest Receivable	Actual £'000	Budget £'000	Over/ (under)
Invested cash short term	(30)	(134)	104
Pooled Funds	(140)	Included above	(140)
Finance lease income	(58)	Included above	(58)
Other Interest	(75)	Included above	(75)
Total income from Investments	(303)	(134)	(169)
Net Over/(Under)spend	3,096	3,603	(506)

8. Borrowing strategy during the year

- 8.1. At 31st March 2022 the Authority held £175.5m of loans, a decrease of £7.3m to 31st March 2021, as part of its strategy for funding previous and current years' capital programmes.

Table 4: Borrowing Position

	31.3.21 Balance	31.3.21 Weighted Average	31.3.21 Weighted Average	Balance movement	31.3.22 Balance	31.3.22 Weighted Average	31.3.22 Weighted Average
	£m	Rate %	Maturity (years)	£m	£m	Rate %	Maturity (years)
Public Works Loan Board	74.2	3.5	17.4	12.6	86.8	3.1	24.8
Banks (LOBO)	13.6	4.8	20.8	0.0	13.6	4.8	19.8
Welsh Gov Interest Free	5.1	0.0	3.4	1.0	6.0	0.0	3.3
Local authorities/Other	89.9	0.1	0.2	(20.9)	69.0	0.1	0.3
Total borrowing	182.8	1.9	8.8	(7.3)	175.5	2.0	14.0

- 8.2. Whilst the Council has significant long-term borrowing requirements, the Council has continued its strategy of internal borrowing, where the Council seeks to use its existing cash balances and reserves to afford its capital expenditure prior to the necessity to take out external borrowing.
- 8.3. However the Authority's chief objective when borrowing has always been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. To that end, during the year some short-term borrowing was replaced with long term PWLB borrowing at competitive rates of interest.
- 8.4. Having considered the appropriate duration and structure of the borrowing need based on realistic projections, the Authority borrowed £20m of longer-term fixed rate loans during the year, details of which are below. These loans provide some longer-term certainty and stability to the debt portfolio.

Table 5: Long-dated Loans borrowed

Long-dated Loans borrowed	Amount £m	Rate %	Period (Years)
PWLB Maturity Loan	5.0	1.43	45
PWLB Maturity Loan	5.0	1.37	50
PWLB Maturity Loan	2.5	1.31	46
PWLB Maturity Loan	2.5	1.30	47
PWLB Maturity Loan	2.5	1.29	48
PWLB Maturity Loan	2.5	1.27	49
Total	20.0		

- 8.5. The requirement for short-term borrowing during the year was further reduced with the receipt of significant amounts of unbudgeted grants in the final quarter of the year.
- 8.6. It is important to note that the Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short and longer-term borrowing has been maintained.
- 8.7. PWLB funding margins continued to lurch quite substantially during the year and there remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Authority will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.
- 8.8. **LOBO loans:** The Authority continues to hold £13.6m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the year.
- 8.9. The Authority currently holds commercial investments that were purchased prior to the change in the CIPFA Prudential Code. The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to access PWLB borrowing if considered cost effective.

9. **Investment activity during the year**

- 9.1. CIPFA published a revised Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that

ultimately represents balances that need to be invested until the cash is required for use in the course of business.

- 9.2. The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged from between £18m and £62m due to timing differences between income and expenditure. The investment position at year end is shown in table 6 below.

Table 6: Treasury Investment Position

	31.3.21	Net	31.3.22	31.3.22	31.3.22
	Balance	Movement	Balance	Income	Weighted
	£m	£m	£m	Return	Average
				%	Maturity
					days
Banks & building societies (unsecured)	(2.0)	0.0	(2.0)	Average 0.03%	Up to 180 days
Government (incl. local authorities)	(20.0)	6.0	(14.0)		
Money Market Funds (MMFs)	(14.0)	(14.0)	(28.0)		
Multi asset income, Pooled funds	(3.0)	(1.0)	(4.0)	3.43%	N/A
Total investments	(39.0)	(9.0)	(48.0)		

- 9.3. Receipt of unbudgeted grant in the last quarter of the year along with significant capital slippage at year end increased temporary investment balances compared to 31st March 2021. These short-term balances were invested in highly liquid Money Market Funds and Government Deposits to ensure they could be called upon once required.
- 9.4. Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 9.5. Ultra low short-dated cash rates, which were a feature since March 2020 when Bank Rate was cut to 0.1%, prevailed for much of the 12-month reporting period which resulted in the return on sterling low volatility net asset value (LVNAV) Money Market Funds being close to zero even after some managers have temporarily waived or lowered their fees. However, higher returns on cash instruments followed the increases in Bank Rate in December, February and March. At 31st March 2022, the 1-day return on the Authority's [MMFs](#) ranged between 0.48% - 0.58% p.a.
- 9.6. Similarly, deposit rates with the Debt Management Account Deposit Facility (DMADF) initially remained very low with rates ranging from 0% to 0.1%, but following the hikes to base rates these increased to between 0.55% and 0.85% depending on the deposit maturity. The average return on the Authority's DMADF deposits was 0.1%.
- 9.7. Given the risk and low returns from short-term unsecured bank investments, the Authority increased its diversification in higher yielding asset classes as shown in table 6 above by £1m and that is available for longer-term investment and invested in multi-asset funds.
- 9.8. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 7 below.

Table 7: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	<u>Bail-in Exposure</u>	Weighted Average Maturity (days)	Rate of Return %
MCC 31.03.2021	AA-	4.26	44%	11	0.00
MCC 31.03.2022	AA-	3.81	59%	4	0.64
Similar LAs	AA-	3.86	28%	75	0.59
All LAs	AA-	4.47	60%	14	0.97

9.9. £4m of the Authority’s investments are invested in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an average total return of £130k (3.26%), comprising a £136k (3.43%) income return which is used to support services in year, and -£6k (-0.17%) of capital loss.

9.10. In the nine months to December 2021, improved market sentiment was reflected in equity, property and multi-asset fund valuations and, in turn, in the capital values of the Authority’s property and multi-asset income funds in the Authority’s portfolio. The prospect of higher inflation and rising bond yields did however result in muted bond fund performance. In the January-March quarter the two dominant themes were tighter UK and US monetary policy and higher interest rates, and the military invasion of Ukraine by Russia in February, the latter triggering significant volatility and uncertainty in financial markets.

9.11. In light of Russia’s invasion, Arlingclose contacted the fund managers of our MMF and strategic funds and confirmed no direct exposure to Russian or Belarusian assets had been identified. It should be noted that any assets held by banks and financial institutions (e.g. from loans to companies with links to those countries) within MMFs and other pooled funds cannot be identified easily or with any certainty as that level of granular detail is unlikely to be available to the fund managers or Arlingclose in the short-term, if at all.

9.12. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority’s medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period total returns will exceed cash interest rates.

9.13. Investments in Pooled Funds have been increased by £1m during the year in order to provide stability to investment income returns over a more medium term outlook and reflective of the fact that the authority is required to hold a minimum of £10m in investments under MiFiD II requirements.

10. Non-Treasury Investments

10.1. The definition of investments in CIPFA’s revised 2021 Treasury Management Code covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and/or for commercial purposes (made primarily for financial return).

- 10.2. Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.
- 10.3. The Authority held a net book value of £30.4m of such non-financial asset investments at the 31st March 2022 (£30.6m as at 31st March 2021) made up of:
- Oak Grove Solar Farm: £5.4m NBV
 - Castlegate Business Park & service loan: £6.1m NBV
 - Newport Leisure Park & service loan: £18.9m NBV
- 10.4. The rest of the Authority's Investment Properties have been held for over a decade and are retained for income generation, capital gain or to support wider economic development or broader policy objectives:
- Agricultural Properties: £33.6m NBV
 - Industrial Properties and Retail units: £3.4m NBV
- 10.5. Returns on the Newport leisure park investment continued to be impacted by the underlying impact of the pandemic during the year and consequently the Authority looked to legitimately recover the income losses it suffered from the Welsh Government Local Government hardship fund. As the year progressed and the impact of the pandemic subsided somewhat, reliance on the hardship fund reduced considerably.
- 10.6. The remaining investments were largely unaffected during the year by the impact of the pandemic, however the Council will need to consider the longer lasting and more indirect impacts of the pandemic that may take some time to develop, and in particular the wider challenging economic picture.
- 10.7. Overall, non-treasury investments continued to generate approximately £2.7m of investment income for the Authority net of direct costs and this continues to support the Authority's ongoing revenue budget.

11. **Compliance with treasury limits and indicators**

- 11.1. The Section 151 officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA code and the limits and indicators as set out in the Authority's approved Treasury Management Strategy.
- 11.2. **Borrowing limits:** Compliance with the [authorised limit](#) and [operational boundary](#) for external debt is demonstrated in table 8 below.

Table 8: Borrowing Limits

	2021/22 Maximum during year £m	31.3.22 Actual £m	2021/22 Operational Boundary £m	2021/22 Authorised Limit £m	Complied? Yes/No
Borrowing	191.8	175.5	216.3	246.5	Yes
PFI, Finance Leases & Other LT liabs	2.4	2.4	2.9	4.4	Yes
Total debt	194.2	177.9	219.2	250.9	Yes

11.3. **Note:** Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Table 9: Investment Limits

	31.3.22	2021/22	Complied?
	Maximum in year	Limit	Yes/No
The UK Government	£33.4m	Unlimited	Yes
Local Authorities per counterparty	£0m	£4m	Yes
Secured Investments	£0m	£4m	Yes
Banks per counterparty, rating A- or above	£2m	£2m	Yes
Building societies (unsecured)	£0m	£2m	Yes
Registered providers (e.g. Housing Associations (unsecured)	£0m	£2m	Yes
Money Market Funds	£4m	£4m	Yes
Any group of pooled funds under the same management	£2m	£5m	Yes
Real estate investment trusts	£0m	£5m	Yes
Limit per non-UK country	£0m	£4m	Yes
Other Investments	£0m	£2m	Yes

11.4. **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating and credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 10: Credit Risk

	31.3.22 Actual	2021/22 Target	Complied?
Portfolio average credit	AA-/3.81	A-/5.0	Yes

11.5. **Maturity Structure of Borrowing:** This indicator is set to control the Authority’s exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Table 11: Maturity Structure of borrowing

Maturity	31.3.22 Actual	Lower Limit	Upper Limit	Complied?	31.3.21 Actual (For info)
Under 12 months	41%	0%	60%	Yes	53%
12 months and within 24 months	2%	0%	30%	Yes	1%
24 months and within 5 years	6%	0%	30%	Yes	6%
5 years and within 10 years	6%	0%	30%	Yes	7%
10 years and within 20 years	12%	0%	30%	Yes	5%
20 years and within 30 years	15%	0%	30%	Yes	18%
30 years and within 40 years	7%	0%	30%	Yes	10%
40 years and within 50 years	11%	0%	30%	Yes	0%
50 years and above	0%	0%	30%	Yes	0%

11.6. **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 12: Principal invested for period longer than a year

	During 2021/22
Actual principal invested for 365 days & beyond year end	£0m
Limit	£6m
Complied?	Yes

12. **Other Issues**

12.1. **IFRS 16:** The implementation of the new IFRS 16 Leases accounting standard was due to come into force for local authorities from 1st April 2022. Following a consultation CIPFA/LASAAC announced an optional two year delay to the implementation of this standard, a decision which was confirmed by the Financial Reporting Advisory Board in early April 2022. Authorities can now choose to adopt the new standard on 1st April 2022, 1st April 2023 or 1st April 2024. The Authority intends to adopt the new standard on 1st April 2024.

13. **REASONS**

13.1. The Authority's Treasury Management Strategy for 2021/22 was underpinned by the adoption of the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code), and complimented by the CIPFA guidance "Treasury Management in the Public Services" which sets out good practice in treasury management.

13.2. The code requires the Authority to set a treasury strategy each financial year for financing and investment activities and recommends that members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing best practice in accordance with CIPFA's recommendations.

14. **RESOURCE IMPLICATIONS**

14.1. The outturn position is explained in the report, there are no other resource implications arising directly from this report.

15. **CONSULTEES**

Deputy Chief Executive, Chief Officer - Resources (Section 151 officer)

Arlingclose – External Treasury management advisors to Monmouthshire CC

16. **BACKGROUND PAPERS**

Glossary of treasury terms

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Background paper: Glossary of Treasury Terms

Authorised Limit	<p>The affordable borrowing limit determined in compliance with the Local Government Act 2003 (English and Welsh authorities) and the Local Government in Scotland Act 2003. This Prudential Indicator is a statutory limit for total external debt. It is set by the Authority and needs to be consistent with the Authority’s plans for capital expenditure financing and funding. The Authorised Limit provides headroom over and above the <i>Operational Boundary</i> to accommodate expected cash movements. Affordability and prudence are matters which must be taken into account when setting this limit.</p> <p>(see also <i>Operational Boundary</i>, below)</p>
Balances and Reserves	<p>Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.</p>
Bail-in	<p>Refers to the process which the banking regulatory authorities will use to restructure a financial institution which is failing or likely to fail. Unsecured creditors of and investors in that financial institution will participate in its restructure who will, as a consequence, incur a non-recoverable loss (commonly referred to as a ‘haircut’) on their obligation/investment. Local authority investments with banks and building societies such as term deposits, certificates of deposit, call accounts and non-collateralised bonds are unsecured investments and are therefore vulnerable to bail-in.</p>
Bank Rate	<p>The official interest rate set by the Bank of England’s Monetary Policy Committee and what is generally termed at the “base rate”. This rate is also referred to as the ‘repo rate’.</p>
Bond	<p>A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.</p>
Capital Expenditure	<p>Expenditure on the acquisition, creation or enhancement of capital assets</p>
Capital Financing Requirement (CFR)	<p>The Council’s underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.</p>
Capital growth	<p>Increase in the value of the asset (in the context of a collective investment scheme, it will be the increase in the unit price of the fund)</p>
Capital receipts	<p>Money obtained on the sale of a capital asset.</p>
CIPFA	<p>Chartered Institute of Public Finance and Accountancy</p>
Constant Net Asset Value (CNAV)	<p>Also referred to as Stable Net Asset Value. A term used in relation to the valuation of 1 share in a fund. This means that at all times the value of 1 share is £1/€1/US\$1 (depending on the currency of the fund). The Constant NAV is maintained since dividend income (or interest) is either added to the shareholders’ account by creating shares equal to the value of interest earned or paid to the shareholder’s bank account, depending on which option is selected by the shareholder.</p>
Collective Investment Schemes	<p>Funds in which several investors collectively hold units or shares. The assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as ‘Pooled Funds’). Unit Trusts and Open-Ended Investment Companies are types of collective investment schemes / pooled funds.</p>

Corporate Bonds	Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.
Corporate Bond Funds	Collective Investment Schemes investing predominantly in bonds issued by companies and supranational organisations.
CPI <i>Also see RPI</i>	Consumer Price Index. (This measure is used as the Bank of England's inflation target.)
Credit Default Swap (CDS)	A Credit Default Swap is similar to an insurance policy against a credit default. Both the buyer and seller of a CDS are exposed to credit risk. Naked CDS, i.e. one which is not linked to an underlying security, can lead to speculative trading.
Credit Rating	Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.
Cost of carry	When a loan is borrowed in advance of requirement, this is the difference between the interest rate and (other associated costs) on the loan and the income earned from investing the cash in the interim.
Credit default swaps	Financial instrument for swapping the risk of debt default; the buyer effectively pays a premium against the risk of default.
Diversification / diversified exposure	The spreading of investments among different types of assets or between markets in order to reduce risk.
Derivatives	Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded 'over the counter'.
ECB	European Central Bank
Federal Reserve	The US central bank. (Often referred to as "the Fed")
Floating Rate Notes	A bond issued by a company where the interest rate paid on the bond changes at set intervals (generally every 3 months). The rate of interest is linked to LIBOR and may therefore increase or decrease at each rate setting
GDP	Gross domestic product - also termed as "growth" in the economy. The value of the national aggregate production of goods and services in the economy.
General Fund	This includes most of the day-to-day spending and income. (All spending and income related to the management and maintenance of the housing stock is kept separately in the HRA).
Gilts (UK Govt)	Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.
Housing Revenue Account (HRA)	A ring-fenced account of all housing income and expenditure, required by statute

IFRS	International Financial Reporting Standards
Income Distribution	The payment made to investors from the income generated by a fund; such a payment can also be referred to as a 'dividend'
Investments - Secured - unsecured	Secured investments which have underlying collateral in the form of assets which can be called upon in the event of default Unsecured investments do not have underlying collateral. Such investments made by local authorities with banks and building societies are at risk of bail-in should the regulator determine that the bank is failing or likely to fail.
Liability Benchmark	Term in CIPFA's Risk Management Toolkit which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level (which may be zero).
LOBOs	LOBO stands for 'Lender's Option Borrower's Option'. The underlying loan facility is typically long term and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at predetermined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility.
LVNAV (Low Volatility Net Asset Value)	From 2019 Money Market Funds will have to operate under a variable Net Value Structure with minimal volatility (fluctuations around £1 limited to between 99.8p to 100.2p)
Maturity	The date when an investment or borrowing is repaid.
Maturity profile	A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by-quarter or month-by-month basis.
MiFID II	MiFID II replaced the Markets in Financial Instruments Directive (MiFID I) from 3 January 2018. It is a legislative framework instituted by the European Union to regulate financial markets in the bloc and improve protections for investors.
Money Market Funds (MMF)	Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.
Minimum Revenue Provision	An annual provision that the Authority is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets
Non-Specified Investments	Term used in the Communities and Local Government Guidance and Welsh Assembly Guidance for Local Authority Investments. It includes any investment for periods greater than one year or those with bodies that do not have a high credit rating, use of which must be justified.
Net Asset Value (NAV)	A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.
Operational Boundary	This is the limit set by the Authority as its most likely, i.e. prudent, estimate level of external debt, but not the worst case scenario. This limit links directly to the Authority's plans for capital expenditure, the estimates of the Capital Financing Requirement (CFR) and the estimate of cashflow requirements for the year.

Permitted Investments	Term used by Scottish Authorities as those the Authority has formally approved for use.
Pooled funds	See Collective Investment Schemes (above)
Premiums and Discounts	<p>In the context of local authority borrowing, (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and (b) the discount is the gain arising when a loan is redeemed prior to its maturity date. If on a £1 million loan, it is calculated* that a £100,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,100,000 plus accrued interest. If on a £1 million loan, it is calculated that a £100,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is £900,000 plus accrued interest.</p> <p>PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate.</p> <p>*The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.</p>
Private Finance Initiative (PFI)	Private Finance Initiative (PFI) provides a way of funding major capital investments, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts can typically last for 30 years, during which time the asset is leased by a public authority.
Prudential Code	Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.
Prudential Indicators	Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators between authorities.
PWLB	Public Works Loans Board. It is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.
Quantitative Easing	In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It "does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions - that could be insurance companies, pension funds, banks or non-financial firms - and credits the seller's bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy". Source: Bank of England
Registered Provider of Social Housing	Formerly known as Housing Association
Revenue Expenditure	Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges

RPI	Retail Prices Index. A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent. Pensions and index-linked gilts are uprated using the CPI index.
SORP	Statement of Recommended Practice for Accounting (Code of Practice on Local Authority Accounting in the United Kingdom).
Specified Investments	Term used in the CLG Guidance and Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than 1 year. UK government, local authorities and bodies that have a high credit rating.
Supported Borrowing	Borrowing for which the costs are supported by the government or third party.
Supranational Bonds	Instruments issued by supranational organisations created by governments through international treaties (often called multilateral development banks). The bonds carry an AAA rating in their own right. Examples of supranational organisations are those issued by the European Investment Bank, the International Bank for Reconstruction and Development.
Treasury Management Code	CIPFA's Code of Practice for Treasury Management in the Public Services.
Temporary Borrowing	Borrowing to cover peaks and troughs of cash flow, not to fund spending.
Term Deposits	Deposits of cash with terms attached relating to maturity and rate of return (interest)
Unsupported Borrowing	Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.
Usable Reserves	Resources available to finance future revenue and capital expenditure
Variable Net Asset Value (VNAV)	A term used in relation to the valuation of 1 share in a fund. This means that the net asset value (NAV) of these funds is calculated daily based on market prices.
Working Capital	Timing differences between income/expenditure and receipts/payments
Yield	The measure of the return on an investment instrument

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AGENDA ITEM TBC

SUBJECT:	DRAFT STATEMENT OF ACCOUNTS 2021/22 – CHARITABLE TRUST FUNDS
MEETING:	Governance and Audit Committee
DATE:	14th July 2022
DIVISIONS/WARD AFFECTED:	All

1. PURPOSE:

- 1.1 This report has been prepared to provide Governance and Audit Committee Members with an opportunity to review and provide comments on the:
- Draft 2021/22 Welsh Church Fund Accounts (**Appendix 1**)
 - Draft 2021/22 Monmouthshire Farm School Endowment Trust Fund Accounts Fund (**Appendix 2**)
 - Draft 2021/22 Llanelly Hill Social Welfare Centre Accounts (**Appendix 3**)

2. RECOMMENDATIONS:

- 2.1 That the Governance & Audit Committee review the 2021/22 draft Statement of Accounts for the above bodies and provide comments or proposed amendments which will be considered alongside the external audit process and prior to the final publication.

3. KEY ISSUES

- 3.1 The Authority acts as lead or investment trustee for a number of charitable trust funds.
- 3.2 The accounts for these funds have to be prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on the 16th July 2014 and the Charities Act 2011, alongside the UK Generally Accepted Practice as it applies from the 1st January 2015.
- 3.3 Monmouthshire County Council acts as lead trustee for the Welsh Church Act Fund and the draft accounts presented will be subject to external audit by Audit Wales and subsequently a final version will be considered for approval by this committee at its meeting in January 2023. Following final approval, the accounts will be lodged with the Charities Commission by the end of January 2023.
- 3.4 Monmouthshire County Council acts as Trust administrator and Investment custodian for the Monmouthshire Farm School Endowment Trust Fund, and the draft accounts presented will be subject to independent examination by Audit Wales and will subsequently be considered by the trustees prior to lodging with the Charities Commission by the end of January 2023.
- 3.5 The Llanelly Hill Social Welfare Centre Accounts do not require a formal audit or inspection process and will subsequently be lodged with the Charities Commission.

4. REASONS

- 4.1 To consider the accounts as presented enabling the external audit and independent inspection process to be undertaken and reported in due course.

5. RESOURCE IMPLICATIONS

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

6. CONSULTEES

Strategic Leadership Team
Deputy Chief Executive (Section 151 Officer)

7. BACKGROUND PAPERS

Appendix 1 - Draft 2021/22 Welsh Church Fund Accounts

Appendix 2 - Draft 2021/22 Monmouthshire Farm School Endowment Trust Fund Accounts

Appendix 3 - Draft 2021/22 Llanelly Hill Social Welfare Centre Accounts

8. AUTHORS:

Jonathan S. Davies
Assistant Head of Finance (Deputy Section 151 Officer)

9. CONTACT DETAILS

Email: jonathandavies2@monmouthshire.gov.uk

Tel: (01633) 644114

**The Monmouthshire County Council
Welsh Church Act Fund**

**DRAFT Annual Report and Financial Statements for
the year ended the 31 March 2022**

Registered Charity Number: 507094

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

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**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

Trustee, Officers and Advisors

Trustee

Monmouthshire County Council

Secretary

Matthew Phillips

Chief Officer, People & Governance (Monitoring Officer)

Monmouthshire County Council

Registered Office

County Hall

The Rhadyr

Usk

NP15 1GA

Auditors

Audit Wales

24, Cathedral Road

Cardiff

CF11 9LJ

Solicitor

Matthew Phillips

Chief Officer, People & Governance (Monitoring Officer)

Monmouthshire County Council

Investment Custodian

Monmouthshire County Council

General Management

Mr Peter Davies

Deputy Chief Executive

Monmouthshire County Council

Bankers

Barclays Bank

1-5 St David's Way

St David's Centre

Cardiff

CF10 2DP

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2022

Report of the Trustee for the year ended 31 March 2022

The Trustee presents its annual report and the audited financial statements for the year ended 31 March 2022 of The Monmouthshire County Council Welsh Church Act Fund ('the Charity').

The information with respect to the Trustee, officers and advisors set out on page 1 forms part of this report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on the 16th July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the UK Generally Accepted Practice as it applies from the 1st January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Structure, Governance and Management

The Charity is governed by the Welsh Church Act 1914 and the Welsh Church Act (Designation and Specification) Order 1996 and is registered with the Charity Commissioners under charity number 507094.

The Trust covers the Council administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and the City of Newport, with Monmouthshire County Council being designated as the host Authority. The Monmouthshire Welsh Church Act Fund was established on 1 April 1996, from the former Gwent Welsh Church Act Fund and part of the former Mid Glamorgan Welsh Church Act Fund.

Monmouthshire County Council as the Corporate Body is the Trustee for the Welsh Church Fund and therefore there are no policies and procedures adopted for the induction and training of trustees. The trustees also have regard to the Charity Commission's guidance on public benefit.

The management of the Trust Fund is undertaken by officers of the Council and a calculated proportion of their time is charged to the Fund.

Objectives

The primary object of the Charity for each year, as stated in its governing document, is to assist public groups and individuals for educational, social, recreational, and other charitable benefit purposes. Grants are available from the Fund for capital or revenue purposes. Capital grants may be awarded to assist organisations in the furnishing and upkeep of buildings. Revenue grants are designed to further the aims of societies and to assist individuals in their various pursuits.

Grants allocation policy

An annual budget set by the Trustee for grant payments is split between the administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and Newport on a population basis.

A Committee set up by the Trustee approves grant applications on a basis in line with full Council meetings or as deemed required by the participating authorities. Grants are made in pursuance of the Charity's objectives.

The grant allocation of each financial year is considered in line with the long-term financial viability of the trust and to maintain the ability to generate funds in future years for distribution by maintaining sufficient capital assets.

Review of activities and future developments

The statement of financial activities for the year is set out on page 7 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2022

The Fund has gained in value by £416,412 during the year (£348,489 gain in 2020/21); this increase is primarily due to a large unrealised gain (£349,668) at the 31st March 2022 valuation date due to a sustained recovery of the investment markets after the pandemic.

Income is principally comprised of investment income of £242,896 (£181,378 in 2020/21), this has increased slightly in regard to distributions from the pooled fund investments held on the financial markets. £50,000 has also been withdrawn from pooled investments held with Monmouthshire County Council to pay for accrued grant distributions to the other constituent authorities relating to 2020/21. The Trust has utilised the Trustee's own investment managers to manage the Monmouthshire pooled fund investments, alongside the external market investments being managed by specific external fund managers thus, controlling management fees and therefore maximising returns whilst at the same time maintaining a balanced capital risk strategy.

Charitable resources expended during the year amounted to £177,112 (£255,640 in 2020/21) and principally comprised grant payments of £163,310 (£242,242 in 2020/21).

Net gains on investments held amounted to £349,668 (£422,752 net gain in 2020/21). These non-realised investment gains have been due to the continued recovery on the financial markets after the pandemic and prior to the full impact of the Russian invasion of Ukraine and the cost of living pressures surfacing in March - April 2022. The 'Trusts' current investment strategy, diversifying the portfolio across several investment categories in the last couple of financial years has enabled some investment values to remain fairly stable amid the current volatility in the financial markets. The long-term projections on these charity fund investments as indicated by the Trustees' Treasury consultants continue to offer a balanced risk portfolio between income generation and asset growth.

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 Trust about the future or that are otherwise uncertain. Estimates have been made considering 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 Trust's Balance Sheet at 31st March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

The revaluation of investment property and property funds

Valuation techniques are used to determine the carrying amount of pooled property funds and investment property. Investment assets have been revalued as at the 31st March 2022 reporting date.

Changes in the valuation assumptions used, together with significant changes in rental growth could affect (increase or decrease) the fair value of property-based investments. As the investments are held on a long-term strategy basis, the fund does not foresee any long-term negative effect in the generation of future income streams.

Income generation

The Charity's income was £242,896 compared to £181,378 in 2020/21. The diverse external pooled fund investment strategy that mainly replaced the pooled investment strategy with Monmouthshire County Council has continued to produce consistent returns in the financial markets due to investment in more specific charitable investment funds. This income generation forms the main basis of the following years grant allocations to ensure continuity and non-degradation of the funds capital assets and to perpetuate the charity as a 'going concern'.

Bad debt provision

There are no bad debts arising in the year of account.

Investment powers, policy, and performance

Under the terms of the Trust Deed, the Trustee has general powers of investment, subject to the provisions of The Trustee Act 2000. The investment policy of the Trust is to maximise the rate of investment return, whilst employing a risk strategy that minimises any potential reduction in the capital value of the Fund.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2022

The Trustee reviewed its investment strategy and produced an investment and fund strategy for 2021/22, which was approved by Monmouthshire County Council in its capacity as sole and corporate trustee, on 3rd March 2021.

Financial market investments have been restated at the financial year-end to reflect their current open market value.

Changes in fixed assets

The fixed asset investments were re-valued in the 2021-22 financial year in line with the Investment Asset policy of revaluation every year.

Reserves

The Trustee's policy is to maintain the level of investments at a level that provides sufficient annual income to fund the Charity's charitable expenditure. The level of funds held at 31st March 2022 is £5,731,040 (5,314,628 in 2020/21). The Trustee reviewed its Fund strategy and produced an investment and fund strategy for 2021/22, which stated that the purpose of reserves is to maintain investments such that they realise sufficient income to provide grants to organisations at a consistent level. Whilst the strategy is to ensure that there is no long-term detrimental effect on overall reserve balances, recommendations made by the Charity Commission has resulted in grants allocations being made in line with investment returns.

Governance of the Charity

Representative Councillors from each of the five administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and Newport are appointed by their respective councils annually to form a committee to oversee fund management. Members are appointed to the committee for the term of the Council.

Risk management

The Trustee has undertaken a review of the major risks to which the Charity is exposed, and its risk management and internal control procedures should be updated to ensure that systems are in place to mitigate the risks identified. The risk assessment was considered by Monmouthshire County Council on 3rd March 2021 and no risks were identified.

Auditors

Audit Wales were appointed as auditors to the Welsh Church Act Fund in 2007/08.

Statement of Trustee's responsibilities

The Trustee is responsible for preparing financial statements for each financial year, which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and its financial activities for that period.

In preparing those financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The Trustee confirms that it has complied with the above requirements in preparing the financial statements.

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

Charities Act 1993. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee certifies that:

- as far as it is aware, there is no relevant information of which the Charity's auditors are unaware; and
- as Trustee of the Charity, it has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Trustee

**Mr Peter Davies
Deputy Chief Executive (Section 151 Officer), Monmouthshire County Council**

Date:

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

The independent auditor's report of the Auditor General for Wales to the Trustee of the Monmouthshire County Council Welsh Church Act Fund to be added upon Completion of Audit

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

**Statement of financial activities (Sofa) for the year ended 31
March 2022**

	Notes	2021/22 Total Unrestricted Funds £	*2020/21 Total Unrestricted Funds £
Income & Endowments from:			
Investment income	2	242,896	181,378
Other incoming resources		960	0
Total income & Endowments		243,856	181,378
Resources Expended			
Raising funds:			
Investment Property Professional fees		(400)	(400)
Management and administration		(2,500)	(2,500)
		(2,900)	(2,900)
Charitable expenditure			
Costs of activities in furtherance of the Charity's objects			
Grants payable	3,4	(163,310)	(242,242)
Management and administration		(4,647)	(4,243)
Other			
Governance Costs	5	(6,255)	(6,255)
Total Resources Expended		(177,112)	(255,640)
Gains/(losses) on investment assets	9,10	349,668	422,752
Net Income /(Expenditure)		416,412	348,489
Net movement in funds		416,412	348,489
Fund balances brought forward April 2021		5,314,628	4,966,139
Fund balances carried forward 31 March 2022	13	5,731,040	5,314,628

All incoming resources and resources expended are derived from continuing activities. There are no recognised gains or losses other than those disclosed above.

* 2020/21 brought forward balances restated due to non-material late adjustment for administration costs and grant payments.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

Balance Sheet as at 31 March 2022

	Notes	2021/22 restricted Funds £	*2020/21 Unrestricted Funds £
Fixed assets			
Investment Land	9	513,000	428,750
Investments	10	5,140,045	4,874,627
		5,653,045	5,303,377
Current assets			
Debtors: amounts falling due within one year	11	44,811	41,506
Cash at bank and in hand		171,267	196,733
		216,078	238,239
Current Liabilities			
Creditors: amounts falling due within one year	12	(138,083)	(226,988)
Net current assets or liabilities		77,995	11,251
Net assets or liabilities			
		5,731,040	5,314,628
The Funds of the Charity:			
Unrestricted Funds	13	5,731,040	5,314,628
Total Charity funds		5,731,040	5,314,628

* 2020/21 brought forward balances restated due to non-material late adjustment for administration costs and grant payments.

The accounts on pages 10 to 19 were approved by the Trustee on tbc, and signed on their behalf by:

By order of the Trustee

Mr Peter Davies
Deputy Chief Executive – Monmouthshire County Council

Date:

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

Statement of Cash flows as at 31 March 2022

	note	Total Funds £	Prior Year Funds £
Cash flows from operating activities			
<i>Net cash provided by operating activities</i>	7	(268,362)	(212,608)
Cash flow from investing activities			
Dividends and rents from investments		242,896	181,378
<i>Change in cash and cash equivalents in the reporting period</i>			
		(25,466)	(31,230)
Cash and cash equivalents at the beginning of the reporting period		196,733	227,964
Cash and cash equivalents at the end of the reporting period		171,267	196,733

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

**Notes to the financial statements for the year ended 31 March
2022**

1 Principal accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

A summary of the principal accounting policies, which have been applied consistently, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the inclusion of investments and tangible fixed assets at market value. During the year, the Charity reviewed its accounting policies in accordance with FRS 102 'Accounting Policies'. No accounting policies have been changed as a result.

Incoming Resources

All income is accounted for on an accrual's basis.

Cash Balances

Cash is sums of money available for immediate use by the Welsh Church Fund. Such items are deemed to be cash balances held in the Fund's bank accounts (less unrepresented cheques). The Welsh Church Fund does not hold Cash in Hand

Resources expended

All expenditure is accounted for on an accrual's basis. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Grants payable

Grants payable are accounted for in full as liabilities of the Charity when approved by the Trustee and accepted by the beneficiaries.

Management and administration

Management and administration costs include expenditure on administration of the Charity and, an appropriate apportionment of overheads based upon a time allocation.

Governance Costs

Governance costs comprise costs involving the compliance with constitutional and statutory requirements. These costs relate to audit fees payable to the appointed external auditor.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

The Monmouthshire County Council Welsh Church Act Fund

Annual Report for year ended 31 March 2022

Debtors/ Creditors

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.

Fund accounting

Funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment Land and Property

Capitalisation, Replacement and Valuation

The Trust's policy is to revalue its Investment land on an annual basis in line with the Charities SORP. Valuations will also be undertaken where identified that there have been material movements between formal valuations, as holdings are Investment Land not tangible fixed assets.

All land Investments were valued internally by a qualified land surveyor as at 31st March 2022 and all assets held at year-end are included in the accounts at that valuation date. Vacant properties are valued at open market value.

Depreciation

Land is not depreciated. The Fund currently has no buildings on the fixed asset register.

Investments

Any realised and unrealised gains and losses on revaluation or disposals of investments are included in the statement of financial activities. The Authority is authorised to invest any surplus income or dispose of any investments when it deems appropriate. Investments are strategically placed in external pooled fund investment funds specifically designed for charitable organisations. The basis of valuation on the market-based investments held with CCLA, M&G, UBS, and Schroder's, is the open market value of the unit holdings on the 31st March 2022 multiplied by the units held. Investment performance is reviewed periodically in light of prevailing economic changes. The Treasury Stock 2024 valuation is based upon the market value of the Treasury Gilts at the 31st March 2022 as listed on the dmo.gov website. The value of the 'pooled' investment with Monmouthshire County Council is the cash value as at the 31st March 2022.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

Cash flow statement

The Charity has produced a cash flow statement under Financial Reporting Standard 102 under section 7 on the basis that it meets the relevant conditions and size criteria specified in the Companies Act.1985.

2 Investment income

	2022	2021
	£	£
Investments with Monmouthshire County Council	50,000	2,289
Investment Property Rental Income	6,533	3,580
External Investments	186,363	175,509
	<u>242,896</u>	<u>181,378</u>

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

3 Grants Payable

	2022	2021
	£	£
Grants have been paid to the following administering Local Authorities for them to make to groups and individuals on behalf of the Fund:		
Monmouthshire County Council	34,440	30,955
Torfaen County Borough Council	26,353	24,151
Newport City Council	32,564	55,296
Blaenau Gwent County Borough Council	25,200	25,586
Caerphilly County Borough Council	44,753	106,254
	163,310	242,242

The management and administration cost of the fund and grants distributed were £4,647 during the year.

4 Analysis of Grants

	Grants to Organisations	Grants to Individuals
	£	£
The Advancement of Education	1,955	4,500
The Advancement of Religion	75,566	0
The Relief of Poverty	41,928	0
Other Purposes Beneficial to the Community	39,361	0
Total	158,810	4,500

Caerphilly County Borough Council, Newport City Council and Torfaen County Borough Council have under spent their allocations for 2020/21 by £80,836, £45,981 and £22,454 respectively. Unspent balances are retained for distribution in subsequent financial years. Grants to Churches and other Religious establishments totaled £75,566 and Community Organisations £39,361 respectively during the financial year. Grants of essential equipment and furnishings to the value of £41,928 were allocated to individuals for the relief of families deemed to be in poverty. No organization or individual received more than one grant award during 2021-22.

5 Governance Costs

	2022	2021
	£	£
Auditor's remuneration	6,255	6,255
	6,255	6,255

No indemnity insurance for Trustee's liability has been purchased by the Charity however the Fund is covered by Monmouthshire County Councils' fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustee for any wrong decisions that may have been made.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

6 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity is not separately registered for VAT because it falls within the Local Authority's VAT Registration as Corporate trustee and accordingly, all their expenditure is recorded exclusive of any VAT incurred.

7 Reconciliation of net income/ (expenditure) to net cash flow from operating activities as at 31 March 2022

	Current Year £	Prior Year* £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	416,412	348,489
Adjustments for non-cash transactions		
(Gains) /losses on investments	(349,668)	(422,752)
Dividends, Interest & Rents from investments	(242,896)	(181,378)
(Increase)/ decrease in debtors / bad debts	(3,305)	3,239
Increase/(decrease) in creditors	(88,904)	44,405
Net cash provided and (used in) operating activities	(268,362)	(212,608)

*2020/21 brought forward balances restated due to non-material late adjustment for administration costs and grant payments.

8 Analysis of cash and cash equivalents as at 31 March 2022

	Current Year £	In Year Movement £	Prior Year £
Cash at bank	171,267	(25,466)	196,733
Total cash and cash equivalents	171,267	(25,466)	196,733

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

9 Investment Land and Property

	Total
	£
Valuation	
At 1 April 2021	428,750
Disposals	0
Revaluation	84,250
At 31 March 2022	513,000
Depreciation	
At 1 April 2020	0
Charge in year	0
Disposals	0
At 31 March 2022	0
Net book Value	
At 1 April 2021	428,750
At 31 March 2022	513,000

Tangible Investment Assets solely consist of freehold land. Valuations were carried out in accordance with the valuation policy in the 2021/22 financial year and thereafter on an annual rolling basis.

10 Investments

	2022	2021
	£	£
CCLA - COIF Property Fund	1,148,750	1,001,732
UBS Multi Asset Income Fund	628,164	660,959
M&G Charibond Fund	659,767	690,455
Schroders Income Maximiser	375,291	342,860
M&G Charifund	549,675	512,338
CCLA - COIF Investment Fund	1,314,934	1,207,996
Treasury Stock 2024 2.5%	113,464	108,287
Invested with Monmouthshire County Council	300,000	350,000
	5,140,045	4,874,627

The Trust has externally managed investments held with UBS, M&G, Schroeder's, CCLA, and HM Treasury. The pooled investment with Monmouthshire County Council is managed by the Authority's treasury management team, aided by their appointed external treasury management advisors. Returns from Monmouthshire County Council are generated on a "pooled" basis. The average rate of interest generated on the pooled funds from Monmouthshire was 0.5200% for 2021/22 (0.4700% for 2020/21).

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

There were no additions or disposals of investments during the financial year. None of the Investments are held outside of the territorial limits of the United Kingdom and the cost of the revaluations is contained within the charity management fee charged annually from Monmouthshire County Council.

11 Debtors

	2022 £	2021 £
Amounts falling due within one year		
<i>Prepayment & accrued income</i>		
Investment Income	44,136	40,165
Other Debtors	0	0
MCC Bank Transfer	0	1,341
<i>Trade debtors</i>		
Rental income	0	0
Bad debt provision for loss of rental income	0	0
<i>Other Debtors</i>		
HM Revenue and Customs	675	0
Other Debtors	0	0
	44,811	41,506

All investment interest due from the trustee was paid in year in 2021-22.

12 Creditors

	2022 £	2021 £
Amounts falling due within one year		
Grant creditors	131,838	213,890
Other creditors	6,245	13,088
	138,083	226,988

Grant creditors are recognised on the amounts awarded by the five constituent authorities of the Welsh Church Fund unpaid at the financial year-end. Other creditors are fees reimbursable for professional services utilised during the financial year by the Charity.

13 Funds

	*Balance 1 April 2021 £	Incoming resources £	Resources Expended £	Other Recognised Gain / (Loss) £	Balance 31 March 2022 £
Unrestricted funds	5,314,628	243,856	(177,112)	349,668	5,731,040

*Balance b/f re-stated for late debtor / creditor balances rolled forward

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2022**

14 Related party transactions

During the year transactions with related parties arose as follows:

	2022		2021	
	Receipts	Payments	Receipts	Payments
	£	£	£	£
Monmouthshire County Council	2,206	4,733	3,630	4,455

Members of the Authority have direct control over the Welsh Church Fund's financial and operating policies. Where work or services have been commissioned, or where grants were made during the financial year in which members had an interest, members have a duty to declare such an interest. The Welsh Church Fund must ensure that grants allocated were in full compliance with the Authority's standing orders and that grants were made with proper consideration of declarations of such interests.

During the financial year, members who declared an interest did not take part in any discussion or decision relating to grants made or works or services commissioned. Details of all interests declared are recorded in minutes or relevant meetings and recorded in the Register of Members' Interest, open to public inspection at County Hall, Usk.

There are outstanding balances for expenditure of £4,733 with Monmouthshire County Council. The Trust also held a £300,000 investment fund balance with Monmouthshire County Council at the year-end.

15 Trustee's Expenses, Remuneration and Benefits

No Expenses, Remuneration or Benefits were incurred during the year of account

**Monmouthshire Farm School Endowment
Trust Fund**

**Annual report
for the year ended 31 March 2022**

Registered Charity Number: 525649

**Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2022**

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**Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2022**

Trustees, officers and advisers

Trustees

R Edwards
Monmouthshire County Council

Professor J D Hayes
University College Wales Aberystwyth
(left during year)

P Murphy
Monmouthshire County Council

P. James
University College Wales Aberystwyth
(commenced during year)

A Easson
Monmouthshire County Council

Helen Morgan
Director Usk Campus – Coleg Gwent
Commenced during year

D W.H Jones
Monmouthshire County Council

D Havard
Caerphilly County Borough Council

B Thomas
Blaenau Gwent County Borough Council

M Feakins
Monmouthshire County Council

Dr W O C Symondson
University of Wales College Cardiff

B Jones
Monmouthshire County Council
Commenced in year.

R Clark
Torfaen County Borough Council
(commenced during year)

Secretary

Matthew Phillips
Chief Officer, People & Governance (Monitoring Officer)
Monmouthshire County Council

Registered Office

County Hall, The Rhadyr, Usk, NP15 1GA

Independent Examiners

Audit Wales, 24 Cathedral Road, Cardiff, CF11 9LJ

Solicitors

Matthew Phillips
Chief Officer, People & Governance (Monitoring Officer)
Monmouthshire County Council

Investment custodian

Monmouthshire County Council

Bankers

Barclays Bank
1-5 St David's Way
St David's Centre
Cardiff
CF10 2DP

Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2022

Report of the Trustees for the year ended 31st March 2022

The Trustees present their annual report and the independently examined financial statements for the year ended 31 March 2022 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustees, officers and advisers set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and Charity Act 2011. The financial statements comply with the Charity's trust deed.

Status and administration

The Charity is governed by the 1959 Principal Scheme as amended by the Altering Scheme of 1971, although the governing body may rightly claim a history stretching back to 1894. The Fund is registered with the Charity Commission under Charity number 525649. The Trustees also have regard to the Charity Commission's guidance on public benefit.

Objects

The primary object of the Charity, as stated in its governing document, is to make awards to students in need of assistance to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects. The governing body can use its discretion to apply any unawarded income to provide funding towards the cost of facilities or amenities at Usk College which would benefit these students. The grants awarded have allowed the beneficiaries to pursue land based courses to enhance career opportunities. The area of benefit is clearly defined; household income is a consideration when making the award. The total grant awards were £9,182 (£14,678 in 2020/21).

Review of activities and future developments

The statement of financial activities for the year is set out on page 5 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has increased in value by £29,978 (£26,021 increase in 2020/21) over the financial year as a result of incoming resources (from investments) exceeding outgoing resources.

Income consists of interest on investment stock and cash held of £23,448 (£26,510 in 2020/21), and £4,649 (£0 2020/21) in respect of the annual payment from the Roger Edwards Educational Trust. Expenditure of £10,840 (£16,401 in 2020/21) primarily comprised of grants payable of £9,182 (£14,678 in 2020/21) in line with the Charity's objects. An unrealised investment gain of £12,721 (£15,912 gain in 2020/21) was made in relation to investments held.

The current strategy is to ensure that there are sufficient funds to meet the needs of beneficiaries. This income generation forms the main basis of the following year's grant allocations to ensure continuity and non-degradation of the fund's capital assets and to perpetuate the Charity as a going concern.

Investment powers, policy and performance

Under the terms of the Trust Deed, the Trustees have general powers of investment, subject to the provisions of the Trustee Act 2000. The Trustees have reviewed their investment strategy and produced an investment and fund strategy for 2020/21 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 3rd March 2021. Investments are strategically placed in low-risk investments. Investment performance is reviewed periodically in light of prevailing economic changes.

Grant making policy

Grants are made in pursuance of the Charity's objectives in assisting students in need to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects.

Changes in fixed assets

The movements in fixed asset investments during the year are set out in note 7 to the financial statements.

Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2022

Reserves

The Fund consists primarily of the sale proceeds of the Former Monmouthshire Farm School by the governing body of the school to Monmouthshire County Council. The Fund are entitled to receive an annual payment from The Roger Edwards Educational Trust (Charity Number 525638) equivalent to two thirds of the annual investment and rental income accrued to the Trust.

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2021/22 which states that it is the Trust's policy to maintain funds at approximately the current level and utilise the annual income received to fund its charitable expenditure. This was approved by Cabinet on the 3rd March 2021.

Governance of the Charity

Representative Trustees appointed by Monmouthshire County Council have a term of office equivalent to the term of a County Council (five years); the other representative Trustees have a term of office of three years and the co-opted Trustees have a term of office of five years. County Council Trustees are elected to the board of Trustees. Trustees that represent other organisations are internally appointed. The Trustees are listed on page 1.

Risk management

Monmouthshire County Council as appointed administrator of the Trust Fund periodically review the major risks to which the Charity is exposed as part of the Authority's overall risk management processes. The Roger Edwards Educational Trust has historically provided significant income to this trust to be used for the distribution of grants. This income is received after the independent examination of the accounts and therefore this is usually late in the financial year. A risk assessment policy was approved by Cabinet on 3rd March 2021.

Independent examiners

The Audit Wales are the appointed independent examiners to the Charity.

Trustees' responsibilities

The Trustees are required by Charity law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the net incoming/outgoing resources of the Charity as at the end of the financial year.

The Trustees confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 2022. The Trustees also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees

Trustee:

Date:

**Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2022**

**The report of the independent examiner to the Trustees of
Monmouthshire Farm School Endowment Trust Fund to be
added upon Completion of Audit**

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2022

Statement of financial activities (Sofa) for the year ended 31st March 2022

	Notes	2022 Unrestricted Funds £	2021 Unrestricted Funds £
Income & Endowments from:			
Investment income	2	23,448	26,510
Income from Roger Edwards Educational Trust		4,649	0
Total income & Endowments		28,097	26,510
Resources Expended			
Charitable expenditure			
Costs of activities in furtherance of the Charity's objects			
Expenditure on charitable activities	3	9,182	14,678
Other expenditure	3 & 4	1,658	1,723
Total Resources expended		10,840	16,401
Gains on investment assets	5	12,721	15,912
Net Income / (Expenditure)		29,978	26,021
Net movement in funds		29,978	26,021
Fund balances brought forward 1 April 2021		653,925	627,904
Fund balances carried forward 31 March 2022		683,903	653,925

All incoming resources and resources expended are derived from continuing activities. There are no recognised gains or losses other than those disclosed above.

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2022

Balance Sheet as at 31 March 2022

	Notes	2022	2021
		Unrestricted Funds	Unrestricted Funds
		£	£
Fixed assets			
Investments	7	643,602	630,881
		643,602	630,881
Current assets			
Debtors: amounts falling due within one year	8	7,239	0
Cash at bank and in hand		34,927	23,761
		42,166	23,761
Current Liabilities			
Creditors: amounts falling due within one year	9	1,865	716
Net current assets		40,301	23,045
Net assets		683,903	653,925
The Funds of the Charity:			
Unrestricted Funds	10	683,903	653,925
Total Charity funds		683,903	653,925

The financial were approved by the Trustees on 19th July 2021 and signed on their behalf by:

Trustee:

Date:

**Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2022**

**Notes to the financial statements for the year ended 31st March
2022**

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic (FRS 102) and Charity Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102. The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Incoming Resources

All income received is accounted for on a receivable basis and has been classified under the appropriate categories. The income from the Roger Edwards Educational Trust is an estimate of the income to be received for the year.

Grants payable

Grants payable are accounted for in full as liabilities of the Charity when approved by the Trustees and accepted by the beneficiaries.

Management and administration

Monmouthshire County Council administer the Trust Fund on behalf of the Trustees. Management and administration costs include expenditure on administration of the Charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of support service recharges and overhead apportionments. The basis of the apportionment is a fixed fee agreed with the Trustees of £200 per year.

Debtors/ Creditors

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.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. Investment income and gains are allocated to the appropriate fund.

Investments

Investments are included at market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2022

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 Trust about the future or that are otherwise uncertain. Estimates have been made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The items in the Trust's Balance Sheet at 31st March 2022 for which there is a significant risk of adjustment in the forthcoming financial year are as follows:

The revaluation of investment property and property funds

Changes in the valuation assumptions used, together with significant changes in rental growth could affect (increase or decrease) the fair value of property-based investments. Indicative net asset statements for property funds are subject to uncertainty at the reporting date and the valuation for pooled property funds and investment property is less reliable than usual. As the investments are held on a long-term strategy basis, the fund does not foresee any long-term negative effect in the generation of future income streams.

Transition to FRS 102

The opening fund position at the date of transition has not been restated and no subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2016.

Cash flow statement

The Charity has taken exemption from preparing a cash flow under Charities SORP FRS 102 Update Bulletin 1.

2 Investment income

	2022	2021
	£	£
Interest on cash balances	151	181
Interest on Investments	23,297	26,329
	23,448	26,510

3 Expenditure on Charitable Activities

	2022	2021
	£	£
Grants payable	9,182	14,678
Management & administration	1,658	1,753
	10,840	16,401

Grants payable comprise numerous payments to individual students in respect of full time and part-time courses attended. It is not possible to provide further details due to restrictions of confidentiality.

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2022

4 Governance Costs

	2022	2021
	£	£
Net incoming resources is stated after charging:		
Independent Examiner's remuneration	1,458	1,458
	1,458	1,458

No indemnity insurance for Trustees liability has been purchased by the Charity. Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Council's fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustees for any wrong decisions that may have been made.

5 Gains and losses on revaluation and disposal of investment assets

	Market Value	Market Value	Gain/(Loss)
	2021	2022	
	£	£	£
Charibond	235,269	224,812	(10,457)
OEIC	177,442	168,600	(8,842)
COIF	218,170	250,190	32,020
Total	630,881	643,602	12,721

6 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity falls with Monmouthshire County Council regulations for VAT, and therefore any liability is accounted for within Monmouthshire County Council.

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2022

7 Fixed asset investments

	Total £
Valuation at 1 April 2021	630,881
Purchase	0
Net revaluation gain	12,721
Valuation at 31 March 2022	643,602

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2022. The historical cost of the investments at 31st March 2022 was £639,000. All of the Charity's investments are quoted in the UK. The details of these are disclosed in the table below, being Charibond, COIF and OEIC Fund.

Investments with a market value greater than 5% of the total portfolio market value at 31st March 2022 are as follows:

	£	%
COIF	250,190	39%
Charibond	224,812	35%
OEIC Fund	168,600	26%

The percentage shown above is the percentage of the total portfolio market value as at 31st March 2022.

8 Debtors

	2022 £	2021 £
Amounts falling due within one year		
Roger Edwards Educational Trust	4,649	0
Other	2,590	0
	7,239	0

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2022

9 Creditors

	2022 £	2021 £
Amounts falling due within one year		
Accruals and deferred income	1,865	716
	1,865	716

The amounts owed relate to audit fees and payments to Monmouthshire County Council to administer the trust.

10 Unrestricted Funds

	Balance 1 April 2021 £	Incoming resources £	Resources Expended £	Investment Gain/(Loss) £	Balance 31 March 2022 £
Permanent endowed funds	653,925	28,097	10,840	12,721	683,903

11 Related party transactions

No remuneration directly or indirectly out of the funds of the Charity was paid or payable for the year to any Trustees. Payments have been made to Monmouthshire County Council respect of management and administration expenses.

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Llanelly Hill Social Welfare Centre Trust Fund
Statement of financial activities for the year ended 31st March
2022

	2022	2021
	£	£
<i>Incoming resources</i>		
Income Generated By Management Committee	5,541	978
Contribution from Monmouthshire County Council	0	2,004
Total incoming resources	5,541	2,982
Charitable expenditure:		
Costs of activities in furtherance of the Charity's objects		
Management and Maintenance	5,355	2,982
Total resources expended	5,355	2,982
Net Gain / (Loss) before transfers	186	0
Net incoming resources before fixed asset revaluations	0	0
Gains/(losses) on the revaluation of fixed assets	0	0
Net movement in funds	0	0
Fund balances brought forward 1 April	68,050	68,050
Fund balances carried forward 31 March	68,236	68,050

Charity Registration No: 523661

Llanelly Hill Social Welfare Centre Trust Fund

Balance Sheet at 31st March 2022

	2022	2021
	£	£
Fixed assets		
Building and Land	65,000	65,000
	65,000	65,000
Current assets		
Debtors: amounts falling due within one year	63,711	63,711
Creditors: amounts falling due within one year	60,475	60,662
Net current Liabilities	3,236	3,050
Total assets less current liabilities	0	0
Net assets	68,236	68,050
Reserves:		
Endowment capital	68,236	68,050
Total funds	68,236	68,050

2022 Audit Plan – The Monmouthshire County Council Welsh Church Act Fund

Audit year: 2021-22

Date issued: July 2022

Document reference: 3041A2022

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh. [Delete if not applicable.]

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2022 Audit Plan

About this document

- 1 This document sets out the work I plan to undertake during 2022 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

Impact of COVID-19

- 2 The COVID-19 pandemic has had an unprecedented impact on the United Kingdom and the work of public sector organisations.
- 3 While Wales is currently at Coronavirus Alert Level 0, Audit Wales will continue to monitor the position and will discuss the implications of any changes in the position with your officers.

Audit of financial statements

- 4 I am required to issue a report on the financial statements of the Monmouthshire County Council Welsh Church Act Fund which includes an opinion on their 'truth and fairness'. In preparing such a report, I will:
 - give an opinion on your financial statements; and
 - assess whether the Report of the Trustees presented with the financial statements are prepared in line with guidance and consistent with the financial statements.
- 5 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Governance and Audit Committee prior to completion of the audit.
- 6 Any misstatements below a trivial level (set at 5% of materiality) I judge as not requiring consideration by those charged with governance and therefore will not report them.
- 7 There have been no limitations imposed on me in planning the scope of this audit.
- 8 I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#), along with further information about my work.

Audit of financial statements risks

9 The following table sets out the significant risks I have identified for the audit of the Monmouthshire County Council Welsh Church Act Fund.

Exhibit 1: financial statement audit risks

This table summarises the key financial statement audit risks identified at the planning stage of the audit.

Audit risk	Proposed audit response
Significant risks	
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>We will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
<p>Impact of COVID-19 Although COVID-19 restrictions have now been removed, there have been ongoing pressures on staff resource and of remote working that may impact on the preparation, audit and publication of accounts. There is a risk that the quality of the accounts and supporting working papers eg around estimates and valuations, may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>	<p>We will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and make arrangements to monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.</p>

Fee, audit team and timetable

- 10 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with a timescale to be agreed taking into account the impact of COVID-19, to the quality expected and have been subject to a robust quality assurance review;
 - information provided to support the financial statements is in accordance with the agreed audit deliverables document;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - all appropriate officials will be available during the audit; and
 - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me;

Fee

- 11 The estimated fee for 2022 is set out in **Exhibit 3**. This represents no change from your actual 2021 fee.

Exhibit 3: audit fee

This table sets out the proposed audit fee for 2022, by area of audit work, alongside the actual audit fee for last year.

Audit area	Proposed fee (£) ¹	Actual fee last year (£)
Audit of financial statements	6,255	6,255

- 12 Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Chief Officer of Resources
- 13 Further information can be found in my [Fee Scheme 2022-23](#).

Audit team

- 14 The main members of my team, together with their contact details, are summarised in **Exhibit 4**.

Exhibit 4: my audit team

This table lists the members of the local audit team and their contact details.

Name	Role	Contact number	E-mail address
Derwyn Owen	Engagement Director	02920 320 651	derwyn.owen@audit.wales
Rachel Freitag	Audit Manager (Financial Audit)	02920 829 359	rachel.freitag@audit.wales
Meleri Bethell	Senior Auditor	02920 829 378	meleri.bethell@audit.wales

- 15 We can confirm that team members are all independent of you and your officers.

¹ Notes: The fees shown in this document are exclusive of VAT, which is not charged to you.

Timetable

- 16 The key milestones for the work set out in this plan are shown in **Exhibit 5**.
- 17 The Public Audit (Wales) Act 2004 provides electors with the right to ask questions and to make objections to the Authority's accounts to the Auditor General. The rights to ask questions and make objections at audit are linked to electors' rights to inspect the accounts that are also set out in the 2004 Act.

Exhibit 5: Audit timetable

Planned output	Work undertaken	Report finalised
2022 Audit Plan	June 2022	July 2022
Audit of Financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on Financial Statements	October – November 2022	November 2022
2023 Audit Plan	June 2023	July 2023



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SUBJECT:	INTERNAL AUDIT Annual Report 2021/22
DIRECTORATE:	Resources
MEETING:	Governance and Audit Committee
DATE:	14th July 2022
DIVISION/WARDS AFFECTED: All	

1. PURPOSE

To receive and consider the Annual Internal Audit Report for 2021/22.

2. RECOMMENDATION(S)

That the Governance and Audit Committee receive, comment on and endorse the Annual Report.

3. KEY ISSUES

- 3.1 The Public Sector Internal Audit Standards require the Chief Internal Auditor to provide an annual opinion based upon and limited to the work performed on the overall adequacy and effectiveness of Monmouthshire County Council's framework of governance, risk management and internal control. This is achieved through a risk-based plan of work, agreed with management, which should provide a reasonable level of assurance. The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.
- 3.2 The audit opinions issued reflect the level of assurance obtained; these are shown at Appendix B. **20** audit opinions were issued during 2021/22 ranging from Substantial to Limited assurance (a total of 9 opinions were issued in 2020/21). The overall opinion was **Reasonable assurance**, which indicates *the systems were adequately controlled, although risks identified which could compromise the overall control environment. Improvements required.*
- 3.3 **2 Limited assurance** opinions were issued.

-
- 3.4 The work of Internal Audit was significantly impacted by Covid-19 pandemic during 2020/21 which resulted in less audit work being undertaken than originally planned. The team was heavily involved with counter fraud work in relation to business support grants from Welsh Government in relation to Covid-19 and supported the track, trace and prevent (TTP) process as previously reported to Members. The 2021/22 Audit opinion is partially reliant on previous work undertaken by the team where Reasonable Assurance opinions were issued; there have been no significant changes to the organisation's systems or key personnel and no major frauds were identified.
- 3.5 Internal Audit opinions on the work undertaken at the SRS by Torfaen Internal Audit team were also taken into consideration.
- 3.6 The Internal Audit team achieved 64% of the agreed 2021/22 audit plan against a target of 82% (57% in 2020/21). The achievement of the plan was affected by Covid-19 for reasons previously reported into Committee and unforeseen vacancies.

4. REASONS

- 4.1 Monmouthshire County Council, as a local government organisation, is subject to The Accounts and Audit (Wales) Regulations 2014 and therefore has a duty to make provision for internal audit in accordance with the Local Government Act.
- 4.2 Internal Audit is an independent function established by the management of Monmouthshire County Council to provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 4.3 In line with the Public Sector Internal Auditing Standards (PSIAS), the Chief Internal Auditor should present a formal annual report to the Council which gives an opinion on the overall adequacy and effectiveness of the Council's internal control environment, governance arrangements and risk management processes. The Standards require an external review of Internal Audit to be completed at least every five years. At the latest review during 2017/18 the Internal Audit team was independently assessed against these Standards and were found to be compliant.
- 4.4 This is the Internal Audit Annual Report for 2021/22.

5. RESOURCE IMPLICATIONS

None.

6. CONSULTEES

Deputy Chief Executive & S151 Officer

7. BACKGROUND PAPERS

Internal Audit Annual Report 2021/22 - attached
Operational Internal Audit Plan 2021/22
Strategic Internal Audit Plan
Public Sector Internal Auditing Standards
Shared Resource Service (SRS) – Internal Audit Annual Report
2021/22 (Torfaen IA Team)

8. AUTHOR AND CONTACT DETAILS

Andrew Wathan, Chief Internal Auditor
Telephone: x.4243
Email: andrewwathan@monmouthshire.gov.uk

**INTERNAL AUDIT
ANNUAL REPORT
2021/22**

YEAR ENDED 31st MARCH 2022

Date: June 2022

1. Introduction

- 1.1 Monmouthshire County Council, as a local government organisation, is subject to The Accounts and Audit (Wales) Regulations 2014 and therefore has a duty to make provision for internal audit in accordance with the Local Government Act.
- 1.2 The Regulations state that the Responsible Finance Officer (S.151) of the organisation shall maintain an adequate and effective internal audit of the accounts of that organisation and its systems of internal control. Internal Audit undertakes this role on behalf of the S.151 Officer. Internal Audit is seen as an independent function established by the management of Monmouthshire County Council for the review of the internal control system as a service to the organisation. It enhances and protects organisational value by providing risk-based and objective assurance, advice and insight.
- 1.3 In line with the Public Sector Internal Auditing Standards, the Chief Internal Auditor should present a formal annual report to the Governance and Audit Committee which gives an opinion on the overall adequacy and effectiveness of the Council's internal control environment. The annual report should also:
- a. disclose any qualifications to that opinion, together with reasons for the qualification;
 - b. present a summary of the audit work undertaken to formulate the opinion;
 - c. draw attention to any issues the Chief Internal Auditor judges particularly relevant to the preparation of the annual governance statement (to be reported separately);
 - d. compare the work actually undertaken with that planned and summarise the performance of the internal audit function against its performance measures and criteria; and
- 1.4 This report is the Annual Internal Audit Report which meets the requirements of the Standards. It provides the overall audit opinion for Members on the internal controls operating within the County Council and provides a summary of the work completed during the year, identifying key findings and outcomes from the work undertaken. It also outlines the performance of the Internal Audit team during the year against agreed pre-set targets.
- 1.5 The internal controls operating within the Council are of a complex nature, reflecting the organisational arrangements. Internal Audit plans its work to address the major risks that the Authority faces. That work

is not designed to check the work of others but to comment on the controls in place to protect the Council from loss of assets or inefficient operations, whatever the cause.

- 1.6 The objectives of the Section for the year were: -
- (a) To deliver an internal audit service in accordance with the Public Sector Internal Auditing Standards and meeting statutory requirements;
 - (b) To undertake risk-based assessments of the Authority's internal control environment and hence contribute to the Annual Governance Statement;
 - (c) To maintain and enhance the audit involvement in all areas as an aid to good financial stewardship.

2. Audit Opinion

- 2.1 In 2021/22, based on the planned work undertaken during the year, overall, the systems and procedures in place were adequately controlled, although risks were identified which could compromise the overall control environment; improvements are required. The opinion definitions are noted at Appendix A.
- 2.2 The overall audit opinion for the internal controls operating within the Council in 2021/22 was **Reasonable assurance**:

The Internal Audit team has completed its internal audit work for the year based upon the Operational Audit Plan approved by the Audit Committee in July 2021. The Plan was designed to ensure adequate coverage over the Council's financial and operational systems using a risk based assessment methodology.

The audit work included reviews, on a sample basis, of each of these systems/establishments sufficient to discharge the Authority's responsibilities for Internal Audit under section 151 of the Local Government Act 1972 and The Accounts and Audit (Wales) Regulations 2014. The opinion is based upon the work undertaken. Work was planned in order to provide sufficient evidence to give me reasonable assurance of the internal control environments tested.

As the planned work of Internal Audit was impacted by Covid-19 pandemic during 2020/21, the 2021/22 Audit opinion is partially reliant on previous work undertaken by the team where Reasonable Assurance opinions were issued; there have been no significant changes to the organisation's systems or key personnel and no major frauds were identified.

Internal Audit opinions on the work undertaken at the SRS by Torfaen Internal Audit team were also taken into consideration.

Based on the planned work undertaken during the year, in my view the internal controls in operation give **Reasonable Assurance**; *Adequately controlled, although risks identified which could compromise the overall control environment. Improvements required.*

The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

Andrew Wathan
Chief Internal Auditor
May 2022

- 2.3 On undertaking audit reviews in accordance with the Annual Audit Plan, an opinion is given on how well the internal controls of the system or establishment are operating. Internal audit reports provide a balanced view of the controls in place. The opinion is determined by the number of strengths and weaknesses identified during the course of the review and the risk rating and priority given to each. Each audit review undergoes a comprehensive review process by the Audit Manager and occasionally the Chief Internal Auditor before the draft report is sent out to management. The controls are generally measured against a predetermined matrix of expected internal controls for each system; for fundamental systems these are usually derived from CIPFA.

2.4 The overall opinion has been compiled from individual audit reviews undertaken during the year [see Appendix B] and consideration of the previous years' Internal Audit opinion:

Audit Opinion	2019/20	%	2020/21	%	2021/22	%
Substantial	2	7	2	22	5	25
Considerable	11	38	6	67	6	30
Reasonable	7	24	1	11	7	35
Limited	9	31	0	0	2	10
	29	100	9	100	20	100

Overall Opinion	Reasonable	Reasonable	Reasonable

2.5 Internal Audit opinions on the work undertaken at the SRS by Torfaen Internal Audit team were also taken into consideration (Appendix D). SRS are the Council's IT providers, so assurances have been provided on the adequacy of controls in place within that organisation to demonstrate effective governance, risk management and internal control processes.

2.6 Extract from the Annual Internal Audit Report 2021/22 of the Shared Resource Centre (Torfaen Internal Audit Team) - "The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control. Overall Opinion is **Generally Satisfactory; some improvement required:**

- Medium risk rated weaknesses identified in individual assignments that are not significant in aggregate to the system of internal control; and/or
- High risk rated weaknesses identified in individual assignments that are isolated to specific systems or processes; and
- None of the individual assignment reports have an overall classification of critical risk.

2.7 Managers within directorates need to ensure that robust internal controls are in place and adhered to in order to ensure that the systems in operation run efficiently and effectively and the scope for misappropriation, theft or error is minimised. Heads of Service have a responsibility to ensure that the Council's Financial Procedure Rules and Contract Procedure Rules are complied with at an operational level. Staff should be made aware of these and the requirements therein and the consequences of non-compliance.

3. Extent of Coverage

- 3.1 2020/21 was an exceptional year which significantly impacted on the work of the Internal Audit team and how it would normally provide the appropriate levels of assurance. Normal audit work could not be undertaken due to the Covid-19 pandemic and many of the audit jobs included within the original audit plan have been carried forward into 2021/22. As reported to Committee in year, for the first 6 months of 2020/21 the team was extensively involved with counter fraud work in relation to the business support grants provided by Welsh Government and then it was stood down for a period to support the TTP process. In addition one of the team was seconded out to manage the distribution of the many business grant schemes.
- 3.2 The impact of the pandemic continued into 2021/22 as many of the establishments due to be audited maintained restricted access resulting in less audits undertaken than planned. The Internal Team's resources were also reduced as the Auditor remained on secondment and the Audit Manager left the organisation.
- 3.3 As a result of the limited work undertaken in 2020/21, the Chief Internal Auditor has taken into consideration the audit opinion work issued in previous years as there have been no significant changes in systems or personnel in key positions and no major frauds have been uncovered.
- 3.4 Overall, whilst not all planned audits were carried out, the actual number achieved is considered acceptable in view of the relative risk and priorities of other audit needs. The IA plan was agreed by the Governance and Audit Committee in July 2021. Planned audit work not undertaken during the year is shown at Appendix E, with an indication of those audit jobs carried forward to 2022/23.

4. Audit Coverage

- 4.1 The full list of audit reviews completed by the Section during the year is shown in the attached Appendix B, together with the relevant internal control opinion issued for each audit.
- 4.2 Control opinions range from Substantial to Limited assurance in accordance with the definitions shown in Appendix A.
- 4.3 Audit reviews concluding with a control opinion of Limited assurance are routinely reported (in summary form) to the Governance and Audit

Committee. For 2021/22, 2 **Limited assurance** opinions were issued; details as to why only Limited assurance could be given are shown at Appendix C:

- Concessionary Travel
- Fleet – Health & Safety / Driver Management

- 4.4 The added value, non-opinion work undertaken by Internal Audit is shown at Appendix F; this is mainly financial advice and monitoring the implementation of the agreed recommendations along with the completion of the Annual Governance Statement.
- 4.5 The Annual Internal Audit report for the SRS showed that 10 internal audit reviews (7 systems, 3 follow ups,) were completed in year. This resulted in the identification of 23 findings (14 medium, and 9 low) to improve weaknesses in the design of controls and/or operating effectiveness. All final reports have agreed action plans, dates and responsible officers for improving the internal control environment. The audit reviews undertaken are shown at Appendix D.
- 4.6 The report format for MCC simplifies the outcome of the audit process and gives operational managers a clear indication of the audit opinion following the audit review. The audit opinions provide a level of assurance and are colour coded in line with the traffic light system (Appendix A).

5. Non-Audit Duties

- 5.1 The team now has a minimal involvement with controlled stationery, although still administers the imprest account process.

6. Fraud, Irregularity and Special Work/Investigations

- 6.1 During the previous year the Team undertook extensive work on counter fraud in relation to the Welsh Government business support grants schemes.
- 6.2 Although no major frauds were identified during the year in relation to Monmouthshire's normal business operations, a number of frauds were identified by Internal Audit in relation to the Welsh Government business support grants schemes during 2020/21. These were reported to the police, Action Fraud and the Council's bank where appropriate. The value of the frauds was not material when compared to the total value of grants paid out on behalf of Welsh Government. The Council recovered 25% of the frauds which were identified.

7. Training

- 7.1 During the year a number of staff attended external courses / webinars on a variety of topics to ensure continued professional development.
- 7.2 The Section also participates in a number of local audit groups including the Welsh Chief Auditors' Group and respective sub groups.
- 7.3 Management fully support the development and training of the audit staff and will continue to send staff to appropriate seminars/courses etc., to maintain an awareness of technical and legislative developments and to support user groups within the area in order to provide a more effective service. This will be beneficial on a personal and professional level.

8. Audit Team Performance

- 8.1 To ensure a quality Internal Audit service is provided, the Section uses a range of performance indicators which it compares with other Welsh authorities via the Welsh Chief Auditors' Group.
- 8.2 As shown at Appendix G, 64% of the agreed plan was completed against a target of 82%, as explained above, due to the impact of Covid-19 and vacancies. To some extent, operational managers were still re-prioritising their work to deal with the pandemic which meant they were not always available to respond to internal audit queries.
- 8.3 Excluding finalisation work from 2020/21, 81 audit jobs were included in the audit plan for 2021/22; 52 jobs were completed to at least draft report stage. [Not all jobs in the plan would warrant an audit opinion eg audit advice, Annual Governance Statement, external work, grant claims].
- 8.4 As a measure of the quality of the work produced, the Team was able to report that 99% of its recommendations were accepted by the service managers. [This does not take into account reports that were in draft at year end]. The percentage of previously agreed recommendations which had been implemented or partially implemented will be reported later in the year.
- 8.5 Getting audit reports out to clients in a timely manner is a key aspect of maintaining relationships and ensuring control weakness are addressed at an early stage. As a result of the Team being re-purposed for the majority of the year, getting reports out to operational managers was not always timely, although there has been a significant improvement on previous years:
 - a. Final reports were sent out 5 days following receipt of management comments, against a target of 5 days.

- b. Draft reports were sent out to clients 6 days after the completion of the audit work against a target of 17 days.
- 8.6 Of the audit evaluation questionnaires which were returned by operational managers, 100% were 'satisfied' or 'very satisfied' with the audit service they had received although it is recognised that timeliness of reporting needs to improve.

9. Conclusions

- 9.1 It is considered that, over the course of the financial year, the objectives of the Team (as stated in paragraph 1.6) have been met.
- 9.2 The reporting procedures for all areas of the Team are now well established. Working practices are updated as a matter of course to underpin the quality of work undertaken. Team meetings are held on a regular basis to ensure all staff are kept aware of new developments and management can monitor progress of work against the plan.
- 9.3 The Team's management maintained a continuous review process throughout the year to ensure, where possible, that the highest risk areas were targeted and the Operational Plan for 2022/23 was also designed to ensure that any priority areas outstanding would be covered in the next financial year.
- 9.4 The objective of the Internal Audit Team is to provide assurance to Management and Members of the adequacy of the internal control environment, governance arrangements and risk management processes within Monmouthshire. Reduced audit staff resources leads to less coverage across the services provided by the Council which limits the assurance that can be given. In addition the team becomes less flexible in its ability to undertake special investigations in response to allegations of fraud, theft or non compliance.
- 9.5 The Chief Internal Auditor will have to monitor the situation closely and use a range of options to ensure appropriate audit coverage is provided. Although demands on the resources are increasing, the Chief Internal Auditor is confident that adequate and appropriate coverage will be provided throughout the Council; prioritisation may be required.
- 9.6 Finally, the support of all audit staff as well as senior management must be acknowledged in helping to continue to provide a comprehensive and valuable service to the Authority.

Definitions of Internal Audit Opinions Used

LEVEL OF ASSURANCE	DESCRIPTION
SUBSTANTIAL	<p>Substantial level of assurance.</p> <p>Very well controlled, with numerous strengths identified and any risks being less significant in nature.</p>
CONSIDERABLE	<p>Considerable level of assurance.</p> <p>Generally, well controlled, although some risks identified which should be addressed.</p>
REASONABLE	<p>Reasonable level of assurance.</p> <p>Adequately controlled, although risks identified which could compromise the overall control environment. Improvements required.</p>
LIMITED	<p>Limited level of assurance.</p> <p>Poorly controlled, with unacceptable levels of risk. Fundamental improvements required urgently.</p>

Audit Opinions

Overall Opinion	2021/22	Reasonable
------------------------	----------------	-------------------

Summary

Substantial	5
Considerable	6
Reasonable	7
Limited	2
Total Opinions	20
Unqualified	3
Qualified	0

Job number	Directorate	Service	Job Name	Risk Rating / Priority	Final as at 31-3-22	Opinion given
P2122/36	Enterprise	Placemaking, Housing, Highways & Flood	Local Development Plan	Medium	Final	Substantial
P2122/57	Resources	Finance	Benefits	High	Final	Substantial
P2122/58	Resources	Finance	Budgetary Control (Revenue)	High	Draft	Substantial
P2122/59	Resources	Finance	Control, Suspense & Holding Accounts	Medium	Final	Substantial
P2122/60	Resources	Finance	Fixed Assets	Medium	Draft	Substantial
P2122/04	Children & Young People	Achievement & Extended Services	Early Years	Medium	Draft	Considerable
P2122/25	Corporate	Cross Cutting	National Fraud Initiative	High	Final	Considerable
P2122/33	Enterprise	Neighbourhood Services	Stores	Medium	Final	Considerable
P2122/35	Enterprise	Placemaking, Housing, Highways & Flood	Civil Enforcement	Medium	Final	Considerable
P2122/45	Mon Life	Mon Life	Shire Hall Follow-up	Medium	Final	Considerable
P2122/62	Resources	Finance	Replacement BACS system	High	Draft	Considerable

Job number	Directorate	Service	Job Name	Risk Rating / Priority	Final as at 31-3-22	Opinion given
P2122/20	Corporate	Cross Cutting	Agency Staff	High	Draft	Reasonable
P2122/23	Corporate	Cross Cutting	Compliance with the Bribery Act	Medium	Final	Reasonable
P2122/30	Enterprise	Enterprise & Community Animation	Rural Programmes	Medium	Final	Reasonable
P2122/69	Social Care & Health	Integrated Services	Direct Payments Follow Up	Medium	Draft	Reasonable
P2122/71	Social Care & Health	Integrated Services	Internal Domiciliary Care	Medium	Draft	Reasonable
P2122/80	Resources	Commercial, Property, Facilities & Fleet	Investments	High	Final	Reasonable
P2122/81	Enterprise	Enterprise & Community Animation	Disabled Facilities Grants	Medium	Final	Reasonable
P2122/40	Enterprise	Strategic Projects	Concessionary Travel	Medium	Draft	Limited
P2122/50	Resources	Commercial, Property, Facilities & Fleet	Fleet - Health & Safety and Driver Management	Medium	Final	Limited
P2122/06	Children & Young People	Achievement & Extended Services	Pupil Development Grant	Low	Final	Unqualified
P2122/07	Children & Young People	Achievement & Extended Services	School Improvement Grant	Low	Final	Unqualified
P2122/28	Enterprise	Enterprise & Community Animation	Housing Support Grant	Medium	Final	Unqualified

Unqualified – the terms and conditions of the grant were complied with
Qualified - the terms and conditions of the grant were not complied with

2021/22 Limited Assurance IA opinions

Job number	Directorate	Service	Job Name	Risk Rating / Priority	Final as at 31-3-22	Opinion given
P2122/40	Enterprise	Strategic Projects	Concessionary Travel	Medium	Draft	Limited
P2122/50	Resources	Commercial, Property, Facilities & Fleet	Fleet - Health & Safety and Driver Management	Medium	Final	Limited

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Concessionary Travel

RATING	RISK DESCRIPTION	IMPACT	TOTAL IDENTIFIED DURING REVIEW
1	Significant	(Significant) – Major / unacceptable risk identified. Risks exist which could impact on the key business objectives. Immediate action required to address risks.	2
2	Moderate	(Important) – Risk identified that requires attention. Risks identified which are not business critical but which require management attention as soon as possible.	8
3	Minor	(Minimal) – Low risk partially mitigated but should still be addressed. Audit comments highlight a suggestion or idea that management may want to consider.	6
4	Strength	(No risk) – Good operational practices confirmed. Well controlled processes delivering a sound internal control framework.	10

No.	Audit Ref.	Issue & Risk	Recommendation
1	3.8b	<p>Hardship payments totalling over £46k had been claimed from Welsh Government which had not been invoiced for by the operators or paid over to them.</p> <p>Risk – Operators are not provided with support that they are entitled to, which potentially could cause them financial difficulties. Reputational damage to the Authority.</p>	<p>The hardship payments that have not been invoiced for by the operators should be investigated and either paid to operators or monies returned to Welsh Government.</p> <p>Any future hardship payments should not be claimed until an invoice has been received from the relevant operator and payments has been made to them.</p> <p>Management Response: <i>This we don't believe to be a significant risk as you are aware the grant is managed quarterly and then annually, this came at the end of the financial year and was accrued and has been paid back in Quarter 4 this year after the operator confirmed they wouldn't sign BES 2 which meant they were not able to claim the hardship element of the funding.</i></p> <p><i>This process has been managed through , we knew the figures and how to deal with this at every stage , it may have been done quicker had the operator responded quicker to us but at no point was there a risk to the operator , Monmouthshire CC or to Welsh Government.</i></p> <p><i>We have to claim these figures quarterly and as we were waiting confirmation from the operator then we needed to add into the claim and accrue our side until it was resolved but it has been completely managed and all figures were known to us.</i></p> <p><i>The hardship element is something that has only been in place since the pandemic and will not be there until July 22 when BES2 ends and numbers go back to actuals.</i></p>

No.	Audit Ref.	Issue & Risk	Recommendation
2	4.3	<p>Quarterly Claims forms have been submitted late and without the necessary approval of the section 151 officer.</p> <p>All claims had been sent directly to Welsh Government and there had been no independent verification of the claims prior to submission.</p> <p>Risk - Potential that error or fraud may not be detected. Authority's accounts may not accurately reflect the grant transactions. Terms and conditions of the grant sign-off not adhered to. Grant monies could be withheld. Breach of the Authority's Internal Grant Protocol.</p>	<p>All grant claims should be processed in accordance with the requirements of the Authority's Internal Grant Protocol. These should be submitted prior to the deadline, with specific time built in to allow the appropriate review and sign off by the necessary parties.</p> <p>In particular, claim forms should only be submitted in the name of the section 151 Officer when confirmation has been received of the completion of the necessary checks by the Finance Department.</p> <p>Where claims need to be submitted prior to review by Finance and then sign-off, then Welsh Government should be clearly informed that the claim is in draft only and is subject to review.</p> <p>Management Response: <i>This is a position we find ourselves in with all authorities as it is impossible to get the grant claim in by the 20th of the following month at the end of each quarter and signed off by finance as the invoices take much longer to go through our systems , we struggle to get just the information through from operators by this time , it has been flagged with Welsh Government and we have agreed that the return goes in unsigned first and then once reconciled by finance and signed by the 151 officer a signed copy can be sent. This process was introduced by WAO a number of years ago as it was previously only the annual return that needed a 151 officer to sign off but they didn't understand the issues that it has caused in getting a return to WG in time for them to reserve the money in their budgets.</i></p> <p>The quarterly returns were only signed by a Head of service or Manager</p>

No.	Audit Ref.	Issue & Risk	Recommendation
Page 95			<p><i>originally.</i></p> <p><i>We acknowledge that we need to work on the bus operators to provide us with timely returns but some corporate operators have central payment systems so by the time they get from the ticket machines to the operator are checked and sent to us the invoice usually takes about another 30/45 days to come from Stockport where they deal with the whole company accounts to us and get through our own payments system.</i></p> <p><i>We also acknowledge that we need more resource to enable us to deal with these claims in a more timely manner. This process has been managed by the LA's and WG for a number of years and hasn't seen any payment issues to date so we don't agree it is a significant issue as it is again a managed process which is acknowledged by WG.</i></p> <p>Audit Comment:</p> <p><i>Welsh Government are the funding organisation which has set the deadlines for submission of claim forms. These deadlines therefore need to be met.</i></p> <p><i>A requirement of the Welsh Government process is for claims to be correctly authorised pre submission. Therefore, all claims must be signed by Section 151 Officer before submission.</i></p>

No.	Audit Ref.	Issue & Risk	Recommendation
3	1.1	<p>The Grant terms and conditions letter was not received by the grant administrator and Finance until halfway through the grant period.</p> <p>Formal acceptance of the grant had not been sent within the 21 day deadline as required.</p> <p>Risk - <i>Any changes in terms and conditions of grant may not be identified. Risk of losing funding at cost to the Authority or impacting the operators.</i></p>	<p>The Grant Administrator should ensure that a formal grant offer letter has been received at the start of each financial year.</p> <p>The Grant Administrator should ensure that formal acceptance of the grant offer has been submitted within the required timeframe and by the end of the first quarter and should retain a copy of the signed acceptance returned.</p> <p>Management Response: <i>This again has been an inherent problem as it is not something, we can control these letters come from Welsh Government have to go through their processes and we never receive them on time. They are sent to the Chief Executive and if they are not passed onto us in a timely manner then we can't get them signed and sent back. It is something we are chasing all the time from the Welsh Government but I have asked that they let me know when the letters are released so I can then chase it from our end if we don't receive it within a few days.</i></p> <p><i>Don't agree about the changes to terms and conditions as we have to give operators 4 months notice of any change once notified by WG and they are aware of this.</i></p> <p>Audit Comment: <i>As the Administrator of this annual grant, it would be good practice for Transport Unit (MCC) to chase the Grant Award letter if it has not been received early in the financial year.</i></p>

No.	Audit Ref.	Issue & Risk	Recommendation
4	1.2	<p>There were no specific internal guidance documents and procedures to ensure that the Scheme was administrated in line with Welsh Government expectations, particularly should the Passenger Transport Publicity & Infrastructure Officer be absent or unavailable.</p> <p><i>Risk - Failure to deliver the role as the grant administrator. Operator grants or reclaims not made or made incorrectly.</i></p>	<p>Documentation of the administrative processes should be undertaken to meet the requirements placed on the Authority through the Concessionary Travel Scheme and to provide contingency in the event of the Passenger Transport Publicity & Infrastructure Officer's absence.</p> <p>Management response : Agree that we should document the process so it can be picked up by others if necessary</p>
Page 97 ¹⁵	2.1	<p>Some operators were submitting claims which had not been supported with Smart Card data to substantiate more than 98% of their claim.</p> <p><i>Risk - Claims may not be accurate, as a result of error, fraud or malpractice.</i></p> <p><i>The Authority cannot adequately evidence the journeys that it is paying and claiming reimbursement for. Claims could be reduced or reclaimed by Welsh Government.</i></p>	<p>Operators should be encouraged to provide Smartcard data which supports at least 98% of their claim, where this has not been done then a suitable explanation should be required from operators.</p> <p>If a satisfactory explanation has not been provided the Authority may want to consider an appropriate course of action.</p> <p>Management Response: <i>This cannot be done for operators who are based in England as the machines are not compatible.</i></p> <p><i>The Newport Bus and Monmouthshire Bus should not be a problem moving forward as they are now using Ticketer machines. The issues arose as they were changing between Wayfarer ticket machines and moving over to</i></p>

No.	Audit Ref.	Issue & Risk	Recommendation
			<i>Ticketeer for Newport where the old machines were not registering for Newport Bus and Monmouthshire Bus was a training issue with drivers which has now been resolved.</i>
6	2.2	<p>Dates for submission of claims from operators have not been set, resulting in these being regularly received late.</p> <p>Risk - Insufficient time allowed for administrative checks of operators returns prior to Welsh Government deadlines.</p> <p>Late submission of claims to Welsh Government. Delays in receiving payments from Welsh Government.</p>	<p>Deadlines should be agreed with the operators so that claims data can be provided to the Authority in sufficient time to allow the necessary checks and sign-off internally before submission of the Authority's quarterly claims to Welsh Government.</p> <p>Management Response: This has been explained in an earlier risk and the whole process and submission dates need looking at as they are set by WG.</p> <p>We can look at setting a submission date from operators but we really need at least a week before the submission date and although some operators are good at getting claims in we need to concentrate on those that don't.</p> <p>The biggest issue is if we don't get the numbers on each claim it makes the following claim more difficult as well.</p>
7	2.5	<p>Monthly reports are available to help identify potential fraudulent behaviour however these are unable to be used at present.</p> <p>Risk - Fraudulent activity may go undetected. The Authority may</p>	<p>The issue with accessing the analytical reports should be resolved as a matter of urgency and the reports utilised to identify any potential fraudulent activity. Outstanding reviews of previous months' data should also be carried out.</p> <p>Management Response: <i>This is a recent problem since ACT changed their data systems and amalgamated with Fujitsu they are now not compatible with our own</i></p>

No.	Audit Ref.	Issue & Risk	Recommendation
		<i>suffer financial loss and reputational damage.</i>	<i>systems. Both SRS and Fujitsu were contacted regarding the problem, we hope to find a solution ASAP.</i>
8	2.6	<p>The Authority does not have a programme in place for inspectors to board vehicles which are used to carry concessionary passenger for spot checks on processes and the number of passengers carried.</p> <p>Risk - Operators could potentially be manipulating the data, exaggerating the numbers of journeys taken to increase their income at a cost to the Authority/Welsh Government.</p>	<p>The Authority should establish a random programme to carry out inspections on vehicles which are used to carry concessionary passengers.</p> <p>Management Response: This has had to be postponed due to COVID we were not allowed to access buses and check tickets or passes over the past two years, we also have a capacity issue in that this is something we cannot do as regular as we would like</p> <p>Although we have done it prior to Covid and we will see if we can begin the process again now restrictions are lifted although with only one resource available we will need to identify further resources to ensure we can do this regularly.</p>
9	3.8a	<p>Minor errors were identified in two of the historic figures used within the 2021/22 Quarter 1 BES2 calculations.</p> <p>Risk - Incorrect payments made. Impacts on public purse and the operators' revenues.</p>	<p>Bus Emergency Scheme payments should be revisited to ensure that the figures used were accurate, where errors have been identified then the operator should be notified and the next claim adjusted appropriately.</p> <p>Management Response: Agree. This should have been picked up by us or by finance, we will ensure we get the invoices double checked in future. This error has been rectified.</p>

No.	Audit Ref.	Issue & Risk	Recommendation
10	4.4	<p>Overall claim balances relating to the first two quarters of 2020/21 had not been settled or recorded in the financial ledger system.</p> <p><i>Risk - Financial loss to the Authority or incorrect financial accounts.</i></p>	<p>The reimbursement from Welsh Government from the first two quarters for the 2020/21 financial year should be investigated and corrective action taken to settle the outstanding amounts.</p> <p>Management Response: <i>This has been managed through the Covid period where interim payments have been made to the authorities and outstanding monies paid at year end or paid back whichever is the case this is something we have managed which has helped with LA cash flows during the pandemic.</i></p>

Fleet - Health & Safety and Driver Management

RATING	RISK DESCRIPTION	IMPACT	TOTAL IDENTIFIED DURING REVIEW
1	Significant	(Significant) – Major / unacceptable risk identified. Risks exist which could impact on the key business objectives. Immediate action required to address risks.	4
2	Moderate	(Important) – Risk identified that requires attention. Risks identified which are not business critical, but which require management attention as soon as possible.	3
3	Minor	(Minimal) – Low risk partially mitigated but should still be addressed. Audit comments highlight a suggestion or idea that management may want to consider.	3
4	Strength	(No risk) – Good operational practices confirmed. Well controlled processes delivering a sound internal control framework.	7

No.	Audit Ref.	Issue & Risk	Recommendation
1	1.1	<p>There was no central management of the Health and Safety of Fleet and Driver Management within the Authority.</p> <p><i>Risk – inconsistency in driver and vehicle management.</i></p>	<p>MCC should work towards centralising the management of Health and Safety and driver management.</p> <p>Management Response:</p> <p><i>Whilst we agree that, the central management of fleet would be beneficial. We do not accept this as a failing against the fleet team. Currently the management of fleet and their staff is devolved. Whilst we are working towards a process of centralising the service, this is not yet in place and therefore we cannot be held accountable for the practices of service areas. We do however accept that there should be a suite of policies to support driver behaviour and fleet management and these are being prepared.</i></p> <p><i>Being able to implement central management of fleet is dependent upon potential restructure and additional posts in the department.</i></p>
2	1.2	<p>Lack of Policies and Procedures in place to manage Fleet use.</p> <p><i>Risk - Staff unaware of roles and responsibilities. Expectations not clearly communicated to staff.</i></p>	<p>A suite of Health and Safety Policies for fleet should be developed to guide drivers and managers. Namely, a Driving at Work policy and an updated Drug and Alcohol Policy including a testing protocol.</p> <p>A Driver's Handbook should be developed which could hold all information and policies together. This could be in physical or digital form.</p>

No.	Audit Ref.	Issue & Risk	Recommendation
			<p>Management Response: The creation of a drug and alcohol policy is owned by the Corporate Health & Safety Group and we are happy to support this work.</p>
3	3.1	<p>Training documentation was incomplete</p> <p>Risk – Staff are not appropriately trained to undertake their role.</p>	<p>A training policy should be developed in line with HSE guidance.</p> <p>Departments should ensure that a training matrix is in place for each role and that regular training is provided.</p> <p>Training records should be maintained and reviewed to ensure that training due to expire is highlighted and provided.</p> <p>An appropriate training programme or delivery solutions should be identified and implemented to ensure drivers are able to access the training required and do so on a timely basis.</p> <p>Management Response:</p> <p>As highlighted above we will put the policies in place, however services also hold responsibility for the implementation of these policies until such time responsibility for fleet is centralised.</p>
4	5.1	<p>There was no Accident Policy or formal guideline in place. Accident records were incomplete and there was no central, comprehensive list of accidents.</p>	<p>A Policy should be developed which informs drivers and managers what to do in case of an accident.</p> <p>This should include guidance on such areas as:</p>

No.	Audit Ref.	Issue & Risk	Recommendation
5	4.1	<p><i>Risk - Staff unaware of roles and responsibilities. Expectations not clearly communicated to staff</i></p> <p>Accident information not collated in a timely manner.</p> <p>Inability to fully assess extent of accidents.</p> <p>Inability to fully assess data.</p>	<ul style="list-style-type: none"> • how and when to investigate; • the need for an accident form and witness statements to be collected ASAP; • repercussions of not reporting an accident; and • disciplinary processes <p>The document should also cover how managers can highlight training needs identified throughout the investigation process.</p> <p>Consideration should also be given to making the accident reporting process electronic.</p> <p>Management Response:</p> <p>Not accepted that the Failure rests with the Transport Team – the current process is that the management of accidents is administered by the Insurance Team whose instructions result in accidents being reported directly to the insurance company with no notification to central fleet.</p> <p>We support a change to this process so that all accidents are reported via the Transport Team who can then collate information, monitor driver behaviour and take appropriate action where necessary.</p>
		<p>The reason for vehicle trackers and information usage was not clearly defined and documented.</p> <p>Risk - Staff treated inconsistently.</p>	<p>A document should be developed informing Managers when vehicle tracker information can be accessed and what the data can be used for.</p> <p>This must be agreed with all necessary parties including Unions.</p>

No.	Audit Ref.	Issue & Risk	Recommendation
		<p>Impact of Health and safety of fleet drivers</p> <p>Unsuccessful disciplinary action.</p>	<p>Management Response:</p> <p>Agreed</p>
6	4.2	<p>Quartix (vehicle tracker) user list was not regularly reviewed.</p> <p>Risk - Inappropriate users access potentially sensitive data</p>	<p>Quartix should be contacted to remove inappropriate users.</p> <p>In future, a list of all users should be requested and reviewed on a 6 monthly basis to ensure that all users are current staff members.</p> <p>Options of including tracking system access on leaver forms should be explored.</p> <p>Management Response:</p> <p>Agreed. Will work with People Services to ensure that we are being notified of leavers</p>
7	4.2	<p>There was no formal policy stance on staff speeding in MCC vehicles.</p> <p><i>Risk - Staff unaware of roles and responsibilities. Expectations not clearly communicated to staff. Damage to vehicles, staff or public as a result an accident caused by speeding.</i></p>	<p>MCC should establish a stance on speeding whilst using an Authority vehicle and when travelling on work business.</p> <p>A policy should be introduced to inform staff and managers on MCCs stance on speeding. This should state how and when tracker information could be accessed and what repercussions could be faced for speeding.</p> <p>This should be circulated to all staff and Managers.</p> <p>Management Response:</p> <p>Agreed, this will form part of the driver handbook and supporting policies</p>

No.	Audit Ref.	Issue & Risk	Recommendation

Extract from SRS Annual Internal Audit Report 2021/22

Ref	Review	Opinion
SRS – 21001	EdTech (System)	N/A
SRS – 21002	Business Management (Follow Up)	Opinion level increased from SUBSTANTIAL to FULL.
SRS - 21003	Data Centre (Follow Up)	Opinion remained FULL
SRS - 21004	IT Governance (System)	FULL
SRS - 21005	IT Service Continuity (System)	FULL
SRS - 21006	Application Integration Service (System)	SUBSTANTIAL
SRS - 21007	Identity & Access Management (System)	SUBSTANTIAL
SRS – 21008	IT Disposals (Follow Up)	MODERATE
SRS – 21009	Mobile Computing (System)	SUBSTANTIAL
SRS – 21010	Performance Management (System)	SUBSTANTIAL

Appendix E

2021/22 Planned jobs not undertaken

Job number	Directorate	Service	Job Name	Included in 2022/23 IA Plan
P2122/10	Children & Young People	Schools	Archbishop Rowan Williams CiW Primary	N
P2122/12	Children & Young People	Schools	Castle Park Primary Follow Up	N
P2122/13	Children & Young People	Schools	Dewstow Primary	Y
P2122/14	Children & Young People	Schools	Durand Primary	N
P2122/15	Children & Young People	Schools	King Henry VIII School	Y
P2122/16	Children & Young People	Schools	Llandogo Primary School Follow-up	N
P2122/17	Children & Young People	Schools	Llanvihangel Crucorney Primary	Y
P2122/19	Children & Young People	Schools	Rogiet Primary	N
P2122/26	Enterprise	Achievement & Extended Services	Food Procurement Follow Up	Y
P2122/39	Enterprise	Strategic Projects	Caldicot Town Centre Regeneration	Y
P2122/42	Mon Life	Mon Life	Caldicot Castle Follow-up	Y
P2122/44	Mon Life	Mon Life	Old Station Tintern Follow-up	N
P2122/51	Resources	Commercial, Property, Facilities & Fleet	H&S Authority's Buildings Follow Up	Y
P2122/53	Resources	Commercial, Property, Facilities & Fleet	PTU Vehicle Maintenance Follow Up	Y
P2122/55	Resources	Digital	Replacement Telephony System	N
P2122/68	Social Care & Health	Integrated Services	Carers Service	Y
P2122/70	Social Care & Health	Integrated Services	Fostering	Y
P2122/72	Social Care & Health	Integrated Services	Respite Care	N
P2122/75	Social Care & Health	Public Protection	Track, Trace and Protect Team	N
P2122/79	Social Care & Health	Transformation	New WCCIS system	N

Appendix F

Non opinion related audit work 2021/22 Internal Audit Added Value

Job number	Directorate	Service	Job Name
P2122/01	Chief Executive's	Policy, Performance & Scrutiny	Audit Advice
P2122/02	Children & Young People	21st Century Schools	Audit Advice
P2122/03	Children & Young People	Achievement & Extended Services	Audit Advice
P2122/05	Children & Young People	Achievement & Extended Services	Monitoring Implementation of Audit Recommendations
P2122/08	Children & Young People	CYP Resources	Audit Advice
P2122/09	Children & Young People	CYP Resources	Monitoring Implementation of Audit Recommendations
P2122/11	Children & Young People	Schools	Audit Advice
P2122/18	Children & Young People	Schools	Monitoring Implementation of Audit Recommendations
P2122/21	Corporate	Cross Cutting	Annual Governance Statement
P2122/22	Corporate	Cross Cutting	Audit Advice
P2122/24	Corporate	Cross Cutting	Monitoring Implementation of Audit Recommendations
P2122/27	Enterprise	Enterprise & Community Animation	Audit Advice
P2122/29	Enterprise	Enterprise & Community Animation	Monitoring Implementation of Audit Recommendations
P2122/31	Enterprise	Neighbourhood Services	Audit Advice
P2122/32	Enterprise	Neighbourhood Services	Monitoring Implementation of Audit Recommendations
P2122/34	Enterprise	Placemaking, Housing, Highways & Flood	Audit Advice
P2122/37	Enterprise	Placemaking, Housing, Highways & Flood	Monitoring Implementation of Audit Recommendations
P2122/38	Enterprise	Strategic Projects	Audit Advice
P2122/41	Mon Life	Mon Life	Audit Advice
P2122/43	Mon Life	Mon Life	Monitoring Implementation of Audit Recommendations

Job number	Directorate	Service	Job Name
P2122/46	People & Governance	Legal & Monitoring Officer	Audit Advice
P2122/47	People & Governance	People	Audit Advice
P2122/48	People & Governance	People	Monitoring Implementation of Audit Recommendations
P2122/49	Resources	Commercial, Property, Facilities & Fleet	Audit Advice
P2122/52	Resources	Commercial, Property, Facilities & Fleet	Monitoring Implementation of Audit Recommendations
P2122/54	Resources	Digital	Audit Advice
P2122/56	Resources	Finance	Audit Advice
P2122/61	Resources	Finance	Monitoring Implementation of Audit Recommendations
P2122/63	Resources	Payroll	Audit Advice
P2122/64	Resources	Payroll	Monitoring Implementation of Audit Recommendations
P2122/65	Social Care & Health	Children's Services	Audit Advice
P2122/66	Social Care & Health	Children's Services	Monitoring Implementation of Audit Recommendations
P2122/67	Social Care & Health	Integrated Services	Audit Advice
P2122/73	Social Care & Health	Public Protection	Audit Advice
P2122/74	Social Care & Health	Public Protection	Monitoring Implementation of Audit Recommendations
P2122/76	Social Care & Health	Social Services Finance Unit	Audit Advice
P2122/77	Social Care & Health	Social Services Finance Unit	Monitoring Implementation of Audit Recommendations
P2122/78	Social Care & Health	Transformation	Audit Advice

Performance of the Internal Audit Section

Performance Indicator	2018/19	2019/20	2020/21	Annual Target	2021/22
Percentage of planned audits completed	84%	77%	57%	82%	64%
Average no. of days from audit closing meeting to issue of a draft report	9 days	26 days	16 days	17 days	6 days
Average no. of days from receipt of response to draft report to issue of the final report	18 days	20 days	38days	5 days	5 days
Percentage of recommendations made that were accepted by the clients	98%	98%	99%	95%	99%
Percentage of clients at least 'satisfied' by audit process	100%	100%	100%	95%	100%
Percentage of Directly Chargeable Time (actual versus planned)	107%	90%	N/A	100%	74%

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**SUBJECT: GOVERNANCE AND AUDIT COMMITTEE
ANNUAL REPORT 2021/22**

DIRECTORATE: Resources

MEETING: Governance and Audit Committee

DATE: July 2022

DIVISION/WARDS AFFECTED: All

1. PURPOSE

To present the Chair of the Council's Governance and Audit Committee's Annual Report for 2021/2022.

2. RECOMMENDATION(S)

On behalf of the Governance and Audit Committee, I submit this annual report for 2021/2022 for consideration by the Council. I believe that it shows that, over this period, the Committee has fulfilled its role as defined in its terms of reference.

The report shows that the workings of the Committee continue to be both valuable and productive and that it provides assurance to the Council regarding the Committee's activities in the effective governance of financial affairs and other matters by the Authority.

That Governance and Audit Committee endorse this report and recommend its presentation to Council.

That Council accept and endorse this report.

3. REASONS

- 3.1 The Council's Governance and Audit Committee has responsibility for ensuring that there are procedures in place to guarantee the adequacy and effectiveness of financial control and corporate governance arrangements.

The terms of reference are:

- To review and scrutinize the Authority's financial affairs
- To make reports and recommendations in relation to the Authority's financial affairs

- To review and assess the risk management, internal control and corporate governance arrangements of the Authority
- To make reports and recommendations to the Authority on the adequacy and effectiveness of those arrangements
- To oversee the Authority's internal and external audit arrangements
- To review the financial statements prepared by the Authority

3.2 During 2021/22, the Committee consisted of 11 councillors and one lay member (co-opted) who was not a councillor. During 2021/22, the lay member was the Chair of the Governance and Audit Committee, as in previous years. The Committee's main responsibilities include:

- Approving the internal audit strategy, plan & performance
- Review internal audit reports and seek assurances of change where required
- Consider the reports of external audit and inspection agencies
- Consider the effectiveness of the Authority's risk management arrangements
- Maintain an overview of the Council's Constitution in respect of contract procedure rules and financial regulations
- Make recommendations, as appropriate, to Cabinet and Council on any matters reported through the Governance and Audit Committee.

3.3 The terms of reference of the Governance and Audit Committee in 2021/22 are set out in the Council's Constitution dated 8 September 2021 and are in accordance with the Local Government (Wales) Measure (2011) and the Local Government and Elections (Wales) Act 2021.

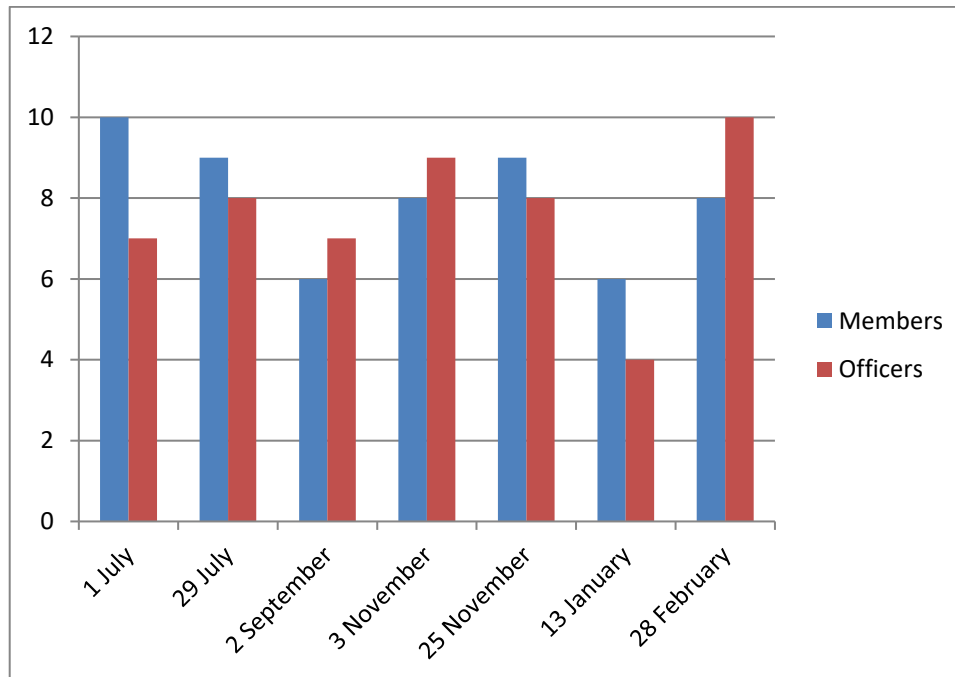
3.4 The Local Government and Elections (Wales) Act 2021 came into effect during the year, which required the Committee to be re-named as the Governance and Audit Committee (formerly the Audit Committee). Other changes required by the legislation, such as an increase in the number of lay members to comprise one third of the Committee, will be made during 2022/23.

3.5 The Governance and Audit Committee is supported by Democratic Services with the, Deputy Chief Executive and Chief Officer Resources, the Acting Assistant Head of Finance and the Chief Internal Auditor or, occasionally, representatives, in attendance at most meetings. External Audit (Audit Wales) are invited to all meetings. During 2021/22 the Council's Governance and Audit Committee formally met 7 times (all remotely), with all meetings being quorate. Audit Wales was represented at all meetings.

Governance and Audit Committee meetings 2021/22
1 st July 2021
29 th July 2021

2 nd September 2021
3 rd November 2021
25 th November 2021
13 th January 2022
28 th February 2022

Attendance at Meetings:



- 3.6** Regular reports were received by the Governance and Audit Committee throughout the year. All Members contributed to the challenge process where officers were held to account for improving identified systems weakness. Members contributed positively to the process and took the responsibility of being on the Governance and Audit Committee seriously.
- 3.7** A standard agenda item for the Governance and Audit Committee is an Action List, where named officers are responsible for updating the Committee on previous matters discussed or questions raised. This ensures appropriate responses are received and accepted by the Committee on issues they felt were important enough to challenge and hold officers to account.
- 3.8** A further meeting was held in September 2021, where Committee members considered the requirements of the Local Government and Elections (Wales) Act 2021. At the meeting held on 28th February 2022, the Chief Officer, Resources, provided a paper 'Governance and Audit Committee Review and Changes' which summarised the issues discussed and the conclusions reached to ensure compatibility with the

Act. This paper can be viewed on the agenda of the 28 February meeting.

- 3.9** Recruitment of new lay members to join the Committee in 2022/2023 took place in January 2022. Interviews were conducted by a panel of four members of the current Committee, including the Chair. The current Chair has decided to step down from the Committee at the end of the 2021/22 year.

Terms of Reference: To oversee the Authority's internal and external audit arrangements

- 3.10** Reports were received and considered from the Audit Wales. MCC officers were asked to provide responses where appropriate, and Members of the Committee sought assurances on the process of External Audit. Papers presented included:

- Audited Statement of MCC Accounts 2020/21, 'ISA 260' Response to the Accounts
- Certificate of Compliance for the audit of Monmouthshire County Council's assessment of performance for 2020/21
- Monmouthshire Annual Audit Summary
- Audited Trust Fund Accounts (Welsh Church Fund/Monmouthshire Farm Educational Trust)
- Annual Grants Report
- Cyber Resilience in the Public Sector
- Audit Wales Work Programme and Timetable
- Financial Sustainability Assessment
- Welsh Procurement Review

- 3.11** The Internal Audit outturn report for 2020/21 and the annual plan for 2021/22 were presented to and endorsed by the Committee. During 2020/21 the work of Internal Audit had been significantly impacted by the pandemic, and 2021/22 would be the recovery period when things were to be put back on track. Nevertheless, members continued to challenge the performance of the Internal Audit Team and robustness of the planned work in order to satisfy themselves that they were being provided with assurances on the adequacy of the Council's internal control environment and that public money was being used effectively, efficiently and economically.

- 3.12** Other reports presented for consideration included:

- Internal Audit Reports on Unfavourable Audit Opinions
- Contract Procedure Rules – exemption update
- Internal Audit Progress Reports
- Internal Audit Charter
- Implementation of Agreed Internal Audit Recommendations

Terms of Reference: To review and assess the risk management, internal control and corporate governance arrangements of the Authority and to make reports and recommendations.

- 3.13 Reports from Internal Audit and from other departments within the Authority and Audit Wales inform the Committee in respect to these terms of reference, for example the regular reports on Unfavourable Audit Opinions and the implementation of recommendations (see 3.12, above).
- 3.14 The Committee continues to have an opportunity to comment on and shape the Annual Governance Statement before it is included with the finalised Annual Statement of Accounts.
- 3.15 The Performance Manager provided reports on the Overview of Performance Management Arrangements and the Review of the Strategic Risks Register.
- 3.16 A report on Information Breaches was presented by the Head of Digital Services.
- 3.17 The Customer Relations Manager introduced the Whole Authority Annual Complaints Report 2020/21 providing feedback from complaints, comments and compliments received by the Authority.

Terms of Reference: To review and scrutinise the Authority's financial affairs, to make reports and recommendations, and to review the financial statements prepared by the Authority.

- 3.18 The Committee is asked to consider the Council's Statement of Accounts prior to and following the external audit of them; the draft accounts were presented in July with the final audited accounts in November. In addition, the Committee received the annual accounts of Monmouthshire County Council Welsh Church Act Fund and the Monmouthshire Farm School Endowment Trust Fund.
- 3.19 The Treasury Outturn Report for 2020/21 and the subsequent Mid-Year Treasury Report were reviewed by the Committee in November.
- 3.20 The Authority's Capital and Treasury Strategies for 2022//23 were presented to the Committee in February 2022, with a mid-year Treasury Report for 2020/21 presented in November.
- 3.21 In February 2022 a paper was presented to the Committee on the Assessment of the Budget Process and the Adequacy of Reserves.

4 RESOURCE IMPLICATIONS

None.

5 CONSULTEES

Chief Internal Auditor.

6 RESULTS OF CONSULTATION:

Report agreed.

7 BACKGROUND PAPERS

Governance and Audit Committee Agendas and Minutes 2021/22.

8 AUTHOR AND CONTACT DETAILS

Philip White, Chair, on behalf of the Governance and Audit Committee

philipwhite@monmouthshire.gov.uk

SUBJECT: Draft Monmouthshire County Council Self-Assessment 2021/22

MEETING: Governance and Audit Committee

DATE: 14th July 2022

DIVISION/WARDS AFFECTED: All

1 PURPOSE:

- 1.1 To provide the committee with a draft of the Monmouthshire County Council Self-Assessment report 2021/22 in line with requirements outlined in the Local Government and Elections (Wales) Act 2021.

2 RECOMMENDATIONS:

- 2.1 That the committee review the draft self-assessment report 2021/22 and makes any recommendations for changes to the conclusions or actions prior to the report being considered by Council.

3. KEY ISSUES:

- 3.1 The self-assessment report is a new requirement for Welsh local authorities and comes at the start of a new Council term, allowing the incoming administration to evaluate our recent history and use this to inform the direction we will chart, and the way we will work over the next five years. The requirement is created as part of the Local Government and Elections (Wales) Act 2021. Under the Act, the mechanism for a council to keep its performance under review is self-assessment, with a duty to publish a report setting out the conclusions of the self-assessment once in respect of every financial year.
- 3.2 At the meeting on 20th June 2022 the committee was provided with an overview of the self-assessment process that has led to the production of this report. Governance and Audit Committee have an important role in contributing to the self-assessment report and a draft must be provided to the committee to review. The self-assessment should be used to inform the committee's role of seeking assurance of the effectiveness of the council's governance and performance management arrangements.
- 3.3 The past five years have been a challenging time for public services throughout the UK and Monmouthshire has been no exception. The self-assessment evaluates what we have done during this time and how we have done it. Our direction was set in 2017 by a five-year Corporate Plan, which identifies a clear purpose and a series of objectives to achieve it. These were underpinned by our core values of teamwork, openness, fairness and flexibility. We recently added a fifth value of kindness, which was central to how we, and the communities in our county, worked over recent years. During the past two and a half years, some of our plans had to take a back-seat while we adjusted to the challenges of the pandemic. This period was covered by five interim strategies, covering different phases from full lockdowns, through re-openings and finally learning to live with the virus.
- 3.4 The self-assessment report demonstrates the progress the council has made and further areas for development. These include:
- We have continued our path of collaborative working between health and social care. We've developed approaches which are focused on keeping people well in their communities, reducing the demand on costly one-size-fits-all statutory services and instead focused on the needs and

well-being of individuals. There remain challenges, such as an absence of private care providers, meaning some needs go unmet.

- We have continued to invest in new schools with the £40 million Monmouth Comprehensive opening in 2019. While we still need to focus on areas for development, including the attainment of pupils in receipt of free school meals, Estyn's most recent inspection concluded that the authority has a clear vision for education, strong standards of well-being and a good track record of improvement.
- During this time there have also been challenges. We've seen rising levels of homelessness, exacerbated by a shortage of affordable homes. We've made good progress reducing our carbon emissions by retrofitting our buildings with solar panels and introducing more electric vehicles but we still have some way to go before we can achieve our ambition of being a net zero organisation
- We have delivered financial savings and operated within the financial budget set by Council during each of the past five years.

3.5 During the past two and a half years we adjusted to the challenges of the pandemic. Arrangements we established, and support we provided, include:

- Our culture, values and use of digital technology meant we were able to transition rapidly to remote working when the country went into lockdown in March 2020 and were one of the first councils in the UK to introduce online Cabinet and Council meetings.
- We established clear interim objectives, communicated these to residents and partners and ensured that progress was evaluated and reported regularly
- Early in the pandemic, we set a goal of ensuring that every person or family in crisis that we were aware of received support. This meant redeploying staff into front-line roles and drawing on an army of volunteers, many of whom were already working with us as a result of many years developing the A County That Serves approach, to provide services such as shopping and prescription deliveries.
- We provided support to businesses throughout the year to help them through the challenges and uncertainty of the pandemic and issued over 6,500 payments of grants amounting to almost £40 million.
- We also worked with the NHS to deliver contact tracing, redeploying public health professionals to provide an efficient and cost-effective solution to slow the spread of the virus.

In the latter stages of the pandemic our purpose evolved as we began to focus on re-opening and learning to live with the virus and the next phase in the evolution of our council and our county.

3.6 Self-assessment is a way of evaluating, critically and honestly, our current position to make decisions on how to secure improvement for the future. It needs to be embedded across the organisation to help the council continually learn and achieve sustainable improvement and better outcomes for citizens, service users and its own workforce. The council needs to have an evaluative culture and mindset embedded in all it does, rather than see the self-assessment as a standalone process to be completed once a year. The self-assessment process has been embedded as part of the council's performance management framework (appendix 1).

3.7 The self-assessment report evaluates progress under each of the five priority goals in the Corporate Plan, which also served as the council's well-being objectives, and the programmes of work, twenty-two in total, that supported their delivery over the past five years. It also evaluates the key activity delivered as part of the interim Coronavirus strategies. To support the delivery of the goals, the council has to make sure that all of its areas are working efficiently and effectively. The report assess the effectiveness of the 'enabling functions' that support council services to meet changing demands and ensure their sustainability. These include corporate planning, performance and risk management, financial planning, workforce planning, procurement, assets, digital and data.

- 3.8 Governance and Audit Committee can also make any recommendations for changes to the conclusions or actions the council intends to take as set out in paragraph 2.40 of the statutory guidance. If the council does not make a change recommended by the Governance and Audit Committee, it must set out the recommendation and the reasons why.
- 3.9 The committee should focus its review of the report on the effectiveness of the council's governance and performance management arrangements. Scrutiny of the council's performance, which is contained in the report, is the remit of the Performance and Overview Scrutiny Committee, and the report will be presented to that committee on the 7th July to inform this role. The final assessment will be presented to Council on 22nd September.
- 3.10 The annual self-assessment report will be complemented by a panel performance assessment once in an electoral cycle, providing an opportunity to seek external insights (other than from auditors, regulators or inspectors) on how the council is meeting the performance requirements.

4. RESOURCE IMPLICATIONS:

- 4.1 There are no additional resource implications as a result of this report. However, there may be resource implications in undertaking further actions identified in the self-assessment report. These would be subject to the usual council decision-making processes.

5. BACKGROUND PAPERS:

Local Government and Elections (Wales) Act 2021

Performance and governance of local authorities: statutory guidance

Corporate Plan 2017/22

6. AUTHOR:

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7. CONTACT DETAILS:

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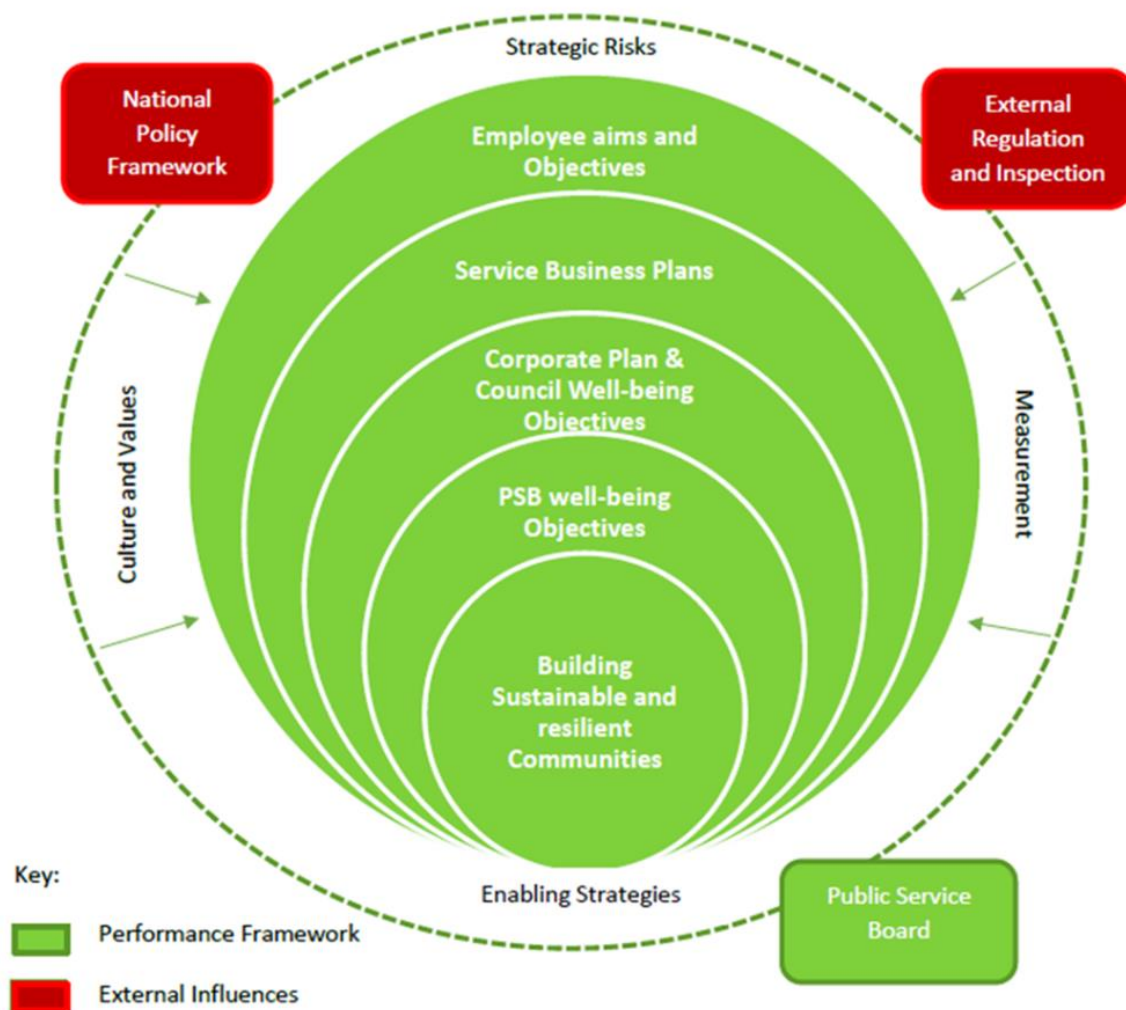
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Appendix 1

Performance Management Framework

Our performance management framework makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes.

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



Self-Assessment Report 2021/22



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Version Control

Title	Monmouthshire County Council Self-Assessment 2021/22
Purpose	To self-assess the council's goals and arrangements as required by the Local Government and Elections (Wales) Act 2021.
Owner	Monmouthshire County Council
Approved by	Monmouthshire County Council
Date	July 2022
Version Number	2.0
Status	Draft
Review Frequency	Annual
Next review date	July 2023
Consultation	Strategic Leadership Team Performance and Overview Scrutiny Committee Governance and Audit Committee

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Introduction

The past five years have been challenging for public services throughout the UK. Monmouthshire has been no exception. The self-assessment which is the foundation of this report evaluates what we have done during this time and how we have done it.

Our direction was set by a corporate plan which covered the period 2017-22, setting a clear purpose and objectives to achieve this. The plan is available at www.monmouthshire.gov.uk/improvement. The diagram shows the relationship between our goals and those we work with partners on. Our activity reflects the ways of working and national goals established by the Well-being of Future Generations Act.



These were underpinned by our core values of teamwork, openness, fairness and flexibility. We recently added a fifth value of kindness, which was central to how we, and the communities in our county, have worked over the recent period.

During this time we have continued on our path of integrated working between health, social care and wider partners. We have developed approaches that are focused on keeping people well in their communities, reducing the demand on costly one-size-fits-all statutory services and instead focused on the needs and well-being of individuals. There remain challenges within the provider markets meaning that it can sometimes be difficult to procure the care that we need to support people to achieve their individual outcomes.

We have continued to invest in new schools with the £40 million Monmouth Comprehensive opening in 2019. While we still need to raise the attainment of pupils in receipt of free school meals, Estyn's most recent inspection concluded

that the authority had a clear vision for education, strong standards of well-being and a good track record of improvement.

During this time there have also been challenges. We have seen rising levels of homelessness, exacerbated by a shortage of affordable homes. We have made good progress reducing our carbon emissions by retrofitting our buildings with solar panels and introducing more electric vehicles, but we still have some way to go before we can achieve our ambition of being a net zero organisation.

We have delivered financial savings and operated within the financial budget set by council during each of the past five years.

During the past two and a half years some of our plans had to take a back-seat while we adjusted to the challenges of the pandemic. This period was covered by five interim strategies, covering different phases in our recent history, from full lockdowns, through re-openings and finally learning to live with the virus.

Our culture, values and use of digital technology meant we were rapidly able to transition to remote working when the country went into lockdown in March 2020 and were one of the first councils in the UK to introduce online Cabinet and Council meetings.

Early in the pandemic, we set a goal of ensuring that every person or family in crisis that we were aware of received support. This meant redeploying staff into front-line roles and drawing on an army of volunteers, many of whom were already working with us as a result of many years developing the *A County That Serves* approach, to provide services such as shopping and prescription deliveries.

We provided support to businesses throughout the year to help them through the challenges and uncertainty of the pandemic and issued over 6,500 payments of grants amounting to almost £40 million. We also worked with the NHS to deliver contact tracing, redeploying public health professionals to provide an efficient and cost-effective solution to slow the spread of the virus. In the latter stages of the pandemic our purpose evolved as we began to focus on re-opening and learning to live with the virus and the next phase in the evolution of our council and our county.

Our Self-Assessment

New legislation in Wales, the Local Government and Elections (Wales) Act 2021, requires councils to keep their performance under review through self-assessment, with the need to publish a report setting out the conclusions of the self-assessment once every financial year. This is the first self-assessment report of Monmouthshire County Council and looks back over the past five years with a particular focus on 2021-22

Effective self-assessment helps the council to continually learn and to achieve sustainable improvement and better outcomes for citizens, service users and its own workforce. This is focused on three questions:

- How well are we doing?
- How do we know?
- What and how can we do better


This is integrated with our annual reporting arrangements on the progress and impact we have made in meeting our well-being objectives, which is a requirement under the Well-being of Future Generations Act.

Self-assessment is a new requirement for Welsh local authorities and helpfully, comes at the start of a new council term allowing newly elected councillors to evaluate our recent history and use this to inform the direction we will chart, and the way we will work over the next five years.

Further details on the process of the self-assessment are in Appendix 2.

We welcome your views on this assessment along with any areas of our work that you think should be considered by the scrutiny committees that hold decision-makers to account, please get in touch:

 improvement@monmouthshire.gov.uk

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

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Our Conclusions

The self-assessment process has identified areas in which the council is progressing well and areas for development. In gathering the evidence, we have also identified some overall key conclusions to the question we asked through the self-assessment process:

- How well do we understand our local context and place and has this informed our purpose and priorities?
- How well are we achieving our agreed outcomes?
- How effectively are resources being used to deliver our priorities?
- How effectively does the council work with stakeholders and partners on agreed outcomes?

Place

We have a good understanding of our place and the people who live here, as evidenced by a wide range of assessments. This has informed our policy development and priorities and enables us to benefit from the incredible social capital that our county is blessed with, enabling place-based working that reduces the demand on statutory services. We have begun to develop more localised data in some areas of our work, such as poverty and inequality but we do not yet understand the lived experiences of all residents.

Outcomes

We have made good progress in delivering most of the outcomes set in the Corporate Plan 2017-22, which have contributed to the well-being of residents and communities. Over the past two years, some objectives were paused or scaled back as we re-purposed services to address the challenge of the pandemic. We successfully, and rapidly, adjusted our plans during this period, which helped us to meet our interim purpose of keeping residents safe and supporting those who needed our help. The contemporary policy challenges we face are complex and evolving, these include the rising cost-of- living, health inequalities and transition towards net- zero carbon. We have demonstrated an ability to adapt quickly but recognise that we need to do more to engage with our communities and ensure we can prioritise our interventions towards those in greatest need.

Enabling functions (Resources)

We have sound arrangements in place to enable and support service delivery. Officers have always delivered services within the budget set by Council, and we have not overspent in any of the last five years. Our estate has been rationalised to reduce the amount of money spent on buildings. We are implementing an extensive retrofit programme to lower our carbon footprint but recognise we have a long way to go to achieve our ambition to become a net zero organisation by 2020. We have adopted technology and flexible working approaches, that predated the pandemic. This has enabled us to evolve how we deliver services. The organisation has one of the lowest staff-to-resident ratios, which can create capacity challenges, particularly when we have to bid for external funding. Other challenges include developing a scenario based medium-term financial plan, although this will be aided by a three-year indicative budget settlement, and recruiting in sectors including social care, engineering and transport. We need to strengthen our use of data as one of the most important resources when planning our services.

Partnership

We have built and sustained valuable relationships with formal and informal partners across the UK to inform our thinking and learn from best practice. We have a legacy of effective partnership working across health and social care that dates back more than fifteen years and play a leading role in the Cardiff Capital Region. We are also becoming more involved in the Western Gateway. We were instrumental in the creation of a Gwent-wide Public Service Board and benefit from collaborations in key service areas such as ICT provision, procurement and education support. We need to develop our thinking and plan for the longer term working with Monmouthshire's community groups, residents and public service partners including capitalising on the potential to develop a closer relationship with Welsh Government.

Living our values

We are a values-based organisation. Long-standing values of teamwork, openness, fairness, and flexibility were recently supplemented by a fifth value of kindness, these values were evidenced throughout the pandemic. Supporting a workforce to act in accordance with these values is a vital part of our culture, promoting staff retention and recruitment.

The action plan details what and how the council will do better in response to the findings.

Understanding our local place

Public Services are facing a range of complex challenges including climate change, income and health inequalities, access to housing and transport. A clear and current understanding of the social, economic, environmental, and cultural well-being in Monmouthshire, is essential for the council to inform its purpose and priorities.

Local place

How well do we understand our local context and place and has this informed our purpose and priorities?

We have a good understanding of our places and the people who live here through a range of assessments and research including the well-being assessment, population needs assessment, and research for the Replacement Local Development Plan (RLDP).

The contemporary policy challenges that we need to meet, working with our communities, are complex and evolving. These include transitioning to net zero, tackling the determinants of health inequality, making sure our children do well, and social care reform. We need to ensure that our understanding of these in the county remains up-to-date and current to inform our priorities.

The organisation is outward-looking, building relationships with formal and informal community groups enabling the council to progress its priorities in collaboration, where appropriate. The networked approach is also evidenced through a variety of projects including being the lead authority on the Cardiff Capital Region InFuSe programme, which builds skills and capacity for innovative future public services.

Building on the social capital in the county a range of place-based approaches have been developed and services focussed on the strengths and challenges in a place. Place-based approaches have been developed and continue to evolve, including in social care and supporting volunteering. The 'Community Action Network' is another example of a targeted place-based approach.

The council has a track record of understanding local communities through Area Committees which have provided an interface between local and strategic issues. They have helped to shape major proposals in the area based on the local context of the place.

Evidence has been used to inform the development of the council's purpose, Corporate Plan and well-being objectives. Through the Coronavirus pandemic the council set a series of strategic aims, on plans on a page, that evolved based on the evidence of challenges of the pandemic. This ensured that the council had clarity of purpose throughout the pandemic and accountability for delivery.

There is a need to develop our thinking and ideas as we plan for the longer term. The involvement and participation of and engagement with Monmouthshire's community groups, public service partners, service users and residents will need to be strengthened to understand what matters, and to ensure programmes are bold and ambitious.

How do we know?	Area for development
Well-being Assessment Population Needs Assessment Replacement Local Development Plan research Cardiff Capital Region InFuSe programme Audit Wales Covid-19 learning project	Keep an up-to-date understanding of well-being, including participation of residents and service users. Develop thinking and ideas to plan longer term alongside Monmouthshire residents, community groups and public service partners.

Our Outcomes

The Corporate Plan 2017-22 contained five goals, the council’s well-being objectives, and 22 commitments, which focus on the longer-term future of the county and aim to address complex challenges, in line with the Future Generations Act.

The long-term nature of some objectives means that the effects of some activity may not be clearly demonstrable over short timescales, and some activity will have an impact over the longer term. In assessing each of our 5 goals, we have considered the extent to which:

- Our goals contribute to the achievement of the seven well-being goals identified in the Well-being of Future Generations Act
- We are taking all reasonable steps to meet them
- They remain consistent with the sustainable development principle, in particular, the five ways of working. More detail on the how the five ways of working are applied is provided in the progress on each goal later in this report.

It is important that the 22 commitments to action are not considered in isolation since they can affect each other and need to be considered in an integrated way. How they integrate with each other is shown in Appendix 1.

We have included the following icons in each commitment to action to illustrate their contribution to the Well-being of Future Generations Act goals:



Informed by the evidence gathered, we have assessed each of our goals and the aims we set in response to the Coronavirus pandemic on a scale of 1-6 based on the following principles:

Level	Definition	Description
6	Excellent	Excellent or outstanding – all performance measures have achieved the target set and all actions have been delivered
5	Very Good	Major strengths – a significant majority of actions and measures are on track. No more than one or two falling short
4	Good	Important strengths with some areas for improvement – the weight of evidence shows that the successes are greater than the areas that have not been achieved
3	Adequate	Strengths just outweigh weaknesses – the evidence of success marginally outweighs areas that are not on track. Some actions are behind schedule and some measures are falling short of planned targets
2	Weak	Important weaknesses – the majority of measures and actions have not been achieved
1	Unsatisfactory	Major weakness – in most areas, performance is assessed as moving in the wrong direction and the vast majority of actions have not been delivered

Goal A: Best possible start in life

WHY WE FOCUSED ON THIS?

Research shows that improving outcomes for children and young people relies upon a ‘life course’ approach i.e. each stage of life builds to the next. We aim to work with children, their families and communities, recognising everyone has strengths as well as needs. We will work across professions and agencies and will be led by data and evidence from emerging good practice.

As an organisation, we recognise the importance of well-being, and people’s safety and security as a part of that. We will promote safeguarding and ensure that it is everyone’s business and encourage active lifestyles for children and young people through a broad range of activities.

We will work to ensure that children and young people choose to attend school in the county. We will invest in all of our children’s learning and development, ensuring they have the environment, skills and support to flourish and be prepared for the work of the future. We want our children and young people to be industry ready, able to contribute locally and globally, to meet the demands of a rapidly changing world.

COMMITMENT TO ACTION

Evaluation rating: 4 - Good

THE COUNCIL INVESTS IN FUTURE SCHOOLS



How well are we achieving our agreed outcomes?	How do we know?	Area for development
<p>The council has built a brand new, state-of-the-art school in Monmouth, along with a newly renovated leisure centre on site. We are developing plans for a new through school in Abergavenny, which will accommodate pupils aged 3-19. It will offer wider community provision including two nursery schools, a Special Needs Resource Base and adult education. The council has invested £1.1m in Chepstow school, which has improved the learning environment for pupils, and the shared site is receiving a further £1m investment from MonLife, which will improve leisure facilities.</p> <p>This demonstrates the council’s commitment to invest in future schools and provide learners and residents with contemporary learning environments and modern leisure facilities, supporting both education and well-being.</p>	<p>MonLife impact</p> <p>School buildings</p> <p>Plans for the development of Abergavenny school</p>	<p>Provide further Welsh medium school provision</p> <p>Review of primary and secondary education estate in Chepstow</p>
<p>Estyn’s report into Local Government Education Services in Monmouthshire County Council concluded that the authority’s education service does not give cause for significant concern and identifies many strengths. No schools in Monmouthshire are</p>	<p>Estyn’s report into Local Government Education Services</p>	<p>Deliver improvements identified by Estyn.</p>



categorised in the lowest or red category by Estyn. The inspection did identify a requirement to improve outcomes for pupils eligible for free school meals, and a strengthened focus on increasing the number of pupils achieving excellent standards.

During the pandemic, the council implemented new ways of learning, including distance and blended learning approaches, which increased flexibility in provision and promoted collaboration between schools and other key partners. While there were challenges in consistently establishing this provision across all schools, it enabled learning to continue through periods when schools were closed to the majority of pupils. Attendance levels have been amongst the highest in Wales, particularly at primary level through the pandemic.

The council has increased well-being support for children and young people during the pandemic to try and mitigate the potentially negative impact of lockdowns and the disruption this caused. The longer-term effects on the well-being and mental health of children and young people needs ongoing support.

Monmouthshire schools have prepared well for the new secondary curriculum and schools will be ready to teach the requirements from September 2022.

The inability to provide school academic performance information in the last few years limits the ability to effectively evaluate progress and achievement in Monmouthshire schools.

The council has completed a review of school place allocations and secondary school catchment areas and as a result, the number of children choosing to attend school in the county has increased. Further reviews on catchment areas are needed to encourage more learners to gain their education within the county.

We have implemented a new Additional Learning Needs (ALN) Strategy, which is helping to build sustainable and resilient provision for pupils

School feedback during the pandemic

MCC Coronavirus strategic aims

School attendance data

School & Education Achievement Service (EAS) feedback

Respond to the longer-term effects of the pandemic on education and well-being of children and young people.

Evaluation of progress and achievement in Monmouthshire schools

THE COUNCIL CARRIES OUT A STRATEGIC EDUCATION REVIEW



School Access data

ALN strategy

Chief Officer Children & Young People Annual Report

Catchment area reviews

Implementation of ALN strategy and meeting increasing demands for support.

Development and support for school leadership.

**THE COUNCIL
 IMPLEMENTS A MODEL
 OF EARLY
 INTERVENTION AND
 PREVENTION FOR
 CHILDREN AND
 FAMILIES**



with additional learning needs. There is an increasing demand for support for children with additional learning needs, and this needs to be met. The council’s proposal to delegate the school action plus funding allows schools more flexibility around the support and funding available for ALN pupils.

The council has supported and developed the resilience of school leadership throughout the pandemic to provide the leadership that schools required in such uncertain times. Challenges remain to support school leaders to guide schools through remaining challenges and longer-term direction.

Children’s Social Services have implemented a co-ordinated approach to early intervention and prevention providing support to children and families who need it as soon as possible, and to ensure that the right help is provided at the right level of intensity. Evaluation and feedback of family support services indicates clear and positive outcomes for families. For example, during 2021/22, out of 140 families, 84% reported a positive outcome from the ‘early help’ intervention.

The council has implemented services to manage early identification and pre- and post-statutory children services intervention with families. There has been a significant increase in demand for these services in the last year, particularly due to the impact of the pandemic. The number of contacts for children not already in receipt of care and support received by statutory Social Services during the year increased from 4,329 to 5,776. Services are under pressure trying meet this demand and providing appropriate and timely support is challenging.

Services have developed and increased the support available for children, young people and their families through the pandemic, including within the school setting. This has provided additional support for well-being and mental health at a time of great uncertainty. There is a significant need for mental health and emotional well-being support, which has been exacerbated by the challenges many have faced during

Children’s services performance data	Capacity and arrangements to meet increased demands for early help and preventive services.
Director of Social Services Annual Report	Meet demand for mental health and emotional well-being support
Chief Officer Children & Young People Annual Report	
MonLife ‘impact page’ and data	

THE COUNCIL ENSURES PERMANENT ACCOMMODATION AND SUPPORT FOR LOOKED-AFTER CHILDREN



the pandemic, and this increased provision has contributed to dealing with the growing demand.

Despite disruptions due to the pandemic, MonLife has delivered sport and physical activity provision at leisure centres and schools across the county through a variety of schemes, such as the Monmouthshire Games. 899 children took part during 2021, and 99% said they would come back again. There has been a high level of participation within this programme, which has supported children and young people to be active, improving their well-being and contributing to a healthy lifestyle.

The council is supporting 208 children who are looked after (31st March 2022). The number has risen substantially in recent years but has recently stabilised, although it remains higher than the average of children who are looked after across Wales. Children’s Services have focused on working with families to support their strengths, manage risks and achieve good outcomes. There are 74 children in the Achieving Change Together team; during 2021/22, 81% were supported to remain at home, 91.5% have improved school attendance, and 100% reported increased family resilience. Some of the support to families was adapted during the pandemic, although direct care and responding to safeguarding referrals remained in place.

Nevertheless, the impact of the lockdown has meant that some families may not have received the support they needed to reduce harmful behaviours, abuse and neglect at an early stage. The potential risk that child welfare concerns were not recognised or referred early enough continues to be a contributory factor in the increased complexity of support required from Children Services and is an on-going pressure on the service.

The council is working with Foster Wales to run active campaigns to increase the rates of in-house foster carers to provide accommodation and support to children requiring it, which launched in September 2021. To date, the transition from local to national campaigns has not had the anticipated impact in Monmouthshire and no new foster carers were

Director of Social Services Annual Report	Meeting demand and increased complexity of support required from children services
Whole authority strategic risk register	Suitable and safe placements to support children requiring them.
Rate of children who are looked after	Foster carer recruitment

recruited during 2021/22. Overall, the number of in-house foster carers has increased over the last 4 years from 24 to 40. There is also a critical shortage of specialist fostering and residential placements, with considerable instability within the provider market, which could result in adverse outcomes and reduced well-being for children requiring support.

Well-being of Future Generations Act impact

Contribution of Council goal to Future Generations Act 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 long-term nature of this goal is intrinsic to its success. Working with and involving children and young people, as early as possible, to identify their needs will give them the best chance of achieving their maximum potential. Preventing problems before they start will provide our young people with the best chance to develop. By focusing on prevention, we will aim to reduce the number of children who rely on statutory services and should support them in a way that provides them with a better outcome. Using a collaborative approach and aligning services provides a rounded resource, with the right people in the right place at the right time. It also reduces duplication, avoids the need for multiple referrals and provides a complimentary methodology of care that works in harmony for the young person. Overall, this approach integrates the needs of our young people, ensuring they have the best opportunity to achieve their goals.

Measures of progress

Measure	Previous	Latest	Target	Comment
Percentage of children and young people at the end of KS2 in Monmouthshire primary schools who move to a secondary school in the county	82.3%	Not yet available	Increase	Latest is summer 2020 data
Percentage of pupils with a statement of special educational learning need who are educated in mainstream setting within the county	65.3%	66.9%	Increase	

Percentage of Year 11 leavers not in education, training or employment (NEET) ⁱ	1.4%	2.0%	1.0%	
Percentage of children who are looked after that experience non-transitional school moves	10.9%	5.4%	<10%	
Percentage of families supported by early help services who report being helped with what matters to them: Pre statutory Services Statutory services	i) 84% ii) 87%	i) 84% ii) Not available	Increase Increase	Pre statutory is early intervention prior to receiving statutory children's social services Statutory services are early intervention through prevention into care
Percentage of children placed with generic/kinship foster carers	41.3%	41.3%	Increase	
Percentage of pupils who take part in sport on three or more occasions per week ⁱⁱ	45%	Next survey 2022	Next survey 2022	Previous data - 2018 survey, Sports Wales. Next survey postponed to Spring/Summer 2022
Number of young people trained in the playmaker award	920	910	900	

Goal B: Thriving and well-connected county

WHY HAVE WE FOCUSED ON THIS?

Monmouthshire has the second highest number of businesses per head of population in Wales. It has a relatively low business start-up rate compared to the Wales average and that of the Cardiff capital region, however, the business death rate is also below average, and the five-year survival rate is comparatively high. Nevertheless, between 2014 and 2020, Monmouthshire saw only an 8.4% increase in the number of active enterprises, compared to an increase of 16.7% for the Southeast Wales Region and 13% for Wales overall ^{vi}. As the closest point for business relocation from England and in particular Bristol, post cessation of the Severn bridge tolls, we need to seize the opportunity to boost research and development capacity. We will develop a clear strategy that articulates our distinct strengths and goals for enhancing competitiveness, innovation and productivity.

We want Monmouthshire to be a place to be – not just a place to be from – so we will review our local development plan to ensure it is meeting our needs. The delivery of quality, sustainable and affordable housing will help to enable the retention of young people, helping combat ‘brain drain’ and managing the social and economic challenges associated with a rapidly ageing population.

We will tackle the barriers to productivity and focus sustainable infrastructure and connectivity. Externally, developing such foundations will enable businesses and community enterprises to deliver employment, growth and prosperity. This will enable businesses to look beyond our shores for customers. Internally, we will unlock the value of our own procurement spend, developing data-driven, enterprise and commercial mindsets and more innovative approaches to local market creation.

Evaluation rating: 4 - Good

COMMITMENT TO ACTION

THE COUNCIL DEVELOPS AND DELIVERS A NEW ECONOMY AND ENTERPRISE STRATEGY



How well are we achieving our agreed outcomes?

In 2019, we prepared the *Vision Monmouthshire 2040: Economic Growth and Ambition Statement*. This sets the economic ambition for the county and is supported by the Inward Investment Prospectus, which identifies and promotes suitable employment sites and premises.

We have established business support networks. These enabled better communication with the local business community and Chambers of Commerce. Attendees have benefitted from adoption of technology enabling more people to attend remotely. We have developed better knowledge of the county’s businesses from the work we did administering the COVID-19 business grants programme. This has enabled the council to work more closely and effectively with the local business community.

How do we know?

2019 Vision
Monmouthshire 2040:
Economic Growth and
Ambition Statement

Business support network participation

Businesses assisted by Monmouthshire Business and Enterprise Team and referrals to partners

Area for development

Build on the strong network and engagement platform to create a new business engagement model.

Enhance economic development services for businesses and build on the success of the Business Resilience Forum.

**THE COUNCIL
MAXIMISES ECONOMIC
POTENTIAL THROUGH
DELIVERING THE CARDIFF
CAPITAL REGION CITY
DEAL**



**THE COUNCIL DELIVERS
BETTER
INFRASTRUCTURE
CONNECTIVITY &
OPPORTUNITY**



We used the Business Resilience Forum to unite businesses during the pandemic and there is potential to learn from this approach to improve how we engage with other groups. We established employment fayres to bring local employers together with those seeking employment opportunities.

We produced an Apprenticeship, Graduate and Internship strategy and appointed a coordinator to lead this work. They have promoted careers with the council resulting in ten apprentices being recruited, along with four graduates. Alongside this, we have used the Kickstart scheme to help 39 young people into employment.

Monmouthshire has secured investment and funding through the Cardiff Capital Region (CCR) city deal. This includes Metro Plus funding for the Severn Tunnel junction car parks and £5m from the Housing Site Investment Fund. Investment in the Cardiff Capital Region will benefit the economy in the whole area, including Monmouthshire.

Generally, there is a lack of understanding around regional governance structures. Consequently, there is a risk that scrutiny of funding mechanisms and their associated benefits is not as effective as it could be; this is an area that requires development.

The council has invested in Severn Tunnel Junction, Abergavenny and Chepstow stations to improve transport links and accessibility to public transport for visitors, residents and businesses.

We invested £3m in 2021/22 to develop new active travel routes and enhance existing routes. It is anticipated that this will encourage residents and visitors to consider alternative forms of transport. We have submitted almost £8m of grant applications to continue the existing schemes in Abergavenny, Caldicot and Monmouth.

We have produced a Highways infrastructure plan. This includes a three-year forward programme for resurfacing, to improve the condition of roads.

Cardiff Capital Region City Deal reports	Improve communication on the benefit and impact of the CCR city deal, and other regional governance structures
Road condition performance indicators	Implement the Highways Infrastructure Plan
Digital deprivation rate	Use updated digital deprivation data to target solutions to areas suffering poor connectivity.

THE COUNCIL PROVIDES MORE OPPORTUNITIES FOR LOCAL LIVING, WORKING & LEISURE



Digital infrastructure works have not been progressed at the pace intended because of the pandemic. The latest reported digital deprivation rate still stands at 12.5%. We are reviewing 5,600 premises with poor broadband, with the possibility of Altnets supplying services. However, 2,400 premises still have no potential suppliers available.

In 2018, we worked alongside the Cabinet Office to encourage technology companies to develop digital solutions to rural transport. Although, it has faced delays due to the pandemic, our partner, Transport Design International, has developed a digital transport platform, which includes a journey planner, provides access to demand responsive transport and community car scheme bookings, and a secure lift-share scheme.

All of the LDP strategic sites in the last LDP have planning permission, are under construction or complete, with the exception of part of the Wonastow Road site and part of the Vinegar Hill, Undy site which are yet to obtain planning permission. One site in Wyesham has also been held up by phosphate levels in the Wye.

We have reviewed The Local Development Plan and determined that Monmouthshire needs a replacement LDP. We started work but this has been delayed, largely because of the pandemic and publication of the updated/corrected WG population and household projections. The current LDP ran until 31st December 2021; it will remain the principal development plan for decision-making purposes until the adoption of the RLDP. This does not change the urgent need for the council to make timely progress on its RLDP and to adopt it as soon as realistically possible to address key issues and challenges, and to meet the future needs of the county.

We adopted the Usk Town Improvement in December 2021 and established a steering group to oversee its implementation.

We are continuing to deliver projects identified in the 2018 Caldicot Town Centre Strategy and Action Plan and engaged residents on designs for the town centre and Newport Road West.

RLDP progress reports	Address the relationship between a shortage of business sites and low business start-up rates in the county linked to the restrictions in the RLDP (challenge from WG).
Usk Town Improvement Plan	
Caldicot Town Centre Strategy and Action Plan	

THE COUNCIL UNLOCKS ECONOMIC VALUE OF ITS SPENDING POWER



Work began in early 2022 on the development of a Placemaking Plan in Chepstow, with further engagement planned for later in the year. The council has worked with residents and stakeholders on regeneration proposals for Monnow Street in Monmouth, and a Placemaking Plan for the town is expected to be developed in 2022/23.

We entered a collaboration with Cardiff Council to provide the council's procurement services. The focus is to keep the council's pound within the county boundaries and its neighbouring authorities, whilst ensuring compliance with the procurement rules and regulations. We have begun projects to encourage local businesses to compete for authority contracts. Our tender processes now focus on social value as well as cost.

The council is developing objectives for its Procurement Strategy from 2022 onwards. Additional resources are required to develop actions, performance indicators, and to establish ownership to increase the accessibility of procurement opportunities to SMEs and the third sector. The strategy needs to be disseminated throughout the organisation to ensure the measures and metrics are adopted.

Procurement strategy

Broaden the organisational understanding of the power of the local pound, and how it can benefit local businesses.

Training will be provided to inform technical officers of their role in understanding local markets and where possible, promote more local spend

Well-being of Future Generations Act impact

Contribution of Council goal to Future Generations Act 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
✓	✓	✓	✓	✓		✓

This goal is aimed at the **long-term** viability of Monmouthshire as a thriving place to live, work and visit. The City Deal is one example where we work **collaboratively** with neighbouring authorities to maximise opportunity. Keeping Monmouthshire thriving and well-connected promotes **integration** and impacts on the social, economic, environmental and cultural well-being of the county. This requires **collaboration** with local businesses and other organisations, and **involvement** from the local community to maximise opportunities. Considering the global well-being of Wales is also important and this goal focuses on ensuring decisions are made with future generations in mind and takes a preventative approach to enable the retention of young people.

Measures of progress

Measure	Previous	Current	Target	Comment
Gross Value Added (£ per head) ⁱⁱⁱ	£21,458	Not available	Increase	Gross Value Added estimates the total output of an economy. Previous data is from 2020
Difference in average pay between men and women ^{iv} :	£53.00	£146.00	Reduce pay difference	Average weekly earnings for employees working in Monmouthshire. Current is 2021/22. Data for the previous two years, 2019/20 and 2020/21, significantly lower than recent years' trends.
Men	£583.50	£615.20		
Women	£530.50	£469.20		
Average weekly earnings of people who work in Monmouthshire ^v	£574.90	£556.60	Increase	
Number of active business enterprises in the county ^{vi}	4240	4200	Increase	Data is recorded on a calendar year basis; current is 2020 data
Number of businesses assisted by Monmouthshire Business and Enterprise Team and referrals to partners	6478*	88	75	* Previous year figure relates to total number of support payments made to businesses, including support grants during Covid-19
Total income generated from tourism ^{vii}	£81.16 million	Not yet available	10% increase by 2020	Data is recorded on a calendar year basis; previous is 2020 data. The original target set in the corporate plan has since been impacted by the pandemic.
Number of market and affordable housing units built	419 (of which 71 affordable)	361 (of which 35 affordable)	488	
Number of premises with access to high-speed broadband through the Superfast Cymru 2 scheme	549	618	2113 (over 3 years)	Current is from June 2021. (This is a cumulative figure and includes the 549 from 2020/21)
Number of white premises gaining access to high-speed broadband	970	1095	0 white premises	Includes the 618 premises provided with access to high-speed broadband through WG's Superfast Cymru 2 programme as of June 2021 (This is a cumulative figure)

Goal C: Maximise the Potential of the natural and built environment

WHY HAVE WE FOCUSED ON THIS?

Monmouthshire has a spectacular natural environment, a unique heritage value and a culturally rich identity. We believe that necessary growth, development, and expansion of our place need not compromise our distinctive offer – indeed, it should complement and enhance it. As an agricultural and food-producing county, we recognise the moral and economic impetus around reducing food waste and the impact on greenhouse gases. We support the principles of the ‘circular economy’ and the recycling and restoration of goods and want to work with businesses and organisations that subscribe to these too.

We have declared a climate emergency and are committed to delivering the strategy and action plan to reduce the council’s carbon emissions. We will maintain the internal corporate systems, policies and asset management plans that emphasis carbon reduction, energy resilience and a green council culture. Connected to this, we will safeguard the wider environmental interests of our rural communities through developing multi-agency approaches to road safety.

We will continue to recognise the value of our culture and heritage in enhancing the livability of our county. We will work with partners and communities to enhance our high quality recreational and cultural facilities to provide opportunities for people to learn, develop and enjoy themselves, and help to attract the talent which is key to driving a strong economy.

COMMITMENT TO ACTION

Evaluation rating: 3 - adequate

THE COUNCIL DEVELOPS & DELIVERS A SUSTAINABLE PLAN FOR ENHANCING THE LOCAL ENVIRONMENT



How well are we achieving our agreed outcomes?	How do we know?	Area for development
<p>The council has implemented nature recovery plans that enhance wildlife, insects and plant species in the county. These include Nature Isn’t Neat and the Local Places for Nature Programme, which encourages habitats for wildlife, and a tree planting programme, which has seen 6,274 trees planted during 2021/22, taking the total to 14,630 since 2019. Residents are encouraged to engage with these campaigns and feedback has been positive. A large number of trees infected with ash dieback are being removed. We are seeking the views of residents on the current projects underway to enhance the local environment.</p> <p>We work effectively in partnership to deliver programmes that support nature in the county. These include the Wye Valley AONB, Living Levels, Gwent Green Grid Partnership and the Monmouthshire and Newport Local Nature Partnership. The council is leading the Gwent Green Grid Partnership, which is working with other Gwent Public Service Board partners to deliver its commitments. The partnership has planted trees, engaged local</p>	<p>Nature recovery plans</p> <p>Area of Managed Grassland plan</p> <p>Number of trees planted</p> <p>The Gwent Green Grid Partnership and the Monmouthshire and Newport Local Nature Partnership</p>	<p>Explore public perception of the plans underway to enhance the local environment</p> <p>Integrate nature recovery and decarbonisation programmes for maximum impact</p>

THE COUNCIL WILL DEVELOP AND IMPLEMENT CLEAR PLANS TO REDUCE ITS CARBON EMISSIONS TO NET ZERO BY 2030 AND WORK WITH COMMUNITY GROUPS TO REDUCE EMISSIONS ACROSS THE COUNTY AS A WHOLE



communities to promote a pollinator friendly approach to grassland management and delivered landscape and green infrastructure works in the local area supporting communities with the range of health and well-being benefits they bring.

We have implemented Green Infrastructure projects that deliver pollinator friendly management and access improvements. We have raised residents' awareness via nature learning events and activities, and provided grants for community groups to run projects, including barn owl nest boxes, help for hedgehogs, bat activity monitoring, and orchard biodiversity enhancement. The integration of nature recovery and decarbonisation needs to be strengthened at all scales to maximise the progress and impact they have on the local environment.

Council declared a climate emergency in May 2019 and has developed a climate emergency strategy and action plan to respond to this. The action plan was updated in 2021, informed by extensive community engagement and the latest evidence, including the impact of the coronavirus pandemic, ensuring actions remain up to date. We have made good progress on some of the actions in the plan. We have baseline carbon emissions data for 2019/20 and 20/21, but there is not enough detailed understanding about the extent to which some of the actions in the plan reduce emissions to understand the precise impact some of the work we are undertaking is having. This makes it difficult to ensure activity and resources are focused in the right areas.

The council has developed or improved 15 active travel routes that allow residents and visitors to use walking or biking as a means of travel. £3.9m has been awarded for 11 strategic and 3 core active travel projects. A digital tracking system is being trialled to monitor active travel participation, and increased levels of public-facing information is being shared, such as an updated website and active travel maps, to support modal shift.

The authority has 26 ultra-low emission vehicles but does not yet have the infrastructure to fully decarbonise its fleet. Progress is limited by grid

Climate Emergency Strategy and Action Plan	Understanding carbon emission and focus of resources
Active travel funding and monitoring	Increasing amount of waste being generated in the county and move to net zero waste.
Playmaker Programme, Make Your Mark Surveys and Engage2Change	Better understanding of who is working to address river pollution, and how the council can contribute to addressing the river phosphate levels. Also need to understand the impact on development plans
Recycling rates	Incorporation of climate and decarbonisation into strategic procurement collaborations

capacity and the lack of availability of suitable electric vehicles for our rural county. An electric vehicle strategy and action plan is being developed.

We have established reuse shops and are effectively supporting the circular economy in the county and contributing to reducing waste. We are engaging and educating young people on climate change through projects such as the Playmaker Programme, Make Your Mark Surveys and Engage2Change, and enabling them to take positive action themselves.

The council is meeting Welsh Government recycling targets, due to resident participation in recycling and changes to support a move from the use of civic amenity sites to kerbside collections. 68.99% of waste was reused, recycled, or composted in 2021/22, which puts us in line with Welsh Government targets. The total amount of waste generated in the county has increased above 2020/21 pandemic figures but remains lower than pre-pandemic 2019/20 tonnage; this will need to be monitored. We have implemented changes to the garden waste collections process successfully and as a result, reduced the subsidy required by the service.

High levels of phosphates have been measured in two of the county's rivers associated with agricultural runoff and sewage affecting water quality in these areas. This could have significant implications for the progression and implementation of the Replacement Local Development Plan (RLDP).

The council is developing its Procurement Strategy for 2022 onwards. We need to focus on the importance of making sustainable procurement decisions that have a positive impact on the environment as well as the economy, and this will have an important role to play in reducing the council's carbon impact.

**THE COUNCIL KEEPS
ROADS AND AREAS
SAFE**



The Council has implemented 12 20mph road schemes across the county to help make town centres safer and to contribute to the implementation of the active travel initiative. Other road safety initiatives being implemented include pilot school street closures during drop off and pick up times, and the Green Cone Scheme, which is a Welsh Government initiative to help keep school children safe as they arrive at and leave the school grounds. Resident

20mph have been implemented

Communication with residents on the benefits of the 20mph scheme

THE COUNCIL ENHANCES LOCAL HERITAGE AND DEVELOPMENT OF ARTS AND CULTURAL SERVICES



feedback suggests a mixed response to the new 20mph zoning scheme. We will need engage further with road users.

Monlife have focused on staff training to build knowledge and confidence of the different heritage sites across the county. Staff are now working together across sites to create a better experience for visitors by bringing consistency into the breadth and quality of information held about each heritage asset. Since MonLife’s inception in January 2020, 300,000 visits have been recorded to heritage attractions, and over 53,000 visitors have been welcomed to Monmouthshire museums.

We are developing an overarching five-year Heritage Strategy and action plan to bring structure and concise direction for development across all heritage assets and services. Audience Data Capture needs development, as an important tool in understanding how the heritage and arts are meeting the expectations of visitors, and in shaping the future provision.

We have invested in the Borough Theatre, including external funding, to ensure it is an accessible, professional, artistic amenity that, alongside the recently refurbished library, community learning space and market, provides an exciting and realistic cultural focus. The £1m refurbishment work has been a significant undertaking and is on schedule for completion in October 2022. It will enable the theatre to provide quality customer service and experience, whether presenting international performers, local community groups or a primary school celebration. It will be flexible to the needs of our audiences, visitors, and artists to enjoy performances, participatory arts sessions, and arts encounters in a number of different ways.

MonLife Impact webpage

Longer term planning and improved feedback loops to understand what visitors want.

Well-being of Future Generations Act impact

Contribution of Council goal to Future Generations Act 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
✓	✓	✓		✓	✓	✓

Monmouthshire is a beautiful place, with a stunning natural and built environment. We have a collective responsibility to ensure this is available for future generations to enjoy so our plans must be focused on the long-term and look to prevent problems from occurring in years to come. Involvement is required with partners and communities to maximise the potential of the environment within the county. Working in collaboration with organisations who can enhance our environment will provide expertise in all aspects of our work, for example this will allow us to trial the latest technologies in renewable energies and hydrogen. Creating a prosperous, healthy and resilient area for people to enjoy demands the integration of this objective as the environment within Monmouthshire forms such an important part of achieving a range of goals.

Measures of progress

Measure	Previous	Current	Target	Comment
Percentage of waste reused, recycled or composted	68.88%	68.99%	64.0%	Current is provisional 2021/22
Tonnage of waste collected	40,098	43,586	Decrease	
Average number of days taken to clear fly-tipping incidents	5.55	4.69	<5	
Percentage of streets that are clean	Not available	98.8%	97.5%	
Percentage reduction of council carbon dioxide emissions	Not available	Not yet available	Net zero by 2030	
Capacity of renewable energy in the county driven by the council	Not available	Not yet available	Increase	
Levels of nitrogen dioxide (NO ₂) pollution in the air (µg/m ³) ^{viii}	8	8	Decrease	Current is data from 2019
Number of trees planted	7790	6274	10,000 (by 2022)	Target exceeded
Number of new active travel routes	13	15	12	
Number of rural communities in which speed safety initiatives are supported	6	12	Increase	
Percentage of roads in poor condition:				
A roads	2.7%	Not yet available	<3%	
B roads	5.2%	available	<5%	
C roads	7.7%		<8%	
Total amount of Rural Development Plan funds committed to projects in Monmouthshire	£96,428	£124,506	£1,224,850 (Aug 2022)	Total RDP funds committed: £1,214,850

Goal D: Lifelong well-being

WHY DID WE FOCUS ON THIS?

Developing well-being and adopting community-focused approaches is about changing practice and lives. The Corporate Plan 2017-22 committed to the personalisation of care and true collaboration with people who had care and support needs and carers.

Making deep relationships the norm is challenging but we believed it was the right thing to do. Developing really effective partnerships and supporting individual family and community resilience was key to this.

Creating good social support systems relies on more than just the economic and wealth creation aspects of our work. We worked to create prosperity for all, which meant taking into account economic and social well-being.

The focus of this goal was social justice, addressing inequalities and improving outcomes for the county's people and communities. We set out to cultivate social capital and promote access to opportunity, and in so doing, work towards better physical and mental health and social care outcomes. Our approach took a strengths-based approach to encourage independence, self-care, support, learning, and engagement.

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COMMITMENT TO ACTION

Evaluation rating: 3 - adequate

THE COUNCIL ENABLES CONNECTED AND CARING COMMUNITIES SUPPORTING PEOPLE TO LIVE INDEPENDENTLY



How well are we achieving our agreed outcomes?

The council is developing place-based approaches to support people's well-being. We work with partners across the health and voluntary sectors, including through the Integrated Services Partnership Board, to build networks that enable people to connect with groups and activities in their local community maintaining their well-being, reducing the likelihood of them requiring formal services. An example of this is the *Early Help Panel* within Children's Services or *Community Conversations* in Adult's Services, which help ensure people have access to the right help before needs and vulnerabilities escalate. We take the approach of prevention and de-escalation at all levels of need, for example, the Community Nights Service, which has reduced calls for ambulances and helps to support people living in their own homes and communities for longer.

How do we know?

Director of social services annual report
 Social Services service user questionnaire
 CIW Assurance Check (Feb 2021)

Area for development

Develop a sustainable care sector to meet ongoing demand and achieve people's personal outcomes.
 Build on the 'Turning the World Upside Down' model to increase place-based/locality approaches to care provision

Despite this, we have seen increased demand for services. Some of this is attributable to the effect of lockdown as people experiencing reduced confidence and physical frailty. This is compounded by the challenges we have experienced across social care in the last decade. These include reduced funding; difficulties recruiting; increasingly complex needs and on-going challenges at the interface of health and social care.

The demand and complexity of support in Adults’ Services has increased over recent years. Due to the fragility of the social care market, the number of providers leaving the market, and a lack of care staff, there are delays in provision. Access to care and support is not always timely, and at times, our weekly unmet need within home care has reached 2000 hours.

Social Services provided advice or assistance to 4,215 adults who were not already in receipt of care or support during 2021/22. This was over 250 more than the previous year indicating increasing levels of demand. Similarly, Social Services provided 3,379 children not already in receipt of care and support with advice or assistance, an increase of almost 680 on the previous year

87.9% of adult social care survey respondents who were asked about their care and support felt that it met their needs. During 2021/22, 240 packages of reablement were completed allowing people to live independently in their homes. Of those, over 50% did not require any further support indicating they had been successful in preventing higher levels of dependency, which is a reduction from the previous year.

THE COUNCIL WORKS COLLECTIVELY TO DELIVER ON SOCIAL JUSTICE, ENABLING PROSPERITY AND REDUCING INEQUALITY BETWEEN

The council has developed a Social Justice Strategy which includes action plans on Tackling Poverty and Inequality, Food Development and Homeless Transition. Despite our efforts, there will be points in people’s lives at which they experience financial hardship. We have undertaken extensive data analysis and qualitative research and now have a far better understanding of inequality at a local level and how the affects people’s lives. We have begun to develop interventions in response to this analysis and need to implement these and evaluate the impact.

Social Justice Strategy
MCC Coronavirus Strategic aims
‘Money Matters’ web resource

Develop interventions based on what our analysis is telling us and track the impact of these programmes of work

The requirement for suitable accommodation for homeless people, including specialist

COMMUNITIES AND WITHIN COMMUNITIES



Homelessness is a significant challenge in the county, with the number and type of homeless accommodation unsuitable to meet demand. We have worked with housing association partners to make additional social housing available for homeless households, and the proportion has increased from 38% in 2020/21 to 47% in 2021/22. We have remodelled housing support to include high-need accommodation for young people, dedicated substance misuse support, temporary accommodation support and re-settlement support. We have also expanded private sector accommodation under the Monmouthshire Lettings Service.

There remain challenges that need to be addressed including the lack of temporary, supported and permanent accommodation, and the need to introduce either new support schemes or expand existing schemes for homeless applicants, particularly in respect of young people and those with mental health and substance misuse needs. Support is needed for those households in temporary accommodation, which there are currently 191.

We have created The Community Action Network which is a targeted place-based approach with a new focus on 'Participatory Budgeting' and maximising the inclusivity of marginalised groups. These networks provide vital support to communities.

The council has established a 'Money Matters' web resource and associated campaign, in partnership with other providers across the county. This provides information and advice on the cost-of-living and in the first six months of the year, the site received over 1,600 visitors.

We have developed a network of community volunteers through the *A County That Serves* and Be.Community Programmes. This is built on a foundation of existing social capital and meant we were rapidly able to mobilise volunteers during the pandemic. They provided support such as connecting shielding people with others who could help with shopping or collection of prescriptions. There are currently 538 active

provision for those with additional needs

THE COUNCIL ENABLES BETTER LOCAL SERVICES THROUGH SUPPORTING VOLUNTEERS AND SOCIAL ACTION

Be. Community programme

Connect Monmouthshire

Volunteer Kinetic system

Continue to work with volunteers to ensure social capital supports community well-being



**THE COUNCIL BOOSTS
LEISURE, RECREATION
AND WELL-BEING**



volunteers registered on the volunteer database, all actively linked to a volunteering opportunity within the county.

Our Monmouthshire

The Be.Community learning and development programme for volunteers has run 19 courses attended by 294 volunteers, with a further 10 bespoke courses provided to meet specific group needs.

The council has made significant investment to improve the leisure offer in Monmouth, Abergavenny and Chepstow. We have made a resubmission to the Levelling-Up fund, with plans to invest in Caldicot Leisure Centre. There have been 863,000 visits to the four Active leisure centres since MonLife’s inception in January 2020. Leisure services lost 40-45% of members through the pandemic, but this is recovering through ongoing targeted promotions and campaigns to encourage people back to our sites. In April 2022, memberships were around 85% of pre-pandemic levels.

MonLife ‘impact page’ and data

Use and participation in leisure facilities

Leisure services memberships

Monitor active travel usage to determine who uses it in order to make targeted improvements

Promotion of the outdoor education service, and its benefits for young people

MonLife has created a range of programmes to support active lifestyles for children and young people in the county, and to enhance the well-being benefits it brings. 423 children were supported through the Food and Fun Programme, which makes children more active, improves their diet, and helps parents meet the costs of school holidays. The Shift project has offered non-clinical support to 170 young people aged 11-25 in Monmouthshire who are experiencing issues which are impacting on their mental health and/or emotional wellbeing. 90% perceive an improvement in their mental health/emotional well-being.

Integrated approach to sport development, youth service and play to ensure a coordinated offer and support for children and young people’s wellbeing

MonLife recognises the importance of the outdoors in boosting leisure, recreation and well-being. We have improved active travel through the year with considerable investment, but we need to identify who uses our active travel routes in order to continue to improve them. Following the closure of outdoor education services during the pandemic, we have reopened all facilities to full capacity. During 2021/22, the service provided outdoor learning to elected home-educated young people and held disability-specific outdoor education sessions.

The National Exercise Referral scheme was impacted by the pandemic and the restriction on face-to-face meetings. We provided live stream classes online and pre-recorded classes on Monmouthshire's customised Fitness and Health app. The digital solutions have proved so successful that we have kept them for both consultations and classes, despite returning to face-to-face delivery. This has been most advantageous for clients who are reluctant to return to the leisure centres. Of the 2021/22 referrals, 70% reported an increase in fitness and 64% reported a lower BMI/weight loss.

Well-being of Future Generations Act impact

Contribution of Council goal to Future Generations Act 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
✓	✓	✓	✓	✓		

Adopting community-focused approaches promotes **collaboration** which in turn will support well-being. By working with communities, we hope to **prevent** problems from occurring. Opportunities are plentiful in our county, so it is vital that everyone is able to be **involved** to maximise benefits to well-being. This should have a **long-term** benefit to individuals and communities. Our actions will have an **integrated** benefit for many aspects of the act, promoting a prosperous Wales, a more resilient and a healthier Wales. They will promote a Wales of cohesive communities and overall, help to create a more equal Wales. There is also strong integration with our responsibilities under the Social Services & Well-being Act.

Measures of progress

Measure	Previous	Latest	Target	Comment
Old measure: Percentage of people living independently at home 6 months after reablement			75%	
New measure: percentage of packages of reablement completed during the year which mitigated the need for support	58.8%	50.8%	Increase	
Percentage of adult services users who are happy with the care and support they have had	89%	87%	90%	
Percentage of adult services users who feel they are part of their community	52%	51%	Increase	

Percentage of people living in households in material deprivation ^{ix}	10%	Not available	Decrease	National survey for Wales indicator; data from 2019/20
Percentage of people satisfied with their ability to get to/access the facilities and services they need ^x	Not available	88%	Increase	National survey for Wales indicator, 2020/21
Number of volunteers directly supporting Monmouthshire County Council	1072	538	Increase	Previous year not directly comparable to current. New methodology for data capture to improve accuracy and transparency
Percentage of people participating in sport 3 or more times a week ^{xi}	36%	Not available	Increase	National survey for Wales indicator; data from 2019/20
Percentage of people participating in the exercise referral scheme still active after 16 weeks	Not available	52%	>50%	

Goal E: Future-focused Council

WHY HAVE WE FOCUSED ON THIS?

Our operating environment is a changing and challenging one. Demographic shifts, increasing demand and fiscal uncertainty all require an understanding that 'business as usual' is no more. We will continue to rapidly adapt, develop foresight capability and enable the service changes and countywide transformations that best meet the aspirations of our communities. This outward-facing approach will mean reducing the reliance on traditional public services and having more genuinely collaborative local relationships. Digital will feature strongly in this, allowing 'fit for future' service models and enabling the sharing of approaches and resources to addressing crosscutting problems.

Our goal is to continue to build an engaged, responsive and adaptive council, able to provide effective leadership, in collaboration with other local partners. We will develop and sustain a dynamic, healthy and rewarding work environment that develops, attracts and retains top talent and enables them to perform at their best.

Good governance will be at the heart of what we do, and we will ensure that the right information gets to the right people to inform decision-making. We will integrate a service focus into all dealings with customers and ensure they are well informed and engaged in decision-making. We understand the best public servants see themselves as not working for the council but for the county.

COMMITMENT TO ACTION

Evaluation rating: 4 - good

COUNCIL ENABLES AND PROVIDES GOOD SUSTAINABLE LOCAL SERVICES WHILST DELIVERING AN EXCELLENT CUSTOMER EXPERIENCE ACROSS ALL CHANNELS



How well are we achieving our agreed outcomes?	How do we know?	Area for development
<p>The council has developed digital channels that have increased the ability for customer requests to be addressed. These include the development of a Welsh and English bilingual Chatbot that is enabling contact 24/7 on a broad range of subjects, the first council chatbot in the UK. The My Monmouthshire app is enabling customers to arrange the services they need more easily at a time of their convenience.</p>	<p>Chatbot and My Monmouthshire App data</p>	<p>Improve self-service capabilities and reduce telephony reliance by customers</p>
<p>The Council increased resource at the contact centre during the pandemic, which met the increasing demand for customer services, particularly while face-to-face service delivery was closed.</p>		
<p>A customer service review has been established to review how to meet customer service demand efficiently and effectively and the integration of the Councils' processes and systems to respond.</p>		
<p>The Council has implemented live streaming of democratic meetings and provides all meeting papers on its website. This has increased the transparency of democratic arrangements for our residents. Arrangements were adapted quickly and effectively</p>	<p>Democratic meeting minutes</p>	<p>Public participation in scrutiny and decision making</p>

COUNCIL OPENS UP DEMOCRATIC ENGAGEMENT &

COLLECTIVE DECISION-MAKING



during the pandemic allowing all council meetings to operate remotely, allowing democratic scrutiny and decision making to continue. Learning from the arrangements during the pandemic, we have now implemented hybrid meeting technology, accommodating both remote and physical attendance at meetings.

We have recently reviewed our scrutiny arrangements following a self-evaluation and have established four new role-based scrutiny committees in place of the existing committees. Two of the new committees play a key role in engaging the public in developing policies, shaping services and reflecting the public voice to decision makers in advance of decisions being taken. In addition, we have revised our Public Open Forum process to enable the public to attend meetings in person or remotely, and to submit representations to scrutiny committees by video, audio or in writing. We have a Scrutiny website that provides clear accessible information to the public on the role of scrutiny and advises how to get involved.

More needs to be done to increase public participation in scrutiny. A wide-ranging piece of work has been commenced for a wholesale review of all engagement with a view to the production of the council's Public Participation Strategy as required by the Local Government and Elections Act 2021.

The council has carried out a range of engagement and consultation exercises to seek the views of local people, including on subjects such as financial arrangements, active travel routes and well-being. The council must develop its thinking and ideas as it plans for the longer term. The involvement and participation of, and engagement with, Monmouthshire's community groups, public service partners, service users and residents will need to be strengthened to understand what matters, and to ensure programmes that are agreed meet needs in the county.

and agendas website.

Involving Monmouthshire residents, community groups and public service partners in longer term planning.

THE COUNCIL DELIVERS A SUSTAINABLE AND RESILIENT ORGANISATION AND RELEVANT, VIABLE AND VALUED PUBLIC SERVICES

The Council's financial planning arrangements have enabled it to continue to resource services, monitor spend and agree budgets for forthcoming years. The pandemic has had a significant effect on the council's finances, with additional costs and loss of income. The authority made claims to Welsh Government who have provided a significant level of funding through its COVID Hardship Fund to cover these costs. For 2021/22, the council has delivered a positive revenue outturn of £5.62m and that has been brought about significantly by specific WG grant funding. This in turn has allowed for a transfer to earmarked reserves of £4m that will allow for additional reserve cover

Financial reports
Commercial strategy

Financial planning with the uncertainty of pressures facing the council and residents

The rising cost-of-living and impact on residents.



to deal with budgetary risks in 2022/23 and beyond. A robust budget setting process enabled the Council to agree a balanced budget for the forthcoming year, 2022/23.

The pandemic has also significantly affected the council’s medium-term financial planning. This medium-term financial plan needs to be developed, reflecting realistic and accurate funding requirements, to allow a structured and planned approach to service delivery in the medium term, in line with corporate priorities and responsiveness to challenges, such as the cost-of-living.

We have worked hard to ensure help and support is provided to vulnerable households, whilst also working to ensure that council tax collection rates are maintained within expectations. The 2021/22 collection rate is 97.4% and was 97.8% prior to the pandemic. Examples of support include ensuring claims for benefits/Universal Credit were processed quickly; awarding Discretionary Housing Payments; ensuring households are claiming all eligible reliefs for their council tax; and agreeing flexible payment plans for any council tax arrears. We have developed or built systems and processes to ensure the timely payment of Welsh Government support including Winter Fuel Payments, Self-Isolation Payments and Business Support Grants.

The council has developed and is implementing a Commercial Strategy, which has generated income to support services and developed an approach to commercialising assets and creating a commercial culture and ethos. Through the strategy, an investment portfolio has been built on. We have adjusted our commercial risk appetite to take account of the pandemic and uncertainties in the investment and property markets at this time. Going forward, we will need to focus on a commercial approach being taken to enable the policy aims and ambitions of the council to be delivered.

THE COUNCIL PUTS PEOPLE AT HEART OF ALL IT DOES AND INSPIRES EXCELLENCE IN WORKPLACE AND EMPLOYEES

The council has created networks and arrangements for staff feedback that are being used to shape the organisation’s focus, direction-setting and staff support. Arrangements have been adapted and maintained that were implemented through the pandemic to support staff communication and wellbeing, this includes the regular all staff forum the ‘Digital Cwtch’ and People Leader Question & Answer session, which hosts an average of 30 leaders on a weekly basis. The feedback from these sessions demonstrates they are valued support mechanisms for staff. People’s Question & Answer sessions have been held, allowing people services colleagues to meet with over 500 members of staff across all directorates. There has been a reduction in casework

People strategy	Updated People strategy
	Recruitment system and arrangements
	Training and development system implementation and offer



because proactive mechanisms are being encouraged and facilitated throughout the organisation.

Throughout the pandemic, the workforce adapted quickly and effectively to continue to deliver services to residents, visitors and businesses in the county. We are reviewing and adjusting working arrangements, informed by the learning and feedback during this time. For office-based staff, we have established a desk-booking system and collaborative working areas enabling staff to choose to work where they feel most comfortable. The People Strategy needs to be updated incorporating the learning from the pandemic to set the direction and activity to support and develop staff.

We have adjusted recruitment arrangements, with a focus on flexibility and individualisation. This has led to successful recruitment campaigns in some service areas. Recruitment challenges remain, partly impacted by national skill shortages, and learning and arrangements need to be shared and developed consistently throughout the organisation.

The organisation’s training offer needs development to meet the current and future skills required and support leadership and development. We are implementing a learning management system to support this.

Contribution of Council goal to Future Generations Act 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 long-term nature of our goal is evident – shaping our services to meet the needs of our communities now, and into the future, is essential if we are to remain relevant and viable. Utilising data more effectively to plan preventative approaches and enhancing our digital capabilities are just some of the ways we intend to do this. Involving people in decision-making and scrutiny will ensure our direction of travel is collaborative and fit for the generations to come. Integrating our approach will make sure that our resources are used in the places they are needed the most, and as efficiently as possible. Making our reducing financial resources stretch as far as possible is vital for future sustainability.

Measures of progress

Measure	Previous	Latest	Target	Comment
Over/underspend of council revenue budget (£)	£0	£1.62m	£0	
Percentage of targeted budget reductions achieved	85%	93%	95%	Latest is Month 9 forecast 2021/22
Income generation from commercial investments (£)	£159,018	£614,882	£609,355	Actual outturn for the investment properties
Percentage of people who feel able to influence decisions affecting their local area ^{xii}	Not available	Not available	Increase	National Survey for Wales and National well-being indicator under the well-being of Future generations Act. Latest data not published
Number of open data sets published	9	9	10	
Number of apprentices on formal recognised apprenticeship schemes per 1,000 employees	Not available	Not available	Baseline	
Average days lost to sickness absence per FTE employee	11.0	13.1	10.5	
Percentage of staff turnover	10.0%	14.4%	Track	Any significant variation in turnover will indicate a need to explore

Using Our Resources

The council needs to remain relevant and viable for the next generation, while continuing to meet the needs of residents, visitors and businesses in the here-and-now. To support the delivery of our goals, we have to make sure that all aspects of the council are working efficiently, effectively and in line with the sustainable development principle set out in the Well-being of Future Generations Act.

The Act specifies core areas in an organisation that need to adapt in order to meet the changing demands on our services and ensure their longevity and sustainability. We have evaluated our arrangements for these areas and included digital and data as another important enabler of how we deliver the council's services. The areas we have assessed are:

- Corporate planning, performance and risk management
- Financial planning
- Workforce planning (people)
- Procurement
- Assets
- Digital & Data

Corporate Planning, Performance and Risk Management

How effectively are resources being used?

The council's performance management framework ensures planning is integrated and everyone is pulling in the same direction to deliver real and tangible outcomes. The application of the Well-being of Future Generations Act throughout the framework ensures application of the sustainable development principle and the ways of working within it.

The Corporate Plan 2017-2022 sets a clear direction for the council and its well-being objectives. The plan has met the council's requirements under the previous Local Government (Wales) Measure 2009 and Well-being of Future Generations Act. Annual reports demonstrate that the council has made good progress in delivering its objectives, and Audit Wales has issued certificates of compliance stating that the council has discharged its duties. The contemporary policy challenges required, working with communities, are complex and evolving. There is a need to ensure that the council's understanding of these remains up-to-date and strategic plans evolve to address them.

Through the pandemic, the council set a revised purpose and strategic aims that were updated in accordance with the changing situation. Arrangements were put in place to track and evaluate progress. This has provided clarity of direction and ensured accountability of delivery for the council through the uncertainty of the pandemic. In a review of arrangements through the pandemic, Audit Wales identified the development of the strategic aims as a key strength.

A new service business plan process has been implemented, focused on self-assessment and applying a 'Plan on a Page' approach, learning from the strategic aims implemented during the pandemic. This has facilitated services to set their direction, performance manage delivery, manage risk, and assess progress and impact. There is variation in the quality of service business plans and the timely setting and updating of them. There is also variability in the use, overall quality and completeness of performance indicators and service risk assessments. This limits the ability of services to robustly set a clear direction and assess their performance.

The council's Strategic Risk Management Policy and Strategic Risk Register have ensured that strategic risks are identified and monitored, regularly reviewed, and updated based on the latest information. This continued throughout the response to the Coronavirus pandemic, ensuring

emerging risks were considered and managed accordingly. In its review, Audit Wales noted the robust risk management arrangements implemented during the pandemic.

The council has implemented a self-assessment process, which has facilitated an assessment of performance in the 2021/22 financial year in this report. The process has been integrated within the council's existing performance management arrangements, ensuring that it is embedded as part of the council's arrangements. An evaluative mindset based on clear evidence is not consistently applied in the council's performance management arrangements to facilitate ongoing improvement. To ensure that self-assessment is embedded in practice, there is a need to further develop challenge and embed a more evaluative mindset.

How do we know?	Area for development
Overview of Performance Management arrangements report	Ensure strategic plans evolve to address challenges and opportunities in the county
Audit Wales Certificate of Compliance	
Coronavirus Strategic Aims and progress reports	Quality and completeness of service business plans
Audit Wales Covid-19 learning project	
Service Business Plans and appraisals	Develop self-assessment arrangements and embed an evaluative mindset
Whole authority strategic risk register	
Self-assessment report	

Financial Planning

How effectively are resources being used?

The council has a good understanding of its financial position and is seen to have effective financial arrangements in place. A well-established budget setting process has enabled Council to agree a budget for 2022/23. Controls are in place to monitor the budget position through the year and take action to produce a balanced budget. For 2021/22, the council has delivered a positive revenue outturn of £5.62m, which has been brought about significantly by specific WG grant funding. This in turn has allowed for a transfer to earmarked reserves of £4m that will allow for additional reserve cover to deal with budgetary risks in 2022/23 and beyond. Internal Audit opinions during 2021/22 have indicated a level of assurance on effective financial control arrangements in place in service areas. There is variability in financial planning and budget controls by responsible budget holders in service areas. This needs to be strengthened to ensure robust financial management arrangements are consistently applied across services.

The pandemic has had a significant effect on the council's finances, with additional costs and loss of income. To understand the full financial impact, detailed financial sustainability assessments have been undertaken. Welsh Government has provided a significant level of funding through its COVID-19 Hardship Fund to meet additional costs and income losses as a result of the pandemic. The budget outturn 2020/21 allowed the council to increase its earmarked reserve balances by £4m, to provide some one-off limited cover against the pressures to be faced over the medium term.

The authority has maximised the short-term grant funding opportunities available to full effect and secured significant short-term investment to support and re-design services, where available. There are significant challenges going into 2022/23, and investment will be needed to replace short-term funding to offset known and emerging post-COVID pressures and to allow the Council to deliver the new administration's Corporate Plan.

Prior to the pandemic, the council was already facing significant financial challenges heading into the 2020/21 financial year. The pandemic presented its own additional financial challenges and uncertainty both in terms of additional cost and significant loss of income. There remains short- and longer-term uncertainty, with some services having an improved financial position and others

having significant budget pressures. As well as the direct effects of the pandemic, the wider and longer lasting indirect impact on services needs to be assessed and planned for, such as on homelessness, Children’s Services and Adult Social Care, along with wider economic and social factors including increasing inflation and the rising cost of living.

The pandemic has significantly affected the council’s medium-term financial planning. This needs to be developed, reflecting realistic and accurate funding requirements, to allow a structured and planned approach to service delivery in the medium term, in line with corporate priorities.

How do we know?	Area for development
Audit Wales Financial sustainability review	Financial planning and budget control arrangements by responsibility holders in service areas.
Audit Wales Statement of accounts	
Council budget setting and out turn reporting	
Internal Audit opinions	
Strategic risk register	
	Ensure that the medium-term Financial Plan reflects realistic future cost pressures as accurately as possible, based on known information and informed by up-to-date and accurate service-based data, and facilitates a budget setting process over the medium term to allow a balanced budget to be set that delivers on agreed corporate priorities.

Workforce Planning

How effectively are resources being used?

National recruitment and skill shortages are affecting the ability of some council services to recruit the workforce and skills they need to deliver their services. Challenges that have been identified include salaries, the geography and demographic profile of the county, and skills.

The People team have put arrangements in place to strengthen recruitment procedures, such as adapting the recruitment process, whilst still maintaining safeguarding and safety requirements, promotion of opportunities and recruitment of graduates, apprentices and work experience. This has led to successful recruitment campaigns in some service areas. Recruitment arrangements need development to meet remaining challenges.

Many services are seeing an increase in demand. The workforce capacity to meet this and deliver the required services is limited in some areas, indirectly putting increasing pressure on other service areas. The ability of the organisation to plan the workforce it needs to meet current and future demands, and to implement this, requires development, especially given recruitment and national skill challenges.

The development and retention of existing staff is an essential component of workforce planning. The organisation’s training offer needs development to meet the current and future skills required, with capacity identified as a barrier to staff attending training. Some services have undertaken a skills audit, reviewing role profiles, the recruitment process and training. By delivering the right training, at the right time, in the right place, departments have been able to offer a meaningful learning pathway, ensuring better recruitment and retention in the long term. A team with a specific focus on workforce planning and development has been established, incorporating recruitment, retention, Apprenticeship, Graduate and Internship and training. It is too early to evaluate the effect that the development of these arrangements has had.

Throughout the pandemic, the workforce adapted quickly and effectively to continue to deliver services to residents, visitors and businesses in the county. Arrangements were implemented to

support clear communication to staff to support their well-being. These included the regular all-staff Digital 'Cwtch', People Leaders Q&A session, a dedicated staff website, 'SUPPORTALL', and People Leaders support site. Services were implemented for all colleagues to support their well-being via the Health, Welfare & Information group.

Staff well-being is affected by a range of factors, including additional work pressure and demand, personal factors and societal factors. Learning from, and building on, arrangements from the pandemic, staff well-being needs continual support. Developing and enabling a supportive approach to engagement and communication with staff has been effective in supporting clear communication on workforce matters. The use of networks and communication digitally, surveys and feedback loops to senior managers, has extended the reach of contact with the workforce. This has also created the conditions for a wider system of self-supportive networks sharing practice, ideas and support.

The staff appraisal process, Check In-Check Out, needs to evolve to meet the varying needs of the organisation based on learning that a one-size-fits-all approach is not effective for the varying services the council delivers. Colleagues need to be given the 'right' to seek meaningful 1-1s on a regular basis, and there needs to be a focus on improving the skills of line managers to enable a variety of different approaches to the process so that performance development is realistically achieved. There is also a need to ensure feedback loops are in place to evaluate whether this is happening effectively, and to determine if they are informed by other enabling arrangements such as Service Business Plans, and staff training and development needs.

How do we know?	Area for development
People service plan Strategic risk register Coronavirus strategic aims	E-recruitment system and the recruitment process
Feedback loops – Digital 'Cwtch', surveys, exit interviews, People Q&A and People Leaders Q&A session Audit Wales Covid-19 learning project	Learning management system and subsequent wholesale training and development needs analysis and provision
People workforce data	Enable the improvement of workforce planning and develop workforce planning arrangements
	Support staff well-being
	Meaningful staff/line manager engagement and communication by right

Procurement

How effectively are resources being used?

The authority has entered into a collaboration with Cardiff Council, for mutual benefit, in the discharge and provision of the council's procurement services. The arrangements provide increased capacity and expertise to strengthen the council's procurement arrangements, such as in the use of data, to lead to better informed business decisions and business alignment. The effectiveness and impact of the arrangements will need to be assessed on an ongoing basis.

We are developing the Procurement Strategy objectives for 2022, which focus on contributing to the council's aim to be a carbon neutral county by 2030. We need to make procurement spend more accessible to local small businesses and the third sector, improve fair work and safeguarding practices adopted by suppliers, and increase the community benefits delivered by suppliers. The strategy must also focus on securing value for money and managing demand, ensuring legal

compliance, and robust and transparent governance, and promoting innovative and best practice solutions.

There are local challenges, particularly centred around the availability of suppliers to meet the demand and requirements to provide certain services the council needs to deliver e.g. passenger transport and school catering.

Internal audit procedures demonstrated that there is overall good compliance with the council's contract procurement rules. However, there are limited skills and knowledge in the workforce to understand the technical specification and market knowledge required to embed the procurement process as robustly as needed. This must be supported and developed.

How do we know?	Area for development
Collaboration with Cardiff Council. Procurement strategy. Internal Audit contract procedure rules.	Ownership of the procurement strategy by all officers who have a role to play in delivery of the strategic objectives. Understanding how carbon emissions are produced, measured and ultimately reduced as part of the council's third party spend. Processes to ensure all tendered third party spend has a level of oversight and challenge.

Assets

How effectively are resources being used?
 The council has a clear Asset Management strategy to manage its land and property portfolio. The Asset Management plan has been updated and is being implemented. The strategy needs to be reviewed to align with the new Corporate Plan, to assess progress and set the strategic focus.

An updated Capital Budget strategy has been agreed, alongside the Treasury strategy. In preparing the draft capital budget proposals for 2022/23, and the subsequent three years of the Capital Medium Term Financial Plan (MTFP), regard was given to the underlying principles of the previous strategy that remained fit for purpose. There are a considerable number of capital pressures, including property and highways infrastructure and public rights of way, that sit outside any potential to fund them within the Capital MTFP; this has significant risk associated with it. These pressures are undergoing further review, and risks are being assessed to determine whether further funding is needed to mitigate any significant risks that require more immediate action. There is a balance between the need to maintain existing council assets alongside achieving the aims and objectives of the organisation. The impact of the pandemic, supply chain issues, rising inflation and cost pressures are affecting the progress of capital projects.

The property and facilities management needs are not clearly understood across the organisation, and the capacity and capabilities available within property services are not always recognised or fully utilised by council services. There are capacity and recruitment challenges when trying to meet project management demands elsewhere in the organisation, and these are not always considered when projects are planned and undertaken. The knowledge and skills within service areas to manage assets effectively also needs development and potential review; collaboration between departments and property services needs to be strengthened, and expectations managed to coordinate property and facilities management across council service areas.

The People Working Group is looking at the future operating model of the workforce and how this will affect the nature of the accommodation that is provided. It is considering how to use the space

in our buildings in a creative, collaborative and cost-effective way, how we can be even more agile and flexible, and how digital technology can help even more. This is ongoing and is working with different teams on how to best deliver services into the future. The effectiveness and impact of the arrangements will need to be assessed on an ongoing basis.

How do we know?	Area for development
Asset Management strategy and plan. Capital budget strategy and capital budget proposal.	Revise and update the Asset Management strategy taking into account the council's priorities
Landlord Services Service Business Plan. Changing Spaces project.	Review and assess Asset management risks. Understand property services and facilities management needs, strengthen collaboration and strengthen coordination across council service areas.

Digital & Data

How effectively are resources being used?

The Council has invested in the development of its digital and data capabilities and has clear roadmaps that are integrated and informed by service need, focused on Data, Digital design and innovation, and Information management and security. A range of examples demonstrate the impact of the development of arrangements on service delivery and service users' experience, including development of the My Monmouthshire App and Chat Bot.

In the coming years, the council will need to adjust its delivery to meet many challenges and opportunities. At the heart of this will be digital, information and data to meet customers' needs in ways which were unimaginable ten or fifteen years ago. There is a need to keep pace with the latest practice in these field, build on existing networks in place and ensure that capacity is in place to progress at the pace required and that residents expect. This includes recruiting skills needed to deliver the change required, which has been a challenge in these fields. Retaining, developing specialist skills and upskilling in the basics within the council is also essential. We are also working with partners to ensure that our residents are able to access and use the internet and engage with digital technology, confidently and safely, as and when needed or wanted.

The organisation has put effective mechanisms in place to support and enable the development of its digital and information capacity and capability, to raise awareness of its importance, and to communicate its developments. These include the well-established whole authority Digital Champions network (focused on sharing practice and supporting the development of digital capabilities in service areas) and newly formed system administrator network (focused on storing, retrieving, and managing information and data).

There is a risk of loss or corruption of data due to cyber-attack or data mismanagement, which would compromise the delivery of essential council services; this is an ever-evolving risk. To mitigate it, the council has raised staff awareness of the risk and how to manage data securely, along with ensuring the infrastructure is in place to help reduce the risk.

Through the pandemic, the council's rapid development of digital ways of working enabled services to function and make decisions. Examples include facilitating remote working for colleagues who could work from home, a booking system for appointments at household waste recycling sites when they were permitted to reopen, which has been implemented as a permanent change, and regular production and analysis of a range of Covid-19 data to inform decision making.

The use of data to inform the council’s decision-making needs to be developed further. There is a focus on growing data capacity and capability within service areas; this will include authority-wide training and development and assessing and developing data maturity.

How do we know?	Area for development
Self-assessment report – Goal E Coronavirus strategic aims reports Audit Wales Covid-19 learning project Data, Digital design and innovation and Information management and security plans Digital Service Standards for Wales	Prioritise digital initiatives that align with corporate and directorate priorities ensuring that we develop and/or procure modern, secure and interoperable systems which in turn deliver better services and outcomes for our residents Cyber security and data management arrangements Use of data to generate insight

Our work with others

To deliver the outcome required for the county we need to work together with a range of partners, stakeholders and our communities. The Council will not have all the answers and we will not be able to deliver the outcomes required on our own. Working efficiently and effectively collaboratively enables us to plan and provide the solutions required.

Stakeholders and partnership working

How effectively does the council work with stakeholders and partners on agreed outcomes?
 The council works effectively in collaboration to deliver a range of services. Some of the key service partnership collaborations are the Education Achievement Service (EAS) and the Shared Resource Service (SRS) on IT. The council is developing further collaborative arrangements, where it is assessed that there are benefits in doing so, for example implementing the collaboration agreement with Cardiff Council on the council’s Strategic Procurement services.

Partnership working has been integral in addressing the challenges posed by the pandemic to support residents’ well-being in Monmouthshire. The council established a variety of multidisciplinary projects to respond to the pandemic including Test, Trace, Protect, working in partnership with social care providers, and working with businesses to provide support and administer grants. Formal partnership arrangements to support the response and recovery from the pandemic were also effectively implemented.

Covid-19 has brought into a sharp focus the complex, longer-term challenges that communities and public service organisations face. The evidence and learning from the arrangements and relationships developed through the pandemic need to be maximised to support long-term well-being.

The council sits on the Regional Partnership Board (RPB) and has contributed to the development of the area plan for health and social care services in Gwent. In line with the plan and the RPB priorities the Council has, through investment by the Integrated Care Fund, developed some innovative and creative services and approaches. Supporting social services and well-being requires effective partnership working, both with partner organisations and the community.

Monmouthshire is committed to working in partnership and has a good track record of delivering

jointly with health, the police and voluntary sector, amongst others. Under the leadership of the Public Service Board (PSB), the partnership landscape in Monmouthshire fully embraces multi-agency working, to improve outcomes for residents. The outcomes the PSB has been working towards are documented and illustrated in its annual reports.

Following a detailed assessment of options, the Monmouthshire PSB has merged with other local authorities to form a Gwent-wide PSB to strengthen the outcomes partnership working can deliver. Several elements of the delivery and governance arrangements of the Public Service Board need to be further developed. This includes considering the complex partnership landscape across Gwent and how it works together to deliver shared outcomes.

The formal establishment of the Cardiff Capital Region City Deal as the Southeast Corporate Joint Committee (CJC) is underway, and transition has begun, with a completion date to be confirmed. The council needs to work with Welsh Government and the Cardiff Capital Region on the transition arrangements for services that will form part of the CJC to ensure effective governance arrangements are in place; an officer group has been formed for this. We are also becoming more involved in the Western Gateway.

The council has developed a range of place-based approaches, involving partners and stakeholders with an interest, skills, and knowledge, to support the social capital in the county and improve well-being. These approaches continue to evolve, particularly in the social care setting and in supporting volunteering. The 'Community Network' is one example of the targeted place-based approach.

The council must develop its thinking and ideas as it plans for the longer term. The involvement and participation of, and engagement with, Monmouthshire's community groups, public service partners, service users and residents will need to be strengthened to understand what matters, and to ensure programmes are bold and ambitious.

Ensuring the council's workforce is supported, and that every employee is clear on their contributions to the council's outcomes, is essential. Workforce planning, corporate planning, along with performance and risk management processes, will assess these arrangements. Councillors play an integral role in shaping and delivering the council's agreed outcomes, and as representatives of their residents. Following the election in May 2022, an induction programme will be provided to support them in their development.

How do we know?	Area for development
Public Service Board Well-being Plan and annual report	Delivery and governance arrangements of the Public Service Board and local partnership arrangements.
Regional Partnership Board Area Plan Coronavirus strategic aims	Develop thinking and ideas to plan longer term alongside Monmouthshire residents, community groups and public service partners.
Audit Wales Covid-19 learning project Gwent Public Service Board formation	Effective governance arrangements through Corporate Joint Committee (CJC)

Our Actions

Through the self-assessment, we have identified how well we are doing and what we can do better. Identifying these is not the end of the self-assessment process. We will look to build on and learn from the areas that are going well and address areas that we can do better.

The action plan focuses specifically on what and how we can do better for the significant conclusions of the assessment. All of the findings will inform the development of the council's well-being objectives and delivery plans and inform how internal processes and procedures should change to support more effective planning, delivery and decision-making to drive better outcomes, and innovative ways to better deliver the council's functions.

The actions will be monitored through the year as part of the council's performance management arrangements. The next self-assessment report will also include an assessment of the progress made on these actions.

What and how can we do better?

Section	What can we do better	How	Who	When
Place	Understand current well-being, including the impacts of the last few years, on people and our communities to keep an up-to-date understanding of well-being.	Engage with communities to understand challenges and opportunities from their perspective including participation of residents and service users	Strategic Leadership Team	March 2023
Outcomes	Address areas for development, including rising cost-of-living, health inequalities and transition towards net-zero carbon, identified through the assessment of our outcomes.	Use the areas for development identified in the self-assessment to inform new corporate plan and service plans	Strategic Leadership Team	March 2023
Resources	Develop self-assessment arrangements and embed an evaluative mindset	Review self-assessment process to inform service plans and the next self-assessment report	Head of Policy, Performance and Scrutiny	January 2023
Resources	Evaluate and consider medium-term finances of the council, including the impact of the pandemic and rising cost-of-living, including the direct impact on council services and the impacts on residents and businesses in the county.	Develop a Medium-Term Financial Plan that is based on realistic evidence and planned scenarios, to guide our budget setting in line with agreed strategic objectives	Deputy CEX/Chief Officer, Resources	January 2023
Resources	Robust workforce planning arrangements to ensure we can develop, attract, and retain the workforce with the skills and experience	Develop a robust workforce planning culture that is able to cope with the changing demands of the council and embed a	Chief Officer, People and Governance	March 2023

	we need to deliver services and achieve our outcomes.	recruitment ethos that works locally and independently to meet the needs of different service areas.		
Resources	Data is one of the most important resources when planning services and we currently do not have the infrastructure and skills to maximise its use.	Develop the platforms and skills to enable the use of data as an essential planning and performance tool throughout the organisation.	Head of Policy, Performance and Scrutiny	March 2023
Stakeholder and Partnership	We work well with partner organisations, we need to extend this to include better community engagement to find out what matters most to our residents, businesses and visitors and plan longer term, learning from best practice, alongside residents, community groups and public service partners.	Engage with communities to understand challenges and opportunities from their perspective including participation of residents and service users Improve the partnership working between the council, residents, businesses, community groups and other public sector organisations, including the Welsh Government, to maximise the impact of everyone's abilities when applied together	Strategic Leadership Team	March 2023
All	Address areas for development and actions, identified through the self-assessment report.	Embed actions in service plans and assess as part of next self-assessment report.	Strategic Leadership Team	March 2023

Our Response to the Covid-19 Pandemic

During the past two and a half years some of our plans had to take a back-seat while we adjusted to the challenges of the pandemic. Throughout this period, our Corporate Plan has been supplemented by five shorter-term strategies, covering different phases from full lockdowns, through re-openings and finally learning to live with the virus. Sometimes referred to as the ‘plan on a page’ they contained a purpose, strategic aims and associated actions and ensured clarity and accountability during the different stages of the pandemic.

The council has adapted, innovated and established new ways of delivering services that supported residents and businesses, assisted community activity and supported staff well-being through the ever-changing environment of the pandemic. Safeguarding the most vulnerable residents, working alongside the incredible volunteers within the county, providing vital contact tracing services to minimise the spread of the vaccine, and supporting local businesses have been at the core of council activity. These, and other activities, have run concurrently with the Corporate Plan aspirations and, with limited resources, there has been a conscious trade-off between these two plans.

The pandemic has also resulted in a range of learning that needs to be evaluated to ensure it is embedded and built upon. We have assessed our delivery against some of the key themes from our coronavirus strategies.

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Theme	How well did we achieve our agreed outcomes?	Evaluation rating: 5 – very good
Decision Making and Civic leadership	<p>We rapidly implemented digital technology and held the first fully virtual meeting of Cabinet after six weeks of the first lockdown and established all scrutiny and Council meetings by July 2020. This enabled democratic decision making and accountability to continue. Learning from the arrangements during the pandemic, we have now implemented hybrid meeting technology, accommodating both remote and physical attendance at meetings.</p> <p>We established clear priorities, published these in an accessible format and ensured that Cabinet received regular evaluation reports to track progress</p> <p>We established an Emergency Response Team which also involved working with wider formal Gwent response structures and directly into Welsh and UK Government. This ensured our overall response to the emergency was coordinated and managed.</p> <p>We used our communication platforms to convey local and national messages, and timely and relevant service updates to residents, and became a trusted source of information. The council’s Twitter followers have increased from 17,000 in March 2020 to over 19,000, and Facebook followers have increased from 11,000 to 16,000 over the same period.</p>	
Childcare and education	<p>We provided childcare for vulnerable learners and the children of key workers via childcare hubs during the first lockdown which, at their peak, provided childcare for over 400 pupils a day. Special Needs Resources Bases remained open, and we established a weekly</p>	

multi-agency Stable Lives and Brighter Futures meeting to discuss and review support and provision for vulnerable pupils. MonLife provided 'Summer Hub' provision for children with a total of 4,170 attendances, an average of 166 children per day.

Schools adopted a remote learning approach for the majority of pupils during closures in Winter 2020, which was developed into a blended learning approach when restrictions allowed. We provided laptops and MiFi units for learners without access to IT equipment so they could continue to learn.

Schools prioritised the well-being of all their pupils, and this included the adoption of a flexible approach to curriculum delivery, and the availability of additional support to raise standards for priority groups. The Educational Psychology Service and Healthy Schools Team provided advice and support to schools to support the well-being of children and young people impacted by COVID-19.

Support for businesses and town centre re-opening

We issued over 6,500 payments of grants amounting to almost £40 million to provide support to businesses to help them through the challenges and uncertainty of the pandemic. We delivered an ongoing communications campaign, aligned to the changing legislation and requirements for businesses through the year, and we held livestream events to share support and guidance to local businesses.

We ran various tourism campaigns throughout the year, initially promoting the message to 'stay at home' and 'Visit Monmouthshire – later'. This developed into 'Visit Monmouthshire. Safely.' to make it as easy and safe as possible for visitors to the county. Finally, as restrictions eased, we promoted our Visit Monmouthshire campaign to highlight the services and attractions available for visitors.

The 're-opening towns' projects was implemented to help make our high streets safer during the pandemic, via mechanisms such as one-way streets, widened pedestrianised areas and changing traffic flows. We consulted our residents to seek their opinions and to gather ideas about how Monmouthshire's town and village centres could look in the future. This informed the development and adjustment of schemes.

Support for vulnerable people

Very early in the pandemic, we set a goal of ensuring that every person or family in crisis that we were aware of received support. To achieve this, Social Care moved to a seven-day working week initially to support our frontline delivery in Adults Services, and we adapted our delivery of Children's Services. We also developed a redeployment strategy to ensure staff were available to provide support, where needed.

Front-door social services remained fully operational throughout to support children, young people and adults, and we established the therapeutic services advice line for families to access support, advice and guidance. We received an average of 117 contacts per week relating to supporting children and young people between May 2020 and September 2021, an average of 27 requests per week in Adult's Social Services between May 2020 and August 2021, and 556 families accessed the therapeutic services advice line for support, advice and guidance between April 2020 - June 2021. As pressure on care at home services and reablement services increased, referrals were triaged at point of referral to ensure that those in most need are prioritised for assessment and intervention.

To safeguard residents in care homes, a testing programme was established for all staff members, administered by the council. Staff worked with Public Health Wales and ABUHB to establish clear parameters for residents in care homes being discharged from hospital to minimise the risk of further cases. Residents and staff in care homes for older adults, along with front line health and social care workers, were in the top priority groups for the COVID-19 vaccine roll out and, as such, were all offered vaccinations early in the rollout process.

We experienced unprecedented housing demand from some of the most vulnerable citizens in our county during the pandemic, at a time when identifying suitable and safe premises was challenging. We identified emergency accommodation and were supporting 161 households in temporary accommodation. We are still experiencing significant challenges and risks in relation to homelessness, with a need to provide suitable long-term housing for all those accommodated in temporary housing, and for those with additional needs.

Safe and clean neighbourhoods

We reconfigured our services at the start of the pandemic including increasing vehicles and facilitating social distancing for staff which ensured domestic waste and recycling collections continued. We stopped the collection of garden waste for a period, but work was quickly undertaken allowing collections to re-start. To assist our communities, we distributed recycling bags to supermarkets and to residents shielding, where possible. We gradually reopened Household Waste Recycling Centres (HWRC) by introducing a booking system so that numbers attending sites could be managed to maintain social distancing, and this continues to operate effectively today. The recycling rate for 2020/21 was 68.88%, an increase from 65.57% in 2019/20. Data was reviewed to determine any learning to further improve recycling figures.

We reduced many of our grounds maintenance services in order to redeploy staff into waste and recycling roles. We kept our roads and cemeteries safe by retaining an essential grounds maintenance team operation. We prioritised activities based on public safety and road visibility requirements, ensuring areas such as grass verges, road junctions and roundabouts were kept clear and safe for road users and pedestrians. When grass mowing resumed, almost a third of areas within our parks and open spaces were left uncut, which saw a positive impact on the flora and fauna of our county. We are reviewing the learning from the changes to our grounds maintenance services to inform how we can enhance the biodiversity and ecology of our open spaces, whilst maintaining the standards expected by our residents.

Trusted partners and collaborative working

As the first lockdown was implemented, we worked with our public sector partners to provide a joined-up response across our area. We also developed closer working relationships with other agencies who supported the social care system to ensure an efficient approach to care provision for some of our most vulnerable residents.

We worked with partners in Gwent to deliver a COVID-19 Test, Trace and Protect (TTP) service to try and help minimise the spread of the virus in the county. We redeployed staff to the TTP services ensure it was well supported and able to respond to the peaks in case numbers. We also supported the vaccination strategy, being delivered by Aneurin Bevan UHB, where required.

Volunteers have been at the forefront of the effort to keep our communities safe. We established the Community Action Volunteer Team to help coordinate requests for help with the offers of support. We also provided access to emergency food parcels for shielded people who could not leave home and created a contact centre, who proactively called over 3,000 shielded vulnerable people in our communities to check on their well-being. The Connect Monmouthshire community networking platform has since been implemented to provide the digital tools for active citizens to support each other in their communities.

Supporting our workforce and maintaining our capacity and capability to deliver.

Throughout the pandemic response, staff embraced new ways of working to keep themselves, colleagues and residents safe while delivering the many services our communities rely on. We ensured staff had access to a range of support on wellbeing and had access to the right Personal Protective Equipment (PPE) and testing, if they displayed symptoms. We ensured that staff and resources were allocated to priority services, and that staff being re-deployed had the necessary training, equipment and guidance for them to undertake their new roles in a safe manner. We implemented digital tools and remote working facilities to support services to continue, and quickly rolled out technology to improve how our 1875 office-based staff worked from home. We secured licences for 700 staff who previously did not have access to digital communications so our whole organisation could be kept up to date.

We provided a range of support services to all staff to support their wellbeing via the Health, Welfare & Information group. Communication and engagement with staff continued throughout including an internal staff information portal, weekly staff Digital 'Cwtch', along with a weekly Managers Q&A to answer any questions or discuss general workplace issues.

The pandemic has had a significant effect on the council's finances, with additional costs and loss of income. We undertook detailed financial sustainability assessments to help understand the full financial impact. Welsh Government has provided a significant level of funding through its COVID Hardship Fund to meet additional costs and income losses as a result of the pandemic. The budget outturn 2020/21 allowed the council to increase its earmarked reserve balances by £4m, to provide some one-off limited cover against the pressures to be faced over the medium term. Significant financial challenges remain.

Looking Ahead, Delivering Now

In the last 12 months our focus has been on continuing to deliver services that address the ongoing challenges of Covid-19 and progressing a range of priority areas for the County including decarbonisation, well-being, enterprise and active and healthy lifestyle for our residents and visitors.

Progress includes developing plans for a new through school in Abergavenny, which will accommodate pupils aged 3-19; planting over 6000 trees; developing or improving 15 active travel routes that support residents and visitors to use walking or biking as a means of travel; significant investment to improve the leisure offer in Abergavenny and Chepstow; and working with housing association partners to make additional social housing available for homeless households.

The 'Our Outcomes' section provides a full assessment of the delivery of our priorities.

Performance Measures

The use of performance measures is one of the important mechanisms we use to assess our performance. Each of our goals has specific performance measures set to monitor progress. Some further relevant performance indicators we use to assess our services' performance are set out in this section.

National indicators have been set as part of the Future Generations Act for the purpose of measuring progress towards the achievement of the well-being goals in Wales as a whole. While the national indicators will not measure the performance of individual public bodies or public services boards, it is important that they are considered to track the progress being made to improve well-being in Monmouthshire. Some of the national indicators that are relevant to the priority goals we have set, where an update is available at a county level, are in table 1 below.

Table 1 – Selected national indicator set under the well-being of Future Generations Act

Well-being of Future Generations Act national indicators	Source	Link to Goal	Wales	Monmouthshire Previous	Monmouthshire Current
Average capped 9 points score of pupils (interim) <i>(This interim measure was introduced in 2019, and supersedes the old measure of capped 8 points score)</i>	Welsh Examination database	Goal A	354.4 (2019)	Unavailable	367.4 (2019)
Gross Value Added (GVA) per hour worked (relative to the UK average)	ONS Regional Economic Analysis: Sub-regional productivity indicators	Goal B	84.1 (2019)	85.4 (2018 - Monmouthshire and Newport)	85.5 (2019 - Monmouthshire and Newport)
Gross Value Added (GVA) per hour worked (£) <i>(Not a national indicator, included as further context to the "relative to the UK average" national indicator)</i>	ONS Regional Economic Analysis: Sub-regional productivity indicators	Goal B	£29.6 (2019)	£29.7 (2018 – Monmouthshire and Newport)	£30.1 (2019 – Monmouthshire and Newport)
Gross Disposable Household Income per head	ONS, gross disposable household income per head	Goal B & D	£17,263 (2019)	£21,707 (2018)	£21,392 (2019)
Percentage of people in employment.	ONS, Annual Population Survey	Goal B & D	72.2% (year ending 31 March 2021)	79.4% (year ending 31 March 2020)	78.3% (year ending 31 March 2021)
Percentage of people living in households in material deprivation.	National Survey for Wales	Goal B & D	13% (2019/20)	9% (2018/19)	10% (2019/20)

Levels of nitrogen dioxide (NO2) pollution in the air.	Department for Environment, food and rural affairs	Goal C	9 (2019)	8 (2018)	8 (2019)
Capacity (in MW) of renewable energy equipment installed	Department for Business, Energy and Industrial Strategy	Goal C	3,589.6 (2020)	85.4 (2019)	86.1 (2020)
Percentage of people satisfied with their ability to get to/ access the facilities and services they need.	National Survey for Wales	Goal B, D & E	87% (2020/21)	79% (2018/19)	88% (2020/21)
Percentage of people satisfied with the local area as a place to live.	National Survey for Wales	All goals	87% (2020/21)	92% (2018/19)	84% (2020/21)
Percentage of people who Volunteer.	National Survey for Wales	Goal D	26% (2019/20)	32% (2019/20)	Not available
Percentage of people participating in sporting activities three or more times a week.	Adult – National Survey for Wales	Goal D	32% (2019/20)	38% (2018/19)	36% (2019/20)
	Children – Sport Wales, school sport survey	Goal A	47.6% (2018)	45.0% (2018)	Not available

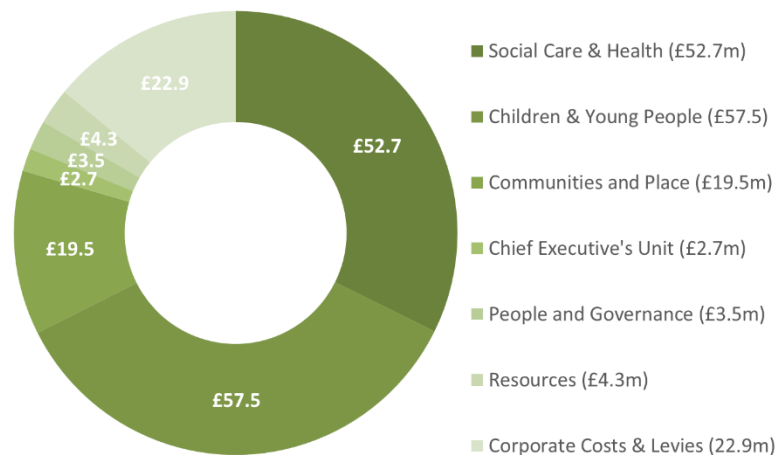
The use of mechanisms such as the Office of National Statistics' Measuring National Well-being programme (diagram 7 in What Citizens Said section below) are ways in which we are trying to broaden our understanding of well-being in Monmouthshire, in addition to service specific performance measurement.

What we spent in 2021/22

In 2021/22, the council spent £166.7 million providing services for Monmouthshire residents.

The proportion of our spending on different services in 2021/22 is shown in diagram 5. These services are paid for by a combination of central government grants, council tax, non-domestic rates and a contribution from the Council Fund.

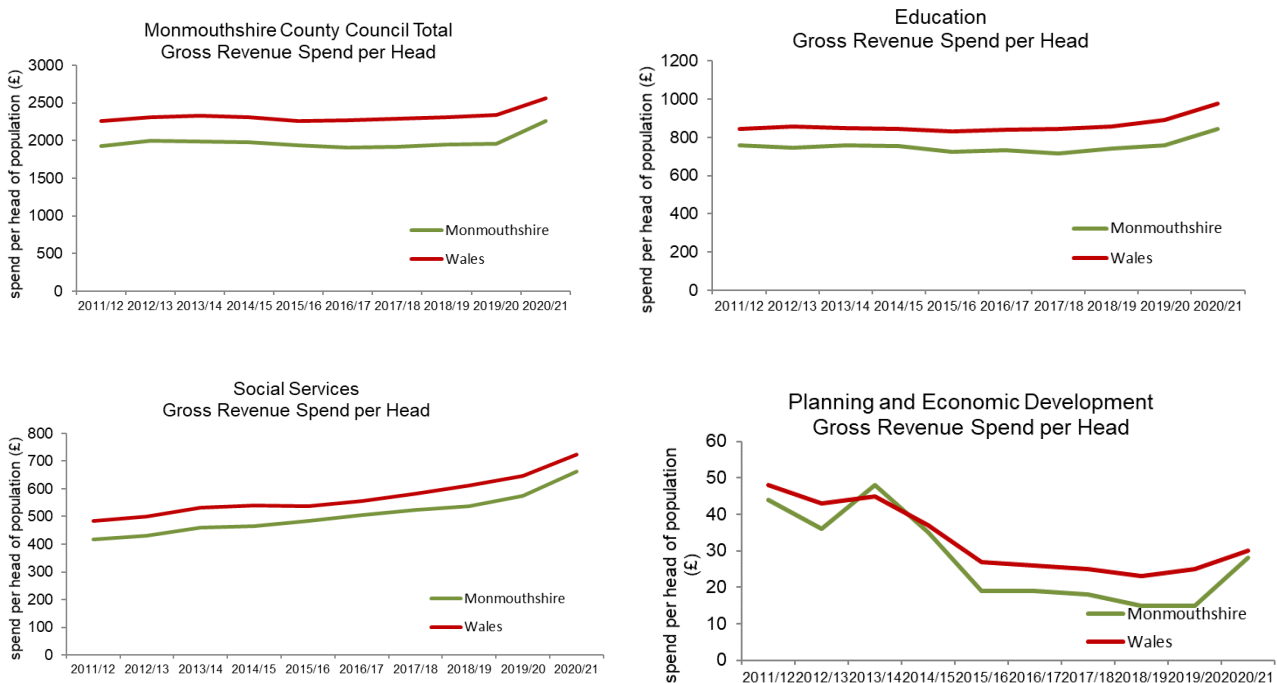
Diagram 5 2021/22 Revenue Spend (£million)



How our revenue spend compares with other areas

Diagram 6 below shows how much we spend per head of population in some of our priority areas. In 2020/21, we spent less on services per head of population than the average for local authorities in Wales and had the lowest gross revenue spend per head of all councils in Wales. However, we also work hard to make sure this money goes where it matters. For 2022/23 we received an increase in core funding, however our budget settlement from Welsh Government continues to be the lowest per head of population of councils in Wales.

Diagram 6



What citizens said

Involvement and working together with residents and communities in Monmouthshire is essential to develop and deliver solutions to achieve outcomes and ensure residents are involved in the decisions that affect them.

Some of the areas we have involved citizens this year include:

Budget engagement: Monmouthshire County Council launched its draft budget proposals for 2022-2023 in January 2022. Residents were invited to register for a special budget livestream. Due to the COVID-19 pandemic, the face-to-face budget engagement that would normally take place would not be appropriate at this time, so the process moved online. For those unable to join the livestream, the session was uploaded to the website to watch after the event. As part of the consultation process, residents were also asked to share their thoughts via a feedback survey on the budget proposals.



Youth Council, Engage 2 Change: Monmouthshire's Youth Council, Engage 2 Change, (E2C) is a group of young people aged 11-18 from across Monmouthshire who meet to represent the views of their peers, with a view to inform decisions that affect the county's young people. In 2021/22, representatives from E2C attended the Police and Commissions Youth Question Time as part of the Regional Youth Forum work. They decided the panellist's agenda and content based on last year's evaluations and the current years priorities, both regionally and locally, from the Make Your Mark consultation. Their involvement resulted in the services taking part having a better understanding of issues being faced in their local authority by young people. It also allowed the young people to understand the services better, and their role in improving the lives of young people.

Active travel: Legislation is in place requiring all local authorities in Wales to continuously improve their Active Travel routes, and plan how routes will join up to form networks so that people can more easily get around by cycle or as a pedestrian. The legislation requires that councils consult the public during the process of updating their Active Travel Network Map (ATNM), these maps show where walking and cycling routes are identified. The first Phase of the consultation exercise (Engagement Phase) is now complete. It was very successful with over 2,700 people participating. Around 370 routes were identified for consideration of improvement or inclusion in any new maps going forward. An overview of the information collected can be viewed by clicking [here](#). On 4th June, we started the formal 3-month consultation on the proposed ATNMs.

Customer Complaints and Compliments: We monitor and learn from feedback received from customers. These are reported to the Governance and Audit Committee. Issues included the length of time we can take to respond to people. Not only is it important to deal with complaints effectively, investigating and putting things right for the complainant where necessary, it is also vital to learn from them to minimise the chances of the same problem occurring twice. Twenty complaints were referred to the Public Service Ombudsman for Wales in 2020-21, the last year for which data is available. This is lower than the average for Welsh local authorities. Only one report was upheld, which places the county in the lower quartile.

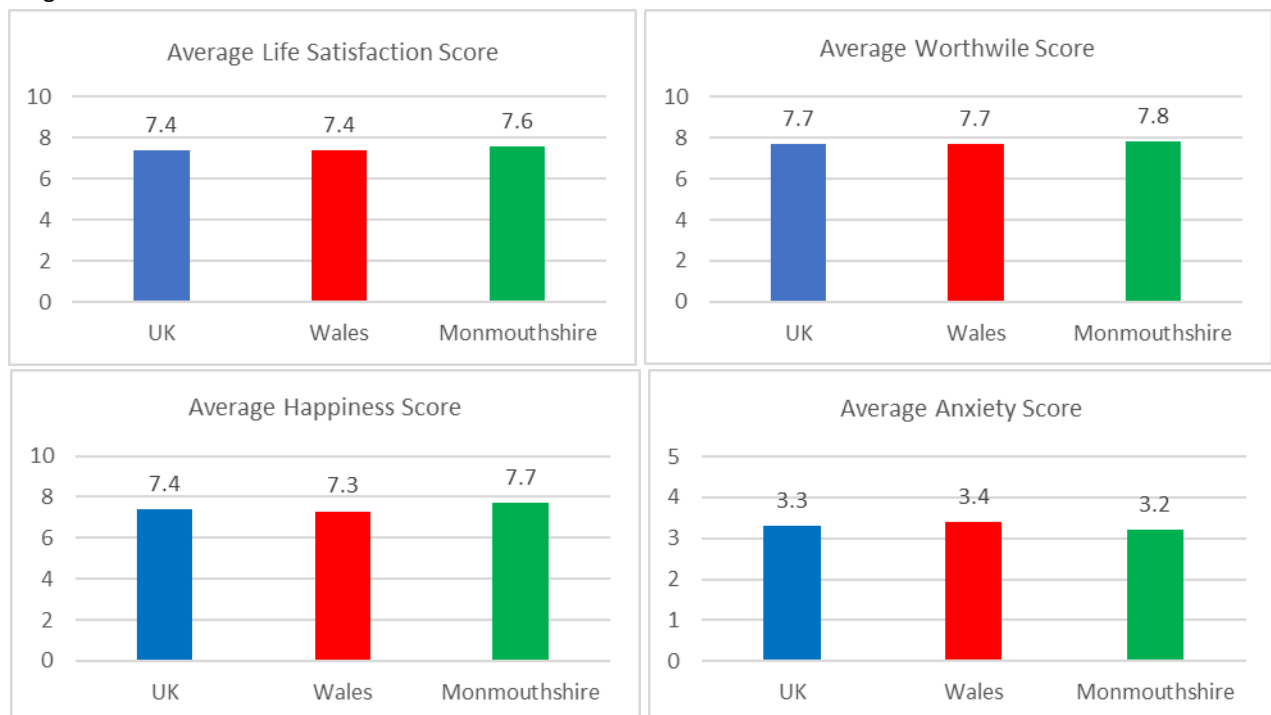
Measuring Individual well-being

The Office of National Statistic's Measuring National Well-being programme also assesses personal well-being as part of the Annual Population Survey. The survey asks the questions:

- **Life Satisfaction** – overall, how satisfied are you with your life nowadays?
- **Worthwhile** – overall, to what extent do you feel that the things you do in your life are worthwhile?
- **Happiness** – overall, how happy did you feel yesterday?
- **Anxiety** – on a scale where 0 is 'not at all anxious' and 10 is 'completely anxious', overall, how anxious did you feel yesterday?

The latest full annual results for Monmouthshire (from 2020/21) for these questions are shown in diagram 7 below alongside the UK and Wales averages. This shows that the responses from Monmouthshire residents score slightly better than both the UK and Wales for all measures.

Diagram 7



Staff engagement

We have carried out staff awareness sessions and provided opportunities for staff to be involved in the self-assessment process. The Leader's Q&A is a weekly meeting, held remotely, for any leaders to join to discuss issues or share information. We have used this platform to share information on the new Act, the responsibilities it places on the council, and what this means for service areas. We have also attended Directorate Management Team meetings to share the same information, targeting heads of service and team leaders.

As part of our process to collate the self-assessment, we held directorate and enabling-service workshops to provide an opportunity for staff to directly feed into the self-assessment via identification of their own strengths and areas for development. Workshop attendees were presented with evidence packs, collated from existing information sources such as scrutiny reports, external regulator feedback, and service business plans, and were facilitated to self-assess their performance. We learned a great deal from the workshops, both in terms of

successes and areas for development associated with our strategic goals and our enabling functions, but also on how to improve the self-assessment process next year.

We altered the service business planning process at the start of 2021 to align more closely with the self-assessment process. Engagement took place with staff groups to assist in transitioning to the new way of working, with a particular focus on the outcomes of services, and identifying ways in which services could provide improved outcomes. This needs to be developed as completeness and quality of service business planning varies across the organisation.

Businesses

We have established stronger engagement networks with businesses in our area since the start of the pandemic and we are working to improve these connections. We have a better understanding of the types of businesses in our area, and the Business Resilience Forum presents a helpful 'two-way' platform for feedback and information sharing. We will build on this platform, and others, to improve the feedback we receive from business to make sure we are capitalising on the conversations that are taking place and can improve our service to businesses as a result.

Trade Unions

We engage well with Trade Unions to achieve our outcomes and a draft of the self-assessment will be circulated to seek their views.

What Regulators and Inspectors Said

We work closely with our regulators and inspectors to quality-assure our activities as this is vital to ensuring improvement. Their feedback is valued, and we use their assessments to help us focus on the things we need to improve across the council.

Each year, Audit Wales publishes an Annual Audit Summary, which shows the work completed since the previous year's summary. The audit summary, published in December 2021, concluded:

"The Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2020-21, as saved by an order made under the Local Government and Elections (Wales) Act 2021."

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

We underwent an Estyn Inspection into Local Government Education Services in February 2020. The inspection recognised the clear vision and strong focus on ensuring 'the best possible start in life' and also identified the commitment to partnership working that has resulted in a good track record of improvement. It also identified areas for development, such as the performance of children eligible for free school meals, and a lack of clarity in how services for learners with special educational needs will be strengthened. Work is underway address the recommendations. The report can be found on www.estyn.gov.wales

Care Inspectorate Wales carried out an assurance check in February 2021 to review how well Social Services were helping and supporting adults and children during the pandemic, with a focus on safety and well-being.

They found that we made our strategic intent clear in relation to responding to the pandemic, and leaders maintained a line of sight on the changing COVID-19 landscape, resulting in clear plans to address the issues presented. Inspection reports about social services by Care Inspectorate Wales (CIW) can be found on www.careinspectorate.wales

Equality and Diversity

The council has a long-standing commitment to equality and diversity, with our Social Justice Strategy demonstrating our commitment to address inequalities and improve outcomes for the county's people and communities. This dovetails neatly with our third Strategic Equality Plan, produced under the Equality Act 2010. This latest plan was approved in March 2020 and sets the council's objectives to ensure we deliver better outcomes for people with protected characteristics. This is clearly aligned with the evidence provided by the Well-being Assessment, and also evidence provided by the Equality and Human Rights Commission's report "Is Wales Fairer 2018".

As well as this, it is important to us as it is the right thing to do. Annual monitoring reports provide updates on progress on the action plans in the Strategic Equality Plan and evidence good practice being carried out across the council departments. These can be found [here](#).

The Welsh Language

The Welsh language is central to the goals introduced as part of the Well-being of Future Generations Act, particularly for our contribution to a Wales of vibrant culture and thriving Welsh language. It also makes an important contribution to the Welsh Government goal of having a million Welsh speakers by 2050.

The Welsh Language (Wales) Measure 2011, and accompanying Welsh Language standards, place a legal duty on councils to treat Welsh and English equally, to promote the Welsh Language and provide services to the public through the medium of Welsh. The council has been allocated 175 standards that we are required to comply with. This is a significant challenge, but systems have been put in place to ensure compliance. One of the standards set was to write a Welsh Language Strategy for 2017-2022, which identifies a vision of how the language will look in Monmouthshire in five years and is accompanied by targets to help achieve it. The annual monitoring reports reflect our progress against our Welsh language commitments under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards. These can be found [here](#).

Appendix 1 – Integration of well-being objectives

Table illustrating how each of the 22 commitments in our five priority goals integrate with other commitments

	1.FUTURE SCHOOLS	2.RAISING STANDARDS IN SCHOOLS	3.STRATEGIC EDUCATION REVIEW	4.CHILDREN AND FAMILIES	5.LOOKED-AFTER CHILDREN	6.ECONOMY AND ENTERPRISE STRATEGY	7. CARDIFF CAPITAL REGION CITY DEAL	8.INFRASTRUCTURE CONNECTIVITY	9.LOCAL LIVING, WORKING & LEISURE	10. PROCUREMENT	11.PLAN FOR LOCAL ENVIRONMENT	12. REDUCE CARBON EMISSIONS	13. KEEPING ROADS AND AREAS SAFE	14.HERITAGE, ARTS AND CULTURE	15.INDEPENDENT LIVING	16.SOCIAL JUSTICE, PROSPERITY AND INEQUALITY	17. VOLUNTEERS AND SOCIAL ACTION	18.LEISURE, RECREATION AND WELL-BEING	19.LOCAL SERVICES AND CUSTOMER EXPERIENCE	20.DEMOCRATIC ENGAGEMENT	21.SUSTAINABLE AND RESILIENT ORGANISATION	22.WORKPLACE AND EMPLOYEES	
1.FUTURE SCHOOLS	█																						
2.RAISING STANDARDS IN SCHOOLS		█																					
3.STRATEGIC EDUCATION REVIEW			█																				
4. CHILDREN AND FAMILIES				█																			
5.LOOKED-AFTER CHILDREN					█																		
6.ECONOMY AND ENTERPRISE STRATEGY						█																	
7. CARDIFF CAPITAL REGION CITY DEAL							█																
8.INFRASTRUCTURE CONNECTIVITY								█															
9.LOCAL LIVING, WORKING & LEISURE									█														
10. PROCUREMENT										█													
11.PLAN FOR LOCAL ENVIRONMENT											█												
12. REDUCE CARBON EMISSIONS												█											
13.KEEPING ROADS AND AREAS SAFE													█										
14.HERITAGE, ARTS AND CULTURE														█									
15.INDEPENDENT LIVING															█								
16.SOCIAL JUSTICE, PROSPERITY&INEQUALITY																█							
17. VOLUNTEERS AND SOCIAL ACTION																	█						
18.LEISURE, RECREATION AND WELL-BEING																		█					
19.LOCAL SERVICES AND CUSTOMER EXPERIENCE																			█				
20.DEMOCRATIC ENGAGEMENT																				█			
21.SUSTAINABLE AND RESILIENT ORGANISATION																					█		
22.WORKPLACE AND EMPLOYEES																						█	

Appendix 2 – Self-assessment process

Legislation

The Local Government and Elections (Wales) Act 2021 (“the Act”) provides for a new and reformed legislative framework for local government elections, democracy, governance and performance. The Act replaces the previous improvement duty for councils set out in the Local Government (Wales) Measure 2009. The Act requires each council in Wales to keep under review the extent to which it is meeting the ‘performance requirements’, that is the extent to which it is exercising its functions effectively; it is using its resources economically, efficiently and effectively; its governance is effective for securing these.

The performance and governance provisions in the Act are framed within the context of the well-being duty in the Well-being of Future Generations (Wales) Act 2015, which sets out a legally binding common purpose for public bodies to improve the social, economic, environmental and cultural well-being of Wales.

The mechanism for a council to keep its performance under review is self-assessment, with a duty to publish a report setting out the conclusions of the self-assessment once in respect of every financial year. Self-assessment will be complemented by a panel performance assessment once in an electoral cycle, providing an opportunity to seek external insights (other than from auditors, regulators or inspectors) on how the council is meeting the performance requirements.

Why

Self-assessment is a way of evaluating, critically and honestly, the current position in order to make decisions on how to secure improvement for the future. It is about the council being self-aware, understanding whether it is delivering the right outcomes, and challenging itself to continuously improve. It needs to be embedded as effective self-assessment helps the council to continually learn and achieve sustainable improvement and better outcomes for citizens, service users and its own workforce.

The WLGA have identified draft principles for self-assessment for councils to ensure that they have arrangements in place that:

- demonstrate self-awareness derived from evidence-based analysis that focuses on outcomes;
- are owned and led at a strategic level and are not an exercise in compliance;
- further develop a culture of challenge to facilitate improvement as part of an ongoing process;
- are integrated as part of the council’s corporate planning, performance and governance processes; and
- enable an organisation-wide assessment rather than an assessment of individual services.

Further developing this culture and embedding an evaluative mindset will be a key development point through the first few iterations of the self- assessment report.

Process

The council has developed a process to undertake its first self-assessment under the Act, assessing performance in the 2021/22 financial year. The main component parts of the process and timeline are:

Feb – April Desk-based evidence gathering	April - May Directorate self- assessment Workshops	May – June Council self- assessment report drafted	July Draft report to Scrutiny and Governance & Audit Committee	September Self-assessment agreed in line with council process.
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This timeline ensures that the self-assessment can inform and be informed by the policy direction of the council and how it uses its resources efficiently and effectively, particularly the budget setting process.

Evaluative evidence to inform the assessment has been compiled at a directorate level. Most of the evidence has been collated by using intelligence already held corporately in an insightful way; this includes, for example, the Annual Governance Statement, audit and inspection reports, and service level business plans.



The evidence gathered has been explored further, and challenged where necessary, at directorate and enabling function based self-assessment workshops, to determine if the objectives (outcomes) of the council are being achieved.

Self-assessment workshops

Directorate workshops	Enabling functions workshops
Children & Young People	Policy & Governance – Workforce planning
Social Care & Health	Resources – Financial planning
Communities & Place	Resources – Assets
	Communities & Place – Procurement
	Resources and Policy Performance & Scrutiny – Digital and Data
	Policy Performance & Scrutiny - Corporate planning, Performance and Risk Management

The workshops were facilitated through the following questions:

- How well do we understand our local context and place and has this informed our purpose and priorities? (Need)
- How well are we achieving our agreed outcomes? (From the Corporate Plan)
- How do we know? (Evidence)
- How effectively are resources being used to deliver our priorities? (Enablers)
- How effectively does the council work with stakeholders and partners on agreed outcomes? (Partnership working)
- What could we do better? (Actions)

The full evidence and conclusions from workshops have been collated and will be used by directorates and enabling functions to inform their services business plans.

Following the workshops, the evidence has been reviewed, further challenged, and collated into a corporate level evaluative self-assessment. This has been integrated with the council's requirement to report on the progress it has made in meeting its well-being objectives for the preceding financial year (2021/22) under the Well-being of Future Generations Act. The report will be structured under these headings:

- Understanding our local place
- Outcomes (progress against Corporate Plan goals):
 - How well are we achieving our agreed outcomes?
 - How do we know?
 - Areas for development
- Enabling functions
 - Corporate planning, performance and risk management
 - Financial planning
 - Workforce planning
 - Procurement
 - Assets
 - Digital and data
- Our work with partners
- Our Actions

The self-assessment report will be scrutinised by the council's Performance and Overview Scrutiny Committee. A draft of the self-assessment report will be made available to Governance and Audit committee, who must review the draft report and make recommendations for changes to the conclusions or action the council intends to take. The self-assessment will be approved in accordance with the council's agreed processes at Council.

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- ⁱ Careers Wales, Annual Survey of School Leavers <http://destinations.careerswales.com>
- ⁱⁱ Sport Wales, School Sport Survey data <http://sport.wales/research--policy/surveys-and-statistics/statistics.aspx>
- ⁱⁱⁱ Stats Wales, Gross Value Added <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP>
- ^{iv} Stats Wales, Average (median) gross weekly earnings <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Earnings>
- ^v Stats Wales, Average (median) gross weekly earnings <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Earnings>
- ^{vi} Stats Wales, Active Business Enterprises <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Demography>
- ^{vii} The total economic impact of tourism, STEAM data. The economic impact of Tourism is indexed each year.
- ^{viii} Professional, scientific and technical activities industry review, 2016, final report www.ons.gov.uk/economy/grossdomesticproductgdp/methodologies/professionalscientificandtechnicalactivitiesindustryreview2016finalreport
- InfoBase Cymru: Monmouthshire Economy www.infobasecymru.net/IAS/themes/employmentandbusiness/employment/profile?profileId=4569
- Future Monmouthshire – Economies of the Future, Economic Baseline Report (2018) <https://democracy.monmouthshire.gov.uk/documents/s19319/1b%20Appendix%20C%20-%20Economies%20of%20the%20Future%20Economic%20Baseline%20Report.pdf>
- Monmouthshire Business Counts 2021 www.nomisweb.co.uk/reports/lmp/la/1946157403/report.aspx?town=monmouthshire#tabidbr
- ^{viii} Stats Wales, Air quality <https://statswales.gov.wales/Catalogue/Environment-and-Countryside/Air-Quality>
- ^{ix} Stats Wales, National Survey for Wales <https://statswales.gov.wales/Catalogue/National-Survey-for-Wales/Well-being-and-Finances/percentageofpeoplelivinginhouseholdsinmaterialdeprivation-by-localauthority-year>
- ^x Stats Wales, National Survey for Wales <https://statswales.gov.wales/Catalogue/National-Survey-for-Wales/Local-Area-and-Environment/percentageofpeoplesatisfiedwithaccesstofacilitiesandservices>
- ^{xi} Stats Wales, National Survey for Wales <https://statswales.gov.wales/Catalogue/National-Survey-for-Wales/Sport-and-Recreation/percentageofpeoplewhoparticipateinsport3ormoretimesaweek-by-localauthority-year>
- ^{xii} Stats Wales, National Survey for Wales <https://statswales.gov.wales/Catalogue/National-Survey-for-Wales>

14TH JULY 2022

2021/22 MCC Statement of Accounts - verbal update	Jon Davies
Audit Plan - Welsh Church Accounts	Audit Wales
Internal Audit Outturn report 2021/2	Andrew Wathan
Governance & Audit Committee Annual Report	Philip White
Draft Statement of Accounts 2021/22 - Charitable Trust Funds	Jon Davies/Dave Jarrett/Nikki Wellington
Draft self assessment report 2021/22	Richard Jones
2022/23 Treasury Outturn Report	Jon Davies

8TH SEPTEMBER 2022

2021/22 MCC Statement of Accounts	Jon Davies
Quarterly update and timetable	Audit Wales
Audit Wales Financial Sustainability	Audit Wales
Internal Audit Progress report - quarter 1	Andrew Wathan
Anti bribery Risk Assessment	Peter Davies
Annual Grants report	Audit Wales
Annual Performance Review of Investment Committee	Nick Keyse
Whole Authority Strategic Risk Assessment	Richard Jones

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