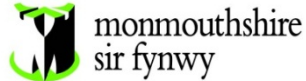


# Public Document Pack



Neuadd y Sir  
Y Rhadyr  
Brynbuga  
NP15 1GA

County Hall  
Rhadyr  
Usk  
NP15 1GA

Tuesday, 26 February 2019

Dear Councillor

## CABINET

You are requested to attend a **Cabinet** meeting to be held at **Steve Greenslade Room, County Hall, Usk** on **Wednesday, 6th March, 2019**, at **2.00 pm**.

## AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. To consider the following reports (Copies attached):
  - i. **2019/20 EDUCATION AND WELSH CHURCH TRUST FUNDS INVESTMENT AND FUND STRATEGIES** 1 - 42  
Divisions/Wards Affected: All

Purpose: The purpose of this report is to present to Cabinet for approval the 2019/20 Investment and Fund strategy for Trust Funds for which the Authority acts as sole or custodian trustee for adoption and to approve the 2019/20 grant allocation to Local Authority beneficiaries of the Welsh Church Fund.

Author: Peter Davies – Chief Officer for Resources (acting S151 Officer)

Contact Details: peterdavies@monmouthshire.gov.uk

- ii. **WHOLE AUTHORITY STRATEGIC RISK ASSESSMENT** 43 - 80  
Division/Wards Affected: All

Purpose:

To provide Cabinet with an overview of the current strategic risks facing the authority.

To seek Cabinet approval of the whole authority strategic risk assessment and amendments to the strategic risk management policy and guidance.

Author: Richard Jones, Performance Manager

Contact Details: richardjones@monmouthshire.gov.uk

- iii. **REPORT TO FEDERATE THE GOVERNING BODIES OF LLANFOIST FAWR AND LLANVIHANGEL CRUCORNEY PRIMARY SCHOOLS** 81 - 110

Division/Wards Affected: Bryn y Cwm

Purpose: To conclude the statutory process on the proposal to federate the Governing Bodies of Llanfoist Fawr Primary School and Llanvihangel Crucorney Primary School.

Author: Cath Saunders – Governance Manager

Contact Details: cathrynsaunders@monmouthshire.gov.uk

- iv. **PROPOSAL TO CONSULT ON THE CLOSURE OF MOUNTON HOUSE SPECIAL SCHOOL** To Follow

Division/Wards Affected: All

Purpose: The purpose of this report is to agree to consult on the closure of Mounton House Special School.

Author: Will McLean, Chief Officer for Children and Young People

Contact Details: willmclean@monmouthshire.gov.uk

Yours sincerely,

**Paul Matthews**  
**Chief Executive**

### CABINET PORTFOLIOS

County Councillor	Area of Responsibility	Partnership and External Working	Ward
P.A. Fox (Leader)	<b>Whole Authority Strategy &amp; Direction</b> CCR Joint Cabinet & Regional Development; Organisation overview; Regional working; Government relations; Public Service Board; WLGA	WLGA Council WLGA Coordinating Board Public Service Board	Portskewett
R.J.W. Greenland (Deputy Leader)	<b>Enterprise</b> Land use planning; Economy & Tourism; Town Centre Regeneration; Leisure; Cultural services; ADM development	WLGA Council Capital Region Tourism	Devauden
P. Jordan	<b>Governance</b> Council & Executive decision support; Scrutiny; Regulatory Committee standards; Community governance; Member support; Elections, Democracy promotion & engagement; Law, Ethics & Standards; Whole Authority performance; Whole Authority service planning & evaluation; Regulatory body liaison; Audit; Development control; Building control; Community Hubs inc Adult Education		Cantref
R. John	<b>Children &amp; Young People</b> School standards; School improvement; School governance; EAS overview; Early years; Additional Learning Needs; Inclusion; Youth Service; Extended curriculum; Outdoor education; Admissions; Catchment areas; Post 16 offer; Coleg Gwent liaison.	Joint Education Group (EAS) WJEC	Mitchel Troy
P. Jones	<b>Social Care, Safeguarding &amp; Health</b> Children; Adult; Fostering & adoption; Youth offending service; Supporting people; Whole Authority safeguarding (children & adults); Disabilities; Mental Health; Public Health; Health liaison.		Raglan
P. Murphy	<b>Resources</b> Finance; Information technology (SRS); Human Resources; Training; Health & Safety; Emergency planning; Procurement; Land & buildings (inc. Estate, Cemeteries, Allotments, Farms); Property maintenance; Digital office; Commercial office	Prosiect Gwrydd Wales Purchasing Consortium	Caerwent

S.B. Jones	<b>County Operations</b> Highways maintenance, Transport, Traffic & Network Management, Fleet management; Waste including recycling, Public conveniences; Car parks; Parks & open spaces; Cleansing; Countryside; Landscapes & biodiversity; Flood Risk.	SEWTA Prosiect Gwyrdd	Goytre Fawr
S. Jones	<b>Social Justice &amp; Community Development</b> Community engagement; Deprivation & Isolation; Housing & Homelessness; Social cohesion; Poverty; Equalities; Diversity; Welsh language; Public relations; Trading standards; Environmental health; Licensing; Communications		Llanover

# Aims and Values of Monmouthshire County Council

## Our purpose

Building Sustainable and Resilient Communities

### Objectives we are working towards

- Giving people the best possible start in life
- A thriving and connected county
- Maximise the Potential of the natural and built environment
- Lifelong well-being
- A future focused council

## Our Values

**Openness.** We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

**Fairness.** We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

**Flexibility.** We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

**Teamwork.** We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

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**SUBJECT: 2019/20 EDUCATION AND WELSH CHURCH TRUST FUNDS INVESTMENT AND FUND STRATEGIES**

**MEETING: Cabinet**

**DATE: 6<sup>th</sup> March 2019**

**DIVISION/WARDS AFFECTED: All Authority**

**1. PURPOSE:**

- 1.1 The purpose of this report is to present to Cabinet for approval the 2019/20 Investment and Fund strategy for Trust Funds for which the Authority acts as sole or custodian trustee for adoption and to approve the 2019/20 grant allocation to Local Authority beneficiaries of the Welsh Church Fund.

Page

1

**RECOMMENDATIONS:**

- 2.1 That the proposed Investment and Fund Strategy for 2019/20 for the Monmouthshire Farm School Endowment Trust Fund be approved.
- 2.2 That the proposed Investment and Fund Strategy for 2019/20 for the Welsh Church Fund be approved.
- 2.3 To delegate responsibility for the execution and administration of treasury management decisions to the Head of Finance (S151 officer) who will act in accordance with the Investment and Funds Strategy (appendix 2).
- 2.4 To approve the 2019/20 grant allocation to Local Authority beneficiaries to the Monmouthshire Welsh Church Act Fund of £210,000 to be distributed in accordance with population shares as per the 2010 Census.
- 2.5 That the Monmouthshire Farm School Trust Board determines the 2019-20 grant allocation at its October meeting based on the previous years' investment return at the end of March 2018, and any under spends carried forward from the 2018-19 grant allocation, and to avoid eroding the overall fund.
- 2.6 To endorse the Welsh Church Fund Principles, Policy Considerations and Grant Allocation Criteria for 2019-20 (Appendix 6) as considered and approved by the Welsh Church Fund Committee on the 17<sup>th</sup> January 2019.

### 3. KEY ISSUES:

- 3.1 The Authority acts as the sole trustee for the Welsh Church Fund and the custodian with responsibility for financial arrangements for the Monmouthshire Farm School Endowment Trust Fund and is required annually to approve Investment and Fund Strategies for them. In addition, for the Welsh Church Fund the Authority is required to determine the grant allocation for the forthcoming year.
- 3.2 The contract for the position of Treasury Advisor to Monmouthshire County Council, the Welsh Church Act Fund and the Monmouthshire Farm School Endowment Trust was retendered in 2015/16. This resulted in Arlingclose being re-awarded the contract in March 2016 for 4 years with the option to extend for a further 2 years. All three bodies will therefore continue to receive ongoing advice and support on investments from 1st April 2019 until 31st March 2020 from Arlingclose.

#### Investment and Fund Strategy

- 3.3 In acting in its capacity as either sole trustee or custodian, the Authority is required to have Investment policies in place for the Monmouthshire Farms Endowment Trust Fund and the Welsh Church Fund in order to comply with the [Trustee Act 2000](#). The policies ensure that monies are invested in the best interests of the Trusts.

The Annual Investment and Fund strategies for the Monmouthshire Welsh Church Act Fund and Monmouthshire Farm School Endowment Trust Fund set priorities are, in the order shown, to;

- a) Maintain security of the invested capital;
- b) Maintain sufficient liquidity to allow grants to be distributed;
- c) Maintain an optimum yield which is commensurate with security and liquidity.

- 3.4 The Trust holds real assets within pooled funds (Collective Investment Funds) such as to maximise the average annual income stream to the Trust over a 3-5 year business cycle without a sustained loss of capital funds. This policy was adopted as the Investment Strategy for the WCF in 2013/14. Arlingclose as treasury advisors to the Welsh Church Fund have supported the Welsh Church fund in making these types of investments, and these investments were taken out between May 2013 and January 2014. The latest fund review was undertaken by Arlingclose in 2018 and these investments remain a risk balanced investment portfolio in line with the investment priorities.

- 3.5 The current view from investment market projections continues to be that UK base rates will remain relatively low although a small upward pressure has materialised due to a higher than forecasted UK inflation. The basis for the change in investment strategy in point 3.4 was still relevant for 2018/19 and will be monitored with the help of the Authority's treasury advisor on an ongoing basis to ensure returns are optimised in 2019/20, which may require a change in investment vehicles.



- 3.6 Pooled investment funds are suited to bodies such as the Welsh Church Fund and the Mon Farm School Trust Fund which are looking for a steady and/or higher average income streams and who are able to leave the principal in place for a business cycle as they do not need to access the principal over the medium term. This enables the Trust to benefit from above average good years despite lower returns in infrequent poorer years.
- 3.7 There is a risk relating to the use of these funds in that the principal amount can go down as well as up in value. Again this is suited to the Welsh Church Fund as the Trust can tolerate these movements over a longer business cycle. The movements are expected to be at least neutral over a business cycle and the earning power of these investments is not largely affected by the market value.
- 3.8 For the financial year 2017-18, the WCF has received income of £216,152 from its external investment funds. The forecast for income for the full year 2018/19 including its Government Bond and cash pooled with Monmouthshire County Council is around £200,000. Therefore, increasing the distribution level to £210,000 will ensure that the funds raised for charitable purposes in 2017-18 are mainly distributed fully and thereby assisting future grant recipients in need of financial support without a significant depletion in capital assets.
- 3.9 In the financial year 2017/18, the income received from the pooled funds was off-set by a paper net capital loss of £21,068 (£232,417 gain in 2016/17). As indicated in point 3.6, a movement in capital value is expected with these types of investments and not expected to impact the fund in the long term. For this reason, Arlingclose strongly recommend continuing to spread the investments over a number of assets classes, equity, property and bonds to reduce any substantial risk of losses.
- 3.10 A revised Investment and Fund strategy for the Welsh Church Act Fund is contained in Appendix 2.
- The strategies state that the balance of cash not invested directly by the Trust Funds can be managed on a pooled basis by Monmouthshire County Council to maximise investment returns and to minimise exposure to investment losses. This cash balance is required primarily to ensure sufficient cash is available to distribute grants during the financial year and reimburse other authorities within Greater Gwent at the financial year-end.
- 3.11 Following recommendations from Treasury Advisors Arlingclose, The Monmouthshire Farm School Endowment Trust adopted a similar risk and investment strategy to that of the Welsh Church Fund. A report continuing this strategy was presented to, and approved by the Monmouthshire Farm School Endowment Trust Board in January 2019. The additional investments adopted are still in place.
- 3.12 In the financial year 2017-18, the Mon Farms Trust received income of £28,072 from its direct investments in funds and £0 from the Roger Edwards Educational Trust Fund. These total investment returns were below the grants and fees allocated from the Trust and so decrease in the funds available for distribution in 2018/19. The trustees have agreed to increase the grants available in 2018-19 as a result of underspends from previous years. The budget for 2019-20 will be agreed at the October meeting.

3.13 In the financial year 2017/18, the income received from the pooled funds invested in by the Trustees directly was augmented by a paper net capital loss of £16,226. As indicated in point 3.6, a movement in capital value is expected with these types of investments and not expected to impact the fund in the long term. For this reason, Arlingclose strongly recommend continuing to spread the investments over a number of assets classes, equity, property and bonds to reduce the risk of losses. It should be noted however that as the Monmouthshire Farm School Endowment Trust receives income from the Roger Edwards Trust and that this income is achieved by investing in Equity and Property based products, in order to diversify, the additional products selected for direct investment were weighted towards bond based products, with some additional property based products being purchased more recently. The bond based products have performed on a relatively flat basis over the last 12 months, creating a small capital gain. This situation is being actively discussed with Arlingclose to optimize performance over the medium term although diversification is still seen as the best policy.

3.14 Appendix 1 outlines the Annual Investment and Fund Strategy 2019/20.

### Grant Allocation of the Welsh Church Fund

3.15 The Monmouthshire Welsh Church Fund was established on 1st April 1996 from the former Gwent Fund and part of the former Mid Glamorgan Fund. The Fund covers the administrative areas of Blaenau Gwent, Caerphilly, Newport, Torfaen and Monmouthshire, with Monmouthshire being designated as the lead Authority.

3.16 Since 1996 trustees have sought to obtain a satisfactory rate of return from the fund's investments thereby enabling grants to beneficiaries after meeting expenses, whilst maintaining the capital value of the fund in real terms.

3.17 The fund balance held by the trust was £5,492,332 at 31<sup>st</sup> March 2018 (£5,470,678 at 31<sup>st</sup> March 2017). It is recommended that the grant allocation be raised to £210,000 in 2019/20 (£200,000 in 2018/19). The forecast for 2018-19 income is estimated to be around £200,000 which is slightly down from the £216,152 received in 2017-18 but is sufficient to enable an increased budget level for 2019-20 without a long term detrimental effect on capital balances.

3.18 . This will result in the following distribution being recommended:

AUTHORITY	POPULATION (000)**	PERCENTAGE SPLIT	BUDGET*
Blaenau Gwent CBC	68.4	12.2	25,586
Caerphilly CBC	173.1	30.8	64,751
Monmouthshire CC	88.1	15.7	32,955
Newport CBC	141.3	25.2	52,855
Torfaen CBC	90.5	16.1	33,853
<b>TOTAL</b>	<b>561.4</b>	<b>100.0</b>	<b>£210,000</b>

\*The above figures do not include any brought forward unspent grant allocations

\*\*Source: 2010 Census ONS

### **Risk Assessment of the Welsh Church Fund**

- 3.19 The financial assistance provided by the Welsh Church Fund supports a very wide range of community activities, including voluntary and sporting organisations. Annually, monies are distributed and the key risk faced by the Welsh Church Fund is loss or reduction in the amount of monies available.
- 3.20 The risk assessment is undertaken to ensure that risks faced by the Trust are identified and mitigated through appropriate and robust controls put in place by the Authority in its position as sole and corporate Trustee. The existing risk assessment policy has been reviewed and is considered to be adequate and sufficiently robust to continue during the 2018/19 financial year. The risk assessment is attached for information at appendix 5.

### **Risk Assessment of the Monmouthshire Farm School Endowment Trust**

- 3.21 The financial assistance provided by the Monmouthshire Farm Endowment Trust supports a very wide range of students, studying at agricultural based colleges in the UK. Applicants must live in the former Gwent area (excluding Newport) and preference is given to those under 25 years old. Annually, monies are distributed and the key risk faced by the Monmouthshire Farm Endowment Trust is loss or reduction in the amount of monies available for distribution.
- 3.22 A risk assessment is undertaken to ensure that risks faced by the Trust are identified and mitigated through appropriate and robust controls put in place by the Authority, in its position as the Trustee with responsibility for financial arrangements. The risk assessment policy is attached for information at Appendix 4.

## **4. OPTIONS APPRAISAL**

Options available are restricted by the nature of the governing documents of the Welsh Church Act Fund and Monmouthshire Farm School Endowment Trust

## **5. REASONS:**

- 5.1 To produce an annual Investment and Fund Strategy in order that the Authority fulfils its responsibilities as corporate and sole trustee in order to comply with the Trustee Act 2000.
- 5.2 To approve the 2019/20 grant allocation for the Welsh Church Fund, enabling constituent Local Authorities to make qualifying grant allocations under the Welsh Church Fund Trust Scheme.

## **6. RESOURCE IMPLICATIONS:**

- 6.1 The grant allocation to beneficiaries of the Welsh Church Fund is set in the context of the fund balance being maintained over the long term. It is funded through net income generated through investment returns.
- 6.2 The appointment of a dedicated treasury advisor to the Welsh Church Fund will be an ongoing annual charge against the Fund. However, in light of the revised treasury strategy which attracts more treasury risk it is deemed prudent and it is anticipated will be more than outweighed by increased investment returns. The fee negotiated is considered to be competitive and further efficiencies are generated from the Authority dealing with one advisor for its treasury advice.

## **7. EVALUATION CRITERIA**

- 7.1 There are no adverse Future Generation implications arising directly from this report. The Future Generations Evaluations form is attached under appendix 5.
- 7.2 There are no sustainability implications arising directly from this report.
- 7.3 The approval of the Investment and Fund Strategies do not require any specific decisions to be made which could have an adverse impact on any group or individual within the Council. The approval of the Welsh Church Fund budget for 2019-20 is seen to have a neutral impact on the sustainability of the fund going forward.

## **8. CONSULTEES:**

Strategic Leadership Team  
Cabinet Members  
Head of Legal Services

### **Results of Consultation**

No adverse comments received

**9. BACKGROUND PAPERS:**

- Appendix 1 – Monmouthshire Farm School Endowment Trust – Annual Investment and Fund Strategy 2019/20
- Appendix 2 – Monmouthshire Welsh Church Fund – Investment and Fund Strategy 2019/20
- Appendix 3 – Monmouthshire Farm School Endowment Trust – Risk Assessment Policy 2019/20
- Appendix 4 – Monmouthshire Welsh Church Fund – Risk Assessment Policy 2019/20
- Appendix 5 – Future Generations Evaluation Form
- Appendix 6 -- Welsh Church Fund Principles, Policy Considerations and Grant Allocation Criteria for 2019-20

**10. AUTHOR:**

Peter Davies – Chief Officer for Resources (acting S151 Officer)

**11. CONTACT DETAILS:**

E-mail: [peterdavies@monmouthshire.gov.uk](mailto:peterdavies@monmouthshire.gov.uk)  
Telephone: 01633 644294

## The Investment & Fund Strategy for the Monmouthshire Farm Endowment Trust 2019/20 Appendix 1

### 1. Background

- 1.1 The Trustees shall each year consider for approval an annual Investment Strategy. The Trustees may also request submission of a longer term investment strategy for approval. Any proposed in-year modification to the Investment Strategy must be approved by the Trustees.
- 1.2 This investment strategy has been prepared with the assistance of Arlingclose, the current treasury advisor to both the Monmouthshire Farm Endowment Trust and also Monmouthshire County Council.
- 1.3 The Trustees have agreed to a continued relationship with a Treasury advisor to provide expert advice on the continued suitability of a variety of investment vehicles for inclusion in its portfolio. This will carry a small charge.

### 2. Interest Rate Forecast

- Page 8  
2.2
- Arlingclose's forecast is for the UK Bank Rate to remain flat at .075% with a chance of increasing further by 0.25% in late 2019. Risks remain slightly weighted to the upside.
- With short term interest rates still low, an investment strategy historically would have typically resulted in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk for investments of that duration and also an acceptable return.
- 2.3 The Monmouthshire Farm Endowment Trust, by means of this Investment strategy is permitted to utilise suitable Collective Investment Schemes/Pooled Funds, which enable the Authority to diversify the assets and thereby reduce the underlying risk in the investment portfolio and at the same time providing the potential for enhanced returns.

### 3. Annual Investment and Fund Strategy

- 3.1 The Trustees shall invest Monmouthshire Farm Endowment Trust monies in accordance with Section 15 of the Scheme made by the County Council of Monmouthshire.
- 3.2 Day to day activities required to implement this shall be delegated to the S151 Officer and the Treasury team of Monmouthshire County Council. This can include a change to investment vehicle providing it still lies within the scope of this Investment strategy and is approved by the current Treasury Management advisors.
- 3.3 In accordance with best practice, the Monmouthshire Farm Endowment Trust must consider the three objectives of security, liquidity and yield in relation to the investment of its funds when making any investment. Maintaining a high level of security of investment ensures the long term income generating capacity of the fund. The liquidity or accessibility of a portion of the investments ensures in the short term expenses of the fund can be met.
- 3.4 The Overall Fund Strategy of the Monmouthshire Farm Endowment Trust Fund is to generate investment returns which after meeting the expenses of managing the Fund, can be distributed to selected beneficiaries. The investment strategy is therefore to maximise returns commensurate with appropriate levels of security and liquidity. Investments in Collective Investment Funds are likely to result in fluctuations in principal. It is acceptable to allow this, if having taken appropriate advice; they are expected to be temporary in nature, in order to improve total returns over a 3-5 year business cycle.
- At 31<sup>st</sup> March 2018, the Monmouthshire Farm Endowment Trust had £641,570 of investments and £61,825 of cash.
- 3.6 Investments can be taken out by the Fund without specific reference to the Treasury Advisors at the time providing they are sterling denominated investments with a maximum maturity of one year and also meet the “high credit quality” criteria determined by the Trustees and set out in paragraph 3.9 and are not deemed capital expenditure investments under Statute.
- 3.7 Investments which do not meet the strict definition below of high credit quality and which have a longer term Investment horizon can be made but only after consulting with the Monmouthshire Farm Endowment Trust Fund treasury advisors and the Head of Finance (S151 Officer) at Monmouthshire County Council, who represents the Trustees, to ensure the level of risk is in line with the Monmouthshire Farm Endowment Trust Fund’s other current investment options.
- 3.8 The types of investments that are permitted to be used by the Monmouthshire Farm Endowment Trust are as follows:

**Table 2: Investments**

<b>Investment</b>	
Term deposits or Cash Deposits with banks and building societies	✓
Gilts, Treasury-bills or the UK Debt Management Office	✓
Collective Investment Schemes	✓
Pooled funds with Monmouthshire County Council	✓

3.9 The Trustees and its advisors select countries and financial institutions after analysis and ongoing monitoring of:

- Published credit ratings for financial institutions (counterparties):
  - Investments are classed as having high credit quality if the lowest credit rating they have with Fitch, Moody's and Standard & Poors' is A-, A3 and A- or higher.
  - And a country rating of AA+ or equivalent for non-UK sovereigns
- Credit Default Swaps (where quoted)
- Sovereign Support mechanisms
- Economic fundamentals (for example Net Debt as a percentage of GDP) and Economic trends
- Sovereign support mechanisms
- Share Prices
- Corporate developments, news, articles, markets sentiment and momentum
- Historical performance and expected future trends of Collective Investment Funds
- Subjective overlay – or, put more simply, common sense.

Any institution can be suspended or removed should any of the factors identified above give rise to concern. The Monmouthshire Farm Endowment Trust fund will not enter into any investment if it is outside the advice given by its Treasury advisors which is updated monthly, weekly and daily according to the movements in the worldwide backdrop. This includes guidance on the maximum maturity of investments with approved counterparties.



3.10 New Investments made directly by the Monmouthshire Farm Endowment Trust Fund will be restricted in the following ways to ensure diversification and hence reduction of both credit risk and interest rate risk.

- A minimum of £40,000 (at the time of investment) needs to be held in investments which are sufficiently liquid such as cash or other investments less than one year so that grants can still be made if investment returns are low or to allow for the lead time for realising certain investments. The full remaining balance can be invested in Collective Investment funds to maximise returns if this is in line with the requirements of this strategy.
- The maximum amount which can be invested directly by the Monmouthshire Farms Endowment Trust Fund [MFETF] in any one Collective Investment Fund (at the time of investment) is 45% of the total MFETF investment balance.

The amount invested should be spread across different asset classes such as Property, Bonds and Equity to diversify and reduce overall risk. This spread should be viewed collectively with the funds invested by the Roger Edwards Educational Trust [REET] and from which the MFETF benefits (£650,000 purchase price). As the REET Investments are weighted towards Equity it is not possible to achieve an equal split across asset classes but a level of between 20% and 45% for at least three asset classes should be aimed for. Appendix A includes the model portfolio which was used as a basis for the investments which have been undertaken.

- Up to 100% of the total investment balance can be held with Monmouthshire County Council or Instruments issued by the UK Government, if required
- Up to 100% of the total investment balance can be invested as term deposits, CDs or call accounts with banks and building societies. The maximum amount which can be invested with any one financial institution is £100,000 if of high credit quality (approx 15% of the total MFETF investment balance) or £50,000 if approved by the Treasury advisors although not considered high credit quality.
- The maximum duration of term deposits and CDs with banks and building societies shall be in line with the ongoing advice given by the Trust's treasury advisors which varies with world economic factors.

3.11 At the end of each financial year the Trustees shall consider the actual return on investments & the extent to which the investment objectives have been achieved.

3.12 The Trustees shall observe the following constraints in pursuing the investment objectives:

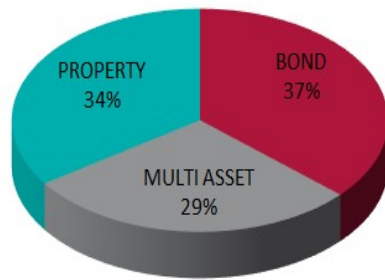
- The restrictions on investments contained within Section 15 of the scheme made by Monmouthshire County Council.
- A proportion of the funds held may be pooled with Monmouthshire County Council's overall investment portfolio, which is invested in line with the Authority's Treasury Management Strategy. Interest earned by the Authority and any investment losses incurred by the Authority will be apportioned proportionally between the Local Authority and Monmouthshire Farm Endowment Trust in line with the total investments held by each party.

*NB: Any investments which move outside of the above criteria with time will be reinvested within the above criteria on maturity.*

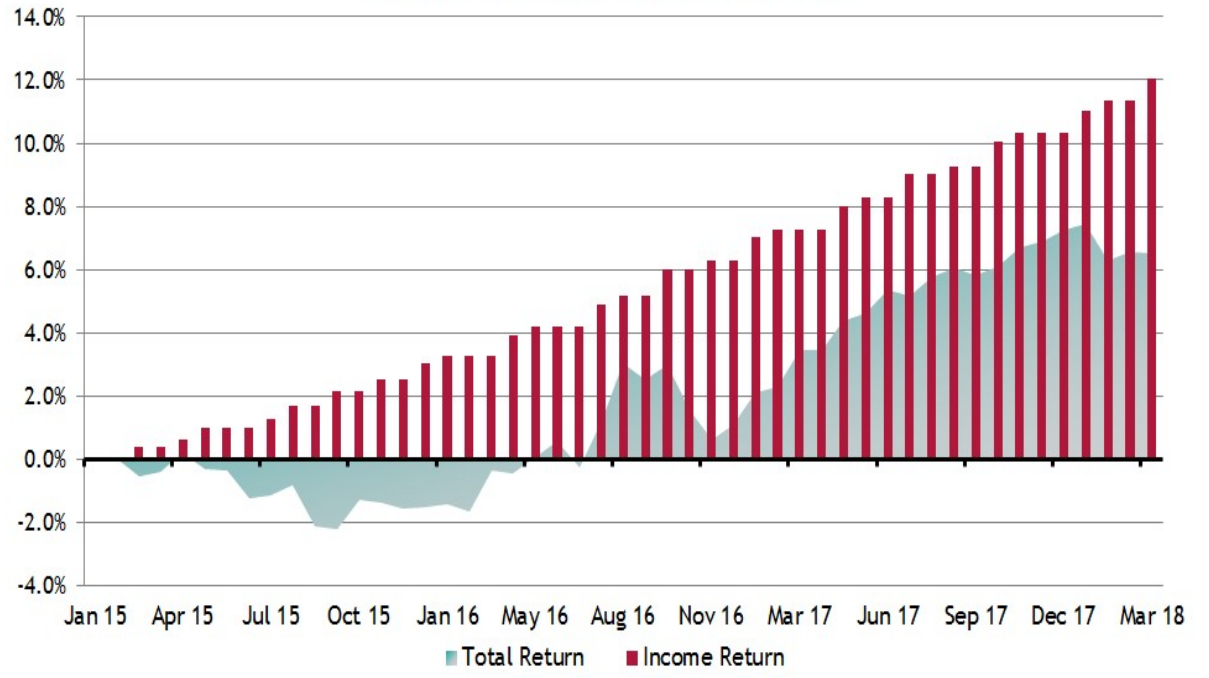
- 3.13 There are currently no ethical constraints on investment of funds and this matter will be reviewed if there are any changes in charity law or other requirements.
- 3.14 There is now more than 12 months' history to Monmouthshire Farms Trust's pooled fund holding. In capital terms, it should be remembered that the emphasis of the investment in the selected funds is based on a long-term strategy of a five-year rolling basis
- 3.15 The values and performance of the investments reported in the latest available Arlingclose report are as follows;

FUND NAME	ASSET CLASS	No of Units Held in Period	Current Value £	Capital Growth £	Dividends Earned £	Holding Period (yrs)	Capital Return	Income Return	Total Return	Volatility
CCLA - COIF PROPERTY FUND	PROPERTY	193,705	221,851	-7,149	30,597	2.3	-3.12%	13.36%	10.24%	3.3%
M&G CHARIBOND FUND	BOND	190,470	234,983	-15,017	27,091	2.7	-6.01%	10.84%	4.83%	4.7%
UBS MULTI ASSET INCOME FUND	MULTI ASSET	377,858	184,735	-15,265	24,032	3.2	-7.63%	12.02%	4.38%	4.5%
<b>GRAND TOTAL</b>			<b>641,568</b>	<b>-37,432</b>	<b>81,720</b>	<b>2.7</b>	<b>-5.51%</b>	<b>12.04%</b>	<b>6.52%</b>	<b>2.6%</b>
<b>Annualised Returns:</b>							<b>-2.03%</b>	<b>4.42%</b>	<b>2.39%</b>	

Asset Class Allocation



Cumulative Return on External Funds



Please note the data above reflects the performance of the funds since inception as the funds were purchased on 29<sup>th</sup> January 2015.

#### **4. Training**

- 4.1 The Head of Finance (S151 Officer) will ensure all staff are suitable trained to assist with this process and will organise awareness training to Trustees, Cabinet and Audit Committee where appropriate.

#### **5. Investment Consultants/ Treasury Advisors**

- 5.1 The Monmouthshire Farm Endowment Trustees use Arlingclose as their Treasury Management Consultants to provide information, advice and training relating to investments. Information relating to investments is provided from publicly available data and is summarised in order to assist with decision making within the Authority. The information and advice covers the level of risk of investment and the variety of options available.

## **The Investment & Fund Strategy for the Welsh Church Act Fund 2019/20**

### **1. Background**

- 1.2 The Cabinet shall each year consider for approval an annual Investment Strategy. The Cabinet may also request submission of a longer term investment strategy for approval. Any proposed in-year modification to the Investment Strategy must be approved by the Cabinet.
- 1.2 The Welsh Church Fund Funds strategy shall be considered in conjunction with any review of the Investment Strategy.
- 1.3 Local Authorities are required by the Welsh Government's Investment Guidance to produce an Annual Investment Strategy. The Trustees of the Welsh Church Fund have elected to use this Guidance where practicable and relevant. The guidance emphasises an appropriate approach to risk management, particularly in relation to the security and liquidity of invested funds.
- 1.4 This investment strategy has been prepared with the assistance of Arlingclose, the current treasury advisor to both the Welsh Church Fund and also Monmouthshire County Council (the sole Trustee of the Welsh Church Fund).

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### **Interest Rate Forecast**

- 2.1 Arlingclose's forecast is for the UK Bank Rate to remain flat at .075% with a chance of increasing further by 0.25% in late 2019. Risks remain slightly weighted to the upside.
- 2.2 The economic and interest rate forecast is provided by Monmouthshire County Council's current treasury management advisor. The Authority, in its position as trustee, will reappraise its strategies from time to time in response to evolving economic, political and financial events.
- 2.3 With short term interest rates still low, an investment strategy historically would have typically resulted in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk for investments of that duration.
- 2.4 The Welsh Church Fund is permitted to utilise suitable Collective Investment Schemes/Pooled Funds, which enable the Authority to diversify the assets and underlying risk in the investment portfolio and at the same time providing the potential for enhanced returns.

### 3. Annual Investment and Fund Strategy

- 3.1 The Cabinet shall invest Welsh Church Fund monies in accordance with Section 15 of the Scheme made by the County Council of Monmouthshire under Section 19 of the Welsh Church Act 1914.
- 3.2 In accordance with best practice, the Welsh Church fund must consider the three objectives of security, liquidity and yield in relation to the investment of its funds when making any investment. Maintaining a high level of security of investment ensures the long term income generating capacity of the fund. The liquidity or accessibility of a portion of the investments ensures in the short term expenses of the fund can be met.
- 3.3 The Overall Fund Strategy of the Welsh Church Trust Fund is to generate investment returns which after meeting the expenses of managing the Fund, can be distributed to selected beneficiaries. The investment strategy is therefore to maximise returns commensurate with appropriate levels of security and liquidity. Investments in Collective Investment Funds are likely to result in fluctuations in principal. It is acceptable to allow this, if having taken appropriate advice; they are expected to be temporary in nature, in order to improve total returns over a 3-5 year business cycle.
- 3.4 At 31<sup>st</sup> March 2018, the Welsh Church Fund had £4.80m of investments (market value) and £368,539 of cash.
- Investments can be taken out by the Fund without specific reference to the Treasury Advisors at the time providing they are sterling denominated investments with a maximum maturity of one year and also meet the “high credit quality” criteria determined by the Trustee and set out in paragraph 3.8 and are not deemed capital expenditure investments under Statute.
- 3.6 Investments which do not meet the strict definition below of high credit quality and which have a longer term Investment horizon can be made but only after consulting with the Fund’s treasury advisors and the Head of Resources (S151 Officer) at Monmouthshire County Council, who represents the Trustees, to ensure the level of risk is in line with the Welsh church Fund’s other current investment options.
- 3.7 The types of investments that are permitted to be used by the WCF are as follows:

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**Table 2: Investments**

Investment	Specified
Call accounts, term deposits or Cash Deposits with banks and building societies	✓
Gilts, Treasury-bills or the UK Debt Management Office	✓
Collective Investment Schemes	✓

\*

3.8 The Trustees and its advisors select countries and financial institutions after analysis and ongoing monitoring of:

- Published credit ratings for financial institutions (counterparties):
  - Investments are classed as having high credit quality if the lowest credit rating they have with Fitch, Moody's and Standard & Poors' is A-, A3 and A- or higher.
  - And a country rating of AA+ or equivalent for non-UK sovereigns
- Credit Default Swaps (where quoted)
- Sovereign Support mechanisms
- Economic fundamentals (for example Net Debt as a percentage of GDP) and economic trends
- Sovereign support mechanisms
- Share Prices
- Corporate developments, news, articles, markets sentiment and momentum
- Historical performance and expected future trends of Collective Investment Funds
- Subjective overlay – or, put more simply, common sense.

Any institution can be suspended or removed should any of the factors identified above give rise to concern. The Welsh Church fund will not enter into any investment if it is outside the advice given by its Treasury advisors which is updated monthly, weekly and daily according to the movements in the worldwide backdrop. This includes guidance on the maximum maturity of investments with approved counterparties.

3.9 New Investments made directly by the Welsh Church Fund will be restricted in the following ways to ensure diversification and hence reduction of both credit risk and interest rate risk.

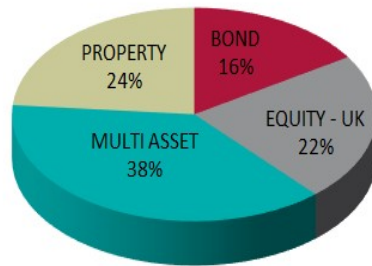
- A minimum of £350,000 needs to be held in investments which are sufficiently liquid such as cash or other investments less than one year so that grants can still be made if investment returns are low or to allow for the lead time for realising certain investments. The full balance can be invested in Collective Investment funds to maximise returns if this is in line with the requirements of this strategy.
- The maximum amount which can be invested in any one Collective Investment Fund (at the time of investment) is 20% of the total investment balance. The amount invested should be spread across different asset classes such as Property, Bonds and Equity.

- Up to 100% of the total investment balance can be held with Monmouthshire County Council.
  - Up to 100% of the total investment balance can be invested as term deposits or call accounts with banks and building societies. The maximum amount which can be invested with any one financial institution counterparty is 10% of the total investment balance.
  - The maximum duration of term deposits with banks and building societies shall be in line with the advice given by the Trust's treasury advisors which varies with world economic factors.
- 3.11 At the end of each financial year, Audit Committee consider the actual return on investments & the extent to which the investment objectives have been achieved.
- 3.12 The Cabinet shall observe the following constraints in pursuing the investment objectives:
- The restrictions on investments contained within Section 15 of the scheme made by Monmouthshire County Council under section 19 of the Welsh Church Act 1914.
  - A proportion of the funds held may be pooled with Monmouthshire County Council's overall investment portfolio, which is invested in line with the Authority's Treasury Management Strategy. Interest earned by the Authority and any investment losses incurred by the Authority will be apportioned proportionally between the Local Authority and Monmouthshire Welsh Church Act Fund in line with the total investments held by each party.
- NB: Any investments which move outside of the above criteria with time will be reinvested with the above criteria on maturity.*
- 3.13 There are currently no ethical constraints on investment of funds and this matter will be reviewed if there are any changes in charity law or other requirements.
- 3.14 Performances of the externally managed pooled funds of the Welsh Church Fund for the 12 months to March 2018 are set out below. These investment funds are to be reviewed in 2019 in ensure that they are fulfilling the criteria of income generation and capital sustainability.
- 3.15 The dividend income earned from this portfolio, shown by the maroon bars, was £201,992 for the 12 months till March 2018.

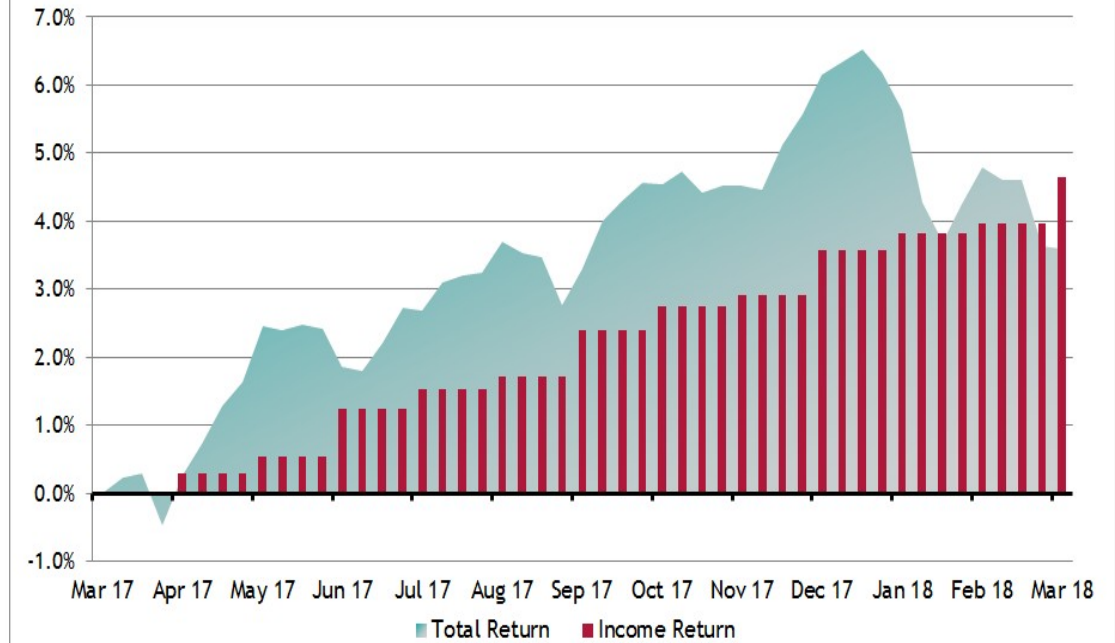


FUND NAME	ASSET CLASS	No of Units Held in Period	Current Value £	Capital Growth £	Dividends Earned £	Holding Period (yrs)	Capital Return	Income Return	Total Return	Volatility
CCLA - COIF INVESTMENT FUND	MULTI ASSET	67,524	948,237	10,054	34,052	1.0	1.07%	3.63%	4.70%	6.3%
CCLA - COIF PROPERTY FUND	PROPERTY	889,400	1,018,630	27,927	56,922	1.0	2.82%	5.75%	8.56%	2.1%
M&G CHARIBOND FUND	BOND	558,982	689,616	-34,657	25,713	1.0	-4.79%	3.55%	-1.23%	3.6%
M&G CHARIFUND	EQUITY - UK	34,796	531,403	-11,124	26,184	1.0	-2.05%	4.83%	2.78%	8.0%
SCHRODER INCOME MAXIMISER FUND	EQUITY - UK	981,740	436,285	-14,726	32,379	1.0	-3.27%	7.18%	3.91%	7.6%
UBS MULTI ASSET INCOME FUND	MULTI ASSET	1,407,494	688,124	-22,520	26,742	1.0	-3.17%	3.76%	0.59%	2.7%
<b>GRAND TOTAL</b>			<b>4,312,295</b>	<b>-45,046</b>	<b>201,992</b>	<b>1.0</b>	<b>-1.03%</b>	<b>4.64%</b>	<b>3.60%</b>	<b>3.1%</b>
<b>Annualised Returns:</b>							<b>-1.03%</b>	<b>4.64%</b>	<b>3.61%</b>	

Asset Class Allocation



Cumulative Return on External Funds



**4. The Welsh Church Fund's Bank Account**

4.1 The Welsh Church Fund holds cash with Barclays Bank. At the current time, it meets the minimum credit criteria.

**5. Training**

5.1 The Authority, acting as Trustee to the Welsh Church Fund, will ensure that suitable awareness training is provided to members of the Audit Committee and Cabinet to enable them to discharge their scrutiny function together with such wider training as may be required from time to time.

**6. Investment Consultants/ Treasury Advisors**

6.1 The Welsh Church Fund use Arlingclose as their Treasury Management Consultants to provide information, advice and training relating to investments. Information relating to investments is provided from publicly available data and is summarised in order to assist with decision making within the Authority. The information and advice covers the level of risk of investment and the variety of options available.

## Monmouthshire Farm Endowment Trust – Risk Assessment Policy 2019/20

The financial assistance provided by the Monmouthshire Farm Endowment Trust is to support the advancement of education in agriculture and related subjects at college. Annually, monies are distributed and the key risk faced by the Monmouthshire Farm Endowment Trust is loss or reduction in the amount of monies available.

An assessment of the risks faced by the Monmouthshire Farm Endowment Trust has been undertaken and steps taken to:

- avoid risks through alternative strategies
- limit and reduce risks by improving controls
- insure against specified risks

On an annual basis the risk assessment will be reviewed and updated to include any new risks identified.

The risks identified have been encompassed within 4 categories:

- Page 21
- governance & management
  - operational risks
  - financial risks
  - compliance risk

Monmouthshire County Council as custodian and administrator of the Monmouthshire Farm Endowment Trust manage the fund on the Trustees behalf through the Cabinet and make all risk and investment decisions in a unified risk policy as advised by the Authority's investment and risk advisors.

The following paragraphs list the risks identified & the steps taken to mitigate or eliminate the risk.

### **1. Governance & Management**

#### **(a) The fund lacks direction?**

The activities of the Fund are governed by the guidance in Section 4 of the Charity Act 2000.

The Cabinet has a clear purpose to maximise the return on its investments and this is contained within the investment policy.

**(b) There are conflicts of interest?**

Cabinet members are elected in accordance with the electoral cycle and are required to conduct themselves in-line with the Authority's Code of Conduct.

Members are required to declare any interests related to the activities of the Trust and may not vote on these decisions. These matters are recorded in the official minutes.

Members allowance and expense payments are not charged to the Monmouthshire Farm Endowment Fund.

**(c) Funds are used inappropriately?**

The purpose for which funds can be used is contained within the objectives of the trust.

**(d) Key staff, leave the Council's employment?**

The actions of Officers of the Council are determined by Delegated Powers.

A number of senior Council staff support and advise the Trustees on legal & financial matters.

**Inadequate information is provided to the Trustees?**

Annually, the Trustees consider the level of reserves and anticipated investment income before determining the level of grants to be made available.

Variances between the anticipated & actual investment income will be reflected in the following year's grants.

**2. Operational Risks**

**(a) Unsuitable staff support and advise Cabinet?**

Monmouthshire County Council has a comprehensive recruitment process which is supported by a wide range of personnel policies.

The training & development needs of officers are identified through the Employee Review process.

A number of senior Council staff support and advise Cabinet on financial and legal matters.

**(b) Systems & procedures are not secure?**

Systems & procedures are documented & document retention policies are in place. IT systems have data back-up arrangements & disaster recovery plans. Periodic audits identify internal control improvement requirements. Insurance provides a means to recover from specified losses.

**(c) Stakeholders are not satisfied with the operation of the Fund?**

The Scheme made by the Trustees provides for the advancement of education in agriculture and related subjects at college.

The Trustees consider annual reports on the financial performance of the Trust.

The Trustees consider annually the level of funding available for grants.

**(d) The assets of the Fund are at risk?**

In accordance with the investment policy a number of constraints are placed upon the way in which monies are used.

A risk minimization strategy has been adopted which limits the investment of funds to individual institutions meeting specified criteria.

**Unsatisfactory returns on investment are achieved?**

The reserves policy requires monies be invested in financial instruments which produce interest payments and there is no appreciation in the capital value of the investment.

The overall aim is to obtain a satisfactory rate of return enabling Trustees to distribute an amount based on the forecast return on investments during the current year, after meeting the expenses incurred in managing the fund.

Annually, the Trustees consider the actual return on investments and the extent to which the investment objectives have been achieved.

**3. Financial Risks**

**(a) Budgetary control is inadequate?**

Annually, the Trustees consider the level of reserves and anticipated investment income before determining the level of grants to be made.

Variance between the anticipated and actual investment income will be reflected in the following year's grants.

**(b) Financial administration is unsatisfactory?**

Monmouthshire County Council personnel policies and procedures ensure Officers are appropriately qualified for the roles undertaken.

Internal control arrangements ensure there is division of duties amongst Officers. Periodic audits review the internal control arrangements.

**(c) Financial losses arise due to speculative investment?**

The investment policy prescribes a risk minimisation approach which can limit the investment of funds to institutions meeting specified criteria.

**(d) Financial losses arise from fraud or error?**

The internal control arrangements are based upon segregation of duties. Periodic audits review the internal control arrangements. Insurance provides a means to recover from specified losses.

**4. Compliance Risk**

**(a) Failure to comply with legislation / regulations?**

The activities of the Fund are specified within objects of the Trust. The nature and format of financial reporting is specified by the Charity Commission and an external audit of the accounts is mandatory. A number of senior Council staff support and advise Cabinet on legal and financial matters.

## Welsh Church Fund – Risk Assessment Policy 2019/20

The financial assistance provided by the Welsh Church Fund supports a very wide range of community activities, including voluntary and sporting organisations. Annually, monies are distributed and the key risk faced by the Welsh Church Fund is a loss or reduction in the amount of monies available.

An assessment of the risks faced by the Welsh Church Fund has been undertaken and steps taken to:

- avoid risks through alternative strategies
- transfer risks to others
- limit and reduce risks by improving controls
- insure against specified risks

On an annual basis the risk assessment will be reviewed and updated to include any new risks identified.

The risks identified have been encompassed within 4 categories:

- Page 25
- governance & management
  - operational risks
  - financial risks
  - compliance risk

The following paragraphs list the risks identified & the steps taken to mitigate or eliminate the risk.

### 1. Governance & Management

#### (a) The fund lacks direction?

The activities of the Fund are specified by the Scheme made by the County Council of Monmouthshire under section 19 of the Welsh Church Act 1914.

The Cabinet has a clear purpose to maximise the return on its investments and this is contained within the investment policy.

The Cabinet is accountable to the Councils within the Greater Gwent area.

#### (b) There are conflicts of interest?

Members of the Cabinet are elected every 4 years and are required to conduct themselves in-line with the Code of Conduct.

Members are required to declare any interests related to the activities of the Cabinet and may not vote. These matters are recorded.

Members allowance and expense payments are not charged to the Welsh Church Fund.

**(c) Funds are used inappropriately?**

The Charitable purposes for which funds can be used is contained within the Scheme made by Monmouthshire County Council, which is also implemented by the other constituent authorities within the Monmouthshire Welsh Church Fund Scheme. The Trust is currently putting in place set criteria to assist constituent authorities in making grant distributions and to ensure that there is transparency in decision making and due process. The Trust will look to agree with constituent authorities in future that grant distributions have been made in accordance with the scheme in place and the set criteria being developed.

The investment and fund strategy prescribes a risk minimisation approach, with funds only placed with institutions meeting specified criteria.

**(d) Key staff leaving the Council's employment?**

The actions of Officers of the Council are determined by Delegated Powers.

A number of senior Council staff support and advise the Cabinet on legal & financial matters.

**(e) Inadequate information is provided to the Cabinet?**

Annually, the Cabinet considers the level of reserves and anticipated investment income before determining the level of grants to be made available to the constituent Councils.

Variances between the anticipated & actual investment income will be reflected in the following year's grants to the constituent Councils.

**2. Operational Risks**

**(a) Unsuitable staff support and advise the Cabinet?**

Monmouthshire County Council has a comprehensive recruitment process which is supported by a wide range of personnel policies.

The training & development needs of officers are identified through the Employee Review process.



A number of senior Council staff support and advise the Cabinet on financial and legal matters.

**(b) Systems & procedures are not secure?**

Systems & procedures are documented & document retention policies are in place. IT systems have data back-up arrangements & disaster recovery plans. Periodic audits identify internal control improvement requirements. Insurance provides a means to recover from specified losses.

**(c) Stakeholders are not satisfied with the operation of the Fund?**

The Scheme made by the County Council of Monmouthshire provides for financial assistance to be made available for a wide range of community activities.

The Authority's Audit Committee considers annual reports on the financial performance of the Fund.

The Constituent Councils also consider annually the level of funding available for community activities.

**(d) The assets of the Fund are at risk?**

In accordance with the investment policy a number of constraints are placed upon the way in which monies are used. A risk minimisation strategy has been adopted which limits the investment of funds to individual institutions meeting specified criteria.

The proposed Investment and Fund Strategy for 2019/20 for the Welsh Church Fund includes scope for investment in pooled investment funds (Collective investment funds).

**(e) Unsatisfactory returns on investment are achieved?**

The fund strategy requires monies be invested in financial instruments which produce interest payments and where there is no long-term depreciation in the capital value of the investment.

The proposed Investment and Fund Strategy for 2019/20 allows for the increased use of pooled investment funds. This does increase the risk that the principal amounts held can go down as well as up in value. This is suited to the Welsh Church Fund as the Trust can tolerate these movements over a business cycle. The movements are expected to be neutral over a business cycle and the earning power of these investments is not largely affected by the market value.

The overall aim is to obtain a satisfactory rate of return enabling the Cabinet to distribute an amount based on the actual return on investments achieved during the preceding twelve month period plus any accumulated capital receipts, after meeting the expenses incurred in managing the fund.

Annually, the Cabinet considers the actual return on investments and the extent to which the investment objectives have been achieved. Benchmark information is available from the Authority's Treasury Management Advisors for jointly invested funds with the Council.

### **3. Financial Risks**

#### **(a) Budgetary control is inadequate?**

Annually, the Cabinet considers the level of reserves and anticipated investment income before determining the level of grants to be made available to the constituent Councils.

Variance between the anticipated and actual investment income will be reflected in the following year's grants to the constituent Councils.

#### **(b) Financial administration is unsatisfactory?**

Monmouthshire County Council personnel policies and procedures ensure officers are appropriately qualified for the roles undertaken.

Internal control arrangements ensure there is division of duties amongst officers.  
Periodic audits review the internal control arrangements.

#### **(c) Financial losses arise due to speculative investment?**

The investment policy prescribes a risk minimisation approach which can limit the investment of funds to institutions meeting specified criteria.

#### **(d) Financial losses arise from fraud or error?**

The internal control arrangements are based upon segregation of duties.  
Periodic audits review the internal control arrangements.  
Insurance provides a means to recover from specified losses

#### **4. Compliance Risk**

##### **(a) Failure to comply with legislation / regulations?**

The activities of the Fund are specified within the Scheme made by the County Council of Monmouthshire.

The nature and format of financial reporting is specified by the Charity Commission and an external audit of the accounts is mandatory.

A number of senior Council staff support and advise the Cabinet on legal and financial matters.

Ensure that the Welsh Church Fund is administered in line with section 3(8) of the Charities Act 1993.



monmouthshire  
sir fynwy

## Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<b>Name of the Officer</b> completing the evaluation Peter Davies Phone no: 01633 644294 E-mail: peterdavies@monmouthshire.gov.uk	<b>Please give a brief description of the aims of the proposal</b> To assess the 2019-20 Budget, Investment & Risk Management Strategies of the Welsh Church Fund and Mon Farm Education Trust
<b>Name of Service</b> Finance	<b>Date Future Generations Evaluation form completed</b> 07th March 2019



**Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.




Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Grants are awarded to help with infrastructure projects on cultural and community assets that help sustain jobs in the community for skilled tradesmen and stimulate educational well being	No negative impacts as grants given to assist in providing positive impacts on actions / schemes / training in regard to applicants needs
<b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Environmental schemes can benefit from funding awards to assist in drainage, water course management and flood alleviation works	No negative impacts as grants given to assist in providing positive impacts on actions / schemes / training in regard to applicants needs

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p><b>A healthier Wales</b></p> <p>People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Grants assist in providing facilities for groups / individuals that help residents participate in sporting / recreational clubs that have a positive mental impact both physically and in the environment that the clubs operate within.</p>	<p>No negative impacts as grants given to assist in providing positive impacts on actions / schemes / training in regard to applicants needs</p>
<p><b>A Wales of cohesive communities</b></p> <p>Communities are attractive, viable, safe and well connected</p>	<p>Community groups and individuals can apply for funding for projects that enhance their local community facilities and environment</p>	<p>No negative impacts as grants given to assist in providing positive impacts on actions / schemes / training in regard to applicants needs</p>
<p><b>A globally responsible Wales</b></p> <p>Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>Restrictions are imposed in regard to the nature and purpose that grants can be made to ensure that funding enhances or doesn't have any negative impact upon activities carried out in Monmouthshire that affect the global environment</p>	<p>No negative impacts as grants given to assist in providing positive impacts on actions / schemes / training in regard to applicants needs</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b></p> <p>Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>Assists applicant organisations / individuals to promote recreational participation and organization of sports clubs and associations. Applicants can use the funds provided to enhance the heritage and culture of Monmouthshire through community projects and groups</p>	<p>No negative impacts as grants given to assist in providing positive impacts on actions / schemes / training in regard to applicants needs</p>

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p><b>A more equal Wales</b></p> <p>People can fulfil their potential no matter what their background or circumstances</p>	<p>Grants are generally only given to organisations / individuals can prove a basis of need due to their own personal circumstances or collective need for improvement to cultural or environmental infrastructure or help further community participation</p>	<p>No negative impacts as grants given to assist in providing positive impacts on actions / schemes / training in regard to applicants needs</p>

**2. How has your proposal embedded and prioritised the sustainable governance principles in its development?**

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
<p>Page 32</p>  <p>Long-term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>Schemes of a capital nature tend to draw more substantial awards which will ensure longevity of assets and project outcomes. The application process also ensures that those applicants that demonstrate a need for short term financing also have due consideration when funding is allocated</p>	<p>The trusts award allocation principles are reviewed and if required amended annually to ensure funding is matched to those that require support.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The Trusts assist applicants in achieving their objectives by providing part or full funding for implementation of their project goals.</p>	<p>Not Applicable to the Trusts</p>

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Involvement views</p> <p>Involving those with an interest and seeking their views</p>	<p>The Committee seek to ensure that those directly involved with the applicants and decision makers are informed of all the necessary information to make informed beneficial decisions</p>	<p>The Trust report is distributed to interested parties for consultation and amendment before final confirmation at Cabinet</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Funding is provided for preventative as well as remedial schemes in regard to infrastructure and community assets and supporting community groups with social and cultural activities</p>	<p>The trusts have developed investment strategy policies in order to facilitate greater income returns in order to distribute to qualifying applicants</p>
 <p>Integration</p> <p>Positively impacting on people, economy and environment and trying to benefit all three</p>	<p>Positive impacts are made on all successful applicants to the Trusts as funding is provided for economic, cultural, environmental and educational needs as demonstrated by the applicants on their application forms</p>	<p>The trusts award allocation principles are reviewed and if required amended annually to ensure funding is matched to those that require support.</p>

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	Positive impact as most community groups who apply support the elderly. Also, educational grants awarded to young people applying to the Trusts	None identified	
Disability	Positive impact as grants awarded to groups and individuals that either support the disabled or have a disability	None identified	
Gender reassignment		No restrictions on applicants	
Marriage or civil partnership		No restrictions on applicants	
Race		No restrictions on applicants	
Religion or Belief	Positive impact as Religious organisations are supported	None identified	
Sex		No restrictions on applicants	
Sexual Orientation		No restrictions on applicants	
Welsh Language		No restrictions on applicants	



4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance note <http://hub/corporatedocs/Democratic%20Services/Equality%20impact%20assessment%20and%20safeguarding.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	<b>Describe any positive impacts your proposal has on safeguarding and corporate parenting</b>	<b>Describe any negative impacts your proposal has on safeguarding and corporate parenting</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Safeguarding	Grants are awarded to organisations that assist children in need either through their health or social deprivation. Awards are also made to community children's groups that assist in their integration in social patterns	No negative impact	
Corporate Parenting	Not applicable to the Trust		

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

The Arlingclose Ltd Monmouthshire County Council Investment Strategy Review 2018;  
 The Arlingclose Ltd Monmouthshire Mon Farm Education Investment Strategy Review 2018;  
 The ONS Survey 2010 and  
 The Welsh Church Act Fund Audited Accounts 2017-18.

**6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?**

The proposals that support the distribution of charitable grants from the trusts are positive in that they support individuals, community and environmental groups in their pursuit of enhancing the culture, environment and personal wellbeing of people covered by their demographic remits. The application of the Investment and Risk Strategies are designed to provide the maximum amount of investment returns to provide funds to support those applicants to the fund without substantially diminishing the Capital value of the Trust Funds.

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

What are you going to do	When are you going to do it?	Who is responsible	Progress
N/A			

**8. Monitoring: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.**

The impacts of this proposal will be evaluated on:	The application of the Trust fund policies are reported in the financial statements of those trusts at each financial year-end.
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## WELSH CHURCH FUND PRINCIPLES, POLICY CONSIDERATIONS AND GRANT ALLOCATION CRITERIA – 2019-20 FUNDING YEAR

### Basic Principles of the Welsh Church Fund Trust

The basic principle is that the charity needs to be independent of the local authority. This means that decisions about the administration of the charity need to be taken solely in the interests of the charity to further its charitable purposes, and for no other purpose.

There are also a number of duties the trustee must consider when making this type of decision. If these duties are met, then the trustee can be confident that the decision about how to apply the charity's income is reasonable and defensible. Therefore, again, the trustee must act only in the charity's best interest and meet the duties to:

1. Act within the powers conferred upon them and the established rules and procedures for dealing with issues of the kind under consideration.
2. Adequately inform themselves in order to make the decision in question, where necessary making further enquiries and where appropriate considering legal or other professional advice.
3. Consider any factors which they should take into account.
4. Not take into consideration any factors which are not relevant.
5. Act in good faith (and this includes managing conflicts of interest).
6. Make a decision within the range of decisions which a reasonable body of trustees could have made.

The decision and the reasoning must also be clearly recorded in the charity's minutes.

### Policy Considerations for Charity Trustee

1. Make sure the trustee is clear about the objects of the charity as set out in its governing document as these dictate how any such asset may be used, in accordance with charity law.
2. Make sure that the Welsh Church Fund's assets, for which the council is the trustee, are managed independently in accordance with their charitable purpose and any restrictions in the governing document.

3. Recognise that the charity trustees have a duty to be prudent and to act solely in the best interests of the charity.
4. Ensure that there are in place clear procedural guidelines for the Officers and Councillor's about their roles, responsibilities and decision making in the administration of the charitable fund.
5. Ensure we have a clear process for identifying and managing any conflicts of interest that arise where the local authority is the trustee of a charity.

## **Allocation Criteria for the Welsh Church Fund Working Group**

### **Groups and individuals that benefit from grant allocations**

Churches and Religious Groups tend to be given higher awards as it is the Welsh Church Fund.

Church Parish's



Community Groups and Charities



Sports and Recreation Clubs



Environmental Groups

Individuals that have an identified and proven need of financial assistance

Other deemed charitable causes by the Working Group Committee

### **Allocation Policy and Principles**

Awards are only given on the existence of a proven financial need as identified by a sponsoring Councillor in the first instance and the Welsh Church Fund Working Group Committee in the main instance.

Existing policy of no allocations to Community or Town Councils

Existing policy of no allocations to Private Business's

or other Public Bodies

Policy of not supporting day to day running expenses except in exceptional circumstances as clubs / organisations should be self-supporting and not rely on WCF money for their continued existence.

Existing policy of only Churches are allowed to re-apply every year to be maintained, though, these applications will only be considered for applications of a different and distinct purpose.

Existing policy of restricted or no allocations for day trips or trips that will not benefit the County by an individual's subsequent personal actions

The trust currently has a policy of dropping an application if deferred for further information at the first meeting, if then subsequently that information is not received by the next meeting date. This policy will continue. Emphasis on sponsoring Councillor to ensure sufficient evidence is presented along with application.

Any assistance to schools or educational establishments that come under the general umbrella of MCC will ONLY be assessed in light of the merit and purpose of the application and in consideration and conjunction with any future Children and Young People's policy in relation to School Welfare and Support groups

Confirm the Policy that the trust will continue to only pay grant awards by BACS payments in line with current MCC payment guidelines and to save the Trust from excessive and unnecessary administrative charges.

Confirm the Policy that applications will only be accepted on the current application form as currently posted on the MCC Website (The Welsh Church Fund: Monmouthshire County Council) as this will contain all the currently required information.

Confirm the Policy that the Councillor signing the application ensures that the application qualifies for funding under the Charitable Purposes of the Trust as posted on the MCC website.

Confirm the Policy that when a Councillor signs an application to the Welsh Church Fund that they are fully aware of the purpose to the application and ensure that they have seen any supporting evidence or documentation required to support the application (i.e. Accounts, Bank Statements, letters of representation etc.) and ensure that it is submitted with the application in order that the Working Group Committee can make an informed and timely decision at the first meeting.

Confirm the principle of restricted awards or no grant allocations to organisations that receive direct financial support from MCC or any other Local Authority for Administrative expenses.

Support the principle that applicants should show effort and willing in raising funds themselves as well as expecting grant aid from the Welsh Church Fund.

Principle that there is a defined financial pot that has to be shared equally between deserving applicants and throughout the financial year. Any remaining funds at the financial year end will be carried forward to the next financial year.

Continuation of the policy that the budget for the next financial year is recommended by the Section 151 Officer of Monmouthshire County Council as they are in the best possible position to assess future financial performance and financial assets available for distribution in light of the Charity's policy to maintain the level of investments at a level that provides sufficient annual income to fund the Charity's charitable expenditure.

For the financial year 2019/20 that there is no maximum grant award imposed on all non individual applications and that a maximum award of £500 is imposed upon applicants by individual applicants. This limit will be reviewed annually once a decision has been made on the grant distribution for the next financial year by the Trustee.

The Working Group Committee has the right to set a Policy / Principle that is binding at any Committee meeting in the future if it is regarded to be in the best interest of the Trust even if a precedent may have been set by a past decision.

The Working Group Committee will set out the Principles and Policies for each financial year at the last meeting of the previous financial year.

NO appeal procedure will be allowed against grant application decisions made by the Working Group Committee. If a sponsoring Councillor would like to resubmit an application for review on a decision that has been made by the Working Group Committee, then new material evidence that was not available at the previous meeting must be presented.

Conflicts of interest procedure has been ratified. Councillor's that are associated with any application are asked too:

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- a) declare their interest,
- b) may remain in the room and remain silent
- c) be allowed to present the case or relevant points if requested by the chair for clarification purposes only
- d) be part of any application re-consideration process only at the request of the chair for clarification purposes

The Working Group Committee has the overall right to dismiss any application they feel is inappropriate for funding even though it may qualify under the Charitable Purposes to which the fund may be applied, as they feel it would not be in the best interests of the Charity.



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<b>SUBJECT:</b>	<b>Whole Authority Strategic Risk Assessment</b>
<b>MEETING:</b>	<b>Cabinet</b>
<b>DATE:</b>	<b>6<sup>th</sup> March 2019</b>
<b>DIVISIONS/WARDS AFFECTED:</b>	<b>All</b>

## **1 PURPOSE**

- 1.1 To provide Cabinet with an overview of the current strategic risks facing the authority.
- 1.2 To seek Cabinet approval of the whole authority strategic risk assessment and amendments to the strategic risk management policy and guidance.

## **2 RECOMMENDATIONS**

- 2.1 That Cabinet members approve the strategic risk assessment shown at appendix 1 as a realistic and evidenced appraisal of the strategic risks facing the authority over the next three years.
- 2.2 That Cabinet approve amendments to the strategic risk management policy and guidance, as referred to in paragraph 3.6.

## **3. KEY ISSUES**

- 3.1 The strategic risk assessment ensures that:
  - Strategic risks are identified and monitored by the authority.
  - Risk controls are appropriate and proportionate
  - Senior managers and elected members systematically review the strategic risks facing the authority.
- 3.2 The strategic risk assessment is updated based on the latest evidence available in line with the Council's strategic risk management policy, a summary is provided in Appendix 3. The risk assessment only covers high and medium level strategic risks. Lower level strategic risks are not registered unless they are projected to escalate within the three years covered. These, along with departmental risks, are managed and monitored through teams' service business plans.
- 3.3 The risk assessment is a living document and will evolve over the course of the year as new information comes to light. There have been a number of amendments to the strategic risk register to ensure it accurately manages the current strategic risks facing the Council as set out in Appendix 1. This has included updating the focus of some existing risks, which have been marked as revised, and including any new risks identified. Any risks that have been removed from the strategic risk register have been identified in a separate

table. Where there remains a level of risk, these risks will continue to be monitored and action undertaken through the relevant service business plan.

- 3.4 An internal audit report on the Council's strategic risk management arrangements identified a number of areas for improvement. An action plan has been agreed with internal audit to deliver the improvements required; these have been considered in the latest iteration of the strategic risk register. Some of the changes made include links within the register to the authority's strategic objectives and timescales attached to the delivery of mitigating actions.
- 3.5 The strategic risk assessment was presented to Audit Committee, in January 2019, to fulfil Audit Committee's role in providing assurance of the adequacy of the Council's risk management framework.
- 3.6 A refresh of the strategic risk management policy and guidance has been undertaken to ensure it reflects the Council's current governance arrangements and takes account of feedback received. The full draft updated strategic risk management policy and guidance (January 2019) is available on the Council's intranet, the Hub (Finance & Performance Management section – Risk Assessment). The key amendments are set out below and further detail on these is provided in Appendix 2:

3.6.1 The strategic risk register will be reported to Audit Committee and Cabinet at least annually. Select committees are able to examine the assessment at any point in time, as determined by the chair and committee members. This will fulfil the Audit Committee's responsibility to assure that a risk management framework is in place, and Cabinet's executive responsibility to assess the strategic risk register.

3.6.2 Recognition of risk management being one of the core areas of activity identified in the Well-being of Future Generation Act that the Council particularly needs to focus on.

3.6.3 The need to consider risk appetite was raised during the Internal Audit report and this has now been reflected in the revised policy. In some circumstances, a degree of risk may be accepted in order that a benefit can be gained or an opportunity taken. A strict parameter on the risk appetite of the organisation has not been defined, as this will vary between risks, departments and functions. It is therefore important that individual projects, proposals and plans assess risks and consider risk appetite whilst doing so. Assessment against the Council's 'risk tolerance' levels, already set out in the policy and guidance, will help inform this.

3.6.4 Updates have been made throughout the policy where necessary to reflect changes or updates to the Council's governance arrangements, legislation, job titles and responsibilities.

- 3.7 In line with the Well-being of Future Generations Act, identification and mitigation of longer-term risks that will impact future generations at community level, but will have a lesser impact on the medium term delivery of council services, is an area for continued development. The Well-being Assessment for Monmouthshire identifies a number of these, and the Public Service Board Well-being Plan sets out the objectives that public services in Monmouthshire are working on to improve economic, social, environmental and cultural well-being.
- 3.8 The risk assessment will continue to be subject to continuous review as part of the authority's performance management framework. An up-to-date risk register is accessible to members on the Council's intranet site - The Hub. This will ensure members and select committees are able to use the risk register at any point in the year to inform their work plan as appropriate.

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

- 4.1 The purpose of the whole authority strategic risk assessment is to identify and assess risks robustly and ensure risk controls are put in place that are appropriate and proportionate. Any specific mitigating actions that have policy implications would need to be subject to a separate decision and a full impact assessment completed at that time.
- 4.2 The risk assessment specifically references risks around safeguarding and corporate parenting and how they are being mitigated. It also includes activity to mitigate risks relevant to Social Justice and Future Generations.
- 4.3 The updates to the strategic risk management policy and guidance have been reviewed in the Equalities and Future Generation Evaluation form attached.

#### **5. OPTIONS APPRAISAL**

- 5.1 The Strategic Risk Assessment is updated based on the latest evidence available in line with the Council's strategic risk management policy. Risks that are identified as needing to be managed through the strategic risk register are included. The structure of the risk register has been developed based on information specified in the policy as needing to be included. Updates to the strategic risk management policy and guidance consider

feedback received and take account of the Council's current governance arrangements.

## **6. EVALUATION CRITERIA**

- 5.1 The strategic risk management policy sets the criteria that needs to be considered when identifying and mitigating strategic risks. Actions in the risk register set timescales and responsibility holders for delivery. The risk assessment will be subject to continuous review as part of the authority's performance management framework. An up-to-date risk register will be accessible to members on the Council's intranet – The Hub.
- 5.1 The risk management policy and guidance defines at least annual reporting of the risk assessment to Audit Committee and Cabinet. The risk assessment will also be available for members and select committees to use at any point in the year to inform their work plan as appropriate.

## **7. REASONS**

- 7.1 To ensure that strategic risks are identified and assessed robustly by the authority and that risk controls are put in place that are appropriate and proportionate and supported by effective operational activity to ensure risk reduction / risk management.
- 7.2 An articulate and documented strategic risk management approach is implemented to support the council to:
- preserve and protect the Council's assets, reputation and staff
  - promote corporate governance and aid good management in controlling and managing risks
  - support successful delivery of strategic aims and well-being objectives
  - improve business performance and better anticipate calculated risks where these are likely in delivering improvements
  - avoid unnecessary liabilities, costs and failures

## **8. RESOURCE IMPLICATIONS**

- 8.1 Resource implications are associated with some risks and in implementing actions to manage them. There are no additional resource implications as a result of implementing the strategic risk management process.

**9. CONSULTEES:**

- 9.1 Views and evidence have been sought throughout the process of developing the risk assessment and updating the strategic risk management policy and guidance, and have been used to inform the development of the paper before Cabinet today.

**10. BACKGROUND PAPERS:**

Monmouthshire's Strategic Risk Management Policy and Guidance

**11. AUTHOR:**

Richard Jones, Performance Manager

**12. CONTACT DETAILS:**

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

Telephone: 01633 740733

Appendix 1 - Whole Authority Strategic Risk Assessment - February 2019

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective	
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level			
1.	Potential Risk that:  The authority does not remain relevant and viable for future generations due to not having a sustainable delivery model.	<p>The introduction of the Well-being of Future Generations Act requires us to plan on a decadal and generational basis and our current models do not extend to this timeframe.</p> <p>In light of the financial, demographic and demand pressures we face it is not enough to keep our county and council going for now, we have to ensure it is continually growing for the future.</p> <p>A corporate plan has been developed that sets out a clear direction for the Council. The council's key delivery strategies to enable the delivery of this have been revised. The Corporate Plan is an ambitious five-year programme, with many areas focused on the longer-term future of the county and which addresses many complex challenges. Progress will need to continue to be tracked over time to evaluate impact made.</p> <p>The Future Monmouthshire work is making progress and establishing key themes to work on. Work is continuing to develop ideas and proposals so that they can be brought into the budget once they are sufficiently progressed.</p> <p>The pressure of the 2019/20 budget is immediate, all service areas have been asked to bring forward budget proposals to help manage the gap, whilst simultaneously, looking ahead and ensuring wherever possible, proposals support the medium term direction of travel</p>	2018/19	Possible	Major	Medium	<p>Previous action: Develop and specify the business model for the authority in the long term through the Future Monmouthshire programme and continue to implement the programme to meet short and long-term needs.</p> <p>New action: Continue to implement the Future Monmouthshire programme to meet short and long term need and ensure the aspirations of the corporate plan are sustainable</p> <p>Previous action: Following the development of the corporate plan, ensure the Council's key delivery strategies e.g. assets, people and digital are reviewed and aligned to deliver the corporate plan.</p> <p>New action: Implement and track progress of the revised key delivery strategies: Digital Strategy, People Strategy and Asset Management Strategy.</p> <p>Produce an annual report evaluating performance in 2018/19 against the Corporate Plan and wider arrangements, in line with the Future Generation Act.</p> <p>Complete the development of a financial strategy to apply a strategic lens to the council's finances in the medium to long term.</p> <p>Previous action: In partnership with Gwent public sector partners, commission work on future trends, including understanding how particular trends impact at a local level.</p>	Completed	<p>A corporate plan has been developed that sets out a clear direction for the Council up to 2022. The plan sets out five Organisational Goals (also our well-being objectives) supported by the 22 commitments to action we will make in the run-up to 2022.</p> <p>An exercise to ensure the aspiration of the corporate plan are sustainable is iterative and ongoing. This work will continue as programmes of work develop and affordability considerations are more clearly understood and considered.</p> <p>Following approval of the corporate plan the Council's enabling strategies have been revised to align to the delivery of the corporate plan, these include the Digital Strategy, People Strategy and Asset Management Strategy.</p> <p>The Council's first Well-being Objectives and Statement – Annual Report 2017/18 was published in October 2018 following approval by Council.</p> <p>Following the approval of the Corporate Plan, a financial strategy is being developed. This will apply a strategic lens to the council's finances in the medium to long term and align to the delivery of the Corporate Plan to ensure its aspirations are sustainable. A draft was presented to Cabinet in November 2018.</p> <p>The work has now been completed and the outputs of the work have been provided to Gwent PSBs in two main parts:  <ul style="list-style-type: none"> <li>•Horizon Scans: These identify strategically important trends, potential disruptors and drivers of</li> </ul> </p>	2018/19	Unlikely	Major	Low	Paul Matthews & Cllr Peter Fox	<p>Select Committee: All</p> <p>Objectives: All</p>	
			2019/20	Possible	Major	Medium	Chief Executive, March 2019		2019/20	Unlikely	Major	Low				
			2020/21	Possible	Major	Medium	Chief Officer Resources Timescales as per strategies		2020/21	Unlikely	Major	Low				

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
							New action: Apply and update learning on future trends and plan for how they might impact at a local level in Monmouthshire.	Head of Policy and Governance ongoing	change and provide valuable evidence for these issues. •Scenarios: The scenarios approach will help PSBs think about these trends when developing their well-being plans and what their impact might be.  The learning from this will need to continue to be applied in strategic planning and evidence continue to be updated to ensure trends that could impact on the local level are considered.						
2	Potential Risk that:  Without appropriate and effective governance infrastructure, the Council may not deliver its objectives.	Good governance is a fundamental part of local authority working; arrangements are multifaceted and need to be subject to continuing review to ensure they are effective.  The Well-being of Future Generations Act sets longer-term goals we need to work towards, and the ways of working we need to adopt. To implement this will require changes to the way we work.  The Council is increasingly considering alternative delivery models to sustain services for example for Leisure, Tourism, Culture and Youth Services. These models are often complex and have many risks and challenges.  New joint arrangements require robust governance arrangements to be established.  Concerns on overlapping and complicated community governance structures have led to some dissatisfaction amongst community stakeholders.  Monmouthshire County Council recognises the important and	2018/19  2019/20  2020/21	Possible  Possible  Unlikely	Substantial  Substantial  Substantial	Medium  Medium  Low	Update the Councils’ constitution to ensure it reflects recent changes in legislation and governance.  Pilot the Community Governance structure in the North Monmouthshire Area Committee (formerly Bryn Y Cwm)	Monitoring Officer December 2019  Head of Policy and Governance April 2019	In December 2017 Council adopted changes to the council’s constitution This will continue to be reviewed periodically to ensure it reflects the latest legislation and council’s governance structures.  The Constitution will undergo a thorough review, which is anticipated to be undertaken later this year.  A community governance review has been completed. The review identified the need to consider new arrangements for area committees and Bryn y Cwm Area Committee (subsequently re-named North Monmouthshire Area Committee) was identified as a pilot and would act as the primary mechanism for influencing decisions in the locality. A temporary arrangement to the Council’s constitution has given voting rights to non-county council members of this committee.  An evaluation of the pilot was completed and reported to the Committee in November. The matter will now be referred to the Democratic Services Committee. Other areas are served by a cluster arrangement with a member of Senior Leadership team aligned to each cluster.	2018/19  2019/20  2020/21	Unlikely  Unlikely  Unlikely	Substantial  Substantial  Substantial	Low  Low  Low	Matthew Gatehouse & Cllr Paul Jordan	Select Committees: Audit Committee  Objectives: All

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
		<p>valuable contribution made by volunteers in enhancing service delivery. There is a need to formalise arrangements for the role of volunteers in service delivery and set out the terms governing their engagement and ongoing relationship with the Council.</p> <p>The latest Wales Audit Office Annual Improvement Report (AIR) concludes, “Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2018-19.” There remains proposals for improvement from Wales Audit Office relating to the Councils’ governance and scrutiny arrangements that are still being addressed.</p>					<p>Finalise and present the remaining matters of the business case and subsequently the legal documentation on the Alternative Delivery Model (ADM) for Tourism, Leisure, Culture and youth services for further consideration and decision by Members.</p> <p>Head of Tourism, Leisure &amp; Culture April 2019</p> <p>The first key decisions have been taken by Council to further investigate the Alternative Delivery Model (ADM) for Tourism, Leisure, Culture and youth services. This included the agreement to formalise officers to lead upon the project and establish a project team. Work continues on the outstanding matters which include the business plan, governance arrangements, the performance evaluation framework and other legal documentation that need to be considered, discussed and completed prior to bringing these decisions and reports forward.</p>								
							<p>Manage our actions in response to Estyn, CIW and WAO via existing mechanisms</p> <p>Senior Leadership Team, timetable as per action plans</p> <p>The Council has arrangements in place to respond to regulatory reports and where necessary, these are reported to the relevant committees.</p>								
							<p>Deliver the implementation plan for the volunteering policy (adopted in December 2017) in all service/business areas and continued implementation of the Volunteer toolkit.</p> <p>HR Manager &amp; Communities and Partnership Development Team Timescale as implementation plan</p> <p>Safe recruitment for, and effective management of, the volunteer workforce has been a major focus.</p> <p>A new volunteering policy position has been approved. Monmouthshire, A County That Serves (ACTS) volunteering programme is helping to highlight and support volunteering opportunities available within the county. A Volunteering Toolkit and Network are in place and we deliver Leading Volunteering training to staff that support volunteers. A Digital Volunteer Management System, the Volunteer Kinetic platform, has been implemented for volunteer safe recruitment, communication, capturing outcomes and publicity of opportunities. There is ongoing work to embed the use of the system in the Council’s functions as the only way volunteers are recruited into the organisation.</p>								



Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
3	Potential Risk that:  The Council and partners do not make sufficient progress to improve well-being through regional and partnership working.	<p>The Future Generations Act puts a well-being duty on specified public bodies to act jointly via Public Service Boards (PSB) to improve the economic, social, environmental and cultural well-being of their area. The PSB well-being plan has been established, the activity that will contribute to the delivery of the plan is currently being developed. The Council as a statutory partner has an important role in taking these forward.</p> <p>The Green Paper: <i>Strengthening Local Government: Delivering for people set out</i> Welsh Government's statement of intent for a stronger, more empowered local government in Wales. The Welsh Government will work in partnership with local government and the Welsh Local Government Association (WLGA), to agree a shared approach which will shape the future of local government in Wales</p> <p>The Council is already part of regional and partnership-working arrangements in a variety of services; some of these require further development.</p>	2018/19	Possible	Substantial	Medium	To develop the Public Service Board Well-being plan, implement a delivery framework and develop the role of the Public Service Board Select Committee to scrutinise the PSB arrangements	Head of Policy & Governance and Community & Partnership Development Manager May 2019	The PSB has approved its well-being plan. The plan contains four well-being objectives that underpin a clear purpose of building sustainable and resilient communities. The PSB is now developing the activity that will contribute to the delivery of these. Lead organisations have been assigned for each step and tasked with developing a vision and actions for each one.	2018/19	Possible	Substantial	Medium	Matthew Gatehouse, Cllr Peter Fox & Cllr Paul Jordan	Select Committees: Audit Committee  Public Service Board Select Committee  Objectives: All
			2019/20	Possible	Substantial	Medium									
			2020/21	Possible	Substantial	Medium	The Leader of the Council is sitting on the Local Government Reform Working Group, chaired by Derek Vaughan MEP. The group is tasked with developing a shared agenda for reform, which ensures the sustainability of local service provision.	The Leader, Ongoing	A PSB Select Committee has been established and has scrutinised the formation of the PSB and membership, resourcing of PSB support and development of the Well-being Assessment and Well-being Plan. The Committee is now playing an active role in scrutinising the formation and commencement of delivery of actions.	2020/21	Unlikely	Substantial	Low		
4	Potential Risk that:  Some services may become financially unsustainable in the short to medium term due to increasing demand and continuing financial pressures.	<p>After several years of taking significant resource out of the budget the means of achieving further savings is increasingly more challenging.</p> <p>Assumptions in November 2018 indicated a gap of £4.6 million in 2019/20 rising to a gap of £13.8 million over the medium term. Further work to refine this assumption based on local work and updated settlement announcements is being undertaken.</p> <p>Funding from Welsh Government has reduced over the period and this looks set to continue</p>	2018/19	Possible	Major	Medium	Ensure that services deliver within budget, deliver savings targets and continue to identify, review and challenge pressures.	Chief Officer Resources March 2019	Overall Net Council Fund at Month 7 2018/19 is reporting a £316,000 underspend. The net cost of services outturn forecast is a £244,000 underspend. 86% of savings are forecast to be achieved. Chief Officers continue to be tasked with ensuring that services live within the budgets and savings targets set for the current financial year, and within this, there remain areas that are exhibiting budget pressures.	2018/19	Unlikely	Major	Low	Peter Davies and Cllr Phil Murphy	Select Committee: All  Objectives: All
			2019/20	Possible	Major	Medium									
			2020/21	Possible	Major	Medium	All services to model savings for 2019/20 and begin planning a longer-term programme that aligns with the medium Term Financial Plan and corporate plan.	Chief Officer Resources March 2019	The pressure to establish a budget in 2019/20 is immediate, however the need to establish a more medium to longer-term financial strategy to tie into the Corporate Plan is recognised and a draft was presented to Cabinet	2020/21	Unlikely	Major	Low		

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
		<p>In overall terms there are some £5.7 million of new unavoidable pressures that need to be accommodated as part of the 2019/20 budget. The 2019/20 budget gap was £594k (December 2018), if all the savings proposals reported to cabinet are approved.</p> <p>Earmarked reserve usage over the MTFP is projected to decrease the balance on earmarked reserves from £5.8 million in 2019/20 to £5.5 million at the end of 2021/22. Taking into account that some of these reserves are specific, for example relating to joint arrangements or to fund capital projects, this brings the usable balance down to £4.4 million.</p> <p>At the same time pressures on the budget have been increasing in terms of demographic growth, demand on services and expectations, contract price inflation and redundancy costs.</p> <p>Along with the rest of the organisation, schools are facing a challenging financial settlement and have again budgeted to be in a collective deficit by the end of the year. By the end of the financial year 2018/19, it is anticipated 16 schools will be in a deficit reserve position.</p> <p>Schools enter a collective deficit reserve position contrary to current Fair Funding guidance that Governing bodies have ascribed to</p>						<p>in November 2018. In the meantime, all service areas were asked to bring forward budget proposals to help manage the gap, whilst simultaneously, looking ahead and ensuring wherever possible, proposals support the medium term direction of travel.</p> <p>Following public consultation and revised saving and pressure proposals a balanced revenue budget proposal for 2019/20 was put forward to cabinet in February 2019</p> <p>The medium term prognosis is still of concern, there are no indicative settlement figures published which significantly impedes and impacts on forward planning of budgets over the medium term. The MTFP for 2019/20 onwards continues to factor in funding reductions of 1.8%, so that planning can be undertaken on a prudent basis.</p>							
							Develop and implement a commercial strategy aligned to the Corporate Plan	Chief Officer Resources Timescales as per strategy	As part of the delivery of the Corporate Plan a Commercial Strategy has been developed. The strategy seeks to enhance income generation, develop an approach to commercialising assets and create a commercial culture and ethos. The strategy has a short-, medium- and long-term view and aims to provide a framework, with defined objectives, for new commercial projects and for the delivery of future commercial activity.						
							Implement the new procurement strategy with a view to identifying long term and short term benefits and savings to the Council and the County	Head of Commercial and Integrated Landlord Services Timescales as per strategy	A new Procurement strategy was approved in July 2018. There are two core aspects of the Council's procurement activity that relate to the main objectives of the Strategy and Action Plan: <ul style="list-style-type: none"> <li>•The way in which the Council invests its annual procurement spend in order to create efficiencies, benefits and added value in an internal sense; and</li> <li>•The way in which we leverage 'smart spend' in order to create optimal external economic and social benefits through cultivating local supply chains,</li> </ul>						

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
								<p>creating jobs and developing new and existing business growth.</p> <p>Work is underway to facilitate a deeper analysis of our procurement expenditure which will then enable opportunities to be explored using circular economy principles</p> <p>Economy and Development Select Committee are actively engaged in the development of proposals. A report is planned for Cabinet in February to secure investment to implement the next phase of work required to deliver the new procurement strategy.</p>							
							Continue to Implement the income generation strategy.	See Commercial strategy action above	This now forms part of the recently developed Commercial strategy (see action above)						
							Complete the development of a financial strategy to apply a strategic lens to the council's finances in the medium to long term.	Chief Officer Resources, March 2019.	Following the approval of the Corporate Plan, a financial strategy is being developed. This will apply a strategic lens to the council's finances in the medium to long term and align to the delivery of the Corporate Plan to ensure its aspirations are sustainable. A draft was presented to Cabinet in November 2018.						
							Continue to work closely with schools to ensure their financial plans are as robust as possible to minimise any impact whilst continuing to improve standards for our young people.	Finance Manager – Children & Young People Ongoing	<p>The forecasted position at month 7 2018/19 has been maintained since month 2. Changes to fair funding regulations have been agreed. This will ensure a more timely approach to schools producing recovery plans and schools addressing budget concerns at an early stage</p> <p>Schools use of their reserves remains a cause of concern. Close work with school colleagues will continue to ensure their plans are as robust as possible to minimise any impact whilst continuing to improve standards for our young people.</p>						

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			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level			
5	<p>Potential Risk that:</p> <p>The authority is unable to deliver its political priorities due to insufficient capital funding availability, which may also lead to risks of maintaining key infrastructure and other identified pressures.</p>	<p>Underlying the Capital Strategy is the recognition that the financial resources available to meet Council priorities are constrained by a significant reduction in financial resources.</p> <p>The core capital programme has been constrained in recent years in order to enable the Band A new schools programme to be funded which are being concluded.</p> <p>Colleagues are working through options in relation to a future Welsh Government Band B programme. Costs of proposals and their affordability are still to be established.</p> <p>In addition to this there are various schemes/proposals e.g. Alternative delivery model for Leisure, tourism and culture services, any enhanced DFG spending, waste fleet vehicle replacement that could also have a capital consequence, but in advance of quantifying those or having Member consideration of these items, they are also excluded from current capital MTFP.</p> <p>A number of significant pressures are documented that are not currently funded – property and highways infrastructure, DDA work, Public rights of way etc. which carries a considerable risk.</p> <p>In the event of emergency pressures, resources will have to be diverted.</p> <p>Projects, such as the CCR City Deal, require significant capital investment to realise the outcomes</p> <p>There can be significant slippage in gaining capital receipts. There is a risk associated with relying on the need to utilise capital receipts in the</p>	2018/19	Possible	Major	Medium	Regularly review assumptions as part of the capital MTFP taking account of any new information that is relevant and the consequential impact on the revenue MTFP.	Deputy Head of Finance Ongoing	<p>The Capital Strategy, presented to cabinet in December 2018, sets out the council's approach to capital investment over a longer timeframe than is traditional in the 4 year medium term financial plan and provides a framework through which our resources, and those matched with key partners, are allocated to help meet strategic priorities.</p> <p>Underlying the Capital Strategy is the recognition that the financial resources available to meet Council priorities are constrained by a significant reduction in financial resources</p> <p>Future schools and other identified schemes to be accommodated are being developed. Notwithstanding this, there will remain a considerable number of pressures that sit outside of any potential to fund them within the Capital MTFP, and this has significant risk associated with it.</p>	2018/19	Possible	Major	Medium	Deb Hill- Howells, Peter Davies & Cllr Phil Murphy	<p>Select Committees: Economy and Development &amp; Strong Communities</p> <p>Objectives: All</p>	
			2019/20	Possible	Major	Medium			2019/20	Possible	Major	Medium				
			2020/21	Likely	Major	High			2020/21	Possible	Major	Medium				
							Further refinement of priority assessments in the property and infrastructure budgets to ensure all pressures have been considered and ranked.	Head of Commercial and Integrated Landlord Services & Head of Operations Ongoing	<p>Health and safety surveys are being commissioned annually. A revised condition survey programme is currently being procured; this is heavily dependent on funding.</p> <p>Independent condition assessments of key highways infrastructure are completed as required depending on condition. These inform prioritisation of available capital budget.</p>							
							<p>Previous action: Review and update the Asset Management Plan to provide a clear strategy and plan for the management of the council's property and land assets and ensure it aligns to the delivery of the corporate plan.</p> <p>New action: Deliver the Asset Management Plan to manage the Council's land and property portfolio</p>	<p>Completed</p> <p>Head of Commercial and Integrated Landlord Services Timescales as per plan</p>	<p>Following approval of the corporate plan the Asset Management Strategy 2018-2022, including Asset Management Plan 2018-19 has been revised to align to its delivery. The plan is being implemented and actions from the plan have been integrated into the relevant business plans for ongoing monitoring and progress reporting.</p>							

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		same year that they come into the Council and the potential for this to have significant revenue pressures should receipts be delayed and temporary borrowing be required.					Previous action: Complete and gain approval for the policy of acquisition of investment property.  New action: To help sustain Council Services and enhance the asset base by investing in commercial property assets in order to increase the net rental income stream for the Council in line with the asset investment policy	Completed  Head of Commercial and Integrated Landlord Services Ongoing – see Asset Management strategy	The approved Asset Management Strategy 2018-2022 includes the asset investment policy which provides a formal policy for the acquisition of investment opportunities that will derive a net return to the Council, provide the governance and delegated authority arrangement and establish criteria to support a proposed acquisition.  Following approval of the Asset Management Strategy, the first investment property, Castlegate Business Park, has been acquired.						
6 Revised	Potential Risk that:  Our workforce is not sufficiently resourced, does not have the right mix of skills and issues with recruitment and retention in certain service areas impacts on our ability to deliver change, improve performance and deliver our objectives.	Our people are central to the success of our council and county. To maximise the opportunities to deliver our objectives we need to develop knowledge and skills that are not always widespread within our sector.  Sickness levels were an average of 10.9 days per FTE employee in the year to March 2018. With the latest forecasts indicating the rate may increase in 2018/19. The People strategy identifies that tools and guidance to manage and prevent sickness are not always used effectively.  The number of employees has reduced in recent years. A range of services have identified risks to their capacity for service delivery. Continuing challenges and pressures can contribute to a loss of knowledge/skills and experience.  Some services have identified challenges with recruitment and retention in certain sectors including care support workers, home carers and engineering.	2018/19  2019/20  2020/21	Possible  Possible  Possible	Substantial  Substantial  Substantial	Medium  Medium  Medium	To implement a revised people and organisational development strategy following development of the corporate plan and the workforce planning arrangements required to deliver.  Continue to implement Directorate workforce planning using HR business partnering meetings to engage and support teams in workforce planning.	Head of People Services Timescales as per strategy  HR lead & Training Lead Ongoing	Following and informed by the development of the Council's Corporate Plan, a revised People Strategy has been agreed. The latest iteration of the People Strategy aims to build on the outcomes already achieved, complete activities that are a work in progress and reflects what colleagues, data and intelligence is telling us needs to improve to enable and support our colleagues to be the best they can be.  Work to evaluate the impact of the new strategy will begin shortly. All relevant actions associated with the strategy are contained within the People Service's business plans.  To support workforce planning a workflow has been developed to enable service leaders to focus on succession and workforce planning and directorates to develop plans for their workforce. The combination of the workflow and the training and development pathways help support workforce development.  HR business partnering meetings will be used to engage and support teams in workforce planning supported by people services framework which will identify areas of key risk.  The Cadetship programme was introduced in 2018, this will help	2018/19  2019/20  2020/21	Possible  Possible  Possible	Substantial  Substantial  Moderate	Medium  Medium  Low	Tracey Harry & Cllr Phil Murphy	Select Committee: Strong Communities  Objectives: All

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								support succession planning in areas under the programme.							
							Continue to engage with staff on well-being to ensure a focus on addressing identified needs and make better use of data for focussed interventions.	Head of People Services Ongoing	<p>Work to improve the health and wellbeing of the organisation continues with the inclusion of increased staff benefits, the implementation of a new occupational health service, as well as the launch of the Health Cup Challenge. The challenge includes 32 health and wellbeing opportunities including completion of the staff survey, standing/walking meetings and individual health checks for colleagues; the competition is directorate led championed by each member of SLT.</p> <p>HR are working with DMT's on attendance management and the dashboard; the procedure is being reviewed and training is being provided. A colleague handbook is being drafted.</p> <p>The "go to group" has been implemented; it provides a safe place to raise concerns, discuss problems and identify potential solutions.</p>						
							Embed the attendance and wellbeing policy	HR lead March 2019	<p>The revised attendance and wellbeing policy was approved by Cabinet in June 2017</p> <p>HR data dashboards have been established and are updated quarterly. These are now being used as part of HR business partner meetings to inform department management teams and senior leadership team on workforce issues.</p> <p>Workforce data displays in the HR system have been developed to provide managers with more timely and a greater range of information to inform the management of their workforce, data includes staff, establishment, age, gender etc. there have been ongoing technical difficulties that mean these have not been implemented as quickly as intended. These are now being rolled out and expected to be fully</p>						



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								<p>functioning by March 2019. These will enable managers to interrogate data and identify specific workforce issues.</p> <p>Mandatory training for managers on staff attendance and well-being is an ongoing process. A new programme, 'Induction for New Managers' has been introduced and covers attendance management and wellbeing for all new managers.</p> <p>Continue to increase understanding and maximise completion of the check-in, check-out staff appraisal process and use feedback to plan and identify training needs</p> <p>HR lead Ongoing</p> <p>Based on feedback received, the Check-in, Check-out (CICO) process has been reviewed and rolled out with guidance that is more robust, video tutorials and supportive training. Work will continue to increase understanding and maximise completion of the process.</p> <p>A longer term, more effective recording module has been developed that allows managers to record the completed CICO directly into the HR system. There remains further work required to ensure the effective use of the recording system to understand accurately the completion rate of appraisals. The Payroll/HR system is currently undergoing an upgrade, which will improve the CICO recording system. Testing is underway and it is anticipated to be released in spring 2019.</p> <p>The induction for new managers training also covers the CICO process.</p> <p>Continue with perpetual recruitment and advertising for Social Care staff and implement the Dare 2 Care campaign, including links to the national Social Care Wales recruitment campaign.</p> <p>Transformation Lead Social Care &amp; Health &amp; Chief Officer Social Care &amp; Health March 2020</p> <p>The Dare 2 Care campaign continues to be run including social media campaigns and a programme of retraining across housing association tenants to develop opportunities for Social care employment.</p> <p>Investigation is also underway looking at opportunities to create apprentices in care.</p>							

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7	Potential risk of:  Significant harm to vulnerable children or adults due to failure of safeguarding arrangements	<p>Improved outcomes for vulnerable people can only be achieved and sustained when people and organisations work together to design and deliver more integrated services around people's needs.</p> <p>In August 2018, a Wales Audit Office led Whole Authority review of children's safeguarding concluded that children's safeguarding policy and procedures have recently improved, but there are shortcomings in some critical areas of policy and operation. The report issued four proposals for improvement including the need to embed all aspects of safe recruitment, induction and training consistently.</p> <p>Internal audit have issued limited assurance reports on volunteering. Internal audit are carrying out an organisational review on volunteering in January 2019.</p> <p>Potential that staff and volunteers begin their appointment without DBS checks having been completed. Within a large organisation with devolved responsibility for recruitment and selection there is opportunity for deviation from agreed processes</p> <p>It is acknowledged that more work is required to strengthen the links between national, regional and local safeguarding activity and ensure the learning through the regional safeguarding boards and sub-groups is embedded in practice and operations in Monmouthshire</p> <p>While there are many steps the council and partners can take to mitigate the risk, significant harm can also occur due to factors that are outside our control meaning that there will always be a level of risk.</p>	2018/19	Possible	Major	Medium	Continually monitor and evaluate process and practice and review accountability for safeguarding and implement actions identified, particularly better use of information.	Safeguarding & quality assurance service manager Ongoing	Progress against the council's safeguarding priorities is evaluated annually, last completed for 2017/18, and the priorities reflect the cornerstones for keeping people safe in Monmouthshire set out in Corporate Safeguarding Policy. This identifies measures to highlight progress, risks and sets out clear improvement actions and priorities for further development. The latest report acknowledges that safeguarding is always a 'work in progress'. Constant vigilance is needed at all levels of leadership and operational delivery to ensure the right culture, policy, practice and measurement systems are in place to keep people safe.	2018/19	Possible	Major	Medium	Will Mclean & Julie Boothroyd. Cllr Penny Jones & Cllr Richard John	Select Committees: CYP & Adults  Objective: The best possible start in life  Lifelong well-being
2019/20	Possible	Major	Medium	2019/20	Possible	Major				Medium					
2020/21	Possible	Major	Medium	2020/21	Possible	Major				Medium					
						Ensure that robust systems are in place within the authority to respond to any concerns regarding child protection and protection of adults at risk.	Chief Officer, Social Care & Health Ongoing	There is a stable workforce in the safeguarding unit that oversees the process for responding to concerns.							
						Drive the strategic agenda and the associated programme of activities for safeguarding through the Whole Authority Safeguarding Group (WASG).	Chief Officer, Social Care & Health Ongoing	<p>The Corporate safeguarding policy sets out clearly roles, responsibilities and governance arrangements.</p> <p>The WASG continues to provide leadership, direction, oversight, support and challenge to strengthen safeguarding activity in the Council.</p>							
						As a statutory partner of the regional safeguarding boards, we continue to work with other statutory partners to ensure that there are effective multi-agency safeguarding arrangements and that they are working well and share learning and development in safeguarding. Implement the recommendations and learning from any Domestic Homicide review, adult practice review or child practice review that is undertaken under the safeguarding board.	Chief Officer, Social Care & Health Ongoing	At a regional level, the South East Wales Safeguarding Children Board and Safeguarding Adults Boards fulfil the statutory responsibilities set out in the Social Services and Wellbeing (Wales) Act. Monmouthshire County Council is fully represented on both the Children and Adult Safeguarding Boards, and their subgroups.							



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			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
							<p>Deliver the implementation plan for volunteering policy (adopted in December 2017) in all service/business areas and continued implementation of the Volunteer toolkit and organisation wide use of Volunteer Kinetic - Volunteer management system</p>	<p>HR Manager &amp; Communities and Partnership Development Team Timescale as implementation plan</p>	<p>Safe recruitment for, and effective management of, the volunteer workforce has been a major focus.</p> <p>A new volunteering policy position has been approved. Monmouthshire, A County That Serves (ACTS) volunteering programme is helping to highlight and support volunteering opportunities available within the county. A Volunteering Toolkit and Network are in place and we deliver Leading Volunteering training. A Digital Volunteer Management System, the Volunteer Kinetic platform, has been implemented for volunteer safe recruitment, communication, capturing outcomes and publicity of opportunities. There is ongoing work to embed the use of the system in the Council's functions as the only way volunteers are recruited into the organisation.</p>						
							<p>To implement the Action Plan established in response to the Safeguarding arrangements – Kerbcraft scheme report approved by Council in March 2017.</p>	<p>Head of Operations, Timescales as in action plan</p>	<p>A Wales Audit Office led Whole Authority review of children's safeguarding has been completed, this concluded that children's safeguarding policy and procedures have recently improved, but there are shortcomings in some critical areas of policy and operation. The report issued four proposals, the response to these are detailed in the action below.</p>						
							<p>To implement the Action Plan established in response to the Wales Audit Office led review of children's safeguarding.</p>	<p>Chief Officer, SCH Timescale as in action plan</p>	<p>The Council's management response and associated action plan to address the report was presented to Children &amp; Young People Select Committee in October 2018, alongside the WAO report. This includes action to embed all aspects of safe recruitment, induction and training.</p>						

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			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
8	The potential risk to:  The robust delivery of the Council's corporate parenting responsibility and services related to safeguarding vulnerable children as a result of an increase in demand and complexity in cases in Children's services.	<p>The number of children on the child protection register has increased substantially by the end of quarter 2 2018/19. At the end of 2017/18, 73 children were listed on the child protection register; this has increased to 138 at the end of September 2018. When considered as a rate per child population the increase within Monmouthshire during the first six months of 2018/19 takes the rate of children on the child protection register some way above that of Wales at the end of 2017/18.</p> <p>The number of looked after children has increased from 139 at the end of 2017/18 to 150 at the end of quarter 2 2018/19.</p> <p>In 2018/19, net (direct) budget for Children Services is £11.5m, over half of which relates to looked after children, in particular, placements for looked after children. The latest reported position at Month 7 is a forecast overspend of £562,000.</p>	2018/19	Possible	Major	Medium	Previous action: Design and implement an Early Help and Family Support service	Head of Children's services Ongoing	<p>An Early Help Panel has been established, which brings the range of early help services together into a single system, streamlining referral and interventions. Preventative resources in Children's Services have been joined up and targeted through the 'Building Stronger Families' offer</p> <p>Work is ongoing to ensure Step up Step down and early help statutory interventions are working well and to evaluate performance. An Edge of Care Team has been established and is being fully implemented to support families.</p> <p>Resources have been secured to implement MyST a Multi-disciplinary Intensive Therapeutic Fostering Service that is a service to provide support for Looked After Children with complex needs.</p> <p>The Children's Services Improvement Programme has created a drive to improve the quality of child protection practice, processes and procedures, and ensure staff understand the requirements and expectations of their role and task. This is regularly reported to select committee and continues to progress.</p> <p>2018/19 is the final year of the three-year practice led improvement programme. Children's services have continued to make significant progress in the last year. There is increased stability within the current workforce. There remain key priorities for improvement for the service that will be set out in the next phase of the children's services development programme.</p> <p>A follow up review has been complete by internal audit, which gave an assurance rating of reasonable. An action plan has been established to address further areas from the follow up review</p>	2018/19	Possible	Major	Medium	Julie Boothroyd & Cllr Penny Jones	<p>Select Committee: Children &amp; Young people</p> <p>Objective: The best possible start in life</p>
			2019/20	Possible	Major	Medium	New action: Review and evaluate performance of Early Help and Family Support service.	Head of Children's services July 2019		2019/20	Possible	Major	Medium		
			2020/21	Possible	Major	Medium	Implement MyST, a Multi-disciplinary Intensive Therapeutic Fostering Service			2020/21	Possible	Major	Medium		
						Previous action: Continue to implement the Children's services improvement programme and related Workforce and Practice Development Action Plan and Commissioning strategy for Children, Young People and their Families.	Head of Children's services March 2019								
						New action: Reset and implement next phase of children's services development programme focused on achieving the best outcomes for children and families.	Head of Children's services April 2019								
						Deliver the action plan in response to findings of an Internal Audit report on children's services placements	Service Manager – Children's services								

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			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level			
9a revised	Potential Risk of:  Failing to meet the needs of all learners, including specific groups of vulnerable learners, due to Monmouthshire's schools' methods of learning not adequately adapting to changes in curriculum and examination requirements.	Meeting the needs of vulnerable learners remains a priority. The gap in attainment between those not eligible and those eligible for Free School Meals (FSM) remains a concern. At Key stage 4, the FSM/non FSM attainment gap widened from 43.7 percentage points in 2017 to 47.9 percentage points in 2018 for the Level 2 threshold inclusive of English/Welsh and maths indicator.  As with 2017-18 there are significant revisions to examinations that means they focus in part on different skill sets and knowledge than in previous years. Key stage 4 performance in 2017/18 was not at the same level as the previous year and challenges remain for all four secondary schools.  Variation in standards across schools, with some schools judged by Estyn to be only adequate and remaining in amber and red support categories for more than a year.  Poor leadership, management, capacity and performance in some schools  Unsustainable provision to meet the demand for Welsh Medium education provision	2018/19	Possible	Major	Medium	Ensure the commissioned arrangements with the Education Achievement Service (EAS) address the authority's concerns in challenging and supporting schools	EAS & MCC Ongoing	EAS continue to provide ongoing challenge, monitoring and evaluation work in schools with a continued focus on vulnerable learners. The EAS work with schools to track individual pupil performance over time. This will support us in gauging where schools are progressing well or where they may need additional support.	2018/19	Possible	Major	Medium	Will Mclean & Cllr Richard John	Select Committees: CYP  Objective: The best possible start in life	
			2019/20	Possible	Major	Medium				2019/20	Possible	Major	Medium			
			2020/21	Possible	Major	Medium				2020/21	Unlikely	Major	Low			
								Continue to work closely with our primary schools to ensure that they are maximising the learning opportunities provided by the EAS and the professional learning offer around the development of the new curriculum.  Work closely with our secondary schools to ensure they are prepared for the new examination requirements	EAS & MCC Ongoing	Support for secondary schools for the new examination requirements continues  EAS continue to monitor where schools progress and where they may need additional support.						
								Continue to improve the quality of self-evaluation in the CYP directorate.	Chief Officer Children & Young People Ongoing	A Chief Officer Report for Children & Young People was prepared in Spring 2018. A further report is scheduled for Spring 2019. Estyn Local Authority Link Inspection visits continue						
								Deliver the Welsh Education Strategic Plan in collaboration with neighbouring authorities	Head of Achievement and Attainment Timescales as per WESP	The Welsh in Education Strategic Plan (WESP) was developed in consultation with Welsh Government and the Monmouthshire Welsh Medium Education Forum and was subject to further consultation with stakeholders. The WESP has been approved by Welsh Government and an Action Plan is in place and progress will be monitored by Local Authority and Welsh Medium Forum.						
9b revised	Potential risk that:  The Authority fails to provide sufficient support to promote equity and pupils' well-being which may result in children & young people not achieving their full potential	There is an increasing demand for additional support for children with additional learning needs  The Monmouthshire PSB well-being plan recognises the importance of greater supporting the well-being of children and young people. Students' responses to the 2017/18 School Health Research Network	2018/19	Possible	Major	Medium	Ensure that the Additional Learning Needs review delivers sustainable, adequate and appropriate support to pupils with Additional Learning Needs	Head of Achievement and Attainment September 2019	The statutory consultation process on a proposed new model for the delivery of ALN and Inclusion Services has been completed. Officers have analysed the responses and Cabinet have received a copy of the consultation report with recommendations on a delivery model, against which, statutory notices were produced. In December 2018, Cabinet agreed the reports setting out	2018/19	Possible	Major	Medium	Will Mclean & Cllr Richard John	Select Committees: CYP  Objective: The best possible start in life	
			2019/20	Possible	Major	Medium				2019/20	Possible	Major	Medium			
			2020/21	Possible	Major	Medium				2020/21	Unlikely	Major	Low			

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			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
		<p>Student Health and Wellbeing Survey shows there are areas where students' well-being can be further supported.</p> <p>Meeting the needs of vulnerable learners remains a priority. The gap in attainment between those not eligible and those eligible for Free School Meals (FSM) remains a concern. At Key stage 4, the FSM/non FSM attainment gap widened from 43.7 percentage points gap in 2017 to 47.9 percentage points in 2018 for the Level 2 threshold inclusive of English/Welsh and maths indicator.</p>						alterations to be implemented during 2019.							
							Work with PSB partners, through the Children & Young People Strategic Partnership, to deliver the steps in the PSB well-being plan related to focusing on children & young people's well-being and supporting their mental health and emotional wellbeing.	Chief Officer Children & Young People Timescales as in developing PSB delivery plan	The PSB is now developing the activity that will contribute to the delivery of its steps. Lead organisations have been assigned for these steps (MCC and ABUHB) and are developing a vision and actions for each one. This will be informed by evidence from the School Health Research Network survey.						
							Ensure the commissioned arrangements with the EAS address the authority's concerns in challenging and supporting schools	EAS & MCC Ongoing	EAS continue to provide ongoing challenge; monitoring and evaluation work in schools with a continued focus on vulnerable learners. The EAS work with schools to track individual pupil performance over time. This will support us in gauging where schools are progressing well or where they may need additional support.						
10a	Potential risk of: Information security breaches due to mismanagement of information or external parties gaining access to the network could result in critical and sensitive data being lost, compromising the delivery or availability of Council services and the interaction with external agencies and partners.	<p>There have been a number of high profile cyber-attacks leading to data breaches and compromise of systems in both the public and private sector, such as the ransomware attack in the NHS.</p> <p>Attacks are increasing in volume and there is a need to provide constant and sustained vigilance when mitigating against the possibility of attacks gaining entry to our critical data resources. In order to mitigate sufficiently against cyber threat sufficient funding needs to be available to implement security systems.</p> <p>There remain areas where the secure storage and handling of information requires strengthening.</p> <p>With an increased drive for digital services to improve effectiveness, more and more information is being stored digitally, and the need to ensure the confidentiality, integrity and availability of that data is critical</p>	2018/19	Possible	Major	Medium	Undertake a structured and comprehensive training programme for all staff on cyber security and Data protection	Cyber security service Ongoing	A cyber security service shared between Gwent Police, TCBC and MCC has been commissioned which acts as an audit function of our technical arrangements, as well as providing training and advice on data security issues. This service also deals with MCC's PSN and the SRS ISO accreditation.	2018/19	Possible	Major	Medium	Sian Hayward & Tracey Harry. Cllr Phil Murphy	Select Committee: Economy and Development  Objective: All
			2019/20	Possible	Major	Medium				2019/20	Possible	Major	Medium		
			2020/21	Possible	Major	Medium				2020/21	Possible	Major	Medium		
							Participate in an SRS business case for partners to procure a robust and comprehensive system that minimises the risk of unauthorised access to MCC's network.	completed	The business case has been agreed by SRS partner organisations and MCC has agreed to procure a Microsoft email and internet filtering service which was implemented in January 2018						
							Continuous monitoring of cyber threat and mitigation by the security team, identifying technical solutions to potential risk areas.	Digital Projects Team Ongoing	A central information security risk log is in place for all partners using the SRS. This is used to identify risk areas and the appropriate mitigations. This is monitored on an operational level by the Digital Projects Team and overall by the council's SIRO. In addition, this is monitored by the independent security service.						
							Deliver a programme of security work identified by the cyber security team, approved for implementation by MCC and undertaken by the SRS as part of their core service delivery		A significant and comprehensive security review has been undertaken in order to gain Public Sector Network (PSN) accreditation. The most recent						

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		for future service delivery.						submission for accreditation has not been successful and PSN accreditation has not been achieved. Resubmission is anticipated in March 2019, once the remaining issue, an IT health check is undertaken by the SRS.							
							Implement the Information Strategy to safeguard the integrity and security of our data while taking-steps towards becoming a data-led organisation.	Information Governance Group Ongoing	The Information Strategy was reviewed and updated in October 2017 to cover the 3 inter-related strands of – Digital Information, Information Governance and Legislation & Data use, Open Data and Business Intelligence.  The strategy continues to be implemented with oversight from the Information Governance group.						
							Continue to provide a programme of data protection training and advice and support on information management processes and practice, particularly in identified areas for improvement.	Senior Information Risk Officer (SIRO) Ongoing	Mandatory data protection training continues to be provided to staff across the Council. A separate programme of events was undertaken for the introduction of General Data Protection Regulation (GDPR) (see 10b) to enhance our data security and information management arrangements.						
							Introduce a comprehensive digital EDRMS into the authority, reducing reliance on unmanaged network drive storage and assisting services to plan for the digitisation of paper records.  Developing a rigorous approach to data governance policies, ensuring that our data is correctly categorized, tagged, and stored with appropriate retention guidelines applied	Head of Digital, March 2020	Implementation of the EDRMS will be undertaken as a phased project to be completed in March 2020. An appointment of an EDRMS manager to implement this is in progress.  An information manager has been appointed in the Digital Programme Office (DPO). The post holder will work closely with the digital team and with the EDRMS manager to manage the data governance and standards  Detailed guidance on systems administrators' roles and responsibilities has been issued, including information regarding the need for business continuity plans and a requirement to develop and upgrade systems as soon as notified.						



Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
10b	Potential risk of Not adequately transitioning to the requirements of the General Data Protection Regulation resulting in reputational damage and risk of fines to the Council	<p>The need to comply with General Data Protection Regulation (GDPR) by May 2018.</p> <p>The regulation impacts the way we process, store, protect and use personal data.</p> <p>Failure to comply could lead to adverse impacts on those whose data is affected, large fines and damage to the Council's reputation.</p> <p>The Council is implementing an action plan to ensure compliance building on existing Data Protection Act process already in place. The risk levels will be reviewed in line with progress with the action plan.</p>	2018/19	Possible	Substantial	Medium	<p>Previous action: Deliver the GDPR Action Plan to ensure the Council complies with the regulation by May 2018</p> <p>New action: Following the implementation of GDPR in May 2018, monitor progress towards imbedding the regulations and ensure they are considered as a matter of business throughout the organisation.</p>	<p>SIRO (Tracey Harry)</p> <p>Ongoing</p>	<p>The GDPR action plan continues to be implemented with oversight from the Council's Information Governance Group.</p> <p>Work to implement the GDPR is ongoing and action plans to monitor progress are in place. A Data Protection Officer has been appointed to support this.</p> <p>The GDPR Operational Group is being reinstated to oversee work and will consist of leads from each area to monitor the ongoing work streams.</p>	2018/19	Possible	Substantial	Medium	Tracey Harry & Cllr Phil Murphy	<p>Select Committee: Economy and Development</p> <p>Objective: All</p>
11a	<p>Potential Risk of a lack of appropriate infrastructure in the County to meet future needs due to key Local Development Plan housing policy targets not being met, in conjunction with the County's changing demography and weak economic base, and other external changes such as removal of the Severn Bridge tolls impacting on the county.</p> <p><i>ICT infrastructure is also important to meet future needs and this has been identified as a specific related risk below (risk 11b)</i></p>	<p>Several key LDP policy indicator targets and monitoring outcomes relating to housing provision are not currently being achieved, including new dwelling completions and affordable dwelling completions.</p> <p>The ability for the current LDP to address emerging challenges such as the County's changing demography and the impact of removing the Severn Bridge tolls on the housing market. These factors can also affect planning for other infrastructure such as transport and energy. There is a need to consider the Council's future vision and the extent to which the current LDP aligns with that and its impact on wider infrastructure planning, such as transport, which could affect future economic, social, environmental and cultural well-being.</p> <p>There is potential for development to come forward outside the development plan system but this needs to be carefully managed to ensure it is sustainable.</p> <p>The Monmouthshire Joint Housing Land Availability Study (JHLAS) for</p>	2018/19	Possible	Major	Medium	<p>Prepare a replacement Monmouthshire LDP to address the shortfall in the housing land supply and facilitate the identification and allocation of additional housing land and appropriate employment land, with associated infrastructure.</p>	<p>Head of Planning</p> <p>Timescales in delivery agreement</p>	<p>Welsh Government agreed the Delivery Agreement for the replacement Monmouthshire Local Development Plan on 14th May 2018.</p> <p>Work on the replacement LDP has commenced. An Initial Call for Candidate Sites has been undertaken to assist the Council in understanding what land is available to inform the LDP Preferred Strategy. Work has commenced on identifying the issues facing the county and setting objectives to seek to address those issues as well as a vision for the new LDP.</p> <p>On 20 September 2018, Council resolved to give 'appropriate weight' to our housing land supply shortfall when considering planning applications for sites outside of the adopted LDP. Proposals will be considered against 11 ground rules.</p> <p>The replacement plan will ensure Monmouthshire maintains statutory Development Plan coverage to shape and manage development proposals. It also allows the Council and our communities to review future growth options and their relationship with the</p>	2018/19	Possible	Major	Medium	Mark Hand and Cllr Bob Greenland	<p>Select Committee: Economy and Development</p> <p>Objective: Thriving and well-connected county</p>

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective	
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level			
		2017-18 confirmed that the County has 3.9 years housing land supply. This is the third consecutive year that the land supply has fallen below the 5-year target.						pressing challenges and opportunities before us, such as our demography, affordability and availability of housing, economic growth and our role in the wider region.								
11b	Potential Risk that:  Insufficient ICT infrastructure and skills in the county have the potential to lead to social and economic disadvantages	The majority of premises now have access to superfast broadband, which presents them with further opportunities. Around 13% of premises remain without sufficient broadband provision.	2018/19	Likely	Substantial	Medium	Continue to collaborate with the Superfast Business Wales team to support their ICT Exploitation programme.	Head of Enterprise & Community Development Ongoing	We continue to work with Welsh Government to support access to Superfast Cymru Two. MCC is one of two local authorities represented on the Advisory Panel.	2018/19	Likely	Substantial	Medium	Cath Fallon & Cllr Sara Jones	Select Committee: Economy and Development  Objectives: Thriving and well-connected county	
			2019/20	Likely	Substantial	Medium					2019/20	Likely	Substantial			Medium
		Pockets of digital deprivation still exist in Monmouthshire with poor quality broadband connectivity	2020/21	Likely	Substantial	Medium					2020/21	Likely	Substantial			Medium
		Monmouthshire residents have high demand for broadband services, however, a significant skills issue exists in the County with approximately 20% adults in Monmouthshire not using the internet.					Enable the rollout and exploitation of high-speed broadband across the County for both businesses and communities.	Head of Enterprise & Community Development ongoing	Promotion of the Access Broadband Cymru scheme for areas outside the superfast Cymru roll out area continues.  Superfast Cymru one is complete, there remains areas with a need for superfast broadband and Superfast Cymru two is yet to commence.  Through funding secured via the Rural Community Development Fund, digital connectivity in community hubs is being trialled by focusing on four villages within the Llanover ward of Monmouthshire.							
		Other drivers include the council needs to prepare for increased digital public service delivery, the implementation of the Online Universal Credit system, children’s learning opportunities and the provision of digital health care.					Trial the roll out of the TV white space broadband pilot, which will enable isolated rural communities to enjoy the same digital connectivity as in urban areas and, if successful, will be replicable in other rural areas.	Rural Programmes Manager, Ongoing	We continue to undertake digital connectivity pilots through the Rural Development Programme and Rural Community Development Fund. For example, the TV white space project trial has been completed and a report summarising the findings produced with future recommendations.							
							Benefit from the learning associated with the programme to trial the use of 5G technology.	Rural Programmes Manager, Ongoing	Monmouthshire is one of three locations to benefit from the learning associated with a £2m funding programme to trial the use of 5G technology acting as a testbed to bring world-class digital infrastructure to Monmouthshire.							
							Draft and gain approval of the digital deprivation action plan	Head of Enterprise & Community Development	A draft action plan is being developed to identify opportunities to address the issue of 13% of premises not having next generation access to broadband							

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
12	Potential Risk of:  Political, legislative and financial uncertainty for council services and local businesses as a result of the UK leaving the European Union	<p>The significant issues raised include:</p> <p>There is great uncertainty on the nature of the deal that will be agreed.</p> <p>The impact on the economy and public finances which could impact on local government financial settlements and what that might mean for the economic and social well-being of local communities, for example the impact on the agricultural sector.</p> <p>Restrictions on labour mobility may lead to county wide recruitment issues and skills shortages that impact on local business and council services, for example in social care.</p> <p>Many council services are governed by EU legislation or follow EU led policy, for example procurement rules and public protection services. There will be uncertainty while the process for extricating the UK from this law is established.</p> <p>Some projects rely directly on EU funding, such as the Rural Development Plan (RDP).</p> <p>Market volatility, inflation and financial uncertainty could impact on council revenue budgets and borrowing costs for capital schemes. Any market volatility could impact on the local government pension schemes.</p> <p>The leave vote created divisions: regionally and between age groups that could raise concern over social inclusion and a rise in hate crime.</p>	2018/19	Almost Certain	substantial	High	Continued liaison and work with partners such as Welsh Government, WLGA and treasury advisers to understand and plan for any implications for the Council.	Senior Leadership Team Ongoing	<p>Many of the negotiations and decisions on Britain leaving the EU are outside of the council’s control, given this and the current uncertainty the post mitigation risk levels have not been assessed to change</p> <p>The Council has established working relationships with key partners, such as the Welsh Government, the WLGA and treasury advisers to work with in understanding and planning for any potential risk to Council services.</p> <p>The Chief Executive is a representative on the Welsh Government’s Local Government Preparedness Advisory Panel, which is providing strategic oversight for local government and supporting the co-ordination of preparedness within local government.</p> <p>We are engaged with partners on the Gwent Local Resilience Forum Risk Group.</p>	2018/19	Almost Certain	substantial	High	Senior Leadership Team & Cabinet	<p>Select Committee: Economy and Development &amp; Strong Communities</p> <p>Objectives: All</p>
2019/20	Almost Certain	substantial	High	2019/20	Almost Certain	substantial				High					
2020/21	Almost Certain	substantial	High	2020/21	Almost Certain	substantial				High					
							Establish a Council Brexit working group to further develop understanding and coordinate preparations	Chief Officer Enterprise and Head of Enterprise & Community Development Ongoing	A council Brexit working group has been established which is being led by the Chief Officer Enterprise and Head of Enterprise & Community development. The group consists of a range of services most likely to be affected, including Environmental health, social care and People services. A specific Brexit risk register has been established.						
							Continue to refine and update the Medium Term Financial Planning model and assumptions for future service budgets.	Chief Officer Resources, Ongoing	The Council already has an established Medium Term financial plan to model financial assumptions and scenarios for planning future service budgets, which will continue to be updated.						



Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
13. New	Potential risk that:  The authority cannot deliver its services due to potential internal/external factors resulting in service disruption due to lack of Business Continuity planning.	Due to a variety of threats/hazards, unforeseen circumstances can lead to service disruption issues resulting in loss of ICT, Staff, work premises, third party contractors/suppliers and equipment/specific resources.  There is a lack of evidence of the council's Service Business Continuity Management (BCM) Plans illustrating how such threats/hazards can be mitigated robustly	2018/19	Possible	Major	Medium	Development of MCC Service Area BCM Plans which present options for alternative service delivery – regardless of the reason / cause of disruption.  The Emergency Planning Service, based on Business Impact Criteria, produce a Register of Priority Services identified as P1, P2, P3 and P4. The focus in the next 12 months will be P1 services; year 2 will be P2 services and year 3 P3 & P4 services.	Emergency Planning Manager & Heads of Service Ongoing	Emergency Planning has already developed a list of priority services that is reviewed every two years. BCM Plan frameworks have been developed for Service Managers to follow and to assist in developing specific service BCM Plans. Further work is still required to develop service area BCM Plans.  The forecasted risk level will not be reduced until service BCM plans are validated/exercised, which is longer than the three-year strategic risk assessment.	2018/19	Possible	Major	Medium	Peter Davies & Cllr Phil Murphy	Select Committee: Economy and Development & Strong Communities  Objectives: All
			2019/20	Possible	Major	Medium				2019/20	Possible	Major	Medium		
			2020/21	Possible	Major	Medium				2020/2021	Possible	Major	Medium		

Risks removed from the strategic risk register at February 2019

Risk	Reason why identified	Mitigation undertaken and reason why removed from Strategic Risk assessment
<p>10c. Potential risk of: Major disruption to services due to the transfer of the Council's email and skype to Office 365.</p>	<p>We are planning to transfer our email and skype software to Office 365 to utilise the latest cloud technology and maximise further beneficial tools and functions included with the O365 package.</p> <p>The transfer to Office 365, if not effectively implemented, could result in major disruption to the Council's email and Skype facilities for up to 5 days which will impact on the delivery of services</p> <p>The transition period will require users to make amendments and updates to their profiles, which requires training and awareness raising.</p>	<p>Project management arrangements were implemented, including:</p> <ul style="list-style-type: none"> <li>- Identifying all potential interfaces with other systems and ensuring compatibility tests were undertaken.</li> <li>- Ensuring all employees had the required level of training and support for the transfer exercise.</li> <li>- Using a phased approach to the transfer over 10 days to minimise disruption in the event of a failure during transition.</li> <li>- Test transfers undertaken with a small group to identify potential problems and issues.</li> <li>- Transfer of the Council's email and skype to Office 365 is now complete.</li> </ul>

## Revisions to the Strategic Risk Management Policy and Guidance

This section identifies changes to the existing Risk Management Policy and Guidance which was previously agreed by Cabinet.

### Section 3 – Responsibilities for Managing Risks

Existing wording:

“In addition, elected members hold a responsibility to oversee the control of strategic risks. Specifically, Cabinet has an executive responsibility to assess the strategic risk log at least annually. The Audit Committee has a responsibility to assure that a risk management framework is in place, in line with its responsibility for independent scrutiny of the authority’s financial and non-financial performance.

The Risk Register is a living document and must be regularly reviewed and updated. It will be signed off by Cabinet on an annual basis – alongside the medium term financial plan. It will be timetabled for scrutiny 6 months into every business year but can be examined by select committee at any point in time at the determination of the chair and committee members.”

Amended wording:

“In addition, elected members hold a responsibility to oversee the control of strategic risks. Specifically, Cabinet has an executive responsibility to assess the strategic risk register at least annually. The Audit Committee has a responsibility to assure that a risk management framework is in place, in line with its responsibility for independent scrutiny of the authority’s financial and non-financial performance. The strategic risk register will be presented to audit committee at least annually to assist the committee in fulfilling this role.

The Risk Register is a living document and must be regularly reviewed and updated. It will be signed off by Cabinet on an annual basis. It will be timetabled for scrutiny at least annually by Audit Committee and can be examined by select committee at any point in time at the determination of the chair and committee members.”

To add the following:

“Risk management is one of the core areas of activities identified in the Well-being of Future Generations Act that the Council particularly needs to focus on. Consideration will need to be given to the requirements under the act and five ways of working when assessing risks to support their management.”

### Section 4 – A risk management approach

To add the following section:

Risk appetite also needs to be considered, risk appetite can be defined as ‘the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives’ (*Institute of Risk Management, Risk appetite and tolerance*). In some circumstances a degree of risk may be accepted in order that a benefit can be gained or an opportunity taken. A strict parameter on the risk appetite of the organisation has not been defined, as this will vary between risks, departments and functions. It is therefore important that individual projects, proposals and plans assess risks and consider risk appetite whilst doing so. Assessment against the Council’s ‘risk tolerance’ levels, set out in paragraphs 4.2.1 and 4.2.2 will inform this.

Risks can often be grouped into categories and this can be a useful prompt when considering risks. Some categories are listed below:

- Strategic
- Financial
- Legal and regulatory
- Organisational
- Political
- Environmental
- Technical
- Reputational

Consideration of these potential risk areas may lead to the identification of a risk which would then need to be managed in line with the risk management policy and guidance.

**Throughout the policy and guidance:**

Updates have been made to reflect changes or updates to the Council's governance arrangements and legislation. For example, providing clarity and specificity of guidance, changes in job titles and updates in the Council's performance management framework e.g. approval of the Council's Corporate Plan 2017-22.

### Appendix 3 - Strategic Risk Management Policy – Summary

This sets out the Council’s policy and approach to strategic risk management. A copy of the full policy and guidance is available to staff and members on The Hub.

Risk Management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them or responding to them. Strategic risks are those which affect the Council as a whole. Typically, these will be key risks that could significantly jeopardise the Council’s ability to achieve its objectives, statutory plans and/or provide operational services as planned.

The Council is committed to the effective management of risk. As a large public sector organisation, it is exposed to a wide range of risks and threats in delivering key services to communities. Within the Council, the purpose of risk management is to:

- preserve and protect the Council’s assets, reputation and staff
- promote corporate governance and aid good management in controlling and managing risks
- support successful delivery of strategic aims and well-being objectives
- improve business performance and better anticipate calculated risks where these are likely in delivering improvements
- avoid unnecessary liabilities, costs and failures

The Council seeks to ensure that risk management is effective from strategic to individual services and employees. Therefore all employees and Councillors are responsible for ensuring there are good levels of internal control and risk management throughout the Council in order that the Council’s specified outcomes are achieved. The Council uses a ‘traffic light’ system of Red/Amber/Green associated with High/Medium/Low to categorise risk levels. This is determined using the risk matrix below

Impact/Severity	major	Low	Medium	High	High
	substantial	Low	Medium	Medium	High
	moderate	Low	Low	Medium	Medium
	minor	Low	Low	Low	Low
		Unlikely	possible	Likely	Almost certain
		Likelihood			

<b>High risk</b>	The risk is <b>highly likely</b> to occur and the impact will be major. Management action/control evaluation and improvement is required coupled with continued pro-active monitoring
<b>Medium risk</b>	The risk is <b>unlikely</b> to result in a major issue, however, if it did the impact would be <b>significant or serious</b> . This risk is relatively less significant than a High risk however it needs to be closely monitored within timely management action/controls to ensure it does not escalate.
<b>Low risk</b>	The risk is <b>very unlikely</b> to occur and the impact will be <b>minor or moderate</b> at worst. Risk will be managed by seeking control improvements where practical and / or monitoring and reviewing at regular intervals

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<p><b>Name of the Officer completing the evaluation</b></p> <p>Richard Jones</p> <p><b>Phone no:</b> 01633 740733 <b>E-mail:</b> <a href="mailto:richardjones@monmouthshire.gov.uk">richardjones@monmouthshire.gov.uk</a></p>	<p><b>Please give a brief description of the aims of the proposal</b></p> <p>A refresh of the Council’s strategic risk management policy and guidance to ensure it reflects the Council’s current governance arrangements and takes account of feedback received.</p>
<p><b>Name of Service area</b></p> <p>Policy and Performance</p>	<p><b>Date</b></p> <p>14/02/2019</p>

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	This strategic risk management policy and guidance sets out the Council’s policy and approach to strategic risk management. Implementing the policy will ensure ensure that risk management is effective and consistent across the organisation including any strategic risks that relate to specific protected characteristics	There are no negative impacts identified	No further actions are proposed
Disability	As above	There are no negative impacts identified	No further actions are proposed
Gender reassignment	As above	There are no negative impacts identified	No further actions are proposed

<b>Protected Characteristics</b>	<b>Describe any positive impacts your proposal has on the protected characteristic</b>	<b>Describe any negative impacts your proposal has on the protected characteristic</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
Marriage or civil partnership	As above	There are no negative impacts identified	No further actions are proposed
Pregnancy or maternity	As above	There are no negative impacts identified	No further actions are proposed
Race	As above	There are no negative impacts identified	No further actions are proposed
Religion or Belief	As above	There are no negative impacts identified	No further actions are proposed
Sex	As above	There are no negative impacts identified	No further actions are proposed
Sexual Orientation	As above	There are no negative impacts identified	No further actions are proposed
Welsh Language	As above	There are no negative impacts identified	No further actions are proposed
Poverty	As above	There are no negative impacts identified	No further actions are proposed

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**2. Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal. There's no need to put something in every box if it is not relevant!



<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>






Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p><b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The risk management policy and guidance has been updated to include recognition of risk management as being one of the core areas of activities identified in the Well-being of Future Generations Act that the Council particularly needs to focus on. Consideration will need to be given to the requirements under the act and five ways of working when assessing risks to support their management.</p>	<p>No further actions are proposed</p>
<p><b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>As above</p>	<p>No further actions are proposed</p>
<p><b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>As above</p>	<p>No further actions are proposed</p>
<p><b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected</p>	<p>As above</p>	<p>No further actions are proposed</p>
<p><b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>As above</p>	<p>No further actions are proposed</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>As above</p>	<p>No further actions are proposed</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances	As above	

**3. How has your proposal embedded and prioritised the sustainable governance principles in its development?**

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
<div data-bbox="91 699 136 863" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 76</div> <div data-bbox="114 719 309 916">  </div> <p data-bbox="331 715 517 938">Balancing short term need with long term and planning for the future</p>	<p data-bbox="544 676 1328 938">The risk management policy and guidance has been updated to include recognition of risk management as being one of the core areas of activities identified in the Well-being of Future Generations Act that the Council particularly needs to focus on. Consideration will need to be given to the requirements under the act and five ways of working when assessing risks to support their management.</p>	<p data-bbox="1350 676 2096 1007">In line with the Well-being of Future Generations Act, identification and mitigation of longer-term risks that will impact future generations at community level, but will have a lesser impact on the medium term delivery of council services, is an area for continued development. The Well-being Assessment for Monmouthshire identifies a number of these, and the Public Service Board Well-being Plan sets out the objectives that public services in Monmouthshire are working on to improve economic, social, environmental and cultural well-being.</p>
<div data-bbox="114 1023 309 1219">  </div> <p data-bbox="331 1018 517 1241">Working together with other partners to deliver objectives</p>	As above	

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p data-bbox="141 480 297 507"><b>Involvement</b></p> <p data-bbox="349 256 517 443">Involving those with an interest and seeking their views</p>	As above	
 <p data-bbox="152 764 293 791"><b>Prevention</b></p> <p data-bbox="349 523 506 823">Putting resources into preventing problems occurring or getting worse</p>	As above	
 <p data-bbox="159 1106 300 1133"><b>Integration</b></p> <p data-bbox="349 863 517 1126">Considering impact on all wellbeing goals together and on other bodies</p>	As above	

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

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Social Justice	This strategic risk management policy and guidance sets out the Council's policy and approach to strategic risk management. Implementing the policy will ensure that risk management is effective and consistent across the organisation including any strategic risks that relate to social justice		
Safeguarding	This strategic risk management policy and guidance sets out the Council's policy and approach to strategic risk management. Implementing the policy will ensure that risk management is effective and consistent across the organisation including any strategic risks that relate to safeguarding		
Corporate Parenting	This strategic risk management policy and guidance sets out the Council's policy and approach to strategic risk management. Implementing the policy will ensure that risk management is effective and consistent across the organisation including any strategic risks that relate to corporate Parenting		

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

Views and evidence have been sought throughout the process of developing the strategic risk management policy and guidance and have been used to inform the development of the policy.

**6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?**

This strategic risk management policy and guidance sets out the Council's policy and approach to strategic risk management. Implementing the policy will ensure that risk management is effective and consistent across the organisation including any strategic risks related to areas assessed in this form.

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

What are you going to do	When are you going to do it?	Who is responsible

**8. VERSION CONTROL: The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this**

**process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.**

<b>Version No.</b>	<b>Decision making stage</b>	<b>Date considered</b>	<b>Brief description of any amendments made following consideration</b>
1	For Cabinet approval	14/02/2019	



<b>SUBJECT:</b>	<b>Report to Federate the Governing Bodies of Llanfoist Fawr and Llanvihangel Crucorney Primary Schools.</b>
<b>MEETING:</b>	<b>Cabinet</b>
<b>DATE:</b>	<b>6th March 2019</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>Bryn Y Cwm</b>

## 1. PURPOSE:

To conclude the statutory process on the proposal to federate the Governing Bodies of Llanfoist Fawr Primary School and Llanvihangel Crucorney Primary School.

## 2. RECOMMENDATION:

- 2.1 That members consider the Consultation Report in Appendix 1 and agree to federate the Governing Bodies of Llanfoist Fawr and Llanvihangel Crucorney Primary Schools with effect from 1<sup>st</sup> September 2019 and in line with the reasons stated within this report

## 3. KEY ISSUES:

- 3.1 Following the retirement of the Head teacher of Llanvihangel Crucorney Primary School in August 2018, and is often the case in small schools, there was no leadership structure in place within the school to appoint an acting head teacher. Headteacher recruitment is currently challenging and to find a Headteacher for a small school such as Llanvihangel Crucorney School would be difficult.
- 3.2 The Education (Small Schools) (Wales) Order 2014 defines a small school as one that contains fewer than 91 registered pupils. Llanvihangel Crucorney Primary School is by definition a small school and currently has 63 pupils on roll.
- 3.3 The Governing Body of Llanvihangel Crucorney Primary School approached the Local Authority to assist with the recruitment of an Executive Headteacher.
- 3.5 The Governing Body of Llanfoist Fawr Primary School agreed to the Local Authority request to undertake a 'soft' federation with Llanvihangel Crucorney Governing Body for the academic year 2018/19.
- 3.6 The Governing Bodies of both schools agreed to look at formally federating from September 2019.

- 3.7 The Headteacher of Llanfoist Fawr Primary School became Executive Headteacher for both schools for the academic year 2018/19
- 3.6 A consultation process took place between December 3<sup>rd</sup> 2018 and January 25<sup>th</sup> 2019. A copy of the Consultation report is attached at Appendix 1
- 3.7 The overall consensus from the consultation is favourable and highlighted a great deal of support behind the proposal. There were no negative comments received.

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

- 4.1 Evidence suggests that federating schools and working together through a single governing body structure will help schools raise standards and maintain local education provision by sharing staff skills and knowledge expertise.
- 4.2 A single governing body provides an effective and accountable mechanism for schools to pool resources, release capacity in the senior management team and gain economies of scale and efficiencies enabling them to be viable.
- 4.3 Having an Executive Headteacher in place helps to enhance provision to the advantage of both Governing Bodies.

#### **5. OPTIONS APPRAISAL**

**Option 1** – Do nothing and request the Governing Body look to recruit a Headteacher for the school from 1<sup>st</sup> September 2019.

This option was discounted, recruitment to Headteacher posts is difficult and even more so in small schools, which Llanvihangel Crucorney School is.

**Option 2.** - Local Authority consults on the federation and does not proceed

This option was discounted. The consultation took place between the 3<sup>rd</sup> December 2018 and 25<sup>th</sup> January 2019. As a result of the consultation there were no negative comments and a great deal of support for the proposal.

**Option 3.** – Local Authority consults on the federation and proceeds

This is the preferred option. There were no negative comments and a great deal of support for the proposal. The proposal will help raise standards through sharing experience and resources. There is also the opportunity to pool resources and gain economies of scale.

#### **6. EVALUATION CRITERIA**

The Federation will provide strategic leadership and management structures that are more sustainable in the longer term. It will provide staff with the ability to learn from each other within a coherent approach to deliver professional learning communities



and focus on school improvement linking national priorities with school improvement planning.

The evaluation and effectiveness of the Federation will be through sustained and improved standards. It is not proposed that a specific evaluation of the Federation be produced annually however the federation will be considered as part of schools self-evaluation, Estyn inspections and categorisation.

## **7. REASONS:**

As part of its school reorganisation programme and strategies to improve outcomes the LA wishes to promote collaboration between schools. School federation is a more formal way of extending collaboration and promoting closer working relationships and is the principal initiative for achieving formal partnership working amongst schools.

It can be difficult to recruit headteachers to small school such as Llanvihangel Crucorney Primary School and with the other limitations on small schools they can clearly benefit from pooling resources.

Federation works on the basis that both schools have their own particular strengths and advantages, whether it is facilities, staff or resources.

## **7. RESOURCE IMPLICATIONS:**

7.1 Each school will maintain its own individual school budget

7.2 For the past two years Llanvihangel Crucorney has been awarded a Small and Rural Schools grant from the Welsh Government. This is anticipated to continue for 2019-20. Of the funding received last year £22,450 was approved to used for the federation. The bid for 2019 – 20 includes £32,159 to continue with the work of the federated schools. This bid is for support for salaries and resources. There will be savings within the school budget due to one head over two schools, however these saving have already been captured in the MTFP.

## **8. CONSULTEES:**

Cabinet Members  
DMT  
SLT

## **9. BACKGROUND PAPERS:**

The Federation of Maintained Schools (Wales) Regulations 2014

## **10. AUTHOR:**

Cath Saunders – Governance Manager

Children and Young People Directorate.

**11. CONTACT DETAILS:**

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

Tel: 07595647637



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monmouthshire  
sir fynwy

# CONSULTATION REPORT

Federation of the Governing Bodies of  
Llanfoist Fawr and Llanvihangel Crucorney  
Primary Schools.

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## 1. Introduction

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As part of its school reorganisation programme and to improve outcomes the Local Authority (LA) wishes to promote collaboration between schools. School federation is a more formal way of extending collaboration and promoting closer working relationships and is the principal initiative for achieving formal partnership working amongst schools thus helping to improve performance and narrow the attainment gap.

The Federation of Maintained Schools (Wales) Regulations 2014 revoke and replace the 2010 Federation Regulations and additionally provides LAs with a mechanism to federate schools.

The 2014 Federation Regulations set out how the governing bodies of between two and six maintained schools can federate. In addition, they set out how LAs can federate schools. The regulations prescribe how federation may be proposed, established, constituted and how one or all schools may leave it.

Monmouthshire County Council has a statutory duty to secure sufficient and suitable school places for children within its County, and in doing so ensure that resources and facilities are efficiently utilised to deliver the education opportunities that our children deserve.

The purpose of the consultation was:

### **To federate the Governing Bodies of Llanfoist Fawr Primary School with Llanvihangel Crucorney Primary School.**

This consultation report now represents the council's responsibilities in line with the Federation of Maintained Schools (Wales) Regulations 2014 to produce a report outlining the date of the publication of the proposal, the date of return of responses, the length of the period for stakeholders to submit a response and a summary of the responses.

## **2. Distribution of the Consultation Report**

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The Consultation report was distributed to the following:

- Pupils attending Llanfoist Fawr and Llanvihangel Crucorney Primary Schools
- Parents/ carers of pupils attending Llanfoist Fawr and Llanvihangel Crucorney Primary
- All staff employed at Llanfoist Fawr and Llanvihangel Crucorney Primary Schools
- Governing Bodies of Llanfoist Fawr and Llanvihangel Crucorney Primary Schools
- Trade Unions for Teaching and Support Staff
- County Councillors for Bryn y Cwm area
- Headteachers Abergavenny Cluster
- Chair of Monmouthshire Association of School Governors
- Welsh Government

## **3. Background to the proposal to federate Llanfoist Fawr and Llanvihangel Primary School Governing Bodies**

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The Education (Small Schools) (Wales) Order 2014 defines a small school as one that contains fewer than 91 registered pupils. Llanvihangel Crucorney Primary School is by definition a small school and currently has 63 pupils on roll.

As of the 1<sup>st</sup> September 2018, Llanvihangel Crucorney Primary School did not have a Headteacher or a Deputy Headteacher to act up until a new a new Head could be appointed. It is widely known that Headteacher recruitment is currently challenging and finding a Headteacher for a small school such as Llanvihangel Crucorney would be particularly difficult. Therefore, in the short term the Governing Body of Llanvihangel Crucorney School in conjunction with the Local Authority looked to appoint an Executive Headteacher for the academic year 2018/19.

In June 2018, the Governing Body of Llanfoist Fawr Primary School agreed to release their Headteacher to undertake the role of Executive Headteacher of Llanfoist Fawr Primary Schools and Llanvihangel Crucorney Primary School for the academic year 2018/19. In addition to this, there was an agreement to commence the process to federate the two Governing Bodies from September 1<sup>st</sup> 2019.

Both schools have similar aims, values and ethos which make them ideal for federation..

Llanfoist Fawr is a state of the art Primary School situated in the village of Llanfoist, near Abergavenny for pupils aged 4 to 11. The School has a strong belief in the moral purpose of education and is committed to ensuring that education is child centred and inclusive. The staff and Governing Body are passionate about ensuring that every child is recognised and valued and their talents and abilities nurtured and



developed to their full potential. Inspiring learning is at the heart of the schools vision.

The School's mission is that all members of the school community "Achieve to Grow" and to enable this mission to be realised the school values, nurtures and motivates all members of its community.

Llanvihangel Crucorney Primary School is a primary school for pupils aged 4 to 11 years. Staff and governors create a happy, healthy and stimulating environment, where children are inspired to learn. The staff are committed to the development of each individual through a creative and imaginative approach, to inspire individuals to work independently and collaboratively, and to develop an excitement for learning.

The school aims to create a family environment where everyone can develop positive values and attitudes and to encourage an appreciation of the natural environment, heritage and culture.

The School is at the centre of the community and ensures it remains at the heart of the community by fostering links with local people and organisations.

Both schools are categorised as 'Green' and are stable and well run schools. The following information provides the comparative performance of the two schools over the past 3 years

#### **Foundation Phase Indicator O5+**

	2016	2017	2018
Llanfoist	86.7% (26/30)	96.7% (29/30)	96% (28/29)
Llanvihangel Cruc.	88.9% (8/9)	100% (7/7)	90% (9/10)

#### **Foundation Phase O6+**

	2016	2017	2018
Llanfoist	30% (9/30)	30% (9/30)	36% (11/29)
Llanvihangel Cruc.	33.3% (3/9)	57.1% (4/7)	27% (3/10)

#### **Key Stage 2 Core Subject Indicator L4+**

	2016	2017	2018
Llanfoist	96.7% (29/30)	96.7% (20/30)	90% (27/30)
Llanvihangel Cruc.	90.9% (10/11)	87.5% (7/8)	100% (6/6)

### **Key Stage 2 Core Subject Indicator L5+**

	2016	2017	2018
Llanfoist	36.7% (11/30)	53.3% (16/30)	49% (15/30)
Llanvihangel Cruc.	54.5% (6/11)	62.5% (5/8)	50% (3/6)

Both schools currently have surplus budgets, projected to continue in surplus.

Numbers on roll projected to remain static at Llanfoist Fawr School over the next 5 years whilst numbers are projected to increase slightly at Llanvihangel Crucorney before steadily dropping back down over the same period.

School	Actual NOR 2018	Jan 2019	Jan 2020	Jan 2021	Jan 2022	Jan 2023
Llanfoist	210	210	210	210	210	210
Llanvihangel	68	71	70	66	63	59

The proposed Instrument of Government for the Governing Body of Llanfoist Fawr and Llanvihangel Crucorney Primary Schools are attached at Appendix 1.

#### **4. A reminder of our proposal**

The proposal is formally federate the Governing Bodies of Llanfoist Fawr Primary School and Llanvihangel Crucorney Primary Schools.

It is proposed an Executive Headteacher will head up the Federation should it go ahead.

Currently following the retirement of the Headteacher of Llanvihangel Crucorney Primary School in 2018 there is a 'soft' federation in place and the Headteacher at Llanfoist Fawr Primary School is currently Acting Executive Headteacher of both schools.

#### **5. Consultation Arrangements**

##### Methodology

Consultees listed above in Section 2 were provided with a copy of the consultation document in readiness for the consultation to commence on 3<sup>rd</sup> December 2018.

Consultees were advised of the following opportunities to respond to the consultation proposals:

- In writing using the pro forma at Appendix 5 to Cath Saunders, Monmouthshire County Council, County Hall, The Rhadyr, Usk. NP15 1GA
- By Email [strategicreview@monmouthshire.gov.uk](mailto:strategicreview@monmouthshire.gov.uk)
- By attending a consultation meeting

The consultation closed on 25<sup>th</sup> January 2019

### Consultation Meetings

As part of the consultation process, the Council held consultation sessions which were open to staff, governors, parents and members of the community to ensure engagement with all interested parties who may wish to learn about the proposal

School Council Llanfoist Fawr School	Friday 7 <sup>th</sup> December 2018
School Council Llanvihangel Crucorney Primary School	Friday 7 <sup>th</sup> December 2018
Drop in Session at Llanfoist Fawr Primary School	Tuesday 15 <sup>th</sup> January 2019
Drop in session at Llanvihangel Crucorney Primary School	Wednesday 16 <sup>th</sup> January 2019

Senior officers of the Councils' Directorate attended all of the consultation meetings for Children and Young People. The consultation meetings provided interested parties with an opportunity to learn more about the proposals and ask any questions / raise any concerns.

Officers in attendance at the consultation meetings provided reassurance that any comments / concerns raised were recorded and fed into the consultation outcomes. Consultees were also encouraged to submit their formal responses through one of the preferred available methods.

The comments raised and key themes of concern raised during the consultation meetings have been summarised and included as part of the overall responses received on page ? of this document.

### Consultation with children and young people

A consultation session was held with both school councils. This consultation was led by the Executive Headteacher with a LA Officer present.

A summary of the feedback received from children and young people can be found on page 12 of this document.

## 6 Results and Comments

The Council has received a number of responses to the consultation exercise. A broad profile of the respondents are outlined in the table below

	<b>Total</b>
<b>Parents</b>	5
<b>Staff</b>	0
<b>Governors / Governing body</b>	0
<b>Trade Unions</b>	0
<b>Other organisations</b>	0
<b>Total</b>	5

The below table shows a summary of the comments / concerns raised during the consultation period together with the Council's responses. The comments / concerns have been drawn and summarised from any written responses received together with the feedback given during the consultation meetings.

<b>Question/Comment</b>	<b>Council Response</b>
I am concerned about teacher contact time and the level of consistency especially for the Deputy Head and I am looking for reassurance.	<p>The Federation would not interfere with the current teacher contact time if they are undertaking school-to-school working.</p> <p>There is currently set management time for the Deputy Head and any work undertaken outside of teaching and learning is within dedicated management time. Presently, the Deputy Head undertakes his management time at Llanvihangel School and this has had no impact on his class at Llanfoist school. The Deputy Head does the core curriculum lessons with his class.</p> <p>The main person affected by the Federation is the Headteacher</p>

<p>If there are specific circumstances with a pupil and parents need to make contact with senior staff, what would happen if the Headteacher is at the other school – some parents need that reassurance.</p>	<p>Either the Headteacher or Deputy Headteacher are always available. There is a strong Senior Leadership Team at Llanfoist and there is always one person on site. If the Head or Deputy are at Llanvihangel and there is a critical incident at the school, they are exactly 12 minutes away and can return to school if necessary.</p> <p>Headteachers are out of school more often than parents actually realise at meetings etc. but there is always a member of senior staff available. If parents need to speak to the Executive Head when he is at Llanvihangel School parents are still able to speak to him on the telephone.</p>
<p>What does sharing teachers mean?</p>	<p>Llanvihangel School will benefit the most from the Federation as it is difficult to recruit to head teacher posts in small schools such as Llanvihangel and they then become unsustainable. Sharing teachers will benefit Llanfoist School as sharing responsibilities across both schools avoids repetition and can ease workload for staff. An example being the introduction of the new curriculum currently being developed between the two schools and joint staff meetings are being undertaken after school rather than affecting teaching and learning time. For example, we now have a Wellbeing and Equity Coordinator who works across both schools.</p> <p>There will not be any cross over of staff between schools, only normal management moves to help schools and staff with their continuous professional development.</p>

	<p>The Governing Body will change and all Governors will have to apply to be a Governor as dictated by legislation</p>
<p>Will there be any joint events together?</p>	<p>There will be joint events and at present, we are looking at the summer for this to be introduced however, football and netball is currently undertaken together, not school against school, but the teams mixed from both schools. The Year 6 pupils getting together helps the pupils make friends and gives other opportunities for transition. The Federation also gives opportunities to the pupils which they may not have had previously for example the children went to the Pantomime together this year whereas the Llanvihangel pupils have not been previously due to cost and both Year 6 classes will go to London together in the summer, if more pupils go the cost is reduced.</p>
<p>I can see the benefits to Llanvihangel Crucorney School but how will it benefit Llanfoist?</p>	<p>The Federation has to benefit both schools and work effectively between the two. Staff are visiting each other and working together after school hours so there is no impact on teaching and learning. There is not, and will not be going forward, staff spending half days in different schools. The Federation recognises distributed leadership amongst staff, which is beneficial to staff as leaders. The Headteacher has a presence in both schools each day and is also visible to parents everyday.</p>

<p>If Mr Murphy leaves, will other Headteachers be able to sustain this model in the future and how will the Governing Body recruit another Headteacher?</p>	<p>Many Headteachers are already interested in being Headteacher of Federated Schools. It gives experienced Heads an opportunity to move and will attract a high calibre of applicants.</p> <p>Two schools have come together and that was 70 additional pupils, both schools have come together when they were in a good position; it is a very desirable position.</p>
<p>Is there an opportunity for the Deputy Headteacher and SLT to have more release time and would you give them a Year 6 class?</p>	<p>It is difficult to do that without affecting teaching and learning, they already have dedicated management time and PPA – this is the same whether the school federated or not. They could be given time to undertake task and finish pieces of work but that does not happen too often.</p>
<p>My concern and that of other parents is the security of the schools future</p>	<p>Welsh Government current policy is to maintain small schools where possible. By federating the school with Llanfoist the Council is complying with WG Policy and securing the schools future.</p> <p>It would be difficult to recruit a Headteacher to a small school such as Llanvihangel Crucorney however if it were federated with another school, should the need arise, it is a very attractive opportunity.</p> <p>The Federation also gives the pupils at Llanvihangel opportunities they will not have should the federation not go ahead and pupils at both schools will have shared experiences and will assist with transition for pupils at both schools. The number of parent governors would reduce and this is something that both Governing Bodies questioned, however the Instrument of Government directs the number of Governors, so this cannot be changed.</p>

	<p>Both schools will maintain separate budgets but other resources shared and savings can be made because of economies of scale.</p> <p>Both schools are successful and one will not be propping up the other – both are categorised as Green Schools.</p>
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**Comments from School Councils**

**Llanfoist Fawr School Council at Llanfoist School.**

**Positives**

- I like sports and it's good that we can play each other and this also make it easier for the Headteacher to organise matches between the 2 schools
- I think it is a good idea because we can share buses with the other school like we did for the London trip
- I also think it's a good idea because we can share trips
- I think it may be a problem if Mr Murphy is not here and Sunshine's Playgroup have their concert and Mr Murphy isn't here because he can't be in two places at once, I think they may be upset. But Mr Aylett went this year and that was ok
- I think it's good that they can lend us staff and we can lend them Llanfoist staff
- It will save money on buses to go to the pantomime.
- We will get to know the children and in Year 6 when we leave to go to King Henry we will have a bigger friendship group when we get there

**Negative:**

- The 2 schools maybe too far apart and Llanvihangel maybe too far for the children to go to, say, Newport but Llanfoist is closer

**Llanvihangel Crucorney Primary School Council at Llanvihangel School**

**Positives**

- It's good that the 2 schools get to know each other better and we may inspire each other
- Do you get paid more Mr Murphy?
- We can do more school trips and do more stuff with them, like going to the pantomime
- It has made no difference not having a head teacher here all the time.
- It teaches us independence and when Mrs Speak is in charge she does a good job
- We get to meet completely new people who we never have seen before.
- We are getting new experiences
- We will already know Year 6 and already have friends at King Henry when we get there
- I like everything about Mr Murphy



### **Negatives**

There were no negative comments.

## **8 General overview and consensus**

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The consultation process highlighted a great deal of support behind the principles of the proposal.

Parents at Llanfoist Fawr were keener as to how the school would benefit from the Federation and that it would only be Llanvihangel Crucorney School that could benefit. However when parents were informed in more detail of the benefits of federation such as pupil achievement, extra-curricular opportunities, transition, staff CPD and financial benefits they were more reassured.

Parents at Llanfoist Fawr were also concerned around the availability of the Headteacher, however they were reassured around Leadership Team arrangements that were/ are in place.

Parents at Llanvihangel Crucorney School were concerned around the future viability of the school but following the drop in session were reassured that the Federation would make the schools future more secure.

The feedback received behind the proposal was overall positive and supportive. There were no negative comments.

## Appendix 1 –Proposed Instrument of Government

### INSTRUMENT OF GOVERNMENT: FEDERATED SCHOOLS

1. The name of the federation is THE GOVERNING BODY OF LLANFOIST FAWR AND LLANVIHANGEL CRUCORNEY PRIMARY SCHOOLS.

2. The names and categories of the schools in the federation are:

Name	Category
1. LLANFOIST FAWR PRIMARY SCHOOL	COMMUNITY SCHOOL
2. LLANVIHANGEL CRUCORNEY PRIMARY SCHOOL	COMMUNITY SCHOOL

3. The name of the governing body is THE GOVERNING BODY OF LLANFOIST FAWR AND LLANVIHANGEL CRUCORNEY PRIMARY SCHOOLS.

4. The governing body shall consist of the following:

Category of governor	No. in each category
Parent Governors: 1. LLANFOIST FAWR PRIMARY SCHOOL 2. LLANVIHANGEL CRUCORNEY PRIMARY SCHOOL	TWO PER SCHOOL
Headteacher (except at any time when he/she has given written notice to the clerk to the governing body of the School that he/she chooses not to be a governor).	ONE
Staff Governor: 1. LLANFOIST FAWR PRIMARY SCHOOL 2. LLANVIHANGEL CRUCORNEY PRIMARY SCHOOL	ONE PER SCHOOL
Teacher Governor: 1. LLANFOIST FAWR PRIMARY SCHOOL 2. LLANVIHANGEL CRUCORNEY PRIMARY SCHOOL	ONE PER SCHOOL
LA Governors	FOUR
Community Governors	FOUR
Additional Community Governors	ONE

5. The total number of governors appointed in accordance with Part 4 of the Federation Regulations shall be EIGHTEEN (except any time when the

headteacher has given notice that he/she chooses not to be a governor, when the total number of governors will be 17).

6. The Additional Community Governor will be a governor for whose appointment nominations are to be sought from the minor authority.
7. In accordance with Part 4 of The Federation of Maintained Schools (Wales) Regulations 2014 this instrument of government comes into effect on 1ST SEPTEMBER 2019
8. This instrument was made by order of LA on .....

**THE COMMON SEAL** of )  
**MONMOUTHSHIRE COUNTY COUNCIL** )  
was hereunto affixed in the presence of: )  
Authorised Officer

.....





<p><b>Name of the Officer</b> completing the evaluation Cath Saunders</p> <p><b>Phone no:</b> 01633 644470 <b>E-mail:</b> cathrynsaunders@monmouthshire.gov.uk</p>	<p><b>Please give a brief description of the aims of the proposal</b></p> <p>To agree to federate the Governing Bodies of Llanfoist Fawr and Llanvihangel Crucorney Primary Schools</p>
<p><b>Name of Service area CYP</b></p>	<p><b>Date</b> 14<sup>th</sup> February 2019</p>

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

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Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The proposal will benefit pupils by bringing them together to be taught within a narrow age band		
Disability	N/A		
Gender reassignment	N/A		
Marriage or civil partnership	N/A		
Pregnancy or maternity	N/A		

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Race	N/A		
Religion or Belief	N/A		
Sex	N/A		
Sexual Orientation	N/A		
Welsh Language	N/A		
Poverty	Offer children and young people access to a wider range of materials, equipment, opportunities and facilities		

**2. Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal. There's no need to put something in every box if it is not relevant!





Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The proposal will enable both Governing Bodies to share resources, develop common policies and schemes of work to promote consistency and continuity in teaching and learning, avoid duplication	


Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
	of effort and utilize staff expertise across the schools within the federation. The proposal will provide opportunities for staff CPD and give a clear focus on strategic leadership and management	
<b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	n/a	
<b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood	<p>Staff will have new opportunities to work together and reduce isolation, duplication of effort can be avoided and help with better work life balance of staff. It can enable staff to share heavier workloads whilst allowing schools to continue to provide a wide curriculum that offers real choices and options for pupils</p> <p>The federation will also respond to pupils wider needs, it can enable pupils to access specialist teaching, more structured and sustained social and educational opportunities, team sports, wider curriculum expertise and a wider choice of extra-curricular activities.</p>	
<b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected	Federation can help small rural schools to remain sustainable within their communities. Shared governing body provides an effective and accountable mechanism for schools to pool resources and staff, gain economies of scale and efficiencies that enable them to remain viable	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p><b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>Combined strategic and financial planning should mean that jobs can be better protected in any combined period of contraction and specialist staff can be used to best effect recognizing that all support and teaching staff have specialist skills and knowledge</p>	
<p><b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>The federation will also respond to pupils wider needs, it can enable pupils to access specialist teaching, more structured and sustained social and educational opportunities, team sports, wider curriculum expertise and a wider choice of extra-curricular activities</p>	
<p><b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances</p>	<p>The proposal will offer pupils of all ages to and abilities to meet and work as part of a larger group, which can be beneficial to older, more able pupils. Pupils can access more structured and social education al opportunities, team sports, wider curriculum expertise and a wider choice of after curricular and out of school activities.</p> <p>The proposal can offer career opportunities for staff not normally available to them, aid the recruitment of new highly qualified teachers to the schools.</p>	

**3. How has your proposal embedded and prioritised the sustainable governance principles in its development?**



Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p><b>Long Term</b></p> <p>Balancing short term need with long term and planning for the future</p>	<p>Yes. Federation can help small rural schools to remain sustainable within their communities. Shared governing body provides an effective and accountable mechanism for schools to pool resources and staff, gain economies of scale and efficiencies that enable them to remain viable</p>	
 <p><b>Collaboration</b></p> <p>Working together with other partners to deliver objectives</p>	<p>Yes. The pooling of resources will improve performance, raise standards of attainment and achieving more for the children whether that is providing access to opportunities and facilities children would not normally be able to access</p>	
 <p><b>Involvement</b></p> <p>Involving those with an interest and seeking their views</p>	<p>Yes Consultation has taken place with school Councils of Llanfoist School and Llanvihangel School. Parent / Carers staff, Trade Unions and other interested parties have been consulted on the proposal in line with that set out in the Regulations.</p>	
 <p><b>Prevention</b></p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Yes. Federation enables a single governing body to raise standards and maintain local education provision by sharing resources, staff expertise and facilities and sharing best practice. Both schools can pool resources, including staff and budgets, release capacity in senior management team and gain economies of scale and efficiencies.</p>	

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The above analysis shows how federation will have a positive impact on the majority of the National wellbeing goals</p>	

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

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	Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Social Justice	<p>The proposal will offer pupils of all ages to and abilities to meet and work as part of a larger group, which can be beneficial to older, more able pupils. Pupils can access more structured and social education al opportunities, team sports, wider curriculum expertise and a wider choice of after curricular and out of school activities</p>		
Safeguarding	<p>We would expect that the safeguarding standards and expectations of the schools will not be affected by the proposal</p>		
Corporate Parenting	<p>We would expect that the standards and expectations of the schools will not be affected by the proposal</p>		

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

Both schools are categorised as 'Green' in relation to standards of achievement and are stable well run schools. Both schools currently have surplus budgets, projected to continue in surplus. Numbers on roll projected to remain static at Llanfoist Fawr School over the next 5 years with numbers projected to increase slightly at Llanvihangel Crucorney before steadily dropping back down over the same period. The schools are currently successfully being run as a 'soft' federation with an Executive Headteacher and this has been paramount to the decision to proceed with the formal federation.

**6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?**

The Federation will provide strategic leadership and management structures that are more sustainable in the longer term. It will provide staff with the ability to learn from each other within a coherent approach to deliver professional learning communities and focus on school improvement linking national priorities with school improvement planning. The proposal will offer pupils of all ages and abilities to meet and work as part of a larger group, which can be beneficial to older, more able pupils. Pupils can access more structured and social educational opportunities, team sports, wider curriculum expertise and a wider choice of after curricular and out of school activities. The evaluation and effectiveness of the Federation will be through sustained and improved standards. It is not proposed that a specific evaluation of the Federation be produced annually however, the federation will be considered as part of schools self-evaluation, Estyn inspections and categorisation.

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

What are you going to do	When are you going to do it?	Who is responsible

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

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