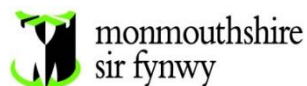


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County Hall
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Wednesday, 16 September 2015

Notice of meeting / Hysbysiad o gyfarfod:

County Council

Thursday, 24th September, 2015 at 2.00 pm,
Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA

AGENDA

Prayers will be said prior to the Council meeting at 1.55pm. All members are welcome to join the Chairman for prayers should they wish to do.

Item No	Item	Pages
1.	Apologies for absence	
2.	Public Open Forum	
3.	Chairman's report and receipt of petitions	1 - 2
4.	Declarations of interest	
5.	Police and Crime Commissioner Briefing	
6.	To confirm and sign the minutes of the following meetings:	
7.1.	Special Council Meeting 30th July 2015	3 - 4
7.2.	Council Meeting 30th July 2015	5 - 16
8.	Notices of Motion:	
8.1.	Submitted by County Councillor P. Fox	
	Given the horrific refugee crisis resulting from the wars in Syria and elsewhere this Council will make contact with Her Majesty's Government and offer to provide humanitarian aid for a limited number of refugees. In such a fast moving situation it is difficult to assess the most beneficial forms of support. Consequently we ask our Strong Communities committee to liaise with others to best target the Council's response. We will seek financial support from	

HMG and the Welsh Government and assurances from WG that medical aid will be offered by the Welsh Health Service.

8.2. Submitted by County Councillor D. Batrouni:

This Council notes with concern the significant year on year drop in A level grades in Monmouthshire schools. In some cases achievement dropped significantly leaving our young people at a serious disadvantage when seeking employment or university places. Despite the hard work of teachers and students, the Conservative-led cabinet continue to let down sections of our young people in education. The Labour Group call on this administration to explain exactly what it intends to do to remedy this situation?

9. To receive the minutes of the following meetings:

9.1. Democratic Services Committee 29th June 2015 17 - 22

10. Report of the Chief Officer, Social Care and Health:

10.1. Corporate Parenting Annual Report 23 - 30

11. Reports of the Head of Finance/S151 Officer:

11.1. Audit of Financial Statements report and Annual Accounts 2014-15 31 - 164

11.2. Car Park at Mardy Park Resource Centre 165 - 176

12. Report of the Head of Policy and Engagement:

12.1. Stage 2 Improvement Plan 177 - 244

13. Members' Questions

13.1. From County Councillor S. White to County Councillor G. Howard:

At a Planning Meeting in August the agenda for Wonastow Road LDP Developers informed members that money will be set aside for the maintenance and upkeep of the encased Wonastow Brook with pavement covering it to make a footpath.

Which department of the Council will be responsible for the recovery of the money for the maintenance and upkeep of said brook and pavement? How many times a year will it be dredged to clear debris?

How much money will we receive, will it be a one off payment and when it runs out where will the funds come from as we know MCC has no money for extra works?

13.2. From County Councillor V. Smith to County Councillor S.B. Jones:

<p>13.3.</p>	<p>Can the Cabinet Member please advise of what progress has been made with regard to consultation with various bodies over speed limits along the A472 between Coleg Gwent Equestrian Centre and Alexandra Terrace.</p> <p>From County Councillor Blakebrough to County Councillor Greenland:</p> <p>'Council will have noted the recent announcement from Morrisons of declining profits, the closure of a number of outlets and the sale of their convenience stores. The company has also withdrawn from a number of new build projects. Given that state of affairs, will the Cabinet Member inform us as to when he last met with Morrisons Management, what assurances he has been given about the Abergavenny development, what timescale is envisaged for completion of the project and whether he remains confident that it will in fact go ahead?</p>	
<p>13.4.</p>	<p>From County Councillor Batrouni to County Councillor G. Howard</p> <p>How many fixed penalties notices did the Council issue for dog fouling in (i) 2015 to date, (ii) 2014, (iii) 2013 and (iv) 2012?</p>	

Paul Matthews

Chief Executive / Prif Weithredwr

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

County Councillors:

D. Batrouni
J. Prosser
D. Blakebrough
M. Powell
V. Smith
G. Burrows
R. Chapman
P. Clarke
J. Crook
D. Dovey
G. Down
A. Easson
D. Edwards
R. Edwards
D. Evans
P. Farley
P.A. Fox
J. George
R.J.W. Greenland
L. Guppy
E. Hacket Pain
R. Harris
B. Hayward
M. Hickman
J. Higginson
P.A.D. Hobson
G. Howard
S. Howarth
D. Jones
P. Jones
S. Jones
S.B. Jones
P. Jordan
J. Marshall
P. Murphy
B. Strong
F. Taylor
A. Watts
P. Watts
A. Webb
S. White
K. Williams
A. Wintle

Public Information

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Watch this meeting online

This meeting can be viewed online either live or following the meeting by visiting www.monmouthshire.gov.uk or by visiting our Youtube page by searching MonmouthshireCC.

Welsh Language

The Council welcomes contributions from members of the public through the medium of Welsh or English. We respectfully ask that you provide us with adequate notice to accommodate your needs.

Aims and Values of Monmouthshire County Council

Sustainable and Resilient Communities

Outcomes we are working towards

Nobody Is Left Behind

- Older people are able to live their good life
- People have access to appropriate and affordable housing
- People have good access and mobility

People Are Confident, Capable and Involved

- People's lives are not affected by alcohol and drug misuse
- Families are supported
- People feel safe

Our County Thrives

- Business and enterprise
- People have access to practical and flexible learning
- People protect and enhance the environment

Our priorities

- Schools
- Protection of vulnerable people
- Supporting Business and Job Creation
- Maintaining locally accessible services

Our Values

- **Openness:** we aspire to be open and honest to develop trusting relationships.
- **Fairness:** we aspire to provide fair choice, opportunities and experiences and become an organisation built on mutual respect.
- **Flexibility:** we aspire to be flexible in our thinking and action to become an effective and efficient organisation.
- **Teamwork:** we aspire to work together to share our successes and failures by building on our strengths and supporting one another to achieve our goals.

Nodau a Gwerthoedd Cyngor Sir Fynwy

Cymunedau Cynaliadwy a Chryf

Canlyniadau y gweithiwn i'w cyflawni

Neb yn cael ei adael ar ôl

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

Pobl yn hyderus, galluog ac yn cymryd rhan

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

Ein sir yn ffynnu

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

Ein blaenoriaethau

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

Ein gwerthoedd

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

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Agenda Item 3

Chairman's Report 20th July – 12th September

Sunday 26 th July 3 p.m.	Chepstow Town Council Town Mayor's Civic Reception
Friday 7 th August	The Wales Open Criterium Abergavenny
Saturday 8 th August	Chepstow Show
Sunday 9 th August	The Grand Prix of Wales Abergavenny
Monday 10 th August 7 p.m.	Dinner with NAS UK Celtic Manor, Newport
Wednesday 12 th August 2.30 p.m.	Afternoon Tea at the Vale of Glamorgan Agricultural Show Fonmon Castle Grounds, Rhoose
Sunday 16 th August 3.30 p.m.	National Service of Thanksgiving To mark the 70 th Anniversary of Victory in Japan Day Llandaff Cathedral, Cardiff
Friday 21 st August	Spirit of Severnside Awards Caldicot Castle
Thursday 27 th August, 12.30p.m.	Monmouthshire Show – Luncheon with the President and Chairman of the Show Monmouthshire Showground
Friday 4 th September 10 a.m.	Service for Opening of Raglan School
Saturday 5 th September 6.30 for 7p.m.	Caldicot Male Voice Choir Gala Concert Caldicot Leisure Centre
Sunday 6 th September, 3 p.m.	City of Swansea Civic Service St Joachim & St Anne, Dunvant
Thursday 10 th September 6.30p.m.	School's Awards Evening Leisure Centre, Monmouth Comp School
Saturday 12 th September	Usk Show
Saturday 12 th September	Monmouthshire Sports Awards Chepstow Leisure Centre

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MONMOUTHSHIRE COUNTY COUNCIL

Minutes of a Special meeting of Monmouthshire County Council held in the Council Chamber, County Hall, Rhadyr, Usk on 30th July 2015 at 2.00 p.m.

PRESENT: County Councillor B. Strong (Chairman)

County Councillors: D. Batrouni, G.C. Burrows, P.R. Clarke, J.E. Crook, D.L.S. Dovey, R.M. Edwards, D.J. Evans, P.S. Farley, P.A. Fox, J. George, R. J. W. Greenland, L. Guppy, E. J. Hacket Pain, R.G. Harris, R.J.C. Hayward, M. Hickman, R.J. Higginson, P.A.D. Hobson, S.G.M. Howarth, D.W.H. Jones, P. Jones, P. Murphy, M. Powell, J.L. Prosser, V.E. Smith, F. Taylor, A.C. Watts, A.E. Webb, S. White, K.G. Williams and A.M. Wintle.

OFFICERS IN ATTENDANCE:

Mr. P. Matthews	Chief Executive
Mr. R. Tranter	Head of Legal Services
Ms. J. Anthony	People Management Advisor
Mr R. Williams	Democratic Services Officer

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Councillors D. Blakebrough, R.F. Chapman, G.L. Down, A. Easson, D.L. Edwards, G. Howard, S. Jones, R.P. Jordan, J.I. Marshall, P. Watts, and K.G. Williams.

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. EXCLUSION OF PRESS AND PUBLIC

We resolved to exclude the press and public from the meeting during consideration of the following item of business in accordance with Section 100A of the Local Government Act 1972, on the grounds that it involved the likely disclosure of exempt information, as defined in paragraph 12 of Part 4 of Schedule 12A of the Act.

4. APPOINTMENT OF CHIEF OFFICER: SOCIAL CARE AND HEALTH

The Chief Executive explained that a shortlisting and selection process had been held the previous day and as a result of which two candidates had been invited to attend for interview by the full Council.

We welcomed the two candidates, each of whom gave a presentation and was interviewed by the Council. The candidates then withdrew.

The Chief Executive outlined some of the feedback which had been received during the earlier part of the process.

**Minutes of a Special meeting of Monmouthshire County Council dated 30th
July 2015 continued**

A secret ballot was held, as a result of which Claire Marchant was offered the post of Chief Officer: Social Care and Health. Claire Marchant returned to the meeting, accepted the appointment, and was congratulated by Members and officers.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

PRESENT: County Councillor B. Strong (Chairman)
County Councillor R.J. Higginson (Vice Chairman)

County Councillors: D. Batrouni, G.C. Burrows, J.E. Crook, D.L.S. Dovey, G.L. Down, A. Easson, R.M. Edwards, D.J. Evans, P.S. Farley, P.A. Fox, R. J. W. Greenland, L. Guppy, E. J. Hacket Pain, R.G. Harris, R.J.C. Hayward, M. Hickman, P.A.D. Hobson, S.G.M. Howarth, D.W.H. Jones, P. Jones, S. Jones, S.B. Jones, P. Murphy, M. Powell, J.L. Prosser, V.E. Smith, B. Strong, F. Taylor, A.C. Watts, P.A. Watts, A.E. Webb, S. White, K. Williams and A. Wintle.

OFFICERS IN ATTENDANCE:

P. Matthews	Chief Executive
S. McGuinness	Chief Officer, Children and Young People
S. Burch	Chief Officer, Social Care and Health
J. Robson	Head of Finance/Section 151 Officer
M. Howcroft	Assistant Head of Finance
D. Hill Howells	Head of Community Led Delivery
S. Hayward	Digital and Technology Manager
J. Pearson	Local Democracy Manager
R. Tranter	Head of Legal/Monitoring Officer
S. King	Senior Democratic Services Officer

1. WELCOME AND APOLOGIES FOR ABSENCE

Apologies for absence were received from County Councillors D. Blakebrough, R. Chapman, P.R. Clarke, D.L. Edwards and G. Howard.

The Chairman announced that it would be the last meeting attended by Simon Burch, the Chief Officer, Social Care and Health. The Council wished Mr Burch best wishes and a Happy Birthday.

The Leader of the Council, Councillor Fox, conveyed best wishes for future endeavours, to a sterling officer with honesty and integrity. The Leader continued that Mr Burch had undertaken an excellent job in all past roles, most recently as Chief Officer.

The group leaders, Councillor Batrouni, Councillor Hobson and Councillor Howarth, commended Mr Burch on the service that had been delivered and conveyed best wishes for the future.

The Cabinet Member, Councillor Burrows, thanked Mr Burch. Councillor Burrows explained that there had been a close working relationship and Mr Burch had been understanding and professional.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

Mr Burch thanked the Council for the statements, which were generous and kind. The direction for the authority had been set, working collaboratively with the Cabinet Member and good relationships had been established.

The Chairman confirmed that there had been some changes to the publicised agenda, which were noted as follows:

- Item 8. Chief Officer, Children and Young People Annual report - to be considered before notices of motion
- Item 11 Solar Farm Business Case report – to be considered at the end of the meeting, due to exempt information
- Item 12 Member Questions – questions d, e and f withdrawn

2. CHAIRMAN'S REPORT AND RECEIPT OF PETITIONS

We received and noted the Chairman's report.

There were no petitions presented.

3. DECLARATIONS OF INTEREST

Declarations of interest were noted under the relevant agenda item.

4. MINUTES DATED 25TH JUNE 2015

We resolved that the minutes of the Annual Meeting of the County Council held on 25th June 2015 be approved as a correct record and signed by the Chairman.

5. PUBLIC FORUM ITEMS

There were no public forum items received.

6. CHILDREN & YOUNG PEOPLE'S DIRECTORATE ANNUAL REPORT 2015

The Chief Officer presented the Children & Young People's Directorate Annual Report 2015 and outlined highlights, progress and key priorities for the forthcoming year. Council were informed that the directorate were proactive, robust processes and procedures were in place, and outcomes had improved.

Members were better informed and leadership was better understood, along with the vision and ethos of progress.

Managerial tools were more aligned with corporate and directorate goals, key priorities were identified as vulnerable groups and under achievement.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

The report recognised the strengths in partnership working, in order to understand key priorities. The relationship with the Education Achievement Service (EAS) was central in attainment, with drive and challenge set out by the Executive Member. Through the Cabinet portfolio holder, there had been focus and shift in standards, which had ensured delivery on priorities.

Within directorate work emphasis had been placed on safeguarding, which was core to the authority. There had been significant attention to detail, progress had been made as a result of work from a dedicated team and leadership, challenge from the cabinet member.

Council were invited to ask questions and the following points were noted:

- In response to a question raised regarding progress of the ICT strategy development plan, we were informed that further information would be presented during the Schools ICT Business Case, which had been included on the agenda. However, it was imperative to ensure that the infrastructure was in place. The timeline was feasible and learning of staff had to be considered.
- Members commended the detail within the report.
- A question was raised regarding the approach to 'closing the attainment gap' we were advised that focus would be placed on individual pupil tracking, in order for the gap to be addressed.
- Members discussed school balances and were advised that officers worked in conjunction to establish that healthy balances were achieved. The number of deficit schools had decreased and the position had improved, there was a developing trend which ensured that schools understood finances. Governing bodies were responsible for making decisions in relation to schools, advice and guidance would be provided by the local authority.
- Members were informed that the annual report provided broader information on the directorate, however, comparative and detailed data had been considered, in terms of how it could be presented in future.
- An area of focus, related to safeguarding resources capabilities. There was a need to ensure that countywide staff, schools and educational settings were appropriately trained and aware.
- The Leader thanked the Chief Officer for the clear and succinct report. The Chief Officer and team were commended for work and partnership collaborations. It was recognised that the relationship with the EAS was used effectively to drive up standards and that closing the gap was an area to be prioritised for improvement. It was acknowledged that each individual pupil was important.

The Chairman thanked the Chief Officer for the report and detail presented.

7. NOTICES OF MOTION

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

a) Submitted by County Councillor F. Taylor

'That this Council agree to use its influence to secure all information and plans relevant to Welsh Government's proposals relating to the M4 relief road for the benefit of those Monmouthshire residents potentially affected by the "Black Route". In addition, Monmouthshire Council will seek to ensure Welsh Government's active commitment to minimise and mitigate the environmental, social and wellbeing impact of Welsh Government's proposals on the Communities of Magor with Undy. Should the "Black Route" proceed, this Council will also seek to identify opportunities to secure benefits from Welsh Government for the communities of Magor with Undy as a means of off-setting impact.'

In presenting the motion, Councillor Taylor highlighted that there was a need for Council to take a proactive approach and do as much as possible for those directly affected by proposals and secure as much detailed information as possible.

Members discussed the motion and the following points were noted:

- Members expressed support for the motion, in that Council should be proactive in obtaining as much information as possible, regarding the scheme.

County Councillor Howarth, proposed an addition, which was duly seconded:

'That this Council agree to use its influence to secure all information and plans relevant to Welsh Government's proposals relating to the M4 relief road for the benefit of those Monmouthshire residents potentially affected by the "Black Route". In addition, Monmouthshire Council will seek to ensure Welsh Government's active commitment to minimise and mitigate the environmental, social and wellbeing impact of Welsh Government's proposals on the Communities of Magor with Undy. Should the "Black Route" proceed, this Council will also seek to identify opportunities to secure benefits from Welsh Government for the communities of Magor with Undy as a means of off-setting impact.'

'Seek reassurances off Welsh Government that any officer time for the project is paid for by Welsh Government'

Upon being put to the vote the addition was carried and became the substantive motion.

The substantive motion was carried.

b) Submitted by County Councillor A. Easson

'The public bus services serving the community of Severnside are diminishing fast. The area is now gradually becoming isolated from the conurbations both to the east and to the west. Newport Transport, the current providers, have now reduced the No 74 Newport – Chepstow service from Caldicot to Chepstow to a two hourly

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

frequency during the daytime. I move that this Council explores all possible options to restore the previous hourly frequency; as a regular bus service between the towns will help both towns to continue to grow and be successful. We need a bus service fit for the 21st Century to serve the public who live and work in the area.'

In presenting the motion, County Councillor Easson highlighted that there was a need for buses and services had been reduced in the local area, specifically Caldicot to Chepstow. Reduced services had a significant effect on people traveling to work and medical appointments.

During discussion of the motion we noted the following:

- There was awareness that business and commercial operators had used the service. AM's and MP's had expressed support, and that services were not diminished.
- We recognised the importance of the services, in terms of footfall into local areas and maintaining business and employment for towns.
- Benefits of the service included social and economic factors, for a wide range of members of the public.
- Concerns were expressed that significant numbers of the public would be disadvantaged by services being reduced. Local transport was an integral part of communities.

Upon being put to the vote the motion was carried.

c) Submitted by County Councillor D. Batrouni

'That this Council explores sensible and practical measures to discourage or prohibit the sale of single-use plastic water bottles in Council owned buildings.'

In presenting, Councillor Batrouni highlighted that the purpose of the motion related to the consequence of purchasing 'one use' bottles. There were significant environmental consequences for recycling plastic. It was important to move in the right direction and where possible to offer alternatives.

During discussion the following points were highlighted:

- Education was a significant and important part of the issue.
- Some members felt that the wider issue of recycling and litter was a big factor.
- It was recognised that the motion specifically related to plastic bottles, however, further work would have to be undertaken to explore alternatives. It was suggested that a broader approach was needed.

County Councillor Prosser proposed an amendment which was duly seconded:

'This council explores sensible and practical measures to reduce/eliminate sale of single use plastic bottles in council owned buildings, whilst maintaining adequate

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

water supplies to communities, and the issue be referred to the relevant select committee.'

Upon being put to the vote the amendment was carried and became the substantive motion.

We resolved that the substantive motion was carried.

County Councillor D. Jones left 6.30pm

County Councillor Farley left the meeting at 6.32pm

County Councillors Clarke, Howarth, Webb, Hickman and B. Jones, left at 7pm

8. MINUTES OF MEETINGS:

We resolved that the following minutes be received:

1) Democratic Services 11th May 2015

We discussed the issue considered by Democratic Services, which related to out of hours ICT support. It was agreed that this issue would be referred and included on the next agenda of the Democratic Services Committee meeting.

9. TIMING OF MEETINGS

The Local Democracy Manager presented a report, which followed the trial period of Council Meetings being held at 5.00pm.

During discussion, several factors were considered which included:

- Member commitments and availability, during day time and evening.
- Flexibility for future and prospective candidates.
- Changing culture of authority.

It was proposed that meetings continued at 2.00pm.

An amendment was proposed and duly seconded that, meetings reverted back to 2.00pm, with the exception that 3 meetings during the summer (including the annual meeting), would be held at 5.00pm.

Upon being put to the vote the amendment became the substantive motion. The substantive motion was carried.

We resolved that Council meetings would be held at 2.00pm.

10. CORRESPONDENCE RESPONSE TIMES FOR MEMBERS

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

The Monitoring Officer presented a report which recommended that members adhered to the Council's Corporate Customer Care Standards in respect of emails/letters received from the members of the public.

Council were informed that at a recent meeting of Standards Committee it was noted that elected members were not subject to the Council's Corporate Customer Care Standards in respect of response times to letter/emails received from the members of the public.

The Corporate Customer Care Standards stated that members of the public can expect a response from officers of the council within 5 working days or that the letter/email is acknowledged within 5 working days and a full reply is given within 15 working days. Standards Committee were of the view that elected members should be subject to the same response times although it acknowledged this must be a decision for a meeting of the full council.

A failure to meet the response times may result in a complaint being made to the Public Services Ombudsman for Wales for a breach of paragraph 6(1)(a) of the members' code of conduct – *you must not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute.*

During discussion we noted the following:

- Members generally accepted content within the report, however, highlighted that it was not always possible for elected members to respond within specific timeframes, this was due to a number of factors, which included, holidays/leave, no deputy/delegated access to email/phone, constituency business.
- It was suggested that the Customer Care Standard was considered in further detail, so that it related to elected members.

We resolved to agree to defer the item, for further consideration and it would be considered at a future meeting.

11. SCHOOLS ICT OUTLINE BUSINESS CASE FUND

The purpose of the report was for Council to agree the Outline Business Case and funding mechanisms for an investment in the upgrade and renewal of the ICT infrastructure in schools, enhancing the teaching and learning experience and bringing schools up to a common standard in line with WG and 21st century schools aspirations.

On 15th July Cabinet agreed the Schools ICT Outline Business Case and recommended that Council agree the funding mechanisms outlined within the recommendations and resource implications within the report.

The Authority's 21st Century Schools programme sets out a vision for ICT where ICT 'contributed sustainable and meaningful change to teaching and learning in

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

Monmouthshire schools that will prepare students for further education, training and to live and work in a digital world’.

There was a need for a sustainable, resilient and robust ICT platform which met the needs of the 21st teaching and learning environment. There was a need for a more coherent structured and strategic approach to ICT provision in Monmouthshire schools. Schools in the primary sector particularly have spread in different directions in terms of kit, support, knowledge, aspiration, expertise and understanding.

ICT investment in schools in recent years had varied, and some schools had used their delegated budgets to benefit from improved infrastructure, together with enhanced connectivity and peripherals. However, primary schools in particular had suffered from lack of investment in ICT. This had impacted on how technology could be used to effectively deliver teaching and learning in schools, and ultimately on the level of digital expertise and knowledge when children move up into secondary education and careers.

An outline business case has been prepared, which proposed a single model and specification for ICT provision that will enable a consistent and adequate standard of technology and support.

During discussion we noted the following:

- Members welcomed the report and recognised that ICT in schools had to be developed.
- A query was raised regarding whether schools had not complied, we were informed that a letter of agreement would be sent to schools in the near future.
- Information regarding project timeline was contained within the report. Initial investment will take up to 1st April and would supply PSBA lines and upgrade WIFI plus technicians to roll programme forward. Roll out to all schools was expected to take 18 months.
- There was a need for agreement from all schools, going forward, to ensure that the project was economically viable. The project had been discussed with governing bodies.
- The new SLA would provide 4 technicians to implement ICT in classrooms. Additional technicians would support back office.
- Schools would receive significant infrastructure for investment and the important need for ICT in schools, to be developed, was recognised.

County Councillor Easson left the meeting at 8pm

We resolved to agree recommendations:

That Council -

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

a) Adopt Option 3 of the Outline Business Case for the provision of ICT in Schools and

b) That Council agree to fund the proposed investment of £885,775 via:

- £50,000 of funding released through a reduction in the County Farms capital maintenance budget;
- £80,000 of Authority funding being released from the 21st Century Schools programme, and specifically the Raglan primary school scheme;
- A £250,000 contribution from the ICT Transformation reserve;
- The remaining balance of £505,775 being funded through prudential borrowing and the ongoing revenue impact of £46,700 being incorporated into the MTFP.

12. MEMBERS QUESTIONS

a) From County Councillor D. Batrouni to County Councillor G.

Howard:

'What is his assessment of the Chancellor Exchequer's summer budget (8th July 2015) on housing matters in Monmouthshire?'

In the absence of Councillor Howard, the question was withdrawn.

b) From County Councillor D. Batrouni to County Councillor E. Hackett

Pain:

'In primary school schools in Monmouthshire, how many classes containing different year groups have been formed in (a) 2014-15 (b) 2013-14 (c) 2012-13?'

In response the Cabinet member advised:

- a) 2014-15 - 36 mixed classes out of 233
- b) 2013-14 – 40 mixed classes out of 234
- c) 2012-13 – 34 mixed classes out of 237

c) From County Councillor D. Batrouni to County Councillor E. Hackett

Pain:

'How many children attended free school breakfast clubs in Monmouthshire in (a) 2014/15 (b) 2013/14 and (c) 2012/13.'

In response the Cabinet member advised:

- a) 2014-15 - 1258
- b) 2013-14 – 1196
- c) 2012-13 - 1033

d) From County Councillor D. Batrouni to County Councillor E. Hackett

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

Pain:

'What is the total amount spent on (i) tribunal awards including pre-hearing settlements (COT3) (ii) compromise or settlement agreements (iii) redundancies across all Monmouthshire schools for the financial years (1) 2014-15, (2) 2013-14 and (3) 2012-13?'

The Chairman confirmed that the question had been withdrawn.

e) From County Councillor D. Batrouni to County Councillor E. Hackett

Pain:

'What is the total amount spent on (i) tribunal awards including pre-hearing settlements (COT3) (ii) compromise or settlement agreements (ii) redundancies for each Monmouthshire comprehensive for the financial years (1) 2014-15, (2) 2013-14 and (3) 2012-13?'

The Chairman confirmed that the question had been withdrawn.

f) From County Councillor D. Batrouni to County Councillor R.

Greenland:

'How many times has Monmouthshire's human resources department authorised a Monmouthshire school to provide an interest-free loan to secure the recruitment of (1) a teacher (2) a non-teacher in (a) 2015 to date, (b) 2014, (c) 2013, (d) 2012 and (e) 2011?'

The Chairman confirmed that the question had been withdrawn.

13. SOLAR FARM BUSINESS CASE REPORT

Council were presented with the Solar Farm Business Case report, the purpose of which was to secure financial approval for the construction of an Authority owned solar farm at Oak Grove Farm, Crick.

In presenting the report, the Cabinet member advised that background papers were exempt and this would have to be considered by members when issues were discussed.

The Council was required to identify new revenue funding streams, which would not impact on front line service provision but do maximise the value of the Councils land holdings. As part of the budget setting process an income target of £175,575 was allocated to renewable technologies. The Estates team had installed PV systems on roofs where it is financially prudent to do so. This amounts to a total of 21 retrofit schemes and 5 new build schemes, generating 381,135 kWh in 2014/15, with a further 61,951 kWh from the new build schemes. Gross income and savings from the 21 installations was £101,992 in 2014/15 (£78,714 income, £23,278 savings) with a further £13,735 (£10,257 income and £3,478 savings) from new build schemes.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Monmouthshire County Council held at County Hall, Usk on Thursday 30th July at 5.00 p.m.

In order to meet the income, other renewable schemes were explored which has resulted in the identification of the solar farm proposal. The proposal is to site the solar farm on 25 acres of a Council owned agricultural holding and the tenant of the holding has been involved in the discussions from the start of the process. The technology proposed is a tried and tested and once the solar farm is up and running the FIT income stream is guaranteed.

The 5MWp solar farm proposed is projected to generate 4,990 MWh of electricity p.a. This is the equivalent of providing electricity for approximately 4,000 homes and saves 2,395 tonnes of CO₂ emissions every year. It is also more than 4 times the capacity of all renewable energy technologies installed by the Authority to date

During discussion we noted the following:

- We recognised the importance of requirement for return on investment, for protection of services.
- Questions were raised regarding the risks, return on investment, costs of decommissioning, maintenance costs and efficiency.
- It was believed that this was the correct renewable energy project and it was anticipated that further opportunities and income streams could be generated through market sales.

We resolved to agree recommendations:

1. Subject to planning approval, to construct a 5MW solar farm at Oak Grove Farm, on the basis of the information outlined in the Business Plan.
2. That the project cost is funded by prudential borrowing and added to the Authority's capital programme, and revenue budgets are created for the operating and maintenance costs.
3. To authorise an initial payment of £350,000 to commence work on the electricity grid connection as soon as possible, thereby confirming completion timescales allowing preferential FIT rates to be secured.
4. That delegated responsibility be given to the Chief Officer in consultation with the Head of Finance and the relevant Cabinet Members to take the final decision on investing in the project once there is more certainty through the contractor procurement process and the publication of the FIT rate applicable to projects completed after March 2016

The meeting ended at 9.00 p.m.

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Agenda Item 9a

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of the Democratic Services Committee held in the Council Chamber, County Hall, Usk on 29th June 2015 at 2.00 p.m.

PRESENT: County Councillor D. Evans (Chairman)

County Councillors: R.J. Higginson, D.L. Edwards, R.G. Harris, F Taylor, J.L. Prosser, V.E. Smith and A. Webb.

OFFICERS IN ATTENDANCE:

Mrs T. Harry	-	Head of Democracy and Regulatory Services
Ms E. Jackson	-	Digital Projects Manager
Mr J. Pearson	-	Local Democracy Manager

1. APOLOGIES FOR ABSENCE

None

2. PUBLIC OPEN FORUM

None

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. CONFIRMATION OF MINUTES

We resolved that the minutes of the meeting of the Committee held on 11th May 2015 be confirmed and signed as an accurate record.

5. ACTION PLAN FEEDBACK

The chair thanked Councillor Debbie Blakebrough for her contribution to the Democratic Services Committee through last year.

The Head of Democracy and Regulatory Services provided an update in relation to the streaming of meetings within the reception area and that the technical issues are still ongoing and possible solutions being investigated.

The Local Democracy Manager confirmed that community and town councils are now included on the distribution list for meetings of the Council.

It was acknowledged that the requests for work in relation to the council chamber have now been completed with the exception of the heating which is still under review.

The committee received an organisation structure with officer responsibility and contact details. The committee discussed the level of content to be included and requested 20 key contact details for core services. A councillor requested that officers are informed to check their details held against the contact card in outlook to ensure the details are correct.

Minutes of the Democratic Services Committee
Dated 29th June 2015 - continued

Councillors discussed the recent trial of Full Council being held at 5pm instead of 2pm and what the next stage of the process is now the trial has finished. The Head of Democracy and Regulatory Services informed the committee that a report will be presented to the next Full Council evaluating the trial with the feedback of members included.

Members also discussed the possibility of changing the microphone stem to longer or extendable options as sometimes members cannot be heard properly through the live streaming. The Local Democracy Manager will evaluate the options and report back to the committee.

6. Election of Vice Chair

Due to the vice chair no longer sitting on the committee, an election of a new vice chair was needed. Councillor R.J Higginson proposed Councillor R. Harris as Chair, seconded by Councillor J. Prosser. Councillor R. Harris was appointed as vice chair of the committee.

7. ICT UPDATE

Members received the report from the information management officer in relation to ICT issued raised at the previous meeting.

8. CONSTITUENCY MANAGEMENT SOFTWARE

The committee received a video demonstration of a potential software solution to assist members in managing their case work. An update of this particular package is due in September when a free trial should be available for councillors to use and evaluate the usefulness of the package for them. Members sought clarification on solutions used by other local authorities, whether a nationwide solution is available or whether it is something our internal ICT section could develop. It was agreed to wait until the trial is available and revisit the issue following its release.

9. APPOINTMENT OF DEMOCRATIC SERVICES OFFICER – UPDATE

The Head of Democracy and Regulatory Services confirmed an appointment had been made and will be commencing with the authority from the end of July 2015.

The Chair of the committee, who formed part of the interview panel, commented on the high calibre of candidates interviewed.

10. SUMMARY OF COMMITTEE'S ACHIEVEMENTS 2014/15

Item deferred to the next meeting of the committee as further information needed from the chair of the committee for that period.

11. ANY OTHER BUSINESS

**Minutes of the Democratic Services Committee
Dated 29th June 2015 - continued**

Councillor F. Taylor reinforced the work that herself, Councillor S. Jones and Councillor D. Blakebrough are undertaking with the Welsh Government in relation to promoting diversity in local government and encouraging candidates from diverse backgrounds to stand for election in 2017. She informed the committee that there is a mentoring scheme open to residents from diverse backgrounds and encouraged members to provide her with details of anyone within their area who would benefit from the scheme.

It was noted that Councillor P. Hobson is the authorities Diversity Champion and should be invited to future meetings of the committee where any issues around diversity are to be discussed.

Councillor J Prosser raised a query in relation to the Community Charter that both the County Council and Community and Town Councils signed up to and what progress has been made in relation to the charter. The Head of Democracy and Regulatory Services confirmed that the committee will invite the Head of Policy and Performance to the next meeting to provide an update.

Councillor D.L Edwards queried whether a protocol existed between staff and councillors to ensure that officers respond to councillors in a reasonable period of time and highlighted a number of issues he currently has where there has been a significant delay in receiving a response from officers. Councillor F. Taylor agreed and confirmed that she attends authorities induction programme for new employees and highlights the issue when discussing the role of councillors. The Head of Democracy and Regulatory Services confirmed that the authorities customer care standards apply from officers to members of the public as well as Councillors and that a reminder will be sent to all staff to highlight their responsibility.

Councillor D.L Edwards raised concerns around members health and safety, particularly with the use of ICT, with the Council moving to paperless meetings and members relying more on the use of ICT. The Head of Democracy and Regulatory Services confirmed that risk assessments are carried out for officers and free eye tests are provided by the authority and that information could be circulated to members.

The Chair raised a final point in relation to the alteration of dates for meetings and requested Chairs of other meetings to consult the council diary before confirming any changes in meetings to ensure that there isn't a clash of meetings that members should attend.

The meeting ended at 15:35

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Agenda Item 5
Democratic Services Actions
June 2015

Minute Item	Subject	Officer	Outcome	Status	Timescales
5. Action Plan Feedback	Report back to Democratic Services Committee regarding the outcome of the meeting with the designer, contractor and MCC Officers re: heating and air conditioning	M. Long / R. O'Dwyer	Awaiting further information	Ongoing	Next meeting of the committee
	Meeting display board in Usk Reception and streaming of meetings.	T. Harry	Technical issues preventing further progress but still being explored	Ongoing	T Harry to provide update at next meeting
	Contact Details	J Pearson	Further develop existing structure	Ongoing	J Pearson to provide at next meeting
	Summary of Achievements	Cllr Blakebrough	Awaiting further information from Councillor. Invite councillor to present at next meeting	Ongoing	Invite Councillor to next meeting of
	Officers requested to check the contact details held against them within outlook to ensure their details are up to date	J. Pearson / E. Jackson	Information Management working with Digital Champions to review information	Complete	
	Replace the existing microphones in the Council Chamber with longer/extendable stems	J. Pearson	Checking what is available and will report back	Ongoing	Update on options at next meeting
	Invite the Head of Policy and Performance to next meeting to provide update on progress with Community Charter	Democratic Services			Next Meeting of the Committee
	Distribute H&S information to members in relation to ICT	J Pearson	Information Sent	Complete	
	Distribute reminder to all staff in relation to customer care standards	T Harry			
Additional Items from previous meetings	Engagement with Welsh Government	Democratic Services / Chair			
	Youth Engagement / Diversity in Local Government	Cllr Blakebrough / Cllr S Jones / Cllr F Taylor			

**Agenda Item 5
Democratic Services Actions
June 2015**

	Councillor Case Management Software	J Pearson	Possible solution identified but not available until September 2015	Ongoing	To be re-visited following release of trial software for members in September 2015.
	Invite Councillor P. Hobson as Diversity Champion to future meetings where Diversity issue are to be discussed	Democratic Services	As items are included on the agenda invite Diversity Champion		As required for future meetings.

SUBJECT:	CORPORATE PARENTING ANNUAL REPORT
MEETING:	FULL COUNCIL
DATE:	24TH SEPTEMBER
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

To provide an annual update on Corporate Parenting to full Council.

2. RECOMMENDATIONS:

It is recommended that Councillors take note of the attached report and give further consideration to their personal role and commitment as Corporate Parents.

3. KEY ISSUES:

- 3.1 The data in the report relates to 2014/15 with education data relating to Summer 2014 results.
- 3.2 This is the third annual report to be presented to Council and the first report to include information specifically regarding the risk profile of Monmouthshire's looked after children.

4. REASONS:

- 4.1 Primary legislation outlines in broad terms the Council's responsibility to children in its care. The Children Act 1989 and the Children and Young Person's Act 2008 gives a clear message that all Councils and in particular Elected Members carry responsibility for ensuring good outcomes for children currently and formerly looked after by the local authority.
- 4.2 This report is part of the process of ensuring that Members have sufficient information to enable them to fulfil their corporate parenting responsibilities and ensure the best possible outcomes for the children of Monmouthshire. It is intended that this report will give a snapshot of our care and highlight to Elected Members the strengths, weaknesses and developments in Corporate Parenting in any given year.

5. RESOURCE IMPLICATIONS:

None

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

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

Complete

The actual impacts from this report's recommendations will be reviewed every **xxx** years and criteria for monitoring and review will include:

Complete

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

This report is central to supporting Council to understand safeguarding issues for all of the Council's Looked After Children.

8. CONSULTEES:

Corporate Parenting Panel

9. BACKGROUND PAPERS:

10. AUTHOR:

Gill Cox

11. CONTACT DETAILS:

Tel: 01633 644770

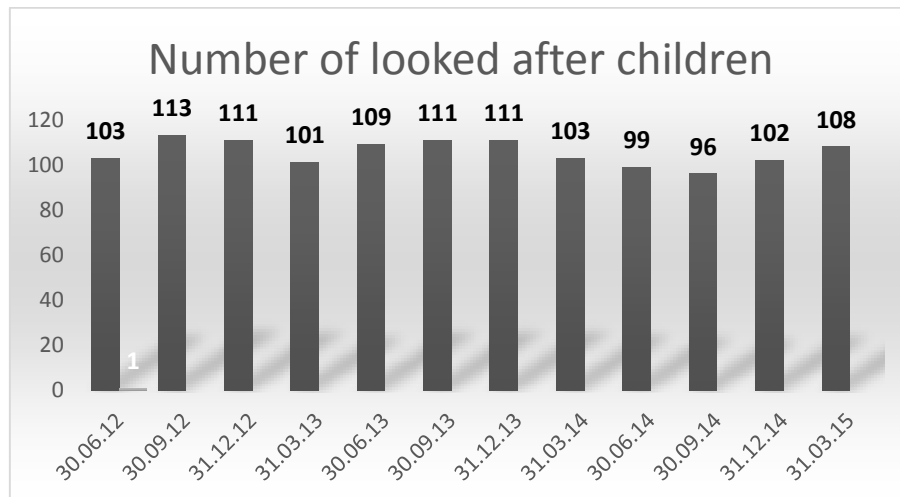
E-mail: gilliancox@monmouthshire.gov.uk

Corporate Parenting Report 2014/15 – Looked After Children

1. Looked After Children

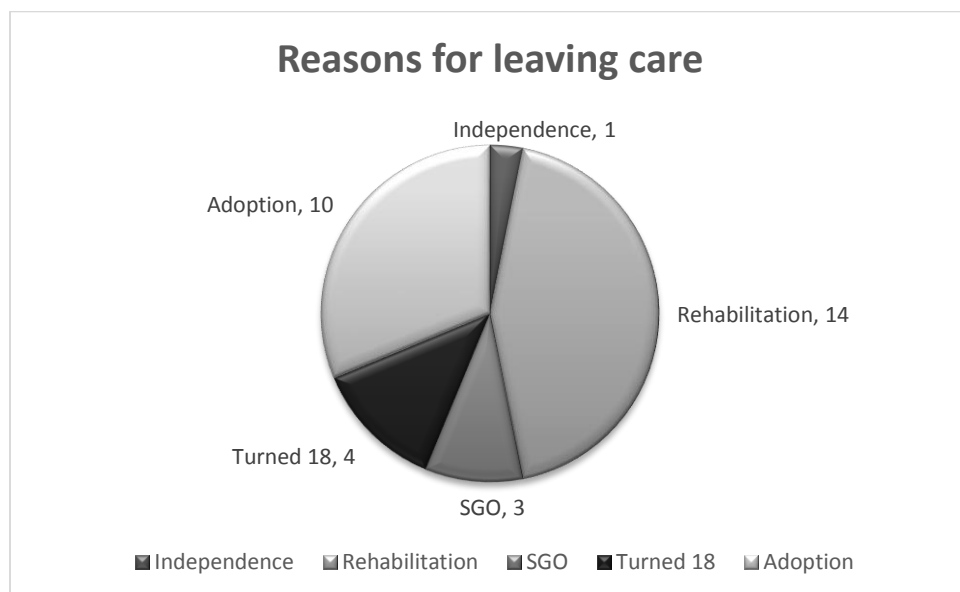
The table below details the numbers of children that were looked after between April 2012 and March 2015. The average number of looked after children during this period was 106. This pattern is similar to other Local Authorities across Wales. The Looked after Children population in Wales increased by 23% between 2009-14 but has been relatively stable since 2012.

Monmouthshire continues to have one of the lowest rates of Looked after Children in Wales. In March 2014 there were 56 of every 10,000 children who were looked after in Monmouthshire in comparison with a Welsh average of 91.



All of Monmouthshire's looked after children have an allocated social worker and have had statutory reviews held on time.

Thirty-seven children were admitted to care and thirty-two left care during the year. The chart below indicates the reasons that children left care during 2014-15.



Ten children were adopted during the year and a further three children are currently placed for adoption which means they are living with prospective adopters pending an adoption order

being made. This is a significant change from one child being adopted in 2012/13 and two children in 2013/14.

There has been a significant shift in the patterns of permanency planning for looked after children in the last few years. In 2012 51% of looked after children were rehabilitated home to their parents and only 10% achieved permanency in an alternative family through an Adoption, Special Guardianship or Child Arrangement Order. In 2014/15 this had altered to 35% of children being rehabilitated home and the numbers being placed in alternative families with an Order had risen to 47%. This would suggest that those children who are admitted to care are appropriate in that a Court later finds that their needs cannot be met by their parents and also that children are being supported into permanent living arrangements with carers more quickly and therefore are less at risk from the negative aspects of being a looked after child and the risk of placement breakdowns is reduced.

2. Fostering

Monmouthshire currently has a total of forty-six fostering households. Of these twenty-seven are generic foster carers, seven are kinship carers, eight are short break carers and four are approved to provide supported lodgings for young people aged over sixteen. During 2014/15 the Fostering Panel approved seven new foster carer households. Four of these were kinship carer households and three generic carer households (of these two were short break carers). In addition four kinship carer assessments were presented to Panel but not approved and one kinship carer assessment withdrew at Panel stage although the assessment was completed.

During the year eleven fostering households have left the service. Three became Special Guardianship carers committing long-term to the children in their care which is very positive. Five kinship carer placements came to an end and three generic foster carers resigned. Overall the Service has increased the number of foster carers within the Service by one during 2014/15.

Looked after children are placed with Monmouthshire in-house carers unless it is identified that the assessed needs of the child cannot be met from this provision. This will be either because there are no vacancies or because the needs of the child are complex. For these reasons there were thirty-two children placed in independent foster placements on the 31st March 2015. All but three of these children were placed in Wales and of these two are placed just across the border and still attend their school in Chepstow.

The resources of the team to assess foster carers have been consumed by the demands of the Court where increasingly the Service is required to assess multiple family members within very tight timescales. During 2014/15 a total of twenty viability assessments, six partial assessments and eight full assessments of family members were completed out of which only one child was placed. This leaves very little resource for the team to invest in recruiting and assessing generic foster carers.

In May 2015 Cabinet approved plans for additional investment of £228,688 during 2015-17 into the Fostering Service to address these difficulties. The new funding will provide for additional staffing to support recruitment, assessment and support of foster carers as well as a Social Worker to support Special Guardians which should encourage more carers to consider this option and increase the likelihood of these placements being successful in the long-term. The Placement and Support Team have begun planning for recruitment activity specifically aimed at attracting carers for children aged ten and over and carers able to offer long-term placements.

3. Residential and specialist placements

For children with complex needs it is sometimes necessary for them to be placed in residential units or schools in order for their needs to be met. On the 31st March 2015 there were eleven looked after children in such placements which is a significant increase from five children on the same date last year. Of these four were children with disabilities who attend residential schools. All of these children have an autistic spectrum disorder and currently there is no provision to meet their needs within Monmouthshire. One young person is currently placed in hospital due to their mental health needs, one young person is in a secure unit due to the level of risk their behaviour was placing them at and five young people are placed in residential units because their needs cannot be met within a foster placement. All of these young people have significant emotional and mental health needs and were placing themselves at risk due to some of their self-harming behaviours. Children's Services are concerned that the numbers of young people who are presenting with serious emotional and mental health needs is increasing and are working with colleagues in health services to meet the needs of these young people and to keep them safe.

Children's Services work jointly with colleagues in education and health through the complex needs panel to plan and agree how the needs of these children can best be met.

4. Risk profile for looked after children

In April 2014 CSSIW undertook a thematic national inspection of Safeguarding and Care Planning of looked after children and care leavers who exhibit vulnerable and risky behaviours. The inspection report identified that elected members did not have a good understanding of the level of needs of vulnerable and at risk looked after young people.

A needs assessment has been completed for all looked after children as at the 31st March 2015. The risk factors considered included sixteen different factors including issues such as being placed in a residential unit, absconding, being at risk of exploitation, offending and substance misuse. The most prevalent risk factor for children aged over 11 was self-harm or in need of mental health services (25% of children in this age group). Two young people aged over 11 were identified as at risk from exploitation, five young people as displaying sexually harmful activity and seven young people as having absconded or been reported missing in the last twelve months.

The assessment shows that only three young people had been involved in anti-social or offending behaviour, only one young person was NEET (not in education, training or employment) and none were either parents or expectant parents.

Most children and young people had no more than two risk factors however there were some concerning exceptions. Of young people aged over 11 there were five young people who had five or more risk factors including one young person who was identified as having ten.

Children Services work closely with multi-agency partners to support our most vulnerable looked after children but clearly the safeguarding and reduction of risk for our looked after children must be a priority. There is a particular gap in support for children with mental health needs. Cabinet have recently agreed proposals to recruit an additional 0.4 Clinical Psychologist and a full-time play therapist for our therapeutic service BASE. It is anticipated that this will provide improved support to carers, children and young people but that this will not in itself meet the need for all of these children and young people.

5. Outcomes for looked after children

All five pupils at Key Stage 4 achieved a qualification and in academic year 2013-2014, the average points score of these 5 pupils was 308 points. This represented a rise of 86 points on the previous year and consequently the three year rolling average points score rose from 183 points to 239 points. However despite this improvement, this still remains below achievements of the universal population.

Within Key Stage 3, four out of seven pupils achieved the CSI and the three year rolling average rose from 35.3% to 47.3% which again despite this being an improvement remains below the achievements of the universal population.

Within Key Stage 2, two out of three pupils achieved the CSI and the three year rolling average rose from 50% to 54.54% which as above is an improvement but still below the achievements of the universal population.

Attendance of secondary LAC pupils within Monmouthshire was 94.1% which was an increase on the previous year's figure of 93.3% and was just below the LA figure (94.5%) for universal students. Attendance of primary LAC pupils was 96.9% which was an increase on the previous year's figure of 95.9%.

Exclusion levels amongst LAC pupils rose from 21.5 to 26.5 days. This accounted for six pupils. The number of days lost per episode of fixed term exclusion would be 1.75.

The LAC Grant was delegated to schools in 2014/15 but from 2015/16 will be distributed on a consortia basis.

Personal Education Plans have been revised and are now more appropriate to targeting of intervention. As in previous years, schools have been challenged to ensure that LAC pupils have the opportunity to succeed. Where LAC pupils have been at risk of exclusions or where there are attendance issues then intervention has been provided by the Pupil Referral Service and cases of non-attendance have been prioritised by Education Welfare Service.

Children's Services continues to work with colleagues in education and health to improve joint planning in accordance with the Brighter Futures guidance, particularly for children with disabilities.

Cabinet have agreed a number of initiatives to support looked after children in care and care leavers in gaining employment. Unfortunately although commitment in principle remains good this has not translated into actual work experience or apprenticeship roles so far. Work will continue to develop these opportunities.

The Corporate Parenting Panel is developing ways to better recognise and reward the achievements of our looked after children and care leavers in all aspects of their lives.

6. Care Leavers

There were 36 care leavers receiving support from Children's Services on the 31st March 2014 which has reduced from 47 in 2014 and from 57 in 2013. The reduction is partly due to the large group of unaccompanied asylum seeking children who were accommodated in Monmouthshire in 2009 who have almost all now left the service. A care leaver is defined under legislation as a child or young person who has been looked after by the local authority for at least thirteen weeks since their fourteenth birthday.

The Social Services and Well-Being (Wales) Act 2014 includes requirements for Local Authorities to implement a "When I'm Ready" scheme. This will entitle all care leavers to ask to remain living with their foster carers up to the age of 21 or until they have completed an agreed

programme of education or training. The guidance was published in April 2015 and clearly states that Local Authorities are expected to implement the scheme this year and not wait until the legislation comes into effect in April 2016. The financial implications are complex and the Service is currently working with colleagues within our region to develop policies and procedures. In the meantime the Local Authority are continuing to facilitate young people to remain with their foster carers beyond the age of 18 where this is what the young person and the foster carer wants to happen.

The development and impact of the When I'm Ready scheme will be reported to and monitored by the Corporate Parenting Panel.

7. Children and Young People's Participation

Funding was provided by Public Health Wales to run a group for care leavers that aimed to increase their awareness of issues impacting upon their health. The group learnt about substance misuse, alcohol, self-esteem, healthy relationships and sexual health and invited Children's Services and members of the Corporate Parenting Panel to an evening where they presented what they had learnt and the support that they felt they needed from the Corporate Parenting Panel.

Since that time the group has continued to meet and to grow. The group have started to work with an ex-care leaver, Scott King, who now trains across the UK to help improve understanding of the needs of looked after children and care leavers. Scott is working to support the group to develop their own ideas about what they want to communicate to their corporate parents. It is hoped that young people will be able to present these ideas and views to a joint event between Children's Services and foster carers in the autumn.

Appointment of an Apprentice to support the development of the Children in Care Council has been delayed due to difficulties in recruitment. However two young people have recently been appointed to job share and commenced in post in July.

8. Leadership

The Corporate Parenting Panel has continued to meet during the last year and has now been formalised with terms of reference and a wider representation which includes our Advocacy Service, housing and an invitation to mental health services.

All reports submitted for decision making to a Single Member or to Cabinet must now include consideration of the Corporate Parenting implications. The Corporate Parenting Strategy is available on the Hub and work to promote awareness of Corporate Parenting responsibilities for all Officers and Councillors continues.

9. Summary

- The numbers of Looked after Children in Monmouthshire have remained high during the last year.
- All our looked after children have an allocated social worker.
- Significant increase in children achieving stability in their care via adoption and Special Guardianship Orders.
- The fostering service has increased the number of approved foster carers by one household but has been significantly affected by demands from the Court for kinship assessments.

- Cabinet have approved plans for increased investment into the Placement and Support Team which will fund additional staff to recruit, assess and support foster carers and special guardians.
- Plans to recruit an additional 0.4 Clinical Psychologist and full-time Play Therapist have been approved which will support the development of Children's Services therapeutic service, BASE.



Audit of Financial Statements Report **Monmouthshire County Council**

Audit year: 2014-15

Issued: September 2015

Document reference: 483A2015

Purpose of this document

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

Handling prior to publication

This document and the copyright comprised therein remains the property of the Auditor General for Wales. It contains information which has been obtained by the Auditor General and the Wales Audit Office under statutory functions solely to discharge statutory functions and has been prepared as the basis for an official document that may be issued or published in due course. It

Status of report

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

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

The team who delivered the work were Ann-Marie Harkin, Steve Wyndham, Anthony Ford, Jane Thomas, Ben Buckley, Rhodri Jones and Kate Ashburner.

Contents

The Auditor General intends to issue an unqualified audit report on your financial statements. There are some issues to report to you prior to their approval.

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Summary report

Introduction

1. The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of Monmouthshire County Council (the Council) at 31 March 2015 and its income and expenditure for the year then ended.
2. We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
3. The quantitative levels at which we judge such misstatements to be material for the Council are £2.9 million. Whether an item is judged material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity.
4. International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
5. This report sets out for consideration the matters arising from the audit of the financial statements of the Council, for 2014-15, that require reporting under ISA 260.

Status of the audit

6. We received the draft financial statements for the year ended 31 March 2015 on 30 June 2015, which met the submission deadline and have now substantially completed our audit work.
7. We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with the Head of Finance and Assistant Head of Finance.

Proposed audit report

8. It is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).
9. The proposed audit report is set out in [Appendix 2](#).

Significant issues arising from the audit

10. We set out below the misstatements we identified in the financial statements, which have been discussed with management but remain uncorrected, and request that these are corrected. If you decide not to correct these misstatements, we ask that you

provide us with the reasons for non-correction. None of these misstatements are material, either individually or in aggregate.

Capita Gwent Consultancy pension liability

11. In 2002, the Council, along with three other local authorities in Gwent, formed a collaborative partnership for the joint procurement of engineering and related services through Capita Gwent Consultancy Limited (Capita Gwent), a private joint-venture company. Capita Gwent has been a member of the Greater Gwent Pension Fund since 2002.
12. The termination of the Gwent Consultancy framework agreement in August 2012 resulted in an outstanding pension liability for the Greater Gwent Pension Fund totalling £7.3 million. Following extensive legal negotiations with the Capita Group and officer consultation with the Pensions Committee of the Greater Gwent Pension Fund, a settlement of £3.3 million from the Capita Group was accepted on 2 October 2014.
13. Approval was obtained during June 2014 from each of the four respective Councils' Cabinets that any unfunded residual liability would be settled in equal share to the Pension Fund. As a settlement has been reached with the Capita Group, this has resulted in a liability of £1 million for each Council. This has been agreed by the Greater Gwent Pension Fund to be absorbed into the Council's employer's pension contribution rate, and paid over 25 years.
14. Whilst there remains some uncertainty in regard to the actual implications of this arrangement upon the Council's financial statements, the Fund's actuary indicated during Summer 2014 that £1m of extra deficit would give rise to an additional deficit recovery amount of £49,500 p.a. if recovered over 25 years. In addition the pension fund liability upon the Council's balance sheet is likely to be understated by some £1m.
15. The Council has currently disclosed this as a contingent liability in its financial statements. However, as the final settlement has now been confirmed this should be accounted for in the Council's financial statements and added to the Council's pension liability (IAS19) figure.

Property, Plant and Equipment

16. There are two uncorrected misstatements in respect of the Property, Plant and Equipment (PPE) balance of £156m as follows:
 - **Innovation House:** The PPE balance includes £3.4m in respect of the Innovation House building at Magor. Our audit identified that an asset life of 5 years had been attributed to this asset within the Council's Fixed Asset Register. We queried the reasonableness of this and the Council's Estates Section confirmed that this asset life is incorrect and that it should be 30 years, meaning that the value of the buildings of this asset within PPE is understated by £1.161m and the accumulated depreciation similarly overstated.
 - **Depreciated Replacement Cost Asset Valuations:** The Council uses the depreciated replacement cost (DRC) method of valuing assets where there is no

readily available market value – this mainly relates to school valuations. The CIPFA Code prescribes that finance costs are to be excluded from these valuations. Finance costs have however been included in some of the DRC asset valuations resulting in the PPE asset balance value being overstated by some £535,000.

Other Misstatements

17. There are a further three misstatements that relate to other areas of the financial statements as detailed below:
- **Credit Notes:** We identified an amount of £108,000 relating to several credit notes that had been treated as relating to 2015-16 but our testing identified that they related to 2014-15. If adjusted, expenditure in the accounts would be reduced by £108,000 and creditors decreased by the same amount.
 - **Current Assets Classification Error:** A classification error of £596k exists between Debtors and Cash upon the Council's balance sheet. Whilst Cash is under stated by £596k and Debtors correspondingly overstated, the overall Current Assets sub-balance is not affected.
 - **Comprehensive Expenditure & Income Account (CIES):** Included in CIES is expenditure of £579k and income of £424k in regard to the billing and recovery of highways maintenance costs in respect of other Welsh councils. This income and expenditure relates to other authorities and should be excluded from the Council's accounts.

Corrected misstatements

18. There are misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 3](#).

Other significant issues arising from the audit

19. In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts, and report any significant issues arising to you. In doing so we have undertaken audit procedures to address those risks that we communicated within our 2014-15 Annual Audit Outline document and can also confirm that we have found no instances of deliberate error or omission.
20. There were some issues arising in these areas this year:
- **We have no concerns about the qualitative aspects of your accounting practices and financial reporting.** There are no significant matters arising that need to be reported. We intend to discuss our more detailed findings with the Head of Finance and her team as part of our Final Accounts Memorandum report.

-
- **We did not encounter any significant difficulties during the audit.**
 - **There were no significant matters discussed and corresponded upon with management which we need to report to you.**
 - **There are no other matters significant to the oversight of the financial reporting process that we need to report to you.**
 - **We did not identify any material weaknesses in your internal controls.**
 - **There are not any other matters specifically required by auditing standards to be communicated to those charged with governance.**

Independence and objectivity

- 21.** As part of the finalisation process, we are required to provide you with representations concerning our independence.
- 22.** We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and Monmouthshire County Council that we consider to bear on our objectivity and independence.

Appendix 1

Final Letter of Representation (Council's letterhead)

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

24 September 2015

Representations regarding the 2014-15 financial statements

This letter is provided in connection with your audit of the financial statements of Monmouthshire County Council for the year ended 31 March 2015 for the purpose of expressing an opinion on their truth and fairness.

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

Management representations

Responsibilities

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and the Code of Audit Practice on Local Authority Accounting in the United Kingdom for 2014-15; in particular the financial statements give a true and fair view in accordance therewith.

We acknowledge our responsibility for the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

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

Financial statement representations

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

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

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

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

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

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by Members of Monmouthshire County Council

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

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Monmouthshire County Council on 24 September 2015.

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

Signed by:

Officer who signs on behalf of management

Date:

Signed by:

Officer or Member who signs on behalf of those charged with governance (director only for companies)

Date:

DRAFT

Appendix 2

Proposed audit report of the Auditor General to the Members of Monmouthshire County Council

I have audited the accounting statements and related notes of Monmouthshire County Council for the year ended 31 March 2015 under the Public Audit (Wales) Act 2004.

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

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15 based on International Financial Reporting Standards (IFRSs).

Respective responsibilities of the responsible financial officer and the independent auditor

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

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

Scope of the audit of the accounting statements

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

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of Monmouthshire County Council

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Monmouthshire County Council at 31 March 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15.

Opinion on other matters

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

Matters on which I report by exception

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

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

Certificate of completion of audit

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

For and on behalf of

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

September 2015

Appendix 3

Summary of corrections made to the draft financial statements

During our audit, we identified several misstatements that have been corrected by management which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

A number of minor amendments and reclassification adjustments were also made to the financial statements. We have not listed all of these items as they relate to either revisions in disclosures of information, narrative changes, reclassifications between headings, or the amounts involved are trivial. The more significant items amended are however detailed below:

Nature and value of correction

Provisions and Contingencies – Capita Gwent Pension Liability

Note 13.7g/h has been amended to include additional narrative that summarises the progress in determining the Council's liability to the Pension Fund and highlights that the Council has an additional liability of £1 million which it will need to fund via additional expected annual pension contributions of £49,500 per annum.

Provisions and Contingencies – CMC2

The Council acts as guarantor in regard to the bank overdraft of CMC2. Whilst the draft Financial Statements disclosed this as a contingent liability within Note 13.7h, following the recent Cabinet decision there is now sufficient evidence to confirm that this liability is now probable and £122k has therefore been provided for this within the audited Financial Statements.

Grant Income Disclosures

Reclassification amendments have been made to the grant income notes as follows:

- Note 11.7c – a grant of £196,000 has been reclassified from other grants to other Assembly Government grants; and
- Note 11.1d – £2.187 million of government grants has been reclassified from fees and charges to the government grants line.

Senior Officer Remuneration Disclosures

Note 16.8 has been amended to include:

- The ratio of the Chief Executive's salary to the overall median salary of the Council's employees as per the revised requirements of the CIPFA Code for 2014-15; and
- The remuneration paid to the former Monitoring Officer who was employed by the Council during part of 2014-15 and required disclosure given his annualised salary exceeded £60,000.

Comprehensive Income & Expenditure Account (CIES) - Bus Services Support Grant

Highways and Transport Services has been amended to remove some £10 million of income and expenditure in respect of Bus Services Support Grant for which the Council is the lead authority for the South East Wales area. In our view the Council acts as an agent for the Welsh Government for the distribution of this grant to the other Local Authority bodies, and therefore only that income and expenditure attributable to the Council should be included in the Financial Statements. The net expenditure total within CIES is not affected by this amendment.

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MONMOUTHSHIRE COUNTY COUNCIL

ANNUAL ACCOUNTS

2014/15

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1 EXPLANATORY FOREWORD

1.1 Introduction

- 1.1.1 Monmouthshire County Council is a Welsh Unitary Authority and was created on 1st April 1996 by virtue of the Local Government (Wales) Act 1994.
- 1.1.2 Monmouthshire County Council was formed from a transfer of the services, assets and liabilities of the functions of the former Monmouth Borough Council and parts of the former Blaenau Gwent Borough and Gwent County Councils.
- 1.1.3 The purpose of this explanatory foreword is to offer a guide to the most significant matters appearing in the accounts and to explain the Authority's overall financial position. I hope it assists the reader in understanding the financial statements that follow.

1.2 The Accounting Statements

- 1.2.1 The Authority's accounts for the year 2014/15 are set out in sections 5 to 16. They consist of:

Movement in Reserves Statement

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

Comprehensive Income and Expenditure Statement

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

Balance Sheet

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

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

Cash Flow Statement

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

1.2 The Accounting Statements (continued)

Notes to the Accounts

The "core" financial statements outlined above are supported by notes to further assist the reader in interpreting the Authority's financial position for the year ended 31st March 2015. The notes are sectioned to aid the user of the accounts to navigate the extensive supporting notes.

1.3 Code of Practice on Local Authority Accounting

- 1.3.1 The accounts have been prepared in accordance with the latest code of practice applying to local authorities in England and Wales.
- 1.3.2 The Code requires authorities to enhance their statement of accounts with information about any material interest in subsidiaries, associates and jointly controlled entities in a set of group accounts. These accounting requirements result in the consolidation of the transactions and balances of subsidiaries and of interests in associates and joint ventures, thus ensuring group accounts provide a complete picture of the authority's control over other entities.
- 1.3.3 The Authority accounts for its respective contributions to joint committees within services in the Comprehensive Income and Expenditure Statement on an accruals basis. For 2014/15 the Authority has consolidated its respective shares of the income, expenditure, assets and liabilities into its financial statements. Where appropriate these adjustments have been shown under the heading of 'Adjustments relating to JANES'.

1.4 2014/15 Net Revenue Expenditure

- 1.4.1 The details of the Authority's revenue expenditure for the year are set out in the Comprehensive Income and Expenditure Statement and further transfers to and from the Council Fund have taken place within the Movement in Reserves Statement. These statements appear in sections 5 and 6 of the accounts.
- 1.4.2 The Authority manages against its budget requirement for the year based on its internal management and directorate structure. Schools are reported separately during the financial year and are consolidated as part of the production of the year end accounts.
- 1.4.3 The Authority is reporting a £558,000 surplus for the year, the principal reasons for this being:
- £19,787,000 of net revaluation gains relating to Assets held for sale (£2,290,000) and Investment properties (£17,497,000) and;
 - £1,944,000 of capital grants applied during the year that are recognised in full in the Comprehensive Income & Expenditure Account, offset by;
 - £18,578,000 of depreciation (£8,991,000), revaluation losses (£6,030,000) and impairment charges (£3,557,000) on property, plant and equipment assets and;
 - An underlying deficit of £2,268,000 which has been transferred from the Authority earmarked revenue reserves via the Movement in Reserves Statement.
- 1.4.4 These charges and credits are reversed or replaced in the Movement in Reserves Statement with other statutory charges, together with other adjustments required to move from an accounting basis to a funding basis under regulations. When combined with transfers to and from earmarked reserves the Authority has incurred a surplus on its Council Fund Balance of £63,000. This comprises a £90,000 deficit relating to non-school budgets and a £152,000 surplus relating to school budgets.
- 1.4.5 When compared against the revised budgets set by the Authority and schools respectively, this illustrates how the Authority has performed against budget for the year of account.
- 1.4.6 The analysis below of outturn against revised budget is based on the internal management structure of the Authority and not on the classification prescribed by the Code of Practice. Readers will be able to reconcile the Council Fund surplus to that reported in the Movement in Reserves Statement by reference to note 11.1 to the accounts and the Authority's revenue outturn report.
- 1.4.7 The Council fund balance, excluding school balances, has reduced from £7,079,000 to £6,992,000 as a result of the surplus for the year. Earmarked revenue reserves have decreased from £13,249,000 to £10,980,000 during the financial year. In total, available revenue reserves to the Authority (excluding school balances) have decreased by £2,356,000 from £20,328,000 to £17,972,000.

1.4 2014/15 Net Revenue Expenditure (continued)

	Revised Budget £000	Actual £000	Variance £000
Net Expenditure:			
Net cost of services (internal management structure)	142,269	142,717	448
Attributable costs – Fixed Asset Disposal	224	145	(79)
Interest and Investment Income	(30)	(98)	(68)
Interest Payable and Similar Charges	3,773	3,547	(226)
Charges Required Under Regulation	5,610	5,576	(34)
Capital Expenditure financed from revenue	138	138	0
Earmarked Contributions to Reserves	274	1,734	1,460
Earmarked Contributions from Reserves	(2,727)	(3,771)	(1,044)
Financed by:			
General government grants	(69,543)	(69,540)	3
Non-domestic rates	(28,984)	(28,984)	0
Council tax	(56,780)	(57,158)	(378)
Council Tax Benefit Support (included in n.c.s)	6,072	5,784	(288)
Contribution to/(from) Council Fund	(296)	0	296
Council Fund (surplus)/deficit - Non-Schools	0	90	90
Council Fund (surplus)/deficit - Schools	734	(152)	(886)
Council Fund (surplus)/deficit - Total	734	(63)	(797)

1.5 Reserves

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

1.6 2014/15 Capital Expenditure

1.6.1 Detailed information on capital expenditure incurred in the year appears in note 12.6 to the accounts. Total capital expenditure in 2014/15 was £14,256,000 (£20,433,000 in 2013/14). The main items within this figure are shown below along with an analysis of the capital financing arrangements:

Financing	£000
Capital receipts	1,871
Borrowing and Finance Lease Commitments	8,511
Grants and Contributions	3,504
Revenue and Reserve Contributions	370
	14,256
Expenditure	£000
Infrastructure and Transport Schemes	3,952
Asset Management Schemes	2,437
School Development Schemes	4,438
Regeneration Schemes	1,166
Inclusion Schemes	765
Other scheme types	1,499
	14,256

1.6 2014/15 Capital Expenditure (continued)

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

- Additional investment in its highways infrastructure, specifically its road resurfacing programme (£2,495,000), other schemes such as flood alleviation, bridges and street lighting (£1,347,000) as well as further investment in grant funded transport schemes (£110,000);
- Asset management schemes, principally comprising expenditure incurred on major property maintenance schemes (£1,934,000) and numerous smaller asset management schemes (£507,000).
- Schemes delivered as part of the Authority's schools modernisation programme included investment at Thornwell Primary School (£663,000), 21st Century Schools (£1,445,000), Raglan Primary School (£2,267,000), Access for All (£41,000) & completion of other minor schemes (£22,000).
- Investment in Regeneration schemes, mainly: Caldicot 3G Pitch (£565,000), Section 106 (£369,000) & Other Regeneration Schemes (£232,000).

1.6.3 Other than specific funding support being received from external funding bodies, the Authority is reliant on useable capital receipts and revenue support. The useable capital receipts balance as at 31st March 2015 amounted to £17,629,000 (£8,023,000 as at 31st March 2014). In terms of revenue support, reference is made to available balances in paragraph 1.4.7 of this foreword.

1.7 Loan Debt

1.7.1 The loan debt at 31st March 2015 was £101,313,000 compared to an opening position for the year of £98,634,000. Separate to the cost of servicing debt the Authority is required to make prudent provision through its revenue account for the repayment of debt. £5,496,000 (£4,871,000 in 2013/14) was provisioned for the repayment of principal and £3,532,000 (£3,647,000 in 2013/14) was provisioned for the repayment of interest, a total cost in the year of £9,028,000 (£8,518,000 in 2013/14).

1.8 Pension Liabilities

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

1.8.2 The pension liability at the end of the year amounted to £167,414,000 (£121,878,000 in 2013/14). The Authority is being charged increased employer contributions in order to contribute to the redressing of the balance of the pension fund. Further details are given in section 14 of the notes to the Accounts.

1.9 Conclusions

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

1.9.2 The under spend for 2014/15 has largely resulted from under spends on treasury activity, improved recovery on council tax, a reduction in anticipated borrowing costs offset by a net over spend on Directorate services. Following transfers to/from earmarked reserves, this has resulted in a small net deficit on the general fund account.

1.9 Conclusions (continued)

1.9.3 However, the 2015/16 budget is extremely challenging, with continuing pressures in Children's social services. The MTFP requires significant changes in service provision in order to meet the challenging financial targets and these changes are being developed. Indications are that the settlement for 2016/17 is going to be worse than forecast and therefore further scope for savings will need to be assessed. Members and officers will need to ensure that the budget is carefully managed in 2015/16 in order to ensure the current stable corporate financial position is maintained.

J Robson
Head of Finance (S151 Officer)

Date

2 STATEMENT OF RESPONSIBILITIES

2.1 The Authority's Responsibilities

2.1.1 The Authority is required to:-

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

2.2 The Head of Finance's Responsibilities

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

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

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

2.2.3 The Head of Finance has also:

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

CERTIFICATION OF ACCOUNTS

I certify that the accounts set out within sections 5 to 16 gives a true and fair view of the financial position of the Council as at the 31st March 2015 and its income and expenditure for the year ended 31 March 2015.

Joy Robson
Head of Finance (S151 Officer)

Date

I confirm that these accounts were approved by the Leader of the Council on 25th September 2014 on behalf of Monmouthshire County Council.

Cllr Peter Fox
Leader of the Council

Date

3 ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (C.I.P.F.A.) and the Society of Local Authority Chief Executives and Senior Managers (S.O.L.A.C.E.), the 'Delivering Good Governance in Local Government Framework'. It embraces the elements of internal financial control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.

The Statement itself demonstrates that Monmouthshire has governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in most areas we have effective governance arrangements in place which are continually improving, but also recognise that there is further work to do. Progress against the 2013/14 action plan is shown at Appendix 1 (available on request). The main areas of concern identified by the Council are shown at paragraph 3.7 and an action plan to address known gaps is shown in Appendix 2 (available on request); progress against the main areas of concern in 2013/14 is shown at Appendix 3 (available on request).

3.1 Scope of Responsibility

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

3.2 The Purpose of the Governance Framework

- 3.2.1 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its population outcomes, priorities and objectives and to consider whether those objectives have met the outcomes and led to the delivery of appropriate, cost effective services.
- 3.2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, outcomes and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 3.2.3 The governance framework has been in place at the Council for the year ended 31 March 2015 and up to the date of approval of the statement of accounts.

3.3 The Governance Framework

- 3.3.1 The Council's Code of Governance has been developed in line with the following principles:
- Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;
 - Members and officers working together to achieve a common purpose with clearly defined functions and roles in order to achieve the best possible outcomes for citizens;
 - Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk in order to foster innovation;
 - Developing the capacity and capability of members and officers to be effective; and
 - Engaging with local people and other stakeholders to ensure robust public accountability.
- 3.3.2 The Authority's financial management arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)*.
- 3.3.3 The key elements of the Council's governance arrangements are set out in The Improvement Plan; the latest version, *Shaping Our Future 2014-2017*, was approved by Council in May 2014. Six monthly progress updates were presented to select committees during the year to enable scrutiny of progress and to allow Chief Officers and executive members to be held to account. The Council's three priorities are education of young people, protecting the vulnerable and supporting business and job creation. The Council subscribes to a vision shared with other public service partners of working to deliver 'Sustainable resilient communities'. This is the cornerstone of the County's Single Integrated Plan where three themes have been adopted: Nobody is Left Behind; People are Confident, Capable and Involved; Our County Thrives.

3.4 Review of Effectiveness

- 3.4.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Senior Leadership Team within the Authority which has responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 3.4.2 As a result, the governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
- 3.4.3 The processes that have been applied to maintain, review and improve the effectiveness of the governance framework include:
- i) The Monitoring Officer has reviewed the Council's Constitution and ethical governance arrangements during the year. Amendments and updates were approved by Council in September 2014;
 - ii) periodic reviews of the financial controls including the financial procedure rules by the Chief Finance Officer (Head of Finance); financial procedure rules were approved by Council in September 2014;
 - iii) formal risk management and regular ongoing review of the processes involved;
 - iv) internal and external review of the risk management processes;
 - v) the Internal Audit function, whose work takes account of identified risks through regular audits of the major systems, establishments and major projects in accordance with the annual internal audit plan, and which includes 'follow-up' work to ensure that agreed recommendations are implemented;
 - vi) the work of the Council's Select and other Committees, including its Audit and Standards committees;

- vii) the opinions and recommendations of the Council's external auditors, following both financial audit work and per the Local Government Measure in regard to matters, including governance issues, which are considered for action and implementation;
- viii) the opinions and recommendations of other inspection, regulation and review agencies;
- ix) regular monitoring of performance against the Improvement Plan and service plans and of key targets, and reporting of this to senior management and members;
- x) corporate self-evaluation was carried out in Autumn 2014 and the findings addressed through an action plan that is being monitored by Strategic Leadership Team;
- xi) Audit Committee review of effectiveness workshop;
- xii) evaluating the effectiveness of Safeguarding in Monmouthshire was taken through cabinet in November 2014.

3.4.4 Did the governance framework in place enable Monmouthshire to deliver the right services to the right people at the right time, and in doing so, achieve our corporate objectives?

Improvement Objective May 2014	MCC Evaluation Score June 2015
1. We will provide an improved education provision for Monmouthshire	Adequate - Strengths just outweigh weaknesses
2. We will work to help people live their own lives by building flexible and responsive services. Our focus will be on safeguarding people, further developing our approach to integrated services and implementing community coordination in the pilot areas.	Good – Important strengths with some areas for improvement
3. We want to enable our county to thrive	Good – Important strengths with some areas for improvement
4. We want to be an efficient, effective and sustainable organisation.	Adequate - Strengths just outweigh weaknesses

3.4.5 The following paragraphs review the effectiveness of the governance arrangements in Monmouthshire under the 6 principles. A senior officer working group was set up to undertake the initial review; the outcome of that process fed into this statement which then went to the Senior leadership team (SLT) for review before being taken to Audit Committee for a further review.

3.4.6 **Principle 1: Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area**

3.4.7 The Single Integrated Plan sets out the vision of the Local Service Board – a partnership of the key public service providers in Monmouthshire which includes the Council – it has three key themes; nobody is left behind, people are confident, capable and involved; and our County thrives. It is developed by and agreed by all our partner organisations who are members of the Board.

- 3.4.8 The Council's strategic partners and wider stakeholders were fully engaged in the development of the Single Integrated Plan 2013-17 (SIP) incorporating key themes and outcomes to realise the shared vision. The organisation's Stage 1 Improvement Plan underpins the Council's contribution to the SIP by setting Annual Improvement Objectives for 2014/15. The Stage 1 Improvement Plan (Three-year Plan), was presented to Council in May 2014 and was reviewed, Stage 2, in December 2014.
- 3.4.9 The Annual Improvement Plan Objectives for 2014/15 are supported by service plans to operationally deliver these objectives. Planned improvements and targets are aligned to the annual Improvement Objectives. Service plans were developed in 2014/15 covering all service areas. These were quality assessed as part of the service planning process.
- 3.4.10 Reports were taken through the Scrutiny process during the year which linked service plans to the Council's policies, priorities and objectives. The agendas and minutes of which became public documents available through the Council's website.
- 3.4.11 In addition, the Medium Term Financial Plan supports the vision for Monmouthshire and the extensive public engagement events continued in 2014/15 for the 2015/16 budget and Medium Term Financial Plan which engaged with the public in their own community; the Chief Executive and Leader of the Council also held consultation roadshows across the whole County with staff. These proved to be popular events which were well attended by the community who were keen to be involved with the process. There was broad agreement with the key priorities set out for Monmouthshire.
- 3.4.12 The use of social media continued to thrive during 2014/15 through Twitter, Facebook and You Tube to raise awareness of forthcoming events, to provide live updates to Cabinet and Council meetings, to promote the activities and services provided and to show support and encouragement for community groups. The Cabinet Member for Finance posted a You Tube video on the Council's budget proposals. The effectiveness of social media is measured via a 'Klout' score; Monmouthshire's score was higher than the average score.
- 3.4.13 The provision of high quality of services has been measured by the Welsh Government survey 'Living in Wales'. This stated that in 14/15 56% of Monmouthshire residents agree the local authority provides high quality services (Wales average 53%). In 13/14 62% agreed.
- 3.4.14 Dealing with customer complaints helps Monmouthshire to identify and deal with failures in service delivery. The Council's complaint / compliment procedure is available on the web site. Out of 116 complaints received in 2014/15, 100 were resolved informally [86%]; this compared with 134 out of 144 complaints resolved informally in 2013/14. 4 complaints were referred to the Ombudsman who decided not to investigate. 91% of Stage 1 complaints received were dealt with within 25 working days of receipt. Within Social Services, 43 complaints were received in 2014/15, 93% were dealt with informally.
- 3.4.15 To ensure the best use is made of resources and that taxpayers and service users receive excellent value for money, there are a number of mechanisms within the Council to support this. The option appraisals for the 21C schools considered cost and quality to determine the best outcome for the service; budget mandates were in place to monitor and capture the savings assessments; the IT Board reviewed business cases for future IT investment.

- 3.4.16 Regular budget / outturn reports for revenue and capital were presented to and approved by Cabinet during the year. The budget monitoring reports contain some output measures and unit cost data, so that trends in performance can be assessed. The updated MTFP was reviewed and approved by Cabinet over the course of the budget setting period (Sept 2014 to Feb 2015) and in response to feedback from engagement and scrutiny sessions. The budget was set in January 2014 by Council for 2014/15 with updates of the action plan on finance & performance presented to Cabinet in months 6 & 9.
- 3.4.17 Performance and spend – During 2014/15 Welsh Government published data for 2013/14 which showed that in comparison with other Welsh Authorities a number of services in Monmouthshire have a low level of funding per head but the service performance is consistently above average. Education, above average spend, above average achievement; Roads & Transport below average spend above average achievement; Waste & Recycling below average spend and above average achievement; Libraries below average spend above average achievement [source Welsh Government local authority service performance 2014/15]. This was included within the Council's Improvement Plan.
- 3.4.18 Contract Procedure Rules exemptions are reported to the Audit Committee 6 monthly; managers have been challenged in year to justify their procurement outside the Council agreed procedures.
- 3.4.19 The Council utilises 'Buy For Wales' contracts and the Joint Procurement Unit to ensure value for money is obtained in procuring the many goods and services required to run the Council. A nationwide analysis found that MCC had the highest proportion of spend with SMEs of any local authority in the UK (Source: <http://www.spendsmall.org/>)
- 3.4.20 Communication is important to Monmouthshire; the Annual Statement of Accounts was taken through the Audit Committee process before being endorsed by Council. All Council decisions, reports and questions asked by Members are available on the website. Headline figures of the Council's financial position were circulated. Financial information, Improvement Plan progress, Council activities, achievements, developments, updates and events were included on the Council's intranet and website.
- 3.4.21 Equality Impact Assessments are required by law under the Equality Act 2010. Monmouthshire's assessments also examine 'Fairness' and the Welsh language to ensure that the needs of other vulnerable people are considered, as well as the effect on different areas within Monmouthshire. A range of these were undertaken during 2014/15 which have been published on the website.
- 3.4.22 The Local Service Board review includes the monitoring of targets to ensure policies are delivering the agreed outcomes.
- 3.4.23 **Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles in order to achieve the best possible outcomes for citizens**
- 3.4.24 The Constitution is updated periodically by the Monitoring Officer; it was reviewed and updated between January 2014 and June 2014, and was approved by Council in September 2014. It can be found on the Council's website and sets out:
- how the Council operates and makes decisions,
 - the procedures to ensure that decision-making is transparent and accountable to local people and other stakeholders,
 - the key roles of all members and chief officers, including the lead responsibilities for corporate governance of the Leader, the Chief Executive and other designated chief officers,
 - a scheme of delegated powers for decision-taking
 - responsibilities for reviewing and agreeing the Council's corporate governance arrangements,
 - arrangements for ensuring it is regularly reviewed and updated
 - its related codes and protocols.

- 3.4.25 Policy and decision-making is facilitated through (i) the Cabinet, the meetings of which are open to the public except where exempt or confidential matters are being discussed, and (ii) a scheme of delegation to committees and officers as set out in the Constitution: Four select committees and a separate audit committee review, scrutinise and hold to account the performance of the Cabinet, decision-making committees and officers. A Scrutiny “Call-In” process for decisions which have been made but not yet implemented is incorporated in the Constitution in order to consider their appropriateness.
- 3.4.26 Appropriate and relevant job descriptions were in place for the Chief Executive, Senior Leadership Team (SLT), Monitoring Officer and Head of Finance. The minutes of the SLT were also maintained during the year.
- 3.4.27 To ensure agreed procedures and all applicable statutes are complied with the Monitoring Officer attends all Council meetings; to ensure sound financial management is a key factor in decisions, the Head of Finance attends Cabinet and Council meetings.
- 3.4.28 There is Council policy on information sharing along with numerous information sharing protocols with our partners. Information sharing is key to joined-up service delivery. The Wales Accord on the Sharing of Personal Information (WASPI) was developed as a practical approach to multi agency sharing for the public sector in Wales, and Monmouthshire signed up to this in January 2011. The Authority is required to meet statutory obligations regarding the handling and sharing of data, in accordance with the Data Protection Act 1998. The Information Sharing Policy has been developed to ensure information is only shared appropriately, safely and compliantly.

3.5 Partnerships/collaboration working

- 3.5.1 The Council ensures that it has appropriate governance arrangements around its collaborations with other public agencies and other third parties. These can take a range of forms, from informal arrangements to those where governance arrangements are determined through legislation. The governance arrangements form a key part of the decision making processes that the Cabinet or Council follow when deciding to enter a collaborative arrangement, transparent local accountability is a key area of focus.
- 3.5.2 An exercise was undertaken by the Policy and Partnership Team in 2013/14 to determine the full extent of the Council's collaboration and partnership arrangements and their respective governance arrangements. A Partnership Audit was undertaken and reported into the Audit Committee in May 2014; 100 partnership / collaboration arrangements were identified. Although the governance arrangements for the majority of partnerships identified have been captured, further work is on-going to clarify the governance arrangements for all of the partnerships; this will be reported to Members in due course. Governance arrangements have been put in place around all key partnerships the Council is involved with.
- 3.5.4 **Principle 3: Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**
- 3.5.5 The code of conduct and member / employee relationship document are set out in the constitution.
- 3.5.6 There were no successful “call-in” challenges to decisions on procedural grounds and no judicial review challenges on grounds of legality during the year.
- 3.5.7 There were 2 complaints of Member misconduct made to the Ombudsman in 2014/15 involving County Councillors; 0 were referred to the Standards Committee.
- 3.5.8 All waivers of the Contract Procedure Rules are reported through Audit Committee quarterly. The Internal Audit team continues to deliver awareness raising sessions on the importance of compliance with these Contract Procedure Rules and Financial Procedure Rules.
- 3.5.9 The Audit Committee called in a Head of Service and Cabinet Member, and challenged them on why a procurement process went outside the Council's normal tendering processes.

3.5.10 28 Internal Audit opinions were issued in 2014/15. 6 were deemed to be unsatisfactory.

3.5.11 The overall opinion on the adequacy of the internal control environment for 2014/15, given by the Head of Internal Audit, was REASONABLE. Management agreed to implement the recommendations made in audit reports in order to address the weaknesses identified. The internal audit opinions issued in 2014/15 were as follows and more detail can be found in the Annual Internal Outturn Report for 2014/15, as reported to Audit Committee:

Opinion	2013-14	2014-15
Very Good	0	1
Good	8	9
Reasonable	7	12
Unsatisfactory	0	6
Unsound	0	0
Total	15	28

3.5.12 Although the Internal Audit team started the year with a full complement of staff, two of the team left during the year which reduced the resources available to undertake the planned work. 65% of the 2014/15 plan was achieved, which was an improvement on the previous year. Also the number of audits issued with an opinion increase so the Chief Internal Auditor was in a better position to give an overall opinion on the adequacy of the control environment.

3.5.13 A framework is in place to ensure the economic, effective and efficient use of resources and for securing continuous improvement. This is supported by a range of mechanisms including collaborative working initiatives and reviews undertaken both internally and by the external auditors and inspectors. This framework works in conjunction with the Local Government Wales Measure 2009.

- 3.5.14 Chief Officers and Heads of Service are accountable for ensuring that the Council Priorities are delivered, and performance against key targets is regularly monitored via the performance management framework and is regularly reported to members via Select Committees.
- 3.5.15 **Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk in order to foster innovation**
- 3.5.16 There are robust arrangements for effective financial control through the Council's accounting procedures and financial regulations. These include established budget planning procedures, which are subject to risk assessment, and regular reports to members comparing actual revenue and capital expenditure to annual budgets. The Chief Finance Officer is responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972. Procedures for tendering and contract letting are included in the Contract Procedure Rules and Financial Regulations. The Council's Treasury Management arrangements follow professional practice, are subject to regular review and are contained in the Treasury Management Strategy approved by Council each year.
- 3.5.17 The ethical governance framework includes:
- codes of conduct for officers and members
 - a protocol governing Member/Officer relations,
 - a whistle-blowing policy widely communicated within the Council and which is regularly reviewed.
 - registers of personal and business interests for Members
 - an agreed policy and associated corporate procedures for ensuring that complaints about services can be properly made and investigated, and for ensuring that any lessons can be applied.
 - equalities awareness training
- 3.5.18 In accordance with the Local Government and Housing Act, 1989, the Monitoring Officer ensures compliance with established policies, procedures, laws and regulations. After appropriate consultation, this officer will report to the full Council in respect of any proposals, decisions or omissions which could be unlawful or which have been subject of an Ombudsman Investigation resulting in a finding of maladministration.
- 3.5.19 The anti-fraud and corruption strategy (approved by Cabinet March 2012) provides a deterrent, promotes detection, identifies a clear pathway for investigation and encourages prevention.
- 3.5.20 The Audit Committee considers the effectiveness of the Council's arrangements for securing continuous improvement including risk management arrangements. The Audit Committee also considers corporate governance, monitors the work of auditors and inspectors, and monitors the relationships between auditors and staff and the responses to audit and inspection recommendations. It also has responsibility for reviewing the annual Statement of Accounts and its associated reports (which include this statement) before approval by Council. The Audit Committee has an independent, non political, Chairman.
- 3.5.21 Internal Audit operate to the standards set out in the 'Public Sector Internal Auditing Standards' which have been developed from the IIA's International Internal Auditing Standards which came into effect in April 2013. The team's role and status is set out in the Council's Internal Audit Terms of Reference. The Chief Internal Auditor reports to the Audit Committee a summary of audit findings for each quarter, and also reports annually an opinion on the overall adequacy and effectiveness of the Council's control environment.

- 3.5.22 The audit team has always been compliant with the Code of Practice, but with effect from April 2013 the Chief Internal Auditor will ensure Internal Audit complies with the Public Sector Internal Audit Standards.
- 3.5.23 The Council has an objective and professional relationship with its external auditors and statutory inspectors, as evidenced by the Annual Improvement Report. This can be found on the Council's website.
- 3.5.24 Minutes, Agendas & Reports along with their subsequent decision schedules and questions to Cabinet Members are all available on the web site. Council, Cabinet, Scrutiny and Audit Committee reports are available on the Council's website

3.6 Risk management

- 3.6.1 The Council's Strategic Risk Management Policy was updated and approved by Cabinet in March 2015. The revisions provide greater clarity on how the risk levels are to be assessed. The policy requires the proactive participation of all those responsible for planning and delivering services in identifying, evaluating and managing high level strategic risks to the Council's priorities, services and major projects. The risk controls necessary to manage them are identified and monitored to ensure risk mitigation.
- 3.6.2 A Whole Authority Strategic Risk Assessment for 2014-2017 has been compiled as a starting point from service improvement plans. In addition a wide range of performance information including reports from regulators and inspectors, data and performance analysis and feedback from the Authority's partners and service users was used. In order to mitigate the risks, proposed action was recorded and factored back into the respective service improvement plan. This was presented to Cabinet in March 2015. As well as being approved by Cabinet the risk assessment was presented to Council alongside consideration of the budget.
- 3.6.3 The Council's Strategic Risk Assessment contains 11 distinct risks. Following the revised policy these must now be updated and reviewed throughout the year with the latest version being made available to members via The Hub. Because of the changes to the risk policy and guidance risk levels are not comparable with previous years.

Risk	2014/15 Risk Rating
Some services may become financially unsustainable as a result of reducing budgets and demographic pressures.	Low
Uncertainty whether income targets within the 2014-17 Medium Term Financial Plan can be achieved and this could lead to unplanned changes in other services to balance the budget	Low
<p>Potential that the authority is unable to deliver its new schools capital programme due to capital receipts not generating the required income</p> <p>Pressure on capital budget from 21st Century schools programme will impact on other areas requiring capital investment.</p>	High
Potential that negative findings from pending CSSIW and Estyn inspections will divert energy from an ambitious transformation programme.	Low
The authority does not achieve a positive outcome from the corporate assessment	Medium
Potential for significant harm to vulnerable children or adults due to factors outside our control.	Medium
Possibility that needs and capabilities of learners are not sufficiently addressed and consequently, they do not achieve to their highest potential	Medium
<p>Potential that council services, including schools do not have the necessary ICT infrastructure to maximise their offer to service users</p> <p>Insufficient ICT infrastructure and skills in the county have the potential to lead to social and economic disadvantages</p>	Medium
Our workforce do not have sufficient development opportunities to drive change, spur innovation and improve performance	Medium
Not all volunteers we engage and work with align their contributions closely enough to achieving our shared objectives for communities	Medium
Potential that Monmouthshire will not have a prosperous economy that supports enterprise and sustainable growth	Medium

3.6.4 Principle 5: Developing the capacity and capability of members and officers to be effective

3.6.5 The Standards Committee, which includes a majority of independent representatives, advises on and monitors the Members' Code of Conduct, the Protocol for Member/Officer Relations, and any other Codes relating to the conduct of Members.

3.6.6 The Council's recruitment procedures provide equality of employment opportunities. The equality-assessed pay structure meets the requirements of the Single Status Agreement of 1997. The Single Status Collective Agreement was approved by Cabinet in September 2010.

3.6.7 Good governance and upholding standards of behaviour

3.6.8 Agreed arrangements enable the Council to comply with statutory requirements in respect of child protection and the protection of vulnerable adults. Recruitment procedures help ensure that Council employees and Members working with children or vulnerable adults are checked for their suitability to do so.

3.6.9 In accordance with its statutory responsibilities, the Council has in place a Health and Safety Policy and related procedures.

3.6.10 The Council operates a Data Protection policy and also has procedures in place to meet its responsibilities under the Environmental Information Regulations and the Freedom of Information Act, 2000. The Council's website includes other information which the Council is required to publish, such as allowances paid to members in accordance with statutory provisions. There are also agreed procedures to meet the requirements of the Regulation of Investigatory Powers Act 2000.

3.6.11 There is continued support for Members' development through briefing sessions and other learning opportunities. There is also ongoing training and development which meets the needs of officers and members through the corporate programme and the 'My Review' process. Coaching and leadership skills training will be rolled out to all managers in due course.

3.6.12 Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability

3.6.13 The agendas are published in advance of all meetings on the Council's website.

3.6.14 Scrutiny Annual Report is produced for the Council meeting in July each year.

3.6.15 The Scheme of Delegation sets out responsibilities for decision making. The Council's website includes the Cabinet and Cabinet Member decisions / Member profiles. The Scrutiny Handbook is being updated. Development of Customer Insight to better understand our communities. Dissemination of ward meeting minutes.

3.6.16 Social media, Twitter and Facebook for example, is increasingly being used to engage local people and communicate the corporate message. The council has partnered with an IT supplier to develop Monmouthshire Made Open – a digital engagement platform to enable local people to help shape ideas to the challenges facing their communities.

3.6.17 The Majority of meetings are held in public as shown from Committee agendas and minutes which are then available on the website.

3.6.18 There were several extensive public engagement events undertaken in 2013/14 for the 2014/15 budget. MCC's model of engagement in understanding its communities' views and the way it now operates as an organisation was shared with many delegates at a Welsh sustainability conference as exemplar. The development of 'Your County Your Way' has encouraged the community within Monmouthshire to actively contribute to making stepped changes to improve the way in which services are provided; the intention is to transform public service delivery. This links back to the population outcomes for Monmouthshire in the Single Integrated Plan.

3.6.19 The Council has received a number of Freedom of Information Act requests during the year, with 3 complaints made to the Information Commission Officer although no subsequent action was taken. 95% of requests were responded to within the required 20 days:

FOI	2013-14	2014-15
No. of FOI requests	918	1023
No. responded to within 20 days	841	1002
Percentage of FOIs responded to within 20 days	93%	95%

3.7 Main areas of Concern

3.7.1 The following Table outlines where the Council has identified gaps in its governance arrangements, which will be addressed in the forthcoming months to further strengthen governance in Monmouthshire County Council.

Governance Principle	Action Plan 2014/15
Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles in order to achieve the best possible outcomes for citizens	The governance arrangements for all of the Monmouthshire partnerships will be clarified and reported to Members in due course through the Audit Committee.
Principle 3: Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour	The Internal Audit team will work with the Procurement Team to continue to deliver awareness raising sessions on the importance of compliance with Contract Procedure Rules and Financial Procedure Rules
Principle 5: Developing the capacity and capability of members and officers to be effective	The Appraisal process will continue to be rolled out to all staff which will pick up any issues here.
Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability	Decision making work programmes will continue to be populated in advance in future.

3.8 Action Plan

- 3.8.1 Appendix 1 (available on request) shows how the 2013/14 Action plan issues have been addressed during 2014/15.
- 3.8.1 An Action Plan for 2014/15 (above) has been developed to capture known gaps in the Council's governance arrangements; the issues will be reviewed and considered during 2015/16 to further enhance the Council's governance arrangements.

3.9 Monitoring & Evaluation

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

Paul Matthews, Chief Executive

Date

Cllr Peter Fox, Leader of the Council

Date

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

I have audited the accounting statements and related notes of Monmouthshire County Council for the year ended 31 March 2015 under the Public Audit (Wales) Act 2004.

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

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 based on International Financial Reporting Standards (IFRSs).

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

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

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

Scope of the audit of the accounting statements

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

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of Monmouthshire County Council

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Monmouthshire County Council as at 31 March 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Opinion on other matters

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

Matters on which I report by exception

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

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

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

Certificate of completion of audit

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

The maintenance and integrity of the Monmouthshire County Council's website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Signature _____

Date _____

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

SECTION 5

**Movement in Reserves Statement
for the Year Ended
31st March 2015**

MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Council Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Total usable Reserves	Unusable Reserves	Total Authority Reserves	Total JANES Reserves	Total Reserves
Note	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2013	7,443	15,552	6,614	29,608	27,208	56,816	575	57,391
<i>Movement in reserves during 2013/14:</i>								
Surplus/(deficit) on the provision of services	(16,413)	-	-	(16,413)	-	(16,413)	(151)	(16,564)
Other Comprehensive Income and Expenditure	-	-	-	0	40,487	40,487	148	40,635
Total Comprehensive Income and Expenditure	(16,413)	0	0	(16,413)	40,487	24,073	(3)	24,071
Adjustments between accounting basis & funding basis under regulations	14,735	-	1,410	16,145	(16,145)	(0)	0	(0)
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(1,679)	0	1,410	(269)	24,342	24,073	(3)	24,070
Transfers to/(from) Earmarked Reserves	2,303	(2,303)	-	0	-	(0)	0	(0)
Increase/(Decrease) in 2013/14	625	(2,303)	1,410	(268)	24,342	24,073	(3)	24,070
Adjustments relating to JANES	0	0	0	0	0	0	0	0
Balance at 31st March 2014 carried forward	8,068	13,249	8,023	29,340	51,550	80,888	572	81,460
<i>Movement in reserves during 2014/15:</i>								
Surplus/(deficit) on the provision of services	558	-	-	558	-	558	(183)	375
Other Comprehensive Income and Expenditure	-	-	-	0	(41,733)	(41,733)	80	(41,653)
Total Comprehensive Income and Expenditure	558	0	0	558	(41,733)	(41,175)	(103)	(41,278)
Adjustments between accounting basis & funding basis under regulations	(2,763)	-	9,606	6,843	(6,843)	(0)	0	(0)
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(2,205)	0	9,606	7,401	(48,576)	(41,175)	(103)	(41,278)
Transfers to/(from) Earmarked Reserves	2,268	(2,268)	-	0	-	0	0	0
Increase/(Decrease) in 2014/15	64	(2,268)	9,606	7,401	(48,576)	(41,175)	(103)	(41,278)
Balance at 31st March 2015 carried forward	8,132	10,980	17,629	36,741	2,974	39,714	468	40,182

SECTION 6

**Comprehensive Income
and Expenditure Statement
for the year ended
31st March 2015**

COMPREHENSIVE INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Note	31 March 2015			31 March 2014		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£000	£000	£000	£000	£000	£000
Education and children's services		93,992	(19,001)	74,991	90,934	(18,830)	72,104
Adult social care		38,161	(6,835)	31,326	38,257	(6,399)	31,858
Highways and transport services		23,637	(10,385)	13,252	23,852	(5,750)	18,102
Environment and Regulatory Services		11,920	(3,345)	8,575	12,681	(3,465)	9,216
Cultural and Related Services		15,476	(4,900)	10,576	12,651	(5,072)	7,579
Planning Services		4,305	(2,457)	1,848	6,722	(2,610)	4,111
Central services to the public		14,848	(6,624)	8,224	12,431	(9,692)	2,739
Housing services		27,403	(25,482)	1,921	27,486	(25,439)	2,047
Corporate and democratic core		924	(791)	133	10,056	(796)	9,260
Non distributed costs - other		1,001	0	1,001	307	(0)	307
Net Cost of Services	11.1	231,667	(79,820)	151,847	235,376	(78,054)	157,322
Other operating expenditure:							
<i>Precepts & Levies:</i>							
Gwent Police Authority		8,995	0	8,995	8,739	0	8,739
South Wales Fire & Rescue Authority		4,271	0	4,271	4,317	0	4,317
Community and Town Councils		1,669	0	1,669	1,523	0	1,523
National Parks		115	0	115	126	0	126
Internal Drainage Boards		117	0	117	117	0	117
Gains/losses on the disposal of non-current assets		10,100	(10,093)	7	903	(980)	(77)
		25,267	(10,093)	15,175	15,725	(980)	14,745
Financing and investment income and expenditure	11.2	22,151	(31,921)	(9,770)	24,547	(17,019)	7,528
Taxation & non-specific grant income:							
Council Tax	11.4	421	(57,579)	(57,158)	70	(54,833)	(54,763)
Non-domestic rates redistribution	11.5	0	(28,984)	(28,984)	0	(28,377)	(28,377)
General government grants	11.6	0	(71,485)	(71,484)	1	(79,893)	(79,892)
				(157,627)			(163,031)
(Surplus) or Deficit on Provision of Services				(375)			16,564
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets				597			(11,850)
(Gains)/losses on remeasurement of pension assets / liabilities	14.2/16.7			41,196			(28,626)
Adjustments relating to JANEs	16.7			(141)			(159)
Other Comprehensive Income and Expenditure				41,653			(40,635)
Total Comprehensive Income and Expenditure				41,278			(24,070)

SECTION 7

**Balance Sheet
as at 31st March 2015**

BALANCE SHEET AS AT 31 MARCH 2015

31 March 2014		Note	31 March 2015
£000s			£000s
	Property, Plant & Equipment		
162,251	Other land and buildings	12.1	156,291
452	Other land and buildings - JANEs	16.7	436
5,075	Vehicles, plant, furniture and equipment	12.1	4,080
62,749	Infrastructure	12.1	61,613
3,908	Community assets	12.1	3,887
3,559	Assets under construction	12.1	1,141
216	Surplus assets not held for sale	12.1	4
238,209			227,452
4,650	Heritage Assets	12.13	4,647
25,138	Investment Property	12.8	42,716
345	Intangible Assets		670
40	Long-Term Investments	13.1	40
449	Long Term Debtors		383
268,830	Long term assets		275,908
6,569	Short Term Investments	13.1	4,016
476	Inventories		424
22,146	Short Term Debtors	13.5	16,392
3,736	Cash and Cash Equivalents	15.3	20,406
29,165	Assets Held for Sale	12.9	22,095
62,092	Current Assets		63,333
(2,916)	Cash and Cash Equivalents	15.3	(0)
(30,219)	Short Term Borrowing	13.1	(33,552)
(20,299)	Short Term Creditors	13.6	(22,318)
(2,942)	Provisions	13.7	(3,275)
(56,376)	Current Liabilities		(59,145)
(121,878)	Liability related to defined benefit pension scheme	14.4	(167,414)
(161)	Provisions	13.7	(179)
(68,415)	Long Term Borrowing	13.1	(67,761)
(301)	Long term Creditors	16.7	(137)
(1,378)	Other Long Term Liabilities	13.1/16.7	(1,293)
(953)	Capital Grants Receipts in Advance	11.7(b)	(3,130)
(193,087)	Long Term Liabilities		(239,914)
81,460	Net Assets		40,182
8,067	Council Fund Balance	10.3	8,132
13,249	Earmarked Reserves	10.4	10,980
422	Earmarked Reserves - JANEs	16.7	398
8,023	Capital Receipts Reserve	10.6	17,629
29,761	Usable Reserves		37,139
45,441	Revaluation Reserve	10.7	33,753
(121,878)	Pensions Reserve	10.9	(167,414)
131,770	Capital Adjustment Account	10.8	140,531
7	Deferred Capital Receipts Reserve		2
(1,095)	Financial Instrument Adjustment Account		(1,015)
(2,696)	Accumulating Absence Adjustment Account	10.10	(2,884)
151	Unusable Reserves - JANEs	16.7	69
51,699	Unusable Reserves		3,042
81,460	Total Reserves		40,182

SECTION 8

**Cash Flow Statement
for the Year Ended
31st March 2015**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Note	31 March 2015 £000	31 March 2015 £000	31 March 2014 £000	31 March 2014 £000
Net (surplus) or deficit on the provision of services	15.1	(375)		16,564	
Adjustments to net surplus or deficit on the provision of services for non-cash movements	15.1	(25,167)		(20,008)	
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	15.1	14,991		3,872	
Adjustments relating to JANEs	15.1	143		(361)	
Net cash flows from Operating Activities	15.1		(10,408)		67
Investing Activities					
<i>Cash outflows</i>					
Purchase of property, plant and equipment, investment property and intangible assets		10,782		19,710	
Purchase of short-term and long-term investments		16,999		20,015	
Other payments for investing activities		2,042		1,442	
		29,823		41,167	
<i>Cash Inflows</i>					
Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(11,478)		(2,749)	
Proceeds from short-term and long-term investments		(19,550)		(17,703)	
Other receipts from investing activities		(5,560)		(2,569)	
		(36,588)		(23,021)	
Net Cash (Inflow)/Outflow from Investing Activities			(6,765)		18,145
Financing Activities					
<i>Cash Outflows</i>					
Repayments of short- and long-term borrowing		37,559		12,427	
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		132		123	
		37,691		12,550	
<i>Cash Inflows</i>					
Cash receipts of short- and long-term borrowing		(40,250)		(28,000)	
Other receipts from financing activities		146		356	
		(40,104)		(27,644)	
Net Cash (Inflow)/Outflow from Financing Activities			(2,413)		(15,093)
Net (increase) / decrease in cash and cash equivalents			(19,585)		3,118
Cash and cash equivalents at the beginning of the reporting period			820		3,938
Cash and cash equivalents at the end of the reporting period	15.3		20,406		820

**Notes to the Accounts
for the Year Ended
31st March 2015**

9 STATEMENT OF ACCOUNTING POLICIES

9.1 General Principles

- 9.1.1 The Statement of Accounts summarises the Authority's transactions for the 2014/15 financial year and its position at the year-end of 31 March 2015. The Authority is required to prepare an annual Statement of Accounts by the *Accounts and Audit (Wales) Regulations 2005*, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2014/15* and the *Service Reporting Code of Practice 2014/15*, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.
- 9.1.2 The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

9.2 Accounting Standards issued not yet adopted

- 9.2.1 The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standard within the 2015/16 Code:
- 9.2.2 IFRS 13 Fair Value Measurement - This standard provides a consistent definition of fair value and enhanced disclosure requirements. It is designed to apply to assets and liabilities covered by those IFRS standards that currently permit or require measurement at fair value (with some exceptions). The adoption of this standard will require surplus assets (assets that are not being used to deliver services, but which do not meet the criteria to be classified as either investment properties or non-current assets held for sale) to be revalued to market value rather than value in existing use as at present. Operational property, plant and equipment assets are outside the scope of IFRS 13. Overall this standard is not expected to have a material impact on the Statement of Accounts, due to the low value of surplus assets held by the Council.
- 9.2.3 IFRIC 21 Levies - This standard provides guidance on levies imposed by government in the financial statements of entities paying the levy. The IFRIC specifies the obligating event as the activity that triggers the timing of the payment of the levy. The amount payable may be based on information relating to a period before the obligation to pay arises or the levy is payable only if a threshold is reached, or both. This standard will not have a material impact on the Statement of Accounts.
- 9.2.4 Annual Improvements to IFRSs (2011 – 2013 Cycle) - These improvements are minor, principally proving clarification and will not have a material impact on the Statement of Accounts.

9.3 Accruals of Income and Expenditure

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

9.4 Cash and Cash Equivalents

- 9.4.1 Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 24 hours or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.
- 9.4.2 In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

9.5 Charges to Revenue for Non-Current Assets

- 9.5.1 Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:
- Depreciation attributable to the assets used by the relevant service.
 - Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
 - Amortisation of intangible fixed assets attributable to the service.
- 9.5.2 The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Council Fund Balance with a Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

9.6 Critical Judgements in Applying Accounting Policies

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

- There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Council is deemed to control the services provided under its PFI arrangements and also to control the residual value of the assets at the end of the contract. The accounting policy for PFIs and similar contracts has been applied to these arrangements and the assets are recognised as Property, Plant and Equipment in the Council's Balance Sheet.
- A provision is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is calculated by taking a sample of non-school employee records and extrapolating the data over the total non-school employee base. The sample return for 2014/15 was 17% (35% for 2013/14).

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

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

9.7.2 The items in the Authority's Balance Sheet at 31 March 2015 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Revaluation of Property, plant & equipment	Property, plant and equipment (with the exception of infrastructure, community assets, assets under construction and vehicles, plant and equipment) are revalued on a periodic basis and tested annually for indicators of impairment. Judgements are required to make an assessment as to whether there is an indication of impairment. The impairment tests include examination of capital expenditure incurred in the financial year to ascertain whether it has resulted in an increase in value or an impairment of an asset.	If the actual results differ from the assumptions the value of PPE will be over or understated. This would be adjusted when the assets were next revalued.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The assumptions interact in complex ways. Further information is provided in note 14.10 concerning changes in the pension assets and liabilities that have resulted from estimates being corrected as a result of experience.
Provisions	The Council has included provisions for known insurance claims as at 31 March 2015. The value of these claims is based on information provided by our Insurance brokers on the number of claims outstanding at the end of the financial year, the average settlement amount for each type of claim and the likelihood of each type of claim being settled. However the outcome of these cases is still uncertain as outstanding legal cases and negotiations remain on going.	The Authority maintains the insurance and risk management reserve to assist in the control of the Authority's insurance risks. The provisions in place and the balance on the insurance and risk management reserve at 31st March 2015 are deemed to provide sufficient cover for the Authority's claims exposure. Notes 13.8(a) & 13.8(b) provide further information on the types of claims the Authority is exposed to.

Arrears	At 31 March 2015, the Authority had a balance of £11.2m (£9.1m as at 31 March 2014) of debtors relating to council tax arrears, business rate arrears, rent arrears, corporate sundry debtors, social services sundry debtors and housing benefit overpayments. A review of these balances suggested that an impairment of doubtful debts of £3.2m (£2.8m as at 31 March 2014) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, there would be a consequential increase in the impairment of doubtful debts.
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9.8 Employee Benefits

Benefits Payable During Employment

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

Termination Benefits

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

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

Post Employment Benefits

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

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

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

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

The Local Government Pension Scheme

- 9.8.7 All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme which is administered by Torfaen County Borough Council. The pension costs charged to the Authority's accounts in respect of this group of employees is determined by the fund administrators and represents a fixed proportion of employees' contributions to this funded pension scheme.
- 9.8.8 The Local Government Scheme is accounted for as a defined benefit scheme:
- The Liabilities of the pension fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projections of earning for current employees.
 - Liabilities are discounted to their value at current prices, using a single discount rate which is derived from the spot rates on a selection of AA rated corporate bonds of various durations which match the liabilities within the Authority's pension fund. This is known as the yield curve approach.
 - The assets of the Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the balance sheet at their fair value as determined by the Fund's actuary.
 - The change in the net pensions liability is analysed into seven components:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
 - Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
 - Interest on plan assets – this is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.
 - Gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
 - Gains or losses on remeasurement – changes in the net pensions liability (Liabilities less assets) that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve.
 - Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.
- 9.8.9 In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

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

9.8.11 The impact of accounting for IAS19 *Employee Benefits* as analysed in 14.2 has had the following effects on the results of the prior and current periods:

- The overall amount to be met from the Council Fund has remained unchanged as a result of statutory provisions in place, but the cost amounts included in Net Cost of Services are £845,000 (0.55%) lower (£397,000 (0.25%) in 2013/14) after the replacement of employer's contributions by current and past service costs. The surplus on the Provision of Services is £4,400,000 (90.2%) lower (£5,459,000 (49.2%) lower in 2013/14) than it would otherwise have been.
- The requirement to recognise the net pensions liability in the balance sheet has reduced the reported total reserves of the authority by 80.6% (reduced by 59.9% in 2013/14).

Discretionary Benefits

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

9.9 Events After the Balance Sheet Date

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

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

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

9.1 Exceptional Items

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

9.11 Financial Instruments

Financial Liabilities

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

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

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

- 9.11.4 Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.
- 9.11.5 Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the Council Fund Balance to be spread over future years. The Authority has a policy of spreading any loss over the term that was remaining on the loan against which the premium was payable and any gain over lesser of the term remaining on the loan against which the discount was receivable or 10 years. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets – Loans and Receivables

- 9.11.6 Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.
- 9.11.7 The Authority has made one loan at less than market rates (soft loans) for policy reasons. Due to the immaterial nature of the loan, it is recorded in the balance sheet at the value of the principal outstanding.
- 9.11.8 Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Where the impact is deemed to be material, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.
- 9.11.9 Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

9.12 Government Grants and Contributions

- 9.12.1 Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:
- The Authority will comply with the conditions attached to the payments, and
 - The grants or contributions will be received.

- 9.12.2 Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.
- 9.12.3 Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.
- 9.12.4 Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

9.13 Heritage Assets

- 9.13.1 Heritage assets are assets that are held by the authority principally for their contribution to knowledge or culture.
- 9.13.2 Heritage assets were previously shown in community assets but are now recorded in a separate category on the balance sheet as a non-current asset class. The Authority does not classify any operational assets as heritage assets.
- 9.13.3 Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets and as a result the Authority has chosen not to value heritage assets if the cost is deemed to be excessive.
- 9.13.4 A further condition for expenditure to be capitalised is that it exceeds the relevant de minimus limit in place. A de-minimus limit has been put in place of £10,000 for heritage assets.
- 9.13.5 The Authority considers that the heritage assets held by the Authority will have indeterminate lives and a high residual value, hence the Authority does not consider it appropriate to charge depreciation for the assets.
- 9.13.6 The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment. The trustees of the Authority's Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

9.14 Intangible Assets

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

- 9.14.2 Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).
- 9.14.3 Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.
- 9.14.4 Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.
- 9.14.5 Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for any sale proceeds greater than £10,000, the Capital Receipts Reserve.
- 9.15 Interests in Companies and Other Entities**
- 9.15.1 The Code requires authorities to enhance their statement of accounts with information about any material interest in subsidiaries, associates and jointly controlled entities in a set of group accounts.
- 9.15.2 These accounting requirements result in the consolidation of the transactions and balances of subsidiaries and of interests in associates and joint ventures, thus ensuring group accounts provide a complete picture of the authority's control over other entities.
- 9.15.3 The authority does not hold any material interests in subsidiaries, associated or jointly controlled entities. In the Authority's own single-entity accounts, it is the Authority's policy to disclose as a note to the balance sheet details of the name, business, shareholding, net assets and results of operations and other financial transactions of any related companies.
- 9.16 Inventories and Long Term Contracts**
- 9.16.1 Inventories are included in the Balance Sheet at the latest price paid, with an allowance made for obsolescent and slow moving items. This is a departure from the requirements of the Code which require inventories to be shown at the lower of actual cost and net realisable value. However, the amounts concerned are not considered material.
- 9.16.2 Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.
- 9.17 Investment Property**
- 9.17.1 Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.
- 9.17.2 Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

9.18 Jointly Controlled Operations and Jointly Controlled Assets

9.18.1 Jointly controlled operations are activities undertaken by the Authority in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Authority recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

9.18.2 Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Authority and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Authority accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

9.19 Leases

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

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

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

The Authority as Lessee - Finance Leases

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

9.19.5 Lease payments are apportioned between:

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

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

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

The Authority as Lessee - Operating Leases

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

The Authority as Lessor - Finance Leases

- 9.19.9 Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Again, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.
- 9.19.10 Lease rentals receivable are apportioned between:
- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
 - Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).
- 9.19.11 The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the Council Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the Council Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the Council Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.
- 9.19.12 The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

The Authority as Lessor - Operating Leases

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

9.2 Overheads and Support Services

- 9.20.1 The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2014/15 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:
- Corporate and Democratic Core – costs relating to the Authority's status as a multifunctional, democratic organisation.
 - Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

9.20.2 These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

9.21 Property, Plant and Equipment

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

Recognition

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

9.21.3 A further condition for expenditure to be capitalised is that it exceeds the relevant de minimus limit in place. Different de-minimus limits are in place for different categories of asset. These are:

- Land and Buildings - no de minimus limit
- Vehicles - no de minimus limit
- IT Equipment - £10,000
- Plant and Machinery - £5,000

Measurement

9.21.4 Assets are initially measured at cost, comprising:

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

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

9.21.6 The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

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

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

9.21.10 Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

- 9.21.11 Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. Vehicles, plant and equipment are categories of asset treated in this manner.
- 9.21.12 Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.
- 9.21.13 Where decreases in value are identified, they are accounted for by:
- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
 - Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- 9.21.14 The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

- 9.21.15 Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.
- 9.21.16 Where impairment losses are identified, they are accounted for by:
- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
 - Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- 9.21.17 Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

- 9.21.18 Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life including freehold land and Community Assets) and assets that are not yet available for use (assets under construction).
- 9.21.19 Depreciation is calculated on the following bases:
- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
 - Vehicles, plant, furniture and equipment – straight-line allocation over the life of the asset as advised by a suitable qualified officer
 - Infrastructure – straight-line allocation over 60 years

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

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

Components

- 9.21.21 An asset may consist of several different and significant physical components. If an item of property, plant and equipment comprises two or more significant components with substantially different useful lives, then each component is treated separately for depreciation purposes and depreciated over its individual useful life.
- 9.21.22 When a component is replaced or restored, the old component is written off to avoid double counting and the new component capitalised. Where a component does not have its own carrying amount because it has not previously been accounted for separately the cost of the new component is used as an indication of the cost of the replaced part. A component is derecognised where no future economic benefits are expected from its use.
- 9.21.23 The Authority has established thresholds for the separation of significant components. As a result components of an item of property, plant or equipment that make up a significant part of the cost of the item would only need to be separated where the item itself is material individually or when aggregated with like items.

Disposals and Non-current Assets Held for Sale

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

Assets held for Sale Assets are assets where the:

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

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

- 9.21.25 If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.
- 9.21.26 Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.
- 9.21.27 When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.
- 9.21.28 Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.
- 9.21.29 The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

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

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

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

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

9.23 Private Finance Initiative (PFI) and Similar Contracts

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

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

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

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

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- Lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

9.24 Provisions, Contingent Liabilities and Contingent Assets

Provisions

9.24.1 Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

9.24.2 Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

9.24.3 When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

- 9.24.4 Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent Liabilities

- 9.24.5 A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.
- 9.24.6 Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

- 9.24.7 A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.
- 9.24.8 Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

9.25 Reserves

- 9.25.1 The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.
- 9.25.2 Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

9.26 Revenue Expenditure Funded from Capital under Statute

- 9.26.1 Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

9.27 VAT

- 9.27.1 VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

10 MOVEMENT IN RESERVES STATEMENT NOTES

10.1 Movement on Reserves

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

	Note	Balance at 1 April 2013	Movement in Reserve £000	Balance at 31 March 2014	Movement in Reserve £000	Balance at 31 March 2015
Usable Reserves:						
Council Fund balance: Authority	10.3	6,203	876	7,079	(89)	6,992
Council Fund balance: LMS School Balances	10.5	1,240	(252)	988	152	1,140
Earmarked reserves	10.4	15,552	(2,303)	13,249	(2,268)	10,980
Capital Receipts Reserve	10.6	6,613	1,410	8,023	9,606	17,629
Total Usable Reserves		29,608	(269)	29,339	7,401	36,741
Unusable Reserves:						
Revaluation Reserve	10.7	35,860	9,581	45,441	(11,688)	33,753
Capital Adjustment Account	10.8	139,693	(7,924)	131,770	8,762	140,531
Financial Instruments Adjustment Account		(1,175)	80	(1,095)	80	(1,015)
Pension Reserve	10.9	(144,986)	23,108	(121,878)	(45,536)	(167,414)
Deferred Capital Receipts Reserve		13	(6)	7	(5)	2
Accumulated Absences Adjustment Account	10.10	(2,198)	(497)	(2,695)	(189)	(2,884)
Total Unusable Reserves		27,207	24,342	51,550	(48,577)	2,973
Total Authority Reserves		56,815	24,074	80,889	(41,176)	39,714

10.2 Adjustments Between Accounting Basis and Funding Basis Under Regulations

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

Movements in 2014/15:	Council Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<u>Adjustments primarily involving the Capital Adjustment Account:</u>					
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</i>					
Charges for depreciation and impairment of Property, Plant and Equipment assets	12,548	0	12,548	(12,548)	0
Charges for impairment of Heritage Assets	82	0	82	(82)	0
Revaluation movements on Property Plant and Equipment (charged to SDPS)	6,031	0	6,031	(6,030)	0
Revaluation movements on Assets Held for Sale (charged to SDPS)	(2,290)	0	(2,290)	2,290	0
Movements in the market value of Investment Properties	(17,497)	0	(17,497)	17,497	0
Revaluation movements on Heritage Assets	20		20	(20)	0
Amortisation and impairment of intangible assets	61	0	61	(61)	0
Capital grants and contributions applied	(1,944)	0	(1,944)	1,944	0
Revenue expenditure funded from capital under statute	2,042	0	2,042	(2,042)	0
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	11,014	0	11,014	(11,014)	0
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>					
Statutory provision for the financing of capital investment (MRP)	(5,496)	0	(5,496)	5,496	0
Capital expenditure charged against the Council Fund	(370)	0	(370)	370	0
<u>Adjustments involving the Capital Receipts Reserve:</u>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(11,472)	11,472	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(1,871)	(1,871)	1,871	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	5	5	(5)	0
<u>Adjustments involving the Financial Instruments Adjustment Account:</u>					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(79)	0	(79)	79	0

10.2 Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)
Movements in 2014/15 (continued):

	Council Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<u>Adjustments involving the Pensions Reserve:</u>					
Reversal of items relating to retirement benefits debited or credited to the CIES	14,905	0	14,905	(14,905)	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(10,505)	0	(10,505)	10,505	0
<u>Adjustment involving the Accumulated Absences Account:</u>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	188	0	188	(188)	0
Total adjustments between accounting basis & funding basis under regulations	(2,763)	9,606	6,843	(6,843)	0

Movements in 2013/14:

	Council Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<u>Adjustments primarily involving the Capital Adjustment Account:</u>					
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</i>					
Charges for depreciation and impairment of non-current assets	18,009	0	18,009	(18,009)	0
Charges for impairment of Heritage Assets	121	0	121	(121)	0
Revaluation losses on Property Plant and Equipment (charged to SDPS)	8,218	0	8,218	(8,218)	0
Revaluation losses on Assets Held for Sale (charged to SDPS)	(6,810)	0	(6,810)	6,810	0
Movements in the market value of Investment Properties	(1,577)	0	(1,577)	1,577	0
Amortisation and impairment of intangible assets	82	0	82	(82)	0
Capital grants and contributions applied	(5,137)	0	(5,137)	5,137	0
Revenue expenditure funded from capital under statute	1,442	0	1,442	(1,442)	0
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	2,487	0	2,487	(2,487)	0
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>					
Statutory provision for the financing of capital investment (MRP)	(4,871)	0	(4,871)	4,871	0
Capital expenditure charged against the Council Fund	(362)	0	(362)	362	0

10.2 Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

Movements in 2013/14 (continued):

	Council Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<u>Adjustments involving the Capital Receipts Reserve:</u>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(2,744)	2,744	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(1,339)	(1,339)	1,339	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	5	5	(5)	0
<u>Adjustments involving the Financial Instruments</u>					
<u>Adjustment Account:</u>					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(79)	0	(79)	79	0
<u>Adjustments involving the Pensions Reserve:</u>					
Reversal of items relating to retirement benefits debited or credited to the CIES	15,566	0	15,566	(15,566)	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(10,107)	0	(10,107)	10,107	0
<u>Adjustment involving the Accumulated Absences</u>					
<u>Account:</u>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	498	0	498	(498)	0
Total adjustments between accounting basis & funding basis under regulations	14,735	1,410	16,145	(16,145)	0

10.3 Usable Reserves available for Revenue Purposes

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

	At 1 April 2013 £000	In Year Movement £000	At 31 March 2014 £000	In Year Movement £000	At 31 March 2015 £000
Amount of Council Fund Balance held by Schools under Local Management Schemes	1,240	(252)	988	152	1,140
Amount of Council Fund Balance generally available for new expenditure	6,203	876	7,079	(89)	6,992
Total Council Fund Balance	7,443	625	8,068	63	8,132
Earmarked Revenue Reserves	15,552	(2,303)	13,249	(2,268)	10,980
Total Usable Reserves available for Revenue Purposes	22,995	(1,679)	21,317	(2,205)	19,112

Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. The balance on the Council Fund includes £1,140,000 in respect of underspent (or overspent) budgets which have been delegated to schools. These balances are at the disposal of the respective schools and represent an earmarked reserve which is not available for the Authority to use generally.

10.4 Transfers to/from Earmarked Reserves

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

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

- **Invest to Redesign Reserve**

To fund service redesign to either improve the service, generate income or reduce costs.

- **I.T. Transformation Reserve**

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

- **Capital Investment Reserve**

To finance future capital expenditure.

- **Priority Investment Reserve**

To fund additional one off investment in the Authority's agreed priorities.

- **Redundancy and Pensions Reserve**

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

- **Insurance and Risk Management Reserve**

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

- **Treasury Equalisation Reserve**

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

- **Capital Receipt Generation Reserve**

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

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

- **I Learn Wales reserve**

Created for future (i) learning education projects in schools.

- **Single Status & Equal Pay Reserve**

The Authority approved a Single Status Collective Agreement in September 2010, confirming an implementation date of 1st April 2009. The reserve was set up to cover any additional potential future costs, for which provision was not in place, as a result of the implementation or any equal pay claims that were lodged prior to the implementation date.

- **Service Reserves**

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

- **Other Reserves**

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

- **Trading Reserves**

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

10.4 Earmarked Reserves (continued)

The transfers to and from Earmarked Reserves in 2014/15 can be summarised as follows:

Description	At 1 April 2013	Transfer to Reserves	Transfer from Reserves	31 March 2014	Transfer to Reserves	Transfer from Reserves	31 March 2015
	£000	£000	£000	£000	£000	£000	£000
Invest to Redesign Reserve	3,120	20	(931)	2,209	85	(809)	1,484
Priority Investment Reserve	3,450	0	(981)	2,469	0	(496)	1,974
Insurance and risk management reserve	1,522	562	(117)	1,968	282	0	2,250
IT Transformation Reserve	1,383	0	(436)	947	0	(307)	640
Single Status and Equal Pay Reserve	1,552	0	(500)	1,052	0	(1,052)	0
Treasury equalisation reserve	1,124	0	0	1,124	204	(338)	990
Capital Investment Reserve	1,593	75	(31)	1,637	0	(16)	1,621
Redundancy and Pensions Reserve	622	500	(378)	744	500	(644)	600
Capital Receipt Generation Reserve	332	0	(88)	244	357	(141)	460
I Learn Wales Reserve	0	0	0	0	49	0	49
<i>Other reserves</i>							
Elections reserve	33	25	0	58	25	0	83
Museums acquisition reserve	59	0	0	59	0	0	59
Chairman's reserve	37	0	0	37	0	0	37
<i>Service Reserves:</i>							
Grass Routes to Schools Reserve	260	0	(73)	187	0	(26)	161
Education Achievement Service Reserve	0	69	0	69	0	(69)	0
<i>Trading Accounts:</i>							
Youth Offending Team trading reserve	383	0	(2)	381	0	0	381
Outdoor education centres trading reserve	133	24	0	157	33	0	190
School library service trading reserve	(47)	0	(44)	(91)	195	(104)	0
Building Control trading reserve	(4)	0	0	(4)	4	0	0
	15,552	1,276	(3,579)	13,249	1,734	(4,002)	10,980

10.5 School Balances

The balance on the Council Fund includes £1,140,032 in respect of underspent (or overspent) budgets which have been delegated to schools. These balances are at the disposal of the respective schools and represent an earmarked reserve which is not available for the Authority to use generally. Details of the movements of these reserves are shown below:

School Name	At 1 April	In Year	At 31	In Year	At 31
	2013	Movement	March	Movement	March
	£	£	2014	£	2015
					£
Comprehensives					
Caldicot	36,934	23,686	60,620	20,748	81,368
Chepstow	1,999	(216,589)	(214,589)	(174,098)	(388,688)
King Henry VIII	219,715	(105,197)	114,519	(71,553)	42,966
Monmouth	80,537	50,437	130,974	(21,124)	109,851
Sub Total	339,185	(247,662)	91,523	(246,027)	(154,504)
Primaries					
Archbishop R Williams	(18,555)	40,546	21,992	15,856	37,847
Cantref	75,384	(7,246)	68,138	(13,735)	54,403
Castle Park	(97,802)	(196)	(97,999)	58,270	(39,729)
Chepstow Alliance	0	0	0	28,092	28,092
Cross Ash	61,834	(13,845)	47,989	17,901	65,890
Deri View	(170,667)	90,715	(79,952)	101,715	21,762
Dewstow	94,370	11,743	106,113	20,482	126,594
Durand	64,772	(20,047)	44,725	9,036	53,761
Gilwern	54,827	(13,770)	41,057	(2,144)	38,913
Goytre Fawr	7,808	(3,100)	4,708	24,124	28,832
Kymin View	10,162	24,193	34,355	10,279	44,634
Llandogo	7,539	(13,319)	(5,780)	(6,567)	(12,346)
Llanfair Kilgeddin VC	23,475	(863)	22,612	(10,690)	11,922
Llanfoist	18,235	14,699	32,934	41,333	74,267
Llantilio Pertholey	105,594	(40,254)	65,340	(18,115)	47,225
Llanvihangel Crucorney	(60,486)	19,830	(40,656)	25,617	(15,040)
Magor VA	24,665	6,472	31,136	5,325	36,462
New Pembroke Primary	42,353	37,318	79,671	(46,122)	33,549
Osbaston Church in Wales	36,343	12,369	48,713	7,284	55,997
Our Lady's & St Michael's Catholic Primary	45,192	(21,529)	23,663	17,151	40,813
Overmonnow	66,628	(32,899)	33,729	(33,403)	326
Raglan	42,941	(1,681)	41,259	21,487	62,747
Rogiet	71,372	11,780	83,152	(13,274)	69,879
Shirenewton	75,178	6,390	81,568	(3,289)	78,279
St Mary's (Chepstow)	2,952	(2,139)	813	17,695	18,509
The Dell	21,699	28,408	50,107	33,103	83,210
Thornwell	62,403	(46,267)	16,135	32,862	48,997
Trellech	29,209	4,396	33,606	39,283	72,889
Undy	7,188	2,928	10,116	31,563	41,679
Usk VC	19,991	8,695	28,686	(4,871)	23,815
Ysgol Gymraeg Y Fenni	92,212	(60,052)	32,161	34,042	66,203
Ysgol Gymraeg Ffin	(42,366)	24,451	(17,915)	36,066	18,152
Sub Total	774,451	67,725	842,176	476,355	1,318,530
Special					
Mounton House	76,592	(58,128)	18,465	(44,418)	(25,954)
Pupil Referral Unit	49,815	(13,823)	35,992	(34,033)	1,959
Sub Total	126,407	(71,951)	54,457	(78,452)	(23,995)
TOTAL	1,240,044	(251,888)	988,156	151,876	1,140,032

10.6 Capital Receipts Reserve

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

The in-year movements on the reserve are summarised below: -

	2014-15 £000	2013-14 £000
Balance as at 1st April	8,023	6,613
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	11,472	2,744
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	5	5
Less: use of the Capital Receipts Reserve to finance new capital expenditure	(1,871)	(1,339)
Balance as at 31st March	17,629	8,023

10.7 Revaluation Reserve

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

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

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

	2014-15 £000	2014-15 £000	2013-14 £000	2013-14 £000
Balance at 1 April		45,441		35,860
Upward revaluation of assets	915		13,541	
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(1,512)		(1,621)	
Surplus or (deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		(597)		11,920
Difference between fair value depreciation and historical cost depreciation	(1,780)		(1,896)	
Accumulated gains on assets sold or scrapped	(9,311)		(443)	
Amount written off to the Capital Adjustment Account		(11,091)		(2,339)
Balance at 31 March		33,753		45,441

10.8 Capital Adjustment Account

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

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

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

	2014-15 £000	2014-15 £000	2013-14 £000	2013-14 £000
Balance at 1 April		131,770		139,693
<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</i>				
• Charges for depreciation and impairment of property, plant and equipment assets	(12,548)		(18,009)	
• Revaluation movements on heritage assets	(20)		0	
• Charges for impairment of heritage assets	(82)		(121)	
• Revaluation movements on Property, Plant and Equipment	(6,031)		(8,218)	
• Revaluation movements on Assets Held for Sale	2,290		6,810	
• Amortisation & impairment of intangible assets	(61)		(82)	
• Revenue expenditure funded from capital under statute	(2,042)		(1,442)	
• Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,703)		(2,044)	
• Adjusting amounts written out of the Revaluation Reserve	1,780		1,896	
		<u>(18,417)</u>		<u>(21,210)</u>
Capital financing applied in the year:				
• Use of the Capital Receipts Reserve to finance new capital expenditure	1,871		1,339	
• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	1,944		5,137	
• Statutory provision for the financing of capital investment charged against the Council Fund	5,496		4,871	
• Capital expenditure charged against the Council Fund	370		362	
		<u>9,681</u>		<u>11,709</u>
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		17,497		1,577
Balance at 31 March		<u>140,532</u>		<u>131,770</u>

10.9 Pensions Reserve

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

	2014-15	2013-14
	£000	£000
Balance at 1 April	(121,878)	(144,986)
Remeasurement gains or (losses) on pension assets and liabilities	(41,136)	28,567
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(14,905)	(15,566)
Employer's pensions contributions and direct payments to pensioners payable in the year	10,505	10,107
Balance at 31 March	<u>(167,414)</u>	<u>(121,878)</u>

10.10 Accumulated Absences Account

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

	2014-15	2013-14
	£000	£000
Balance at 1 April	(2,695)	(2,198)
Settlement or cancellation of accrual made at the end of the preceding year	2,695	2,198
Amounts accrued at the end of the current year	(2,884)	(2,695)
Balance at 31 March	<u>(2,884)</u>	<u>(2,695)</u>

11 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT NOTES

11.1 Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the *Service Reporting Code of Practice*. However, decisions about resource allocation are taken by the Authority's Cabinet on the basis of budget reports analysed across directorates. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- No charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement).
- The cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year
- Support service recharges are not reported as they do not have a net impact on the revenue account. However, such costs are reported in the Comprehensive Income and Expenditure Statement as required by CIPFA's *Service Reporting Code of Practice*.

The income and expenditure of the Authority's directorates, also referred to as Net Cost of Services, is recorded in the budget monitoring reports for the year is as follows:

a) Service Information

For the year ended 31 March 2015

	Social Care & Health £000	Children & Young People £000	Enterprise £000	Operations £000	Chief Executive's Dept £000	Corporate Costs and Levies £000	Schools £000	Total £000
Fees, charges & other service income	(6,329)	(3,060)	(5,101)	(25,338)	(253)	(544)	(54,193)	(94,818)
Government grants and contributions	(4,116)	(9,652)	(6,176)	(865)	(25,055)	0	0	(45,863)
Total Income	(10,445)	(12,712)	(11,278)	(26,203)	(25,308)	(544)	(54,193)	(140,681)
Employee expenses	16,456	5,807	11,792	15,102	8,073	927	44,998	103,156
Other operating expenses	32,081	59,068	9,776	28,951	24,189	16,984	9,043	180,092
Total operating expenses	48,537	64,875	21,569	44,053	32,262	17,911	54,041	283,248
Net Cost of Services reported to Internal Management	38,092	52,163	10,291	17,851	6,954	17,367	(152)	142,566

For the year ended 31 March 2014

	Social Care & Health £000	Children & Young People £000	Regeneration & Culture £000	Chief Executives Dept £000	Corporate Costs and Levies £000	Schools £000	Total £000
Fees, charges & other service income	(6,434)	(2,045)	(30,541)	(24,112)	(308)	(52,970)	(116,411)
Government grants and contributions	(3,237)	(11,121)	(6,006)	(2,136)	0	0	(22,500)
Total Income	(9,671)	(13,166)	(36,547)	(26,248)	(308)	(52,970)	(138,911)
Employee expenses	15,949	7,064	26,451	8,224	792	44,494	102,974
Other operating expenses	30,939	58,325	37,907	28,540	16,401	8,728	180,840
Total operating expenses	46,887	65,389	64,359	36,764	17,192	53,222	283,814
Net Cost of Services	37,217	52,223	27,812	10,516	16,884	252	144,903

11.1 Amounts Reported for Resource Allocation Decisions (continued)

b) Information Reported to Internal Management in addition to Net Cost of Services

	2014-15	2013-14
	£000	£000
Net Cost of Services b/f	142,566	144,903
Attributable Costs – Fixed Asset Disposal	145	103
Interest & Investment Income	(98)	(192)
Interest Payable & Similar Charges	3,547	3,670
Charges Required Under Regulation	5,576	4,950
Capital Expenditure Financed from Revenue	138	76
Contributions to Earmarked Reserves	1,734	1,276
Contributions from Earmarked Reserves	(3,771)	(3,294)
General Government Grants	(69,540)	(74,755)
Non-Domestic Rates	(28,984)	(28,377)
Council Tax	(57,158)	(54,763)
Council Tax Benefit Support (included in n.c.s)	5,784	5,775
Total (surplus)/deficit reported to Internal Management	(63)	(625)

c) Reconciliation of Directorate Income and Expenditure to Net Cost of Services in the Comprehensive Income and Expenditure Statement

	2014-15	2013-14
	£000	£000
Cost of Services in Service Analysis	148,351	150,678
<i>Add:</i> Amounts not reported to management	18,251	21,287
<i>Less:</i> Amounts reported to management not included in Comprehensive Income and Expenditure Statement	(14,754)	(14,644)
Net Cost of Services in Comprehensive Income and Expenditure Statement	151,847	157,322

11.1 Amounts Reported for Resource Allocation Decisions (continued)
d) Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

For the year ended 31 March 2015

	Service Analysis £000s	Not Reported to Management £000s	Not Included in I&E £000s	Net Cost of Services £000s	Corporate Amounts £000s	Total £000s
Reconciliation to Subjective Analysis						
Fees, charges & other service income	(105,299)	0	0	(105,299)	0	(105,299)
Income and movement in relation to investment properties	0	0	281	281	(18,142)	(17,861)
Interest and Investment Income	0	0	0	0	(98)	(98)
Income from council tax	0	0	0	0	(57,158)	(57,158)
Income Non-Domestic Rates Redistribution	0	0	0	0	(28,984)	(28,984)
Internal Recharges	0	(15,781)	0	(15,781)	0	(15,781)
Government grants and contributions	(45,863)	0	0	(45,863)	(71,484)	(117,348)
Total Income	(151,163)	(15,781)	281	(166,662)	(175,868)	(342,530)
Employee expenses	103,156	0	0	103,156	7	103,163
Expenditure in relation to investment properties	0	0	0	0	0	0
Other service expenses	181,322	94	0	181,416	0	181,416
Internal recharges	0	18,599	0	18,599	0	18,599
Depreciation, amortisation and impairment	0	15,980	0	15,980	0	15,980
Interest Payments and Similar Charges	0	0	0	0	3,541	3,541
Precepts & Levies	15,168	0	(15,168)	0	15,168	15,168
(Surplus)/Deficit on Trading Undertakings not within NCS	(132)	0	132	0	(309)	(309)
Gain or Loss on Disposal of Fixed Assets	0	0	0	0	0	0
Accumulated absences	0	188	0	188	0	188
Pension costs as required by Code	0	(1,012)	0	(1,012)	5,239	4,227
Total operating expenses	299,513	33,850	(15,036)	318,327	23,645	341,973
Adjustments relating to JANEs	0	182	0	182	1	183
(Surplus)/deficit on the provision of services	148,351	18,251	(14,754)	151,847	(152,221)	(375)

For the year ended 31 March 2014

	Service Analysis £000s	Not Reported to Management £000s	Not Included in I&E £000s	Net Cost of Services £000s	Corporate Amounts £000s	Total £000s
Reconciliation to Subjective Analysis						
Fees, charges & other service income	(117,243)	0	0	(117,243)	0	(117,243)
Income and movement in relation to investment properties	0	0	255	255	(1,903)	(1,648)
Interest and Investment Income	0	0	0	0	(192)	(192)
Income from council tax	0	0	0	0	(54,763)	(54,763)
Income Non-Domestic Rates Redistribution	0	0	0	0	(28,377)	(28,377)
Internal Recharges	0	(18,395)	0	(18,395)	0	(18,395)
Government grants and contributions	(21,668)	0	0	(21,668)	(79,892)	(101,560)
Total Income	(138,911)	(18,395)	255	(157,051)	(165,126)	(322,177)
Employee expenses	102,974	0	0	102,974	0	102,974
Other service expenses	171,716	149	0	171,865	0	171,865
Support Service recharges	0	19,190	0	19,190	0	19,190
Depreciation, amortisation and impairment	0	20,257	0	20,257	0	20,257
Interest Payments	0	0	0	0	3,662	3,662
Precepts & Levies	14,822	0	(14,822)	0	14,822	14,822
(Surplus)/Deficit on Trading Undertakings not within NCS	76	0	(76)	0	107	107
Gain or Loss on Disposal of Fixed Assets	0	0	0	0	(77)	(77)
Accumulated absences	0	498	0	498	0	498
Pension costs as required by Code	0	(560)	0	(560)	5,852	5,292
Total operating expenses	289,589	39,533	(14,899)	314,224	24,366	338,590
Adjustments relating to JANEs	0	149	0	149	2	151
(Surplus)/deficit on the provision of services	150,678	21,287	(14,644)	157,322	(140,758)	16,564

11.2 Financing and Investment Income and Expenditure

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

	Note	31 March 2015			31 March 2014		
		Gross Expend £000	Gross Income £000	Net Expend £000	Gross Expend £000	Gross Income £000	Net Expend £000
Interest payable and similar charges	13.2	3,553	(13)	3,541	3,680	(18)	3,662
Pensions interest cost and expected return on pensions assets	14.2/16.7	5,239	0	5,239	5,854	0	5,854
Interest receivable and similar income	13.2	0	(89)	(89)	0	(166)	(166)
Income and expenditure in relation to investment properties and changes in their fair value	12.8	1,741	(19,884)	(18,142)	2,463	(4,366)	(1,903)
(Surpluses)/deficits on trading undertakings not included in the Net Cost of Services	11.3	11,618	(11,927)	(309)	12,550	(12,443)	107
Other investment income	13.2	0	(9)	(9)	0	(26)	(26)
Total Financing and Investment Income and Expenditure		22,151	(31,921)	(9,770)	24,547	(17,019)	7,528

11.3 Significant Trading Operations

The Authority has established 8 trading units where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the authority or other organisations.

Details of those units are as follows:

Grounds Maintenance

	2014-15			2013-14		
	£000 Internal	£000 External	£000 Total	£000 Internal	£000 External	£000 Total
Turnover	(2,488)	(1,184)	(3,672)	(2,451)	(1,378)	(3,829)
Expenditure	2,488	1,128	3,616	2,451	1,313	3,764
(Surplus)/Deficit	0	(56)	(56)	0	(65)	(65)

The Authority's Grounds Maintenance function was awarded to an in-house unit after a competitive tender process. The trading objective is to make a profit whilst ensuring value for money to all customers. The unit competes successfully in the private sector carrying out work that includes play areas, horticulture and fencing.

Building Cleaning

	2014-15			2013-14		
	£000 Internal	£000 External	£000 Total	£000 Internal	£000 External	£000 Total
Turnover	(624)	(25)	(649)	(733)	0	(733)
Expenditure	664	24	688	788	0	788
(Surplus)/Deficit	40	(1)	39	55	0	55

The Building Cleaning function was awarded in-house work after a competitive tender process. The unit provides cleaning services to council offices, schools and public toilets. The trading objective is to recover costs whilst ensuring value for money. This has not happened in 14-15 where a loss has been made due in the main to operational costs exceeding original expectations. This is being reviewed and compensatory measures will be put in place to ensure the shortfall is addressed in future.

11.3 Significant Trading Operations (continued)
Building Control

	2014-15			2013-14		
	£000 Internal	£000 External	£000 Total	£000 Internal	£000 External	£000 Total
Turnover	0	(336)	(336)	0	(329)	(329)
- Chargeable	0	(335)	(335)	0	(329)	(329)
- Non-Chargeable	0	(1)	(1)	0	0	0
Expenditure	0	500	500	0	472	472
- Chargeable	0	330	330	0	330	330
- Non-Chargeable	0	170	170	0	142	142
(Surplus)/Deficit	0	164	164	0	143	143
- Chargeable	0	(5)	(5)	0	1	1
- Non-Chargeable	0	169	169	0	142	142

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

The service has returned a chargeable surplus of £5,000 (£1,000 deficit in 2013/14). The building control trading account reserve has a £1,000 surplus as at 31st March 2015.

Retail Markets

	2014-15			2013-14		
	£000 Internal	£000 External	£000 Total	£000 Internal	£000 External	£000 Total
Turnover	0	(366)	(366)	0	(356)	(356)
Expenditure	0	558	558	0	950	950
(Surplus)/Deficit	0	192	192	0	594	594

The authority operates 3 retail markets in Monmouth, Caldicot and Abergavenny. The Markets run twice per week at each site and has the aim of providing traders with the environment to allow them to operate to their full potential benefiting not only themselves but their customers. The Authority views it's markets as an integral part of the life and economic regeneration of Monmouthshire towns. Financial performance was down from previous years and was a result of a realignment of employee costs that will not occur in future years due to a departmental restructure.

Industrial Units

	2014-15			2013-14		
	£000 Internal	£000 External	£000 Total	£000 Internal	£000 External	£000 Total
Turnover	0	(55)	(55)	0	(140)	(140)
Expenditure	0	5	5	0	84	84
Movement in asset value	0	68	68	0	(28)	(28)
(Surplus)/Deficit	0	18	18	0	(84)	(84)

The Council manages 44 industrial units, situated predominantly in the south of the County. The units are let at market rents on flexible terms, and generate a net surplus which is used to support service delivery.

Wentwood Timber Centre

	2014-15			2013-14		
	£000 Internal	£000 External	£000 Total	£000 Internal	£000 External	£000 Total
Turnover	0	0	0	0	(29)	(29)
Expenditure	0	(1)	(1)	0	32	32
(Surplus)/Deficit	0	(1)	(1)	0	3	3

Wentwood Timber Centre provided locally sourced sustainable timber to wood finishing and building companies. Its trading objective was to return a profit but in recent years the account has returned deficits and the centre has ceased operating. The entries in 14-15 and 13-14 predominately relate to shut down costs and include stock write off and equipment sales.

11.3 Significant Trading Operations (continued)

Highways External Clients

	2014-15			2013-14		
	£000	£000	£000	£000	£000	£000
	Internal	External	Total	Internal	External	Total
Turnover	0	(6,500)	(6,500)	0	(6,610)	(6,610)
Expenditure	0	5,943	5,943	0	6,096	6,096
(Surplus)/Deficit	0	(557)	(557)	0	(514)	(514)

The authority provides a range of Highways Maintenance services to external clients including adjacent LA's, Gwent Police and agents of WG. The works were awarded via a combination of competitive tender, negotiated rates and agreed resource schedule rates. The unit provides services ranging from safety fence repairs to winter Maintenance on all trunk roads and motorways in the Cardiff and Greater Gwent region. The trading objective is to recover costs, reduce MCC overheads and ensure value for money. The level of surplus is dependent upon spend patterns in WG and LA's within the South East Wales region. Higher than budgeted spend patterns in the Greater Gwent region, skews surpluses significantly as overheads are fully recovered at budgeted levels.

Trade Refuse

	2014-15			2013-14		
	£000	£000	£000	£000	£000	£000
	Internal	External	Total	Internal	External	Total
Turnover		(427)	(427)	0	(363)	(363)
Expenditure		359	359	0	393	393
(Surplus)/Deficit	0	(68)	(68)	0	30	30

The Authority offers a residual waste collection to local businesses. Financial performance has improved in the last year and it is now returning a surplus mainly as a result of improved turnover.

Summary

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

	2014-15 £000	2013-14 £000
Net (Surplus)/Deficit On Trading Operations	(269)	162
Support Services recharged to Expenditure of Continuing Operations	(40)	(55)
Net (Surplus)/Deficit taken to financing and investment income and expenditure	(309)	107

11.4 Council Tax

Council tax derives from charges raised according to the value of residential properties. Each dwelling has been classified into one of nine valuation bands according to its capital value at 1 April 2003 for this specific purpose. Charges are calculated by taking the amount of income required for the Authority, Gwent Police Authority and town and community councils for the forthcoming year and dividing this amount by the council tax base. The council tax base is the total number of properties in each valuation band adjusted by a proportion to convert the number to a Band D equivalent, totalled across all bands and adjusted for discounts. The tax base was 44,199 for 2014/15 (44,083 for 2013/14).

This average basic amount for a Band D property, £1,284.61 (£1,230.83 in 2013/14), is multiplied by the proportion specified for the particular band to give the individual amount due.

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

Band	A	B	C	D	E	F	G	H	I
Multiplier	6/9	7/9	8/9	1.0	11/9	13/9	15/9	18/9	21/9
Chargeable Dwellings	486	3042	6619	8253	6803	7106	5067	1680	643
Valuation (£,000)	up to 44	44-65	65-91	91-123	123-162	162-223	223-324	324-424	424+

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

	2014-15 £000	2013-14 £000
Council tax collectable	(57,579)	(54,833)
Provision for non-payment of council tax	421	70
	<u>(57,158)</u>	<u>(54,763)</u>

11.5 National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Welsh Government specifies an amount for the rate, 0.473p per £ in 2014/15 (0.464p per £ in 2013/14) and, subject to the effects of transitory arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Authority is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by the Welsh Assembly Government. The Welsh Government redistributes the sums payable to the local authorities on the basis of a fixed amount per head of population.

The NNDR income after relief and provisions of £20,759,000 (£20,197,000 for 2013/14) was based on an average rateable value of £56,437,306 (£56,609,000 for 2013/14).

The analysis of the net proceeds from non-domestic rates is as follows:

	2014-15 £000	2013-14 £000
Non-domestic rates collectable	20,891	20,430
Cost of collection allowance	(172)	(170)
(Increase)/Decrease in provision for bad debts	41	(64)
Payments into national pool	<u>20,759</u>	<u>20,197</u>
Redistribution from national pool	(28,984)	(28,377)

11.6 General Government Grants

The Authority received grants of £71,484,000 of General Government grants in 2014/15 that were identified as not being attributable to specific services within Net Cost of Services (£79,892,000 in 2013/14). The following analysis is provided:

	2014-15 £000	2013-14 £000
Revenue support grant	(68,524)	(73,386)
Outcome Agreement grant	(812)	(820)
21c Schools Annuity Funding	(204)	0
Council tax reduction scheme	0	(549)
Capital grants and contributions	(1,944)	(5,137)
Total	<u>(71,484)</u>	<u>(79,892)</u>

11.7 Grant Income

a) Capital Grants and Contributions

The Authority has also credited £3,504,000 to the Comprehensive Income and Expenditure Statement in 2014/15 (£5,307,000 in 2013/14). This is comprised of:

	2014-15	2013-14
	£000	£000
WAG General Capital Grant	1,473	1,420
Section 106 Developer Contributions	452	228
HLF	0	14
WAG Grants	1,322	865
Other Contributions	257	811
Insurance Settlement Income	0	1,970
	<u>3,504</u>	<u>5,307</u>

The capital grants and contributions have been credited to the Comprehensive Income and Expenditure Statement as follows:

	2014-15	2013-14
	£000	£000
Grants and contributions applied towards Revenue Expenditure Funded from Capital under Statute	(1,560)	(170)
Capital grants and contributions applied and credited to Taxation and Non-specific Grant Income	(1,944)	(5,137)
	<u>(3,504)</u>	<u>(5,307)</u>

b) Capital Grants and Contributions Received in Advance

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

	2014-15	2013-14
	£000	£000
Capital Grants Receipts in Advance:		
Gloucestershire County Council	358	0
Regional Transport Consortia Grant	0	34
	<u>358</u>	<u>34</u>
Developer Contributions held in Advance:		
S106 Developer contributions	2,772	919
	<u>2,772</u>	<u>919</u>
	<u>3,130</u>	<u>953</u>

11.7 Grant Income (Continued)

c) Revenue Grants and Contributions

The Authority credited the £23,877,000 of revenue grants and contributions to Net Cost of Services within the Comprehensive Income and Expenditure Statement for 2013/14 (£21,669,000 in 2013/14), along with Housing benefits subsidy of £21,987,000 (£22,213,000 in 2013/14). These are comprised of:

	2014-15 £000	2013-14 £000	£000
Central Government			
Housing benefit subsidy	<u>21,987</u>	<u>22,213</u>	22,213
		21,987	
Welsh Assembly Government			
Sixth Form Funding (DCELLS)	3,501	3,476	
Early Years / Foundation Phase	2,648	2,699	
Supporting People	2,197	2,256	
Sustainable Waste Management	1,890	1,923	
SEG / WEG (PDG)	1,626	1,185	
Rural Development Plan	1,355	1,277	
Flying Start Grant	1,116	899	
Concessionary Fares (PTSG)	891	868	
Families First	738	794	
Enhancement of Learning	195	431	
Other WAG grants	<u>4,303</u>	<u>3,133</u>	
		20,460	18,943
Home Office			
Unaccompanied Asylum Seeking Children	25	62	
Police and Crime Commissioner	<u>117</u>	<u>119</u>	
		142	181
Other Grants & Contributions		3,275	2,544
Revenue Grants and Contributions Receivable	<u>45,864</u>	<u>43,881</u>	

12 NON-CURRENT ASSET & CAPITAL FINANCING NOTES

12.1 Property, Plant and Equipment

a) Revaluations

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

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

- The 2014/15 revaluations were carried out or approved by qualified valuers within the Authority's Estates section or external qualified valuers. The basis for valuation is set out in the accounting policies within section 9 of the notes to the accounts.
- All assets requiring valuations have been revalued in the 5 year period ending 31st March 2015. The valuations carried out during 2014/15 primarily included some museums and theatres, some primary schools and some land parcels.

	Other Land and Buildings and Buildings vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	
	£000	£000	£000	£000	£000	£000	
Carried at historical cost	208	4,080	61,613	3,887	0	1,141	70,928
Valued at fair value as at:							
31 March 2015	16,489	0	0	0	0	0	16,489
31 March 2014	9,351	0	0	0	0	0	9,351
31 March 2013	84,013	0	0	0	4	0	84,017
31 March 2012	46,230	0	0	0	0	0	46,230
31 March 2011	0	0	0	0	0	0	0
Total Cost or Valuation	156,291	4,080	61,613	3,887	4	1,141	227,016

12.1 Property, Plant and Equipment (continued)
b) In-Year Movements in Property, Plant and Equipment

The following tables summarise the movements in the Authority's property, plant and equipment portfolio by asset type for the years ending 31st March 2015 and 31st March 2014.

Movements in 2014/15:

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment*
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation:								
At 1 April 2014	175,110	10,658	82,741	3,908	215	3,559	276,191	1,189
Additions	4,375	677	3,952	7	25	747	9,782	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(1,216)	1	0	0	0	0	(1,216)	57
Revaluation increases/ (decreases) recognised in the SDPS	(7,770)	(214)	0	(0)	0	0	(7,984)	0
Impairment losses/(reversals) recognised in the Revaluation Reserve	(7)	0	0	0	0	0	(7)	0
Impairment losses/(reversals) recognised in the SDPS	258	(18)	(3,623)	0	(25)	(259)	(3,667)	0
Reclassified (to)/from Held for Sale	(0)	(6)	0	0	(212)	0	(217)	0
Other movements in cost or valuation	2,094	0	20	(29)	0	(2,906)	(821)	0
At 31 March 2015	172,844	11,097	83,090	3,887	4	1,141	272,062	1,245
Accumulated Depreciation:								
At 1 April 2014	(12,859)	(5,583)	(19,992)	0	0	0	(38,434)	(7)
Depreciation charge	(5,853)	(1,653)	(1,485)	0	0	0	(8,991)	(42)
Depreciation written out to the Revaluation Reserve due to revaluation increases/decreases	309	0	0	0	0	0	309	0
Depreciation written out to SDPS due to revaluation increases/decreases	1,739	214	0	0	0	0	1,954	0
Depreciation written out to the Revaluation Reserve due to impairments	0	0	0	0	0	0	0	0
Depreciation written out to SDPS due to impairments	110	0	0	0	0	0	110	0
Reclassified (to)/from Held for Sale	0	6	0	0	0	0	6	0
Other movements in depreciation	0	0	0	0	0	0	0	0
At 31 March 2015	(16,553)	(7,017)	(21,477)	0	0	0	(45,047)	(49)
Net Book Value:								
At 31 March 2015	156,291	4,080	61,613	3,887	4	1,141	227,016	1,196
At 1 April 2014	162,251	5,075	62,749	3,908	216	3,559	237,757	1,181

12.1 Property, Plant and Equipment (continued)

Movements in 2013/14:	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment*
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation:								
At 1 April 2013	176,974	9,709	82,599	3,192	2,014	9,316	283,804	1,200
Additions	7,507	1,128	4,673	56	848	3,303	17,513	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(639)	0	0	(17)	0	0	(656)	(11)
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(8,509)	0	(0)	0	0	0	(8,509)	0
Impairment losses/(reversals) recognised in the Revaluation Reserve	(38)	0	(0)	(1)	0	0	(39)	0
Impairment losses/(reversals) recognised in the SDPS	(451)	(64)	(4,553)	(31)	(806)	0	(5,906)	0
Derecognition – disposals	0	0	0	0	0	0	0	0
Assets reclassified (to)/from Held for Sale	(7,632)	(115)	0	(6)	(1,741)	(446)	(9,939)	0
Other movements in cost or valuation	7,897	0	23	715	(100)	(8,613)	(77)	0
At 31 March 2014	175,109	10,658	82,741	3,908	215	3,559	276,191	1,188
Accumulated Depreciation:								
At 1 April 2012	(5,089)	(3,654)	(18,511)	0	(255)	0	(27,510)	(0)
Depreciation charge	(8,480)	(2,044)	(1,481)	0	(101)	0	(12,106)	(41)
Depreciation written out to the Revaluation Reserve due to revaluation increases/decreases	184	0	0	0	0	0	184	34
Depreciation written out to SDPS due to revaluation increases/decreases	293	0	0	0	0	0	293	0
Depreciation written out to the Revaluation Reserve due to impairments	3	0	0	9	0	0	12	0
Depreciation written out to SDPS due to impairments	0	0	0	0	0	0	0	0
Reclassified (to)/from Held for Sale	218	115	0	0	357	0	689	0
Other movements in depreciation	14	0	0	(9)	0	0	5	0
At 31 March 2014	(12,859)	(5,583)	(19,992)	0	0	0	(38,434)	(8)
Net Book Value:								
At 31 March 2014	162,250	5,075	62,749	3,908	215	3,559	237,756	1,181
At 1 April 2013	171,885	6,055	64,088	3,192	1,759	9,316	256,294	1,200

12.1 Property, Plant and Equipment (continued)

c) Information on Assets Held

Plant, property and equipment assets owned by the Council as at 31st March 2015 include the following:

	31 March 2015 Number	31 March 2014 Number (Restated)
Schools:		
Primary	22	22
Comprehensive	4	4
Special	1	1
Land Parcels	3	3
Nurseries	4	5
Playgroups	1	1
Associations and Clubs	45	44
Parks Open, Spaces, & Recreational Grounds	353	351
Libraries	5	5
Historic Sites	2	2
Museums and Theatres	5	5
Leisure Centres	4	4
Youth Centres	2	2
Outdoor Education Centres	2	2
Learning and Resource Centres	1	1
Residential Homes	4	4
Sheltered Housing Units	4	4
Community Centres	8	7
Day Centres	2	2
Industrial Units	6	25
Land Parcels	77	76
Allotments	5	5
Car Parks	39	38
Offices & Depots	33	41
Public Conveniences	20	21
District Shops & Restaurants	2	2
Cemeteries & Crematoria	15	15
Waste Disposal Sites	5	5
Sewerage Treatment Plants	10	11
Markets	2	2
Bus Stations	1	1
Vehicles	120	131
Plant and Machinery	45	40
Infrastructure	19	19
Arts and Antiquities	1	1
IT Equipment	26	20
Surplus Assets not Held for Sale	1	5

12.2 Summary of Capital Expenditure treatment

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

Total capital expenditure in the year amounted to £14,256,000 in 2014/15 (£20,433,000 in 2013/14). The expenditure was accounted for as follows:

	2014-15 £000	2013-14 £000
Enhancing value:		
Property, plant and equipment additions	6,095	11,528
Investment properties	0	51
Intangible assets	369	133
Assets held for sale	56	329
Heritage assets	17	54
Not enhancing value:		
Property, plant and equipment additions	3,688	5,986
Investment properties	293	241
Intangible assets	17	52
Assets held for sale	38	328
Heritage assets	82	121
Revenue Expenditure Funded from Capital under Statute	3,601	1,612
	14,256	20,433

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

£7,000 of expenditure that did not enhance the value of Property, Plant and Equipment assets was subsequently impaired and debited to the Revaluation Reserve in 2014/15 (£39,000 in 2013/14).

12.3 Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year which has enhanced assets which are not owned by the Authority, may be capitalised under statutory provisions but does not result in the creation of fixed assets. It has therefore been charged as expenditure to the Comprehensive Income and Expenditure Statement in the year.

As the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer to the Capital Adjustment Account then reverses out the amounts charged to the Comprehensive Income and Expenditure Statement so there is no impact on the level of council tax.

Revenue expenditure funded from capital under statute for the year amounted to £3,601,000 (£1,612,000 in 2013/14) and comprised grants for the Community Economic Development Schemes (CEDs), Disabled Facility Grants (DFGs) provided to homeowners within the community and other Capital Grants and payments. Grant & external contribution funding applied by the Authority to finance such expenditure amounted to £1,560,000 (£170,000 in 2013/14).

	CED's Grants £000	Disabled Facility Grants £000	Other £000	Total £000
Capital expenditure incurred during the year	93	635	2,874	3,601
Associated grant financing	0	0	(1,560)	(1,560)
	93	635	1,314	2,042

12.4 Capital Expenditure and Capital Financing

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

The Capital Financing Requirement effectively represents the Authority's underlying need to borrow. The capital financing requirement as at 31st March 2015 was £122,860,000 (£119,845,000 as at 31st March 2014), an increase of £3,015,000 (£8,554,000 in 2013/14).

	31 March 2015 £000	31 March 2015 £000	31 March 2014 £000	31 March 2014 £000
Opening Capital Financing Requirement		119,845		111,291
Capital investment:				
Property, Plant and Equipment	9,782		17,513	
Investment Properties	293		292	
Assets held for sale	94		656	
Heritage Assets	99		175	
Intangible Assets	387		184	
Revenue Expenditure Funded from Capital under Statute	3,601		1,612	
		14,256		20,433
Sources of finance:				
Capital receipts	(1,871)		(1,339)	
Government grants and other contributions	(3,504)		(5,308)	
Direct revenue contributions	(370)		(362)	
		(5,744)		(7,008)
Other:				
Minimum revenue provision	(5,496)		(4,871)	
		(5,496)		(4,871)
Closing Capital Financing Requirement		122,861		119,845
Explanation of movements in year				
Increase in underlying need to borrowing - supported by Government financial assistance		2,420		2,325
Increase in underlying need to borrowing - unsupported by Government financial assistance		6,091		11,100
Less: Minimum revenue provision		(5,496)		(4,871)
Increase / (decrease) in Capital Financing Requirement		3,015		8,554

12.5 Capital Commitments

At 31 March 2015, the Authority has entered into major contracts for the construction of Property, Plant and Equipment in 2015/16 and later years budgeted to cost £2,369,000 (£4,528,000 at 31st March 2014).

12.6 Financing Capital Expenditure

Total capital expenditure in the year amounted to £14,256,000 (£20,433,000 in 2013/14). The expenditure was financed as follows:

Financing	£000	Capital Expenditure - Schemes	£000
Supported Borrowing	2,420	Infrastructure and Transport Schemes	3,952
Unsupported Borrowing	6,091	Asset Management Schemes	2,437
General Capital Grant	1,473	School Development Schemes	4,438
Capital grants and contributions	1,579	Regeneration Schemes	1,166
Council Fund Capital Receipts	1,711	Inclusion Schemes	765
Low Cost Home ownership receipts	27	Sustainability Schemes	65
ESR Capital receipts	134	ICT Schemes	484
Revenue Contribution:		Other Schemes	173
Earmarked Reserves	232	County Farms Schemes	292
Council Fund	138	Vehicles	484
S106 contributions	452		
Total	<u>14,256</u>		<u>14,256</u>

12.7 Minimum Revenue Provision

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

Provision is made in accordance with the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and adjoining MRP guidance which places a simple duty for an authority each year to make an amount of MRP which it considers to be "prudent".

Council approved an MRP policy in February 2014 applying to the 2014/15 financial year. The policy allows capital expenditure financed via unsupported borrowing to be subject to MRP using either the equal annual instalment method or the annuity method, based on the useful life applicable to the nature of the expenditure. The Authority also makes additional voluntary revenue contributions in respect of finance leased assets.

The amount of revenue provision made by the Authority in 2014/15 was £5,496,000 (£4,871,000 in 2013/14).

12.8 Investment Properties

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

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

	2014-15 £000	2013-14 £000
Rental income from investment property	(447)	(414)
Direct operating expenses arising from investment property	151	202
Net (gain)/loss	<u>(296)</u>	<u>(213)</u>

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement. The following table summarises the movement in the fair value of investment properties over the year:

	2014-15 £000	2013-14 £000
Balance at start of the year	25,138	24,847
Additions:		
Subsequent expenditure	293	292
Disposals	(1,033)	(1,651)
Net gains/(losses) from fair value adjustments recognised in Financing and Investment Income and Expenditure	17,497	1,577
Transfers:		
(To)/from Property, Plant and Equipment	821	73
Balance at end of the year	<u>42,716</u>	<u>25,138</u>

Capital receipts totalling £1,382,000 were credited to the Capital receipts reserve during 2014/15 in relation to investment properties (£1,764,000 in 2013/14)

12.9 Assets Held for Sale

Assets held for sale comprise those assets that are available for immediate sale and where the sale is highly probable and will be actively marketed at its market value. The in-year movement and balance of assets held for sale as at 31st March 2015 are shown below:

	2014-15 £000	2013-14 £000
Balance outstanding at start of year	29,165	864
Additions	94	656
Assets newly classified as held for sale:		
Property, Plant and Equipment	212	9,253
Revaluation losses	(107)	(939)
Revaluation gains	2,750	20,498
Impairment losses	(38)	(328)
Assets declassified as held for sale:		
Property, Plant and Equipment	0	(4)
Assets sold	(9,981)	(836)
Balance outstanding at year-end	<u>22,095</u>	<u>29,165</u>

12.10 Private Finance Initiatives

Monmouth Health & Social Care Facility (Monnow Vale)

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

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

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

The life of the building had originally been established for valuation purposes as being 40 years and the equipment as being 15 years. As the life of the building is 10 years beyond that of the PFI agreement, it is anticipated that the facility will be used by the parties beyond the 30 year PFI agreement. At the end of the agreement, the buildings revert to the Health Board at nil consideration.

There have been no changes in the arrangements during the year.

Property Plant and Equipment

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

12.11 Leases - Authority as Lessee

a) Finance Leases

The Authority has entered into the following finance lease agreements:

- An agreement in April 2005 that resulted in capital works being undertaken to allow fitness suites to be incorporated into Chepstow Leisure Centre. Whilst the fitness equipment is held under operating lease arrangements, the initial capital works are accounted for as a finance lease as the risks and rewards of ownership reside with the Authority.
- A long term agreement for the lease of Beaufort Cottage Public Convenience.

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

	2014-15			2013-14		
	GBV	Depn	NBV	GBV	Depn	NBV
	£000			£000		
Other Land and Buildings	806	(733)	73	806	(658)	148
	806	(733)	73	806	(658)	148

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	2014-15	2013-14
	£000	£000
Finance lease liabilities (net present value of minimum lease payments):		
Current	1	103
Non-Current	48	49
Finance costs payable in future years	0	9
Minimum lease payments	49	162

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	2014-15 £000	2013-14 £000	2014-15 £000	2013-14 £000
Not later than one year	1	113	1	103
Later than one year and not later than five years	3	3	3	3
Later than five years	46	46	46	46
	50	162	50	152

In 2014/15, minimum lease payments were paid by the Authority of £113,000 (no change from the previous year) in respect of those assets held as a finance lease.

b) Operating Leases

The Authority has acquired property, vehicles, plant and equipment by entering into operating leases. The future minimum lease payments due under non-cancellable leases in future years are:

	2014-15 £000	2013-14 £000
Not later than one year	516	641
Later than one year and not later than five years	680	1,175
Later than five years	98	159
	1,294	1,975

The expenditure charged to the services within the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £736,000 (£760,000 in 2013/14).

12.12 Leases - Authority as Lessor

Operating Leases

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

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

	2014-15 £000	2013-14 £000
Not later than one year	666	492
Later than one year and not later than five years	1,671	1,737
Later than five years	6,406	5,849
	8,743	8,077

The minimum lease payments receivable includes rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. During the financial year £697,000 of minimum lease payments were receivable by the Authority (£652,000 in 2013/14).

12.13 Heritage Assets

The Code requires that heritage assets are measured at valuation in the 2014/15 financial statements, together with comparative year information. The Code however permits some relaxations in the valuation requirements of heritage assets, meaning that the authority could potentially recognise more of the museums collections in the Balance Sheet. However, whereas the Authority recognises some heritage collections in financial statements, it is of the view that obtaining valuations for the vast majority of these collections would involve a disproportionate cost of obtaining the information in comparison to the benefits to the users of the Authority's financial statements. Whilst this exemption is permitted by the Code, the position will be subject to ongoing review.

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

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

Movements in 2014/15:

	Property Heritage Assets £000	Museum Exhibits £000	Civic Regalia, Artwork & Collect'n £000	Total £000
Cost or Valuation:				
At 1 April 2014	20	4,450	180	4,650
Additions	85	14	0	99
Revaluation increases/ (decreases) recognised in the SDPS	(20)	0	0	(20)
Impairment losses/(reversals) recognised in the SDPS	(82)	0	0	(82)
At 31 March 2015	3	4,464	180	4,647

Movements in 2013/14:

	Property Heritage Assets £000	Museum Exhibits £000	Civic Regalia, Artwork & Collect'n £000	Total £000
Cost or Valuation:				
At 1 April 2013	0	4,416	180	4,596
Additions	141	34	0	175
Impairment losses/(reversals) recognised in the SDPS	(121)	0	0	(121)
At 31 March 2014	20	4,450	180	4,650

Additions relating to property heritage assets of £99,000 relates to non-enhancing capital expenditure (£83,000) and works at The Slaughterhouse Arches, Monmouth (£2,000). The remaining additions relate to the purchase of a painting (£14,000).

The Authority is required to provide a five-year summary of transactions for heritage assets, illustrating the acquisitions, donations, disposals (including sales proceeds) and impairments. This summary is intended to separately report transactions that are reported in the Balance Sheet and those that are not. Information has not been provided for the period before 1 April 2010 as it is not practicable to do so.

Property Heritage Assets

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

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

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

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

Museum Exhibits

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

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

Civic Regalia, Artwork & Collections

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

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

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

12.14 Schools Non-Current Assets

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

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

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

The net book value of school non-current assets as at 31st March 2015, shown in the Authority's balance sheet, is £94,715,000 (£107,970,000 as at 31st March 2014).

13 FINANCIAL INSTRUMENTS, CURRENT ASSETS & LIABILITIES NOTES

13.1 Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet as at 31st March 2015:

	Note	Long-Term		Short-Term	
		31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Investments					
Loans & receivables	13.4	0	0	4,016	6,569
Unquoted equity investments	13.4	40	40	0	0
Cash & cash equivalents	15.3	-	-	20,406	3,736
Total Investments		40	40	24,422	10,305
Debtors					
Receivables	13.5	383	449	16,392	22,146
Total Debtors		383	449	16,392	22,146
Borrowings					
Financial liabilities at amortised cost	13.4	(67,761)	(68,415)	(33,552)	(30,219)
Cash & cash equivalents	15.3	-	-	0	(2,916)
Total Borrowings		(67,761)	(68,415)	(33,552)	(33,135)
Other Long Term Liabilities					
PFI and finance lease liabilities		(863)	(996)	0	0
Other Long Term Liabilities		(431)	(383)	0	0
Total Other Long Term Liabilities		(1,293)	(1,379)	0	0
Creditors					
Payables		0	0	(22,317)	(20,298)
Total Creditors		0	0	(22,317)	(20,298)

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

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

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

13.2 Income, Expense, Gains and Losses

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

	2014-15 £000	2014-15 £000	2013-14 £000	2013-14 £000
Financial Liabilities measured at amortised cost:				
Interest payable on external debt	3,511		3,623	
Debt reimbursement from third parties	(13)		(18)	
	<u> </u>	3,499	<u> </u>	3,605
Interest payable to trust funds	9		15	
Interest payable on finance leases	33		42	
	<u> </u>	42	<u> </u>	57
Interest payable and similar charges	<u> </u>	<u>3,541</u>	<u> </u>	<u>3,662</u>
Financial assets - loans and receivables:				
Interest income	(89)		(88)	
Interest income accrued on impaired financial assets	0		(5)	
Investment Losses / (Gains)	0		(73)	
Interest and investment income	<u> </u>	(89)	<u> </u>	(166)
Other interest and investment income	(9)		(26)	
Other investment income	<u> </u>	(9)	<u> </u>	(26)
Total interest and investment income	<u> </u>	<u>(98)</u>	<u> </u>	<u>(192)</u>
Net (gain)/loss for the year	<u> </u>	<u>3,442</u>	<u> </u>	<u>3,470</u>

13.3 Fair Values of Financial Instruments

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

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

The fair values calculated are as follows:

	Carrying Amount		Fair Value	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
Borrowings				
Financial liabilities at amortised cost	(101,313)	(98,634)	(125,441)	(114,021)

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

Loans and Receivables

The carrying amount of loans and receivables held at the balance sheet date is deemed to be a reasonable approximation of the fair value.

13.4 Nature and Extent of Risks arising from Financial Instruments

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

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

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

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

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

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

a) Credit Risk

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

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

The Authority held investments in institutions in the following countries at 31st March 2015:

	31 March 2015				31 March 2014			
	Banks	Local Authorities	Equity Investments	Total	Banks	Local Authorities	Equity Investments	Total
	£000	£000	£000	£000	£000	£000	£000	£000
United Kingdom	4,016	0	40	4,056	6,569	0	40	6,609
	4,016	0	40	4,056	6,569	0	40	6,609

13.4 Nature and Extent of Risks arising from Financial Instruments (continued)

The authority does not expect any losses from non-performance by any of its counterparties in relation to investments held as at 31st March 2015.

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

b) Liquidity Risk

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

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

	31 March	31 March
	2015	2014
	£000	£000
Public Works Loan Board	54,981	58,503
Market Loans	13,813	13,815
Welsh Government	1,460	272
Other local authorities	31,058	26,044
	101,313	98,634

The Loans Mature as follows:-

Less than one year	33,552	30,219
Between one and two years	6,000	1,775
Between two and five years	2,895	7,296
Between five and ten years	21,093	22,051
More than ten years	37,773	37,293
	101,313	98,634

Financial liabilities with Welsh Government consist of interest free Salix loans that have been provided to fund capital schemes targeted towards energy efficiencies initiatives and a loan of £1.25m for Vibrant & viable places. Accounting requirements require financial liabilities in the form of loans to be carried at amortised cost. However, these interest free loans have not been carried at amortised cost on the grounds that the figures quoted are not materially different.

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

13.4 Nature and Extent of Risks arising from Financial Instruments (continued)

c) Market Risk

i) Interest rate risk

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

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

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance. The Authority held no investments carried at fair value at the 31st March 2015 (£nil at 31 March 2014).

The Authority has a number of strategies for managing interest rate risk. The policy is to aim to keep the level of variable rate loans below the level of investment of surplus cash balances thus reducing interest rate exposure on investments. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of central government grant payable on financing costs (supported borrowing) will normally move with prevailing interest rates or the authority's cost of borrowing and provide compensation for a proportion of any higher costs.

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

At 31 March 2015, if interest rates had been 1% higher with all other variables held constant, the most significant financial effect would be:

- Financial Liabilities - a reduction in fair value of £9,064,000 (£7,053,000 reduction in 2013/14).
- Financial Assets - the difference between the carrying and fair value will be immaterial due to the short term nature of investments.

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

ii) Price risk

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

iii) Foreign exchange risk

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

13.5 Debtors

The nature and value of payments due to the Council for the year but not received as at 31st March 2015, repayable within 12 months of the balance sheet date, is summarised below:-

	31 March 2015			31 March 2014		
	Gross £000	Impairment £000	Net £000	Gross £000	Impairment £000	Net £000
<i>Central Government Bodies:</i>						
HM Customs & Excise	0	0	0	1,389	0	1,389
NNDR Debtor	1,636	0	1,636	1,746	0	1,746
Welsh Government	1,738	0	1,738	1,161	0	1,161
Other	766	0	766	3,935	(1)	3,934
Other Local Authorities	3,330	(19)	3,311	2,805	(7)	2,798
NHS Bodies	97	(33)	64	194	(4)	190
<i>Other entities and individuals:</i>						
Revenue debtors	3,986	(76)	3,910	5,266	0	5,266
Capital debtors	631		631	1,093	0	1,093
Council tax arrears	3,191	(2,202)	989	3,254	(1,875)	1,379
Social Services debtors	595	(100)	494	690	(102)	588
Corporate sundry debtors	2,181	(270)	1,911	2,088	(250)	1,838
Rent arrears	143	(118)	25	131	(104)	27
Housing benefit overpayments	1,471	(557)	915	1,255	(518)	737
	19,766	(3,374)	16,392	25,008	(2,862)	22,146

The aged analysis of the debtors outstanding as at 31st March 2015 is as follows:

	Not Overdue	Up to 3	3 Months -	Over 12	Over 24	Total
	£000	Months	12 Months	Months	Months	
		£000	£000	£000	£000	£000
<i>Central Government Bodies:</i>						
NNDR Debtor	1,492	0	0	85	59	1,636
Other	2,310	0	0	0	0	2,310
Other Local Authorities	2,300	320	138	36	5	2,799
NHS Bodies	44	0	14	24	14	97
<i>Other entities and individuals:</i>						
Revenue debtors	4,636	0	22	18	36	4,712
Capital debtors	631	0	0	0	0	631
Council tax arrears	0	0	0	1,113	2,078	3,191
Social Services debtors	166	57	199	122	51	595
Corporate sundry debtors	1,028	513	335	109	196	2,181
Rent arrears	18	4	11	14	95	143
Housing benefit overpayments	126	170	471	330	374	1,471
	12,751	1,065	1,191	1,851	2,908	19,766

The associated impairment for potential default and uncollectability for debtors outstanding as at 31st March 2015 is as follows:

	Not Overdue	Up to 3	3 Months -	Over 12	Over 24	Total
	£000	Months	12 Months	Months	Months	
		£000	£000	£000	£000	£000
Other	0	(1)	(17)	(1)	0	(19)
NHS Bodies	0	0	(4)	(14)	(15)	(33)
Revenue debtors	0	0	(22)	(18)	(36)	(76)
Council Tax Arrears	0	0	0	(708)	(1,494)	(2,202)
Social Services sundry debtors	0	0	(49)	(19)	(32)	(100)
Corporate sundry debtors	0	(14)	(77)	(59)	(120)	(269)
Rent arrears	0	(1)	(6)	(14)	(96)	(118)
Housing benefit overpayments	0	0	(169)	(153)	(235)	(557)
	0	(16)	(344)	(986)	(2,028)	(3,374)

13.6 Creditors

The nature and value of payments due to be made by the Council in the year but not actually made as at 31st March 2015 is summarised below: -

	Central Government Bodies	Other Local Authorities	NHS Bodies	Other entities & individuals	Total £000
H.M.R.C	280	0	0	0	280
Revenue Creditors	704	3,040	177	9,810	13,731
Capital Creditors	0	0	0	1,496	1,496
Sundry Creditors	0	0	0	(99)	(99)
Payroll Creditors	1,518	0	0	2,069	3,587
Monies invested on behalf of Trust Funds	0	0	0	350	350
Unapplied Commuted Maintenance Sums	0	0	0	2,125	2,125
Prepaid Council Tax	0	0	0	847	847
Balance as at 31st March 2015	2,502	3,040	177	16,598	22,317

	Central Government Bodies	Other Local Authorities	NHS Bodies	Other entities & individuals	Total £000
Revenue Creditors	461	1,932	179	9,180	11,752
Capital Creditors	0	0	0	1,634	1,634
Sundry Creditors	0	0	0	(116)	(116)
Payroll Creditors	1,772	0	0	1,773	3,545
Monies invested on behalf of Trust Funds	0	0	0	384	384
Unapplied Commuted Maintenance Sums	0	0	0	2,173	2,173
Prepaid Council Tax	0	0	0	926	926
Balance as at 31st March 2014	2,233	1,932	179	15,954	20,298

It is the Authority's policy to pay creditors promptly, without undue delay and within mutually agreed terms. 83.4% of payments were paid within a 30 day target settlement date (86.7% in 2013/14).

13.7 Provisions and Contingent Liabilities

The value of provisions as at 31st March 2015, together with their movement for the year, is summarised below:

Note	As at 1 April 2014 £000	Additional Provisions Made £000	Amounts Used £000	Unused Amounts Reversed £000	As at 31 March 2015 £000
Insurance Claims	288	324	(195)	(93)	324
Insurance Claims - MMI	33	0	0	0	33
Accumulating Compensated Absences	2,696	2,884	(2,696)	0	2,884
Redundancy Payments	86	91	(86)	0	91
CMC2	0	122	0	0	122
	3,103	3,421	(2,977)	(93)	3,454

13.7 Provisions and Contingent Liabilities (Continued)

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

	Long			Current	Long		
	Current	Term	Total		Current	Term	Total
	£000	£000	£000	£000	£000	£000	£000
	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2015	2015	2015	2014	2014	2014	2014
Insurance Claims	162	162	324	144	144	288	
Insurance Claims - MMI	16	17	33	16	17	33	
Accumulating Compensated Absences	2,884	0	2,884	2,696	0	2,696	
Redundancy Payments	91	0	91	86	0	86	
CMC2	122	0	122	0	0	0	
	3,275	179	3,454	2,942	161	3,103	

a) Insurance Claims

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

To satisfy IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a full actuarial assessment of open insurance claims was carried out at 31st March 2009 by the Authority's insurance brokers. Although this actuarial assessment has only provided the Authority with anticipated ultimate losses up to 31st March 2012, the Authority has used this data to project future potential liabilities on the basis of current claims received, policy excesses and stop losses (the capped loss we can incur in any policy year). This assessment has allowed the Authority to reflect the estimated cost of liabilities at 31 March 2015. Provision has only been made where the likelihood of success has been deemed as exceeding 50%. The result is that the total provision is at the most likely level to be paid out in the future. Any movement in provisions has been charged against the services to which the claims relate.

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

The provision in place at 31st March 2015 was £324,000 (£228,000 at 31st March 2014) and the balance on the insurance and risk management reserve as at 31st March 2015 was £2,250,000 (£1,968,000 as at 31st March 2014). These balances are deemed to provide sufficient cover for the Authority's claims exposure. The Authority's insurance brokers have stated that, based on recent data, the majority of the costs associated with the provision are likely to materialise over the next three financial years.

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

Policy Type	2014-15	2013-14
	£000	£000
Public Liability	199	213
Employer's Liability	125	75
Property	0	0
Total	324	288

The total number of open claims made against the Authority as at 31st March 2015 was 123 (131 open claims as at 31st March 2014).

13.7 Provisions and Contingent Liabilities (Continued)

b) Municipal Mutual Insurance (MMI)

For the policy years before 1992/93, the local authority is exposed to an insurance liability relating to the closure of the MMI Fund on 30th September 1992. MMI had insufficient funds to meet existing and future claims and its liquidators exercised the option of recovering an initial levy from each scheme member of 15%.

The amount recovered by the liquidators was based on a percentage of the member's aggregate total value of claims paid and outstanding unpaid claims (less £50,000 from each scheme member). The 15% levy was then applied on the total value of claim payments, less £50,000 from each scheme member. The total value of the levy paid during 2013/14 was £236,000, split between obligations relating to Monmouth Borough Council (£48,000) and the Authority's share of the former Gwent County Council (£188,000). This was fully covered by the provision made at the end of 2012/13.

It should be noted that MMI's actuaries have indicated that a levy range of between 9.5% and 28% may be necessary to achieve a solvent run off. The initial 15% levy applied was estimated by MMI's actuaries as being the most likely scenario utilising projected outstanding liabilities and investment return assumptions. In the eventuality of the maximum levy of 28% being applied the Authority would incur further costs of £205,000 over and above the amount paid to date. The Authority's Insurance reserve was increased by this amount to allow for such an eventuality.

In addition to the levy paid for settled claims, a percentage payment is also applied to outstanding claims which are subsequently settled against the Authority. As at the 31st March 2015, a provision of £33,000 has been made for outstanding claims of this nature. A further £47,000 is included in the Insurance reserve for outstanding claims which the Authority considers have a lower probability of being settled and do not merit provision.

c) Accumulating Compensated Absences

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

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

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

The value of the provision made in respect of such employee benefits at the 31st of March 2015 was £2,883,700 (£2,696,000 at 31st March 2014).

13.7 Provisions and Contingent Liabilities (continued)

d) Redundancy Payments

As at 31st March 2014 a provision had been made for redundancy payments of £86,000. As this is no longer required it has been reversed out to the service concerned. A new provision of £91,000 was made at 31st March 2015 to cover redundancy costs which are expected to be incurred in 2015/16 but where the decisions on redundancy were made prior to year end.

During 2014/15 many services within the Authority continue to restructure or are planning for restructure in order to reduce the cost of services to the Authority. The costs of redundancies that have occurred during the financial year are disclosed in note 16.10.

A great deal of uncertainty exists relating to the timing and the likely resultant costs to the Authority due to restructuring proposals not detailing the exact posts being lost. If posts are identified the cost may be dependent on the years of service of the individual redundancy or of their preference of terms of redundancy. Redundancy costs may be avoided if redeployment opportunities are identified.

e) CMC2

Contingent liabilities represent items that, at 31st March 2015, are not recognised in the Statement of Financial Position because there is significant uncertainty at that date as to the necessity for the entity to receive or make payments in respect of them. A possible obligation exists in respect of Council's community interest company (CMC2), which has incurred a significant trading loss during 2014/15. The Council could be liable to settle this deficit on the understanding that it provides guarantor to the entity's overdraft facility.

f) Asbestos Indemnity

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

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

The resultant provision is one where the authority has negotiated a limited contingent liability of £5.932million, as updated annually by RPI, for a period of 15 years from the date of transfer of 20th January 2008. 8 years remain of this period.

There are no immediate financial implications and professional advice suggests a low risk of future liability arising. Low risk does not however equate to "no risk" and there is a potential future liability of up to £5.932million as updated by RPI (£5.9 million as at 31st March 2014), in the event the asbestos indemnity is called upon.

The latest available information indicates spend to date by Monmouthshire Housing Association (for the period 21st January 2008 to 31st March 2015) is £42,000 (previously £32,000 for the period 21st January 2008 to 31st March 2014).

g) Abergavenny Regeneration Scheme

The CPO relating to the removal of the shooting rights at Bryngwyn was settled during the financial year with no liability falling upon the Authority.

13.7 Provisions and Contingent Liabilities (continued)

h) Capita Gwent Consultancy

In 2002, the Council, along with three other local authorities in Gwent formed a collaborative partnership for the joint procurement of engineering and related services through Capita Gwent Consultancy Limited (Capita Gwent), a private joint venture company. Capita Gwent sought admission to the Greater Gwent Pension Fund that was underpinned by an Admission agreement dated the 13 September 2002 and a Guarantee dated the 13 September 2002 signed by the Capita Group (PLC).

The termination of the Gwent Consultancy framework agreement in August 2012 resulted in an outstanding pension liability for the Greater Gwent pension fund totalling £7.3m. Following extensive legal negotiations with the Capita Group and officer consultation with the Pensions Committee of the Greater Gwent Pension Fund, a settlement of £3.3 million from the Capita Group was accepted on 2 October 2014.

Approval was obtained during June 2014 from each of the four respective Councils Cabinets that any unfunded residual liability would be settled in equal share to the Pension Fund. As a settlement has been reached, this has resulted in a liability of £1m for each Council. This has been agreed by the Greater Gwent Pension Fund to be absorbed into the Council's employers pension contribution rate, and paid over 25 years. The Fund's actuary has indicated that: "Using the actuarial valuation approach agreed for the councils as at the 2013 Valuation, each £1m of extra deficit would give rise to an additional deficit recovery amount of £49,500 p.a. if recovered over 25 years, reflecting that the annual deficit recovery amounts would increase by 4.1% p.a."

14 POST-EMPLOYMENT BENEFIT NOTES

14.1 Participation in Pension Schemes

Teachers

Teachers employed by the Authority are members of the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

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

The latest available scheme liability as at 31 March 2014 was £250,200 million (£224,900 million as at 31 March 2013). The latest actuarial valuation of the scheme, as at 31 March 2012 was published on the 9th June 2014. Key results from the actuarial valuation include an increase in employer contribution from 14.1% to 16.4% of pensionable pay commencing 1 September 2015 and an employer cost cap of 10.9% of pensionable pay. The reported deficiency in the balance of assets less liabilities of the scheme was reported as £15,000 million at 31 March 2012 (£3,260 million at 31 March 2004). During 2012/13 the 2008 valuation was suspended pending the final report by the IPSPC (Independent Public Service Pensions Commission) and full consideration of the Spending Review announcements. Future actuarial valuations will be every 4 years.

In 2014/15 the Authority paid £3,475,000 (£3,477,000 in 2013/14) to the scheme in respect of teachers' retirement benefits, representing 14.1% of teachers' pensionable pay (14.1% for 2013/14).

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

There were £290,000 of contributions remaining payable to the scheme at the year end (£297,000 at 31st March 2014).

Other Employees

As part of the terms and conditions of employment of its officers and other employees, the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make the payments at the time the employees earn their future entitlement and that needs to be disclosed.

The Authority participates in a number of different schemes which meet the needs of the employees in particular services. These schemes provide members with defined benefits related to pay and service.

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

- The Local Government Pension Scheme - This is a funded defined benefit final salary scheme (see 14.5 for changes at 1 April 2014), meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.
- Unfunded Teachers Discretionary Benefits - the Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme above. This is unfunded, meaning that there are no investment assets built up to meet pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

There were £1,067,000 of contributions remaining payable at the year end for the Local Government Pension Scheme (at 31 March 2014 £1,019,000 was payable) and £2,000 was owed to the Authority for the Teachers unfunded discretionary benefits scheme (£10,000 at 31 March 2014).

14.2 Transactions Relating to Post-Employment Benefits

The Authority recognises the cost of retirement benefits in the reported net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/ retirement benefits is reversed out of the Council Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme		Teachers' Unfunded Discretionary Benefits	
	2014-15 £000's	2013-14 £000's	2014-15 £000's	2013-14 £000's
Comprehensive Income and Expenditure Account				
<i>Net Cost of Services:</i>				
• current service cost	8,669	9,354	0	0
• past service cost / (gain)	51	35	0	0
• curtailment cost	773	158	0	0
• settlement gain	0	0	0	0
• administration expenses of plan assets	173	167	0	0
	9,666	9,714	0	0
<i>Financing and Investment Income and Expenditure:</i>				
• interest cost on pension liabilities	15,495	14,893	207	182
• expected return on assets in the scheme	0	0	0	0
• interest on plan assets	(10,463)	(9,223)	0	0
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	14,698	15,384	207	182
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:</i>				
• actuarial (gains) and losses	0	0	0	0
• (gains) and losses on remeasurement	40,887	(28,807)	249	240
	40,887	(28,807)	249	240
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	55,585	(13,423)	456	422
Movement in Reserves Statement				
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-	(14,698)	(15,384)	(207)	(182)
<i>Actual amount charged against the Council Fund for pensions in the year:</i>				
• employers' contributions payable to scheme	9,970	9,573	534	534

In addition to the recognised gains and losses included in the (Surplus) or Deficit on Provision of Services above, remeasurement gains of £41,136,000 (£28,567,000 in 2013/14) are included within Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

14.3 Assets and Liabilities in Relation to Post-Employment Benefits

Reconciliation of present value of the scheme liabilities:

	Local Government Pension Scheme		Teachers Unfunded Discretionary	
	2014-15 £000	2013-14 £000	2014-15 £000	2013-14 £000
As at 1st April	(349,554)	(358,822)	(5,082)	(5,194)
Current service cost	(8,669)	(9,354)	0	0
Past service (cost) / gain	(51)	(35)	0	0
Curtailment costs	(773)	(158)	0	0
Settlement gains	0	0	0	0
Interest on pension liabilities	(15,495)	(14,893)	(207)	(182)
Contributions by scheme participants	(2,752)	(2,654)	0	0
Actuarial gains / (losses)	0	0	0	0
(Gains) / losses on remeasurement of liabs	(58,091)	25,285	(249)	(240)
Benefits paid	13,219	11,077	535	534
As at 31st March	(422,166)	(349,554)	(5,003)	(5,082)

Of the £422,000,000 of pension liabilities for the Local Government Pension Scheme at 31 March 2015, there are £4,843,000 of unfunded liabilities (£4,599,000 as at 31st March 2014). £374,000 of employer contributions were made in respect of these liabilities during the year.

Reconciliation of fair value of the scheme assets:

	Local Government Pension Scheme	
	2014-15 £000	2013-14 £000
As at 1st April	232,758	219,030
Settlement costs	0	0
Expected return on scheme assets	0	0
Interest on plan assets	10,463	9,223
Employers contributions	9,970	9,573
Contributions by scheme participants	2,752	2,654
Actuarial gains / (losses)	0	0
(Gains) / losses on remeasurement of assets	17,204	3,522
Administration expenses of plan assets	(173)	-167
Benefits paid	(13,219)	(11,077)
As at 31st March	259,755	232,758

14.3 Assets and Liabilities in Relation to Post-Employment Benefits (continued)

In 2014/15, the pension deficit for the two schemes has increased markedly during the year. This is the reverse of 2013/14. The increase was £46m in 2014/15 (decrease of £23m in 2013/14). This is mainly due to remeasurement losses net of remeasurement gains of £41,136,000 which in turn is mainly due to:

- Remeasurement losses on liabilities of £58,340,000 (gains of £25,045,000 in 2013/14) due to changes in financial assumptions. The Discount rate has reduced from 4.5% to 3.3% increasing the liability at the 31st March 2015.
- Offset by remeasurement gains on plan assets which have increased to £17,204,000 in 2014/15 from gains of £3,522,000 in 2013/14.

The actual return on plan assets is made up of the interest on plan assets and the remeasurement of plan assets. The interest on plan assets is dependent on the interest rate used at the start of the year. The remeasurement on plan assets is therefore a reflection of the extent to which the investment returns have achieved higher returns compared to the interest rate used at the start of the year. A weighted average is used to reflect the contribution expected from different asset classes.

The assumed investment return on government bonds is the yield on 20-year fixed interest gilts at the relevant date. The expected investment return on corporate bonds is based on market yields at the relevant date, less a reduction to reflect a risk of default on the yield. The assumed investment return on equities is the yield on 20-year fixed interest gilts plus an allowance of about 3.6% p.a. for the "risk premium" associated with equity investment.

14.4 Scheme History

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Local Government Pension Scheme					
Present value of scheme liabilities	(278,806)	(305,888)	(358,822)	(349,554)	(422,166)
Fair value of scheme assets	185,865	189,094	219,030	232,758	259,755
Surplus / (deficit) in the scheme	<u>(92,941)</u>	<u>(116,794)</u>	<u>(139,792)</u>	<u>(116,796)</u>	<u>(162,411)</u>
Teachers Unfunded Discretionary Benefits					
Present value of scheme liabilities	(5,012)	(4,904)	(5,194)	(5,082)	(5,003)
Fair value of scheme assets	-	-	-	-	-
Surplus / (deficit) in the scheme	<u>(5,012)</u>	<u>(4,904)</u>	<u>(5,194)</u>	<u>(5,082)</u>	<u>(5,003)</u>
Total					
Present value of scheme liabilities	(283,818)	(310,792)	(364,016)	(354,636)	(427,169)
Fair value of scheme assets	185,865	189,094	219,030	232,758	259,755
Surplus / (deficit) in the scheme	<u>(97,953)</u>	<u>(121,698)</u>	<u>(144,986)</u>	<u>(121,878)</u>	<u>(167,414)</u>

The liabilities show the underlying commitment that the authority has in the long-run to pay post-employment benefits. The total net liability of £167,414,000 (£121,878,000 in 2013/14) has a substantial impact on the net worth of the Authority as recorded in the balance sheet, resulting in an overall balance of £39,836,000 (£80,888,000 in 2013/14).

14.5 The Risks associated with the pension schemes

Statutory arrangements for funding the deficit on the schemes mean that the financial position of the Authority remains healthy:

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.
- As the total membership of the local government scheme is made up as follows, the burden of making up the shortfall will fall to the active members:

	2014-15	2013-14
Active	2,643	2,495
Deferred	1,919	1,753
Pensioners	1,312	1,226
Widows	178	169
	<u>6,052</u>	<u>5,643</u>

- A detailed asset breakdown of the local government fund investments quoted and unquoted is given in 14.9 giving an indication of the level of diversification and therefore risk within the fund.
- Finance is only required to be raised to cover teachers unfunded discretionary benefits when the pensions are actually paid.

14.6 Future Pension Contributions

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2015 is £9,514,000. Expected contributions for Teachers Unfunded Discretionary Benefits scheme in the year to 31 March 2015 are £535,000.

14.7 Basis for Estimating Pension Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years which is dependent on the underlying assumptions which have been made about mortality rates, salary levels, etc. Any differences which arise between these assumptions and actual trends will cause an associated change in the net pension liability arising. This liability eventually falls to the Council to fund. Both the Teachers unfunded discretionary benefits and the County Council fund liabilities have been assessed by Mercer Human Resource Consulting, an independent firm of actuaries.

The latest full actuarial valuation of the Greater Gwent (Torfaen) Pension Scheme was carried out on the 31st March 2013. In between formal valuations the actuary uses the full valuation plus other information to decide the extent of the employers pension assets and liabilities.

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

Financial Assumptions	Local Government Pension Scheme			Teachers Unfunded Discretionary Benefits		
	31 March 2015	31 March 2014	1 April 2013	31 March 2015	31 March 2014	1 April 2013
Rate of inflation (CPI)	2.0%	2.4%	2.4%	2.0%	2.4%	2.4%
Rate of increase in salaries	3.5%	3.9%	3.9%	-	-	-
Rate of increase in pensions	2.0%	2.4%	2.4%	2.0%	2.4%	2.4%
Rate for discounting scheme liabilities	3.3%	4.5%	4.2%	3.1%	4.3%	3.7%

Life Expectancy:

Current male pensioner aged 65 (years)	23	23.0	21.7	23	23.0	21.7
Current female pensioner aged 65 (years)	25.5	25.4	23.9	25.5	25.4	23.9
Future male pensioner aged 65 in 20 years' time (years)	25.3	25.2	23.2	-	-	-
Future female pensioner aged 65 in 20 years' time (years)	27.9	27.8	26.5	-	-	-
Estimated Macaulay duration (weighted average) of liabilities (at later of 31 March 2013 or admission date):					18 year	

Duration profile of Monmouthshire County Council members used to determine assumptions: Mature

14.8 Sensitivity Analysis

As noted above, changes to the financial assumptions disclosed in 14.7 will result in movements in the key pension related financial outcomes. This is described by means of the table below.

Disclosure item	Change in forecast based on + 0.1% p.a. movement in financial				
	Central Case	Discount Rate	Inflation	Pay Growth	1 Year increase in Life Expectancy
	£000	£000	£000	£000	£000
Liabilities	422,166	(7,669)	7,810	1,978	7,989
Assets	(259,755)	0	0	0	0
Deficit / (Surplus)	162,411	(7,669)	7,810	1,978	7,989
Projected Service Cost 15/16	10,987	(316)	330	0	233
Projected Interest Cost 15/16	5,203	(104)	263	71	269

The figures provided above are approximate only and different results would be produced if a full actuarial revaluation were to be carried out. The discount rate assumption adopted is prescribed by the relevant accounting standard and might be considered not to be the best estimate of the rate at which pension scheme cash flows should be discounted.

14.9 Pension Scheme Assets

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

Split of Assets between Investment Categories

	Quoted	31 March 2015		31 March 2014	
		£000	%	£000	%
Equities : UK	Y	50,392	19.4%	75,762	32.5%
Investment funds: Equities	N	151,957	58.5%	106,487	45.8%
: Government bonds	N	20,001	7.7%	16,991	7.3%
: Corporate bonds	N	20,261	7.8%	17,457	7.5%
Property	N	7,013	2.7%	6,052	2.6%
Cash accounts	N	1,429	0.6%	2,095	0.9%
Alternatives	N	8,702	3.4%	7,914	3.4%
		259,755	100.0%	232,758	100.0%

14.10 History of Experience Gains and Losses

The approach in calculating pension assets and liabilities for accounting purposes, and in between full actuarial valuations, is approximate in nature. At each triennial valuation, the position is reassessed, with the assets and liabilities being fully recalculated. The adjustment to the assets and liabilities that arises from this recalculation is presented as part of the remeasurement values. For liabilities this is shown as the experience gain / loss on liabilities. For assets, the experience adjustment is included in remeasurement gain / loss on assets. The value of the adjustment on plan assets is interest on plan assets plus remeasurement of assets less the actual return on plan assets.

The experience adjustments and actual return on plan assets at 31st March 2015 and the previous four financial years arising on the scheme liabilities are expressed as a percentage of the total scheme liabilities, and the scheme assets are expressed as a percentage of the total scheme assets:

	2010/11	2011/12	2012/13	2013/14	2014/15
Local Government Pension Scheme					
Experience gains and losses on assets	0.9%	(6.4)%	8.4%	N/A	N/A
Actual return on plan assets	N/A	N/A	13.6%	7.4%	10.7%
Experience gains and losses on liabilities	5.1%	0.0%	0.0%	1.3%	0.0%
Teachers Unfunded Discretionary Benefits					
Experience gains and losses on liabilities	12.2%	0.0%	0.0%	1.0%	0.0%

15 NOTES TO THE CASH FLOW STATEMENT

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

	2014-15 £000	2014-15 £000	2013-14 £000	2013-14 £000
Net (surplus) or deficit on the provision of services		(375)		16,564
Non-cash transactions:				
Depreciation of non-current assets	(8,991)		(12,106)	
Impairment and downward valuations	(7,417)		(7,432)	
Amortisation of intangible non-current assets	(44)		(82)	
Increase/decrease in impairment for provision for bad debts	(472)		(58)	
Increase/(decrease) in inventories	(52)		(42)	
Increase/(decrease) in debtors	(4,715)		1,209	
(Increase)/decrease in creditors	(5,209)		4,975	
(Increase)/decrease in provisions	(350)		(103)	
Pension liability	(4,400)		(5,459)	
Carrying amount of non-current assets, assets held for sale and investment properties which are sold or derecognised	(11,014)		(2,487)	
Movement in the value of investment properties	17,497		1,577	
		(25,167)		(20,008)
Items classified in another classification in the cash flow statement				
Other payments for investing activities	(2,042)		(1,442)	
Other receipts from investing activities	5,560		2,569	
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	11,472		2,744	
		14,991		3,872
Adjustments relating to JANEs		143		(361)
Net cash flows from Operating Activities		(10,408)		66

15.2 Returns on Investments and Servicing of Finance

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

	2014-15 £000	2013-14 £000
<i>Returns on Investments received:</i>		
Interest received	(100)	(106)
Other interest and investment income	(9)	(26)
	(109)	(131)
<i>Servicing of Finance paid:</i>		
Interest paid	3,542	3,899
Interest element of finance lease rental payments	33	42
	3,575	3,941
	3,466	3,810

15.3 (Increase)/decrease in Cash and Cash Equivalents

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

	At 31 March 2014	In Year Movement	At 31 March 2015
	£000	£000	£000
Current Assets			
Cash held by the Authority	89	(40)	49
Bank current accounts	709	11,468	12,177
Short-term call account deposits	2,939	5,241	8,180
	<u>3,736</u>	<u>16,669</u>	<u>20,406</u>
Current Liabilities			
Bank current account overdrafts	(2,916)	2,916	0
	<u>(2,916)</u>	<u>2,916</u>	<u>0</u>
	<u>820</u>	<u>19,585</u>	<u>20,406</u>

16 OTHER NOTES TO THE ACCOUNTS

16.1 Members Allowances

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

	2014-15 £000	2013-14 £000
Basic allowance	572	562
Special responsibility allowance	205	202
Travel allowance	36	50
Subsistence allowance	4	5
IT Costs	0	0
Total	817	819

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

16.2 Audit Costs

The Authority has incurred the following costs during 2014/15 in relation to the audit of the Statement of Accounts, certification of grant claims, statutory inspections and to non-audit services provided by the Authority's external auditors:

	2014-15 £000	2013-14 £000
Fees payable to the appointed auditor with regard to external audit services - financial audit	176	181
Fees payable to the appointed auditor with regard to external audit services - Local Government Measure (LGM)	103	101
Refund in relation previous year's audit fees	(59)	0
Fees payable to the appointed auditor for certification of grant claims & returns	50	70
Fees payable in respect of other services provided by the appointed auditor	4	1
	274	353

Notification was received in May 2014 that a refund relating to previous year's audit fees would be received during 2014/15. This refund totalled £59,000, representing 21% of the 2014/15 audit fee for financial audit and local government measure.

16.3 S31 and S33 Pooled Budget Arrangements

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

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

a) Mardy Park Rehabilitation Scheme

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

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

16.3 S31 and S33 Pooled Budget Arrangements (continued)

a) Mardy Park Rehabilitation Scheme (continued)

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

The income and expenditure for the pooled fund arrangements for the financial year ended 31st March 2015 was:

	2014-15	2013-14
	£000	£000
Funding		
Monmouthshire County Council	(211)	(211)
Monmouthshire Local Health Board	(159)	(151)
TOTAL FUNDING	(370)	(362)
Expenditure		
Employee related	295	269
Premises related	31	35
Supplies & Services	9	11
Agency & Contracted	10	15
Central and Support services recharges	11	38
Capital Financing	18	18
TOTAL EXPENDITURE	374	386
Net (Under)/over spend	4	24

b) Gwent Integrated Community Equipment Store (GWICES)

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

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

Torfaen County Borough Council is the host for the Partnership, who recorded gross expenditure of £3,589,000 (£2,937,000 for 2013/14) and gross income of £3,589,000 (£2,937,000 for 2013/14) for the financial year ended 31st March 2015. Monmouthshire County Council's contribution for the year was £355,000 (£405,000 for 2013/14).

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

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

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

Aneurin Bevan Health Board is the host for the Partnership, who recorded gross expenditure of £3,075,000 (£3,032,000 for 2013/14) and gross income of £3,042,000 (£3,142,000 for 2013/14) for the financial year ended 31st March 2015. Monmouthshire County Council's total contribution for the year was £994,000 (£954,000 for 2013/14).

16.3 S31 and S33 Pooled Budget Arrangements (continued)

d) Gwent Frailty Programme

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

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

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

Caerphilly County Borough Council is the host for the Partnership, who recorded gross expenditure of £13,300,000 (£13,810,000 for 2013/14) and gross income of £12,603,000 (£12,805,000 for 2013/14) for the financial year ended 31st March 2015. Monmouthshire County Council's total contribution for the year was £968,000 (£979,000 for 2013/14).

16.4 Related Party Transactions

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

Central & Welsh Government

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

Members

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2014/15 is shown in note 16.1 to the accounts. Where work or services have been commissioned, or where grants were made during the financial year in which members had an interest, members have a duty to declare such an interest. The Authority must ensure that contracts entered into were in full compliance with the Authority's standing orders and that grants were made with proper consideration of declarations of such interests.

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

Companies and Joint Ventures

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

16.4 Related Party Transactions (Continued)

Senior Officers

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

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

The Chief Executive was the Acting Returning Officer and Electoral Registration Officer for Monmouthshire during 2014/15.

The Head of Commercial & People Development held the following position during the year

- Director to SRS Business Solutions Ltd.

The Head of Operations held the following position during the year

- Board Member to Capita Gwent Consultancy
- Non-Executive Director to Dragon Waste Limited

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

	2014-15	2014-15	2013-14	2013-14
	Debtors	Creditors	Debtors	Creditors
	£000	£000	£000	£000
			(Restated)	(Restated)
Dragon Waste Limited	30	262	30	430
SRS Business Solutions Limited	1	0	1	0
Capita Gwent Consultancy	0	0	0	5

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

	2014-15	2014-15	2013-14	2013-14
	Payments	Receipts	Payments	Receipts
	£000	£000	£000	£000
Dragon Waste Limited	2,569	31	3,464	34
SRS Business Solutions Limited	1	0	1	0
Capita Gwent Consultancy	31	0	167	0

16.5 Trust Funds

The Council acts as sole or custodian trustee for a number of trust funds. The funds do not represent assets of the Council and they have not been included in the Consolidated Balance Sheet and are based upon unaudited figures for the year ended 31st March 2015. Funds for which Monmouthshire County Council acts as sole trustee:

	Income £000	Expend £000	Assets £000	Liabilities £000
Welsh Church Act Fund	(221)	127	5,381	(135)

The primary objective of the Charity is to assist groups and individuals for educational, social, recreational and other charitable purposes.

The Trust owns tangible fixed assets comprising eight parcels of land. Five of these are agricultural, two are grazing and one is forestry.

Llanelly Hill Social Welfare Centre	(7)	7	92	(92)
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The primary objective of the fund is the provision of a Social welfare centre to the residents of Llanelly hill.

The Trust's fixed assets comprise the social welfare centre premises and land upon which it is situated.

Chairman's Charity	(6)	5	5	0
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The Chairman's Charity supports and raises funds for the Chairman's nominated Charity of the year.

Funds for which Monmouthshire County Council acts as custodian trustee:

	Income £000	Expend £000	Assets £000	Liabilities £000
Monmouthshire Farm School Endowment	(67)	46	704	(5)
Appointeeship - Personal Monies	(819)	486	421	0
Appointeeship - ILF* Monies	(152)	145	20	0

* ILF - Independent Living Fund

16.6 Related Businesses and Companies

Councils must consider whether they need to produce group accounts for interests held in other bodies/organisations where they meet the definition of subsidiaries, associates and joint ventures. The Council has reviewed of all their relationships in this regard, and although the Council has interests in the following six companies, they do not meet the requirements for the preparation of Group Accounts.

(i) Dragon Waste Limited

The Company was formed to carry out the Council's waste disposal function. The Council holds a 19% share holding in the company. The Company's latest available trading results are the unaudited accounts for the year ending 31st March 2015.

	31 March 2015 £000 Draft	31 March 2014 £000 Final (Restated)
Net Assets/(Liabilities)	239	213
Profit/(Loss) before Taxation	26	118
Profit/(Loss) after Taxation	26	84
Dividends	0	0

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

The Authority owed £231,811 to Dragon Waste Limited at the 31st March 2015 (£400,076 owed to Dragon Waste as at 31st March 2014) in respect of Waste Management contract income.

Further information can be found in Dragon Waste Limited Financial Statements for the year ended 31 March 2014 which are available from the Company Secretary, Pennon Group Plc, Peninsula House, Rydon Lane, Exeter, Devon, England, EX2 7HR.

16.6 Related Businesses and Companies (continued)

(ii) Capita Gwent Consultancy Limited

The principal activity of the Company is that of transport consultancy. The Council holds a 12% share holding in the company. The Company's draft trading results shows:-

	31 Dec 2014 £000	31 Dec 2013 £000 Final
Net Assets (Liabilities)	N/A	4,397
Profit/(Loss) before Taxation	N/A	200
Profit/(Loss) after Taxation	N/A	208
Dividends	N/A	0

The company is not currently trading and no results are available for the period ending 31st December 2014.

The Authority no longer receives any profit distribution, having previously extinguished these rights in return for a one-off payment in lieu of anticipated future lost profits. The Authority still retains its interest in the company. No assets or liabilities of the Company are reflected in the Consolidated Balance Sheet.

There were no balances owing between the Authority and Capita Gwent as at the 31st March 2015 (The Authority owed the Company £5,000 at 31st March 2014).

The Company's immediate parent undertaking is Capita Symonds Group Limited (formerly Capita Property Consultancy Limited) with a holding of 51%. The remaining 49% holding of the Company is shared equally between Monmouthshire County Council, Blaenau Gwent County Borough Council, Caerphilly County Borough Council and Torfaen County Borough Council. The original 10 year Contract Services Framework ended on 31st August 2012.

The ultimate parent company of Capita Symonds Group Limited is the Capita Group Plc. Further information can be found in Capita Gwent Consultancy Limited's Financial Statements for the year ended 31 December 2014 which are available from the Company Secretary, Capita Gwent Consultancy Limited, St David's House, Pascal Close, St Mellons, Cardiff, Great Britain, CF3 0LW.

(iii) SRS Public

The Authority entered into a public sector collaborative arrangement, known as the Shared Resource Service, with Torfaen County Borough Council (TCBC) and Gwent Police Authority in May 2011. The arrangement has resulted in a Shared Resources Centre (SRC) being set up for the purpose of providing IT services to each member authority. A memorandum of understanding is in place to provide robust governance arrangements. The arrangement is not a separate legal entity and ownership of the SRS premises resides with TCBC. In 2014/15 expenditure incurred was fully covered by the contributions from the partners.

16.6 Related Businesses and Companies (continued)

(iv) SRS Business Solutions Limited

Adjacent to the collaborative arrangement outlined in 16.6 (iii), SRS Business Solutions Limited, a company limited by shares, was incorporated on 11th June 2011. The company was set up with £40,000 share capital from the Authority and TCBC, in order to facilitate trading in ICT related services with the private and third sector.

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

The Company's latest available trading results are the draft estimates for the year ending 31st March 2015.

	31 March	31-Mar
	2015	2014
	£000	£000
	Draft	Final
Net Assets/(Liabilities)	60	48
Profit/(Loss) before Taxation	12	0
Profit/(Loss) after Taxation	12	0
Dividends	0	0

Further information can be found in SRS Business Solutions Limited financial statements for the year ended 31 March 2014 which are available from the Head of Finance, Monmouthshire County Council, @Innovation House, Wales 1, Magor, NP26 3DG.

(v) Community MC² Community Interest Company (CMC²)

In July 2011 the Authority established CMC², a community interest company wholly owned by the Authority. The company aims to drive growth in emerging green and digital technologies and generate new income streams with which to reinvest in community projects and priorities.

CMC² is a company limited by guarantee and liability is therefore limited to £1 for its members.

The Company's latest available trading results are the draft accounts for the financial year that ended on the 31st March 2015. This is an 18 month accounting period to bring the CMC² accounts reporting date in line with the Authority.

	31st March	30th Sept
	2015	2013
	£000	£000
	Draft	Final
Net Assets (Liabilities)	(122)	(44)
Profit/(Loss) before Taxation	(78)	7
Profit/(Loss) after Taxation	(78)	6
Dividends	0	0

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

The Authority is owed £184,000 by the company as at the 31st March 2015 (£86,000 as at the 31st March 2014).

16.6 Related Businesses and Companies (continued)

(vi) Education Achievement Service (EAS)

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

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

The Company's latest available trading results are the draft estimates for the period ending 31st March 2015.

	31 March	31 March
	2015	2014
	£000	£000
	Draft	Final
Total Assets/(Liabilities)	7,930	4,527
Profit/(Loss) before Taxation	0	0
Profit/(Loss) after Taxation	0	0
Dividends	0	0

16.7 Interests in Joint Committees

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

These accounting requirements result in the consolidation of the transactions and balances of subsidiaries and of interests in associates and joint ventures, thus ensuring group accounts provide a complete picture of the authority's control over other entities.

The Authority accounts for its respective contributions to joint committees within services in the Comprehensive Income and Expenditure Statement on an accruals basis. For 2014/15 the Authority has consolidated its respective shares of the income, expenditure, assets and liabilities into its financial statements.

The Authority had interests in the following Joint Committees as at 31st March 2015:

- Prosiect Gwyrdd ("Project Green") Joint Committee - Each authority holds a 1/5th equal share.
- Welsh Purchasing Consortium - each authority holds an equal 1/19th share.
- Gwent Joint Records Joint Committee - the authority holds an 19.40% interest.
- Greater Gwent Cremation Joint Committee - the authority holds an 18.45% interest.
- South East Wales Transport Alliance Joint Committee was wound up during the 2014/15 financial year.

Comprehensive Income & Expenditure Account 31 March 2015	MCC as per I&E 2014-15	Project Gwyrdd	WPC	SEWTA	Archives	Crematorium	Total I&E 2014-15
	£000	£000	£000	£000	£000	£000	£000
Highways and transport services	13,222	15	(1)	16	0	0	13,252
Corporate and democratic core	(19)	0	0	0	172	(20)	133
Total non-affected lines	138,462	0	0	0	0	0	138,462
Surplus/Deficit on Continuing Operations	151,665	15	(1)	16	172	(20)	151,847
Pension interest costs and expected return on pension assets	5,239	0	0	0	1	0	5,240
Total non-affected lines	(157,461)	0	0	0	0	0	(157,461)
Surplus/Deficit on Provision of Services	(557)	15	(1)	16	173	(20)	(375)
Actuarial gains/losses on pension assets/liabilities	41,136	0	0	0	41	19	41,196
Adjustment for JANEs amounts within MCC CIES	0	0	0	0	(141)	0	(141)
Total non-affected lines	597	0	0	0	0	0	597
Other comprehensive income & expenditure	41,733	0	0	0	(99)	19	41,653
Total Comprehensive income & expenditure	41,177	15	(1)	16	74	(1)	41,278

Movement in reserves statement for the years ended 31 March 2015	Project Gwyrdd	WPC	SEWTA	Archives	Crematorium	Total Reserves
	£000	£000	£000	£000	£000	£000
Balance at 31 March 2014 carried forward	52	23	16	30	450	571
Surplus (Deficit) on provision of services	(15)	1	(16)	(173)	20	(183)
Other comprehensive income and expenditure	0	0	0	(41)	(19)	(60)
Total comprehensive income and expenditure	(15)	1	(16)	(214)	1	(243)
Adjustment for amount within Monmouthshire CIES	0	0	0	141	(0)	140
Net Increase/Decrease before transfers to Reserves	(15)	1	(16)	(74)	1	(103)
Transfer to/from Earmarked Reserves	0	0	0	0	0	0
Increase/Decrease in year	(15)	1	(16)	(74)	1	(103)
Adjustment for JANEs amounts	0	0	0	0	0	0
Balance at 31 March 2015 carried forward	37	22	0	(43)	451	468

Balance Sheet as at 31 March 2015

	Project Gwyrdd	WPC	SEWTA	Archives	Crematorium	Total
	£000	£000	£000	£000	£000	£000
Property Plant & Equipment	0	0	0	0	436	436
Short Term Debtors	21	0	0	0	28	49
Cash and cash equivalents	19	23	0	61	164	267
Short Term Creditors	(3)	(1)	0	(25)	(3)	(32)
Long term creditors	0	0	0	0	(137)	(137)
Other long term liabilities	0	0	0	(79)	(37)	(116)
Net Assets	37	22	0	(43)	451	468
Earmarked Reserves	37	22	0	36	302	398
Revaluation Reserve	0	0	0	0	126	126
Pension Reserve	0	0	0	(79)	(37)	(116)
Provision for Accumulated Absences	(0)	(0)	0	0	0	(1)
Capital adjustment account	0	0	0	0	60	60
Total reserves	37	22	0	(43)	451	468

Property, plant & equipment included within Monmouthshire's accounts primarily relates to the Council's share of the Gwent Crematorium. The Crematorium comprises a Chapel, Crematorium rooms, Administration offices and grounds. The total gross asset value as at the 31st March 2015 is £2.8m (£2.8m as at 31st March 2014) with Monmouthshire's share equating to 18.45%.

Comprehensive Income & Expenditure Account 31 March 2014	MCC as per I&E 2013-14	Project Gwyrdd	WPC	SEWTA	Archives	Crematorium (Restated)	Total I&E 2013-14
	£000	£000	£000	£000	£000	£000	£000
Highways and transport services	18,110	0	(2)	(6)	0	0	18,102
Corporate and democratic core	9,103	0	0	0	172	(15)	9,260
Total non-affected lines	129,960	0	0	0	0	0	129,960
Surplus/Deficit on Continuing Operations	157,173	0	(2)	(6)	172	(15)	157,322
Pension interest costs and expected return on pension assets	5,852	0	0	0	2	0	5,854
Total non-affected lines	(146,612)	0	0	0	0	0	(146,612)
Surplus/Deficit on Provision of	16,413	0	(2)	(6)	174	(15)	16,564
Actuarial gains/losses on pension assets/liabilities	(28,567)	0	0	0	(16)	(43)	(28,626)
(Surplus)/deficit on revaluation of Property Plant and Equipment	(11,920)	0	0	0	0	70	(11,850)
Adjustment for JANEs amounts	0	0	0	0	(159)	0	(159)
Total non-affected lines	0	0	0	0	0	0	0
Other comprehensive income & expenditure	(28,567)	0	0	0	(175)	27	(40,635)
Total Comprehensive income & expenditure	(12,154)	0	(2)	(6)	(1)	12	(24,071)

Movement in reserves statement for the years ended 31 March 2014	Project Gwyrdd	WPC	SEWTA	Archives	Crematorium (Restated)	Total Reserves
	£000	£000	£000	£000	£000	£000
Balance at 31 March 2013 carried forward	52	21	10	30	463	575
Surplus (Deficit) on provision of services	0	2	6	(174)	15	(151)
Other comprehensive income and expenditure	0	0	0	16	(27)	(11)
Total comprehensive income and expenditure	0	2	6	(158)	(12)	(162)
Adjustment for amounts within Monmouthshire CIES	0	(0)	0	159	(0)	158
Net Increase/Decrease before transfers to Reserves	0	2	6	1	(12)	(3)
Transfer to/from Earmarked Reserves	0	0	0	0	0	0
Increase/Decrease in year	0	2	6	1	(12)	(3)
Adjustment for JANEs amounts	0	0	0	0	0	0
Balance at 31 March 2014 carried forward	52	23	16	30	450	572

Balance Sheet as at 31 March 2014	Project	WPC	SEWTA	Archives	Cremator- ium	Total
	Gwyrdd					
	£000	£000	£000	£000	£000	£000
					(Restated)	
Property Plant & Equipment	0	0	0	0	452	452
Short Term Debtors	0	0	1,293	0	23	1,316
Cash and cash equivalents	78	24	122	97	271	592
Short Term Creditors	0	(0)	(1,399)	(34)	(6)	(1,439)
Long term creditors	(26)	0	0	0	(275)	(301)
Other long term liabilities	0	0	0	(33)	(15)	(48)
Net Assets	52	23	16	31	450	572
Earmarked Reserves	52	24	16	63	266	422
Revaluation Reserve	0	(0)	0	0	138	138
Pension Reserve	0	0	0	(33)	(16)	(49)
Provision for Accumulated Absences	0	0	0	0	0	0
Capital adjustment account	0	0	0	0	62	62
Total reserves	52	23	16	31	450	572

16.8 Senior Officer Remuneration

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

Year ended 31st March 2015

Post Holder	Salary including fees and allowances £	Compensation for loss of employment £	Expense Allowances £	Total Remuneration excluding Pension contributions £	Pension Contributions (Based on Common Rate from Actuary) £	Total Remuneration including Pension contributions £
Chief Executive Officer	110,000	0	0	110,000	23,210	133,210
Chief Officer - Children and Young People	79,596	0	0	79,596	16,795	96,391
Chief Officer - Enterprise	79,596	0	0	79,596	16,795	96,391
Chief Officer - Social Care and Health	78,988	0	0	78,988	16,795	95,783
Head of Operations	69,607	0	0	69,607	14,698	84,305
Head of Finance and Section 151 Officer	69,647	0	0	69,647	14,695	84,342
Head of Democracy and Regulatory Services	63,566	0	0	63,566	13,413	76,979
Head of Legal Services (also temporary Monitoring Officer from April to October)	63,140	0	0	63,140	13,323	76,463
	23,124	0	0	23,124	4,879	28,003
	637,265	0	0	637,265	134,602	771,866

16.8 Senior Officer Remuneration (continued)

Year ended 31st March 2014

Post Holder	Salary including fees and allowances £	Compensation for loss of employment £	Expense Allowances £	Total Remuneration excluding Pension contributions £	Pension Contributions (Based on Common Rate from Actuary) £	Total Remuneration including Pension contributions £
Chief Executive	110,000	0	0	110,000	23,210	133,210
Director of Transition (April - 20th May)	13,317	0	0	13,317	2,436	15,752
Deputy Chief Executive (April-Jan)	41,226	0	0	41,226	7,833	49,059
Chief Officer - Children & Young People	68,555	0	0	68,555	14,465	83,020
Monitoring Officer	41,887	0	0	41,887	8,768	50,655
Chief Officer - Social Care & Health	78,605	0	0	78,605	16,711	95,316
Head of Finance (Section 151 Officer)	69,337	0	0	69,337	14,622	83,959
Chief Officer - Regeneration & Culture	70,666	0	0	70,666	14,256	84,923
Chief Officer - Regeneration & Culture (April-August)	31,663	0	0	31,663	6,681	38,344
Head of Democracy & Regulatory Service (March)	5,271	0	0	5,271	1,112	6,383
Head of Policy & Engagement (March)	4,904	0	0	4,904	1,035	5,939
Head of Operations (March)	5,772	0	0	5,772	1,218	6,990
	541,203	0	0	541,203	112,349	653,551

Senior Officers are defined for the purposes of this disclosure as the Chief Executive, together with those senior officers that the Chief Executive is either directly responsible for or senior officers who are directly accountable to the Chief Executive.

There is no remuneration in respect of bonuses or compensation for loss of employment.

Employers' pension contributions were paid at a rate of 21.1% of pensionable pay for staff within the Local Government Pension Scheme (21.1% for 2013/14). Expense allowance are defined as those additional costs that are chargeable to income tax and no such costs are reported in respect of 2014-15 (Nil in 2013/14).

A new requirement has been introduced in 2014-15 to report the Chief Executive's remuneration as a proportion of the full time equivalent median salary of Monmouthshire County Council employees. The median employee position has been calculated as £19,742, equating to spinal point 21 and resulting in a median ratio when compared with the Chief Executive Officer salary of 5.57:1.

16.9 Officers' Emoluments

The number of employees whose remuneration was £60,000 or more in bands of £5,000, during the year ended 31 March 2015, was:

Remuneration Band	2014-15	2013-14
	Number of employees	Number of employees
£115,000 - £119,999	0	1
£110,000 - £114,999	1	0
£105,000 - £109,999	0	0
£100,000 - £104,999	1	1
£95,000 - £99,999	1	0
£90,000 - £94,999	0	1
£85,000 - £89,999	1	0
£80,000 - £84,999	5	2
£75,000 - £79,999	6	2
£70,000 - £74,999	4	2
£65,000 - £69,999	7	5
£60,000 - £64,999	14	11
	40	25

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

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

Employers' pension contributions were paid at a rate of 21.1% of pensionable pay for staff within the Local Government Pension Scheme (21.1% for 2013/14) and 14.1% of pensionable pay for staff within the Teachers' Pension Scheme (14.1% in 2013/14).

For the purposes of reporting remuneration, voluntary aided schools employees have been included in the remuneration notes 16.9 to 16.11, where appropriate, as if they were employees of the council even though their contract of employment is with their respective governing body.

16.10 Termination Benefits

The Authority terminated the contracts of a number of employees in 2014/15, incurring liabilities of £1,146,000 (£668,000 in 2013/14) for redundancy payments. None of these costs related to Directors or Chief Officers. This total relates to employees who were made redundant as a result of the Authority's ongoing rationalisation of services and is split as follows:

Directorate	Number of Employees		Redundancy Costs	
	2014-15	2013-14 (Restated)	£000	£000
Chief Executive's Unit	6	3	108	70
Children and Young People	39	54	474	541
Enterprise	13	12	157	112
Operations	15	3	407	23
Social Care and Health	0	2	0	20
Adjustment for Redundancy Provision not made	0	1	0	(97)
	73	75	1,146	668

In addition, the Authority has paid for enhancements to pensions, relating to redundancies which occurred in 2014/15. The total agreed sum was £595,000 (£264,000 in 2013/14), although this will be paid in instalments over a five year period. This includes an additional 4 employees who did not receive any termination benefit, but did receive pension enhancement.

The redundancy costs arising within the Children & Young People's directorate principally related to the costs of school based redundancies which are required to be met by the LEA.

16.11 Exit Packages

The numbers of exit packages together with the total cost per band and the total cost of the compulsory and other redundancies are set out in the table below:

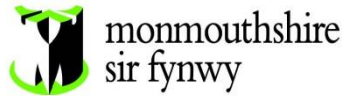
Exit Package cost band (including special payments)	Number of Compulsory Redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
							£000	£000
£0 - £20,000	41	55	0	2	41	57	278	289
£20,001 - £40,000	22	13	0	1	22	14	552	365
£40,001 - £60,000	6	4	0	0	6	4	273	211
£60,001 - £80,000	6	1	0	0	6	1	423	67
£80,001 - £100,000	1	0	0	0	1	0	98	0
£100,001 - £150,000	1	0	0	0	1	0	116	0
Total	77	73	0	3	77	76	1,740	932

16.12 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Head of Finance on 30th June 2015. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2015, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no post balance sheet events of any significance warranting disclosure as at the time the Statement of Accounts was authorised for issue.

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SUBJECT:	CARPARK AT MARDY PARK RESOURCE CENTRE
MEETING:	COUNCIL
DATE:	24th September 2015
DIVISION/WARDS AFFECTED:	Mardy & other Bryn-y-cwm wards

1. PURPOSE:

- 1.1 Seek approval for the Mardy Park car park to be incorporated into the 2015/16 Capital budget.

2. RECOMMENDATIONS:

- 2.1 That Council approve the inclusion of a capital budget for £171,000 for the Mardy Park car park into this year's Capital budget
- 2.2 That funding for the capital budget is:
 - £146,000 from the Intermediate Care Fund
 - £25,000 revenue contribution to capital (from revenue saving due to maintaining a current management post vacant)

3. KEY ISSUES:

- 3.1. At Adult Select Committee of 1st September 2015, a review of Mardy Park and its future direction was tabled,
- 3.2. Adult Select Committee recommended Cabinet approve developments at Mardy Park and Cabinet recommend to Council inclusion of the car park in the 2015/16 Capital budget,
- 3.3. As this report is being submitted before going to Cabinet, if Cabinet subsequently reject the developments at Mardy Park we will report back to Council,
- 3.4. As part of the review, the need for additional car parking requirements has been detailed due to services being reallocated to Mardy Park such as the nurse led 'hot' clinics from Neville Hall Hospital.
- 3.5. Finances have been secured largely from The Intermediate Care Fund grant specifically allocated to the Mardy Park car park scheme.
- 3.6. Planning permission has been granted for the car park scheme.

4. REASONS:

- 4.1. Additional car parking facilities at Mardy Park is an integral element in its modernisation.
- 4.2. To utilise the monies made available through the Intermediate Care Fund grant.

5. RESOURCE IMPLICATIONS:

5.1 The proposed car park at Mardy Park Resource Centre for £171,000 is self-financing as detailed below: -

- £146,000 from the Intermediate Care Fund grant and,
- Remaining £25,000 as a contribution from the Social Care and Health 2015/16 Revenue budget due to maintaining a current management post vacancy.

5.2 With the current funding, if the car park does not go ahead, the money allocated from the Intermediate Care Fund grant is time limited and can only be used for this purpose, leading to its return to the awarding body being Welsh Government.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

A equality impact assessment has been conducted for the Review of Mardy Park as detailed in Appendix 1.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

NONE

8. CONSULTEES:

- Planning committee
- Adult Select
- Elected members
- Senior Managers
- Mardy Park Resource Centre staff and Union representatives
- Members of the local community surrounding Mardy Park

9. BACKGROUND PAPERS:

Appendix 1 – Equalities Impact Assessment

10. AUTHOR

Tyrone Stokes SCH Finance Manager

11. CONTACT DETAILS:

Tel: 01633 644589

E-mail: tyronestokes@monmouthshire.gov.uk

The “Equality Initial Challenge”

Appendix 1

Name: Mardy Park Resource Centre review and redesign		Please give a brief description of what you are aiming to do.	
Service area: Direct Care		The review of North Monmouthshire’s Integrated Services hub to ensure clarity of strategic direction, consistency with other hub areas and review of current service delivery from the site.	
Date completed:14.08.15			
Protected characteristic	Potential Negative impact Please give details	Potential Neutral impact Please give details	Potential Positive Impact Please give details
Age			Increased access for older people to the hub. Greater range of services for older people to improve choice and control.
Disability			As above
Marriage + Civil Partnership		Not affected	
Pregnancy and maternity		Not affected	
Race		Not affected	
Religion or Belief		Not affected	
Sex (was Gender)		Not affected	
Sexual Orientation		Not affected	
Transgender		Not affected	
Welsh Language			Improved information made available at the site will be in welsh

			language format wherever possible.
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Please give details about any potential negative Impacts .	How do you propose to MITIGATE these negative impacts
▶	▶
▶	▶
▶	▶
▶	▶

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Signed Colin Richings
Dated: 14.08.15

Designation: Implementation Lead

EQUALITY IMPACT ASSESSMENT FORM

What are you impact assessing	Service area
The proposals set out in the report on the review of Mardy Park Resource Centre	Social Care and Health / Direct Care
Policy author / service lead	Name of assessor and date
Colin Richings	Colin Richings 14.08.15

What are you proposing to do?

Implement the recommendations falling out of the review of Mardy Park Resource Centre. Specifically:

- Restructure to the staffing team to create greater flexibility, a hands-on approach to leadership and ensure that resources are proportionate to the services at the centre and the outcomes achieved.
- Introduce new models of support to create more flexibility, improve service focus and create more choice and control for the people receiving our services.
- Establish a community café and other resources for the local community to support them to stay well, receive support and the opportunity to contribute themselves.
- Consolidate residential services (in response to current demand and in the context of new models of support) to one wing at the centre.

2. Are your proposals going to affect any people or groups of people with protected characteristics in a **negative** way? If **YES** please tick appropriate boxes below.

Age		Race	
Disability		Religion or Belief	
Gender reassignment		Sex	
Marriage or civil partnership		Sexual Orientation	
Pregnancy and maternity		Welsh Language	

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Please give details of the negative impact

4. Did you take any actions to mitigate your proposal? Please give details below including any consultation or engagement.

The review at Mardy Park has involved extensive consultation with the local community which included two consultation days with in excess of 600 people attending over the two days.

5. Please list the data that has been used to develop this proposal? eg Household survey data, Welsh Govt data, ONS data, MCC service user data, Staff personnel data etc..

Questionnaires, ideas trees and suggestions taken at the above consultation days.

Extensive consultation via 1:1 meetings and group meetings with staff working at the centre.

Extensive consultation with partner agencies and with the 3rd sector and the voluntary sector

Signed.....Colin Richings **Designation**.....**Implementation Lead**.....**Dated**.....14.08.15.....

The “Sustainability Challenge”

<p>Name of the Officer completing “the Sustainability challenge”</p> <p>Colin Richings – Implementation Lead</p>	<p>Please give a brief description of the aims proposed policy or service reconfiguration</p> <ul style="list-style-type: none"> - Restructure to the staffing team to create greater flexibility, a hands-on approach to leadership and ensure that resources are proportionate to the services at the centre and the outcomes achieved. - Introduce new models of support to create more flexibility, improve service focus and create more choice and control for the people receiving our services. - Establish a community café and other resources for the local community to support them to stay well, receive support and the opportunity to contribute themselves. - Consolidate residential services (in response to current demand and in the context of new models of support) to one wing at the centre. 		
<p>Name of the Division or service area</p> <p>Mardy Park Resource Centre, Direct Care, Social Care & Health</p>	<p>Date “Challenge” form completed</p> <p>14.08.15</p>		
<p>Aspect of sustainability affected</p>	<p>Negative impact</p> <p>Please give details</p>	<p>Neutral impact</p> <p>Please give details</p>	<p>Positive Impact</p> <p>Please give details</p>
<p>PEOPLE</p>			<p>Better access to support, information and council resources</p>
<p>Ensure that more people have access to healthy food</p>			<p>Introduction of community café using locally sources and grown</p>

			produce wherever possible
Improve housing quality and provision		Not affected	
Reduce ill health and improve healthcare provision			<p>Significant improvement to care pathways, access to support and a more targeted approach will improve access, quality and speed of response.</p> <p>Co-location of health based services and future development of other health services at the centre</p>
Promote independence			Improved range of intermediate care services for all people in need of short term support.
Encourage community participation/action and voluntary work			<p>At the core of the developments is improved access to council resources. The proposals include a community café and a venue already for numerous local support groups.</p> <p>Recently appointed volunteer co-ordinator will improve opportunities for people to contribute.</p>
Targets socially excluded			As above. Focus of volunteering is to target people who are isolated. Services will also develop to have an increased focus on community outreach.

Help reduce crime and fear of crime		Not affected	
Improve access to education and training			As part of the development of support for people with dementia, training specifically for families is currently being written and will be delivered from Mardy Park.
Have a positive impact on people and places in other countries		Not affected	
PLANET			
Reduce, reuse and recycle waste and water			External developments and new community growing schemes have already progressed and these through various projects will support each of these elements
Reduce carbon dioxide emissions			
Prevent or reduce pollution of the air, land and water			
Protect or enhance wildlife habitats (e.g. trees, hedgerows, open spaces)			
Protect or enhance visual appearance of environment			
PROFIT			
Protect local shops and services			Potential for local business to advertise and have 'pop-up' shops

			at the centre
Link local production with local consumption			Via the community cafe
Improve environmental awareness of local businesses			Potential for local business to advertise and have 'pop-up' shops at the centre
Increase employment for local people	As a result of the changes there will be a small number of redundancies		
Preserve and enhance local identity and culture			Through exhibitions in the centre and in the café.
Consider ethical purchasing issues, such as Fairtrade, sustainable timber (FSC logo) etc		To be considered as part of future developments	
Increase and improve access to leisure, recreation or cultural facilities			Via the café, improved information and by adopting a joint approach with other centres in the Abergavenny area to share information

What are the potential negative Impacts	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments)
➤ <i>Redundancies as a result of the changes</i>	➤ By holding all vacancies within the direct care in the north.
➤	➤

➤	➤
➤	➤

The next steps

- If you have assessed the proposal/s as having a **positive impact please give full details** below

Proposals are detailed in the full review report. If given approval a steering group will be established with a number of work streams will be established with representation from all stakeholders.

- If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact:

As stated above, we will hold any vacancies to give the greatest opportunity for re-deployment. However, staff have been invited to express an interest in voluntary redundancy. This can be a positive choice for some in terms of nearness to retirement.

Signed

Colin Richings

Dated 14.08.15

SUBJECT: Stage 2 Improvement Plan

MEETING: County Council

DATE: 24th September 2015

DIVISIONS/WARDS AFFECTED: All

1. PURPOSE

- 1.1 To seek council approval of the Stage 2 Improvement Plan for 2014/15.
- 1.2 To ensure that members have access to comparative performance information for 2014-15.

2. RECOMMENDATIONS:

- 2.1 That the Stage 2 Improvement Plan 2014/15 be approved

3. KEY ISSUES

- 3.1 The Local Government (Wales) Measure 2009 places a duty on local authorities to make arrangements to secure continuous improvement in the exercise of their functions.
- 3.2 As part of the Wales Programme for Improvement councils must:
 - Set Improvement Objectives at the beginning of each business year. These are included in the Stage 1 Improvement Plan agreed by council in April/May each year.
 - Collect evidence of progress made and outcomes achieved during the year and publish a report on that information. This is reported in the Stage 2 Improvement Plan published each October.
- 3.3 This Stage 2 Improvement Plan covers the period April 2014 to March 2015 and relates to objectives that members agreed in May 2014. The forward looking Stage 1 Plan for 2015/16 was agreed by council in April. Progress on that plan will be formally reported in October 2016 although select committees will have the opportunity to scrutinise progress throughout the year.
- 3.4 The Improvement Plan is a public document and should be accessible to a wide audience. The plan will be published on the council's website.
- 3.5 A public summary of the plan will be prepared. This will be made available through the one-stop-shops, reception areas and libraries and on the council's website and must also be published no later than the end of October 2015.
- 3.6 The plan describes progress with our four Improvement Objectives and assesses each one using a six point scale with ranges from unsatisfactory to

excellent. It also brings together national performance measures used by all council's in Wales. During 2014-15 84% of indicators in the national set improved or were at the maximum level which makes Monmouthshire the second ranked authority in Wales. 44% of measures were in the top-quartile which makes us the third ranked authority in Wales on this measure. We have seen a reduction in indicators in the bottom quartile over the past three years and are ranked second in Wales on this measure.

4. REASONS

- 4.1 To ensure that the council can be held to account for performance and can demonstrate progress towards delivering better outcomes for citizens.
- 4.2 To comply with the Local Government (Wales) Measure 2009.

5 RESOURCE IMPLICATIONS

None

6 EQUALITIES, SUSTAINABLE DEVELOPMENT AND CORPORATE PARENTING IMPLICATIONS

This plan is an evaluation of previous commitments and is not seeking a decision which would have an impact on these issues

7 CONSULTEES

Senior Leadership Team
Cabinet
Select Committees – Scrutiny of progress against the four Improvement Objectives during June and July 2015

8 BACKGROUND PAPERS

Stage 1 Improvement Plan 2014-15

9 AUTHORS

Matthew Gatehouse, Policy and Performance Manager
01633 644397 / 0778 555 6727
MatthewGatehouse@monmouthshire.gov.uk

Richard Jones, Policy and Performance Officer
RichardJones@Monmouthshire.gov.uk

Teresa Norris, Policy and Performance Officer
TeresaNorris@Monmouthshire.gov.uk



How we performed 2014/15 3



monmouthshire
sir fynwy

Improvement Plan – Stag **Page 179**

Draft – For discussion at council on 24 Sept

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Version Control

Title	Stage 2 Improvement Plan 2014/15
Purpose	To assess our progress and performance in 2014/15 and evaluate how well we have done to help citizens hold us to account on our performance.
Owner	Policy and Performance Team
Approved by	Not approved – decision at council on 24 September
Date	15 September 2015
Version Number	1.0
Status	Draft
Review Frequency	Annual
Next review date	September 2016
Consultation	Our assessment of progress against the four improvement objectives reported in this plan was scrutinised by the council's four Select Committees in June and July 2015.

Welsh language and alternative formats

In line with the council's Welsh Language Scheme, a Welsh language version of the Improvement Plan will be available on the council's bilingual website.

Y Gymraeg a fformatau eraill

Yn unol â Chynllun Iaith Gymraeg y Cyngor, bydd fersiwn Gymraeg o'r Cynllun Gwella ar gael ar wefan ddwyieithog y Cyngor

We can also provide this document in Braille, large print, on tape or in electronic form. If you would like a copy in a different format please contact our Equality and Welsh Language Officer by:

Phone: 01633 644010 or 07793798920


Fax: 01633 644666


e mail: equality@monmouthshire.gov.uk

If you want to comment on the council's performance or give your thoughts on issues that you feel should be set within the council's Improvement Objectives next year, please get in touch:

 improvement@monmouthshire.gov.uk

 www.monmouthshire.gov.uk/improvement

 Matthew Gatehouse, Policy and Performance Manager, Monmouthshire County Council, County Hall, Rhadyr, Usk, Monmouthshire, NP15 1GA

 01633 644602

 @MonmouthshireCC

Foreword

[To be added following council on 24 September]

A handwritten signature in black ink, appearing to read 'Peter Fox'.

Cllr Peter Fox
Leader

A handwritten signature in black ink, appearing to read 'Phylip Hobson'.

Cllr Phylip Hobson
Deputy Leader

The Vision for Monmouthshire

Sustainable and Resilient Communities

The vision for our county is described in the Single Integrated plan for Monmouthshire. This was developed by the Local Service Board – the group which brings together the leaders of key organisations in Monmouthshire.

The sustainability of a community depends on creating and maintaining its economic and environmental health, promoting social equity and increasing citizen participation.

Health and well-being is central to quality of life, our economic success is dependent on our ability to improve education, training and employment outcomes. An individual's ability to achieve their educational, social and economic potential is greatly influenced by their own sense of well-being.

Communities that engage and involve people and institutions to achieve environmental, economic, and social goals are generally likely to be more successful. This engagement and involvement must take place across generations, recognising the contribution that all parts of the community can make, from children and young people through to our older people.

Job creation, energy use, housing, transportation, education and health are considered complementary parts of the whole. Since all issues are interconnected they must be addressed as a system. Sustainability is a process of continuous improvement so communities constantly evolve and make changes to accomplish their goals. In essence if we work together we will make our community even healthier, safer, greener, more liveable, and more prosperous.

Working towards this vision we identified three themes which form part of a cohesive story about how we will achieve our vision.

Nobody is Left Behind: we want to be a place of cohesive communities where everybody is treated with dignity and respect and has the same opportunity to achieve what they wish.

People are Confident, Capable and Involved: we want Monmouthshire to feel safe and people to be confident. We want to create a place where people want to be involved; they are confident in themselves and their abilities and what they contribute to their own community.

Our County Thrives: we want our county to thrive which includes the economy that supports our communities and families to live a good life. It also means that our environment, its range of habitats and biodiversity thrives.

Our Improvement Plan describes the contribution that Monmouthshire County Council is making to turn this vision into tomorrow's reality.

Our Priorities

Monmouthshire Council is run by a partnership administration of two political parties. In March 2015 they signed a continuation of their partnership agreement which clearly set the direction of the council for the period up to May 2017 when local authority elections will take place.

This maintains the partnership established by the Conservative and Liberal Democrat groups back in May 2012 to administer the council.

The [Continuance Agreement](#) sets four specific priorities which are embedded through the Improvement Plan as the priorities of the council.

- Education
- Protecting the most vulnerable in society
- Supporting Enterprise and job creation, and
- Maintaining locally accessible services

Outcome Agreement 2013/16

As well as our own priorities we also recognise the priorities set by the Welsh Government. Monmouthshire County Council has signed a three year Outcome Agreement with Welsh Government. This sets stretching targets and milestones working towards the issues of national importance, as described in Wales' Programme for Government and matches them against the objectives set locally.

The themes we are working towards are:

- Improving school attainment
- Ensuring people receive the help they need to live fulfilled lives
- Poverty and material deprivation
- Living within environmental limits and acting on climate change
- Improving early years' experiences

Successful achievement of targeted performance provides grant funding over the period of the agreement at just over £800,000 from the Welsh Government. At time of publication we are awaiting confirmation from The Minister for Public Services that the good progress we have made in these areas will result in payment of the grant.

The Values that Guide us

We want to ensure communities can access and shape the county on their own terms. Our organisation will enable change on things that matter today whilst looking ahead to the things that that will be important tomorrow. We are trying to create an organisational culture that is innovative, responsive and flexible.

We have a very clear set of values that underpin all work of the council and guide the behaviours that are expected of everyone working for us or working with us. These do not change as time passes. They are consistent and they define us.

Openness: we aspire to be open and honest to develop trusting relationships

Fairness: we aspire to provide fair choice, opportunities and experiences and become an organisation built on mutual respect

Flexibility: we aspire to be flexible in our thinking and action to become an effective and efficient organisation

Teamwork: we aspire to work together to share our successes and failures by building on our strengths and supporting one another to achieve our goals

These values are our compass. They are consistent points that we look to as we take forward our work.

These values are embedded through our [your county, your way](#) programme, which is recognised at a UK level and sets out how we seek to transform our delivery. This is about:

- An agile workforce that is fully functional in a flexible environment. This means that our people move to locations where they are needed most and in a way that they can work most effectively.
- A commitment to reviewing our services to make sure they are efficient, effective and sustainable. Our staff work with service teams and with service users to encourage improved change to how services may currently be delivered.
- An in-house training and personal development programme to ensure our staff are individually supported and support each other and also, learn from world-wide ideas and inspirational people.
- Our staff supporting more meaningful engagement in communities.
- An organisational design which is networked in nature and exhibits high levels of trust in our people.

Equality and Welsh Language

The council has shown a long standing commitment to equality and diversity. To strengthen this commitment we have adopted a Strategic Equality Plan 2012 - 2016. This will help to assure us that our functions, decisions and behaviours fully take into account the impact they have on Protected Characteristic groups¹, while also improving the lives of individuals and communities. The council's Welsh Language scheme 2013-16 sets out our commitment to the Welsh language.

Sustainable Development

The Well-Being of Future Generations Act requires public bodies to demonstrate that sustainable development is at the heart of their decision making. Monmouthshire is one of 11 local authorities and 3 National Park Authorities in Wales who were "early adopters" of the Act when it was still a Bill. This meant we have worked to become compliant with the legislation throughout 2015. We have also acted as a pilot site working with Wales Audit Office to understand the implications of The Act for regulators.

The Act requires us to improve social, economic and environmental wellbeing, in accordance with the sustainable development principle which seeks to ensure that present needs are met without compromising the ability of future generations to meet their own needs.

In achieving our objectives we must demonstrate that we have applied the following sustainable governance principles in our decision making:

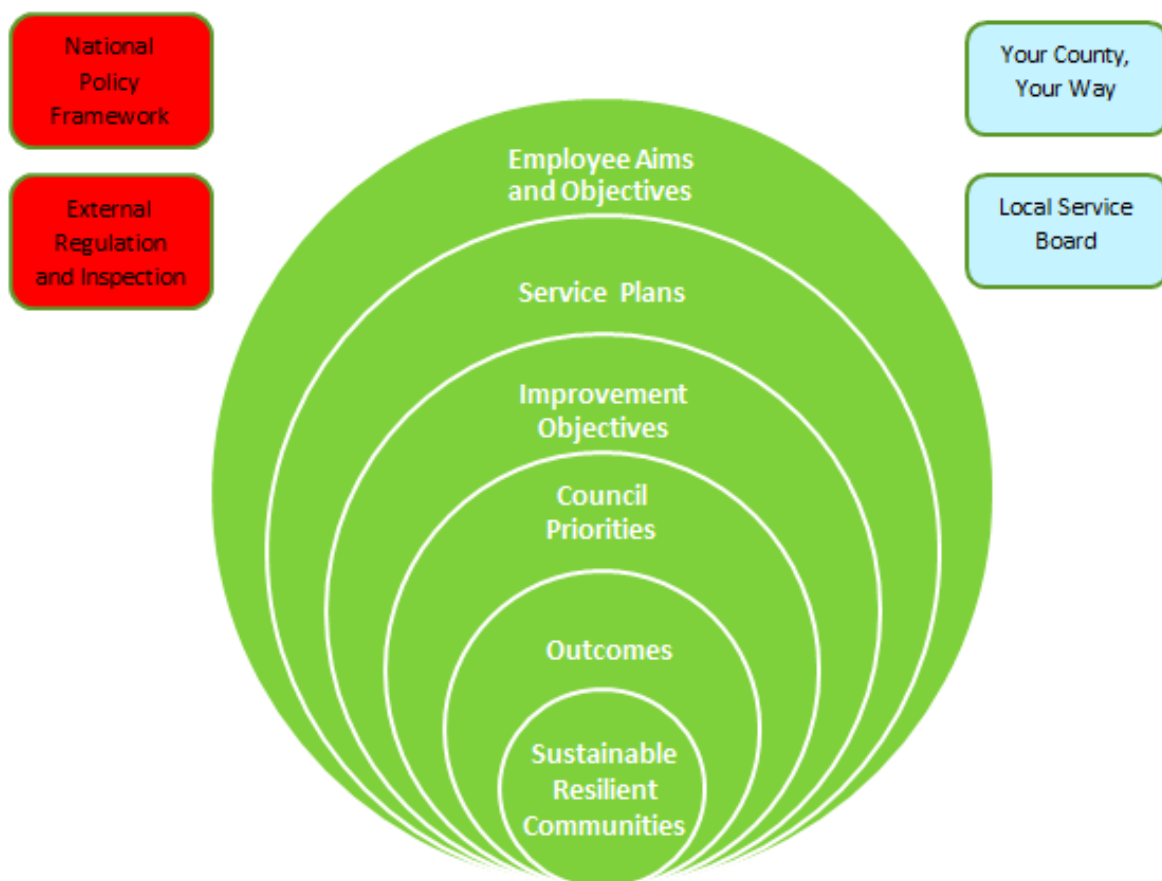
- Balancing short term needs with long term needs.
- Using an integrated approach, balancing social, economic and environmental needs.
- Involving others and taking their views into account.
- Working in collaboration with others.
- Putting resources into preventing problems

From November 2015 all the decisions made by the council and its cabinet will be assessed using a revised equality impact and sustainable development checklist to ensure that these principles are integral to our activities.




Our Improvement Framework

Monmouthshire is an ambitious county. The strength of Monmouthshire lies in its people. Not just those on our payroll but all of the people who work with us in delivering services and achieving value for money. Our Improvement Framework helps to ensure that we can harness everyone's efforts and makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes.

At the heart of our Improvement Framework is the vision of sustainable resilient communities. This is unifying purpose for the diverse range of services that we are responsible for. Each of our teams has a Service Plan that aligns to our four priorities and the outcomes we are striving to achieve and we have a range of key performance indicators so that we can keep track of our progress. Our People Services team help us recruit and retain people who share our values and have the skills and passion to make a real difference.



Key:

-  Performance Framework
-  Improvement Activity
-  External Influences

2014/15 Improvement Objectives

It is important that the things we are spending our time and resources doing reflect the views of our communities as well as the national policies set by the governments in Westminster and Cardiff Bay. Each year we set a series of Improvement Objectives that distil some of our key areas of work into a handful of objectives.

The objectives described over the following pages were set by council in May 2014, this is our opportunity to report back on how we did. Each one has been assessed using a six-point self-evaluation framework based on the evidence of the progress and impact made. The Improvement Plan 2015/17 introduced a more prescriptive approach to defining our performance level. These descriptions are shown in the table below and have been used to inform the assessment in this plan. A summary of our assessment against each of the improvement objectives is provided that clearly states the evidence used to inform the level allocated with a more detailed assessment of progress following.

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

Monmouthshire County Council has four select committees that scrutinise the effectiveness of council services and help the cabinet formulate policy. Throughout the year they examine the performance of services. This includes scrutinising progress against our Improvement Objectives during the year. You can access the reports presented throughout the year on the council's website at www.monmouthshire.gov.uk/meetings

Why are we writing about 2014/15 in October?

All council's in Wales are required to produce an annual Improvement Plan. This is published in two separate but complimentary sections. Our stage 1 plan is published each May. It describes some the things that the council will do in the year ahead to improve services and work towards our vision of sustainable and resilient communities. These are called our Improvement Objectives. The plan we published in May 2015 sets out our Improvement Objectives for 2015/16. Our stage 2 plan is published every October. It describes what we have done to deliver the Improvement objectives we set in the previous year. In this plan we are reporting back on the activities we first described in May 2014

Improvement Objective template explained

Each of four objectives have been set out in a standard template, below is an explanation of why we include each section to help you understand how they all connect together and how the information is used to inform the score.

MCC Improvement Objective: This sets the aim or goal of what we want to achieve over the medium term, this is contributed to by the actions set.					
Council Priority: This sets how the objective links to the political priorities of the Council			Single Integrated Plan Outcome: This sets how the objective links to the shared outcomes of the County set in the Partnership Single Integrated Plan		
What do we want to achieve this year?					
This sets more specifically what we want to achieve in the year linked to the more medium term focus of the objective					
Why have we chosen this?					
This describes why we have chosen to focus our time and resource on this objective.					
Overall impact score?					
This summarises the score using the evaluation criteria set, based on the evidence of our performance in the year, 2014/15, as set out in the following sections.					
What will we do?	Timescale	What have we done?	What difference has it made?		Progress
This sets the action we will take that will contribute to delivering the improvement objective set.	This sets the timescale we will deliver the action in. Sometimes actions will be longer than within the year the improvement plan is set.	This describes the progress we have made in delivering the action.	This describes the impact the action has made in contributing to the delivery of the Improvement Objective. This will link to quantitative and qualitative evidence, including, as relevant, some of the performance indicators, we set under the "How will we know the difference it has made?" section and the difference it will make as anticipated in our original plan.		This sets whether overall progress of the action considering the evidence provided is "on target", "behind target" or "not started"
How will we know the difference it has made			2012/13	2013/14	2014/15 Target
How much did we do?			2014/15 Actual		
			Trend		
The performance indicators in this section focus on the output or number of things we have done compared to previous years and targets for the current year to evaluate what improvements have been made.					

How well did we do it?	
The performance indicators in this section focus on the quality and effectiveness of things we have done compared to previous years and targets for the current year to evaluate what improvements have been made.	
Is anyone better off?	
The performance indicators in this section focus more on the outcome of our work compared to previous years and targets for the current year to evaluate what improvements have been made. These indicators sometime relate to, more than one of our actions and are more focused on quantifying progress towards the improvement objective as a whole.	
Partners we are working with?	
We cannot make all the improvements on our own. This section sets out partners we are working with to deliver the actions set out above.	
How do we compare?	
It is important to understand our performance relative to other areas. In this section we include comparisons to other Welsh Councils for performance indicators that are comparable. We highlight in blue councils that are most similar to Monmouthshire in terms of their socio-economic profile, for example in population or geography, this means who we compare against sometimes varies by service as different services' performance will be influenced by different factors.	

Improvement Objective 1

MCC Improvement Objective 1: We will provide an improved education provision for Monmouthshire.

Council Priority: Education

Single Integrated Plan Outcome: People have access to practical and flexible learning

What did we want to achieve this year?

We will continue to re-focus the whole education service to ensure that it responds to the needs of all children and young people and addresses the concerns of the Estyn, the education inspectorate

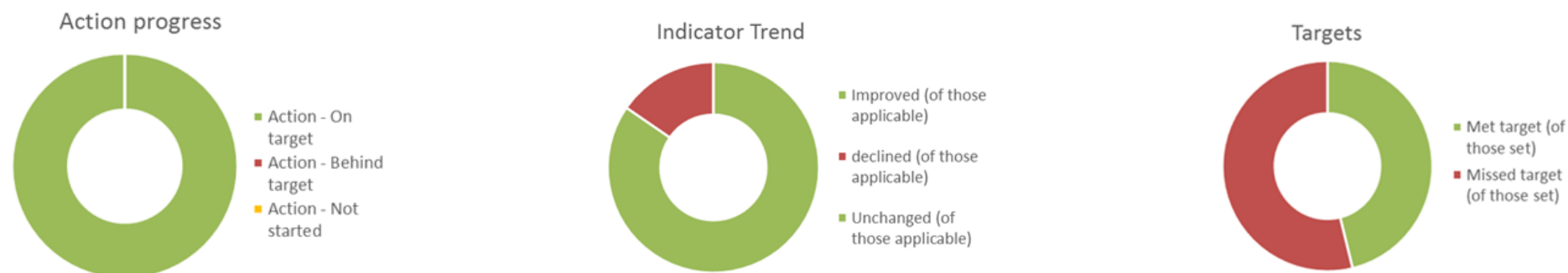
Why have we chosen this?

Learning is an absolute priority but our responsibility to children and young people goes wider than this. In setting this objective we want to coordinate the contributions of everyone who works with us so that we can provide the best support to respond to all children and young people's needs. Within this, we aim to provide an education offer that will stand the test of any measure.

Our intention is to re-cast the whole education service to ensure that our actions all sit comfortably within a service framework designed to take us forward over the next decade.

Overall Impact Score?

Level 3 – Adequate – Strengths just outweigh weaknesses



All actions are on target and most indicators have improved, however more have missed targets than we met. Based on the evaluation criteria this objective could be scored as Level 4 - good. However, as the council remains in Special Measures we will await the assessment of the education inspectorate, Estyn, in Autumn 2015 before raising our own assessment as addressing their concerns was a key of the objective for the year.

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
<p>Build the capacity of schools to meet a wider range of pupils needs in partnership with the Education Achievement Service, for example by reviewing our services for pupils with Additional Learning Needs.</p>	<p>Summer 2016</p>	<p>We continued working with the EAS to ensure:</p> <ul style="list-style-type: none"> • That the gap in performance between pupils receiving free school meals and those not receiving free school meals is narrowed • Greater scrutiny of the Pupil Deprivation Grant (PDG) expenditure to tackle the impact of poverty on pupil learning and performance <p>We progressed the review of Additional Learning Needs strategy and policy. The first stage of a new policy was adopted by Cabinet in November 2014.</p>	<p>Using free school meal (eFSM) benchmark data to compare the performance of similar schools nationally, the outcomes for 2014 showed:</p> <ul style="list-style-type: none"> • The number of schools performing in the top 50% at Foundation Phase increased for most indicators and was above the Welsh average for all indicators • At Key Stage 2, the proportion of schools that perform within the top 50% declined slightly for the Core Subject Indicator (CSI) and English, but increased for Welsh (first language) and mathematics. The proportion of schools performing within the bottom 25% remained below the Welsh average in all indicators. The position improved for English, but declined for mathematics • At Key Stage 3 the number of schools performing within the top 50% declined in the CSI, English and mathematics and was below the Welsh average. Two out of four schools performed within the bottom 25% of similar schools for all three indicators. • At Key Stage 4, in terms of pupils achieving 5 or more GCSEs grades A*-C including English and mathematics and for the CSI, no schools were in the bottom 25% of similar schools and 1 school performed in the top 25%. • In terms of pupils achieving 5 or more GCSEs grades A*-C, 3 out of 4 schools performed in the top 50% of similar schools, and 2 schools for the CSI. 	<p>On Target</p>

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
Page 194			<ul style="list-style-type: none"> • 2 out of 4 our schools continued to perform in the bottom 25% of similar schools in terms of pupils achieving 5 or more GCSE passes and in terms of the average points scored from their best 8 GCSEs. Three out of four schools performed within the bottom 50% of similar schools for the same measures. However, this represents an improvement on the previous year. • In 2014/15, the eFSM performance gap continued to close at Foundation Phase and Key Stage 3 more quickly than across Wales and to be lower than the Welsh average. At Key stage 2, the gap widened in the last year, moving above the Welsh average but the overall trend continues to be one of gap closure. At Key Stage 4, the gap continues to be greater than that seen across Wales and increased in the last year. However, all pupils saw a significant uplift in performance in the last year. 	

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
Identify pupils at risk of leaving school without qualifications as early as possible and ensure that appropriate learning pathways and support are provided. Page 195	Summer 2015	We implemented a Youth Engagement and Progression Framework and an Early Identification System at KS3 in schools	Of the 14-16 year olds in accreditation programmes: <ul style="list-style-type: none"> • 41 were in programmes e.g. BTEC Levels 1-2 • Of these 36 went on to achieve a level 2 qualification and five achieved a level 1 qualification Of the 16 -19 year olds on engagement/traineeship programmes: <ul style="list-style-type: none"> • 17 accessed programmes • Of these 13 went on to complete the programme and four partially completed the programme. At Key Stage 5 at March 2015 data from Careers Wales shows that 19 young people were in Tier 1 of the 5 Tier model	On target
Ensure regular contact with all young people within the Careers Wales five tier model to facilitate the most appropriate provision suited to their needs.	Summer 2015	A 14 - 19 Transition Worker supported year 11 pupils who were most at risk of becoming Not in Education, Employment or Training (NEET). The support was continued into 2015/16 to ensure their engagement and progression.	The percentage of 16 year olds who were not in education training or employment fell from 2.8% to 1.7%. This exceeded authority's target of 3.3%.	On target

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
<p>Continue to review processes for target setting, monitoring of progress and scrutiny of pupil performance as they move through the school system.</p>	<p>Summer 2015</p>	<p>We reviewed the target setting procedures with the Education Achievement Service so there is only one target and not two separate minimum and challenging targets.</p> <p>The targets were received from schools and challenged for Key Stage 4 and Key Stage 2 to ensure they were robust.</p>	<p>Arrangements for setting targets continue to be embedded. This provides a clearer focus for schools to monitor pupils' performance and to identify support requirements to keep pupils on track to achieve their full potential.</p>	<p>On target</p>
<p>Support and challenge schools that are in Band 4 and 5 to raise standards through targeted intervention plans.</p>	<p>Summer 2015</p>	<p>The new National Categorisation system has replaced Secondary School Banding. The new metrics show four categories of traffic light evaluation using Red, Yellow, Amber and Green.</p> <p>We have reviewed our policy for schools causing concern in line with this. We currently have two primaries and one special school in the Red category. These schools all have an appropriate intervention plan in place and are under close monitoring and support from the authority and the Education Achievement Service.</p>	<p>Within this new system, schools that demonstrate improvement against their own baseline can move up, but other schools do not have to move down to allow for this.</p> <p>This has been used to ensure that Monmouthshire schools do not enter into the Red category, or where they do that they are removed as soon as possible.</p> <p>Of the schools causing concern and therefore currently in the Red category one has been issued with a warning notice and the authority has invoked powers in another in order that improvement could be planned and implemented at pace.</p>	<p>On target</p>

What will we do?	Timescale	What have we done?	What difference has it made?				Progress
Strengthen leadership at all levels to reduce the variation within and between schools. Page 197	Summer 2017	<p>We are using the new National Categorisation model to support leadership improvement in schools. In strengthening leadership, Step 2 of this model is used to evaluate both leadership and quality of teaching / learning.</p> <p>This model uses categories, steps and traffic light colours. A higher category number / letter reflects a higher performing school and the overall level of concern ranges from Green as lesser concern to Red as higher concern.</p> <p>The categorisation has enabled the authority, through its commissioned Education Achievement Service (EAS), to target resources accurately and efficiently to support schools in their improvement and to facilitate school-to- school support where leading practice has been identified and matched with areas of need.</p>	<p>The overall categorisation for the primaries shows that 3 schools were in Green, 14 were in yellow, 12 in Amber and 2 in Red.</p> <p>In terms of overall intervention in the secondary schools, 1 school was in Amber and 3 schools in Yellow.</p> <p>For the Pupil Referral Unit an overall category of Yellow was given, whereas Mounton House special school was categorised as Red.</p> <p>All schools that were revisited as part of follow up inspections by Estyn were removed from monitoring after this revisit, aided by the support provided by the authority through the EAS.</p> <p>Two schools were placed in a category for needing improvement and since March 2015, we have issued a 3rd school with a warning notice and invoked powers of intervention in a 2nd school. This has been targeted to instigate improvements, particularly in leadership and capacity. These will be reviewed nationally in the Autumn term 2015.</p>				On target
How will we know the difference it has made			2012/13 Summer 2012 results	2013/14 Summer 2013 results	2014/15 Target For Summer 2014	2014/15 Actual Summer 2014 results	Trend
How much did we do?							
The percentage of all pupil attendance in schools: Primary Schools: (i) Attendance Secondary Schools: (ii) Attendance			i) 94.7 ii) 93.2	i) 94.4 ii) 93.4	i) 95 ii) 94	i) 95.8 ii) 94.5	i) improved/ met target ii) improved/ met target

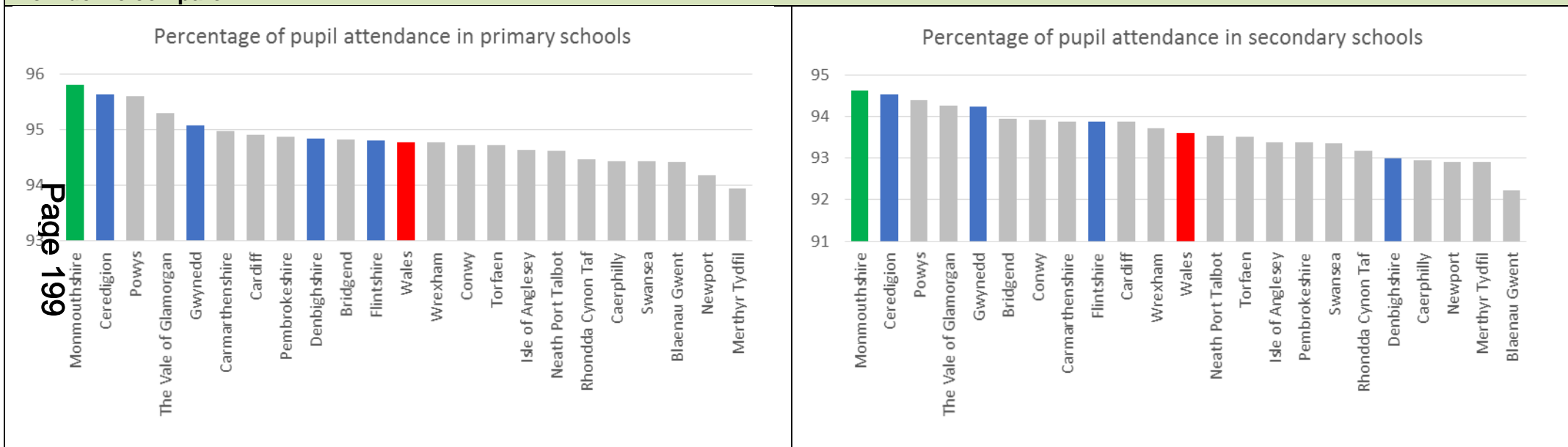
The percentage of pupil attendance in schools who receive free school meals: Primaries: (i) Attendance Secondaries: (ii) Attendance	i)92.0 ii)87.8	i)91.8 ii)88.4	i)92.6 ii)89.7	i) 93.9 ii) 90.4	i)improved/ met target ii)improved / met target
How well did we do it?	2012/13 Summer 2012 results	2013/14 Summer 2013 results	2014/15 Target For Summer 2014	2014/15 Actual Summer 2014 results	Trend
The percentage of pupils achieving the Foundation Phase indicator: i)All pupils ii)Pupils receiving free school meals	i) 86.8 ii) 72.9	i) 89.5 ii) 74.6	i)92.6 ii) 87.5	i)91.2 ii)82.7	i)improved/ missed target ii) improved / missed target
The percentage of pupils achieving the Key Stage 2 Core Subject Indicator: i)All pupils ii)Pupils receiving free school meals	i) 86.3 ii) 62.3	i) 89.3 ii) 75.8	i) 91 ii) 79	i)89.5 ii)70	i)improved/ missed target ii)declined / missed target
The percentage of all pupils achieving Key Stage 4 Level 2 Threshold including English or Welsh and Maths i)All pupils ii)Pupils receiving free school meals	i) 56.3 ii) 25.7	i) 57.3 ii) 26.7	i) 67 ii) 36	i) 65.6 ii) 25	i)improved/ missed target ii) declined / missed target
Is anyone better off?	2012/13 Summer 2012 results	2013/14 Summer 2013 results	2014/15 Target For Summer 2014	2014/15 Actual Summer 2014 results	Trend
Percentage of pupils leaving education, training and worked based learning without a recognised qualification	0.1	0.4	0	0.1	improved/ missed target

Percentage of pupils who have been looked after leaving education, training and worked based learning without a recognised qualification	0	0	0	0	maximum/ met target
Percentage of 16 year olds who are not in education, employment or training (NEET)	3.8	2.8	3 Revised to 3.3	1.7	improved/ met target

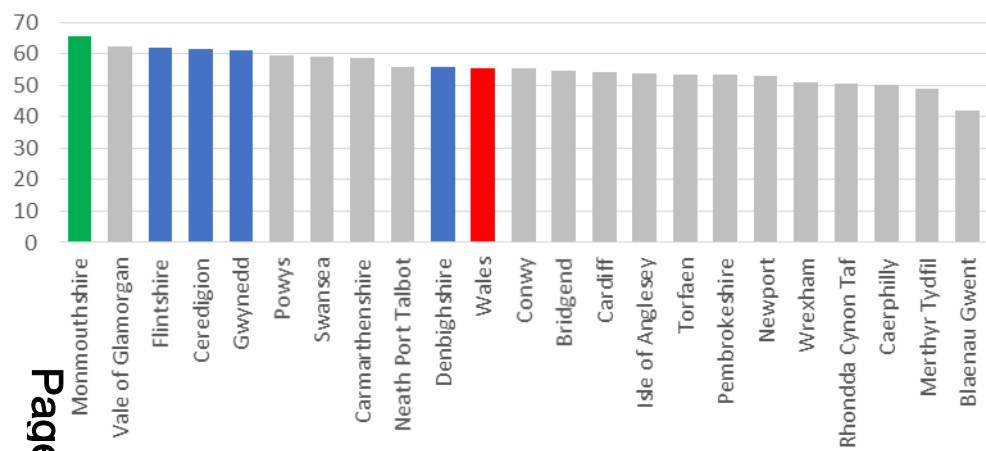
Partners we are working with?

Schools, Education Achievement Service, Estyn, Health authority and Welsh Government

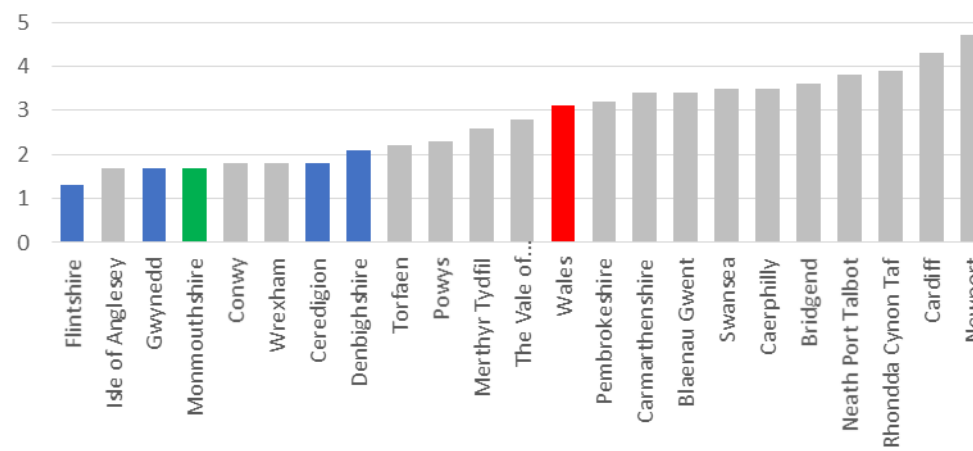
How do we compare?



Percentage of pupils achieve key stage 4 core subject indicator incl GCSE English or Welsh and Maths



Percentage of 16 year olds not in education, employment or training



Improvement Objective 2

MCC Improvement Objective 2: We will work to help people live their own lives by building flexible and responsive services. Our focus will be on safeguarding people, further developing our approach to integrated services and implementing community coordination in the pilot areas

Council Priority: Safeguarding vulnerable people

Single Integrated Plan Outcome: Families are supported & Older people are able to live their good life

What did we want to achieve this year?

We will:

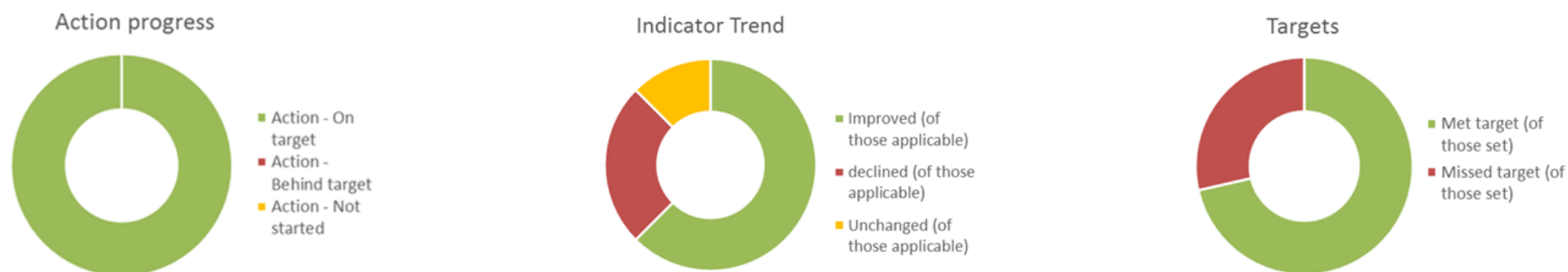
- Focus on families to ensure they are supported during key transitions in times of stress.
- Build new safeguarding and protection approaches so that people are protected and that this is achieved in ways which will empower the individual to sustain/regain control of their life
- 'Do what matters' so that people are supported to "live their own life" i.e. take more control over life they live.
- Find integrated solutions so that services are built around the needs of the individual rather than for the convenience of the people who provide them
- Strengthen communities so that people are engaged in and supported by their communities and not dependant purely on statutory services.

Why have we chosen this?

In the current financial and demographic context if we don't find ways to support people to find better solutions we will end up rationing services and only intervening in crisis situations. The human cost of failing to have the right conversations at the right time includes young people placed in institutional placements away from home and older people experiencing isolation and loneliness in their communities.

Overall Impact Score?

Level 4 – Good – Important Strengths with some areas for improvement



The evidence shows all actions are on target, most indicators are improving or meeting targets. However there are a few that have not met targets or have not improved, which based on the evaluation criteria means this objective needs to be scored as Level 4- good.

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
<p>Establish a community coordination pilot in Abergavenny and Caldicot and decide whether or not to use throughout the county.</p>	<p>Pilot scheme until March 2016</p>	<p>Abergavenny and Caldicot were identified as the sites for the pilots. These were launched at well-attended community events in the towns leisure centres in Autumn 2013 before being launched in April 2014 (Abergavenny) and June 2014 (Caldicot). Two coordinators were appointed and have been working in these areas throughout 2014-15</p>	<p>Coordinators are working in these towns to help develop inclusive and mutually supportive communities. They act as a point of contact to simplify and better connect services and other opportunities for local people. The two coordinators have connected with over a thousand people.</p> <p>The number of vulnerable people requiring long term packages of care has stabilised despite an ageing population while the numbers needing residential care remain the lowest in Wales.</p> <p>Individual case studies show some early successes but it is early to draw robust conclusions about the effectiveness of the programme. In year one of the pilot we have learned a number of things that will inform how the work is taken forward in year two.</p>	<p>On target</p>
<p>Strengthen the whole authority approach to safeguarding with a focus on evaluating impact and strong leadership.</p>	<p>On-going</p>	<p>We have developed a comprehensive reporting schedule to ensure that we are able to evaluate the impact of safeguarding. This has been supplemented by establishing a monthly briefing for Chief Officers, a cross- authority leadership group chaired by the Chief Executive and a forum for the Chairs of Select Committees to discuss Safeguarding and Corporate Parenting issues.</p>	<p>There is:</p> <ul style="list-style-type: none"> • An overarching Monmouthshire Safeguarding and Child Protection Policy in place that gives clear guidance for all settings detailing roles and responsibilities in safeguarding and child protection. • Increased cross directorate and political involvement with safeguarding supported by strong leadership. • An audit programme in place to ensure that individual settings adhere to the requirements of the policy and provide information regarding how they meet their child protection and safeguarding responsibilities in practice. • A robust system in place within the authority to respond to any concerns arising from professional allegations or organised abuse. 	<p>Achieved</p>

			<p>Our safeguarding survey (2013) undertaken with young people tells us that the majority of children feel safe most of the time but that bullying and staying safe on-line concerns them.</p> <p>Over the past year we have seen an increase in the number of children on the child protection register, although the average length of time people need to remain on the register had remained broadly the same.</p>	
What will we do?	Timescale	What have we done?	What difference has it made?	Progress
<p>Roll out an integrated assessment, care and support plan and personal outcomes framework that all providers contribute to.</p>	March 2015	<p>The Integrated Assessment is now in place across all teams and extended into the District Nurse Service following approval by Aneurin Bevan University Health Board (ABuHB).</p> <p>The Personal Outcomes Framework has been developed and we working closely with the Social Services Improvement Agency as a pilot site in Wales.</p>	<p>Both the assessment and the Care and Support Plan (assessment and case management process) are underpinned by a different type of empowering conversation, replacing the question “what is wrong with you, what are you unable to do?” with “what matters most to you?” It still remains a significant challenge to embed this way of working into practice, although progress has been made. The percentage of people returned to independence as a result of reablement from our integrated teams remained within targets.</p> <p>The Personal Outcomes Framework allows evaluation and simple measurement of achievement and is still subject to continual appraisal. We are not yet able to aggregate up the measures of personal outcomes. However our regular survey shows that satisfaction with social services increased from 90% to 93% during 2014-15.</p>	On Target

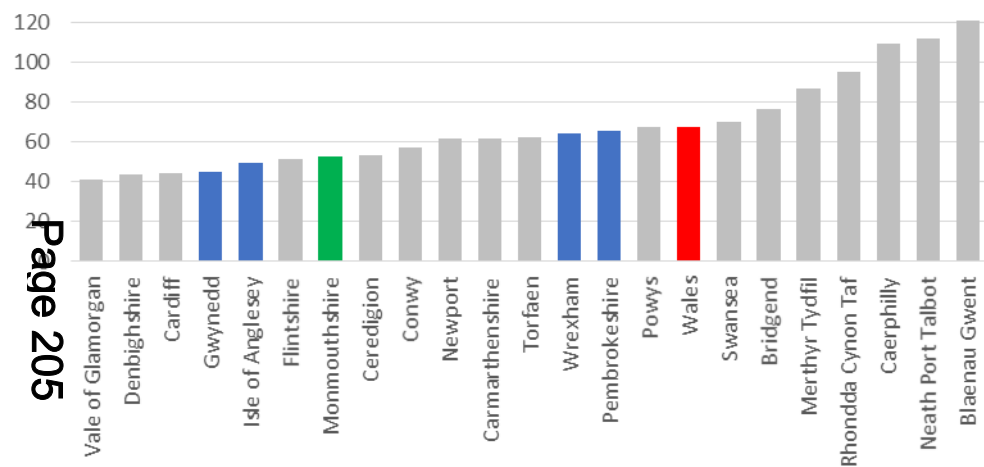
How will we know the difference it has made	2012/13	2013/14	2014/15 Target	2014/15 Actual	Trend
How much did we do?					
Number of older people receiving traditional long-term community based packages of social care (monthly average)	1168	1157	<1157	1160	Declined/ missed Target
Number of older people in local authority funded nursing or residential care	234	227	230	229	Improved/ met target
Number of people supported via community coordination	0	0	36	43	Improved/ met target
Number of children on the child protection register at 31 March (or end of this period)	55	37	not applicable	51	n/a
How well did we do it?					
Percentage of people using social services who report that they are happy with the service they receive	96%	90%	90%	93%	Improved/ met target
Number of delayed transfers of care from hospital that were because social care was not in place	16	17	<21	13	Improved/ met target
Percentage of reviews of children on the child protection register that were carried out on time	90.5%	93.9%	100%	95.5%	Improved/ missed target
Is anyone better off?	2012/13	2013/14	2014/15 Target	2014/15 Actual	Trend
Percentage of people who believe that the service they get meets their needs	88%	82%	>82	85%	Improved/ met target
Percentage of people whose personal outcomes are improved	Not yet started	Not yet Started	This work is not yet at the stage where personal outcomes data can be accurately aggregated to a whole authority level		
Percentage of people who are fully independent following a period of reablement	54.5%	53.5%	50-55%	52.9%	Declined/ met target
Average length of time that children spend on the child protection register (months)	11.8	6.4	Not applicable	6.5	Stable/ n/a target

Partners we are working with?

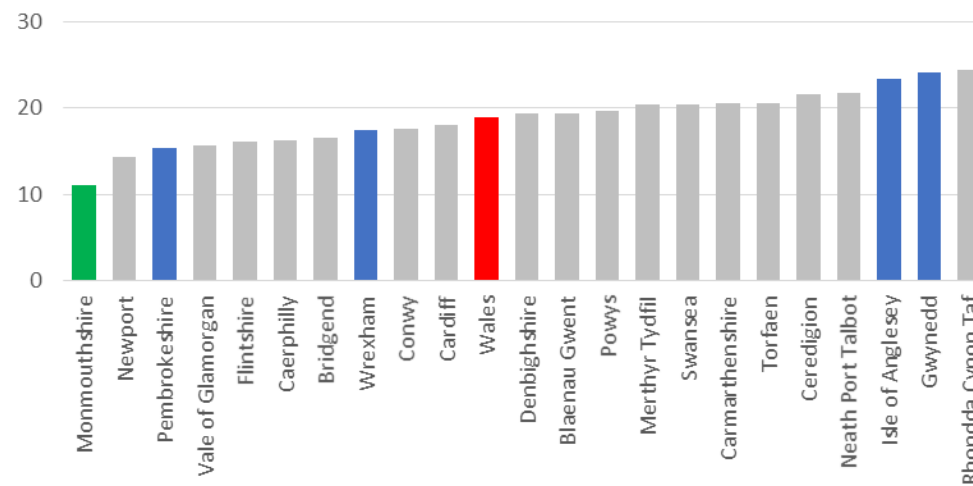
Gwent Police, Aneurin Bevan University Health Board, Gwent Association of Voluntary Organisations, other local authorities in Gwent, Welsh Government, The Centre for Welfare Reform, Community Catalysts (a Community Interest Company), CMC2

How do we compare?

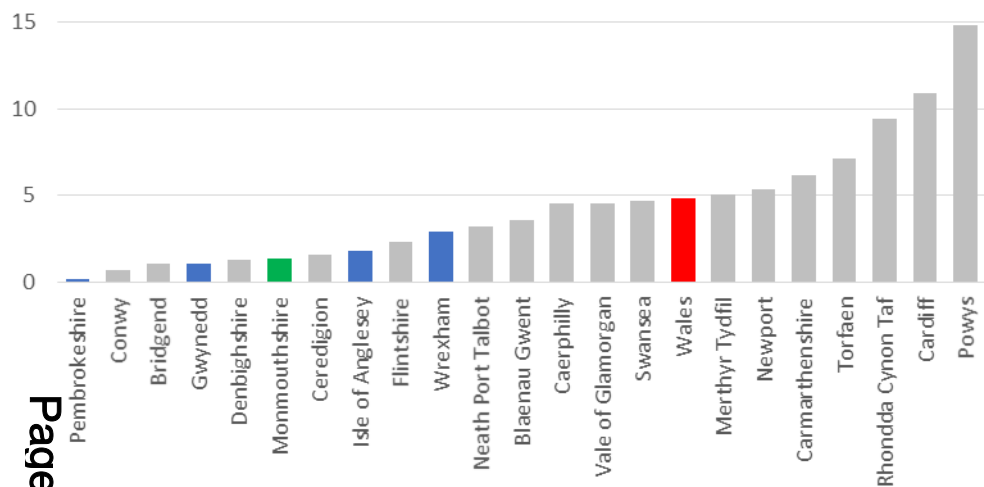
Rate of older people supported to live in the community



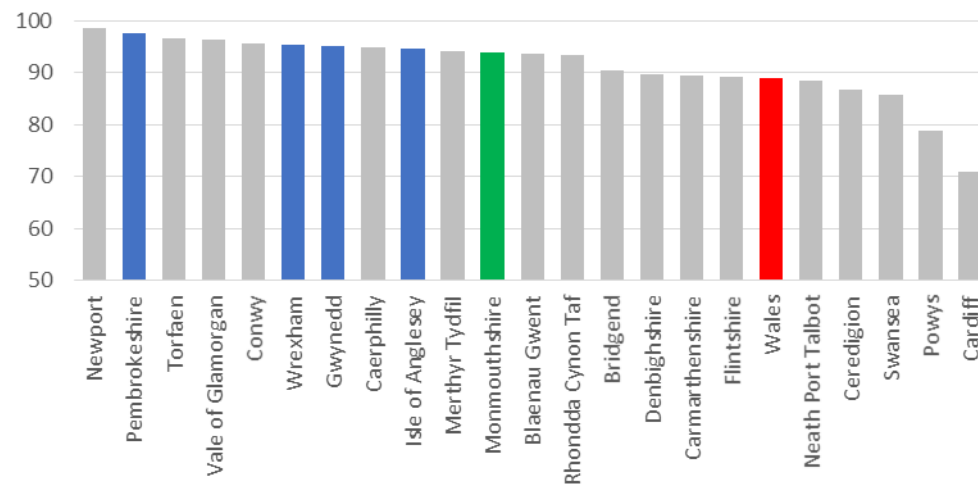
Rate of older people supported in care homes




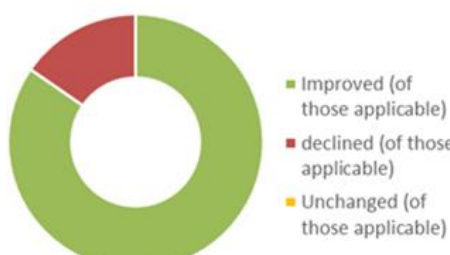
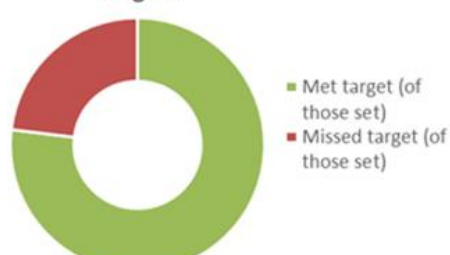
Rate of delayed transfers of care for social care reasons



Percentage of reviews of children carried out on time



Improvement Objective 3

Improvement Objective 3: We want to enable our county to thrive		
Council Priority: Supporting business & job creation	Single Integrated Plan Outcome: Business and enterprise & protect and enhance the environment	
What do we want to achieve this year?		
<p>We will:</p> <ul style="list-style-type: none"> Invest in communities to enable them to build their own resilience Promote a community-wide vision for land-use Assist in enabling business and enterprise to prosper Continue to work towards providing a safe, clean and sustainable environment 		
Why have we chosen this?		
<p>This objective aligns closely with the Single Integrated Plan for Monmouthshire. For our county to thrive we need to continue to work with our residents, invest in communities and base our delivery on ‘what matters’ to people in their communities. Shaping our approach like this will help us to meet needs and expectations of our residents and join up our services to make more efficient use of increasingly limited resources.</p> <p>The objective brings together three inter-related elements of our approach; supporting and encouraging enterprise and job creation, whole place area delivery and minimising the impact on the environment.</p>		
Overall impact score?		
Level 4 – Good – Important strengths with some areas for improvement		
<p>Action progress</p>  <ul style="list-style-type: none"> ■ Action - On target ■ Action - Behind target ■ Action - Not started 	<p>Indicator Trend</p>  <ul style="list-style-type: none"> ■ Improved (of those applicable) ■ declined (of those applicable) ■ Unchanged (of those applicable) 	<p>Targets</p>  <ul style="list-style-type: none"> ■ Met target (of those set) ■ Missed target (of those set) ■ Unmet target (of those set)
<p>The evidence shows that overall progress has been made on actions, while most indicators improved or met targets. However there are a few that have not improved or met targets set, which based on the evaluation criteria means this objective needs to be scored as Level 4- good.</p>		

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
<p>Support the activities of the Caldicot Town Team in their first year of operation.</p> <p style="text-align: center;">Page 208</p>	<p>March 2015</p>	<p>Activities supported with the Town Team include; finalising a legal constitution, facilitating their Annual General Meeting, drafting the legal agreement for the local magazine, providing funding in advance of the Section 106, help drafting an action plan and working in partnership with the Town Team to develop better links in the town centre.</p>	<p>The Town Team now has over 80 members contributing to their local community.</p> <p>A newsletter now reaches all of the homes in Severnside and promotes local traders.</p> <p>The Town Team's involvement in the linkage design resulted in changes to the bus stop locations and other design elements. They were a partner in the consultation process, thereby raising their profile and influencing the decision process.</p> <p>Forming the ideas around an action plan has focused attention to projects agreed by the community. The Town Team have been given arm's length support and they have now found their own premises in the town centre to have a physical presence and accommodation to take projects forward.</p>	<p>On target</p>
<p>Support the roll out of the Business Improvement District in Abergavenny.</p>	<p>On-going</p>	<p>The council is working alongside the consultants and local project team and has developed a draft Business Case to set out the parameters of what having a Business Improvement District (BID) would be able to deliver. This will form the basis of the ballot which will take place during June/July.</p>	<p>The business case being set and all the businesses working together has enabled them to be in a position to go to ballot.</p> <p>Following the 2014/15 Improvement Plan period, the ballot was subsequently held in June and July 2015, where businesses in Abergavenny voted against plans for a BID.</p> <p>We will now continue to build on the support provided to carry on enabling and supporting investment in the town, including continuing to support the Town Team. Our Improvement Plan for 2015/16 will now reflect support to adapt to this we will do next.</p>	<p>On target (Based on support in 14/15)</p>

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
Evaluate the Whole Place approach in Severnside. Page 209	March 2015	<p>An evaluation of Whole Place was completed in February 2015 appraising the progress to date, including progress against Wales Audit Office proposals.</p> <p>The evaluation concludes that while Whole Place is still in its infancy as an approach significant progress has been made and added value evidenced, but there is still considerable distance to travel.</p>	<p>The evaluation identifies the areas where value has been added and also where lessons have been learnt. The evaluation identified that work in taking the next steps and rolling out the Whole Place approach will need to take account of the findings of the evaluation. This will now guide the approach when it is decided to be rolled out in Lower Wye and Central Monmouthshire.</p> <p>The National Survey for Wales has revealed there has been an increase in the percentage of people with a feeling of belonging to their local area in Monmouthshire to 88% which places Monmouthshire as 6th compared to other local authorities. However, there has been a decrease in the percentage of people who agree they can influence decisions affecting local area to 21%, which places Monmouthshire as 10th compared to other local authorities, the Wales Average is 21%.</p>	On target
Develop Whole Place Plans for Lower Wye and Central Monmouthshire.	March 2016	<p>In addition to the evaluation, a Whole Place Strategy has been implemented creating a single framework to advance the development and delivery of Whole Place Plans. A review of community governance has also been initiated to support the efficient and effective local delivery of Whole Place</p> <p>The Whole Place approach in Lower Wye and Central Monmouthshire areas will be progressed when the programme is sufficiently embedded within Severnside and Bryn y Cwm.</p>	<p>The Whole Place strategy provides a simple framework to guide how the council will invest in communities in order to enable them to build their own resourcefulness. With the first review and evaluation of Whole Place plans in Severnside and Bryn-y-Cwm supporting and highlighting the importance of difference and diversity– and yet the need to position it within a consistent strategic framework.</p> <p>The strategy sets out the key purpose; core principles and potential benefits to the Council and local communities of whole place that will guide the approach when it is decided to develop plans for Lower Wye and Central Monmouthshire.</p>	Not started

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
Enable and support festivals and events in the County, including establishing a special events team	On-going	<p>A high- level events strategy for Monmouthshire has been developed which will underpin the Council's commitment, approach and vision for supporting, hosting and staging events within the county. The events team are developing a toolkit to assist and sustain current and new events within the county. An established special events team will deliver the strategy supported by the county's network of volunteers, community groups, town teams and local businesses.</p> <p>The tourism team have already supported a number of major events in the year including Wye Valley River Festival, the National Road Race Championships and a stage of the Tour of Britain cycling. 140 volunteers have been trained as Tourism Ambassadors to assist in promoting Monmouthshire's tourism. This enables communities to promote their own county to help it thrive.</p>	<p>The events strategy has been put together to develop and support this existing programme of events, to create a framework within which new events can be encouraged and flourish, whilst ensuring they make a meaningful contribution to the local economy. A recent tourism report estimates 94% of visitors recommend Monmouthshire to others once they have visited the County.</p> <p>Festival and events have already contributed significantly to the local economy. Tourism data from STEAM shows the total economic impact of tourism in Monmouthshire was £173.15 million in 2014, a 2.1% increase on the previous year. 2,733 (FTE) jobs were supported by tourism in 2014.</p> <p>While evaluations of specific cycling events supported indicates that the return on investment for the Road Race Championships have been estimated at £2.76m and £715k for the Tour of Britain stage we hosted.</p>	On target
Establish an enterprise strategy and lead on the joint Rural Development Plan (RDP) submission for Monmouthshire and Newport.	March 2015	<p>The Monmouthshire Business Growth and Enterprise Strategy has been approved following consultation and development with the business community to help define the needs of businesses in the county.</p> <p>The strategy focuses on three strategic priorities:</p> <ul style="list-style-type: none"> • Supporting business growth • Encouraging inward investment • Growing Entrepreneurs <p>In addition to the development of the strategy,</p>	<p>The strategy addresses customer needs through the provision of a programme of business support, networking and facilitation which will help unlock the potential for growth in the County. The focus will be on the delivery of the three strands of the Monmouthshire Business Growth and Enterprise Strategy.</p> <p>Assistance from Monmouthshire Business and Enterprise and partners helped create some notable inward investment/job creation opportunities with 311 jobs created in the year. This exceeded the target of 200 in particular because of two larger projects that have significantly increased the number of jobs created in the year. Two inward investment projects have been</p>	On target

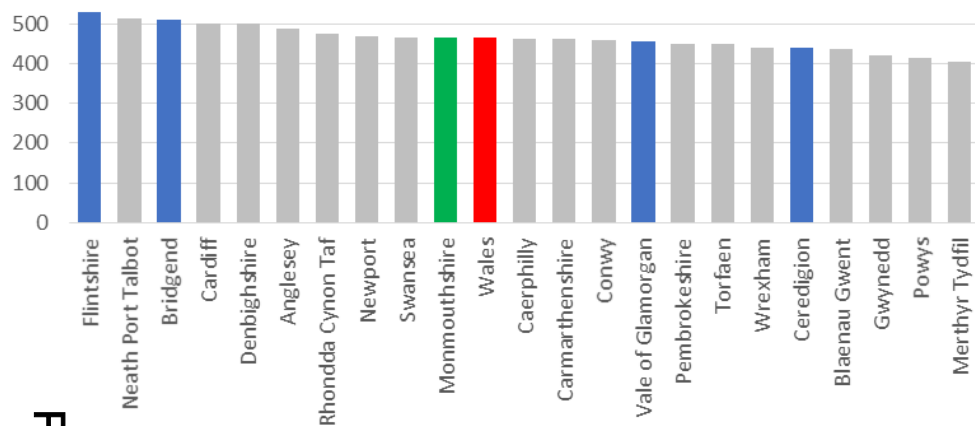
Page 21		<p>Monmouthshire Business and Enterprise continue to enhance their work with partners to develop a pipeline for pre-start businesses in Monmouthshire. This is evidenced by 122 business being supported to start-up during 2014/2015.</p> <p>The strategy is complemented by the Vale of Usk Local Development Strategy (LDS) that has been submitted to Welsh Government for the next round of Rural Development Plan funding (2014-2020). This is based around five themes developed following consultation with rural communities; adding value to local identity and natural and cultural resources; facilitating pre-commercial development; business partnerships and short supply chains; exploring new ways of providing non-statutory local services; renewable energy at community level and exploitation of digital technology.</p>	<p>supported compared to the 5 targeted.</p> <p>The Local Development Strategy will create further opportunities for targeted funding for rural communities. For the 2014-2020 period the Vale of Usk Local Action Group, covering the rural wards of Monmouthshire and Newport, have been awarded a minimum indicative allocation of £2.79M based on a 5% allocation of RDP funds. The programme is due to commence in July 2015.</p> <p>Average wage levels in the county increased by £39 to £466 in 2014, prior to this there had been a reduction in average wages in the previous two years.</p>	
What will we do?		What have we done?	What difference has it made?	Progress
<p>Determine the availability and coverage of superfast broadband access in Monmouthshire and identify opportunities for businesses to exploit the benefits.</p>	March 2015	<p>A Monmouthshire broadband mapping study identifying future opportunities has been completed and was presented to Cabinet in March 2015.</p> <p>Monmouthshire Business and Enterprise are continuing to work with BT on Superfast Cymru and Welsh Government on ICT Exploitation.</p>	<p>The broadband mapping report secures resources to ensure that the potential of Superfast Cymru and associated programmes identified are maximised for the benefit of Monmouthshire businesses and residents.</p> <p>To date 25,500 premises in Monmouthshire have been enabled with high speed fibre broadband.</p> <p>Superfast Cymru have announced work will commence by September 2015 to bring superfast internet speeds to these areas of Monmouthshire: Crucorney, Dingestow, Pontrilas, Shirenewton, Skenfrith, Tintern, Trelleck, Wolvesnewton enabling household and business to benefit from improved technology.</p>	On target

What will we do?		What have we done?	What difference has it made?	Progress
Enable the on-going sustainability of communities through implementation of the Local Development Plan (LDP) Framework.	On-going	<p>Pre-planning advice has been provided to 20 applications and 112 observations have been made on planning applications to ensure they are dealt with within the requirements of Local Development Plan policy and to improve quality of planning applications. Pre-application policy advice and negotiation with developers has been undertaken on S106 obligations for the provision of infrastructure.</p> <p>Four supplementary planning guidance notes (SPG) have been formally adopted. Two further SPGs have been subject to external consultation, with an additional two SPGs in preparation – all to provide practical guidance for applicants and officers on the detailed interpretation of LDP policies.</p>	<p>There has been a rise in planning applications received in 2014/15 compared to 2013/14, for example for a comparable period between October – December in 2013/14 233 applications were received and in the same period in 2014/15 288 were received, a 23% increase in the period. This is likely to be an indication of the improving economic situation and the effect of certainty - having in place an approved LDP, including allocated housing & employment sites. The implementation of the Local Development plan has contributed to an increase in the housing land supply to 5.2 years.</p> <p>94.6% of planning applications decided have been approved, a total of 996 out of 1053 decided, which indicates the impact of the pre-application process to improve in the quality of planning applications submitted and the Council's willingness to seek a positive outcome, as well as accuracy of interpretation of LDP policy in decision making.</p>	On target
Sustain improvements in recycling and waste performance.	March 2015	<p>Monmouthshire residents continue to comply with the changes to the waste service implemented in June 2013.</p> <p>New grey bags for landfill waste were issued in May with a leaflet to remind residents of the service.</p>	<p>Monmouthshire residents continue to recycle and compost their waste helping the Council to meet its target and sustain the high levels of recycling achieved in 2013/14, with a recycling rate of 63% once again achieved in 2014/15. The recycling rates continues to outperform the national target and is amongst the best performance for local authorities in Wales.</p> <p>The levels of residual waste produced however has increased above levels from last year and the target for this year</p> <p>The response time for collecting fly tipping remains high while fly tipping incidents reported have reduced to in line with levels seen before the waste changes were introduced, with 306 incidents reported in 2014/15.</p>	On target

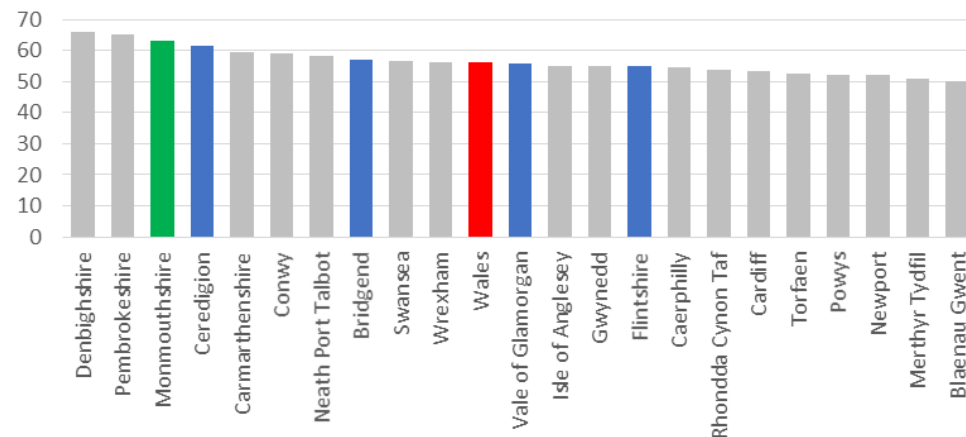
What will we do?		What have we done?	What difference has it made?				Progress
Establish a strategic transport working group. Page 213	March 2015	<p>A Strategic Transport working group has been established and meets on a regular basis. The group has overseen the development of the Local transport plan which was submitted to Welsh Government in January 2015.</p> <p>The group has also been active in responding to a number of rail consultations including the Western Route Study.</p> <p>A work programme is now moving forward to include the implications of the Local Transport Plan and how this develops over its time span (2015-20), The Active Travel Act and electrification of the South Wales main line.</p>	<p>The transport plan sets out the council's strategic priorities and schemes, this will facilitate bids for external grants, and secure contributions from developments.</p> <p>The group is now fully established with a work programme to tackle strategic transport issues that effect the county or region.</p>				On target
How will we know the difference it has made			2012/13	2013/14	2014/15 Target	2014/15 Actual	Trend
How much did we do?							
Number of new business start-ups where assistance was provided by Monmouthshire Business and Enterprise and Partners			60	103 ²	70	122	Improved/met target
Number of inward investment projects delivered as a direct result of Monmouthshire Business and Enterprise support			5	1	5	2	Improved/ missed target
Number of tourists per year ³			2,015,300	2,052,500	>2,052,500	2,100,000	Improved/ met target
Housing land supply years ⁴			4.4	3.6	5	5.2	Improved/ met target
Total tonnes of overall residual waste collected ⁵			20,045	16,774	<17,000	18,059	Declined/ missed target

How well did we do it?	2012/13	2013/14	2014/15 Target	2014/15 Actual	Trend
Number of new jobs created where assistance was provided by Monmouthshire Business and Enterprise and Partners	331	130	200	311	Improved/ met target
Percentage of planning applications approved	93.7%	93.7%	93%	94.6%	Improved/ met target
Percentage of municipal waste which is recycled / composted	55.5%	62.94%	63% ⁶	63.21%	Improved/ met target
Percentage of reported fly tipping incidents cleared within 5 working days	82.12%	95.9%	96%	97.78%	Improved/ met target
Is anyone better off?					
Percentage of people with a feeling of belonging to local area ⁷	82%	84%	>84%	88%	Improved/ met target
Percentage of people who agree they can influence decisions affecting local area ⁸	22%	26%	>26%	21%	Declined/ missed target
Average wage levels in the county (gross weekly pay by workplace) ⁹	£438	£427	£465 ¹⁰	£466	Improved/ met target
Income generated from tourism per year ¹¹ (£ millions)	£167.85	£169.66	>£165.08	£173.15	Improved/ met target
Partners we are working with?					
Community and Town Councils, local citizens, local community groups, businesses along with national and international organisations and our key partners such as Aneurin Bevan University Health Board, Gwent Police and Housing Associations					
How do we compare?					

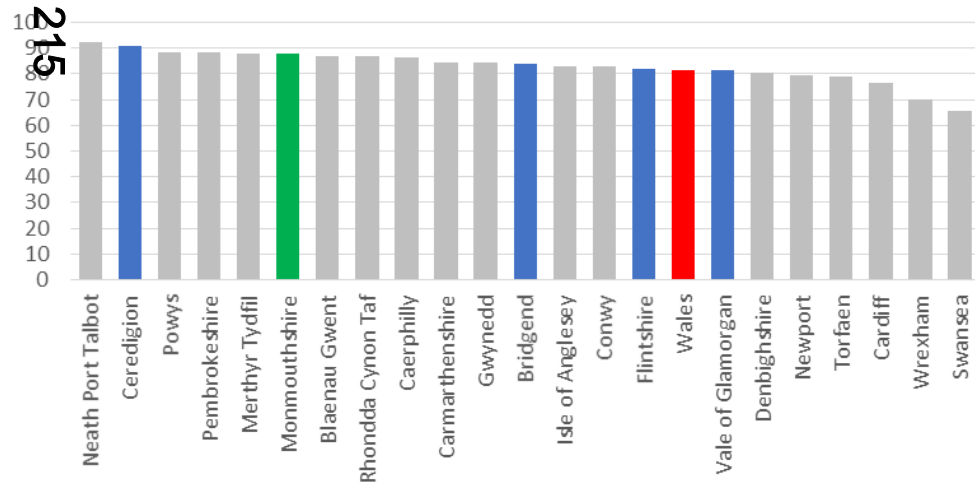
Average wage levels in the county (gross weekly pay by workplace)



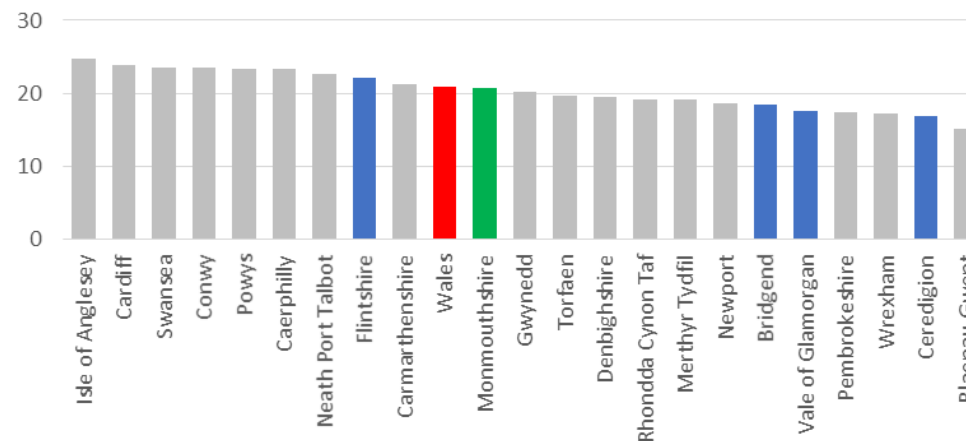
Percentage of municipal waste prepared for reuse and/or recycled




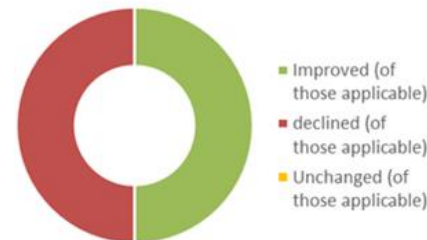
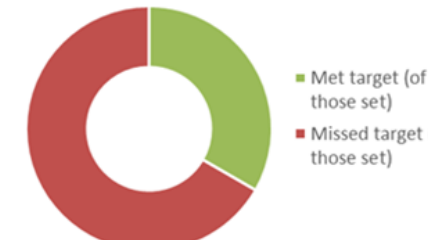
Percentage of people with a feeling of belonging to local area



Percentage of people who agree they can influence decisions affecting local area



Improvement Objective 4 –

MCC Improvement Objective 4: We want to be an efficient, effective and sustainable organisation.		
Council Priority: Being an efficient organisation helps us to maximise the impact on the council's priorities	Single Integrated Plan Outcome: This Objective helps us maximise our impact on delivering the vision of sustainable resilient communities	
What do we want to achieve this year?		
To develop our workforce and build the enterprising capacity to reinvent our future and deliver more effective and efficient services.		
Why have we chosen this?		
The scale and magnitude of the challenges now upon Local Government are unprecedented and these future challenges are mounting. Alongside severe financial constraint as reflected in our Medium Term Financial Plan, we face changes in customer needs and expectations, together with challenges as a result of new technologies and regulatory and policy changes.		
We must continue to develop and implement processes and ways of working that will help us meet these challenges to maximise our chances of success and remain relevant to the citizens we serve.		
This will not be achieved without promoting an enterprising culture in the way the council works to listen, adapt and deliver in different ways.		
Overall impact score?		
Level 3 - Adequate - Strengths just outweigh weaknesses		
<p>Action progress</p>  <ul style="list-style-type: none"> Action - On target Action - Behind target Action - Not started 	<p>Indicator Trend</p>  <ul style="list-style-type: none"> Improved (of those applicable) declined (of those applicable) Unchanged (of those applicable) 	<p>Targets</p>  <ul style="list-style-type: none"> Met target (of those set) Missed target (of those set)
The evidence shows progress made on planned actions and improvements in measures slightly outweighs areas which have not progressed as planned. A couple of actions are behind schedule, a few measures have not shown improvement from the previous year and more measures are falling short of planned targets than meeting them. Which based on the evaluation criteria means this objective needs to be scored as Level 3- Adequate.		

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
<p>Roll-out a new employee performance framework and ensure we have the right people in the right jobs.</p> <p style="text-align: center;">Page 217</p>	<p>September 2014</p>	<p>A new employee performance framework, “check in check out”, was introduced in April 2014. It provides a value-based performance assessment approach to be completed annually between staff and line managers.</p> <p>The process is central to the people and organisational development strategy that focuses on developing people within and outside the organisation.</p> <p>At the end of 2014/15 the authority employed 3,851 people and in the year there was an 11.9% turnover rate of employees.</p>	<p>Check in check out enables individuals and teams to outline the values and performance that is relevant in their role and connect them to the purpose of the organisation. 100% of staff requiring an appraisal were targeted to complete so far 84% of staff have completed an appraisal.</p> <p>Based on feedback received, the check in check out process will be reviewed and developed to ensure the final outcomes of the process are effective and all staff have the opportunity to undertake an appraisal.</p> <p>Average sickness days per employee (FTE) reduced to 9.8 days with improved accuracy of data collection contributing to this.</p>	<p>Behind target</p>
<p>Complete an Asset Management Plan that seeks to maximise the benefits of the property and land owned by the council.</p>	<p>March 2015</p>	<p>The Asset Management Plan was agreed by Cabinet in November 2014 to provide a clear strategy and plan for the management of the council’s property and land assets.</p>	<p>The Asset Management Plan ensures the authority has a strategic plan for how to deal with its assets ensuring they support service delivery and underpin the development of sustainable resilient communities through regeneration schemes and asset transfer for local services. An early example of impact of the action contained in the plan are three community groups have been able to approach the council regarding initiating a transfer under the Community Asset Transfer Policy.</p>	<p>On target</p>

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
<p>Improve the way we manage the performance of our services and introduce a new approach to self-assessment.</p>	<p>March 2015</p>	<p>An annual challenge process for Heads of service to self-evaluate their service areas has been introduced. These are attended by the Chief Officer, Executive Member, Leader and Chief Executive. This programme of work creates the opportunity for a more thorough evaluation of service areas. Seven Heads of Service have completed the process, with a further three planned.</p> <p>The first whole authority self-evaluation using the council's adopted framework has been completed, a staff feedback session arranged and actions to respond to the findings are being implemented.</p> <p>The evaluations have helped identify areas of strength and areas for improvement in council services. Actions to respond to the findings of the evaluation are being implemented as part of the council's performance management framework.</p>	<p>The impact of this work will be reflected in service performance. In 2014/15 84% of the available national performance measures are showing improvement or are at maximum. This is an improvement on the position from 70% in 2013/14. When comparing against other local authorities Monmouthshire was ranked in the top quartile for 44% of the published indicators in 2014/15. This is an improvement from 33% last year, this is still slightly lower than in 2012/13 when 49% were in the top quartile. There has been a continual reduction in the percentage of indicators in the bottom quartile with 16% in the bottom-quartile in 2014/15 compared to 26% in 2013/14 and 34% in 2012/13. The full detail of performance is provided later in the plan.</p> <p>The National Survey for Wales has revealed there has been a decrease in the percentage of people who agree the local authority is good at letting them know how we are performing to 39% which places Monmouthshire as 9th amongst local authorities. There has also been a decrease in the percentage of people in Monmouthshire who agree the local authority provides high quality services from 63% to 57% in 2014/15 which ranks Monmouthshire as 7th in Wales.</p>	<p>On target</p>

What will we do?	Timescale	What have we done?	What difference has it made?	Progress
Develop our internal intranet site as a central hub for all council information, networking and engagement.	November 2015	<p>Work has continued to develop the council's intranet site as a central point for council information, work has included the development of specific sites on council training and a secure area for Children's services as an initial development area for migrating all services information to the intranet. Work has also included improving the sharing and communication of information between teams, for example in the implementation of the employee performance framework.</p> <p>A "Data Hub" for the council has been developed and contains a substantial range of performance information and analysis available at all times via the council's intranet site - The Hub - which all members and officers have access too.</p>	<p>Examples of the difference this work has made includes: The site for children's services has improved communication within the team and reduced time spent searching information.</p> <p>The site is helping facilitate the communication of information on completing the employee performance appraisal, with 84% of staff completing an appraisal so far, below the 100% targeted.</p> <p>The data hub provides improved accessibility and visibility of performance information to inform officers and members in managing and holding to account for the performance of services. This improved accessibility of information is one of the factors that has helped contribute in 2014/15 to 84% of national performance measures of council services showing an improvement, compared to 2013-14 where 70% improved.</p>	On target
Continue with and build on the Monmouthshire Engages events and put in place new approaches to regularly seek ideas from citizens.	November 2014	<p>Monmouthshire Engages roadshows in towns and evening engagement sessions were held between October 2014 and January 2015. This engagement provided opportunities to; inform the public of the severity of funding reductions; understand what services are valued by the communities; and, gather any new ideas on how we can reduce costs to maintain existing levels of service.</p> <p>Some of the ideas that have emerged during the initial engagement process September to October 2014, were already being considered as part of budget proposals. Other ideas will require further investigation to establish if they are feasible for future years. There were in excess of 20 ideas generated by</p>	<p>In January 2015 council agreed the Medium Term Financial Plan (MTFP) to set the 2015/16 budget with a 4.95% increase in council tax and a small contribution from reserves of £40,000. This includes £4.8million of specific saving initiatives identified for 2015/16.</p> <p>Through this engagement we have understood how much communities value local services. Communities have told us the three areas of council service ranked as the most important were:</p> <ul style="list-style-type: none"> • Keeping Children Safe (65%) • Education and Skills (63%) • Support for older people and people with disabilities (61%) 	On target

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 220</p>		<p>the community that did not feature in the budget mandates presented.</p> <p>The public consultation that took place early in January 2015 sought views on the budget proposals and the potential impact they may have on individuals. Most of the proposals were commented on over the course of the consultation, however there were some clear themes that people have focused on; Libraries /Hubs, Waste and Additional Learning Needs.</p> <p>Monmouthshire Made Open, a social network site that allows ideas to be generated and developed to problems and challenges was launched. Ideas from engagement events have been captured on the site which allows them to be further developed with residents.</p>	<p>There has been a decrease in the percentage of people who agree they can influence decisions affecting local area to 21%, which places Monmouthshire as 10th compared to other local authorities, the Wales Average is 21%.</p>	
<p>What will we do?</p>	<p>Timescale</p>	<p>What have we done?</p>	<p>What difference has it made?</p>	<p>Progress</p>
<p>Ensure effective financial management of the organisation.</p>	<p>March 2015</p>	<p>Following a review, budget monitoring arrangements for 2014/15 have been revised to improve the timeliness and access to budget monitoring information for Cabinet and Select Committees.</p> <p>The Medium Term Financial Plan was updated for this year's settlement from Welsh Government. In January 2015 Cabinet approved a balanced budget for 2015/16 and acknowledged an indicative MTFP position which forecast the gap in resources over the remaining three year period as £10 million. This is over and above the £5.32 million savings already identified in the plan. Early identification of these savings targets has provided the much needed lead in time required to make significant changes to services. Work has already started on future short and medium term budgets.</p>	<p>In 2014/15 the net cost of services exceeded the budget by £327,000k, a 0.2% overspend. However management in other areas of council business meant that there was an overall surplus of £31,000.</p> <p>Of £5.5 million savings agreed as part of the 2014-15 budget process £5 million had been delivered by the end of the year, leaving £156,000 delayed, and £325,000 regarded as non-deliverable by the services, resulting in a total of 91% of the savings planned for the year being delivered.</p> <p>97.5% of council tax due in the 2014/15 was received, below the target of 98% and a slight decline from 2013/14.</p>	<p>Behind target</p>

What will we do?	Timescale	What have we done?	What difference has it made?			Progress
Increase installation of renewable energy on Monmouthshire Council sites.	On-going Programme	The council's property maintenance programme has continued, replacing equipment that has come to the end of its life with more energy efficient equipment, for example lighting and boilers. Installations of renewable technologies in the year have created 56kW of extra generating capacity, further installations targeted have experienced delays and are scheduled to be completed in 2015/16.	There has been a total, absolute, 7% reduction in carbon emissions from council buildings, the warm summer and milder autumn period has had an influence on this. The 3% reduction in carbon emissions from council buildings has been achieved through renewable energy installations and ongoing building and services improvements. Renewable electricity generated in 2014/15 accounted for 3.74% of electricity used in our buildings.			On target
How will we know the difference it has made		2012/13	2013/14	2014/15 Target	2014/15 Actual	Trend
How much did we do?						
Net revenue spend of the local authority (£000's)		139,700	145,463	N/A ¹²	142,596	n/a
Number of employees (headcount)		4,025	3,880	N/A	3,851 ¹³	n/a
Total installed capacity of renewable energy (Kw)		425	796	875	852	Improved/ missed target
How well did we do it?						
Revenue outturn expenditure against budget (£000's) and percentage over/underspend		419 0.3% underspend	1,227 0.8% underspend	Within budget ¹⁴	327 (0.2% overspend)	n/a trend/ Missed target
Percentage of council tax due in the financial year received		97.5%	97.9%	98%	97.5%	Declined/ missed target
Number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence		11.9	11.0	<11.0	9.8	Improved/ met target
Percentage turnover of local authority employees		6.6%	9.3%	N/A	11.9%	n/a
Percentage of national performance indicators that are improving or at maximum ¹⁵		63%	70%	>70%	84%	Improved/ met target
Percentage reduction in Carbon dioxide emissions ¹⁶						
i) Absolute		i) 1%	i) 5%	3%	i) 7%	Improved/ met target
ii) Adjusting for seasonal conditions like cold winters		ii) 11%	ii) +2%			

Is anyone better off?	2012/13	2013/14	2014/15 Target	2014/15 Actual	Trend
Percentage of people who agree the local authority provides high quality services. ¹⁷	53%	63%	>63%	57%	Declined/ missed target
Percentage of people who agree they can influence decisions affecting local area ¹⁸	22%	26%	>26%	21%	Declined/ missed target
Percentage of people who agree the local authority is good at letting them know how we are performing ¹⁹	41%	47%	>47%	39%	Declined/ missed target

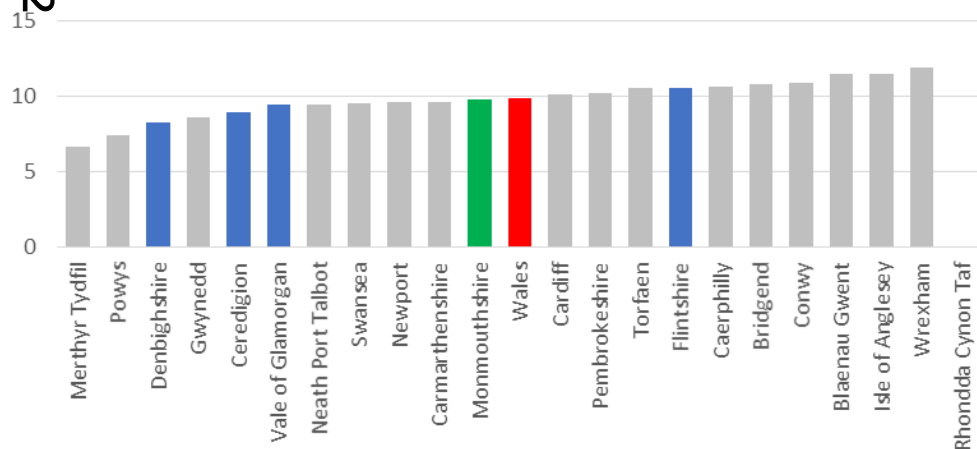
Partners we are working with?

We are involved in over 100 collaborative projects and partnerships. Details can be found [here](#)

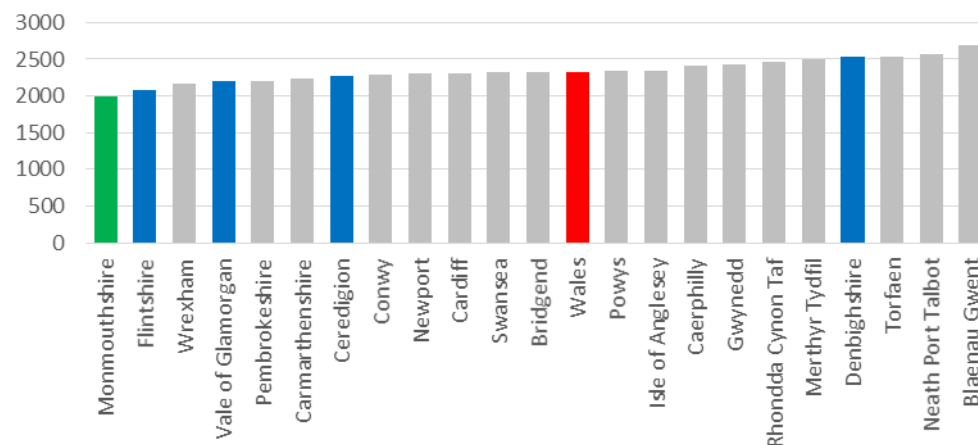
How do we compare?

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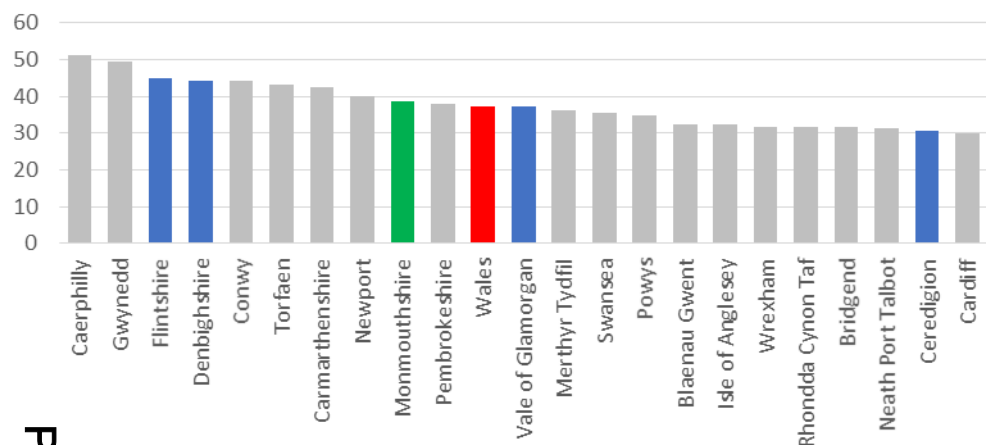
Number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence



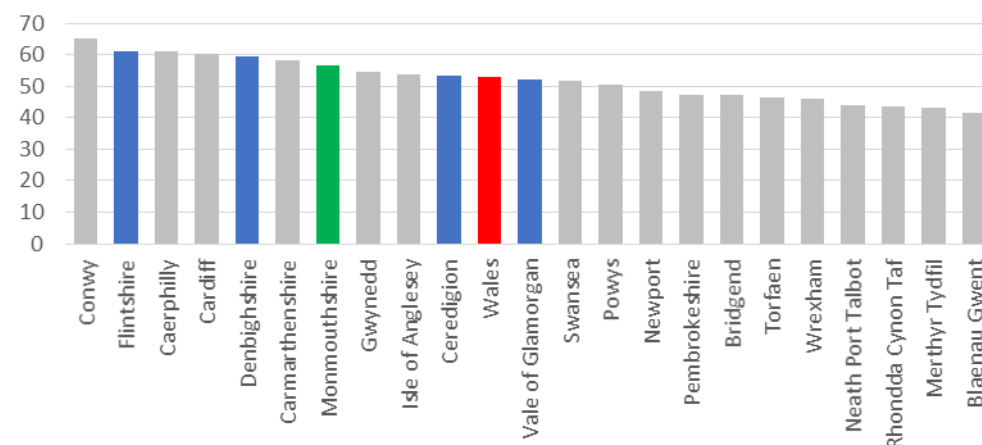
Gross Revenue Expenditure £ per head of population (2013/14)



Percentage of people who agree the local authority is good at letting them know how we are performing



Percentage of people who agree the local authority provides high quality services



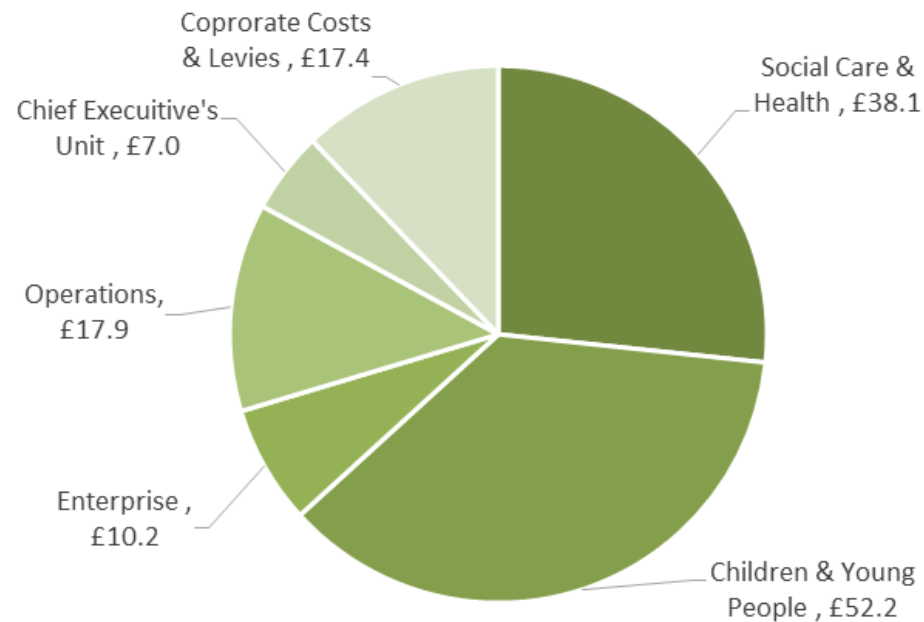
Finance and Performance in 2014/15

What we spent in 2014/15

In 2014-15 the council spent £142 million providing services for Monmouthshire residents. Our Medium Term Financial Plan highlights the financial position in both the short and medium term and models different financial scenarios and pressures. This allows us to respond to changing circumstances such as the downturn in the economy and its impact on public sector funding.

The proportion of our spending on different services in 2014/15 is shown in the chart below. These services are paid for by a combination of central government grants, council tax, non-domestic rates and a contribution from the Council Fund.

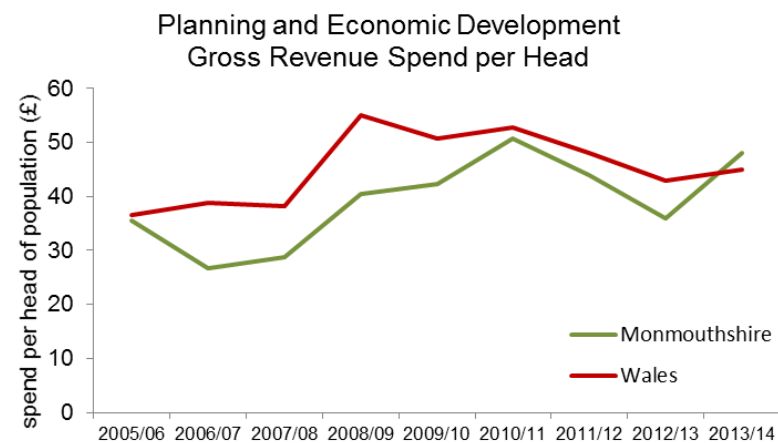
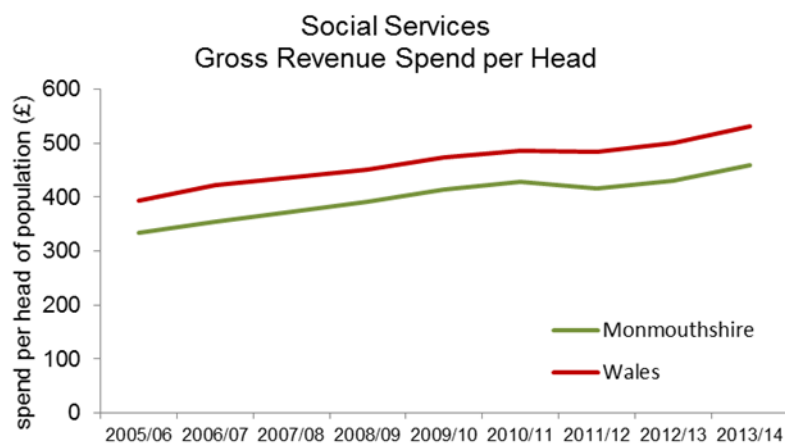
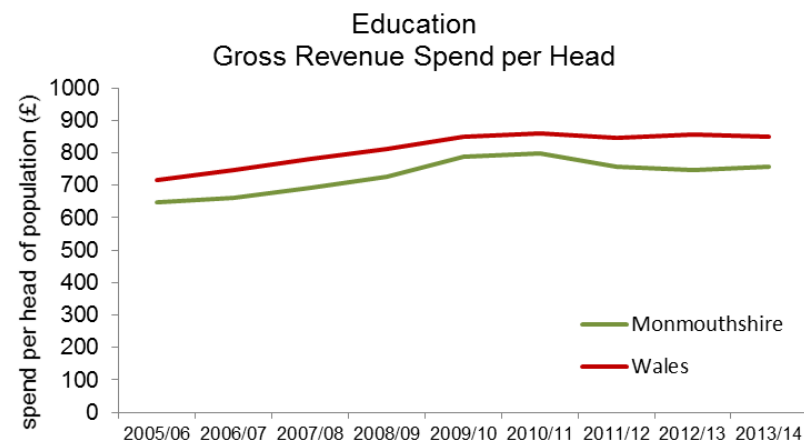
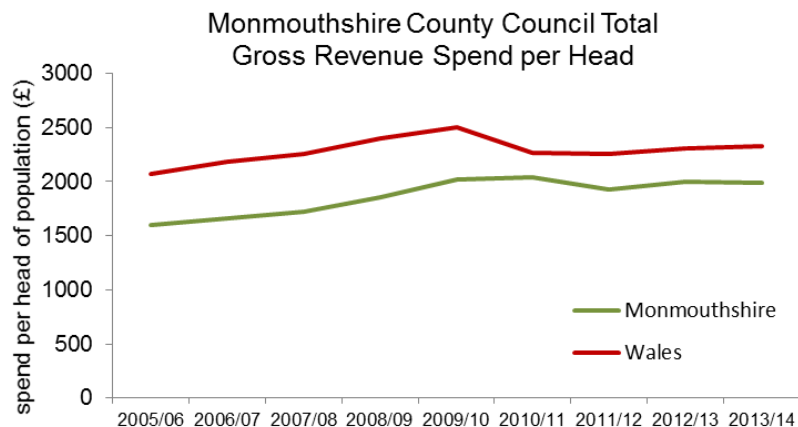
Cost of providing services in 2014/15 (£ millions)



(net cost of services)

How our revenue spend compares with other areas

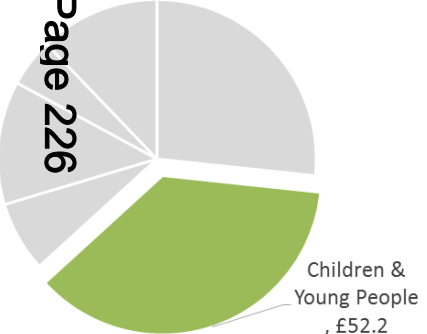
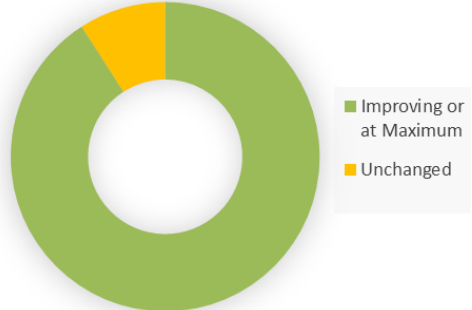
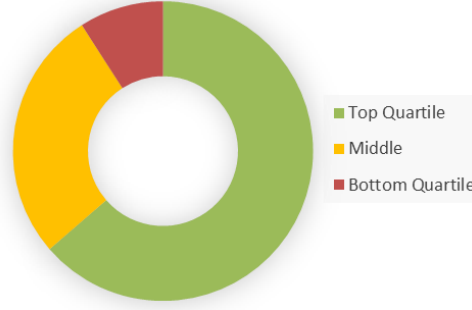
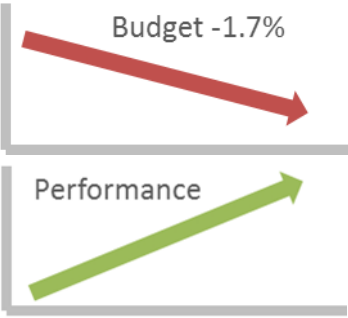
The diagrams below show how much we spend per head of population in on our priority areas. We are spending less on services per head of population than the average for local authorities in Wales and had the lowest gross revenue spend per head of all councils in Wales. However we also work hard to make sure this money goes where it matters. Comparable data is only available up to 2013/14 at time of publication.²⁰



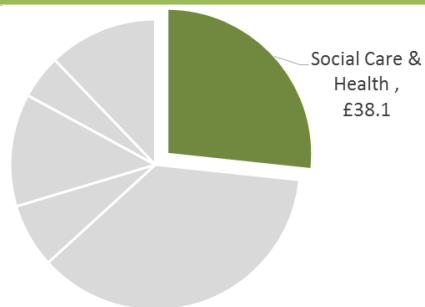
How what we spend compares to our performance

We are facing huge pressure to reduce costs. This year we have to make savings of £5.8 million. We will need to make further savings of another £10million over the next years (on top of £20 million since 2011/12). We are trying to find ways of continuing as many services as possible but this is not easy and you will see changes. Resources have been prioritised on three areas; education, the protection of vulnerable people and promoting enterprise. Following engagement with communities *maintaining locally accessible services* has recently been introduced as a fourth priority.

The next section provides further information on our performance against national performance indicators. Below we have set out the proportion of spend on our service areas (directorates) and our performance against national indicators for services in these areas. We also highlight some of our expectations (targets) for performance in 2015/16 reflecting the performance expectations of the priorities in the partnership continuance agreement, resource pressures and mandated budget savings.

Service area spend 2014/15	Performance indicator trend 2014/15	Performance indicator national comparison 2014/15	Performance expectations 2015/16
<p>Page 226</p>  <p>Children & Young People , £52.2</p> <p>Children & Young People -</p> <p>We spent £52.2million, 37% of our services budget on Children & Young People service areas</p> <p>Children & Young People covers services including Education and Youth Service</p>	 <p>■ Improving or at Maximum ■ Unchanged</p> <p>91% of national performance indicators for the area improved, 9% were unchanged.</p>	 <p>■ Top Quartile ■ Middle ■ Bottom Quartile</p> <p>64% of indicators were in the top quartile, 7% in the middle quartiles and 9% in the bottom quartiles</p>	 <p>Budget -1.7%</p> <p>Performance</p> <p>We are reducing net expenditure by 1.7% and targeting improved performance, for example in attainment, or maintenance of already high performance, for example pupil attendance.</p>

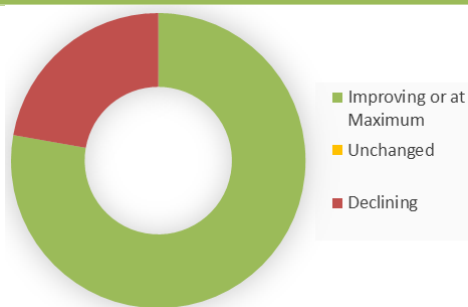
Service area spend 2014/15



Social Care & Health

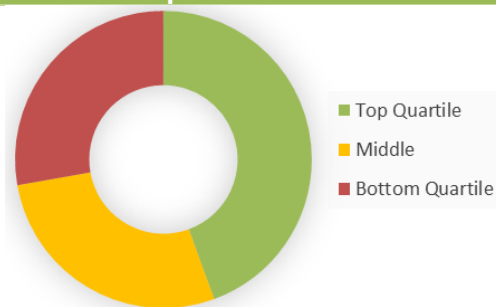
We spent £38.1 million, 27% of our services budget on Social Care & Health service areas. Social Care & Health covers service areas including services for older people, mental health and child protection.

Performance indicator trend 2014/15



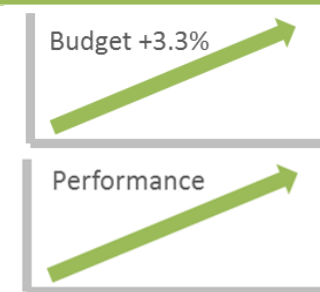
78% of national performance indicators for the area improved, 22% declined

Performance Indicator national comparison 2014/15



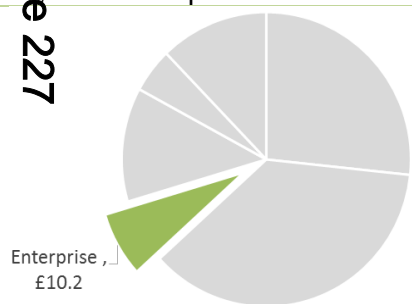
44% of indicators were in the top quartile, 28% in the middle quartiles and 28% in the bottom quartile.

Performance expectations 2015/16



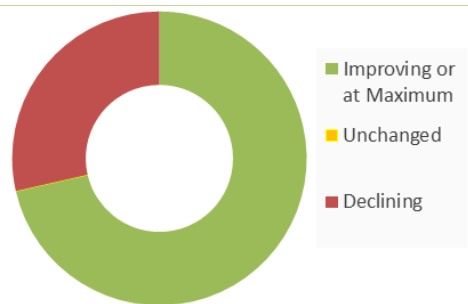
We are increasing net expenditure by 3.3% and targeting improved performance in the majority of adults and Children's social services and in some cases maintenance of already high performance, for example Delayed Transfers of Care.

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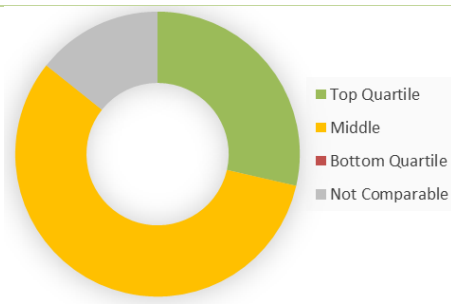


Enterprise

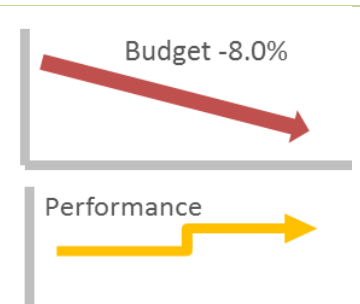
We spent £10.2million, 7% of our services budget on Enterprise service areas. Enterprise covers services including housing, economic development, planning, leisure centres and libraries.



71% of national performance indicators for the area improved, 29% declined



29% of indicators were in the top quartile and 57% in the middle quartiles.



We are decreasing net expenditure by 8% and targeting improved performance in some indicators, for example Disabled Facilities Grant processing time and our local indicators relates to our priority promoting Enterprise and to maintain or see limited decline in performance in others for example visits to

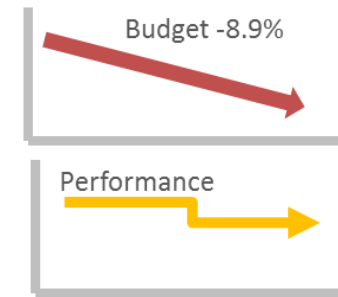
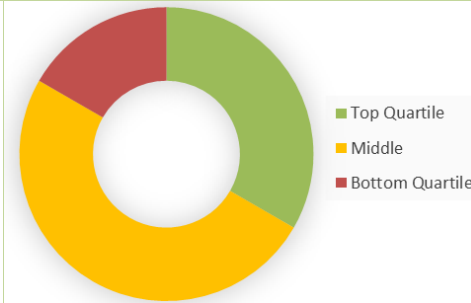
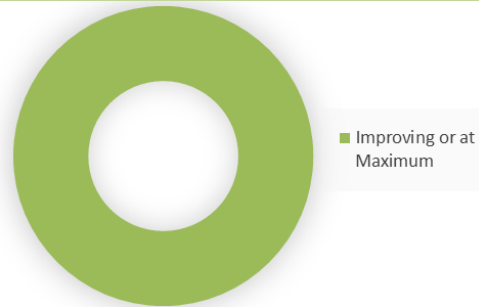
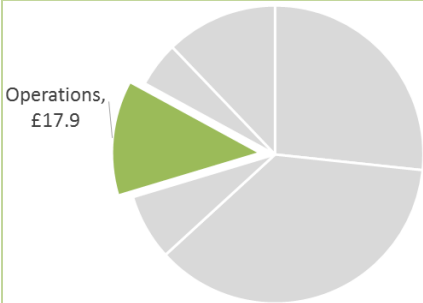
libraries and leisure centres.

Service area spend 2014/15

Performance indicator trend 2014/15

Performance Indicator national comparison 2014/15

Performance expectations 2015/16



Operations

We spent £17.9 million, 13% of our services budget on Operations service areas. Operations covers services including waste, street cleaning, highways, transport and property services.

100% of national performance indicators for the area improved.

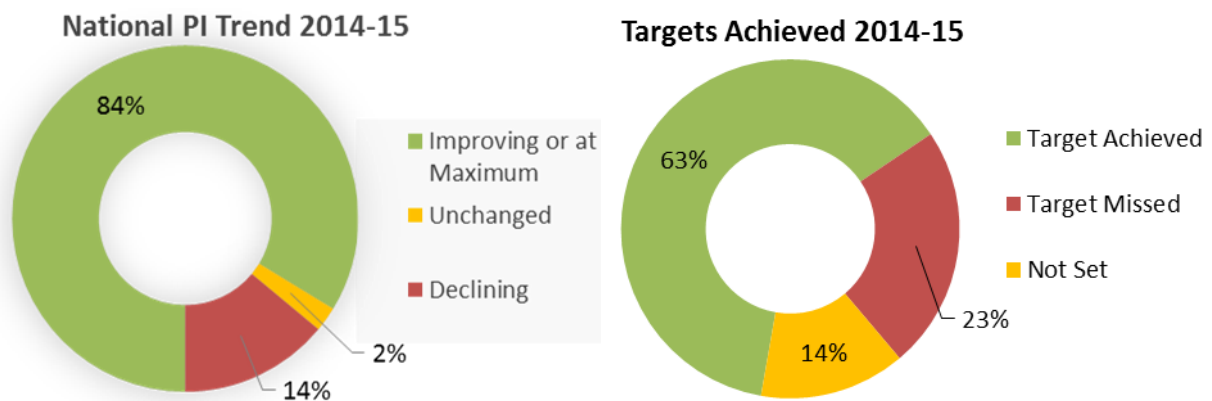
33% of indicators were in the top quartile, 50% in the middle quartiles and 17% in the bottom quartile.

We are decreasing net expenditure by 8.9% and have set targets to maintain performance in some indicators, for example in waste or street services. In some areas there will be a managed decline for example overall road condition, with A & B roads being prioritised for maintenance there will be a less expenditure for minor roads.

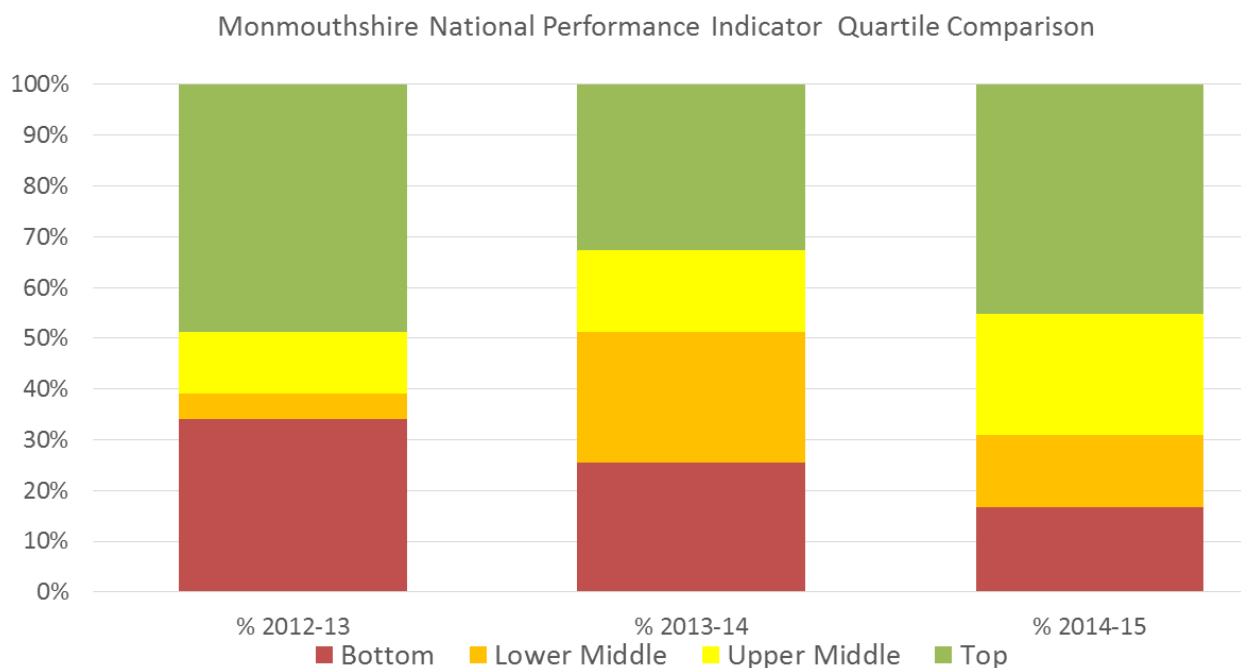
National Performance Indicators 2014/15

Welsh Government publishes performance indicators on a range of services delivered by local authorities in Wales. The council has seen service performance improve, or remain at the maximum level, in 84% of comparable indicators.

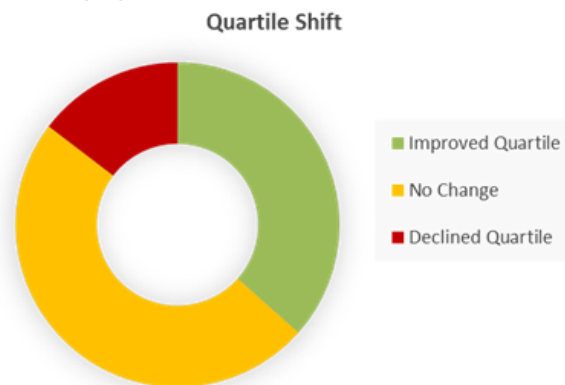
When comparing against other local authorities Monmouthshire was ranked in the top quartile for 44% of the published indicators²¹. 63% of indicators met the targets that had been set, while 23% missed their targets. You can look at the full detail of individual measures in table1 below. Information for all councils is available at <http://www.mylocalcouncil.info/>



In 2014/15 69% of indicators are in the top or upper middle quartiles. Over the last three years there has been a continual reduction in the percentage of indicators in the bottom quartile, while the percentage of indicators in the top quartile has increased in 14/15 from 33% last year to 44%. This is lower than in 12/13 and leads to Monmouthshire being ranked third in Wales using this measure



Between 2013/14 and 2014/15 a total of 15 indicators improved by at least one quartile position, six declined at least one quartile. 20 indicators remained in the same quartile. Of these 12 were already in the top quartile and remained there.



Resources have been prioritised on three priority areas; education, the protection of vulnerable people and promoting enterprise and, following engagement with communities, “maintaining locally accessible services” has recently been introduced as a fourth priority. National measures do not always reflect our local priorities or focus on the outcomes of our services, nonetheless they remain an important tool in allowing people to hold the council to account.

We have to analyse these against our priorities to allow us to fully assess what we have achieved and where we can improve. Our Improvement objectives in 2014/15 give the full detail on how we evaluate our performance in our priority areas. Our performance bulletin, available at www.monmouthshire.gov.uk/improvement provides a further summary of our performance against these local priorities. You can look at the full detail of the individual national performance indicators over the next few pages of this plan, in table 1, or look on-line at www.mylocalcouncil.info

However you choose to look at the information we are always interested in your views. You can leave a comment on our website, e-mail us using improvement@monmouthshire.gov.uk or tweet us @MonmouthshireCC

Trend	Quartile	Quartile Shift	Position in Wales
Trend information highlights if performance in 2014/15 compared to the previous year is: <ul style="list-style-type: none"> Getting Better or at maximum Staying the same Declining 	Ranking information highlights if performance compared to Welsh local authorities in 2013/14 is in the: Top, Upper Middle, Lower Middle or Bottom quartiles	Highlights if quartile performance in 2014/15 compared to the previous year has: ↑ improved, - stayed the same or ↓ declined and by how many quartiles.	Shows where the authority ranks in comparison to the other 21 local authorities in Wales, 1 being the best and 22 being the worst.

Table 1

Ref	Definition	2012/13	2013/14	2014/15 Target	2014/15	2014/15 Trend
SCA/001	The rate of delayed transfers of care for social care reasons per 1,000 population	1.77	1.83	2.26	1.38	Better
SS/001	The rate of older people supported in the community per 1,000 population aged 65 or over	60.28	56.56	56.59	52.77	Better
SCA/002b	The rate of older people supported in care homes per 1,000 population aged 65 or over	13.21	11.33	11.33	11.08	Better
SCA/007	The percentage of clients whose care plans were reviewed during the year	54.4	82.1	82	84.1	Better

Quartile 2013/14	Quartile 2014/15	Quartile Shift	Wales Average 2014/15	Wales Rank 2014/15	2015/16 Target
Upper Middle	Top	↑ +1	4.8	6	2.15
Upper Middle	Upper Middle	-	67.30	7	52.77
Top	Top	-	18.9	1	11.08
Lower Middle	Upper Middle	↑ +1	80	7	86.4%

Ref	Definition	2012/13	2013/14	2014/15 Target	2014/15	2014/15 Trend
SCA/018a	The percentage of carers of adults who were offered an assessment or review of their needs	74.2	97.3	100	99.7	Better
SCA/0019	The percentage of adult protection referrals completed where the risk has been managed	80.37	81.2	92	100	Better
SCC/001	The percentage of adult clients who are supported in the community during the year.	86.85	86.34	not set	90.4	Better
SCC/002	The percentage of children looked after who have experienced one or more changes of school	10.2	11.0	<10	21.4	Declined
SCC/004	The percentage of children looked after who have had three or more placements during the year	2.7	10.7	<9.4	1.9	Better
SCC/011a	The percentage of initial assessments where there is evidence that the child has been seen by the Social Worker	85.6	95.7	95	97.3	Better

Quartile 2013/14	Quartile 2014/15	Quartile Shift	Wales Average 2014/15	Wales Rank 2014/15	2015/16 Target
Upper Middle	Top	↑ +1	88.3	6	100
Bottom	Top	↑ +3	95.6	1	100
Upper Middle	Top	↑ +1	85.2	3	not set
Top	Bottom	↓ -3	13.5	21	10
Lower Middle	Top	↑ +2	9	1	6
Top	Top	-	78.0	2	97.5

Ref	Definition	2012/13	2013/14	2014/15 Target	2014/15	2014/15 Trend
SCC/011b	The percentage of initial assessments where there is evidence that the child has been seen alone by the Social worker	22.38	33.21	48	57.4	Better
SCC/025	The percentage of statutory visits to looked after children due in the year that took place in accordance with regulations	66.9	66.3	90.6	84.5	Better
SCC/033d	The percentage of young people formerly looked after with whom the authority is in contact at the age of 19	88.9	92.3	100	88.9	Declined
SCC/033e	The percentage of young people formerly looked after who are known to be in suitable, non-emergency accommodation at the age of 19	100	91.7	88.9	87.5	Declined
SCC/033f	The percentage of young people formerly looked after who are in education, training or employment at age 19	25	58.3	66.7	25.0	Declined

Quartile 2013/14	Quartile 2014/15	Quartile Shift	Wales Average 2014/15	Wales Rank 2014/15	2015/16 Target
Bottom	Top	↑ +3	44.8	3	60
Bottom	Bottom	-	87.7	17	88.2
Lower Middle	Bottom	↓ -1	93.3	19	100
Lower Middle	Bottom	↓ -1	93.1	19	100
Upper Middle	Bottom	↓ -2	59.5	22	75

Ref	Definition	2012/13	2013/14	2014/15 Target	2014/15	2014/15 Trend
SCC/037	The average external qualifications point score for 16 year old looked after children	269	222	>165	308	Better
SCC/041a	The percentage of eligible, relevant and former relevant children that have pathway plans as required	68.4	73.3	100	98.0	Better
Page 234 SR	The percentage of reviews of looked after children, children on the Child Protection Register and children in need carried out in line with the statutory timetable	59.5	86.1	94	93.9	Better
HHA/013	The percentage of all potentially homeless households for whom homelessness was prevented for at least 6 months	21.4	24.2	35	46.8	Better
PSR/002	The average number of calendar days taken to deliver a Disabled Facilities Grant.	236	186	230	213	Declined

Quartile 2013/14	Quartile 2014/15	Quartile Shift	Wales Average 2014/15	Wales Rank 2014/15	2015/16 Target
Bottom	Upper Middle	↑ +2	276	9	147
Bottom	Lower Middle	↑ +1	91.2	13	98
Bottom	Upper Middle	↑ +2	88.9	11	95
Not Comparable	Not Comparable	Not Comparable	65.4	Not Comparable	55
Top	Upper Middle	↓ -1	231	10	180

Ref	Definition	2012/13	2013/14	2014/15 Target	2014/15	2014/15 Trend
PSR/004	The percentage of private sector homes that were returned to occupation through direct action by the local authority ²²	Not published	4.66	>4.66	10.27	Better
EDU/002i	The percentage of all pupils that leave compulsory education, training or work based learning without a qualification	0.1	0.4	0	0.1	Better
EDU/002ii	The percentage of pupils in local authority care, that leave compulsory education, training or work based learning without a qualification.	0	0	0	0	Un-changed
EDU/003	The percentage of pupils assessed at the end of Key Stage 2, achieving the Core Subject Indicator	86.3	89.3	91.0-	89.5	Better
EDU/004	The percentage of pupils assessed at the end of Key Stage 3 achieving the Core Subject Indicator	77.7	80.3	87.6-EAS	84.2	Better

Quartile 2013/14	Quartile 2014/15	Quartile Shift	Wales Average 2014/15	Wales Rank 2014/15	2015/16 Target
Lower Middle	Upper Middle	↑ +1	11.8	8	11
Lower Middle	Upper Middle	↑ +1	0.4	10	0
Top	Top	-	1.2	1	0
Top	Top	-	86.4	3	92.2
Top	Top	-	81.2	6	88.3

Ref	Definition	2012/13	2013/14	2014/15 Target	2014/15	2014/15 Trend
EDU/006ii	The percentage of pupils, receiving a Teacher Assessment in Welsh (first language) at the end of Key Stage 3	0	0	0	0	Un-changed
EDU/011	The average point score for pupils aged 15 at the preceding 31 August, in schools maintained by the local authority	463.7	472.6	Not set	526	Better
EDU/015a	The percentage of final statements of special education need issued within 26 weeks incl. exceptions	55.6	57.1	65	64.5	Better
EDU/015b	The percentage of final statements of special education need issued within 26 weeks excl. exceptions	100	100	100	100	Maintain
EDU/016a	Percentage of pupil attendance in primary schools	94.7	94.4	95	95.8	Better
EDU/016b	Percentage of pupil attendance in secondary schools	93.2	93.5	93.9	94.6	Better
EDU/017	The percentage of pupils who achieved the Level 2 threshold including a GCSE grade A*-C in English or Welsh and mathematics	56.3	57.3	67	65.6	Better

Quartile 2013/14	Quartile 2014/15	Quartile Shift	Wales Average 2014/15	Wales Rank 2014/15	2015/16 Target
Bottom	Bottom	-	17.2	19	0
Bottom	Lower Middle	↑ +1	530	14	not set
Lower Middle	Lower Middle	-	64.5	14	tbc
Top	Top	-	95.6	1	100
Top	Top	-	94.8	1	95.8
Top	Top	-	93.6	1	94.5
Top	Top	-	55.5	1	70.5

Ref	Definition	2012/13	2013/14	2014/15 Target	2014/15	2014/15 Trend
WMT/009	The percentage of municipal waste collected and prepared for reuse and/or recycled that are composted or treated biologically in another way	55.5	62.94	63	63.21	Better
WMT/004	The percentage of municipal waste collected by local authorities sent to landfill	42.81	34.23	35	18.06	Better
STS/006	The percentage of highways and land inspected of a high or acceptable standard of cleanliness	98.4	99.38	99	99.43	Better
THS/007	The percentage of adults aged 60 or over who hold a bus pass	76.6	77.5	Not Set	79.2	Better
THS/012	The percentage of principal (A) roads, non-principal (B) roads and non-principal (C) roads that are in overall poor condition	7.8	9.8	11 (A-3; B-5; C-15;)	9.7	Better

Quartile 2013/14	Quartile 2014/15	Quartile Shift	Wales Average 2014/15	Wales Rank 2014/15	2015/16 Target
Top	Top	-	56.2	3	63
Upper Middle	Upper Middle	-	29.8	8	17.5
Top	Top	-	96.9	2	99
Lower Middle	Upper Middle	↑ +1	93.0	7	97.5
Bottom	Bottom	-	85.8	18	80
Lower Middle	Lower Middle	-	11.9	15	11

Ref	Definition	2012/13	2013/14	2014/15 Target	2014/15	2014/15 Trend
LCS/002	The number of visits to leisure centres during the year per 1,000 population where the visitor will be participating in physical activity	6852	8099	7800	7893	Declined
LCL/001b	The number of visits to public libraries during the year, per 1,000 population	7,279	7,270	7,280	7,434	Better
Page 238 PLA/006b	The percentage of food establishments which are 'broadly compliant' with food hygiene standards	88.1	91.2	>91.2	93.9	Better
CHR/002	Average sickness days per employee (FTE)	11.9	11.0	11.0	9.8	Better
PLA/006b	The percentage of all additional housing units provided during the year that were affordable.	101	31	Not Set	53	Better

Quartile 2013/14	Quartile 2014/15	Quartile Shift	Wales Average 2014/15	Wales Rank 2014/15	2015/16 Target
Lower Middle	Lower Middle	-	8662	15	7600
Top	Top	-	5526	2	7450
Upper Middle	Lower Middle	↓ -1	94.2	12	93
Not Applicable	Upper Middle	Not Applicable	9.9	11	9.5
Lower Middle	Top	↑ +2	41.3	3	Not Set

Scrutiny of Council Business

The scrutiny process should ensure openness, transparency and accountability in the council's decision-making. Support is provided to elected members to enable them to constructively challenge policy and decision-making, assess the impact of the Council's policies on local communities, hold to account for performance and recommend improvement.

During the year over 50 scrutiny meetings were held covering a wide range of Council business. Examples of the work undertaken by scrutiny committee's in the past year include:

The 'Pollinator Policy' which was subjected to significant scrutiny to ensure public concerns could be addressed at an early stage.

Public concerns about speeding on a Monmouthshire B- road led to a Member group examining 'Traffic Speed Limits' across the county, working with Gwent Police to revise the policy.

The decision to close a facility that provided services to adults with learning disabilities was robustly scrutinised. Scrutiny was the vehicle through which service users and key stakeholders could address decision-makers. The Committee analysed and supported a business case prepared by staff that provided an innovative solution which enabled the facility to remain open.

A scrutiny Committee visited public toilets across Monmouthshire and identified serious shortcomings in services provided. Scrutiny recommended improvements to some facilities, the closure of others and the transfer of responsibility for upkeep and maintenance of some facilities to other organisations, saving council resources.

Scrutiny challenged the business case to amalgamate Tourist Information Centres (TIC's) and Museums in the four major towns. The Committee posed the 'what matters?' question in their communities. Scrutiny provided the mechanism for the public to engage in the budget dilemma and ensured the bespoke needs of Monmouthshire's local towns were taken into account.

The details of scrutiny meetings are available on our [website](#) and are also streamed on the council's [YouTube channel](#).

What our Citizens said

Engagement and consultation is essential to improving the way we work. We need to listen more effectively and understand our communities better. We regularly consult on a range of subjects. Some of the most significant work has been set out below.

The Future of Council Services

During 2014-15 we held a series of engagement events to talk to our communities about the financial challenges facing the authority. This was the second year of these events and once again residents gave generously of their time to share their views.

People told us how important it is to maintain local access to services and as a result the council has adopted this explicitly as a priority as referred to earlier in the document.

In autumn 2014 we used the engagement events to launch a new digital engagement platform called [Monmouthshire Made Open](#). It is another way in which local people can get involved in shaping the future of council services by setting challenges and working together – and with the council – to develop potential solutions.

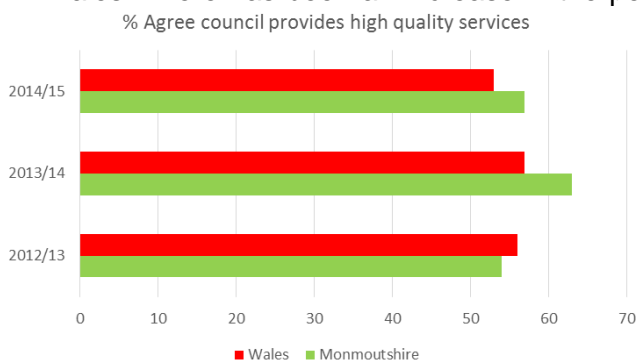
Single Integrated Plan

The Single Integrated Plan was built off a platform of extensive consultation and engagement and is subsequently based around the issues people have told us are important in Monmouthshire, there are three priority areas:

- Nobody is left behind
- People are confident, capable and involved
- Our county thrives

National Survey for Wales

The National Survey for Wales gathers opinions from people across Wales on a wide range of issues affecting them and their local area. This provides a valuable insight into some of the outcomes of the local authority's work and people's views of public services and wellbeing in their local area. There has also been a decrease in the percentage of people in Monmouthshire who agree the local authority provides high quality services from 63% to 57% in 2014/15 which ranks Monmouthshire as 7th compared to other local authorities in Wales. There has been an increase in the percentage of people with a feeling of belonging



to their local area in Monmouthshire to 88% which places Monmouthshire as 6th compared to other local authorities in Wales. There has been a decrease in the percentage of people who agree they can influence decisions affecting local area to 21%, which places Monmouthshire as 10th compared to other local authorities.

Strategic Equality Plan

Following engagement and involvement with partners, stakeholders and citizens the Council adopted the Strategic Equality Plan which helps us to assure that our functions, decisions and behaviours fully take into account the impact they have on Protected Characteristic groups²³ while also improving the lives of individuals and communities based on the issues citizens told us were important.

The plan includes a specific objective to “Encourage people to become more active and involved in helping to shape Council decisions and service provision.” It will be reviewed on an annual basis and as actions are completed other actions will be added to the plan to address any issues that are identified through the continuing engagement and consultation process that exists in Monmouthshire.

Whole Place

The Whole Place approach provides the opportunity for services to collectively put citizens at the centre of service design and to work together to improve outcomes. This work had led to the creation of town teams in Bryn-y-Cwm and Caldicot who are forming a coalition of people locally to take forward ideas to improve their communities.

What our Staff Said

In 2014/15 we carried out a survey of our staff. More than 700 colleagues responded and were asked to rate certain statements out of five. The results told us that our staff overwhelmingly understood their purpose and contribution to the authority (4.28 out of 5). Other scores were: Do you have a clear understanding of what Monmouthshire County Council is trying to achieve (3.51/5); Do you feel the authority lives and breathes its corporate values (3/5); Do you feel valued and listened to (3.28/5); Do you feel you are able to share ideas in work and suggest ideas for improvement (3.77/5).

Self-Evaluation

During 2014-15 we became more systematic about the way we evaluate our own performance. A Corporate Self Evaluation was carried out in September 2014. It is a high level scan of the whole organisation. It is important in allowing us to bring together and learn from the views of residents, staff, partners and others who have a view of the effectiveness of our work.

We also introduced something called Head of Service Challenge. This process requires all Heads of Service have a formal challenge session with the Chief Executive, Leader of The Council and Cabinet Member along with key staff such as the Head of Finance. This process brings together quantitative and qualitative information and creates space for an in-depth discussion on how services are being managed and the challenges they face. It is carried out in addition to existing scrutiny and management processes.

What our Regulators said

Regulatory bodies are a key partner for the local authority. Their aim is to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.

The main inspectorates are the Wales Audit Office (WAO) who examine our financial and performance management, Estyn in relation to education provision and the Care and Social Services Inspectorate for Wales in relation to the social services. We work with other important agencies too such as the Planning Inspectorate, the Benefits Fraud Agency, the Environment Agency and Health and Safety Executive.

One of the key reports we receive each year is the Annual Improvement Report. At time of writing the 2015 report, incorporating a Corporate Assessment that takes place every four years is awaiting publication. In their 2014 report Wales Audit Office concluded:

“The council made mixed progress in 2012-13 in delivering improvements. The council’s improvement planning arrangements for 2012-13 improved and there were some examples of good scrutiny, but some weaknesses remain in arrangements for local indicators, assessments and scrutiny of performance. The council failed to discharge some of its improvement planning duties for 2013-14 and it was uncertain whether the council was likely to make arrangements to secure continuous improvement in 2013-14. It is uncertain whether the council is likely to make arrangements to secure continuous improvement for 2014-15.”
You can read the full report online at www.wao.gov.uk

CSSIW produce an annual evaluation report on social services. Their last published report from October 2014 reported that:

“Monmouthshire County Council continues to make strong progress and has performed well in many areas of its services to adults within the county. While there has been improvement in some aspects of children’s services, more needs to be done to improve in key areas and to consolidate practice following the restructuring of services in April 2013. The council has continued to take forward its programme of remodelling services in order to enable people to maintain their independence through support, reablement and addressing barriers to social inclusion.”

You can read the full report, along with other inspection reports about Monmouthshire online at www.cssiw.org.uk

In 2012 Estyn inspected the quality of local authority education services for children and young people in Monmouthshire. As has been widely reported this resulted in the authority being placed in special measures. We have worked hard to address the concerns raised and were delighted with the exam results achieved by pupils in our schools in summer 2014 and 2015 which showed that real progress is being made.

You can access Estyn reports at www.estyn.gov.uk.

The council uses the findings of all regulatory reports to target improvement at key areas of work.

Partnership & Collaboration

Monmouthshire is committed to working in partnership and has a good track record of delivering jointly with Health, The Police and voluntary sector amongst others. Fully understanding that no single organisation or community can achieve the level of outcomes required to break the cycle of dependency from one generation to the next.

Under the clear leadership of the Local Service Board (LSB), partners have been able to deliver a range of programmes, activities and interventions that are well evidenced, reflect local need and are co-produced with communities.

By utilising the Unified Needs Assessment and combining the data with effective community engagement, the Monmouthshire LSB partners have fully understood the story behind the baseline and identified four key priorities from within the Single Integrated Plan. The priorities for 2014 / 15 were focussed on a range of specific actions:

Improving Attainment;

Older people and Access to Services;

Alcohol; and

Reduction in Low Birth Weight Babies.

These four priorities have enabled partners to develop specific collaborative approaches to tackle these difficult issues in Monmouthshire. This report highlights many of the key partnership programmes that have been developed to deliver the outcomes identified in the Single Integrated Plan, these include: Community Area Coordination, In One Place, Integrated Youth Offer (Youth support services planning) and also targeted approaches around reducing alcohol amongst specific populations.

The Monmouthshire LSB has developed an Engagement Framework and has undertaken joint approaches to allow the local authority and its partners to be more flexible in responding to identified needs across all of Monmouthshire's communities. The LSB is the key partnership board in Monmouthshire – all other statutory partnerships were dissolved.

Key service partnerships include the Education Achievement Service (EAS), Project Gwyrdd, and the Shared Resource Service (SRS).

The EAS is an education support service shared across the five local authorities in Gwent. It is having a positive impact on outcomes across all Monmouthshire schools.

Project Gwyrdd is a collaboration of five local authorities in South East Wales to generate energy from residual waste that cannot be recycled. The project is on-course and started generating some energy in 2015 ahead of its full operational date in 2016.

The SRS is a partnership between Monmouthshire, Torfaen County Borough Council and Gwent Police. We are currently evaluating the partnership to ensure that we maximise the unique contribution that it is able to make as both a deliverer of ICT services and a strategic partner.

References

- ¹ The Equality and Human Rights Commission provides more information on each of the [nine protected characteristics](#)
- ² 2013/14 data revised as part of audit process. 104 originally reported in Stage 1 improvement plan 2014/17 which was prior to completion of audit.
- ³ Based on annual calendar year data produced by STEAM
- ⁴ Data is produced each year by Monmouthshire County Council Joint Housing Land Availability Study. The land supply is dated at 1st April each year and looks at activity in the previous year, for example as at 1 April 2014 data relates to activity in 2013/14 and the target for 2014/15 relates to the land supply situation at 1 April 2014, a figure that will not be formally established until September 2014 or, if subject to objection, until an inspector's report is provided in March 2015. Local planning authorities are required by Planning Policy Wales to ensure that sufficient land is available, or will become available, for a five-year supply of land for housing.
- ⁵ (This includes all black bag waste, kerbside & CA sites, street sweepings, fly tipping & trade waste)
- ⁶ Data in 2013-14 has improved from initial data through the data audit process with Natural Resources Wales.
- ⁷ Welsh Government [National Survey for Wales](#)
- ⁸ Welsh Government [National Survey for Wales](#)
- ⁹ ONS, Annual Survey of hours and earnings - based on 2012, 2013 & 2014 data respectively. Median earnings in pounds for employees who work in Monmouthshire. This based on place of employment not place of residence; therefore this is likely to include a mix of people who live outside as well as inside Monmouthshire. NOMIS Official labour market statistics - www.nomisweb.co.uk
- ¹⁰ Target set in Outcome Agreement 2013-16 with Welsh Government, the NOMIS Official labour market statistics data on which this target was based has been revised.
- ¹¹ Based on annual calendar year data produced by STEAM. Income is indexed using the Retail Price index therefore data from 2012 is revised from £163.33 and 2013 from £165.08.
- ¹² Target has been set as not applicable, as the revenue budget is revised quarterly it would not be applicable to target this indicator, instead it provides an indicator of the actual spend for the net cost of services
- ¹³ Headcount at quarter 4 2014/15
- ¹⁴ The target is to deliver the net cost of services within budget.
- ¹⁵ National performance indicators from the National Strategic Indicators and Public accountability measures set. Only indicators that can be directly compared to the previous year and were published in the year by the Council are included.
- ¹⁶ Calculated from all stationary sources, for example buildings and street lighting. Absolute and weather adjusted figures have been included to provide a more standardised and comprehensive comparison as emissions are dependent on energy consumption used for heating which will be influenced by periods of cold weather.
- ¹⁷ Welsh Government, data for 2014/15 is scheduled to be available in mid-June 2015 [National Survey for Wales](#)
- ¹⁸ Welsh Government, data for 2014/15 is scheduled to be available in mid-June 2015 [National Survey for Wales](#)
- ¹⁹ Welsh Government, data for 2014/15 is scheduled to be available in mid-June 2015 [National Survey for Wales](#)
- ²⁰ Data accessed from <https://statswales.wales.gov.uk/Catalogue/Local-Government/Finance/Revenue/Outturn/RevenueOutturnExpenditure-by-Authority>
- ²¹ Based on 13/14 data this was forecast to be around 57% of measures, however 6 of the indicators did not achieve top quartile performance as standards across Wales are rising.
- ²² This indicator was not reported in 2012/13, improvements in data collection, in line with the guidance, have allowed this to be submitted and account for improvements in performance.
- ²³ The Equality and Human Rights Commission provides more information on each of the [nine protected characteristics](#)