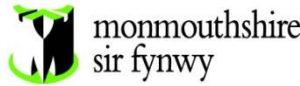


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County Hall  
Rhadyr  
Usk  
NP15 1GA

Dydd Mercher, 3 Ionawr 2024

## Hysbysiad o gyfarfod

### Pwyllgor Llywodraethu ac Awdit

Dydd Iau, 11eg Ionawr, 2024 at 2.00 pm,  
Neuadd Y Sir, Y Rhadyr, Brynbuga, NP15 1GA

### AGENDA

Item No	Item	Pages
1.	<b>Ymddiheuriadau am absenoldeb</b>	
2.	<b>Datganiadau o Fuddiant</b>	
3.	<b>Fforwm Agored i'r Cyhoedd</b>  <b>Canllawiau Fforwm Agored Cyhoeddus y Pwyllgor Llywodraethu ac Awdit</b>  Mae ein cyfarfodydd Pwyllgor Llywodraethu ac Awdit yn cael eu ffrydio'n fyw a bydd dolen i'r ffrwd fyw ar gael ar dudalen cyfarfod gwefan Cyngor Sir Fynwy  Os hoffech rannu eich barn ar unrhyw faterion sy'n cael eu trafod gan y Pwyllgor Llywodraethu ac Awdit, gallwch fynychu'r cyfarfod yn bersonol (neu ymuno o bell drwy Microsoft Teams), neu gyflwyno sylwadau ysgrifenedig drwy Microsoft Word, uchafswm o 500 gair).  Y dyddiad cau ar gyfer cyflwyno sylwadau i'r Cyngor yw 5pm dri diwrnod gwaith clir cyn y cyfarfod. Bydd yr holl sylwadau a dderbynnir ar gael i Aelodau'r Pwyllgor cyn y cyfarfod.  Mae'r amser a roddir i bob aelod o'r cyhoedd siarad yn ôl disgrisiwn Cadeirydd y Pwyllgor. Gofynnwn nad yw cyfraniadau yn hwy na 4 munud.  Os hoffech fynychu un o'n cyfarfodydd i siarad o dan y Fforwm Agored i'r Cyhoedd yn y cyfarfod, bydd angen i chi roi tri diwrnod gwaith o rybudd drwy e-bostio <a href="mailto:GACRegistertoSpeak@monmouthshire.gov.uk">GACRegistertoSpeak@monmouthshire.gov.uk</a>  Os hoffech awgrymu pynciau yn y dyfodol i'w hystyried gan y Pwyllgor Llywodraethu ac Awdit, e-bostiwch	

[GACRegistertoSpeak@monmouthshire.gov.uk](mailto:GACRegistertoSpeak@monmouthshire.gov.uk)

<b>4.</b>	<b>Nodi'r Rhestr o Gamau Gweithredu o'r cyfarfod blaenorol</b>	1 - 2
<b>5.</b>	<b>Datganiad Cyrifon - cronfeydd ymddiriedolaeth elusenol</b>	3 - 48
<b>6.</b>	<b>ISA260 ar gyfer cronfeydd ymddiriedolaeth</b>	49 - 72
<b>7.</b>	<b>Adolygiad Perfformiad Blynyddol y Pwyllgor Buddsoddi</b>	To Follow
<b>8.</b>	<b>Strategaeth Rheoli Asedau</b>	73 - 162
<b>9.</b>	<b>Cynllun Gwaith i'r Dyfodol y Pwyllgor Llywodraethu ac Awdit</b>	163 - 166
<b>10.</b>	<b>Cadarnhau cofnodion y cyfarfod blaenorol</b>	167 - 170
<b>11.</b>	<b>Dyddiad y cyfarfod nesaf: 22ain Chwefror 2024</b>	

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

## CYNGOR SIR FYNWY

### MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Andrew Blackmore

Colin Prosser

Martin Veale

Rhodri Guest

County Councillor Sara Burch	Cantref;	Labour and Co-Operative Party
County Councillor John Crook	Magor East with Undy;	Welsh Labour/Llafur Cymru
County Councillor Tony Easson	Dewstow;	Welsh Labour/Llafur Cymru
County Councillor David Jones	Crucorney;	Independent Group
County Councillor Malcolm Lane	Mardy;	Welsh Conservative Party
County Councillor Phil Murphy	Caerwent;	Welsh Conservative Party
County Councillor Peter Strong	Rogiet;	Welsh Labour/Llafur Cymru
County Councillor Ann Webb	St Arvans;	Welsh Conservative Party

## Gwybodaeth Gyhoeddus

### **Mynediad i gopiâu papur o agendâu ac adroddiadau**

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

### **Edrych ar y cyfarfod ar-lein**

Gellir gweld y cyfarfod ar-lein yn fyw neu'n dilyn y cyfarfod drwy fynd i [www.monmouthshire.gov.uk](http://www.monmouthshire.gov.uk) neu drwy ymweld â'n tudalen Youtube drwy chwilio am MonmouthshireCC. Drwy fynd i mewn i'r ystafell gyfarfod, fel aelod o'r cyhoedd neu i

gymryd rhan yn y cyfarfod, rydych yn caniatáu i gael eich ffilmio ac i ddefnydd posibl y delweddau a'r recordiadau sain hynny gan y Cyngor.

### **Y Gymraeg**

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

# Nodau a Gwerthoedd Cyngor Sir Fynwy

## Ein diben

Adeiladu Cymunedau Cynaliadwy a Chydnerth

### Amcanion y gweithiwn tuag atynt

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

## Ein Gwerthoedd

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

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

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

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

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

**Rôl Cyn-cyfarfod**

1. Pam fod y Pwyllgor yn ystyried yr eitem hon ar yr agenda? (perthnasedd a materoldeb)
2. Beth yw rôl y Pwyllgor a pha ganlyniadau y mae Aelodau am eu sicrhau?
3. A oes digon o wybodaeth i gyflawni hyn? Os na, pwy all ddarparu hyn?
4. Beth yw barn gyfrinachol yr archwilwyr ar y materion perthnasol?  
- Trafod barn/pryderon allweddol yr aelodau gyda'r papurau a chytuno ar flaenoriaethau

**Cwestiynau / Ystyriaethau Posib ar gyfer y Cyfarfod**

### Archwilio Mewnol (AM)

1. Beth yw'r model swyddogaethol AM ac a yw'n addas at y diben?
2. A oes gan AM awdurdod a dylanwad digonol ar draws yr Awdurdod?
3. A oes digon o adnoddau gan AM ac a yw wedi'i ymrymuso'n addas? A yw'r cynllun AM blynyddol yn briodol? Ar ba sail ydym yn gwneud y dyfarniad hwn?
4. A yw Prif Swyddogion yn amlwg yn derbyn ac yn hyrwyddo rôl AM? Sut maent yn gwneud hyn?
5. A yw Swyddogion yn gweithredu'n egniol ar ganfyddiadau AM? Sut mae hyn yn cael ei ddangos? A ydyn ni'n herio ac yn dwyn swyddogion i gyfrif yn effeithiol am weithredu canfyddiadau AM?
6. Sut gallwn ni fod yn hyderus bod yr amgylchedd rheolaeth fewnol yn parhau i fod yn briodol?
7. A oes gennym ni hyder mewn effeithiolrwydd cyffredinol AM? Ar beth ydym yn seilio hyn?
8. A yw barn flynyddol/cyfnodol AM yn gredadwy?
9. A oes gennym ddigon o welededd dros waith, allbwn ac effeithiolrwydd y timau AM cysylltiedig, e.e. CBST?

### Llywodraethu

1. A oes disgrifiad cydlynus sydd wedi ei amlinellu mewn cod ar gyfer trefniadau llywodraethu cyffredinol CSF? A yw'n addas at y diben?

### Archwilio Allanol (AA)

1. A yw'r tîm AA (ariannol a pherfformiad) yn gredadwy?
2. A ydym yn hyderus ynglŷn â'r trefniadau ar gyfer datblygu cynllun gwaith/amserlen waith flynyddol AA ac a yw'n cyd-fynd â'n dealltwriaeth o risgiau allweddol?
3. A yw Prif Swyddogion/uwch swyddogion yn ymgysylltu'n briodol ag AA? Sut mae hyn yn cael ei ddangos?
4. A oes perthynas adeiladol rhwng AM ac AA (ac arolygiaethau eraill)? Beth yw'r dystiolaeth o hyn?
5. A yw swyddogion perthnasol wedi ystyried canlyniadau/casgliadau adroddiadau cenedlaethol a phenodol AA?
6. A oes gennym ni welededd da dros faterion sy'n dod i'r amlwg a nodwyd gan AA?
7. O ran ISA260 ac adroddiadau ariannol cyfatebol gan AA, a yw swyddogion yn dangos yn glir eu bod yn deall y materion a godwyd ac a oes ganddynt gynllun credadwy i ddatrys materion ar gyfer y flwyddyn ariannol nesaf?
8. A oes gan AA hyder yn Swyddogion CSF a threfniadau llywodraethu?

### Cyllidebu / Risg Ariannol / Cronfeydd Wrth Gefn

1. A oes yna broses ac amserlen sydd wedi'u diffinio, eu llywodraethu a'u gwirio'n glir ar gyfer datblygu cyllideb yr Awdurdod?
2. A oes cyfres briodol o bolisiau sy'n ymwneud â risgiau ariannol? A ydynt yn addas?
3. A yw'r rhagdybiaethau ariannol/gweithredol allweddol yn ddealladwy, yn gredadwy, wedi'u dogfennu ac yn cael eu profi gan

2. A oes eglurder ynghylch llywodraethu'r trefniadau goruchwyllo a chraffu amrywiol ar gyfer (ac effeithiolrwydd) partneriaethau a chydweithrediadau materol?
3. A oes eglurder ynglŷn â dyrannu cyfrifoldebau ac awdurdodau gwneud penderfyniadau?
4. Sut mae achosion o dorri rheolau llywodraethu/rheolaeth yn cael eu nodi a'u hadrodd?
5. A ydym yn hyderus bod y trefniadau ar gyfer gwariant materol (tendro, contractio a chaffael cyfalaf) yn gadarn?
6. A oes gennym ni hyder yn y trefniadau chwythu'r chwiban (a threfniadau tebyg) ar gyfer codi pryderon?

#### Risgiau Corfforaethol

1. A yw atebolrwydd allweddol ar gyfer adnabod, asesu, monitro a rheoli risgiau wedi'i ddiffinio a'i weithredu'n ddigonol?
2. A yw'r dull o reoli risgiau wedi'i gynllunio a'i weithredu'n effeithiol?
3. Sut y gall y Pwyllgor fod yn hyderus bod y Gofrestr Risgiau Corfforaethol yn cynnwys yr holl risgiau sylweddol sy'n wynebu'r Awdurdod?
4. A yw'r cynlluniau gweithredu lliniaru risgiau yn gredadwy ac yn ddigonol er mwyn sicrhau'r canlyniadau a

straen?

4. A oes gan y swyddogaeth Gyllid alluoedd a chapasiti addas i reoli risg ariannol / cwrdd â gofynion a rhwymedigaethau statudol i'r Cyngor?
5. A ydym yn hyderus bod y broses gyllidebol yn debygol o gynhyrchu cyllideb gredadwy / MTFP?
6. A oes trefniadau addas ar waith i reoli ac adrodd ar berfformiad ariannol cyffredinol?

#### Datganiadau Ariannol / Risgiau Camddatganiad

1. A oes dealltwriaeth gyffredin o ddiben y Pwyllgor wrth adolygu datganiadau ariannol drafft?
  - a) A yw'r Nodiadau i'r Cyfrifon yn rhesymol?
  - b) A yw'r adroddiadau naratif, gan gynnwys y Datganiad Llywodraethu Blyneddol, yn rhesymol ac yn cyd-fynd â barn y pwyllgor?
2. Ydym ni'n gyfforddus â barn gwaith ac archwilio AA?



ddymunir?

**Cwestiynau ar gyfer y Pwyllgor i orffen...**

A oes gennym ni'r wybodaeth angenrheidiol i ddod i gasgliadau/gwneud argymhellion / uwchgyfeirio materion i'r Uwch Dîm Gweithredol, y cyngor, y pwyllgor craffu perthnasol?

A oes angen i ni wneud gwaith pellach? Os felly, sut?

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**Governance and Audit Committee Action List**  
**19<sup>th</sup> October 2023**

Action	Subject/ Meeting	Officer	Outcome	Due date	Action Status	Recommended to close Action Yes/No
1	Action List: Statement of Accounts 2021/22	Jon Davies	Finance Team capacity – update on progress/outcomes. Chair to have early sight of paper	January /February 2024 meeting	OPEN	No
2	Action List: Audit Wales Work programme: Council progress	Matthew Gatehouse/ Richard Jones/Hannah Carter	People Strategy and Asset Management Plan to be reported on separately in future.	11 <sup>th</sup> January 2024	OPEN	11 <sup>th</sup> January 2024
3	Action List: Whole authority Complaints report	Annette Evans/ Matt Gatehouse	A weighting system to be considered for future reports.	Next scheduled Report	OPEN	No
4	Freedom of Information, Data Protection and Data Subject Access Requests	Kath Evans/ Sian Hayward	<p>a) Information was requested on governance arrangement for the policies for these areas.as the Committee has not received any policies for review and endorsement.</p> <p>b) Deputy Chief Executive to consider which corporate risk control policies (extending beyond IT and data protection) that the Committee should periodically review and recommend for approval across the authority.</p>	<p>Response circulated 6<sup>th</sup> December 2023</p> <p>April 2023</p>	<p>a) OPEN</p> <p>b) OPEN</p>	<p>Yes</p> <p>No</p>

5	Counter Fraud, Corruption and Bribery Policy	Peter Davies/ Matthew Gatehouse/ SallyThomas	<p>a) Deputy Chief Executive to raise with the Head of HR, and report back accordingly:</p> <p>i) How concerns are raised under the Whistle Blowing Policy and whether consideration will be given to receipt of concerns at independent board or other appropriate level, also:</p> <p>ii) Taking into account the terms of reference of this committee, how best to report on instances of whistleblowing.</p>	11 <sup>th</sup> January 2024	OPEN	No
6 Page 2	Regulation of Investigatory Powers Act 2000	Geraint Edwards,	<p>Provide the Committee with information:</p> <ul style="list-style-type: none"> <li>• on the legislation regarding the sale of nitrous oxide, the potential penalties for retailers and information on such items banned from sale outside of today's meeting.</li> <li>• on the legislation surrounding sale of vapes and vapes products and potential penalties</li> <li>• The use of social media accounts to detect fraud e.g. benefits.</li> </ul>	11 <sup>th</sup> January 2024  Response to be provided by e mail after the meeting	OPEN	Yes



## AGENDA ITEM TBC

<b>SUBJECT:</b>	<b>AUDITED / EXAMINED STATEMENT OF ACCOUNTS 2022/23 – CHARITABLE TRUST FUNDS</b>
<b>MEETING:</b>	<b>Governance and Audit Committee</b>
<b>DATE:</b>	<b>11<sup>th</sup> January 2024</b>
<b>DIVISIONS/WARD AFFECTED:</b>	<b>All</b>

### 1. PURPOSE:

- 1.1. The purpose of this report is to provide the results of the external audit or examination of the statement of accounts for The Welsh Church Act Trust Fund and Independent Examination Report for The Monmouthshire Farm School Endowment Trust Fund for 2022/23, subsequent to the process undertaken by Audit Wales.

### 2. RECOMMENDATIONS:

- 2.1 That the audited 2022/23 statement of accounts for The Welsh Church Act Fund (**Appendix 1**) are approved in conjunction with the Audit Wales ISA260 Audit of Accounts report for The Welsh Church Act Fund.
- 2.2 That the independently examined financial statements for The Monmouthshire Farm School Endowment Trust Fund for 2022/23 (**Appendix 2**) are approved in conjunction with the Independent Examination Report for The Monmouthshire Farm School Endowment Trust Fund.

### 3. KEY ISSUES

- 3.1 Governance & Audit Committee received the draft 2022/23 statement of accounts for the trust funds at their meeting on 27th July 2023. The external audit process has subsequently taken place culminating in the attached audit report and examination report being presented, and audited statement of accounts being brought forward.
- 3.2 Governance and Audit Committee approval of the audited accounts for The Welsh Church Act Fund should follow the audit process, and under the current Charity Commission guidelines the accounts should be completed and filed with them by the 31st of January 2024.
- 3.3 Governance and Audit Committee approval of the final Monmouthshire Farm School Endowment Trust Fund accounts is undertaken alongside their presentation to the Trust Funds Management Board on the 26th of January 2024.
- 3.4 The audited statements have been produced within required timescales and as to enable the statements to be lodged with the relevant committees as required.

- 3.5 The meeting of the required deadlines has required a joint effort between the Trusts management and Audit Wales and management would like to acknowledge the professional and supportive approach in which Audit Wales undertake their audit.

### Findings - The Welsh Church Act Trust Fund

- 3.6 The auditors intend to provide an unqualified audit report on The Welsh Church Act Trust Fund accounts for 2022/23.
- 3.7 No significant errors or areas of concern have been raised in the ISA 260 audit of accounts report, with minor amendments identified as shown below in **figure 1** and within the ISA 260 report itself. These have been adjusted for within the final audited statements shown at **Appendix 1**.

**Figure 1 – Corrections and misstatements identified**

Value of correction	Nature of correction	Reason for correction
Various	Some minor amendments were made to the financial statements relating to revisions to disclosures of information, narrative changes, casting errors or typos.	To ensure accuracy of the financial statements.

### Findings - The Monmouthshire Farm School Endowment Trust Fund

- 3.8 The auditors intend to provide an unqualified examiners report on the Monmouthshire Farm School Endowment Trust Fund accounts for 2022/23.
- 3.9 No significant errors or areas of concern have been raised in the examiner’s report, with minor misstatements identified as part of the process adjusted for within the final statements shown at **Appendix 2** and as noted in the examiner’s report.

## 4. REASONS

- 4.1 To receive and approve the audit reports and final statement of accounts as presented enabling the lodging of the accounts with the relevant bodies within required timescales.

## 5. CONSULTEES

Head of Finance (Deputy Section 151 Officer)  
Deputy Chief Executive (Section 151 Officer)

**6. BACKGROUND PAPERS**

Appendix 1: The Welsh Church Act Fund audited statement of accounts 2022/23

Appendix 2: Monmouthshire Farm School Endowment Trust Fund final statement of accounts 2022/23

**7. AUTHORS:**

Dave Jarrett

Finance business partner – Central Finance

**8. CONTACT DETAILS**

Email: [davejarrett@monmouthshire.gov.uk](mailto:davejarrett@monmouthshire.gov.uk)

Tel: (01633) 644567

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**APPENDIX 1**

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

**Annual Report and Financial Statements for the year  
ended the 31 March 2023**

Registered Charity Number: 507094

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2023**

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**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2023**

**Trustee, Officers and Advisors**

**Trustee**

Monmouthshire County Council

**Secretary**

James Williams

Chief Officer, Law & Governance (Monitoring Officer)

Monmouthshire County Council

**Registered Office**

County Hall

The Rhadyr,

Usk

NP15 1GA

**Auditors**

Audit Wales

1, Capital Quarter,

Tyndall Street,

Cardiff

CF10 4BZ

**Solicitor**

James Williams

Chief Officer, Law & Governance (Monitoring Officer)

Monmouthshire County Council

**Investment Custodian**

Monmouthshire County Council

**General Management**

Mr Peter Davies

Deputy Chief Executive

Monmouthshire County Council

**Bankers**

Barclays Bank

1-5 St David's Way

St David's Centre

Cardiff

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2023**

CF10 2DP

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2023**

**Report of the Trustee for the year ended 31 March 2023**

The Trustee presents its annual report and the audited financial statements for the year ended 31 March 2023 of The Monmouthshire County Council Welsh Church Act Fund ('the Charity').

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

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

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

**Structure, Governance and Management**

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

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

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

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

**Objectives**

The primary object of the Charity for each year, as stated in its governing document, is to assist public groups and individuals for educational, social, recreational, and

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2023**

other charitable benefit purposes. Grants are available from the Fund for capital or revenue purposes. Capital grants may be awarded to assist organisations in the furnishing and upkeep of buildings. Revenue grants are designed to further the aims of societies and to assist individuals in their various pursuits.

**Grants allocation policy**

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

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

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

**Review of activities and future developments**

The statement of financial activities for the year is set out on page 8 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has decreased in value by £479,749 during the year (£366,412 gain in 2021/22, this decrease is primarily due to large unrealised losses (£472,972) at the 31<sup>st</sup> March 2023 valuation date due to volatile economic conditions following the fiscal policies adopted by government in the autumn of 2022.

Income is principally comprised of investment income of £212,453 (£192,896 in 2021/22), this has increased slightly in regard to distributions from the pooled investments funds held on the financial markets. The Trust has utilised the Trustee's own investment managers to manage the other individual market investments, thus, controlling management fees and therefore maximising returns whilst at the same time maintaining a balanced capital risk strategy.

Charitable resources expended during the year amounted to £219,230 (£177,112 in 2021/22) and principally comprised grant payments of £204,850 (£163,310 in 2021/22).

Net losses on investments held amounted to £472,972 (£349,688 net gain in 2021/22). These non-realised investment losses have been due to the continued impact of the volatility in financial markets after the fiscal policies implemented during the autumn budget rounds. The 'Trusts' current investment strategy of diversifying the portfolio across several investment categories has enabled a certain degree of stability amid the current volatility in the financial markets. The long-term projections on these charity fund investments as indicated by the Trustees' Treasury consultants continue to offer a balanced risk portfolio between income generation and asset growth.

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**Assumptions made about the future and other major sources of estimation uncertainty**

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

The items in the Trust's Balance Sheet at 31st March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

**The revaluation of investment property and property funds**

Valuation techniques are used to determine the carrying amount of pooled property funds and investment property. Investment assets have been revalued as at the 31<sup>st</sup> March 2023 reporting date.

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

**Income generation**

The Charity's investment income was £212,453 compared to £192,896 in 2021/22. The diverse external pooled fund investment strategy that mainly replaced the pooled investment strategy with Monmouthshire County Council has continued to produce consistent returns in the financial markets due to investment in more specific charitable investment funds. This income generation forms the main basis of the following years grant allocations to ensure continuity and non-degradation of the funds capital assets and to perpetuate the charity as a 'going concern'.

**Bad debt provision**

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

**Investment powers, policy, and performance**

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

The Trustee reviewed its investment strategy and produced an investment and fund strategy for 2022/23, which was approved by Monmouthshire County Council in its capacity as sole and corporate trustee, on 3<sup>rd</sup> March 2022.

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

## **The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2023**

### **Changes in fixed assets**

The fixed asset investments were re-valued in the 2022/23 financial year in line with the Investment Asset policy of revaluation every year.

### **Reserves**

The Trustee's policy is to maintain the level of investments at a level that provides sufficient annual income to fund the Charity's charitable expenditure. The level of funds held at 31<sup>st</sup> March 2023 is £5,201,291 (£5,681,040 in 2021/22). The Trustee reviewed its Fund strategy and produced an investment and fund strategy for 2022/23, which stated that the purpose of reserves is to maintain investments such that they realise sufficient income to provide grants to organisations at a consistent level. Whilst the strategy is to ensure that there is no long-term detrimental effect on overall reserve balances, recommendations made by the Charity Commission has resulted in grants allocations being made in line with investment returns.

### **Governance of the Charity**

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

### **Risk management**

The Trustee has undertaken a review of the major risks to which the Charity is exposed, and its risk management and internal control procedures should be updated to ensure that systems are in place to mitigate the risks identified. The risk assessment was considered by Monmouthshire County Council on 3rd March 2022 and no risks were identified.

### **Auditors**

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

### **Statement of Trustee's responsibilities**

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

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

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and



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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

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

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Charities Act 1993. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee certifies that:

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

**By order of the Trustee**

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

**Date:**

**The Monmouthshire County Council Welsh Church Act Fund  
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**The independent auditor's report of the Auditor General for Wales to the trustee  
of the Monmouthshire County Council Welsh Church Act Fund**

**Opinion on financial statements**

I have audited the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2023 under the Charities Act 2011. The financial statements comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows and related notes, including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

**Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Conclusions relating to going concern**

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

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

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

**Other Information**

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

I have nothing to report in this regard.

**Matters on which I report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the financial statements is inconsistent in any material respect with the trustee's report.

**Responsibilities of the trustee for the financial statements**

As explained more fully in the statement of trustee's responsibilities set out on page 5, the trustee is responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustee determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee anticipate that the services provided by the charity will not continue to be provided in the future.

**The Monmouthshire County Council Welsh Church Act Fund  
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**Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

My procedures included the following:

- Enquiring of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to Monmouthshire County Council Welsh Church Act Fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journal;
- Obtaining an understanding of Monmouthshire County Council Welsh Church Act Fund's framework of authority as well as other legal and regulatory frameworks that the Monmouthshire County Council Welsh Church Act Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Monmouthshire County Council Welsh Church Act Fund.
- Obtaining an understanding of related party relationships.

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

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

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

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

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

**Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Adrian Crompton  
Auditor General for  
Wales  
26 January 2024

1 Capital Quarter  
Tyndal Street  
  
Cardiff  
CF10 4BZ

**The Monmouthshire County Council Welsh Church Act Fund  
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**Statement of financial activities (Sofa) for the year ended 31  
March 2023**

	Notes	2022/23 Total Unrestricted Funds £	2021/22 Total Unrestricted Funds £
<b>Income &amp; Endowments from:</b>			
Investment income	2	212,453	192,896
Other incoming resources		0	960
<b>Total income &amp; Endowments</b>		<b>212,453</b>	<b>193,856</b>
<b>Resources Expended</b>			
Raising funds:			
Investment Property		(480)	(400)
Professional fees			
Management and administration		(2,550)	(2,500)
		<b>(3,030)</b>	<b>(2,900)</b>
<b>Charitable expenditure</b>			
Costs of activities in furtherance of the Charity's objects			
Grants payable	3,4	(204,850)	(163,310)
Management and administration		(5,095)	(4,647)
<b>Other</b>			
Governance Costs	5	(6,255)	(6,255)
<b>Total Resources Expended</b>		<b>(219,230)</b>	<b>(177,112)</b>
Gains/(losses) on investment	9,10	(472,972)	349,668
<b>Net Income /(Expenditure)</b>		<b>(479,749)</b>	<b>366,412</b>
<b>Net movement in funds</b>		<b>(479,749)</b>	<b>366,412</b>
Fund balances brought forward April 2022		5,681,040	5,314,628
<b>Fund balances carried forward 31 March 2023</b>	13	<b>5,201,291</b>	<b>5,681,040</b>

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

**The Monmouthshire County Council Welsh Church Act Fund  
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**Balance Sheet as at 31 March 2023**

	Notes	<b>2022/23</b>	2021/22
		<b>Unrestricted</b>	Unrestricted
		<b>Funds</b>	Funds
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Investment Land	9	<b>475,750</b>	513,000
Investments	10	<b>4,654,323</b>	5,090,045
		<b>5,130,073</b>	5,603,045
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	<b>47,159</b>	44,811
Cash at bank	8	<b>228,458</b>	171,267
		<b>275,617</b>	216,078
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	12	<b>(204,399)</b>	(138,083)
<b>Net current assets or liabilities</b>		<b>71,218</b>	77,995
<b>Net assets or liabilities</b>		<b>5,201,291</b>	5,681,040
<b>The Funds of the Charity:</b>			
Unrestricted Funds	13	<b>5,201,291</b>	5,681,040
<b>Total Charity funds</b>		<b>5,201,291</b>	5,681,040

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

**By order of the Trustee**

**Mr Peter Davies**  
**Deputy Chief Executive – Monmouthshire County Council**

**Date:**

**The Monmouthshire County Council Welsh Church Act Fund  
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**Statement of Cash flows as at 31 March 2023**

	<b>Total Funds £</b>	<b>Prior Year Funds £</b>
<b>Cash flows from operating activities</b>		
<i>Net cash provided by operating activities 'Note 7'</i>	<b>(155,262)</b>	<b>(268,362)</b>
<hr/>		
<b>Cash flow from investing activities</b>		
Dividends and rents from investments	<b>212,453</b>	192,896
Cash received from pooled funds with MCC	<b>0</b>	50,000
<hr/>		
<i>Change in cash and cash equivalents in the reporting period</i>	57,191	(25,466)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>171,267</b>	196,733
<hr/>		
<i>Cash and cash equivalents at the end of the reporting period</i>	<b>228,458</b>	171,267



## **Notes to the financial statements for the year ended 31 March 2023**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The trust constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

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

#### **Basis of accounting**

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

#### **Incoming Resources**

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

#### **Cash Balances**

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

#### **Resources expended**

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

#### **Grants payable**

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

#### **Management and administration**

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

#### **Governance Costs**

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

## **The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2023**

external auditor.

### **Irrecoverable VAT**

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

### **Recognition of liabilities**

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

### **Debtors/ Creditors**

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **Fund accounting**

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

### **Investment Land and Property**

#### *Capitalisation, Replacement and Valuation*

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

All land Investments were valued internally by a qualified land surveyor as at 31<sup>st</sup> March 2023 and all assets held at year-end are included in the accounts at that valuation date. Vacant properties are valued at open market value.

### **Depreciation**

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

### **Investments**

Any realised and unrealised gains and losses on revaluation or disposals of investments are included in the statement of financial activities. The Authority is authorised to invest any surplus income or dispose of any investments when it deems appropriate. Investments are strategically placed in external pooled fund investment funds specifically designed for charitable organisations. The basis of valuation on the market-based investments held with CCLA, M&G, UBS, and Schroder's, is the open market value of the unit holdings on the 31<sup>st</sup> March 2023 multiplied by the units held. Investment performance is reviewed periodically in light of prevailing economic changes. The Treasury Stock 2024 valuation is based upon the market value of the Treasury Gilts at the 31<sup>st</sup> March 2023 as listed on the dmo.gov website. The value of the 'pooled' investment with Monmouthshire County Council is the cash value as at the 31<sup>st</sup> March 2023.

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**Fees and similar income**

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

**Cash flow statement**

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

**2 Investment income**

	<b>2023</b>	2022
	£	£
Investments with Monmouthshire County Council	<b>0</b>	0
Investment Property Rental Income	<b>4,138</b>	6,533
External Investments	<b>208,315</b>	186,363
	<b>212,453</b>	192,896

**3 Grants Payable**

	<b>2023</b>	2022
	£	£
Grants have been paid to the following administering Local Authorities for them to make to groups and individuals on behalf of the Fund:		
Monmouthshire County Council	<b>18,750</b>	34,440
Torfaen County Borough Council	<b>24,925</b>	26,353
Newport City Council	<b>56,038</b>	32,564
Blaenau Gwent County Borough Council	<b>22,800</b>	25,200
Caerphilly County Borough Council	<b>82,337</b>	44,753
	<b>204,850</b>	163,310

The management and administration cost of the fund and grants distributed were £4,695 during the year.

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**4 Analysis of Grants**

	Grants to Organisations £	Grants to Individuals £
The Advancement of Education	2,121	2,643
The Advancement of Religion	81,530	0
The Relief of Poverty	1,450	24,325
Other Purposes Beneficial to the Community	92,781	0
	<b>177,882</b>	<b>26,968</b>
<b>Total</b>		

Unspent balances are retained for distribution in subsequent financial years. Grants to Churches and other Religious establishments totaled £81,530 and Community Organisations £92,781 respectively during the financial year. Grants of essential equipment and furnishings to the value of £24,325 were allocated to individuals for the relief of families deemed to be in poverty. No organization or individual received more than one grant award during 2022/23.

**5 Governance Costs**

	2023 £	2022 £
Auditor's remuneration	<b>6,255</b>	6,255
	<b>6,255</b>	6,255

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

**6 Taxation**

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

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

## 7 Reconciliation of net income/ (expenditure) to net cash flow from operating activities as at 31 March 2023

	Current Year £	Prior Year £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	<b>(479,749)</b>	366,412
<b>Adjustments for non-cash transactions</b>		
(Gains) /losses on investments	<b>472,972</b>	(349,668)
Dividends, Interest & Rents from investments	<b>(212,453)</b>	(192,896)
(Increase)/ decrease in debtors / bad debts	<b>(2,348)</b>	(3,305)
Increase/(decrease) in creditors	<b>66,316</b>	(88,904)
<b>Net cash provided and (used in) operating activities</b>	<b>(155,262)</b>	(268,362)

## 8 Analysis of cash and cash equivalents as at 31 March 2023

	Current Year £	In Year Movement £	Prior Year £
Cash at bank	<b>228,458</b>	57,191	<b>171,267</b>
<b>Total cash and cash equivalents</b>	<b>228,458</b>	57,191	<b>171,267</b>

**The Monmouthshire County Council Welsh Church Act Fund  
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**9 Investment Land and Property**

	<b>Total £</b>
<b>Valuation</b>	
At 1 April 2022	513,000
Disposals	0
Revaluation	(37,250)
<b>At 31 March 2023</b>	<b>475,750</b>
<b>Depreciation</b>	
At 1 April 2022	0
Charge in year	0
Disposals	0
<b>At 31 March 2023</b>	<b>0</b>
<b>Net book Value</b>	
At 1 April 2022	513,000
<b>At 31 March 2023</b>	<b>475,750</b>

Tangible Investment Assets solely consist of freehold land. Valuations were carried out in accordance with the valuation policy in the 2022/23 financial year and thereafter on an annual rolling basis.

**10 Investments**

	<b>2023 £</b>	<b>2022 £</b>
CCLA - COIF Property Fund	968,824	<b>1,148,750</b>
UBS Multi Asset Income Fund	525,558	<b>628,164</b>
M&G Charibond Fund	612,365	<b>659,767</b>
Schroders Income Maximiser	359,688	<b>375,291</b>
M&G Charifund	516,083	<b>549,675</b>
CCLA - COIF Investment Fund	1,257,721	<b>1,314,934</b>
Treasury Stock 2024 2.5%	114,084	<b>113,464</b>
Invested with Monmouthshire County Council	300,000	<b>300,000</b>
	4,654,323	<b>5,090,045</b>

The Trust has externally managed investments held with UBS, M&G, Schroeder's,

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CCLA, and HM Treasury. The pooled investment with Monmouthshire County Council is managed by the Authority's treasury management team, aided by their appointed external treasury management advisors. Returns from Monmouthshire County Council are generated on a "pooled" basis. The average rate of interest generated on the pooled funds from Monmouthshire was 2.2800% for 2022/23 (0.5200% for 2021/22).

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

**11 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
<b><i>Prepayment &amp; accrued income</i></b>		
Investment Income	<b>47,159</b>	44,136
Other Debtors	<b>0</b>	0
MCC Bank Transfer	<b>0</b>	0
<b><i>Trade debtors</i></b>		
Rental income	<b>0</b>	0
Bad debt provision for loss of rental income	<b>0</b>	0
<b><i>Other Debtors</i></b>		
HM Revenue and Customs	<b>0</b>	675
Other Debtors	<b>0</b>	0
	<b>47,159</b>	44,811

All investment interest due from the trustee was paid in year in 2022/23.

**12 Creditors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Grant creditors	<b>190,400</b>	131,838
Other creditors	<b>13,999</b>	6,245
	<b>204,399</b>	138,083

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

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2023**

**13 Funds**

	Balance 1 April 2022 £	Incoming resources £	Resources Expended £	Other Recognised Gain / (Loss) £	<b>Balance 31 March 2023 £</b>
Unrestricted funds	5,681,040	212,453	(219,230)	(472,972)	<b>5,201,291</b>

**14 Related party transactions**

During the year transactions with related parties arose as follows:

	2023		2022	
	Receipts £	Payments £	Receipts £	Payments £
Monmouthshire County Council	<b>10,110</b>	<b>5,095</b>	2,206	5,133

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

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

There are outstanding balances for expenditure of £5,095 with Monmouthshire County Council. The Trust also held a £300,000 investment fund balance with Monmouthshire County Council at the year-end.

**15 Trustee's Expenses, Remuneration and Benefits**

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



APPENDIX 2

**Monmouthshire Farm School Endowment  
Trust Fund**

**Annual report  
for the year ended 31 March 2023**

Registered Charity Number: 525649

**Monmouthshire Farm School Endowment Trust Fund  
Annual report for the year ended 31st March 2023**

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**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for the year ended 31st March 2023**

## **Trustees, officers and advisers**

### **Trustees**

R Edwards  
Monmouthshire County Council  
(left 11<sup>th</sup> July 2022)

P Murphy  
Monmouthshire County Council

A Easson  
Monmouthshire County Council  
(left 11<sup>th</sup> July 2022)

D W H Jones  
Monmouthshire County Council

B Thomas  
Blaenau Gwent County Borough Council  
(left 11<sup>th</sup> July 2022)

M. Cross  
Blaenau Gwent County Borough Council  
(started 11<sup>th</sup> July 2022)

Dr W O C Symondson  
University of Wales College Cardiff

R Clark  
Torfaen County Borough Council

M Feakins  
Mounmouthshire County Council  
(left 11<sup>th</sup> July 2022)

B Jones  
Monmouthshire County Council  
(left 11<sup>th</sup> July 2022)

**Investment custodian**  
Monmouthshire County Council

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

## **Report of the Trustees for the year ended 31st March 2023**

The Trustees present their annual report and the independently examined financial statements for the year ended 31st March 2023 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustees, officers and advisers set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 and Charity Act 2011. The financial statements comply with the Charity's trust deed.

### **Status and administration**

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

### **Objects**

The primary object of the Charity, as stated in its governing document, is to make awards to students in need of assistance to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects. The governing body can use its discretion to apply any unawarded income to provide funding towards the cost of facilities or amenities at Usk College which would benefit these students. The grants awarded have allowed the beneficiaries to pursue land based courses to enhance career opportunities. The area of benefit is clearly defined; household income is a consideration when making the award. The total grant awards were £3,871 (£9,182 in 2021/22).

### **Review of activities and future developments**

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

The Fund has decreased in value by £61,321 (£30,045 increase in 2021/22) over the financial year as a result of losses on unrealised investments which exceeded income resources.

Income consists of dividends and interest from investments and cash held of £26,287 (£23,448 in 2021/22), and £1,077 (£4,716 2021/22) in respect of the annual payment from the Roger Edwards Educational Trust. Expenditure of £5,839 (£10,840 in 2021/22) primarily comprised grants payable of £3,871 (£9,182 in 2021/22) in line with the Charity's objects. An unrealised investment loss of £82,846 (£12,721 gain in 2021/22) was made in relation to investments held.

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

### **Investment powers, policy and performance**

Under the terms of the Trust Deed, the Trustees have general powers of investment, subject to the provisions of the Trustee Act 2000. The Trustees have reviewed their investment strategy and produced an investment and fund strategy for 2022/23 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 2<sup>nd</sup> March 2022. Investments are strategically placed in low-risk investments. Investment performance is reviewed periodically in light of prevailing economic changes.

## **Monmouthshire Farm School Endowment Trust Fund**

### **Annual report for the year ended 31st March 2023**

#### **Grant making policy**

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

#### **Changes in fixed assets**

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

#### **Reserves**

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

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2022/23 which states that it is the Trust's policy to maintain funds at approximately the current level and utilise the annual income received to fund its charitable expenditure. This was approved by Cabinet on the 3rd March 2022.

#### **Governance of the Charity**

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

#### **Risk management**

Monmouthshire County Council as appointed administrator of the Trust Fund periodically review the major risks to which the Charity is exposed as part of the Authority's overall risk management processes. The Roger Edwards Educational Trust has historically provided significant income to this trust to be used for the distribution of grants. This income is received after the independent examination of the accounts and therefore this is usually late in the financial year. A risk assessment policy was approved by Cabinet on 2<sup>nd</sup> March 2022.

#### **Independent examiners**

Audit Wales are the appointed independent examiners to the Charity.

#### **Trustees' responsibilities**

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

The Trustees confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 2023. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for the year ended 31st March 2023**

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

**By order of the Trustees**

Trustee:

Date:

**Report of the independent examiner to the Trustees of**  
**Monmouthshire Farm School Endowment Trust Fund**

## **Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2023**

I report on the accounts of Monmouthshire Farm School Endowment Trust Fund for the year ended 31 March 2023, which are set out on pages 4 to 11.

### **Responsibilities and basis of report**

As the charity's Trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). You are satisfied that the accounts are not required to be audited by charity law and have chosen instead to have an independent examination.

I report in respect of my examination of your charity's accounts as carried out under section 145 of the Act; In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Adrian Crompton  
Auditor General for Wales  
26 January 2024

1 Capital Quarter  
Cardiff  
CF10 4BZ

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for the year ended 31st March 2023**

**Statement of financial activities (Sofa) for the year ended 31st March 2023**

	Notes	2023 Unrestricted Funds £	2022 Unrestricted Funds £
<b>Income &amp; Endowments from:</b>			
Investment income	2	26,287	23,448
Income from Roger Edwards Educational Trust		1,077	4,716
<b>Total income &amp; Endowments</b>		<b>27,364</b>	<b>28,164</b>
<b>Resources Expended</b>			
<b>Charitable expenditure</b>			
Costs of activities in furtherance of the Charity's objects			
Expenditure on charitable activities	3	(3,871)	(9,182)
Other expenditure	3 & 4	(1,968)	(1,658)
Total Resources expended		<b>(5,839)</b>	(10,840)
(Losses) / Gains on investment assets	5	(82,846)	12,721
<b>Net Income / (Expenditure)</b>		<b>(61,321)</b>	30,045
<b>Net movement in funds</b>		<b>(61,321)</b>	30,045
Fund balances brought forward 1 April 2022		<b>683,970</b>	653,925
<b>Fund balances carried forward 31 March 2023</b>		<b>622,649</b>	683,970

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



**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for the year ended 31st March 2023**

**Balance Sheet as at 31 March 2023**

	Notes	2023 Unrestricted Funds £	2022 Unrestricted Funds £
<b>Fixed assets</b>			
Investments	7	560,755	643,602
		<b>560,755</b>	<b>643,602</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	1,138	7,306
Cash at bank and in hand		62,819	34,927
		<b>63,957</b>	<b>42,233</b>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	9	(2,063)	(1,865)
<b>Net current assets</b>		<b>61,894</b>	<b>40,368</b>
<b>Net assets</b>		<b>622,649</b>	<b>683,970</b>
<b>The Funds of the Charity:</b>			
Unrestricted Funds	10	622,649	683,970
<b>Total Charity funds</b>		<b>622,649</b>	<b>683,970</b>

The financial statements were approved by the Trustees on 17th July 2023 and signed on their behalf by:

Trustee:

Date:

## **Notes to the financial statements for the year ended 31<sup>st</sup> March 2023**

### **1 Principal accounting policies**

#### **Basis of accounting**

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

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

#### **Resources expended**

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

#### **Incoming Resources**

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

#### **Grants payable**

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

#### **Management and administration**

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

#### **Debtors/ Creditors**

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

#### **Irrecoverable VAT**

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

#### **Recognition of liabilities**

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

## Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2023

### Fund accounting

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

### Investments

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

### Assumptions made about the future and other major sources of estimation uncertainty

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

The items in the Trust's Balance Sheet at 31st March 2023 for which there is a significant risk of adjustment in the forthcoming financial year are as follows:

### The revaluation of investment property and property funds

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

### Cash flow statement

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

## 2 Income from Investments

	2023	2022
	£	£
Interest on cash balances	1,072	151
Income from Investments	25,215	23,297
	<b>26,287</b>	<b>23,448</b>

## 3 Expenditure on Charitable Activities

2023 2022

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for the year ended 31st March 2023**

	£	£
Grants payable	<b>(3,871)</b>	(9,182)
Management & administration	<b>(1,968)</b>	(1,658)
	<b>(5,839)</b>	(10,840)

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

#### **4 Governance Costs**

	2023	2022
	£	£
Net incoming resources is stated after charging:		
Independent Examiner's remuneration	<b>(1,458)</b>	(1,458)
	<b>(1,458)</b>	(1,458)

No indemnity insurance for Trustees liability has been purchased by the Charity. Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Council's fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustees for any wrong decisions that may have been made. Governance costs have remained the same during the year as a result of the Public Audit Wales Act and in particular the duty placed on the Wales Audit Office to ensure full cost recovery in its audit fees. The audit fee is included in the management and administration spend as per note 3.

#### **5 Gains and losses on revaluation and disposal of investment assets**

	Market Value	Market Value	Gain/(Loss)
	2022	2023	
	£	£	£
M&G Charibond	224,812	208,660	(16,151)
UBS Multi-Asset Income Fund	168,600	141,092	(27,508)
COIF Charities Property Fund	250,190	211,003	(39,187)
Total	643,602	560,755	(82,846)

#### **6 Taxation**

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for the year ended 31st March 2023**

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

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

**7 Fixed asset investments**

	<b>Total</b>
	<b>£</b>
Valuation at 1 April 2022	<b>643,602</b>
Purchase	<b>0</b>
Net revaluation loss	<b>(82,846)</b>
<b>Valuation at 31 March 2023</b>	<b>560,755</b>

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2023. The historical cost of the investments at 31st March 2023 was £639,000. All of the Charity's investments are quoted in the UK. The details of these are disclosed in the table below, being Charibond, COIF and OEIC Fund.

Investments with a market value greater than 5% of the total portfolio market value at 31st March 2023 are as follows:

	<b>£</b>	<b>%</b>
COIF Charities Property Fund	211,003	38%
M&G Charibond	208,660	37%
UBS Multi-Asset Income Fund	141,092	25%

The percentage shown above is the percentage of the total portfolio market value as at 31<sup>st</sup> March 2023.

**8 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Roger Edwards Educational Trust	1,076	4,716
Other	62	2,590
	<b>1,138</b>	<b>7,306</b>

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for the year ended 31st March 2023**

**9 Creditors**

	<b>2023</b>	2022
	£	£
<hr/>		
<b>Amounts falling due within one year</b>		
Accruals and deferred income	<b>(2,063)</b>	(1,865)
	<b>(2,063)</b>	(1,865)

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

**10 Unrestricted Funds**

	Balance 1 April 2022	Incoming Resources resources	Resources Expended	Investment Gain/(Loss)	<b>Balance 31 March 2023</b>
	£	£	£	£	£
Permanent endowed funds	683,970	27,364	(5,836)	(82,846)	622,649

**11 Related party transactions**

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



## Final Letter of Representation

Auditor General for Wales  
1 Capital Quarter  
Cardiff  
CF10 4BZ

11 January 2024

### Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2023 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

### Management representations

#### *Responsibilities*

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and Charities SORP 2015; in particular the financial statements give a true and fair view in accordance therewith; and
- 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 Welsh Church Act Fund and involves:
  - management;

- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware;

### **Financial statement representations**

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

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

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

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

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

The financial statements are free of material misstatements, including omissions.

### **Representations by the Trustee**

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 the Trustee on 11 January 2024.

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:

Peter Davies  
Chief Officer, Resources and  
Section 151 Officer  
Monmouthshire County Council  
Date: 11 January 2024

Signed by:

Andrew Blackmore  
Chair, Governance and Audit  
Committee  
Monmouthshire County Council  
Date: 11 January 2024

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## Audit of Accounts Report – The Monmouthshire County Council Welsh Church Act Fund

Audit year: 2022-23

Date issued: January 2024

Document reference:3971A2023

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

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

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

# Contents

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

## Audit of Accounts Report

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# Audit of Accounts Report

## Introduction

- 1 We summarise the main findings from our audit of your 2022-23 annual report and accounts in this report.
- 2 We have already discussed these issues with officers.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £54,057 for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
  - Related party transactions £5,000
- 6 We have now completed this year's audit.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Impact of revised ISA315 on this year's audit

- 8 Our audits of your accounts for the year ended 31 March 2023 have been carried out under a revised auditing standard (ISA 315 (UK) Identifying and Assessing the Risks of Material Misstatement (Revised July 2020)). The revised standard has had a significant impact this year on how auditors undertake audit risk assessments and our overall audit approach.
- 9 In planning our audit, we are now required to undertake more detailed and extensive risk assessment procedures to identify risks of material misstatement. The subsequent design and performance of our audit approach has been responsive to each assessed risk.
- 10 The introduction of the revised Standard and a different audit approach has had implications for audit timetables, and the new approach has required additional time to implement.

## Updated risk assessment

- 11 Within the Detailed Audit Plan issued in October 2023, we brought one significant risk to your attention. During our ongoing planning work, we have identified another area of audit focus to bring to your attention.
- 12 **Exhibit 1** lists the significant financial statement risk identified from our detailed risk assessment using our new ISA315 audit approach. Significant risks are risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk, or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.
- 13 **Exhibit 2** details the additional area of audit focus identified through our continuous planning work.

### Exhibit 1 – significant financial statement risks

Significant risk	Our planned response
<p><b>Management override</b></p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> <li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li> <li>• review accounting estimates for bias; and</li> <li>• evaluate the rationale for any significant transactions outside the normal course of business.</li> </ul>

### Exhibit 2 – other areas of focus (\*new)

Audit risk	Our planned response
<p><b>Valuation of Investments*</b></p> <p>Given the high value of investments within the accounts when compared to our materiality level, it is highly likely that any error in the valuation would give rise to a material misstatement.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• Agree a sample of investment valuations to third party evidence.</li> <li>• Review Fund Manager Internal Control Assurance reports.</li> <li>• Review the appropriateness of accounting entries.</li> </ul>

## Proposed audit opinion

- 14 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 15 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise, we issue an unqualified opinion.
- 16 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards.
- 17 Our proposed audit report is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

- 18 There are no misstatements identified in the accounts, which remain uncorrected.

### Corrected misstatements

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

### Other significant issues arising from the audit

- 20 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year



# Appendix 1

## Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales  
1 Capital Quarter  
Cardiff  
CF10 4BZ

11 January 2024

### Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2023 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

### Management representations

#### Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and Charities SORP 2015; in particular the financial statements give a true and fair view in accordance therewith; and
- 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 Welsh Church Act Fund and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware;

## Financial statement representations

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

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

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

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

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

The financial statements are free of material misstatements, including omissions.

## Representations by the Trustee

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 the Trustee on 11 January 2024.

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:

Signed by:

Peter Davies  
Chief Officer, Resources and Section 151  
Officer  
Monmouthshire County Council  
Date: 11 January 2024

Andrew Blackmore  
Chair, Governance and Audit Committee  
Monmouthshire County Council  
Date: 11 January 2024

# Appendix 2

## Proposed Audit Report

### **The independent auditor's report of the Auditor General for Wales to the trustee of Monmouthshire County Council Welsh Church Act Fund**

#### **Opinion on financial statements**

I have audited the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2023 under the Charities Act 2011.

The financial statements comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows and related notes, including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

#### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Conclusions relating to going concern**

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

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

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

## **Other Information**

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

I have nothing to report in this regard.

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

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the financial statements is inconsistent in any material respect with the trustee's report.

## **Responsibilities of the trustee for the financial statements**

As explained more fully in the statement of trustee's responsibilities set out on page 5, the trustee is responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustee determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee anticipate that the services provided by the charity will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

My procedures included the following:

- Enquiring of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to Monmouthshire County Council Welsh Church Act Fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journal;
- Obtaining an understanding of Monmouthshire County Council Welsh Church Act Fund's framework of authority as well as other legal and regulatory frameworks that the Monmouthshire County Council Welsh Church Act Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Monmouthshire County Council Welsh Church Act Fund.
- Obtaining an understanding of related party relationships.

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

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

bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

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

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

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

### **Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Adrian Crompton  
Auditor General for Wales  
26 January 2024

1 Capital Quarter  
Tyndal Street  
Cardiff  
CF10 4BZ

## Summary of Corrections Made

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

### Exhibit 3: summary of corrections made

Value of correction	Nature of correction	Reason for correction
Various	Some minor amendments were made to the financial statements relating to revisions to disclosures of information, narrative changes, casting errors or typos.	To ensure accuracy of the financial statements.







Audit Wales

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

# Independent Examination Report – the Monmouthshire Farm School Endowment Trust Fund

Examination year: 2022-23

Date issued: January 2024

Document reference: 3962A2023

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

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

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

# Contents

We intend to issue an unqualified examiners' report on your accounts. There are some matters to report to you prior to their approval.

## **Independent Examination Report**

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## **Appendix**

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# Independent examination report

## Introduction

- 1 The charity's Trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011 (the Act) and have considered that this year under section 144(2) of the Act an independent examination is needed of them.
- 2 We are responsible for providing an independent examiners' report on the Monmouthshire Farm School Endowment Trust Fund (the Fund) financial statements as at 31 March 2023. An independent examination involves reviewing whether the charity has, in all material respects:
  - maintained accounting records in accordance with Section 130 of the Act; and
  - prepared accounts which accord with the accounting records and comply with the accounting requirements of the Act.
- 3 We are also required to report to you any matter that, in our opinion, attention should be drawn to enable a proper understanding of the accounts to be reached prior to the accounts being approved by the trustees. Where this is the case our team has already discussed these issues with officers.
- 4 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Proposed examiners' report

- 5 We intend to issue an unqualified examiners' report on this year's accounts. Our proposed report is set out in **Appendix 1**.

## Issues arising from the examination

### Uncorrected misstatements

6 There are no misstatements identified in the accounts which remain uncorrected.

### Corrected misstatements

7 There were some minor amendments relating to presentation or narrative detail. There are no further misstatements arising from our examination which we need to bring to your attention.

# Appendix 1

## Proposed examiners' report

### Report of the independent examiner to the Trustees of Monmouthshire Farm School Endowment Trust Fund

I report on the accounts of Monmouthshire Farm School Endowment Trust Fund for the year ended 31 March 2023, which are set out on pages 4 to 11.

#### Responsibilities and basis of report

As the charity's Trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). You are satisfied that the accounts are not required to be audited by charity law and have chosen instead to have an independent examination.

I report in respect of my examination of your charity's accounts as carried out under section 145 of the Act; In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

#### Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.



I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Adrian Crompton  
Auditor General for Wales  
26 January 2024

1 Capital Quarter  
Cardiff  
CF10 4BZ



Audit Wales

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Cardiff CF10 4BZ

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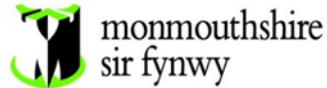
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**SUBJECT: Asset Management Strategy and supporting policies**

**MEETING: Governance and Audit Committee**

**DATE: 11<sup>th</sup> January 2024**

**DIVISION/WARDS AFFECTED: ALL**

**1. PURPOSE**

1.1 To receive pre-decision scrutiny on the 2023-2027 Asset Management Strategy and associated policies

**2. RECOMMENDATIONS:**

2.1 That the committee conducts pre-decision scrutiny of the Asset Management Strategy and associated policies.

2.2 That the committee recommends approval of the Asset Management Strategy to Full Council.

**3. KEY ISSUES:**

3.1 The 2023-2027 Asset Management Strategy informs the way decisions and day-to-day management of MCC land and property is undertaken. It also establishes the supporting policy framework from which the strategy is implemented. The Asset Management Strategy is one of the Council's enabling strategies and supports the delivery of the Community and Corporate Plan.

3.2 The strategy reflects the strategic direction of the Council and establishes five core objectives for land and property:

- **A fit for purpose and collaborative estate** – providing assets necessary to deliver council services, in the right location, compliant and co-located where possible.
- **Be good role models for climate and nature practices** – managing our assets well, lowering our carbon footprint and promoting more sustainable practices.
- **Maximised and commercialised asset base** – generate more revenue and higher value outcomes (financial and non-financial) from sales of surplus assets.
- **Strengthen the enablement role of Landlord Services** – continue to support service objectives including job creation, tackling homelessness, constructing affordable homes, driving value for money.
- **Optimise social value from community assets** – support community assets equitably, transparently, and consistently.

3.3 The Asset Management Strategy is supplemented by a number of supporting policy documents that provide the framework from which decision making is undertaken. The relevant policies, their purpose, and changes are as follows:

- **Community Asset Transfer Policy** – strengthening of the application process, eligibility, and award criteria. This will enable long leasehold or freeholder transfer of community assets in circumstances where not-for-profit groups can provide community services.

- **Rental Concessionary Policy** – changes to improve the parity and monitoring of rental grant on MCC assets. This will afford community groups that occupy MCC property the ability to apply for rental grant, i.e. a reduction in the rent payable, if they can demonstrate clear community and local benefits as a result of this concession.
  - **Disposal Policy** – clarity on the obligation to achieve best consideration, establishing a consistent approach to the disposal of surplus land and property that will maximise financial and social outcomes.
- 3.4 The strategy confirms the Investment Committee and Asset Investment Policy is to be moved into abeyance, with portfolio performance updates reported to the Performance & Overview Committee. Any new investment decisions are to be considered by Cabinet or Full Council via the established governance arrangements.
- 3.5 The Strategy introduces and updates governance arrangements from which the strategy will be implemented. This includes implementation of revised Capital and Accommodation Working Groups and new Service Asset Working Groups to assist service area property matters and transformation.
- 4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**
- 4.1 The Equality and Future Generations Evaluation Assessment can be found alongside this Covering Report. The Asset Management Strategy will:
- A greater alignment to the Community and Corporate Plan, supporting policy objectives including the repurposing of surplus assets to meet affordable housing needs, increase the availability of employment space, to assist to address socio-economic inequality.
  - A fit for purpose asset portfolio that will be more accessible for all, in the heart of the communities they support.
  - A responsible and future focused strategy that emphasises the importance of biodiversity and the commitment for lower carbon design.
  - A more collaborative asset base that will work together with partners to reduce budget pressures, operational costs and drive efficiencies.
  - Establish a more equitable and transparent approach to property decisions, such to support community facilities continue to deliver social value
- 5. OPTIONS APPRAISAL**
- 5.1 An options appraisal has been undertaken in Table One below and can be summarised as follows:

**Table One – Options Appraisal**

Option	Positives	Negatives	Recommended?
<b>Do nothing</b>	The existing policies and strategy are sufficient to undertake the property management work.	An updated context, policy justification, etc. will not be captured.  The strategy will not build on the previous Audit Wales recommendations and feedback on the 2017-22 strategy.	No

		<p>The strategy will not benefit from clear strategic direction and alignment to the Community and Corporate Plan</p> <p>Will results in inefficiencies in day-to-day management.</p> <p>Confusion for public and wasted efforts (CATs, Farming tenders, etc.)</p>	
<b>Adopt new Asset Management Strategy</b>	<p>Alignment of strategy with Community and Corporate Plan.</p> <p>Clearer decision-making framework.</p> <p>Updated legislation and practice advice.</p>	None	Yes

## 6. EVALUATION CRITERIA

- 6.1 The Asset Management Strategy's actions and performance framework is supported by an Asset Management Plan. The Asset Management Plan is updated annually and includes the performance framework and risks, which will be updated to reflect the priorities.

## 7. REASONS

- 7.1 The Asset Management Strategy is to be updated to reflect the Community and Corporate Plan.
- 7.2 The Council has a necessity to continue to reduce running costs, promote integrated hubs and co-location. It has several policy objectives (tackling homelessness, development of affordable housing, revenue generation, community empowerment) which the strategy will support.

## 8. RESOURCE IMPLICATIONS

- 8.1 The Asset Management Strategy provides the decision-making framework and governance arrangements for the Council's land and property assets. The supporting policies of the Asset Management Strategy, namely the Rental Concessionary Policy, Disposal Policy and Community Asset Transfer Policy, all impact the revenue and capital value received from the management of assets.
- 8.2 Informed by the Asset Management Strategy, individual decisions around the acquisition, disposal or sale of the Council's land and property assets will be accommodated as part of the Council's annual budget setting process or on a case by case basis in accordance with the constitution.
- 8.3 The core principles of the Asset Management Strategy acknowledge the necessity to ensure our assets are fit for purpose and generating a financial or non-financial value.

In circumstances where such value is not being achieved, consideration should be given to rationalisation and/or disposal of assets such to ensure delivery of the policy objectives captured within the Asset Management Strategy and associated Asset Management Plan.

- 8.4 The Landlord Services department will carry responsibility for the strategy's implementation. The strategy is supported by an Asset Management Plan, which contains the actions arising from the strategy (live and proposed) and will be updated annually.

## **9. CONSULTEES**

Cabinet

Senior Leadership Team

Landlord Services (Estates and Property Services)

Head of Finance

Legal Services

Communities and Place DMT

Resources DMT

The strategy has been formulated reflecting on examples of best practice, previous Audit Wales and Springing Forward reviews.

## **10. BACKGROUND PAPERS:**

Asset Management Strategy

Appendix 1 – Asset Management Plan

Appendix 2 – Rental Concessionary Policy

Appendix 3 – Community Asset Transfer

Appendix 4 – Disposal Strategy

## **11. AUTHORS:**

Nicholas Keyse – Acting Head of Landlord Services

## **12. CONTACT DETAILS:**

[nicholaskeyse@monmouthshire.gov.uk](mailto:nicholaskeyse@monmouthshire.gov.uk)



<p><b>Name of the Officer completing the evaluation</b> Nicholas Keyse</p> <p><b>Phone no:</b> 01633 6444773 <b>Email:</b> <a href="mailto:nicholaskeyse@monmouthshire.gov.uk">nicholaskeyse@monmouthshire.gov.uk</a></p>	<p><b>Please give a brief description of the aims of the proposal</b> Asset Management Strategy and supporting policies.</p> <p>The Asset Management Strategy provides the framework from which management of land and property is undertaken.</p>
<p><b>Name of Service area</b> Landlord Services</p>	<p><b>Date</b> 18<sup>th</sup> January 2024</p>

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The strategy will affect people of all ages as it relates to all property. Much of the operational estate is used to improve the well-being of all ages. The strategy will directly impact the provision of accommodation in Monmouthshire, such as the availability of social housing, housing associated with all ages and protected characteristics.	No negative impacts identified. The protected characteristics will be considered when taking any undertaking property decisions.	The Asset Management Strategy establishes the short and long-term objectives which will inform strategic decision making for the council's land and property. Any positive or negative impacts to these characteristics will be updated accordingly and at the point of any future Cabinet or Council decisions.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Disability	The Asset Management Strategy reiterates the importance of having fit for purpose assets that are accessible to all. We will continue to support services in ensuring our assets meet the required standards for their user's requirements.	As above	As above
Gender reassignment	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Marriage or civil partnership	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Pregnancy or maternity	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Race	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above



<b>Protected Characteristics</b>	<b>Describe any positive impacts your proposal has on the protected characteristic</b>	<b>Describe any negative impacts your proposal has on the protected characteristic</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
Religion or Belief	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Sex	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above
Sexual Orientation	Equality and fairness for all characteristics and residents will be reflected in the decision making for any asset informed by this strategic document.	As above	As above

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

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

	<b>Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage</b>	<b>Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>

<p><b>Socio-economic Duty and Social Justice</b></p>	<p>The strategy will assist to address social inequality, including through the development of affordable housing and acquisition and/or repurposing of surplus assets to address the availability of homelessness accommodation. Landlord Services will continue to support the Social Services in the provision of improved facilities to support individuals within their care. This will assist to address issues of poverty, affordability, and access to services. Value will continue to be applied to the employment opportunities and apprenticeships schemes when undertaking development schemes (directly or indirectly through disposal of surplus assets).</p>	<p>There are no negative impacts associated with this proposal.</p>	<p>The opportunities to repurpose assets or invest to address policy objectives will continue to be assessed on their individual merits. The Asset Management Plan will carry an ongoing action relating to homelessness accommodation and collaborating with partners to undertake preventative action where the asset portfolio allows.</p>
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### 3. Policy making and the Welsh language.

<b>How does your proposal impact on the following aspects of the Council's Welsh Language Standards:</b>	<b>Describe the positive impacts of this proposal</b>	<b>Describe the negative impacts of this proposal</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts</b>
<b>Policy Making</b> Effects on the use of the Welsh language, Promoting Welsh language Treating the Welsh language, no less favourably	Opportunities to promote the Welsh language will continue to feature in the design decisions of new development schemes.	There are no negative impacts associated with this proposal.	N/A
<b>Operational</b> Recruitment & Training of workforce	Neutral impact. The strategy does not stipulate changes to any staffing structure however we will continue to encourage the appointment of Welsh Language speakers when recruiting and offer staff training wherever possible.	There are no negative impacts associated with this proposal.	N/A
<b>Service delivery</b> Use of Welsh language in service delivery Promoting use of the language	Landlord Services will continue to utilise the website to advertise lettings or disposal opportunities in English and Welsh.	There are no negative impacts associated with this proposal.	N/A



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



<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
<p><b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p><b>Positive:</b> The Asset Management Strategy will drive efficiencies in the way we deal with property matters, making for more effective use of our assets. The AMS will continue to support policy objectives relating to job creation, maximising the availability of employment space within the portfolio.</p> <p><b>Negative:</b> None</p>	<p>Landlord Services already support colleagues in Housing and Social Care to acquire and refurbish properties to deliver their service objectives. This will continue to feature in the Asset Management Plan.</p>
<p><b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g., climate change)</p>	<p><b>Positive:</b> One of the AMS core objectives is operating as good role models for climate and nature practices. We will continue to action opportunities to lower our carbon footprint and promote more sustainable practices wherever possible. The AMS commits to utilise renewable technology and energy efficiency solutions on MCC assets where technically possible and viable, including incorporating carbon sequestration in new build design and decision making.</p> <p><b>Negative:</b> N/A</p>	<p>When undertaking maintenance repair or replacement activity on Council assets, we will continue to feature whole life costings and carbon performance within our decision making.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p><b>A healthier Wales</b> People's physical and mental wellbeing is maximized, and health impacts are understood</p>	<p><b>Positive:</b> The AMS emphasises the importance of collaborating with community assets to optimise social value and outputs. This includes the availability of important recreation and community facilities that occupy MCC land or property. MCC will continue to explore ways of enhancing this provision, such as has been achieved via the Magor and Undy Community Hub project. <b>Negative:</b> N/A</p>	<p>Green infrastructure and active travel will continue to be supported, either through the repurposing of land or as part of the design considerations of any new schemes, improving the access to healthier and more carbon friendly means of travel.</p>
<p><b>A Wales of cohesive communities</b> Communities are attractive, viable, safe, and well connected</p>	<p><b>Positive:</b> The AMS and its supporting policies clarify the requirements for community groups and not-for-profit organisations to occupy MCC assets, including eligibility and application for rental concessions and community asset transfers. This will assist MCC to continue to ensure these assets are being fully supported and achieving the desired outputs. It's core objective around a maximised estate will increase the availability for inward investment where voids are identified in the commercial portfolio. <b>Negative:</b> N/A</p>	<p>Landlord Services will continue to engage with occupiers of community assets to ensure the policies are being appropriately accessed and monitored accordingly. The AMS will improve the pathway by which community groups can explore opportunities for community initiatives on MCC land/property, including the support of colleagues in Communities and Place when formulating a business case or expression of interest in Community Asset Transfer.</p>
<p><b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local</p>	<p><b>Positive:</b> Property decisions will be taken with the climate and nature impact/opportunity featuring firmly in its</p>	<p>We will continue to take a duty of care as a responsible landlord/property owner to identify those assets worst performing from</p>


Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
social, economic, and environmental wellbeing	<p>decision making. We will seek to deliver practical and cost-effective examples of low carbon measures to reduce the council's running costs and reduce its carbon footprint.</p> <p><b>Negative:</b> N/A</p>	<p>an energy perspective and consider the required investment or alternative use to mitigate this impact. We will continue to increase access to community growing and allotment facilities, working with town and community councils to reduce waiting lists and increase the availability of growing opportunities.</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage, and Welsh language are promoted and protected. People are encouraged to do sport, art, and recreation</p>	<p><b>Positive:</b> The asset portfolio will continue to use and promote the Welsh language, including at reception facilities in our corporate buildings and on signage within our operational buildings and spaces.</p> <p><b>Negative:</b> N/A</p>	N/A
<p><b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances</p>	<p><b>Positive:</b> The AMS will ensure our buildings are being optimised, appropriate for staff and service users, with partnership as a core principle and an ability to evolve to the service demand. This will include ensuring they are appropriately accessible to all, in the right locations and best meeting current and future need.</p> <p><b>Negative:</b> N/A</p>	<p>The AMS will continue to promote joint working and service co-location wherever the creation of integrated hubs can enhance service delivery, life-long learning and educational experiences. Service asset plans and a strategic mapping exercise undertaken with directorate leaders to review existing accommodation and if they accessible to meet the requirements of their users.</p>

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term future</p> <p>Balancing short term need with long term and planning for the</p>	<p>The AMS introduces alignment of the policy objectives of the Community and Corporate Plan with the strategic direction of the land and property estate. This core principles of the AMS reflects both the immediate objectives and long-term considerations of the portfolio, including whole life costs, the commitment towards net zero, and the necessity to reduce running costs whilst increasing revenue and capital generation.</p>	<p>The Asset Management Plan will be reviewed annually to ensure it aligns to the immediate priorities of the organisation, however it's performance indicators and actions will be inclusive of several long-term objectives.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The AMS targets a collaborative and maximised land and property portfolio within its core principles. The strategy establishes the framework from which day-to-day property management decisions can be taken to continue to strengthen the relationships between MCC and existing community partners and occupiers. This includes partnerships that facilitate opportunities to reduce budget pressures, MCC's operational costs and where service delivery can be improved.</p>	<p>MCC already benefits from strong working relationships with Housing Associations, the Health Board, Gwent Police and Town/Community Councils. We will continue to work with these partners to deliver the objectives of the Asset Management Strategy.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The Asset Management Strategy has been formulated through a combination of professional advice (from RICS-qualified surveyors) and engaged with directorate leads and service providers. The supporting policy changes are informed by experiences with tenants of community buildings and the ambition to improve the efficiency of our property and asset management.</p> <p>The Asset Management Plan will enable the success of this strategy and its engagement (from partners, community groups, MCC colleagues, etc.) to be monitored and reviewed.</p>	<p>Landlord Services will continue to engage with our tenants and occupiers of community assets to communicate the implementation of these policies. We continue to reflect on these proposed changes in our engagement on live matters, including during the negotiation of lease renewals or extensions.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The Asset Management Strategy will clarify the strategic direction of property assets and establish a clear policy framework that will inform property recommendations and decisions. The core objectives will provide greater clarity on the decision making and governance arrangements, such to drive efficiencies and maximise the use of resources. This includes the use of vacant accommodation within the portfolio to offset the need for more expensive or inappropriate temporary accommodation with the associated expenditure.</p>	<p>To continue to enhance the availability of data to inform strategic decisions, a new asset management system is being designed and procured. This will replace the existing property management system and seek to improve the availability of property data across directorates.</p>



Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p data-bbox="237 555 376 587"><b>Integration</b></p> <p data-bbox="203 603 528 746">Considering impact on all wellbeing goals together and on other bodies</p>	<p data-bbox="589 312 1294 603">The Asset Management Strategy reflects the working principles set out in the guidance for compliance with the Well-Being of Future Generations Act. The core objectives will asset the Council's land and property to contribute to well-being goals, including making sure the decision making is considering long term impact alongside any immediate or short-term decisions.</p>	<p data-bbox="1335 312 1391 344">N/A</p>

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

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Safeguarding	The Asset Management Strategy will support services with direct responsibility for safeguarding our residents, including through the provision of safe and secure accommodation.	None.	N/A
Corporate Parenting	The Asset Management Strategy will support Corporate Parenting through the implementation of the actions within the Asset Management Plan.	None.	N/A

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

The Asset Management Strategy has been formulated through engagement and workshops with Cabinet Members, Senior Leadership Team and service managers in different directorates and support services. This strategy has also been informed by overlapping strategies including the Decarbonisation Strategy and the Economy, Employment and Skills Strategy. This has assisted in collating information on the service priorities, their experiences with assets and property requirements, as well as an opportunity to communicate the required governance around property decisions, management and occupation. The strategy's contents have also been informed by the findings of Welsh Government's Springing Forward Review, Audit Wales' capital monitoring review and Audit Wales' review of the 2017-22 AMS. The strategy is aided by relevant guidance from the Royal Institution of Chartered Surveyor's (RICS) and legislation such as Section 123 of the Local Government Act 1972 and the General Disposal Consent (Wales) Order 2003.

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

Positive -

The positive impacts of this proposal are:

- A greater alignment to the Community and Corporate Plan, supporting policy objectives including the repurposing of surplus assets to meet affordable housing needs, increase the availability of employment space, to assist to address socio-economic inequality.
- A fit for purpose asset portfolio that will be more accessible for all, in the heart of the communities they support.
- A responsible and future focused strategy that emphasises the importance of biodiversity and the commitment for lower carbon design.
- A more collaborative asset base that will work together with partners to reduce budget pressures, operational costs and drive efficiencies.
- Establish a more equitable and transparent approach to property decisions, such to support community facilities continue to deliver social value

**Negative**

None identified.

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

What are you going to do	When are you going to do it?	Who is responsible
Implementation of the strategy and its associated actions. The Asset Management Plan will be updated annually to reflect the Council’s priorities.	On-going.	Head of Landlord Services.

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

**keep a record of this process to demonstrate how you have considered and built-in equality and future generations considerations wherever possible.**

<b>Version No.</b>	<b>Decision making stage</b>	<b>Date considered</b>	<b>Brief description of any amendments made following consideration</b>
1.	Governance and Audit Committee	11 <sup>th</sup> January 2024	
2.	Performance and Overview Committee	15 <sup>th</sup> January 2024	
3.	Full Council	18 <sup>th</sup> January 2024	



# MONMOUTHSHIRE COUNTY COUNCIL

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## ASSET MANAGEMENT STRATEGY 2023-2027



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## FOREWORD

I am pleased to present our Council's Strategic Asset Management Strategy. Asset Management is the function which Monmouthshire County Council (MCC) uses our land and property. Our Asset Management Strategy reflects the objectives of our Community and Corporate Plan, our response to budget pressures and increasing demands on services. It is necessary to improve our operational efficiency and financial performance. Our strategy will help to achieve this.

A well-managed, understood and maintained portfolio is a reflection of a modern and well-run local authority. It provides the physical asset from which good value and a positive contribution towards service delivery is achieved. This strategy will establish a long-term, sustainable strategy for our assets based on a thorough assessment of needs and benefits, supported by clear performance framework, embedded governance arrangements, and informed by proactive engagement with key internal stakeholders.

This Asset Management Strategy will seek to provide our Council with:

- Clearer strategic direction for property assets
- Clearer operational property management parameters
- A clear policy framework to inform property decisions
- A better understanding of our portfolio
- An annually reviewed action plan to monitor progress
- A better co-ordinated property function



*Councillor Garrick*

*Cabinet Member for Resources*

## EXECUTIVE SUMMARY

The 2023-27 Asset Management Strategy sets out the strategic objectives for our land and property. The strategy sets out the way property will be managed and contribute to the policy objectives of the council. The Asset Management Strategy provides a clear vision of the future of property assets and management of their strategic performance.

This report provides the local and national context that informs property management decisions, including alignment to the Community and Corporate Plan. It is informed by the climate and nature emergency declaration, budget pressures and a necessity to reduce operating costs, and a desire to streamline services with increased asset collaboration. The strategy will look to stimulate regeneration, creating jobs and employment space, develop affordable housing, generate revenue, and support communities and the facilities within them.

Asset Management Strategy objectives-

- **A fit for purpose and collaborative estate** – providing assets necessary to deliver council services, in the right location, compliant and co-located where possible.
- **Be good role models for climate and nature practices** – manage our assets well, lowering our carbon footprint and promoting more sustainable practices.
- **Maximised and commercialised asset base** – generate more revenue and higher value outcomes (financial and non-financial) from sales of surplus assets.
- **Strengthen the enablement role of Landlord Services** – continue to support service objectives including job creation, tackling homelessness, constructing affordable homes, driving value for money.
- **Optimise social value from community assets** – support community assets equitably, transparently, and consistently.

MCC benefits from a diverse land and property portfolio that has delivered a commercial return over a number of years. There are over 1500 assets in MCC ownership which support different services and public needs.

Asset Type	No. of assets
Play Areas and Open Space	362
Acquired Investment Assets	3
Commercial and Industrial Sites	62
Educational premises (primary, secondary, nursery)	46
Leisure, Tourism and Heritage Assets	17
Car Parks	43
Allotments	4
Social Care and health premises/facilities	7
Cemeteries	4
County Farms (farms, grazing land, cottages)	90
Community Assets	49
Operational assets (hubs, depots, offices)	38
Public Conveniences	17



The Asset Management Strategy establishes the policy arrangements that will support the strategies objectives. This includes:

- **Community Asset Transfer Policy** – this will enable long leasehold or freeholder transfer of community assets in circumstances where not-for-profit groups can provide community services.
- **Rental Concessionary Policy** – this will afford community groups that occupy MCC property the ability to apply for rental grant, i.e. a reduction in the rent payable, if they can demonstrate clear community and local benefits as a result of this concession.
- **Disposal Policy** – this will establish a consistent approach to the disposal of surplus land and property, clarifying how the council will achieve its requirements for best consideration.

The Asset Management Strategy confirms the governance arrangements and structure that supports the day-to-day management of MCC land and property. Under the Asset Management Strategy, Landlord Services will manage, lease/let, acquire or dispose, maintain and support MCC assets. This will add both financial and non-financial value to the organisation. The strategy reaffirms the following working groups:

- **Landlord Services and the Landlord Services DMT** – the structure of the department and responsibility to manage the implementation of the strategy, the day-to-day operation and undertaking the actions.
- **Capital and Accommodation Working Groups** – established to consider capital pressures and accommodation decisions across directorates, with membership of officers from Estates, Property Services, Legal Services and Finance.
- **Service Asset Working Groups** – tasked with the creation of service asset plans, establishing working groups that can support property considerations in service transformation.

The Asset Management Strategy is supported by an action plan (the Asset Management Plan) and a performance framework. The performance of the assets is reported via the budget process and monitoring. The Plan will be reviewed annually to monitor progress of the plan against these core objectives.

The AMS enables efficient management of our land and property, in a way that will improve our outputs and impacts (financial and social value) whilst being affordable, sustainable and achievable.

## INTRODUCTION

MCC benefits from a diverse land and property portfolio that has delivered a commercial return over a number of years. The portfolio has supported communities through the availability and use of its assets. MCC's allocated sites in the 2011-2021 Local Development Plan (LDP) have been sold or developed, and new development opportunities are being sought in the new Replacement Local Development Plan that will support the delivery of policy aspirations (housing, job creation, tourism, renewable technologies).

MCC benefits from strong relationships with public bodies (e.g. Gwent Police, Natural Resources Wales, Social Landlords) and development partners that have enabled development schemes in the county. Despite the challenges of the pandemic, MCC's investment and commercial portfolio remains well occupied and in good demand. Work is to be done to strengthen the internal relationships and discipline around property management and interaction through the organisation.

The Asset Management Strategy is one of the Council's enabling strategies. It sets out the strategic direction for property management for the Council's administrative cycle (2022-2027). The strategy assists in driving change in local government, enabling flexible operations (to adjust to pressures and service demands) whilst providing a clear vision of the future of property assets and management of their strategic performance. The Asset Management Strategy is impacted by and supportive of MCC's enabling strategies (procurement, digital, financial, etc).

## WHAT IS 'ASSET MANAGEMENT'?

The Royal Institution of Chartered Surveyors (RICS) defines strategic asset management as “the activity of aligning property assets with the strategic aims and direction of the organisation and adding both financial and non-financial value to the organisation as a result”<sup>1</sup>.

Asset Management is a strategic function with responsibility for ensuring property performs coherently to an agreed set of goals. Under the Asset Management Strategy, Landlord Services will manage, lease/let, acquire or dispose, maintain and support MCC assets. This will add both financial and non-financial value to the organisation.

The principle aims of strategic asset management are:

- Clarity on the strategic direction for property assets.
- A better understanding of our portfolio
- Clearer operational property management parameters
- A clear policy framework to inform property decisions
- An annually reviewed action plan to monitor progress
- A better co-ordinated property function

The Asset Management Strategy is the strategic planning document that establishes the suite of policies and policy positions. It provides clarity on the decision making and governance. It establishes the process by which activity is undertaken and collaboration achieved within and between organisations, with an agreed framework for measuring performance.

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<sup>1</sup> *Strategic Public Sector Property Asset Management. RICS Practice information, global, 3<sup>rd</sup> edition, October 2022*

## CONSULTATION

Critical to the success of any Asset Management Strategy is the engagement and support of property users and occupiers. In formulating this strategy, engagement and workshops have taken place with the Cabinet members, the Senior Leadership Team and service managers in different directorates and support services. This strategy has also been informed by the formulation of overlapping strategies including the Decarbonisation Strategy and Economy, Employment and Skills Strategy. All stakeholders have been asked to comment on:

- *What does a modern, innovative and well-run land and property portfolio look like to you?*
- *What is the purpose of your area of the property portfolio? i.e. “what is it for” and “what are the desired outcomes”?*
- *What is your service objective and how does it relate to land and property?*

This has assisted in collating information on the service priorities, their experiences with assets and property requirements, as well as an opportunity to communicate the required governance around property decisions, management and occupation. The intel from those engagement sessions has informed the basis of this strategy. It is for that reason that this is a Council strategy, rather than only a property strategy, with shared ownership to drive effectiveness.

The strategy’s contents have also been informed by the findings of Welsh Government’s Springing Forward Review, Audit Wales’ capital monitoring review and Audit Wales review of the 2017-2022 AMS. The latter review acknowledged that MCC had ‘a good understanding of its assets’, however it ‘lacks a strategic approach and effective information technology to support the management of its assets’. The review recommended that MCC develop short, medium and long term performance indicators, an IT asset management system that was more comprehensive and a strategy with clear embedded governance arrangements. This strategy seeks to build on this feedback.

## NATIONAL CONTEXT

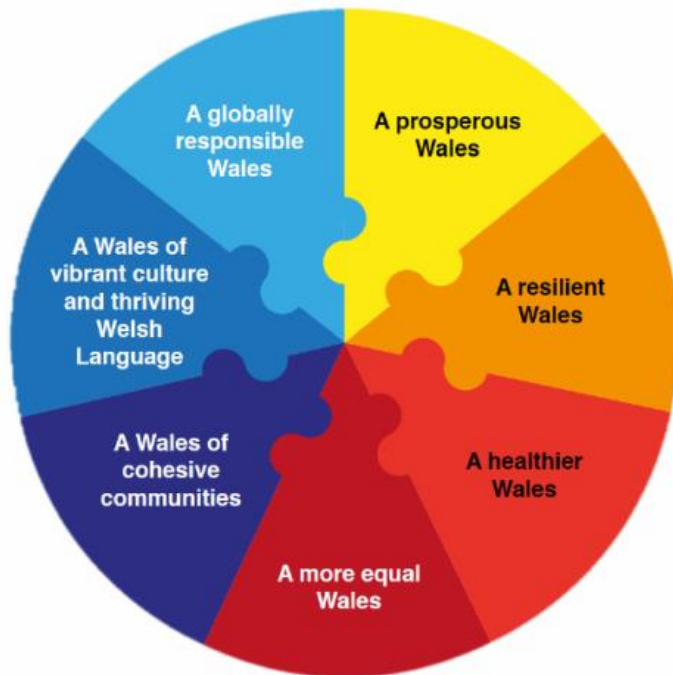


Figure 1: The Well-Being goals for the Future Generations Act

The Well-Being of Future Generations Act is the fundamental legislation that informs the development of Council policy. It ensures present needs are met without compromising the ability of future generations to meet their own needs. The Asset Management Strategy will reflect the working principles set out in the guidance for compliance with the Well-Being of Future Generations Act. The seven well-being goals for the Act are shown in the diagram under Figure 1. The Asset Management Strategy contributes to MCC's alignment to

the seven national objectives.

Nationally, climate change continues to be a catalyst of asset management transformation. The operational efficiency of buildings, coupled with low carbon commitments and a necessity for strategic decisions to be taken around the reduction of operating costs, has a direct impact on the national approach to strategic asset management. There is a necessity to identify opportunities to commercialise property portfolios where possible. The streamlining of services and movement to new models of service delivery have increased the need for asset collaboration and sharing of budgets and resources. There is a national need to stimulate regeneration and halt or reverse the decline of town centres. Property managers are being tasked with creating a more agile or dynamic operating model which enables the property function and asset base to respond to some of these shared challenges. It is critical that the asset base itself remains flexible, considerate of whole life costs (not a short-term approach to strategic decisions) and achieving better environmental outcomes.

## LOCAL CONTEXT

Monmouthshire is made up of diverse communities covering an area of 880 square kilometres, with a population of 93,000 and a low population density of 1.1 people per hectare. The county benefits from a wide range of community groups, and one of the strongest economies in Wales. It is well placed for growth with circa 4,500 active businesses (2022) ranging from international companies to small family enterprises. A number of these community groups and businesses are supported through the council’s property estate. Monmouthshire has the highest house prices in Wales averaging £382,000 (Hometrack, December 2022), more than 9 times average earnings. This has contributed towards higher-than-average land values, impacting the level of development achieved in county, as well as the capital receipts generated from disposal of development sites.

## COMMUNITY AND CORPORATE PLAN

An effective asset management framework has clear alignment with that of the organisational culture and that of the Community and Corporate Plan (C&CP). Monmouthshire’s Community and Corporate Plan sets the direction for the council and county of Monmouthshire, articulating the authority’s purpose and prioritising alongside the steps we will take to deliver these and the measures that will be used to track progress. The core purpose of the Community and Corporate Plan is “to become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life”. The Asset Management Strategy will operate as one of a number of key enabling strategies to be approved by Cabinet and Full Council, that supports the delivery of the Community and Corporate Plan. The objectives of the C&CP are illustrated below:



Figure 2: The Community and Corporate Plan Objectives.

In addition to the above, MCC is motivated by a series of core values, all of which inform the contents and formulation of the Asset Management Strategy:



Figure 3: Monmouthshire County Councils Core Values

The Asset Management Strategy bridges the gap between corporate vision and the asset portfolio, management and performance. The Community and Corporate Plan describes objectives that this strategy will seek to support, including the reduction in reliance of temporary homelessness accommodation, increase in availability of affordable housing, creating a thriving and ambitious place to redevelop town centres and facilitating investment to attract more people to the towns. The asset management strategy will also in part support aspirations around the improvement of river health, more sustainable agricultural practices, and reducing the LA's carbon footprint. The Asset Management Strategy sets out how MCC will manage and develop its assets in accordance with this national and local context. The strategy goes beyond what the Council owns. It's about the focus of the organisation, its aspirations and how the portfolio will support those initiatives and outcomes.

Monmouthshire County Council's asset base continues to be impacted by the same issues facing local authorities. The changes to working practices in post-pandemic markets (i.e. an increased movement towards agile working), the climate crisis and increases in digital solutions/innovation are changing the approach to asset management and associated strategies. It's critical that a flexible approach is taken to day-to-day management of assets to respond to service demand.

The Medium-Term Financial Plan and approved 2022-23 Budget acknowledges a necessity to reduce revenue and capital spend in response to budget pressures and overspends. It is critical to enhance income generation opportunities where possible, continue to commercialise the asset base and with due consideration for the climate emergency and carbon agenda. In accordance with the existing Asset Management Strategy, the property management functions have continued to operate in accordance with this strategy. In the 2022/23 financial year, long standing commitments around community enablement, such as the BREEAM 'Excellent' rated Magor and Undy Community Hub (MUCH) has been constructed, as well as continued development of the exemplar 'dementia care' scheme of Severn View Parc Care Home in Caldicot.



*Figure 4: MUCH Project – Magor & Undy Community Hub*

MCC's strategic residential candidate sites in the existing Local Development Plan have been sold and are under construction, contributing more than £15,000,000 of capital receipts to the Council's 21<sup>st</sup> Century School's programme, as well as facilitating Section 106 contributions to support Adult Recreation and other initiatives.

The Replacement Local Development Plan 2022-2032 (RLDP) is being formulated, with the Preferred Strategy shortly open for public consultation. The RLDP will identify land within the county which may be suitable for different types of development, and the Preferred Strategy will establish the preferred level of growth (housing and employment) as well as the strategic site allocations and policies to implement the strategy. As part of the Stage 1 and Stage 2 Call for Candidate Sites, 9 sites were promoted on MCC land for a range of uses such as residential and commercial development, tourism, renewable technology, etc.

Any RLDP land allocations within MCC ownership present an opportunity for MCC to meet a range of objectives including bring forward housing development, inclusive of a high percentage of affordable homes and with net zero carbon design.

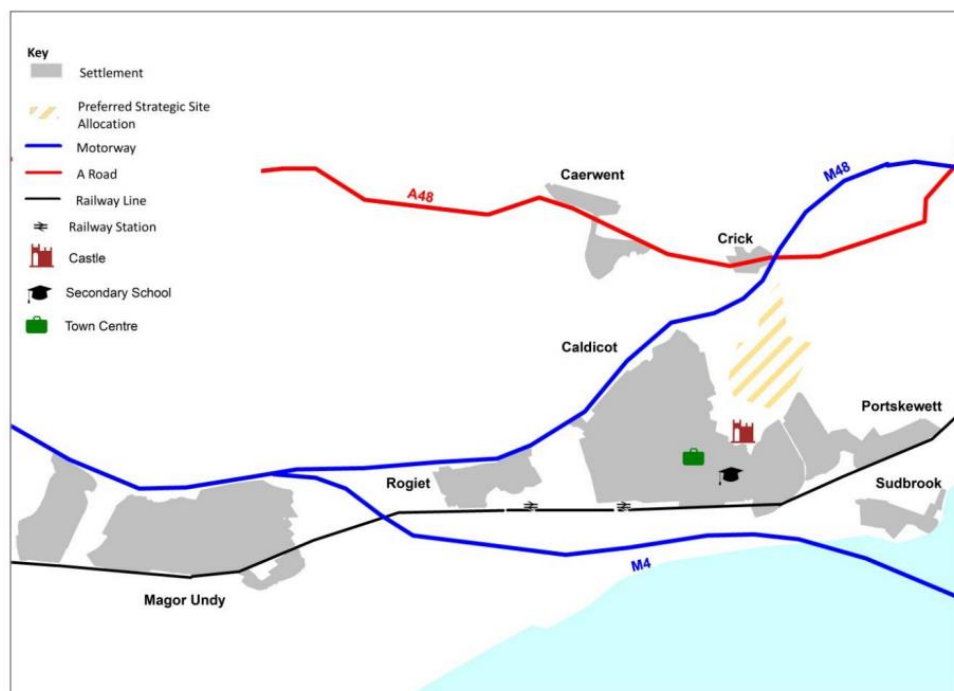


Figure 5 - RLDP Preferred Strategy Update Sept 2023 – 'East of Caldicot' MCC Strategic Site

Despite the shared and clear economic challenges facing the county, Monmouthshire remains well placed as the 'gateway' to Wales for potential inward investment and development. There is a strong demand for residential and commercial development and our economy continues to perform to its maximum capability. Investment is required to satisfy the latent demand for employment and residential accommodation. A diverse range of community groups and proactive volunteers exist within our communities, which the property estate helps to support and enable. The Asset Management Strategy will acknowledge this context in the formulation of its strategic purpose and Asset Management Plan.



## STRUCTURE OF THE ASSET MANAGEMENT STRATEGY

MCC’s Asset Management Strategy (AMS) reflects and details the alignment of our property assets with the strategic aims and direction of the organisation. The principal intention of the AMS is to establish a high-level summary of those assets in our ownership, their purpose, the processes and systems that govern them, and the cultural and financial context within which they are operated. The AMS outlines an understanding of how we intend to optimise and maximise our assets, including clarity on a direction of travel for property managers and users with sufficient flexibility to adapt to a changing environment and market. The AMS enables efficient management of our land and property, in a way that will improve our outputs and impacts (financial and social value) whilst being affordable, sustainable and achievable.

In order to clearly demonstrate the contexts and intended outcomes of the Asset Management Strategy, the following structure has been applied:

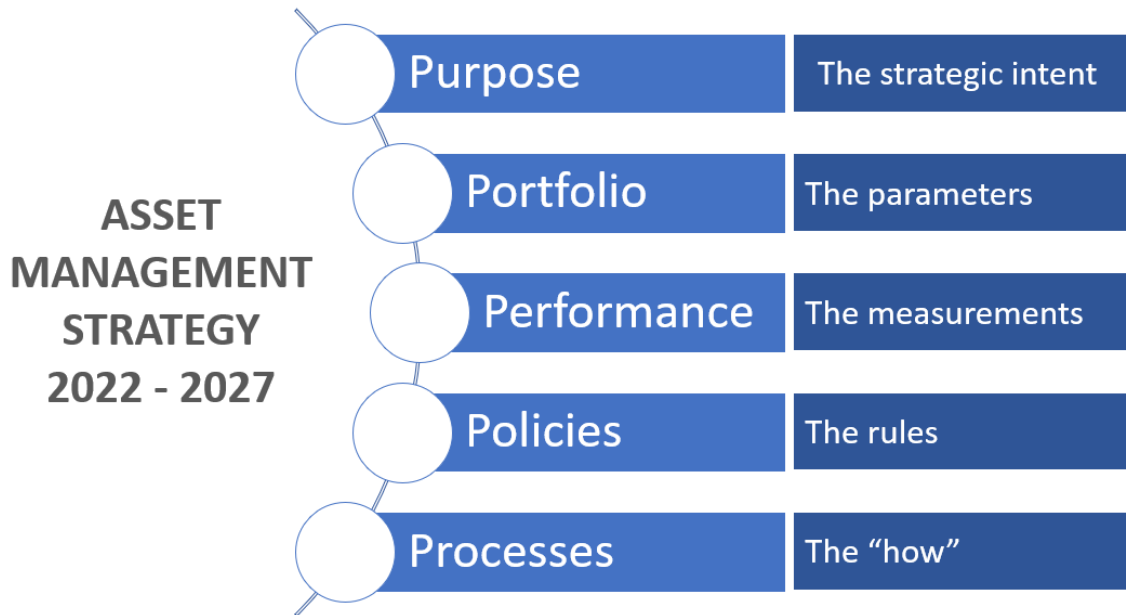


Figure 6 - Asset Management Strategy structure

The structure above will provide the framework within which strategic decisions will be taken going forward. This will ensure parity is achieved, and assets managed consistently and equitably, with the required flexibility to adjust the pressures of modern local government.

# STRUCTURE AND STRATEGY

The appendices of the Asset Management Strategy will include the Asset Management Plan (or Action Plan) which will set out the actions outlined in the Asset Management Strategy document. The Asset Management Plan will be updated annually to assess and track performance. The appendices will also include each of the supporting policies relevant to the management of the Council's asset portfolio, as outlined in the 'Policies' section of the Asset Management Strategy and Appendices 1 to 5. Figure 7 illustrates this structure:

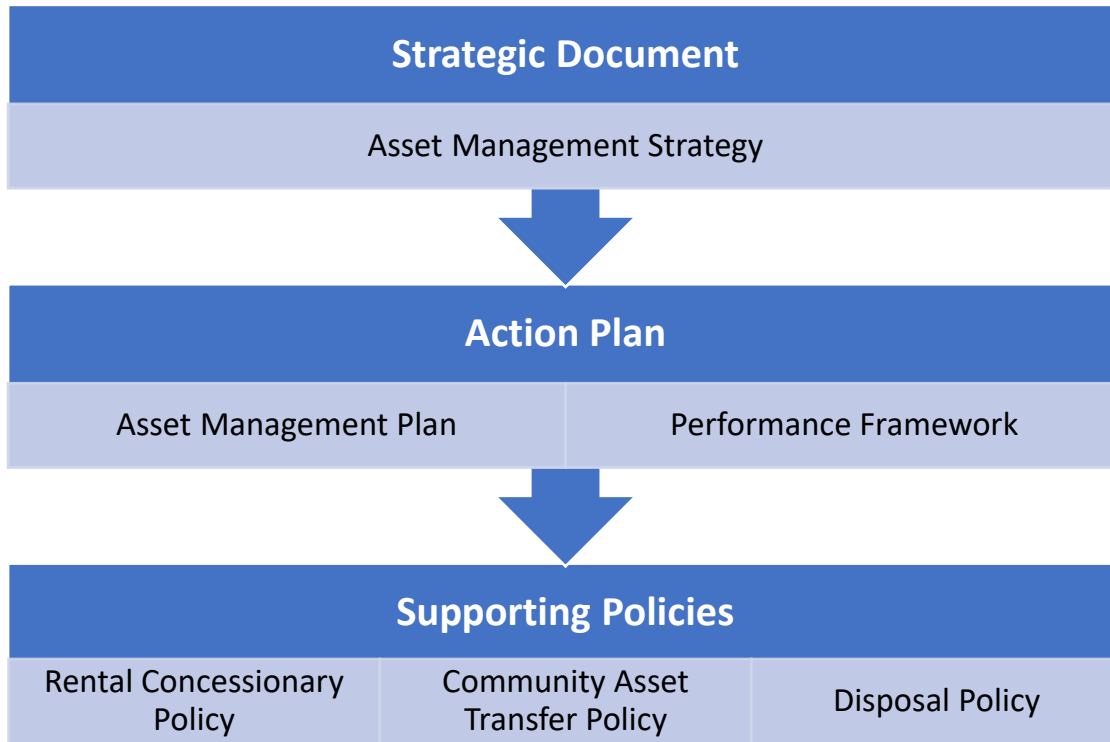


Figure 7: Asset Management Strategy structure.

# PURPOSE

## STRATEGIC PURPOSE

In order to manage the portfolio in such a way that best meets the needs of the organisation, it is critical that clear strategic intent is established. Reflecting on the objectives of the Community and Corporate Plan, and with acknowledgement of those objectives in an asset or property context, five core objectives have been established to inform the strategic direction of MCC's Asset Management Strategy:

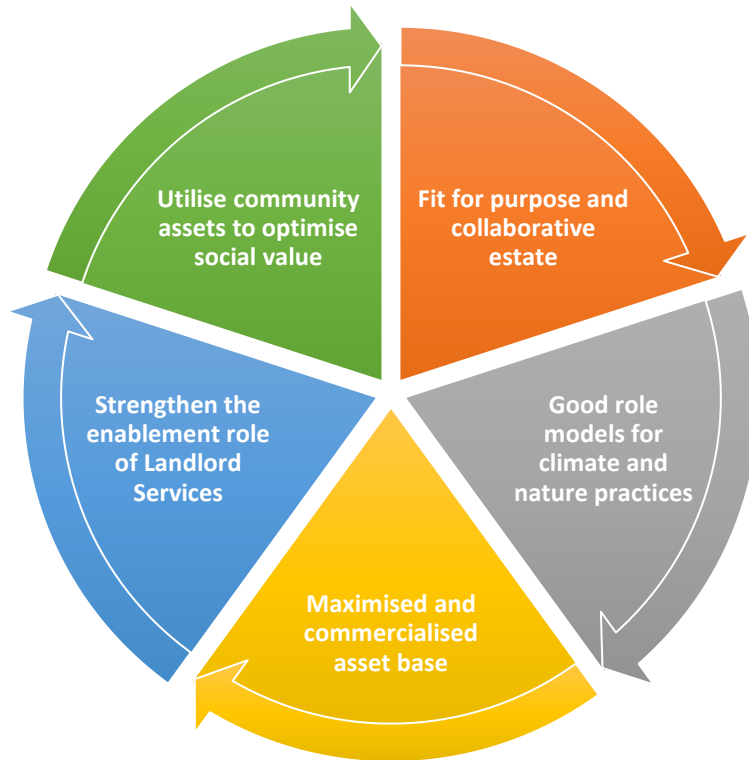


Figure 8: Strategic Purpose - Five Core Objectives

The strategic aspiration is to develop a land and property portfolio that is able to meet the five core objectives. To achieve these objectives there are a series of behaviours that need to be exhibited in relation to the portfolio. Sometimes acknowledging there will be circumstances where these aspirations appear to be in conflict. Maintaining a balance between these objectives will be critical to ensuring the desired outcomes are achieved, at speed and in the most efficient way possible. These objectives will assist in ensuring the organisation can operate a 'best run, best value' property portfolio with measurable outcomes:

## Objective: Fit for purpose and collaborative estate

A land and property portfolio that is optimised, appropriate for service providers and users, and has partnership as a core principle, constantly evolving to respond to asset and service demand:

# BEHAVIOUR

Work with directorates to determine whether the spaces they occupy remain fit for purpose, in the right places, accessible and best meeting current and future service needs, in order to continue to deliver the preventative benefit of services located in the heart of their communities.

Promote joint working and service co-location wherever the creation of integrated hubs can enhance service delivery, life-long learning, and educational experiences.

Continue to ensure compliance with statutory health and safety requirements (legionella, fire, etc.), addressing critical maintenance issues or risks proactively.

Utilise improved access to data to inform the planned maintenance programme, ensuring critical maintenance is undertaken on those buildings most requiring investment, and better forecast spend for reactive maintenance.

Develop service asset plans and undertake a strategic mapping exercise with directorate leaders to review existing accommodation, identify opportunities to collaborate with partners, and any regional provision or unmet demand the asset base could support.

Collaborate with partners (Gwent Police, Health Board, Eliminate Team, RSL's) to generate fees, reduce budget pressures, operational costs and where service delivery can be improved.

Support the use of assets for preventative work, such as supporting Housing in the creation and repurposing of property to support temporary, supported and permanent housing accommodation.



Figure 10 - Gwent Police HQ, design and supported by Property Services



Figure 9 - Abergavenny Hub

## Objective: Good role models for climate and nature practices

A land and property portfolio which takes decisions which set good practice for climate and nature, demonstrating practical examples that can be replicated by partners and the private sector:

### BEHAVIOUR

Manage farms in a way that promotes sustainable agricultural practices. Continue to apply value to the strengthening of local supply chains and engage with farming tenants around opportunities for small scale horticulture opportunities or diversification.

Utilise renewable technology and energy efficiency on council land and property where technically possible and will derive best carbon benefit, incorporating carbon sequestration in new build design and re-design decision making.

Support the roll out of ReFit, EV charging and implementation of the Decarbonisation Strategy, future proofing services and lowering long-term running costs through the commitment to deliver net zero or low carbon initiatives as part of planned maintenance replacement, and at the design stage of new build development projects and property refurbishment.

Continue to partner with other stakeholders (NRW, Farming Connect, etc.) to strengthen the tenant base knowledge of water management practices and understanding of flood management principles, contributing to address the nature emergency and rivers and oceans action plan.

Continue to feature green infrastructure and active travel prominently in the design considerations of all new schemes, developed directly by MCC or indirectly through disposal.

Take a duty of care as a responsible landlord to identify those worst performing assets from an energy perspective and consider the required investment or alternative use.

Increase access to community growing and allotment facilities, working with town and community councils to reduce waiting lists and increase the availability of growing opportunities.



Figure 11 - Wallstones Farm



Figure 12 - 3-19 Abergavenny build

## Objective: Maximised and commercialised asset base

A land and property portfolio that is financially responsible, operating viably and sustainably in a way that best achieves its intended outcomes:

### BEHAVIOUR

Strengthen occupancy in buildings we need, and closing those that we don't. Continue to re-let, dispose or repurpose surplus assets or property with void space. Reduce operational costs and therefore the ongoing maintenance liability wherever possible.

Continue to review the performance of the investment estate and commercial portfolio, taking decisions that enable us to maximise the receipts and financial return, balancing the desire for financial return with demonstrable social and economic benefits (job creation, new employment space, business growth, etc.)

Reassess capital projects and pressures, supported by appropriate governance arrangements and with clear alignment to council objectives.

When land or property is identified as surplus, ensure best financial and social value is achieved wherever possible.

Improve the sharing of property data to inform strategic thinking and alignment of enabling policies, whether supporting Economic Development through job creation and the increased availability of employment space, or Regeneration through town centre intervention.

Minimise vacant space within the investment portfolio, reducing rental arrears wherever possible and generate returns through the implementation of rent reviews, lease renewals or redevelopment where appropriate.

Ensure best financial and social consideration is achieved from capital receipts through the rationalisation, sale and development of surplus council assets.



Figure 13 - Monmouth Market Hall



Figure 14 - Castlegate Business Park

## Objective: Strengthen the enablement role of Landlord Services

A land and property function (Landlord Services) which supports and enables services delivery, improving the organisations understanding of property matters and achieving value for money with a strong customer experience:

<b>BEHAVIOUR</b>	Strengthen the existing arrangements around property maintenance and liability, renewing Service Level Agreements with directorates and providing clarity on building manager responsibilities
	Design, procure and implement a new asset management system that improves the access and availability of property data to inform strategic planning.
	Strengthen the understanding of and access to services to support other council functions and goals, including the creation of active travel links, combatting of homelessness, development of affordable housing development, children services and education provision, etc,
	Improve the building training provision for staff and site managers, to achieve greater understanding of compliance requirements and responsibilities.
	Continue to create compliant accommodation and spaces that are appropriately maintained and accessible.
	Provide professional services to other areas of the authority, seeking value for money through the review and performance management of framework contractors and procurement frameworks.
	Ensure tenant works on the operational estate are undertaken with the appropriate landlord consents and having been subject to competency checks, protecting the council in the review and control of property decisions.



Figure 15 - Support with gypsy and traveller potential pitch identification



## Objective: Utilise community assets to optimise social value

A land and property portfolio which is equitable and offers parity, supporting the occupation of an asset that ensures parity, transparency, and consistency:

<b>BEHAVIOUR</b>	Adopt a consistent community enablement role for the asset base, managing spaces in a way that promotes economic and social value and delivery of cultural and environmental outputs, equitably.
	Utilise town centre-based assets to explore alternative means of repurposing vacant high street space, operating as a facilitator and enabler.
	Strengthen relationships with existing community partners and occupiers, continuing to ensure that robust monitoring of trading performance is in place to ensure parity and equity is achieved, with rental grant awarded proportionally.
	Review the Community Asset Transfer policy and the system by which community groups and interested parties can be best supported, working with the Community Development Team to create stronger and more connected communities.
	Target appropriate lease terms that support's the sustainability of a particular asset and use, granting tenancy agreements that increase the opportunity to access grant funding and capital investment.
	Promote and stipulate the requirement for apprenticeships and added benefits when undertaking disposals or development schemes on surplus assets.
	Work to ensure equalities and accessibility are fully considered in development of service area asset plan.



Figure 16 - Bridges Centre, Monmouth



Figure 17 - Abergavenny Community Centre

# PORTFOLIO

## PORTFOLIO

Monmouthshire County Council benefits from a portfolio with a net book value of £375,000,000 (as of July 2023) and around 1500 land and property assets. The asset base is diverse, with a range of different properties meeting different service and public needs. Council assets have come into MCC ownership over many years, through a mixture of acquisition, donations, or council/government reorganisations. In order to maximise the output of these respective asset types, it's important that a fluid and flexible approach to asset management is taken (such to adjust to the changing environment) in a manner that is still disciplined and consistent. It is critical to understand the 'property parameters' within which this aspiration can be delivered. A good knowledge and understanding of the ownership, strengths and weaknesses of the portfolio will help to inform the ability to meet the purpose:

A summary of the respective asset types and number of assets within that type can be found below:

Asset Type	No. of assets
Play Areas and Open Space	362
Acquired Investment Assets	3
Commercial and Industrial Sites	62
Education premises (primary, secondary, nursery)	46
Leisure, Tourism and Heritage Assets	17
Car Parks	43
Allotments	4
Social Care and health premises/facilities	7
Cemeteries	4
County Farms (farms, grazing land, cottages)	90
Community Assets	49
Operational assets (hubs, depots, offices)	38
Public Conveniences	17
Assets under construction	4

*Table 1: Asset types and number of assets within the Council's portfolio.*

Many of the asset types in Table 1 serve similar purposes, be it for income generation or social value. Asset types can also serve multiple purposes and will not necessarily be fixed to one objective over another (e.g a county farm holds capital value as potential future development or capital receipt, generates income through rent, and can facilitate objectives around the promotion of sustainable farm practices or improved flood management).

The performance of the assets is reported via budget monitoring and Performance & Overview Committee. All assets should cover their own costs or generate income, if determined to be held for that purpose/objective.

## COMMERCIAL ASSET INVESTMENTS

### OBJECTIVES

- Maximised and commercialised asset base

Monmouthshire County Council adopted an Asset Investment Policy in May 2018, with a further amendment to the policy approved in February 2019, which afforded the authority the powers to acquire property to meet policy objectives. The commercial asset investment portfolio contains the strategic sites that are to generate a revenue return to MCC, and/or afford regenerative or social benefit via the ownership of strategic investments.

### CASTLEGATE BUSINESS PARK

Castlegate Business Park, Caldicot is a 217,000 sqft mixed use site situated over 18 acres of land adjoining the Caldicot settlement. The site is a mixture of offices and production/warehouse space. Despite the surrender of 130,000 sqft by Mitel in March 2022, the property has benefited from several new occupiers and expansion by existing tenants. In July 2022 MCC secured the single largest warehouse letting in Wales of over 89,000 sqft. The property is 85.8% let. The site benefits from a co-working/hireable meeting room initiative ('MonSpace') which enables businesses and residents to hire individual meeting rooms or share flexible desk space. The site is facilitating business growth and inward investment into Monmouthshire.



Figure 18: CastleGate Business Park, Caldicot

## NEWPORT LEISURE PARK

Newport Leisure Park (NLP) was acquired in March 2019 and comprises of a mix of six restaurants/takeouts, two retail units and three leisure units within an 11-acre site. The asset was materially impacted by the Covid pandemic, resulting in all tenants unable to trade for a period of months, some of which were unable to recover and subsequently voids created. The asset is 97.5% occupied and continues to generate a strong financial return.

Ongoing management and monitoring of the performance of assets is supported by officers within MCC's Finance, Estates and Legal departments. Investment Assets are supported alongside the wider



Figure 19 - Title plan of Newport Leisure Park

functions and responsibilities of Landlord Services. Departments are in regular contact with the appointed external managing agents for the respective sites. The maintenance of the



Figure 20 - Castlegate BP's 'MonSpace' initiative

sites is funded via service charge, paid for by tenants, with MCC only contributing towards costs for the void areas. Both sites are considered to be in a good condition generally. A review is ongoing as to the suitability of the site for low carbon initiatives that would seek to reduce the running cost, improve the attractiveness of the space for prospective tenants and reducing MCC's contribution towards those costs. Roof top PV, solar car ports and an EV charging hub are all being explored.

## INVESTMENT ASSETS

The investment portfolio, or 'legacy estate', consists of a varied mix of property, that have transferred into MCC ownership over a number of years. They are held primarily to generate income and facilitate economic development. Investment assets can be declared surplus or redeveloped in circumstances where revenue, capital generation or other opportunities to meet policy objectives are identified. The estate will continue to be reviewed for additional opportunities to address budget pressures and aid recovery plans. The investment portfolio is managed by the Estates Department under a range of different lease agreements and

legislative requirements. Despite the challenges of the pandemic and a necessity to afford occupiers more flexible terms (e.g payment plans for settling arrears), the portfolio has performed well and exceeded forecasted income levels. Under this Asset Management Strategy, rent reviews, lease renewals and our response to management issues or assignments will be primarily motivated by a desire to increase revenue returns.

The investment portfolio can be divided into the following sub-classes:

- Commercial, Retail and Office Assets
- Industrial Units
- County Farms

## COMMERCIAL, RETAIL AND OFFICE ASSETS

### OBJECTIVES

- a maximised and commercialised asset base,
- good role models for climate and nature practices,
- fit for purpose and collaborative estate

MCC hold 23 retail units across town centre/neighbourhood shopping areas. Many are held on long leasehold interests, with the freehold having been transferred to Monmouthshire Housing Association as part of the Housing Stock Transfer. The portfolio is spread across concentrations in Caldicot, Chepstow, Abergavenny, Monmouth and Goytre. A range of businesses and retail uses operate from these spaces, including local butchers, hairdressers, convenience stores, etc. The retail units are 95% occupied.



Figure 21: Hanbury House, Chepstow

The commercial portfolio also includes office lettings at locations in Chepstow, Monmouth and Magor. The management and reletting of office space has materially changed as a consequence of the pandemic. The expectation of occupiers has evolved, with an increased

movement towards smaller lettings or more flexible lease arrangements, with businesses downsizing as workforces move to a more agile model of operation. In order to retain interest and compete to re-let vacant spaces, rental concessions and enabling works (e.g subdividing large open plan rooms) may be needed to attract new occupiers. We will review and act in an agile and responsive manner to respond to market demand and conditions.



*Figure 22 - Innovation House, Magor*

Innovation House in Magor is the former Council offices which were vacated at the start of the pandemic. Following consolidation of a number of services into Usk County Hall and other operational premises, the building will continue to be marketed for potential occupiers. MCC also benefit from an employment allocation in Local Development Plan that has yet to be developed due to insufficient demand. There is an acknowledgement that the Monmouthshire economy is currently performing to its maximum, with a lack of pre-developed space and market finding it difficult to meet demand. Land and property such as Phase 3 Rockfield Farm, Magor and Innovation House may present opportunities for owner-occupiers to invest, as the market seeks to recover and this will be explored under this strategy.

The units within the commercial and retail portfolio are mixed in their condition, with the majority of the repairs picked up by the tenants or the responsibility of the head leaseholder.

The commercial portfolio also includes diverse investments such as Bryngwyn Livestock Market in Raglan, and the 5MW solar farm at Oak Grove Farm, Caerwent. The diversity of the portfolio is a strength and will continue to be used to support different policy commitments, including the reduction in MCC's carbon footprint and ownership in local

shopping outlets in town centres or neighbourhood shopping areas, which are invaluable to the communities they serve.

## INDUSTRIAL UNITS

### OBJECTIVES

- a maximised and commercialised asset base,
- good role models for climate and nature practices,
- fit for purpose and collaborative estate.

The Council’s industrial portfolio comprises of 40 industrial units ranging in size from 365 sqft to 2,850 sqft, located at three locations within the Severnbridge Industrial Estate in Caldicot and at an enterprise park in Raglan. These units primarily cater to start-up businesses or smaller occupiers, for which there a high demand in the county. The estate has



*Figure 23 - Old Pill Farm Industrial Estate*

a high retention rate, with tenants generally only vacating to secure larger premises elsewhere. The portfolio has a record of being fully let. The projected income in 23/24 is £213,000. The industrial units also serve as accommodation for a range of Council services, including Waste, Grounds and Transport depots, storage for Museums and office accommodation for Countryside. A number of

tenants have been moved onto fully repairing and insuring lease agreements. Under this strategy, lease renewals will be negotiated which should result in rental uplift. The estates will continue to be used to maximise the available space for economic development within the county.

## COUNTY FARMS

### OBJECTIVES

- fit for purpose and collaborative estate
- good role models for climate and nature practices,
- a maximised and commercialised asset base,
- strengthen the enablement role of Landlord Services

The County Farms portfolio consists of a combination of farm holdings, grazing land parcels, orphaned woodland and farm cottages. In total, the Council has 24 farm holdings and 40



areas of bare land amounting to 1,122 hectares (2,773 acres) of land, primarily located in the south of the county and in the Severnside area. The majority of the holdings are mixed livestock farms with few remaining dairy units. There are 3 market gardens. The farm holdings are primarily occupied on lifetime and retirement tenancies under the Agricultural Holdings Act 1986, which limit the ability for the landlord to increase rental values or flexibility in management. In circumstances where farms become vacated (either through surrender or passing of the tenant), new Farm Business Tenancies are granted. These agreements have more freedom to contract including setting higher rents and for the landlord to manage the holding (e.g. repairing obligations and a defined term so as to have potential to regain vacant possession).

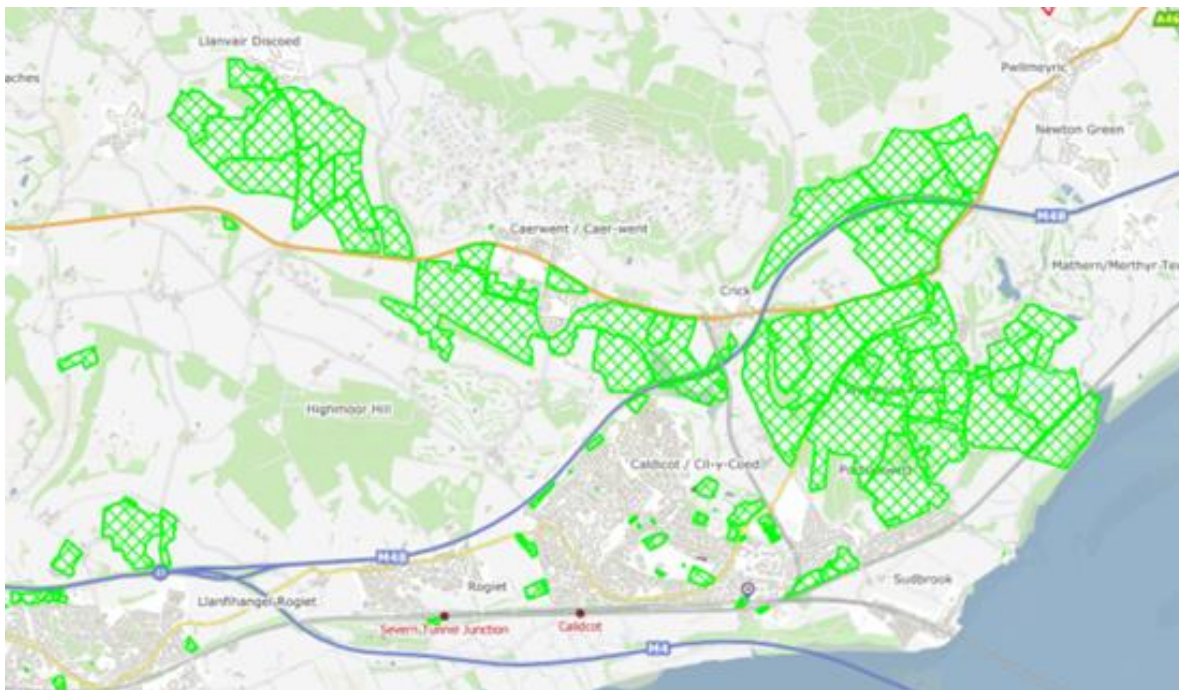


Figure 25 - Areas highlighted in green indicate land 'leased out', the majority of which is MCC farm holding or grazing land in the Magor, Caldicot and Chepstow areas

The portfolio is currently maintained through an allocated county farms capital maintenance budget, which is used to support investment in fixed equipment such as cess pits and septic tanks. Investment will be required under this strategy to continue to future proof the portfolio and support good land management practices, including carbon sequestration and repurposing poorly managed arable land where opportunities exist for new grassland or woodland.

The county farms remain a valuable asset, generating a commercial return and being situated in a location of strategic and developable value (i.e. outside of phosphate constraints, flood zones, connected to existing highways networks). In a rural county they continue to hold amenity, landscape and biodiversity value, and under this strategy will be used to promote diversification opportunities, including small horticulture business and renewable technology. One of MCC's farm holdings has been utilised for renewable technology development, with Oak Grove Farm being home to a 5MW solar farm. The portfolio continues to hold potential for wider renewable technology development.

In circumstances where farms are available to relet, there is a high competition for holdings and significant interest has been received. When awarding tenders, value will continue to be applied to those farmers that can demonstrate how they will implement more sustainable farming and land management practices, including enhancing the resilience of the ecosystems and diversifying or selling produce locally to develop supply chains. Three lettings in 2023



*Figure 26 - Oak Grove Solar Farm*

have made good on these commitments, running mixed farms with a variety of enterprises on site, and becoming active members of a local regenerative agriculture discussion group, contributing to discussions, and attending events on the principles of sustainable grazing and soil management.

MCC's tenants at Lower House Farm, Caerwent have applied, successfully, to join a 12-month regenerative agriculture mentoring scheme and have been paired with the world-renowned consultant Ben Taylor-Davies (Regen Ben). Together they will seek ways to reduce artificial inputs, increase soil health, water and air quality, and animal welfare, and improve business performance. This scheme has improved connection with other Monmouthshire farmers on the scheme, and with the cross-sector collaboration behind it, comprising Ben himself, MCC, Monmouthshire Food Partnership, ACE Monmouth, and Size of Wales. The Asset Management Strategy will continue to promote partnership arrangements that will enable tenants to lower their carbon footprint and improve the portfolio's environmental impact, increasing access to high quality advisors (Farming Connect, Natural Resources Wales, etc.) and technical support, and supporting the development of a more prosperous and resilient agriculture industry.

Wallstones Farm, Portskewett the tenants have reached into their community and provided a new route to market for other farms by setting up a direct-sales business, Monmouthshire Fayre. Through this they sell boxes of free-range grass-fed meat produced by themselves and other local farms that share their values. They intend to include other staple foods (fruit and vegetables, bread, etc.) in future, if the venture proves successful.

Long term, the portfolio continues to provide development opportunities and sites that afford opportunities to do this will be managed accordingly. The county farm portfolio has been classified as core and non-core holdings, 'core' defining its appropriateness for development. Core farms will continue to be retained for potential future development opportunities.

## OPERATIONAL PROPERTIES

### OBJECTIVE

- fit for purpose and collaborative estate.
- good role models for climate and nature practices,
- a maximised and commercialised asset base,
- Strengthen the enablement role of Landlord Services

Much like the investment portfolio, the operational estate is varied in its make up, respective uses and locations. Operational assets deliver a mixture of frontline services, service provision, and support to local communities. MCC benefits from a good representation in the respective towns but its availability of property and corporate buildings is not uniform.

Working environments have changed, with office space adjusting to the working environment. Agile working, desk booking and adjusted facilities arrangements (i.e. different expectations of service users as to the way they interact with services) has required asset management to equally adjust. Hubs are increasingly more integrated. Educational premises are including allowance for community use/spaces. Depot infrastructure is evolving to future proofing demands and an increased EV charging/fleet. Usk County Hall has been transformed into a mix of co-working and bookable desk and meeting space environments. This Asset Management Strategy will continue to support this accommodation reform. We will also continue to feature and promote flexible co-working, improving the knowledge of and availability of booking spaces or drop-in desks across the portfolio, ensuring parity is afforded to the workforce in the quality of environments they work from.

In education, MCC has benefited from a programme of new school constructions, creating plaza-based teaching environments which are of good condition and climate conscious. Much of the public and school estate benefits from roof top solar PV. The King Henry 3-19 School development will be the first net zero school development in Wales. A review is ongoing as to any future provision of a Welsh medium school and the accommodation requirements of the Pupil Referral Unit, whose relocation or new site development will be supported by Landlord Services.



Figure 27 - King Henry VIII 3-19 School Development CGI's

Hubs in various towns have transformed to meet the changing customer expectations following the pandemic, responding to the different ways service users interact with property and the importance of these assets and services being based in the heart of their communities. A continued movement towards integrated hubs is required and will be supported, acknowledging the value and footfall they provide to the areas.

Landlord Services and Social Care will continue to work collaboratively to complete the development of the new Severn View Parc Care Home in Caldicot, which is the replacement care home to Severn View Care Home in Chepstow. The development has been facilitated through the acquisition of land, disposal of residential development land to Melin Homes, and collaborative procurement of a development contractor to deliver the new care home. The care home itself and surrounding development will feature exemplar dementia friendly design principles at its core, driving operational efficiencies in an environment that prioritises the creation of a home over that of an institutional care facility. These principles and pursuit of exemplar schemes will continue to be a feature and objective of the strategy when undertaking new development.



*Figure 28 - Severn View Parc Care Home*

MCC Waste, Grounds and Highways services are provided from a range of locations and working depots across the County. In the south of the county in particular, investment is required in existing infrastructure to support the service in the future proofing and transformation of service delivery (e.g. expansion of fleet and move to more sustainable power solutions). In Stage 2 of the Replacement Local Development Plan, land has been promoted for the potential of a new 'super depot' which would seek to bring together the different south of the county depots in a single location which creates operational efficiencies and releases surplus assets for income generation or development. A service

area working group will be created to consider the design and financial business case for such a proposal.

MCC benefits from a range of leisure spaces, museums, and heritage spaces. It supports traditional trader’s markets at Abergavenny, Monmouth and Caldicot. It has an outdoor education centre in Gilwern and prominent heritage and amenity assets at Caldicot Castle and country park, Tintern Rail station and Shire Hall in Monmouth.



Figure 29 - Shire Hall, Monmouth

Under the Asset Management Strategy and associated Action Plan, the operational estate will continue to be reviewed for opportunities to reduce running costs and assess how to best meet corporate need. Properties such as Monmouth Market Hall, where space is being consolidated to relocate to Shire Hall, can be re-let or repurposed. The continued model of integrated hubs rather than isolated silos is necessary.

Greater clarity is required around maintenance responsibility and

knowledge of the estate amongst building operators, such to reduce backlog maintenance and assist the formulation of the planned capital maintenance programme. The “processes” section of this strategy acknowledges the working groups and forums within which these matters will be considered.

## COMMUNITY ASSETS

### OBJECTIVE

- fit for purpose and collaborative estate
- good role models for climate and nature practices,
- a maximised and commercialised asset base,
- Utilise community assets to optimise social value

Whilst all assets can be argued to be providing an indirect form of community benefit, ‘community assets’ are defined as those properties directly let to community groups or organisations on less than commercial terms. The portfolio consists of 49 community assets that are let to a range of not-for-profit organisations, community groups and voluntary organisations. The occupations are on a wide range of different lease and license agreements, with different terms (generally long) and rentals applied (ground leases, peppercorn rents, subsidised rents). The majority of the estate is let on “community rental values”, which reflect the not-for-profit nature of those groups operating.

Many of the existing groups access rental grants via MCC, a rental concessionary policy (appendices 2) which enables organisations to seek a reduction in their rental payment if they can demonstrate tangible community value being delivered. The application of this policy will be reviewed as part of this strategy’s implementation. This will ensure community assets continue to perform in accordance with the rental concessionary award and that any percentage of rental relief afforded is still appropriate and proportional to their financial performance.

MCC also support several Town and Community Council’s to occupy premises in our various towns and villages. These include the Drill Hall in Chepstow, Goytre House, Abergavenny Town Hall and the former household waste recycling centre in Usk. A number of MCC-owned public conveniences are also opened and operated by Town and Community Councils. The Asset Management Strategy will continue to explore opportunities to enhance the outputs of community assets and partnership arrangements, including supporting access to grant funding where it derives a tangible benefit and improvement to the asset.

## MISCELLANEOUS

### OBJECTIVE

- fit for purpose and collaborative estate
- good role models for climate and nature practices,
- a maximised and commercialised asset base,
- Strengthen enablement role of Landlord Services
- Utilise community assets to optimise social value

In addition to the above, MCC also benefits from a range of different specialist uses which serve to support its policy aspirations. MCC has various highway infrastructure (roads, bridges, etc.) within its ownership, however the Asset Management Strategy does not consider the highway infrastructure, vehicles or fixed assets held by the Council, which are each subject to their own strategy documents.



*Figure 30 - Monmouth Allotments*

MCC has 4 allotments it supports, two of which it manages directly. Ongoing consideration will be given to the merits of town and community council’s taking on management responsibility for the sites, supported by allotment associations. This strategy will continue to explore opportunities to increase the availability of community growing and allotment spaces, as per the commitments of the Community and Corporate Plan.

MCC also benefit from an extensive list of public open space and amenity land that provide a range of community, recreational and biodiversity benefit. These land parcels will continue to be managed in a manner that aligns with the climate and nature emergency, including planting schemes and natural flood management such as wetlands.

MCC operates four cemeteries: Llanfoist, Llanelly, Chepstow and Monmouth. Presently, Monmouth can only offer new cremated remains plots, burials in previously reserved plots and reopening of existing graves. Plans are in place to offer new burial plots in Monmouth in 2024.

The cemetery service also maintains Old Hereford Road Cemetery and the grounds and associated listed structures (not including the Church buildings) of St Mary's Priory Abergavenny, St Mary's Priory Monmouth and St Mary's Priory Chepstow. In addition, the cemetery service also manages a number of war memorials within the County. Under this strategy, work will continue to identify additional burial spaces throughout the county. This work will explore potential sites on council and privately owned property.

# PERFORMANCE



## PERFORMANCE FRAMEWORK

In order to monitor and drive success of the asset management strategy and its proposed purpose, it's critical to establish the key performance indicators and framework within which progress will be assessed.

Property performance metrics will help to determine strategic decisions. To aid the implementation of the Asset Management Strategy, a new property management software will be specified and procured in order to allow for more robust data management and access. This will reduce the holding of redundant data and improve our information security and data standards. The performance of the assets is reported via the budget process and monitoring. All assets should cover their own costs or generate income, if determined to be held for that purpose.

Whilst the strategy relates to the administrative period, it is necessary that a long-term approach is taken to the realisation of benefits and the objective delivery. Therefore a mix of short, medium and long-term indicators will be applied to assess the ongoing performance of the portfolio. These include but are not limited to the following:

- Portfolio specific actions, tied to particular service priorities or accommodation changes
- Tangible property data, updated regularly and such to inform strategic decision making.
- Financial targets – income, capital receipts, etc.
- Development targets – linked to purpose and corporate vision.
- Corporate and Community Plan targets – consistent with those reported under the plan.
- Reduction in total footprint

Further metrics may be adopted over the lifetime of this strategy to provide appropriate oversight and insight into the management of the asset portfolio. From time to time, review of metrics may require the alteration of indicators to provide improved reporting.

To ensure the performance towards the purpose can be accurately measured, tracked targets will be introduced in a number of areas. The targets and performance framework will be captured with the Asset Management Plan, which will be reviewed annually and assist in informing effective performance management. Metrics will be reviewed by Cabinet.

Bench marking initiatives and the sharing of performance can be achieved through professional networks (Royal Institution of Chartered Surveyors, Association of Chief Property managers in the Public Sector). For strategic management purposes, the following indicators will be focused on which will assist the development of the direction of travel.

# POLICIES

## POLICIES

The management and decision making around the portfolio must be informed by a clear strategic framework from which decisions can be taken. A clear policy framework will help to deliver the performance and purpose of the strategy and the day-to-day support system from which strategic decisions can be taken and the portfolio managed. The structure of the policy framework is below.



Further to the Community and Corporate Plan, and the enabling strategies to be read in parallel with this report, the following policies are critical to the Asset Management Strategy's delivery:

### COMMUNITY ASSET TRANSFER POLICY

Community Asset Transfer (CAT) is a policy by which Local Authorities can elect to grant long leasehold interest (25 years or more) or freehold transfer property from its ownership to a community group if it's considered better placed to assist the delivery of community services. The CAT policy allows the consideration of transfers where:

- a property is not required to meet the Council's long-term needs,
- where a community activity will be carried out as a result,
- where the activity cannot be achieved more effectively, or
- where the asset does not have a high capital or opportunity value to the council that would provide a financial return or capital return.

The primarily role of the CAT policy is community empowerment.

In considering CAT applications, MCC will continue to strike a balance between CAT applications and the necessity to act commercially, maximising assets to generate capital receipts from assets declared surplus.

To date, MCC has formally approved one application (Undy AFC) via the CAT policy, however a number of other historic and long leasehold agreements exist within the portfolio. Expressions of interest have been received for a number of other assets (Melville Centre, Raglan MUGA, Abergavenny Community Centre, Monmouth Cemetery).

The application details and further explanation of CAT can be found in Appendix 3.



Figure 31: Melville Theatre, Abergavenny

## RENTAL CONCESSIONARY POLICY

The Rental Concessionary Policy affords community groups that occupy MCC property the opportunity to apply for rental grant, i.e. a reduction in the rent payable, if they can demonstrate clear community and local benefits as a result of this concession. The policy is aimed at supporting occupiers who facilitate recreational uses, trustees, community groups or societies, often managed by volunteers. The occupation by community groups transfers the liability of maintenance and running costs from MCC to the occupiers, as well as providing a more cohesive approach to community mobilisation, positioning those potentially better placed to provide support.

A large number of the existing community lettings are historic and operate on differing terms. In order to achieve parity and equity across the occupation of community space, leases should be let on a commercial rent (depending on the use). The tenant may then apply for rental grant, rather than agreeing a reduced rental on the assumption of rental grant eligibility. This approach will create equity for tenants and the council as a publicly funded body. Rental grant can be applied for up to 95%, as outlined in the policy in Appendix 2. As part of the Asset Management Strategy implementation, a review of the application of

this policy will be undertaken in conjunction with the policy update. 33 community groups currently access the rental concessionary policy, which amounts to a £133,000 annual concession by MCC to support community groups.



*Figure 32: Caldicot Castle Football Club*

## DISPOSAL POLICY

In circumstances where property is deemed surplus to requirements and can be sold, the Disposal Strategy provides the process by which this happens and considerations for doing so. To enable a consistent approach to the disposal of surplus land and property, the Disposal policy clarifies the circumstances within which the council will achieve its requirements for best consideration, whilst supporting the Council's objectives as per the Community & Corporate Plan and Asset Management Strategy.

The Asset Management Strategy acknowledges a need for assets to align to its five core objectives. In circumstances where properties are considered to not meet this criteria, have alternative development potential or can be rationalised to unlock capital receipts, the Council's Disposal Policy can be exercised to support the disposal of surplus assets.

# PROCESSES

## PROCESSES- THE 'HOW TO'

Critical to the application of the Asset Management Strategy is the governance structure, capacity and competency within the organisation to deliver its purpose. The Head of Landlord Services is the responsible senior officer for the execution of the Asset Management Strategy. This includes annual review of the Asset Management Plan. The supporting property related governance includes:

- **Landlord Services and the Landlord Services DMT** – manage the implementation of the strategy, the day-to-day operation, undertake the actions and consider property proposals.
- **Capital and Accommodation Working Group** – established to consider capital pressures and accommodation decisions across directorates.
- **Service Asset Working Groups** – to be established in accordance with the service asset plans, as outlined in this report.

## LANDLORD SERVICES & LANDLORD SERVICES DMT

The delivery of a successful Asset Management Strategy will be achieved through a cohesive corporate landlord model, with clear governance arrangements to ensure transparency in the management of the estate. MCC's Corporate Landlord Services, the department with primary responsibility for land and property matters, consists of supporting functions as per the diagram below:

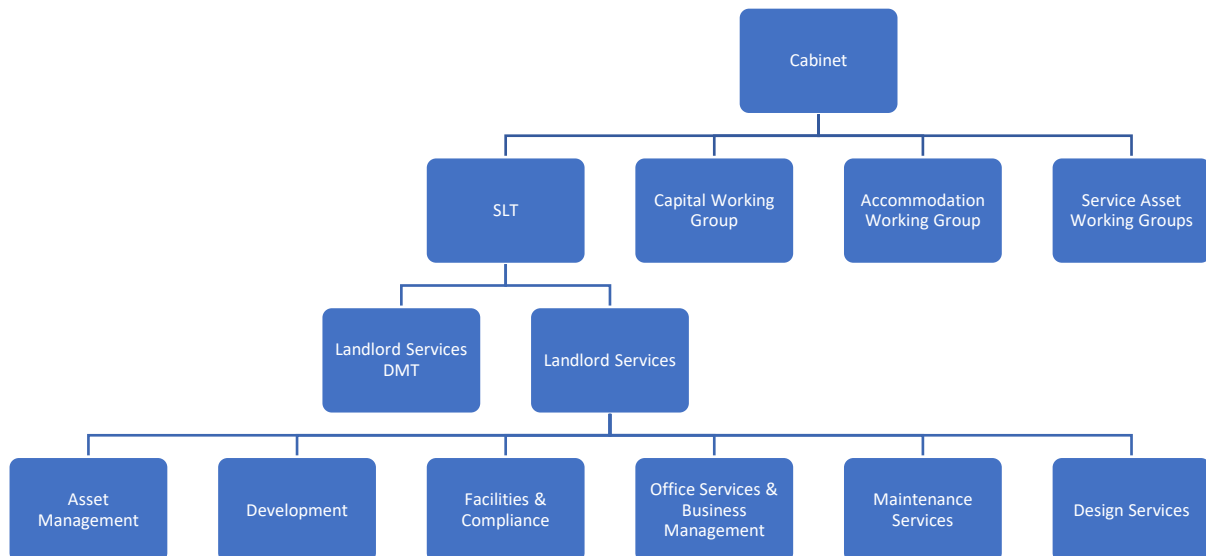


Figure 33 - Landlord Services Organisational Diagram

The Estates Department consists of two teams, prioritising areas of work in their respective specialisms. The Council's Estates Development team manage disposal and acquisitions, ensuring best value is achieved (social and financial). The team also supports, and project manages a range of different enabling functions, including project management of the Severn View Parc and MUCH project. The Estates' Asset Management Team carries responsibility for the day-to-day management of the estate, including progressing matters such as lease events, property enquiries or general property management.



*Figure 34 - Land at Rockfield Farm, Magor. Sold for development to Monmouthshire Housing Association*

Property Services have responsibility for the maintenance and overall condition of the operational portfolio, undertaking planned and reactive maintenance across the property estate. The planned maintenance programme is informed by condition surveys, backlog maintenance and ongoing monitoring of assets. The Design Team support the design and development of council projects, including the King Henry VIII 3-19 School project. Property Services also support the delivery of Gwent Police projects under the existing collaboration between bodies, for which fees are charged and recovered. Facilities and Health & Safety compliance officers within the department monitor regimes of asbestos, fire risk, legionella, etc and ensure statutory duties are undertaken by site managers. Cyclical Maintenance (electrical safety, gas safety, fire alarm, etc.) is undertaken periodically, annually or bi-annually, based on the specific report and service.

Offices Services and Business Management support the back-office operation of the service (accounting, invoice processing, etc.) as well as the front facing reception, post room and courier services. The accounts team provide procure to pay services, including budget monitoring, internal recharging, and Accounts Payable and Receivable support. In addition, the accounts team work to ensure that relationships with contractors/collaborators and customers remain positive through effective customer service and a full understanding of cashflow in our partner businesses.



Managers for the respective services listed within Landlord Services meet regularly to consider property specific matters and updates, and have responsibility for the production of clear and robust options appraisals to inform decision making relating to changes or disposals/redevelopment opportunities.

Each of the services within Landlord Services are supported by a data management system, for which a replacement system is currently being procured. The proposed new system will create a data bank from which property information is available and more auditable, enhancing the access to property information to inform short, medium and long-term strategic assessment of the Council's assets, and contribute towards aspirations around rationalisation, property maintenance decisions and alternative use/redevelopment. This will sit alongside the Council-wide changes in data management and migration onto share point. This will reduce the amount of redundant data and improve the quality assurance around ongoing costs and therefore strategic decisions.

## **CAPITAL AND ACCOMMODATION WORKING GROUPS**

The Capital Working Group and Accommodation Working Group will be created to strengthen the organisations relationship with the assessment of the capital programme and reporting of pressures in relation to estate management. Equally, it will provide forums from which consistency can be sought in the approach to accommodation matters, ensuring property opportunities (e.g. through the consolidating of a service which creates available space within an asset) can be evenly considered and in advance of any consideration to declare the property surplus.

The respective working groups will provide an environment from which service managers and directorate leads will be able to present business cases for consideration of capital pressures. Business cases will need to include the strategic and economic case, the commercial considerations and management implications.

The Capital and Accommodation Working Groups will have representation from Estates and Property Services, Legal and Finance, as well as the respective service areas relevant to the agenda item or pressure. The working group meetings will be minuted and progress tracked. Each decision will differ in detail and depth but will be proportionate follow a standard template and framework. A communication plan will be put in place to communicate this change to service managers and via engagement with Senior Leadership Team and DMT's.

Further to the above groups, the Head of Landlord Services and members of the Landlord Services DMT will attend SLT and Cabinet as required where matters concern Landlord Services, and be the main point of contact alongside the Deputy CEO (Chief Executive for Resources) for Cabinet/councillors in responding to member queries or information requests that relate to Landlord Services or the portfolio.

## **SERVICE ASSET WORKING GROUPS**

Individual working groups will be established with directorates to consider service accommodation pressures or matters relating to the operational estate. Individual service

asset plans will be established which will reflect on the key strategic considerations such as the average property running cost, demand for use, occupancy rates and arrangements to ensure best utilisation of buildings, building condition, accessibility and energy performance. This information will be reported to the Accommodation Working Group and used to inform future use and service transformation.

### **INVESTMENT COMMITTEE**

The Investment Committee is a cross-party sub-committee of Council, established to consider investment activity the authority can undertake. As a consequence of the pandemic, investment activity has halted, with acquisitions via this committee limited to Castlegate Business Park, Newport Leisure Park and investment in 'Broadway'. In order to afford a transparent assessment of these investments, the performance updates will be reported to Performance & Overview Committee alongside updates on the wider portfolio. Any future investment will be considered in accordance with the constitution and via the appropriate decision-making forum (Full Council or Cabinet). The Investment Committee will therefore be in abeyance, with the ability to stand up the committee if required.

Cabinet Members will continue to be consulted on property decisions that relate to their specific service areas. The Cabinet Member for Resources will also be consulted for all major property decisions. At a local level, Ward Members will be consulted on specific asset related issues and afforded the opportunity to provide comments as a consultee on delegated authority, ICMD, Cabinet and Council decisions/reports.

# APPENDICES

## Appendix 1 – Asset Management Plan

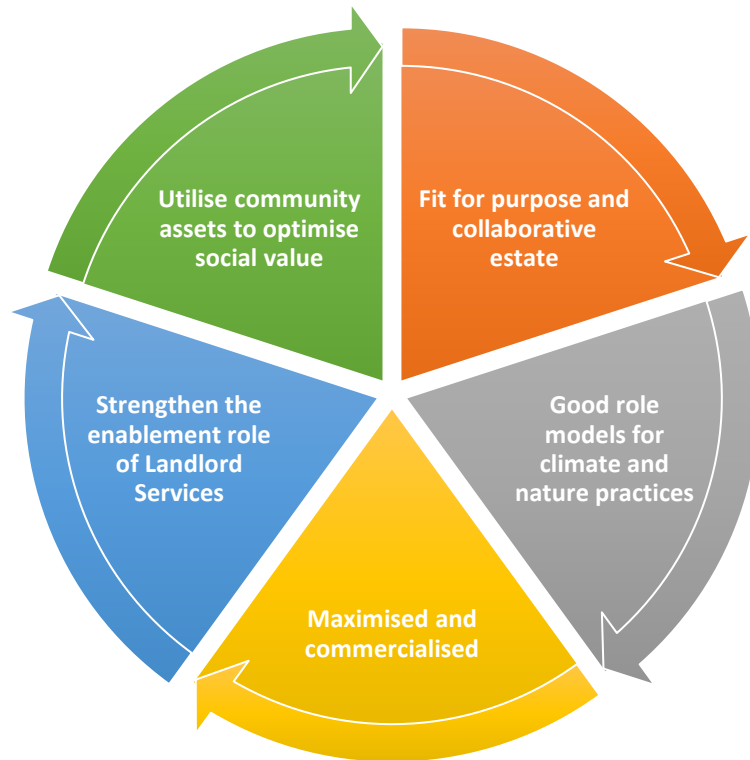


## Asset Management Plan



## Asset Management Plan

The Asset Management Plan converts the Asset Management Strategy into practice. It is the associated action plan for the duration of the Asset Management Strategy, acknowledging some items will go beyond the strategy period. The following pages contain the actions proposed in accordance with the strategy document. These align to the Asset Management Strategy's key themes.



The Asset Management Plan and its action list will be updated annually to monitor progress of the plan against these core objectives. The RICS define an asset management plans as the deliver plan for property assets, giving details such as timescales for action, outcomes and responsibilities:

Objective – Fit for purpose and collaborative estate						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
1	Undertake service area asset plans to review accommodation needs, and strategic mapping exercise for opportunities to meet unmet demand, cost advantages or resource benefits.	Completion of all directorate reviews by 2026/27.	Depot working group already established. Additional accommodation groups to be created (social care, education, etc.) to inform asset plan formulation.			
2	Provide design and technical support for the proposed relocation of the Pupil Referral Service to the former Mounton House School, Chepstow	Completion of the build by academic year 24/25	Education seeking consent for funding in December 23.			
3	Continued technical support with the development, completion and ongoing maintenance of Severn View Parc Care Home	Completion of build February 2024. Resident transition from Severn View Care Home in March 2024.	On-course for targeted completion date of February 2024.			
4	Renewal of Memorandum of Understanding with Gwent Police	September 2024	Solicitors drafting renewed document. New governance structure to be agreed.			
5	Repurpose vacant agricultural cottage in Llanfair Discoed, to support temporary accommodation.	April 2024 occupation	Report to Cabinet in December 23 for consent to repurpose vacant agricultural properties			
6	RLDP promotion of new depot infrastructure to support grounds, transport and maintenance teams and fleet transformation.	RLDP allocation (2025)	Formulation of working group to provide design and requirement input.			
7	Oversight and technical input into the relocation of Monmouth Museum into Shire Hall.	Feb 2025 development stage conclusion	Architectural design brief and specification for redesign works circulated for comment.			

Objective – Good role models for climate and nature practices						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
8	Ongoing technical and advisory role for the delivery of the 3-19 King Henry VIII School development, Abergavenny	Completion of build by September 2024	Ongoing supporting and advisory role. Construction started.			
9	Re-let vacant farms, with consideration for small scale horticulture opportunities or diversification to contribute to the 'food and drink economy'.	July 2024	Property to be surrendered by April 2024. End of tenancy negotiations ongoing.			
10	Undertake a carbon sequestration exercise, identifying opportunities for planting and biodiversity schemes on redundant or poorly managed land, including woodland.	Ongoing	Exercise underway to identify suitable land parcels. Land in Abergavenny being explored for wildflower/planting community scheme.			
11	Continue promotion of the RLDP Strategic Sites and support the decarbonisation team with the promotion potential renewable development.	Ongoing	Awaiting progress of RLDP and formulation of business case. 'Caldicot East' designs are being formulated in readiness of deposit plan Easter 2024.			
12	Establish tenant communications forum from which increased access to supporting groups and networks can be offered.	Jan 2024	Membership and consent to share details being collated.			
13	Award Allotment Support Grant for 2023/24 works and submit forward work plan for 24/25 bid.	March 2024	MCC allotment sites approached for proposals to access support grant funding.			
14	Continue programme of annual cyclical maintenance, and explore low carbon and energy efficient alternatives at point of repair/replacement.	February 2024	Annual programme of cyclical maintenance under review. Cyclical maintenance procurement framework being renewed.			
15	Undertake county-wide land review for potential cemetery sites, in order to address reducing number of available burial plots in Abergavenny and Monmouth	July 2024	Monmouth Cemetery reopened and changes to plot reservation policy have extended remaining burial years.			

Objective – Maximised and commercialised asset base						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
16	Complete mapping exercise of co-working opportunities through the operational estate , and the creation of incubator space at Castlegate Business Park.	March 2024	Operational asset list to be collated. Meetings required with digital team to explore booking functionality. 'MonSpaces' launched in Nov 23, making available hireable flexible office space at CBP.			
17	Reduce arrears in the investment portfolio and take recovery proceedings where appropriate.	Ongoing	Arrears review ongoing. Monthly progress meetings scheduled with Sundry Debtors.			
18	Complete business rates mitigation for Castlegate Business Park and re-let Unit 6 Newport Leisure Park	Jan 2024	Business rates consultant appointed and site visit undertaken. Marketing strategy implemented and considering offers for vacant space.			
19	Advertise vacant floor spaces at Monmouth Market Hall and Innovation House	Nov 2023	The vacant former OSS and hairdressers are being marketed via the MCC website and expressions of interest invited. Negotiations are ongoing with a flexible office provider regarding occupation of Innovation House.			
20	Explore disposal of non-core farm holdings for generation of capital receipts	Feb 2024	Discussions ongoing with sitting tenants regarding interest to acquire. Cabinet consent required to dispose of any farm holding.			
21	Exercise any lease events (rent reviews and lease renewals) effecting the investment estate.	Ongoing	Schedule of lease events reviewed monthly. Surveyors assigned to exercise reviews and commenced tenant negotiations.			
22	Establish rationalisation strategy and disposal of surplus assets (Severn View Care Home, Portal Road, etc.)	March 2025	Review ongoing for opportunities for rationalisation.			



Objective – Strengthen the enablement role of Landlord Services						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
23	Implement a revised service level agreement (SLA) for educational premises. Explore ability to replicate across other service areas.	March 2024	Draft SLA under review with consideration for overlapping existing agreements, communication to directorates and legal redrafting.			
24	Procure and implement a new asset management system.	April 2024	Data cleanse ongoing to support data transfer onto Sharepoint. Specification agreement and procurement underway.			
25	Continue to support Active Travel in the implementation of links at Kingswood Gate, Monmouth and Ysbyty Fields Abergavenny	February 2024	Negotiations ongoing with respective landowners. Third party support procured to assist with capacity pressures.			
26	Undertake a procurement framework review which assesses the success and value for money of the mechanical, electrical, building and cyclical maintenance frameworks.	April 2025	The cyclical maintenance framework has been tendered and is currently being evaluated prior to award.			
27	Dispose of land at Caldicot Comprehensive School for 100% affordable housing development	March 2024	Planning application submitted. To be considered by planning committee in January 2024. Disposal conditional upon planning consent.			
28	Assist with improvements to the health and safety with training provision to improve understanding of property occupier compliance responsibility.	November 2023	Corporate Health and Safety lead and Property Services Maintenance and Facilities Manager tailoring training to reflect MCC estate.			
29	Assist with the promotion of potential gypsy and traveller sites on MCC land within the Replacement Local Development Plan	December 2023	Site surveys commissioned following Council decision to proceed with consultation on three potential sites on land at Langley Close, Oak Grove Farm and Bradbury Farm.			
30	Support the development of the My Day My Life 'base', in accordance with the recommendations of the independent review.	November 2023	Design works commenced for refurbishment of Overmonnow Family Learning Centre and Melville Centre.			

Objective – Utilise community assets to optimise social value						
Action No.	Action/Description	Target	Milestones			
			23/24	24/25	25/26	26/27
31	Completion and handover of Magor and Undy Community Hub	Sept 2023	Development completed and occupied from September 2023. Ongoing defects period under review and operational matters relating to EV charging.			
32	Undertake negotiations for the lease renewal of Drybridge House, Monmouth	March 2024	Rental calculations shared with tenant. Heads of Terms produced and under consideration.			
33	Review existing community facility leases and award of rental concessionary grant.	Completion of review by April 25	Rental concession review undertaken. Tenants to be contacted for access to trading accounts and clarification on eligibility for claim, in accordance with policy changes.			
34	Enter a lease for the occupation of the Melville Centre, Abergavenny	March 2024	Melville Centre for the Arts committee have secured Architectural Heritage Funding to survey the roof and property. Awaiting findings to conclude lease negotiations.			
35	Advertise and continue to let vacant space at Hanbury House, Chepstow	November 2023	Small ground floor retail space being advertised. Suitable for range of different uses.			
36	Future use of Raglan Old School, Chepstow Road	March 2024	Awaiting correspondence from Diocesan Trust to resolve title transfers. Feasibility study required on alternative use.			

## Performance Indicators

Measures/Milestones	Previous year	Target	Current (23/24)	Comments
<b>Service area measures</b>				
Total income target for the investment portfolio	£1,257,841	£979,698	£1,076,230	Previous year spike in part from Ukrainian Relief Funds
Capital Receipts generated	£7,488,013	£2,642,045 23/24	£2,642,045 forecast	Future receipts subject to rationalisation and RLDP allocations.
No, of affordable homes granted planning consent on MCC land	32	50% AH on all dev sites	46 forecasted	
ROI of Investment Portfolio, as per Asset Investment Policy	-1.55%	2%	0.15%	Target subject to any changes agreed by Investment Committee.
Average DEC Rating of Operational Estate	D (82)	C (51-75)	D (82)	Only for public buildings - annually over 1,000sqm or every 10 years 250sqm.
King Henry VIII 3-19 School development	Completion August 23	Completion Feb 2024	On programme	Delay to Feb 24 associated with potable water and electricity connections.
Severn View Parc Care home development	Completion Feb 24	Completion Feb 24	On programme	Resident transition scheduled March 24
Affordable housing development of land at Caldicot Comprehensive School	July 24	July 24	Aug 24	Forecast planning committee January 24
Design/Maintenance Income Target	£1,102,623	£1,280,081	On budget	On budget as of M5 reporting
Cemeteries net income target	£254,171	£183,041	£246,009	
Industrial units net income target	£214,085	£188,275	£213,535	
County Farms net income target	£242,882	£269,120	£269,578	
% of rental arrears from investment portfolio's total income	6.4%	2%	4.8%	

## Risks

The Asset Management Plan (and therefore strategy) are subject to a number of risks which should be quantified to assess impact on delivery. Planned mitigation, where possible, is outlined in the table below. The risks will be reviewed annually in accordance with the Asset Management Plan's review:

Risk	Risk	Impact	Mitigation
The inability to staff the action plan due to capacity constraints, staff retention and succession. High number of departmental vacancies and MCC is subject to a recruitment freeze.	Major	The inability to staff the action plan could result in failure to achieve revenue and capital returns, resulting in reputational and commercial damage. It also presents a service resilience weakness as staff retire and experience and knowledge lost.	Recruit to vacant posts and restructure to tailor to the service demands. Necessity to create pathway for succession and progression. Utilise external expertise to supplement knowledge or capacity gaps.
Market forces impacting tenant's ability to meet lease obligations, resulting in additional voids and loss of income.	Major	Shortfalls in income or additional pressures to the budget forecasting/overspend. Potential for additional vacant space and therefore liability to MCC created.	Strengthen existing tenancy agreements, reducing voids where possible and acknowledging the necessity for incentivised lease terms to secure occupiers.
Reduction in capital values or receipts associated with global market trends, changing sectors or delays to disposal of property.	Medium	Changes to planning policy are likely to impact land values and result in protracted sales processes. Implications of phosphate constraints, TAN15 introduction and limitations on the use of best and most versatile land. The evolution of markets (e.g. consolidation of offices and lack of inward investment) may impact the delivery of economic development aspirations.	Continue to undertake a disposal strategy that best enhances the consideration achievable and prioritise alternative use where liability can be transfer onto a third party.
Reduction in capital maintenance programme or spend freezes impacting the ability to meet capital pressures or deterioration of the estate	High	The portfolio's condition will deteriorate through a lack of appropriate and future proofing investment, frustrating the ability for the asset base to respond to changing service demands.	The planned capital maintenance programme will continue to be reviewed for such that investment is prioritised in those assets that present health and safety risk. The capital and asset management working group will preside over consideration of capital pressures.
Unclear policy and strategic intentions, leading to inconsistency in approach	High	Inconsistent approach to asset management and the implementation of the strategy will result in reputational damage to the authority and abortive works and costs for tenants or interested parties, e.g. in the pursuit of Community Asset Transfer.	Clearly established 'purpose' for the portfolio and strategy, supported by robust governance arrangements and a suite of endorsed policies from which day-to-day management takes place, within a framework Cabinet have agreed.

## Appendix 2- Rental Concessionary Policy



## Rental Concessionary Policy



## Rental Concessionary Policy

The Asset Management Strategy outlines the necessity to maximise and commercialise the portfolio wherever possible. It also acknowledges a need to utilise community assets to optimise social value and outputs. The Rental Concessionary Policy assists with the delivery of social value, outlining the process by which MCC can elect to offer discount on rent payable by a tenant in occupation of property within the portfolio. The following document outlines the eligibility for rental concession, the process by which this is assessed and awarded, and the governance arrangements surrounding ongoing monitoring:

### Eligibility for rental concessions

- Rental grant (i.e. a reduction in the rent payable by a tenant) can be applied for by community tenants/occupiers who can demonstrate a tangible social benefit that is derived as a result of their occupation. It is not a concessionary policy available to commercial operations or profit-making organisations.
- Rental grants are only awarded in circumstances where it is evidenced that concession is needed to enable the social outcomes and benefits to be achieved.
- Rental grant can be awarded up to a maximum of 95% of the contracted rent, however it should only be awarded to the minimum amount necessary to ensure continuity of facility and where evidenced as required. The maximum percentage of rental grant awarded under the policy is to be reviewed.
- The concession issued should be quantified and proportional, with due consideration of the financial pressures facing the Council and necessity for good and sustainable management practice.

### Applying for rental concessions

- 1) Community tenants (existing or prospective) can apply to the Estates Department for consideration of rental concessions. At the point of application, a full market review of property capital and rental value will be undertaken. This can occur at any lease event (renewal, rent review or new tenancy request). No discount will be reflected in the rental calculation at this stage. The rental for the property will be calculated based on the open market value of the proposed use.
- 2) Applicants will be required to complete a rental grant application, including a business case with justification for the concession. The application will enable review as to whether the tenant has any other source of funding and/or ability to meet the rental obligation.
- 3) Applications will need to include due consideration of the council's Community and Corporate Plan, alignment to the objectives of the Asset Management Strategy and associated policies, and the Well-being of Future Generations Act. Financial evidence, accounts and business plans will be required to substantiate the proposals.
- 4) A financial strategy will be required to demonstrate efforts to reduce the reliance on the grant post-award, and evidence as to how the tenant will meet the repair obligations under the lease agreement, which will primarily transfer the properties repairing and insuring obligations to the occupier. Equally, applicants should demonstrate their ability to meet the utility/running costs of the property.

- 5) "Community leases" will include reasonable break clauses and terms, such that the tenant retains an ability to surrender the property in accordance with the lease in the event the rental concession is no longer available and without financial penalty or onerous obligations.

#### Rental Concession consideration and award

- 6) The completed information should be made available to the nominated Estates surveyor, who will liaise with colleagues in Finance to assess eligibility. If the evidence provided indicates a rental concession is appropriate, a delegated authority report will be submitted to the Chief Officer for Resources for consideration.
- 7) Rental Concession is permitted under the General Disposal Consent Order (Wales) 2003 and Local Government Act 1972 (Section 123) which permits disposal or occupation of an asset at less than best consideration where the Council considers the agreement to be in the interests of the economic, social and environmental well-being of the area and community it serves.
- 8) Award of the rental grant will be agreed by the Chief Officer for Resources, in consultation with the Head of Finance and Head of Landlord Services, and relevant Cabinet Member. The Head of Landlord Services will hold responsibility for the ongoing monitoring of community asset performance.
- 9) The grant will be awarded for a maximum of 3 years, reviewed annually. Tenants are able to reapply for rental grant within 3 months of the end of the period, at which point step 1 of the application process is recommenced.
- 10) Records of the rental grant award are held by the Finance Department, reviewed annually by the Landlord Services Leadership Team, such that the support afforded to community groups can be reported and acknowledged across financial years.
- 11) Successful applications will be invoiced for their contribution to the element of rental after deduction. Unsuccessful applications or occupiers who fail to comply with the requirements of the policy, will be invoiced in accordance with the market value.

#### Exceptions

- 12) In certain circumstances, it may be more appropriate that a community group or initiative hire part of a premises (e.g a room in a larger building) rather than occupy a whole property. In these circumstances, the same process would apply albeit the rental and contribution towards running costs should be proportional to the space occupied.
- 13) There remains a necessity for the group to occupy under an appropriate legal arrangement (licence) to clarify the responsibilities of occupier and landlord, and minimise risk to the authority of an unauthorised formal tenancy being created.

## Appendix 3 - Community Asset Transfer Policy



## Community Asset Transfer Policy





## Community Asset Transfer Policy

The Asset Management Strategy and Community & Corporate Plan sets out the ambition to support community empowerment where possible. Community Asset Transfer Policy is a mechanism that enables local authorities to meet this ambition, utilising the powers of the General Disposal Consent Order to transfer ownership and management of buildings in its ownership over to community groups for less than best consideration.

The following document outlines the definition of Community Asset Transfer (CAT), the process by which CAT applications are submitted and considered, the criteria for eligibility and the supporting services associated and applications documented. This policy should be considered in parallel with the Rental Concessionary Policy, which outlines the process by which community groups can seek rental reductions on their tenancy agreements if achieving demonstratable outcomes:

### *1. What is Community Asset Transfer*

Ystadau Cymru's Community Asset Transfer guidance note defines the aims of community asset transfer as "community empowerment by ensuring that land and buildings are retained and operated for public benefit through community management and ownership".

In essence it involves the transfer of the management / ownership of an asset from a public sector body to a community-based organisation e.g. a charity, community interest company or a Town / Community Council. The "transfer" of the asset can be achieved through either a freehold or long leasehold interest.

CAT's provide an opportunity for local authorities to find different ways to deliver local services, concentrating on efficiencies and cost savings over ownership.

### *2. Who is eligible to make a request for a community asset transfer?*

CAT applications can be made by:

- Groups that are appropriately constituted e.g. a registered charity, a community interest company or a charitable incorporated organisation, a not for profit company or a co-operative, or a Town or Community Council within the county boundary of Monmouthshire County Council
- Community initiatives (i.e a community or voluntary sector group with governance arrangements with strong links to the local community).
- The applicant/group must be explicitly for social benefit and members of a community that are able to influence its operation and decision-making process.
- The primary purpose of the organisation must be non-profit making, supported by business plan and track record of service delivery.
- Demonstrate that it has the skills and capacity to effectively deliver services and manage the asset to be transferred.
- Must be able to demonstrate the long-term sustainability of the applicant organisation.

### 3. In applying for CAT, applicants must:

- Complete the Expression of Interest application form, attached to this policy.
- Demonstrate that they have a clear understanding of the services they wish to deliver, how they will use the asset and improve access to services and facilities
- Evidence alignment to the Council's Community and Corporate Plan.
- A clear, viable and sustainable business plan. The required contents of the business plan are outlined in section 6.
- Evidence as to how they will fund the running and maintenance cost of the asset.
- Demonstrate the demand for the activities proposed, and how they will embrace diversity and work to improve community cohesion.
- Demonstrate tangible economic, environmental or social regeneration they will provide for community benefit as a consequence of the CAT.
- Have a clear management structure demonstrating how the premises will be managed on a day to day basis and consideration for compliance, health and safety and legislative issues will be managed.

### 4. What assets will be considered for CAT?

MCC retains the right to refuse any application for Community Asset Transfer. The Council will consider expression of interest for assets if:

- The asset is already identified as surplus and available for disposal
- The asset is already occupied by a community or voluntary sector group (as outlined under section 2).
- The asset does not form part of a larger commercial asset (e.g a property within a mixed use or larger asset with development value or potential).
- If the property is vacant, MCC will advertise the opportunity to submit applications for the site, such that all community interest groups are afforded equal opportunity.

Assets forming part of the operational or investment estate will not be considered (e.g residential properties, operational land of statutory undertakers, assets that not assessed to be community facilities, agricultural assets) unless declared surplus to requirements.

In circumstances where an eligible property is identified, MCC will prioritise long leasehold arrangements first and foremost (as an alternative to freehold transfer) when considering CAT applications, as this will enable greater influence on the future use of the building. In circumstances where a freehold transfer is warranted, applicants will need to demonstrate why a freehold transfer is necessary for the success of the project.

### 5. CAT applications assessment

CAT applications will be assessed based on their individual merit, the cost avoidance and community benefit as a consequence of the transfer. The business plan and associated information (as per section 3) will be assessed on:

- How the need for the proposed transfer and use of the asset has been identified

- Planned outcomes and benefits of the transfer (freehold or long leasehold). Is there a clearly defined purpose and objective of the organisation and how CAT would support these?
- How will the success of the transfer be measured – i.e. what will be different and how will it be measured.
- Finance modelling, including 5 year revenue and capital funding plans. This should be inclusive of rent, rates, utilities, telephone & broadband, insurance, repairs, staffing, refurbishments and building improvements, H&S legislation, access for all, etc.
- Type of transfer sought and why i.e. freehold or long leasehold
- Any sources of finance including grants that the asset transfer will enable. Capacity building and how this will be delivered.
- Scope for collaboration, i.e. are there other community groups that could share the accommodation, or other groups operating in the area this proposal would conflict with? Are there already similar services being provided?
- Details of how the proposed use will be monitored and proposed arrangements in the event that the transfer is not sustainable.
- Risk log

Applicants should reflect on the above criteria prior to applying for CAT. Guidance notes are available on the formulation of the business plan and other considerations for application.

#### 6. CAT Award

CAT applications will be assessed by the Estates Department, who hold primarily responsibility for management of the estate and provide recommendations relating to the disposal or use of property. A fair, transparent and consistent approach to CAT applications will be applied, with the acknowledgement each asset also has its own considerations, assessed against the criteria set out in this policy document. In considering the suitability for CAT, consideration will be given to the assets alternative use and development potential.

Following receipt of the business case, the Estates Department will provide recommendations to the Chief Officer for Resources and the appropriate decision-making function as per the constitution (ICMD, Cabinet, Full Council) for consideration. Officers will engage with the local ward member on applications relating to assets in their ward.

In circumstances where multiple organisations have evidenced an ability to operate via CAT, collaboration will first be encouraged between partners.

Given the obligation on the Council to achieve maximum financial value (i.e best consideration), any transfer will be undertaken on the basis of full market value, however a sale or long leasehold interest can be undertaken at less than best consideration in accordance with the General Disposal Consent Order(Wales) 2003, subject to being satisfied that the sale / lease will result in long term sustainable local social, economic or environmental benefits. Any proposed transfer at less than best price will be subject to an independent valuation. Should a freehold transfer be agreed the legal title will contain a series of clauses designed to safeguard the long term future of the building which will include a restrictive covenant, claw back clause and right of pre-emption.

## 7. Application process

Sections 1 to 6 of the policy sets out the definition of CAT, the criteria by which a community group can apply and the evidence required to submit a CAT application. The stages associated with the application process are outlined below:

### Stage 1 - Expression of interest received for CAT

- Landlord Services' Estates Department will access the property proposed against the eligibility criteria.

### Stage 2 - Community group/applicant invited to apply for CAT by submitting application form and business plan

- The formulation of the business plan will be supported by Community colleagues in Communities and Place directorate.

### Stage 3 - Evaluation and Council consultation on submission/decision

- Recommendations will be made based on assessment against Sections 4 and 5 of this policy. A recommendation will be made to the Chief Officer for Resources and appropriate decision making body for consideration.

### Stage 4 - Decision on proposed transfer

- If its determined the application does not meet the criteria the applicant will be provided feedback.
- If successful, legal will be instructed.

It is acknowledged that not all applications will progress and that many application processes can occur over a number of years. A register will be kept of enquiries and successful CAT's monitored to assess the achievement of the desired outcomes.



## Community Asset Transfer – Stage 1 - Expression of Interest

Stage 1 of the application process has been designed to assess whether the application will meet the Council’s eligibility criteria, as set out in the Community Asset Transfer Policy. All of the information below is required to assess the suitability of the applicant and property for Community Asset Transfer.

Applicants that meet the Council’s suitability criteria will be invited to progress to Stage 2 of the application process, and submit a formal business plan and supporting evidence to support consideration of the application.

It should be noted that completion and submission of Stage 1 form does not guarantee or bind the Council to progress to Stage 2 of the CAT application process.

### 1. Please provide details of the organisation making the application

Name of Organisation:	
Address of Organisation	
Contact Name:	
Position:	
Telephone Number:	
Email Address	
Date:	

### 2. Type of organisation

What types of organisation are you e.g. registered charity, CIC?	
Do you have a formal constitution, governance document or set of rules?	

If you are not currently established please outline the type of organisation you are considering establishing – registered charity, company limited by guarantee?	

**3. What is the structure and purpose of your voluntary or community organisation? (If you are not established and set up at the moment please indicate what you think the structure will be)**

How many people are involved in your organisation?	Management Committee	
	Full Time Employees	
	Part Time Employees	
	Volunteers	
When was the organisation established?		
What is the purpose and main activities of your organisation?		
Does your organisation have experience of managing an asset? If yes please provide details		

**4. Please tell us about the asset (land or buildings) you are interested in?**

Name and address of asset	
---------------------------	--

If this is a speculative application please provide details of the type of asset and location required	
Type of transfer you are interested in including level of discount and proposed length of lease  Lease or freehold transfer?	

**5. Please tell us about the proposed use of the asset**  
(please continue on a separate sheet if required but no more than one side of A4)

What do you want the asset for?	
What benefits will this bring to the organisation, the local community and the Council?	

## 7. Please tell us about any partners, collaborators and stakeholders

<p>If you are proposing any arrangements with public sector or other third sector partners please provide details.</p> <p>Summary of any community consultation undertaken regarding the proposal</p>	
<p>If this application is in respect of an asset with existing users, please provide written evidence from them that they are aware of this application</p>	

## 8. Finance

<p>Is there any finance/ funding in place to support the application?</p>	
<p>Have you (or any partners) experienced any financial or legal issues which could impact on the operation of the facility e.g. bankruptcy, county court judgements, legal disputes or similar?</p>	

**The Council reserves the right to check the accuracy of the information submitted within the Authority and with other agencies:**

**Please return the completed form to:**

**Estates Department, Monmouthshire County Council**

**Email: [estates@monmouthshire.gov.uk](mailto:estates@monmouthshire.gov.uk)**



## Appendix 4 - Disposal Policy



## Disposal Policy



## Disposal Policy

The Asset Management Strategy acknowledges a need for assets to achieve a range of objectives. In circumstances where properties are considered to not meet these objectives, have alternative development potential or can be rationalised to unlock capital receipts, the Council's Disposal Policy can be exercised to support the disposal of surplus assets. The following policy establishes the criteria by which disposals are undertaken, the protocol and relevant legislative requirements.

### **Introduction**

To enable a consistent approach to the disposal of surplus land and property, the Disposal policy clarifies the circumstances within which the council will achieve its objectives and requirements for best consideration, whilst supporting the Council's objectives as per the Community & Corporate Plan and Asset Management Strategy.

The following policy sets out the core principles to be applied when disposing of property. Whilst a consistent approach will be taken wherever possible, it is acknowledged that each asset should be assessed on its own merits and disposal undertaken in accordance with that portfolio and circumstances.

### **Legal Background**

When disposing of property assets, the Council is obliged via S123(2) of the Local Government Act 1972 not to dispose of land for a consideration less than the best that may reasonably be obtained.

Best consideration is defined as the amount that would be received for a disposal of a property where the principal aim of is to maximise the value of the receipt.

The General Disposal Consent Order 2003 (Wales) gives LAs the ability to sell an asset for less than best consideration where the reduction in value is £2,000,000 or less and the authority considers that the disposal is in the interests of the economic, social or environmental wellbeing of the whole or any part of its area or any or all person's resident or present in the area. When disposing of land, the General Disposal Consent Order should only be accessed when subject to clear justification, evidenced through the required delegated authority report or decision-making body.

### **Disposal Protocol**

Should an internal occupier of MCC property determine that an asset is no longer required for their service, the Chief Officer of the occupying service area should liaise with the responsible Cabinet member to declare the asset "surplus".

Consultation should be undertaken with the Estates Department in Landlord Services, who will seek to determine whether any alternative internal use is required (e.g. other services or occupiers). Representations to occupy property should be made to the Capital and Accommodation Working Groups (as per the 'Processes' section of the Asset Management Strategy).

In circumstances where an asset has been determined to be surplus to requirements and not have a justifiable internal need, assets may be disposed of in accordance with this policy. Option appraisals will be produced to inform any assessment of need and use where multiple have been identified.

Declaring an asset surplus to requirement will require Cabinet approval, whereupon the management of the asset will transfer to the Estates team. Associated holding costs (utilities, rates, disposal costs) should be secured as part of the Cabinet decision process.

## **Disposal of an Asset**

The Council is obliged via S123(2) of the Local Government Act 1972 not to dispose of land for a consideration less than the best that may reasonably be obtained. In circumstances where a property has been declared surplus and is to be disposed of, the asset should be added to the capital receipt forecast.

The disposal of assets is managed by the Estates Development Team.

Community groups will be afforded the opportunity to bid for property, however it should be noted that the eligibility and justification for occupying an asset (freehold transfer or long leasehold) will be considered in accordance with the Community Asset Transfer policy. Ward members should be contacted prior to marketing of the site, such that local community groups can be notified where interest exists, or local intel considered.

Wherever possible, disposals should be advertised on the open market and on terms that will result in best consideration. Obligations included within sales contracts should reflect the council's policy objectives and pursue opportunities to enhance social outputs.

The Estates Development Team will seek to include restrictive covenants and overages in terms of sale, such to protect the council's interest and intended use at the point of sale.

Disposals can be undertaken to facilitate a range of activities, including residential and commercial development, low carbon or net zero development, provision of services normally undertaken by the council, tackling local social issues, environmental enhancements, reducing fuel poverty, support local economic base, facilitating inward investment, etc.

The need to seek best consideration however has to be measured against wider social needs. Decisions to declare assets surplus should be supported by a robust options appraisal, such that consideration can be given on balance and with an acknowledgement of the alternative means by which the Council can reduce its operational costs and liabilities.

The Estates Development Team will provide recommendations to the authority on the best alternative use of the asset or development potential. In circumstances where the disposal is considered specialist or requiring broader marketing, external agents can be accessed to facilitate the disposal.

Officers should seek to enhance the value of assets wherever possible, including the commissioning of surveys and securing planning consent wherever possible to reduce the development risk and uncertainty for prospective purchasers, thereby increasing the capital value.

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## GOVERNANCE & AUDIT COMMITTEE WORK PROGRAMME IN LINE WITH ITS TERMS OF REFERENCE

Review and scrutinise the authority's financial affairs and make reports and recommendations in relation to them

- Review the financial statements prepared by the authority
- To receive and approve the Council's Annual Statement of Accounts in accordance with the Accounts and Audit Regulations

Review and assess the risk management, internal control, performance assessment and corporate governance arrangements of the authority and make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements

- To consider the draft annual self-assessment performance and recommend changes as required ahead of it being considered by Council.
- To consider the report of the (independent) panel performance assessment is also to be made available to the Governance & Audit Committee. A panel performance assessment is to take place at least once during the period between two consecutive ordinary elections of councillors to the Council

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Review and assess the authority's ability to handle complaints effectively make reports and recommendations in relation to the authority's ability to handle complaints effectively

Oversee the authority's internal audit arrangements								
	29 June 23	27 July 23	20 Sept 23	19 Oct 23	04 Dec 23	11 Jan 24	22 Feb 24	08 Apr 24
Internal Audit Operational Plan 2023/24 Audit Manager – Jan Furtek	✓ Draft	✓ Final						
Internal Audit Annual Report 2022/23 Audit Manager – Jan Furtek	✓							
Internal Audit Revised Opinions	✓							

Audit Manager – Jan Furtek								
Internal Audit quarterly progress reports Audit Manager – Jan Furtek		✓		✓			✓	
CPR Exemptions upto 30 <sup>th</sup> September 2023 Audit Manager – Jan Furtek				✓				
Implementation of Internal Audit agreed recommendations Audit Manager – Jan Furtek								✓
Internal Audit Plan and Annual Report for Shared Resource Service (SRS) – Torfaen CBC IA Team	✓							
Counter Fraud, Corruption and Bribery Policy (6 monthly) Audit Manager – Jan Furtek – <b>commence May 2024</b>								

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Oversee the authority's external audit arrangements								
	29 June 23	27 July 23	20 Sept 23	19 Oct 23	04 Dec 23	11 Jan 24	22 Feb 24	08 Apr 24
Annual Audit Plan 22-23 Audit Wales Manager – Rachel Freitag		✓						✓
Annual Audit Plan 22-23 - Welsh Church Funds Audit Wales Manager – Rachel Freitag				✓				
Annual Grants report Audit Wales Manager – Rachel Freitag				✓				

ISA260 Response to Accounts Audit Wales Manager – Rachel Freitag / Head of Finance – Jonathan Davies							✓	
ISA 260 or equivalent for Trust Funds Audit Wales Manager – Rachel Freitag / Head of Finance – Jonathan Davies						✓		
Audit Wales Well-Being Objective Setting Review Audit Wales – Charlotte Owen			✓					
Audit Wales Performance Data Review – Audit Wales – Charlotte Owen							✓	
Audit Wales Digital Review Audit Wales – Charlotte Owen							✓	
Audit Wales Work Programme and timetable Quarter 1 update Audit Wales				✓				

2023/24

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# Public Document Pack Agenda Item 10

## MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held  
at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Monday, 4th  
December, 2023 at 2.00 pm

**PRESENT:** Andrew Blackmore (Chairman)  
County Councillor Tony Easson (Vice Chairman)

Lay Member: Rhodri Guest

County Councillors: Sara Burch, John Crook, Malcolm Lane,  
Phil Murphy, Peter Strong and Ann Webb

### **OFFICERS IN ATTENDANCE:**

Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Jan Furtek	Audit Manager
Wendy Barnard	Democratic Services Officer
Richard Jones	Performance and Data Insight Manager
Jonathan Davies	Head of Finance
Geraint Edwards	Solicitor
Hannah Carter	Performance Analyst
Matthew Gatehouse	Chief Officer People, Performance and Partnerships.

### **APOLOGIES:**

County Councillor David Jones, Lay Members Martin Veale and Colin Prosser

#### **1. Declarations of Interest.**

None.

#### **2. Public Open Forum.**

None.

#### **3. To note the Action List from the previous meeting.**

The action list from the previous meeting was noted.

<https://www.youtube.com/live/3GF7B7JGWhrw?si=1RQQPHbpeTnHyUxi&t=68>

1. Finance Team capacity: OPEN
2. People Strategy and Asset Management Strategy: OPEN
3. Whole Authority Complaints Report: OPEN
4. Strategic Risk Register: CLOSED
5. Freedom of Information, Data Protection and Data Subject Access Requests:
  - a) Policy Governance Arrangements FOI, DP and DSAR: OPEN
  - b) Corporate risk control policies: OPEN
6. Draft Operational Plan: CLOSED
7. Counter Fraud, Corruption and Bribery Policy: OPEN

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Governance and Audit Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Monday, 4th December, 2023 at 2.00 pm

8. Audit Wales Work Programme: Council Progress (in-year deficit and budget development): CLOSED

#### **4. 23/24 Q2 Treasury report.**

The Head of Finance presented the Treasury Report for Quarter 2. Committee Members were invited to comment and ask questions.

[https://www.youtube.com/live/3GFB7JGWhrw?si=E\\_lb1UygbK4OJef6&t=1561](https://www.youtube.com/live/3GFB7JGWhrw?si=E_lb1UygbK4OJef6&t=1561)

As recommended, the Governance & Audit committee reviewed the treasury management activities and the performance achieved in the second quarter of 2023/24 as part of their delegated responsibility to provide scrutiny of treasury policy, strategy and activity on behalf of Council. The Committee was content with the information provided.

*(County Councillor Ann Webb from 14.54)*

#### **5. Effectiveness of Strategic Risk Management Framework.**

The Performance and Data Insight Manager presented a report on the Effectiveness of Strategic Risk Management Framework. Following presentation of the report, Committee Members were invited to ask questions.

<https://www.youtube.com/live/3GFB7JGWhrw?si=joP9VITv3e-Xwz57&t=3725>

As per the report recommendations, Members:

- used the assessment to seek assurance about the effectiveness of the authority's risk management arrangements; and
- noted the possible further corporate risk control policies identified in 3.8 that the Committee could review and that a further update will be provided to the committee as part of the strategic risk management policy review in April 2024.

#### **6. The Ombudsmans's Annual Letter - 2022/23.**

The Chief Officer, People, Performance and Partnerships presented the Ombudsman's Annual Letter 2022/23. Following presentation of the Letter, Committee Members were invited to comment and ask questions.

<https://www.youtube.com/live/3GFB7JGWhrw?si=pYdALkauoayCMhXb&t=4821>

As detailed in the report recommendations:

- Governance and Audit Committee noted the content of the Public Sector Ombudsman for Wales (PSOW) annual letter (Appendix 1) and confirmed that there were no matters required to be advised to the Ombudsman.
- The authority continues to engage with the PSOW complaints standards work, access training for staff and provide the PSOW with complaints data. It was noted that the authority has also fully implemented the PSOW's model complaints policy.

#### **7. Regulation of Investigatory Powers Act 2000 (RIPA).**

## MONMOUTHSHIRE COUNTY COUNCIL

### **Minutes of the meeting of Governance and Audit Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Monday, 4th December, 2023 at 2.00 pm**

The Solicitor presented a report on the Regulation of Investigatory Powers Act 2000 (RIPA). Following this, Committee Members were invited to ask questions.

[https://www.youtube.com/live/3GFB7JGWhrw?si=DxPE8rSJO4\\_HKWEv&t=5318](https://www.youtube.com/live/3GFB7JGWhrw?si=DxPE8rSJO4_HKWEv&t=5318)

As per the report recommendations, the Committee received the report and noted its contents.

ACTION: Solicitor to provide the Committee with information:

- on the legislation regarding the sale of nitrous oxide, the potential penalties for retailers and information on such items banned from sale outside of today's meeting.
- on the legislation surrounding sale of vapes and vapes products and potential penalties
- The use of social media accounts to detect fraud e.g. benefits.

#### **8. Governance and Audit Committee Forward Work Plan.**

The Forward Work Plan was noted.

<https://www.youtube.com/live/3GFB7JGWhrw?si=Wk8wm-VWW-UIQcRo&t=5907>

#### **9. To approve the minutes of the previous meeting held on 19th October 2023.**

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

<https://www.youtube.com/live/3GFB7JGWhrw?si=S9y1qllir1nRg0QK&t=5924>

#### **10. Date of the Next Meeting: 11th January 2024.**

**Meeting ended at 3.38 pm**

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