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Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

Dydd Mercher, 16 Gorffennaf 2025

Hysbysiad a gyfarfod

Pwyllgor Llywodraethu ac Awdit

Dydd Iau, 24ain Gorffennaf, 2025 at 2.00 pm,
Neuadd Y Sir, Y Rhadyr, Brynbuga, NP15 1GA

***Please note that a 30 minute pre-meeting will take place at 1.30pm for
Committee Members and Audit Officers***

AGENDA

Item No	Item	Pages
1.	Ymddiheuriadau am absenoldeb	
2.	Datganiadau o Fuddiant	
3.	Fforwm Agored i'r Cyhoedd	
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6.	Diweddariad Perfformiad Rheoli Trysorlys Ch1 2025/26	47 - 70
7.	Datganiad Cyfrifon Drafft 2024/5 Cyngor Sir Fynwy	71 - 228
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9.	Adroddiad Hunanasesiad Drafft 2024/25	271 - 366
10.	Blaengynllun Gwaith y Pwyllgor Llywodraethu ac Archwilio	367 - 370
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12.	Dyddiad y Cyfarfod Nesaf: 11 Medi 2025	

Paul Matthews
Prif Weithredwr

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

Andrew Blackmore

Siwan Davies

Colin Prosser

Rhodri Guest

County Councillor Sara Burch

County Councillor John Crook

County Councillor Tony Easson

County Councillor David Jones

County Councillor Malcolm Lane

County Councillor Phil Murphy

County Councillor Peter Strong

County Councillor Ann Webb

Cantref;

*Magor East
with Undy;*

Dewstow;

Crucorney;

Mardy;

Caerwent;

Rogiet;

St Arvans;

*Labour and Co-Operative
Party*

Welsh Labour/Llafur Cymru

Independent Socialist

Independent Group

Welsh Conservative Party

Welsh Conservative Party

Welsh Labour/Llafur Cymru

Welsh Conservative Party

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Governance and Audit Committee Public Open Forum Guidance

Our Governance and Audit Committee meetings are live streamed and a link to the live stream will be available on the meeting page of the Monmouthshire County Council [website](#)

If you would like to share your thoughts on any matters being discussed by Governance and Audit Committee, you may attend the meeting in person (or join remotely via Microsoft Teams), or submit written representations (via Microsoft Word, maximum of 500 words).

The deadline for submitting representations to the Council is 5pm three clear working days in advance of the meeting. All representations received will be made available to the committee members prior to the meeting.

The amount of time afforded to each member of the public to speak is at the Committee Chair's discretion. We ask that contributions are no longer than 4 minutes.

If you would like to attend one of our meetings to speak under the Public Open Forum at the meeting, you will need to give three working days' notice by contacting GACRegistertoSpeak@monmouthshire.gov

If you would like to suggest future topics for consideration by Governance and Audit Committee, please do so by emailing GACRegistertoSpeak@monmouthshire.gov.uk

Aims and Values of Monmouthshire County Council

Our purpose

- to become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life.

Objectives we are working towards

- Fair place to live where the effects of inequality and poverty have been reduced;
- Green place to live and work with reduced carbon emissions and making a positive contribution to addressing the climate and nature emergency;
- Thriving and ambitious place, where there are vibrant town centres and where businesses can grow and develop
- Safe place to live where people have a home where they feel secure in;
- Connected place where people feel part of a community and are valued;
- Learning place where everybody has the opportunity to reach their potential

Our Values

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

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

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

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

Kindness: We will show kindness to all those we work with putting the importance of relationships and the connections we have with one another at the heart of all interactions.

Role of the Pre-meeting

1. Why is the Committee considering this agenda item? (relevance and materiality)
 2. What is the Committee's role and what outcome do Members want to achieve?
 3. Is there sufficient information to achieve this? If not, who could provide this?
 4. What are the confidential views of the auditors on relevant matters?
- Discuss members' views/ key concerns with the papers and agree priorities

Potential Questions/Considerations for the Meeting

Internal Audit (IA)

1. What is the IA functional model and is it fit for purpose?
2. Does IA have sufficient authority and influence across the Authority?
3. Is IA suitably resourced and empowered? Is the annual IA plan appropriate? On what do we make this judgement?
4. Do Chief Officers demonstrably accept and champion the role of IA? How do they do this?
5. Are IA findings acted upon energetically by Officers? How is this demonstrated? Do we effectively challenge and hold officers to account for implementing IA findings?
6. How can we be confident that the internal control environment remains appropriate?
7. Do we have confidence in overall IA effectiveness? On what do we base this?
8. Is the annual/ periodic IA opinion plausible?
9. Do we have sufficient visibility over the work, output and effectiveness of allied IA teams, e.g. TCBC?

External Audit (EA)

1. Is the EA team (financial and performance) credible?
2. Are we confident over the arrangements for developing the EA annual work plan/ timetable and is it aligned to our understanding of key risks?
3. Do Chief/ senior officers engage appropriately with EA? How is this demonstrated?
4. Is there a constructive relationship between IA, EA (and other inspectorates)? How is this evidenced?
5. Have relevant officers demonstrably considered the results/ conclusions of EA national and specific reports?
6. Do we have good visibility over emerging issues identified by EA?
7. In respect of ISA260 and equivalent EA financial reports, do officers clearly demonstrate understanding of issues raised and have a credible plan to resolve issues for next financial year?
8. Does EA have confidence in MCC's Officers and governance arrangements?

Governance

1. Is there a codified and cohesive description of MCC's overall governance arrangements? Is it fit for purpose?
2. Is there clarity over the governance of the various oversight and scrutiny arrangements for (and effectiveness of) material partnerships and collaborations?
3. Is there clarity over the apportionment of responsibilities and decision making authorities?
4. How are governance/ control breaches identified and reported?
5. Are we confident that the arrangements for material expenditure (tendering, contracting and capital procurement) are robust?
6. Do we have confidence in whistleblowing (and similar arrangements) for raising concerns?

Corporate Risks

1. Have key accountabilities for the identification, assessment, monitoring and management of risks been adequately defined and implemented?
2. Has the approach to risk management been designed and implemented effectively?
3. How can the Committee be confident that the Corporate Risk Register captures all significant risks facing the Authority?
4. Are the risk mitigation action plans credible and sufficient so as to achieve the desired outcomes?

Budgeting/ Financial Risk/ Reserves

1. Is there a clearly defined, governed and checkpointed process and timetable for developing the Authority's budget?
2. Is there an appropriate suite of financial risk related policies? Are they suitable?
3. Are the key financial/ operational assumptions understood, credible, documented and stress tested?
4. Does the Finance function have suitable capabilities and capacity to manage financial risk/ meet statutory requirements and obligations to the Council?
5. Do we have confidence that the budgetary process is likely to produce a plausible budget/ MTFP?
6. Are there suitable arrangements in place to manage and report on overall financial performance?

Financial Statements/ Misstatement Risk

1. Is there a shared understanding as to the purpose of the Committee in reviewing draft financial statements?
 - a. Are the Notes to the Accounts reasonable?
 - b. Are the narrative reports, including the Annual Governance Statement reasonable and accord with the committee's view?
2. Are we comfortable with EA's work and audit opinion?

Questions for the Committee to conclude...

Do we have the necessary information to form conclusions/make recommendations/ escalate matters to the executive, council, relevant scrutiny committee?

Do we need to follow up? If so, how?

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Governance and Audit Committee Action List
12th June 2025

Action	Subject/ Meeting	Officer	Outcome	Due date	Action Status	Recommended to close Action Yes/No
1	12 th June 2025	Acting Chief Internal Auditor/Clerk	Completion rate of mandatory training for all staff on Anti Fraud, Bribery and Corruption: Add this point to the Action List/Forward Work Programme in liaison with the Action Chief Internal Auditor to find a suitable time frame. Updated statistics were requested for a future meeting.	To be determined	OPEN	NO

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SUBJECT: MEDIUM TERM FINANCIAL PLAN UPDATE – JULY 2025

MEETING: GOVERNANCE & AUDIT COMMITTEE

DATE: 24th July 2025

DIVISION/WARDS AFFECTED: WHOLE AUTHORITY

1. PURPOSE:

- 1.1. To provide the latest six-monthly update of the Council's Medium Term Financial Plan (MTFP), reflecting updated assumptions, risks, and strategic context. The report outlines the projected budget gap for 2026/27 and the medium term, and outlines the context for developing a balanced budget.

RECOMMENDATIONS TO GOVERNANCE & AUDIT COMMITTEE

- i. That the Governance & Audit Committee consider the latest six-monthly update of the Council's Medium Term Financial Plan (MTFP), reflecting upon the reasonableness of the updated assumptions, risks, and strategic context.

2. RECOMMENDATIONS (to Cabinet):

- 2.1. Note the updated projected revenue budget shortfall of **£13.6 million** for 2026/27 and a cumulative shortfall of **£38.0 million** over the medium term.
- 2.2. Note the outline budget setting timetable as outlined in Appendix 1.
- 2.3. Note the progress against the Medium Term Financial Strategy (MTFS) delivery plan, as detailed in Section 14 of Appendix 1.

3. KEY ISSUES:

Background

- 3.1. The Council reviews its budgetary position annually and produces a rolling 4-year plan, known as the Medium Term Financial Plan (MTFP). This plan considers the financial context at both the local and national level together with forecast available resources and budgetary pressures in arriving at a forward financial projection.
- 3.2. This report presents the six-monthly update of the Council's MTFP and outlines the context and framework for the budget for the financial year 2026/27, together with a high-level indication of the financial outlook over the medium term.

- 3.3. The updated Medium Term Financial Plan (MTFP) projects a £13.6 million budget gap for 2026/27, rising to a cumulative £38.0 million by 2029/30. This reflects updated assumptions around pay inflation, non-pay inflation, superannuation rates, and service pressures.
- 3.4. The Council has operated in a challenging financial environment since 2010, delivering over £83 million in savings in that time, and absorbing more than £31 million in cost pressures in the last two years alone. Despite these pressures, the Council has maintained a strong track record of financial resilience and effective resource management.
- 3.5. The Council faced significant in-year pressures in 2024/25, particularly in Children's and Adult Social Care, Homelessness, and Additional Learning Needs. These were driven by the ongoing cost-of-living crisis, inflationary pressures, high interest rates, and workforce challenges. Early forecasts projected a deficit of up to £4 million. However, through targeted recovery actions and additional unbudgeted grant funding, the Council achieved a £1.239 million surplus before transfers to reserves. This outcome has helped to stabilise the Council's reserves and reduce future financial risk.

Forward Outlook and Planning Implications

- 3.6. The financial outlook for 2026/27 remains highly uncertain. National and local factors - including economic conditions, policy changes, demographic shifts, and new responsibilities - are expected to influence the Council's operating environment. The UK Government's Comprehensive Spending Review (CSR), published in June, and the anticipated Welsh Government spending review will provide further clarity on future funding levels.
- 3.7. In light of these developments, it is essential that the assumptions, modelling, and risk assessments underpinning the Medium Term Financial Plan (MTFP) are reviewed and updated. This review must reflect:
- The current economic climate and its implications for service demand and cost pressures
 - Revised assumptions aligned with the Council's strategic policy objectives
 - The need for a more agile and responsive financial planning framework.

External context

- 3.8. The Medium Term Financial Plan (MTFP) is shaped by the broader UK economic context and public spending decisions, particularly those made by the UK Government and passed through to the Welsh Government. Since the 2025/26 budget was set, the UK economy has experienced stagnant growth, with weak private sector activity and investment. Rising employment costs and global uncertainties have dampened business confidence, while consumer spending is expected to slow. Fiscal policy remains tight, limiting the potential for economic stimulus. Labour market conditions are softening, with employment growth slowing and wage pressures expected to ease, contributing to a more stable inflation outlook.
- 3.9. However, inflation risks remain elevated due to external pressures such as geopolitical tensions, rising energy and food prices, and new trade tariffs. The Consumer Price Index (CPI) remains above 3%, raising concerns about inflation expectations and wage demands. Elevated gilt yields reflect market concerns over fiscal credibility and global economic

uncertainty. These factors have significant implications for the Council's financial planning, requiring careful review and updating of budget assumptions for 2026/27 and beyond.

Funding context

- 3.10. The Council's revenue budget for 2025/26 is primarily funded through the Welsh Government settlement (60.5%), with the remainder (39.5%) coming from council tax. These two funding streams are central to the Council's medium-term financial planning. However, the broader funding context has been shaped by over a decade of public sector austerity, which has significantly constrained the resources available to Welsh Government and, in turn, local authorities. While recent years have seen positive settlements in cash terms, these have not kept pace with inflation or the increasing demands placed on councils, resulting in real-terms reductions in funding.
- 3.11. Monmouthshire has experienced a variable funding pattern, receiving below-average settlements in 12 of the past 15 years. This reflects a combination of factors, including its demographic characteristics, dispersed population, and comparatively strong ability to generate income through local taxation. Even during periods of national funding growth, Monmouthshire's allocations have tended to be more modest.
- 3.12. While more recent settlements have begun to recognise the vital contribution of councils - particularly during the pandemic and cost-of-living challenges – the ongoing wider economic and political environment has meant that the increasing demands and responsibilities placed on Councils have not always been fully recognised with additional funding.
- 3.13. The Final Local Government Settlement for 2025/26 introduced a funding floor of 3.8%, ensuring that every local authority in Wales received at least a 3.8% increase in core revenue funding compared to the previous year. This approach helped create a fairer distribution of resources and provided additional support to councils like Monmouthshire, which would have otherwise received a lower increase under the standard funding formula. Looking ahead, the 2026/27 settlement is expected to follow a similar pattern. It will be essential for local government to clearly communicate its evolving role and the growing demand pressures to Welsh Government throughout the budget process.

Reserves and School balances

- 3.14. The Council's usable revenue reserves have been significantly drawn down over recent years, particularly during 2022/23 and 2023/24, to support budget proposals and recovery measures. This followed a temporary replenishment during the COVID-19 pandemic through substantial Welsh Government support.
- 3.15. 2024/25 saw a modest improvement in general reserves, however this was offset by a £3.187 million increase in the schools reserve deficit, bringing the cumulative schools position to a £4.1 million deficit. Despite additional investment in school budgets for 2025/26, further reserve use is forecast, weakening the Council's financial resilience.
- 3.16. Monmouthshire's Council Fund remains at 5% of the net revenue budget, a level considered prudent for managing short-term risks. However, the Council has the lowest reserve cover in Wales, which heightens its exposure to financial risk. Many reserves are earmarked for

specific services or timing adjustments, leaving limited flexibility for strategic use. This has prompted a renewed focus on strengthening budget management and in-year financial discipline, alongside a revised reserves policy aimed at protecting and rebuilding reserve levels over the medium term.

- 3.17. Schools receive funding through the Individual Schools Budget (ISB), which totals £60.45 million in 2025/26 - around 27% of the Council's net budget. While schools are responsible for managing their own budgets, the Council retains oversight of their financial performance. Reserve balances vary widely across schools, with some maintaining healthy surpluses and others facing significant deficits. The final position for 2024/25 showed a £3.187 million increase in the overall schools deficit, with 15 of 35 schools now operating in deficit. This was lower than forecast due to late grant funding and cost-saving measures.
- 3.18. The financial challenges facing schools are compounded by the legacy of the pandemic, inflationary pressures, and rising pay costs. Schools are also expected to contribute to wider Council savings and deliver on Welsh Government reforms, including the Curriculum for Wales and the Additional Learning Needs and Education Tribunal Act. These pressures have not always been fully funded, and future investment in education will need to be carefully balanced against the Council's overall financial position. A strategic, evidence-based approach will be essential to ensure sustainability and equity across the school system.

UK Government Spending review and WG budget announcement

- 3.19. The UK Government's June 2025 Spending Review has provided a clearer medium-term funding framework for the Welsh Government, with day-to-day spending allocations confirmed through to 2028–29 and capital grants through to 2029–30. While this offers greater certainty, the funding profile is frontloaded, with more generous allocations in 2026/27 followed by tighter budgets in subsequent years. Day-to-day spending is projected to grow by 1.4% annually in real terms, but capital funding is expected to decline after 2026/27. Most of the additional funding is linked to NHS and school spending in England, implying limited growth for other public services in Wales. This creates a more challenging fiscal environment for future Welsh budgets, particularly post-election.
- 3.20. Although the settlement is described as the largest in real terms since devolution, its historical context reveals a more cautious trajectory for public service funding. The scope for new spending commitments in Wales is likely to be constrained unless additional revenue is raised through devolved taxation.
- 3.21. The Welsh Government announced on the 1 July 2025 that it will publish a one-year budget in October 2025, which will increase departmental budgets in line with inflation. This budget will include a pool of unallocated funding, reserved for the next Welsh Government following the 2026 Senedd election.
- 3.22. The outline Draft Budget, detailing high-level allocations for each department, will be published on 14 October, followed by a more detailed Draft Budget on 3 November. The Final Budget will be released on 20 January 2026, with a debate and vote scheduled for 27 January.

- 3.23. For Monmouthshire, the Spending Review reinforces the prudence of current MTFP assumptions, which anticipate modest growth in grant funding. When adjusted for inflation, these assumptions reflect real-terms reductions in funding. The anticipated Welsh Government Spending Review is expected to provide further clarity for future financial planning.

Budget assumptions and updated budget modelling

- 3.24. The Council's medium term budget model is reviewed and updated on a six-monthly basis, incorporating the latest data and assumptions to reflect changing financial conditions. This process is informed and supported by external data from the Office for Budget Responsibility (OBR), the Wales Fiscal Analysis unit, and the Welsh Local Government Association (WLGA). These sources help validate and challenge the assumptions used, ensuring the model remains robust and evidence-based.
- 3.25. The latest modelling for 2026/27, incorporating revised assumptions and emerging pressures, indicates a projected budget deficit of £13.6 million. While this represents an early view of the financial landscape, it highlights the ongoing challenges facing local government. The budget process remains dynamic, and figures will continue to be refined, but the scale of the projected gap underlines the need for continued financial discipline and strategic planning.
- 3.26. The medium-term financial outlook remains highly uncertain. While current budget assumptions are based on inflation stabilising and public spending aligning with independent forecasts, there are significant downside risks that could worsen the projected budget shortfalls. The forthcoming Welsh Government Comprehensive Spending Review is expected to provide greater clarity on future funding, enabling more informed planning. However, the latest modelling highlights substantial budget gaps over the coming years, with cumulative shortfalls rising from £13.6 million in 2026/27 to £38 million by 2029/30.

Bridging the gap between expenditure and available resources

- 3.27. As the Council prepares its 2026/27 budget, it must carefully evaluate the scope for further savings through service efficiencies or reductions, while also exploring opportunities to generate additional income or secure external funding. Having delivered significant efficiencies since 2010, many services are now operating at the minimum level required to meet statutory duties. In this context, a strategic and evidence-led approach is essential to ensure that resident needs continue to be met within a financially sustainable framework.
- 3.28. Persistent cost pressures, underfunded responsibilities, and funding settlements that have not kept pace with inflation have increased reliance on reserves and one-off capital receipts to balance the budget. With reserves now at comparatively low levels and limited scope for further efficiencies, the Council faces a significant financial challenge. Addressing this will require a forward-looking response focused on long-term reform, financial resilience, and service transformation - particularly within the three highest-spending areas: Social Care & Health, Learning, Skills & Economy, and Infrastructure & Place.
- 3.29. The Council's programme of change provides a strategic framework for reshaping services to meet resident needs within available resources. This is not just a response to financial

pressures but a proactive effort to modernise and improve outcomes. Progress is being made, but greater coordination and discipline are needed to align and report on the various strands of work. Establishing strong foundations will enable better assessment of progress and allow the Council to adapt its approach as needed.

3.30. Key areas of change include digital collaboration, preventative wellbeing strategies, data-driven decision-making, leadership alignment, community-centric service design, workforce development, and asset optimisation. A more centralised approach to assessing the value and alignment of grant funding is also being developed. Robust governance, risk management, and organisational capability will underpin the successful delivery of this programme. This integrated approach is essential to bridging the gap between expenditure and resources while maintaining the Council's commitment to high-quality, resident-focused services.

3.31. The proposed milestone dates for the next steps in the process are outlined below:

Review of latest of budget modelling using updated assumptions & data	September 2025
Budget workshops – SLT/Cabinet/Officers	October 2025
High level pressure & saving mandates produced for Cabinet scrutiny	October 2025
MTFP update report - Cabinet	November 2025
Final pressure & saving mandates to be produced	December 2025
Budget assumptions, pressures and savings to undergo further Cabinet scrutiny	December 2025
Consideration of Welsh Government Provisional settlement	December 2025
Set Council tax base - ICMD	December 2025
Consideration of draft revenue & capital budget proposals - Cabinet	January 2026
Scrutiny of Proposals - Select Committees	January & February 2026
Public Consultation for 2026/27 budget	January & February 2026
Consideration of scrutiny, consultation, final pressures, savings & assumptions	February 2026
Consideration of Welsh Government Final settlement	February 2026
Final budget proposals - Cabinet	March 2026
Formal Council Tax Resolution & Budget Proposals - Council	March 2026

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

4.1. This is a contextual report and therefore carries no direct impacts.

5. OPTIONS APPRAISAL

- 5.1. This report provides an update on the Council's financial planning and provides an early overview of the process for the 2026/27 budget setting process. When budget proposals are developed and brought forward for consultation an option appraisal will be completed for each substantive saving and pressure.
- 5.2. The Council's programme of change is not solely driven by financial constraints, but by a commitment to shaping services that meet the needs of communities and align with the aims set out in the Community and Corporate Plan. It also recognises the importance of designing services for long-term sustainability – that will require a careful balance of choices and priorities.

6. EVALUATION CRITERIA

- 6.1. Whilst the nature of this report does not require any evaluation, the annual budget process is reviewed on an ongoing basis and based on feedback received from the public, members and officers. Cabinet and the Strategic Leadership Team review the process and feedback and recommendations for improvement.
- 6.2. The six-monthly MTFP update is part of the evaluation criteria set as part of the MTFS and which includes the reporting of update against the delivery plan as contained in appendix 1.

7. REASONS:

- 7.1. To provide the latest six-monthly update of the Council's Medium Term Financial Plan (MTFP), reflecting updated assumptions, risks, and strategic context. The report outlines the projected budget gap for 2026/27 and the medium term, and outlines the context for developing a balanced budget.

8. RESOURCE IMPLICATIONS:

- 8.1. There are no resource implications arising directly from this report.

9. CONSULTEES:

Strategic Leadership Team
All Cabinet Members
Performance & Overview Committee

10. BACKGROUND PAPERS:

Appendix 1 – Medium Term Financial Plan update – July 2025

11. AUTHORS:

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12. CONTACT DETAILS:

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Medium term financial plan update – July 2025

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Section 9	Budgetary risk
Section 10	Medium term outlook
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Section 12	Capital programme
Section 13	Budget Process and Timetable
Section 14	Progress against the MTFS Delivery plan

- 1.1. The Council's Medium term financial strategy (MTFS) and plan (MFTP) are the link between its long-term policy objectives and its financial capacity. It seeks to ensure that the Council's strategic objectives can be achieved within the confines of the financial resources available.
- 1.2. The MTFS, as approved, committed to a six-monthly update of the MFTP, including an update of progress against the performance framework and delivery plan embedded within the MTFS. The first of these updates was received by Cabinet in October 2024 and was subsequently updated as part of the final budget that was endorsed by Cabinet and approved by full Council in March 2025.

Event	Date	Details
MTFS Approval	July 2024	MTFS approved with commitment to six-monthly MFTP updates
First MFTP Update	October 2024	Received by Cabinet on 16th October
Final 2025/26 Budget Approval	March 2025	Final budget endorsed by Cabinet and approved by full Council that included an updated MFTP forecast
Second MFTP Update	July 2025	This document

2. Strategic Financial Context and Outlook

2.1. Overview

- 2.2. The Council's financial planning has been shaped by a consistent and disciplined approach in response to a prolonged period of fiscal constraint. Since the 2009 financial crisis, the Council - like many across Wales and the UK- has operated within a challenging financial environment. Over the period from 2010/11 to date, the Council has delivered over **£83 million** in budget savings. In the last two financial years alone, it has absorbed more than **£31 million** in cost pressures.

2.3. Financial Performance and Resilience

- 2.4. Despite these pressures, the Council has maintained a strong track record in delivering value for money and managing public resources effectively. It has successfully navigated the impacts of austerity, economic recession, and the COVID-19 pandemic.

- 2.5. The 2024/25 financial year has seen the continuation of financial headwinds which are impacting upon the Council's service operating environment.
- 2.6. The ongoing cost of living crisis and broader socio-economic challenges are increasing demand for Council services, especially in Children's and Adult Social Care, Homelessness, and Additional Learning Needs. Pressures from the wider public sector, particularly Health, are adding complexity to social care needs. Despite falling headline inflation, some services still face rising costs and supply chain issues. High interest rates, expected to persist longer than initially forecast, add financial strain. Additionally, staff shortages continue to affect some Council departments.
- 2.7. The first two financial updates received by Cabinet in October and December 2024 indicated significant pressure on the Councils budget of between £3m and £4m. Cabinet subsequently endorsed mitigating action to develop a structured approach to tackling the forecast deficit through a range of budget recovery measures.
- 2.8. At outturn, the Council successfully mitigated the overall cost pressures through these ongoing targeted actions, and through additional unbudgeted grants and contributions. This has culminated in a gross expenditure budget surplus of £1.239 million prior to transfers to reserves, representing a 0.6% variance against the approved budget.
- 2.9. The final budget position has helped to stabilise the Council's reserves, providing a stronger financial foundation and helping to reduce future financial risks.
- 2.10. **Forward Outlook**
- 2.11. Looking ahead to 2026/27, the financial outlook remains uncertain. Significant changes at both national and local levels are expected to influence the Council's operating environment, including economic conditions, policy shifts, additional responsibilities, and changes in demographic trends.
- 2.12. The UK Government Comprehensive Spending Review (CSR) published in June, and the anticipated Welsh Government CSR will help provide further clarity on the medium term outlook for local government funding.
- 2.13. **Implications for Financial Planning**

2.14. In light of these developments, it is essential that the assumptions, modelling, and risk assessments underpinning the Medium Term Financial Plan (MTFP) are reviewed and updated. This review must reflect:

- The current economic climate and its implications for service demand and cost pressures.
- Revised assumptions aligned with the Council's strategic policy objectives.
- The need for a more agile and responsive financial planning framework.

2.15. **Strategic Response**

2.16. While the Council's budget process has consistently maintained a medium-term focus, the current funding context, increasing service demands, and the cumulative impact of previous efficiency savings present a highly complex environment for setting the 2026/27 budget. The Council's response must therefore be:

- **Strategic and evidence-led**, ensuring decisions are informed by robust data and analysis.
- **Targeted**, focusing on areas of greatest need and opportunity.
- **Reform-oriented**, supporting long-term sustainability through the wider programme of change.

3. **External context**

- 3.1. The MTFP is set within the context of the UK economic position and public expenditure plans, with the decisions made by the UK Government and the subsequent funding levels it passes onto Welsh Government having a direct impact upon the expenditure plans of the Council.
- 3.2. Since the 2025/26 budget was set, the UK economy has experienced broadly flat GDP growth, with limited momentum in private sector activity and business investment. This stagnation is largely attributed to rising employment costs and ongoing global uncertainties, which are dampening business confidence. Consumer spending is also expected to soften, and with fiscal policy acting as a constraint on both business and consumer sentiment, any meaningful boost to economic growth is likely to depend heavily on increased government spending.
- 3.3. Labour market conditions are showing signs of easing, with employment levels retreating from recent highs and employment growth projected to remain weak in the near term. Although private sector wage growth and services inflation remain elevated, the Monetary Policy

Committee (MPC) anticipates a gradual decline in wage pressures, forecasting wage growth to slow to around 3.7% by the end of 2025. This softening labour market is expected to exert downward pressure on both wage growth and services inflation, contributing to a more stable inflation outlook over time.

- 3.4. However, near-term inflation risks have increased due to several external factors. Rising oil and gas prices, influenced by geopolitical tensions such as the Israel-Iran conflict, along with new US tariffs and increasing food prices, are pushing consumer prices higher. With the Consumer Price Index (CPI) already above 3% due to regulated price increases, there is growing concern among policymakers about the impact on household inflation expectations and wage demands. Additionally, gilt yields have remained elevated, driven by concerns over fiscal credibility in the UK and US, uncertainty surrounding US monetary and trade policy, and inflationary pressures from higher energy prices.
- 3.5. The context outlined above has significant implications for the Council's medium term financial planning. These implications are summarised below and are central to the update of the budget assumptions for 2026/27 and over the medium term.

Factor	Planning Implications
Inflation	Increased costs across supplies and services, contractual arrangements calculated via CPI/RPI, impact on pay awards.
Supply chains	Disruption to availability of materials, parts and supplies leading to increased costs for alternative/expedited solutions.
Labour market	Shortage of staff and external professional expertise leading to increased costs for commissioned services and agency staff, real living wage implications.
Energy prices	Impact on energy costs across Schools, Leisure centres, Offices, and Street Lighting, fuel costs for Council vehicles and for contracted transport providers.
Interest Rates	Implications on the cost of borrowing and the affordability of the capital programme.
Economic & political landscape	The future level of funding for public services is influenced by both economic and political factors. Global events - such as trade tariffs, conflicts, or political unrest can shift the UK Government's financial priorities. In addition, domestic policy

decisions, like prioritising spending on healthcare, can also affect how much funding is available for other public services.

4. Funding context

4.1. 60.5% of the funding of the Council's revenue budget for 2025/26 came from the Welsh Government settlement, with the remaining 39.5% through council tax income. The assumptions for these funding elements are fundamental in developing robust medium term financial plans.

4.2. Welsh Government settlement

4.3. The public sector austerity measures that were enacted from 2010 onwards have impacted on the resources available to Welsh Government and consequently local government over a sustained period.

4.4. Recent funding settlements in cash terms are outlined below. When taking into account inflation over the period, there has been a significant real terms reduction in funding capability for local government.

Financial Year	Monmouthshire Settlement (Cash terms)	All Wales Settlement (Cash terms)
2011/12	-1.7%	-1.4%
2012/13	-1.8%	0.2%
2013/14	6.5%	6.6%
2014/15	-4.4%	-3.4%
2015/16	-4.3%	-3.4%
2016/17	-3.0%	-1.3%
2017/18	0.0%	0.2%
2018/19	-0.5%	0.2%
2019/20	-0.3%	0.2%
2020/21	3.0%	4.3%

2021/22	3.9%	3.8%
2022/23	11.2%	9.4%
2023/24	9.3%	7.9%
2024/25	2.6%	3.3%
2025/26	3.8%	4.5%

- 4.5. Over this period, local government in Wales has received negative settlements from Welsh Government in four of the fourteen financial years. In comparison, Monmouthshire has received negative settlements in seven of those years.
- 4.6. Whilst the most recent financial years have seen positive settlements for Monmouthshire, critically this has reflected the key role local councils have had in supporting communities through the pandemic period, and in continuing to help address both its legacy impact and the resultant cost-of-living crisis.
- 4.7. As a consequence, when taking into account the additional demand and responsibilities placed upon the Council, these settlements have been below inflation, and therefore reflect real term reductions in funding.
- 4.8. Monmouthshire has received below average settlements in twelve of the fifteen years noted above. The reasons for this are complex and involve consideration of the Council's relative spending requirement when taking into account factors such as population numbers, demographics, sparsity and dispersion, and critically the Council's relative ability to raise income through local taxation.
- 4.9. It is important to note that in years where average Welsh Government settlement is lower than notional (all-Wales) Council tax increases, Monmouthshire tends to receive a below average settlement. It is currently anticipated that 2026/27 will see a recurrence of this, as was experienced in 2025/26.
- 4.10. **Implications of the UK Government Spending review**
- 4.11. The UK Government's recent Spending Review, announced by Chancellor Rachel Reeves on 11 June, has set out a clearer medium-term funding framework for the Welsh Government.
- 4.12. The Wales Fiscal Analysis unit published their analysis in June 2025 on the implications of the spending review on the Welsh Government budget. In summary it concluded the following important points:

- 4.13. *The return to a multi-year spending review offers greater certainty, with block grants for day-to-day spending confirmed through to 2028–29 and capital grants through to 2029–30. This clarity is particularly significant as it will shape the fiscal context for the upcoming Senedd election and inform the development and scrutiny of party manifesto commitments.*
- 4.14. *The Welsh Government’s day-to-day spending is projected to grow by around 1.4% per year in real terms, factoring in devolved tax revenues. However, capital spending is expected to decline after a brief increase in 2026/27, with the capital block grant falling by 3.6% between 2025–26 and 2029–30. Much of the additional funding stems from increased NHS and school spending in England, which accounts for approximately 91% of the new funding for Wales in 2028–29. While this allows for some growth in NHS funding in Wales, it implies tight or flat budgets for other public services.*
- 4.15. *The funding profile is also frontloaded, with more generous allocations in 2026–27 followed by leaner years. This benefits the current Cabinet Secretary for Finance, who may avoid cuts in the pre-election budget. However, the post-election Cabinet Secretary could face real-term reductions in non-NHS spending of around 1.4% annually in 2027–28 and 2028–29, presenting a more difficult fiscal landscape in the latter part of the review period.*
- 4.16. *Although the Spending Review describes the settlement as the largest in real terms since devolution, this is less impressive when viewed in historical context. The average annual growth in day-to-day spending over the current UK Parliament is 1.6%, down from 2.6% in the previous term. This indicates that, despite Labour’s increased departmental spending relative to its manifesto, the overall trajectory for public service funding remains cautious and constrained.*
- 4.17. *Looking ahead, the scope for significant new spending commitments in Welsh party manifestos appears limited unless parties are willing to consider raising additional revenue through the Welsh Rates of Income Tax. The fiscal rules and political promises of no major tax increases at the UK level further constrain flexibility. As such, Welsh political leaders will need to make tough choices about spending priorities and prepare for the possibility that future budgets may need to adapt to changing economic conditions or unforeseen pressures”.¹*
- 4.18. *The Welsh Government announced on the 1 July 2025 that it will publish a one-year budget in October 2025, which will increase departmental budgets in line with inflation. This budget will include a pool of unallocated funding, reserved for the next Welsh Government following the 2026 Senedd election.*

¹ [Spending Review 2025 – the implications for Wales - Thinking Wales - Meddwl Cymru - Cardiff University](#)

- 4.19. The approach is described as responsible and forward-looking, aiming to balance certainty for public services during an election year with flexibility for the next administration. The outline Draft Budget, detailing high-level allocations for each Cabinet Secretary, will be published on 14 October, followed by a more detailed Draft Budget on 3 November. The Final Budget will be released on 20 January 2026, with a debate and vote scheduled for 27 January.
- 4.20. The above context suggests that the current modelling assumptions within the Council's Medium Term Financial Plan (MTFP) shown below - which anticipates modest growth in grant funding over the medium term, remains a prudent basis for financial planning and should continue to inform projected budget gaps.

	2026/27	2027/28	2028/29	2029/30	<i>Sensitivity to 1% change £000's</i>
WG Grant funding change assumption	1.30%	0.90%	1.10%	1.10%	1,352

- 4.21. When taking into anticipated levels of inflation over the same period, this would reflect real terms reductions in funding levels for the Council.
- 4.22. Welsh Government are expected to publicise their own Comprehensive Spending Review in the coming months, but at the time of writing no formal publication date has been set. It is expected that this will provide further clarity on future year financial settlements for Councils which will further aid medium term financial planning.
- 4.23. **Council Tax**
- 4.24. The updated Council Tax planning assumption is currently modelled at a 3.95% increase for each year of the MTFP.
- 4.25. Council tax income accounts for nearly 40% of the Council's overall income, which proportionately is the highest in Wales. The level of Council tax income will consequently always be an important consideration for the Council in being able to support local services.

Financial Year	Band D Council Tax £*	Band D Council Tax (All Wales average) £*	Increase over Previous Year	All Wales average increase
2015/16	1094.98	1087.91	4.95%	4.36%
2016/17	1138.23	1127.40	3.95%	3.63%
2017/18	1183.19	1161.65	3.95%	3.04%
2018/19	1241.76	1219.07	4.95%	4.94%
2019/20	1315.64	1294.22	5.95%	6.16%
2020/21	1380.76	1354.02	4.95%	4.62%
2021/22	1434.47	1402.51	3.89%	3.58%
2022/23	1476.79	1433.42	2.95%	2.20%
2023/24	1564.66	1512.48	5.95%	5.52%
2024/25	1686.70	1630.83	7.80%	7.82%
2025/26	1,818.26	1746.58	7.80%	7.10%
* Council only charge - excludes the Police and Crime Commissioner for South Wales, and Community Council Precepts				

- 4.26. Consideration of any increase in 2026/27 will need to be given to local context, such as the affordability for communities, balanced against the ongoing need to meet increasing demand and cost pressures of essential services.
- 4.27. The modelling assumption used for 2026/27 at the current planning stage is reflective of the current budget gap driven by the pressures being seen on Council services, balanced alongside the expected funding from other income streams for the Council, including Welsh Government settlement.
- 4.28. Cabinet have not yet made any consideration of the level at which Council Tax will be set for 2026/27, and the rate of increase used is for illustrative purposes only at this stage.
- 4.29. **Fees & Charges for services**

- 4.30. Fees and charges make a significant contribution to the Council's budget, with £24.8m budgeted to be received in 2025/26. Any significant changes to fees and charges are presented for consideration as part of the Council's draft budget proposals and are ultimately approved by Council at final budget setting stage.
- 4.31. The annual planning assumption is that Fees and charges will normally increase at a minimum of the prevailing inflation rate.

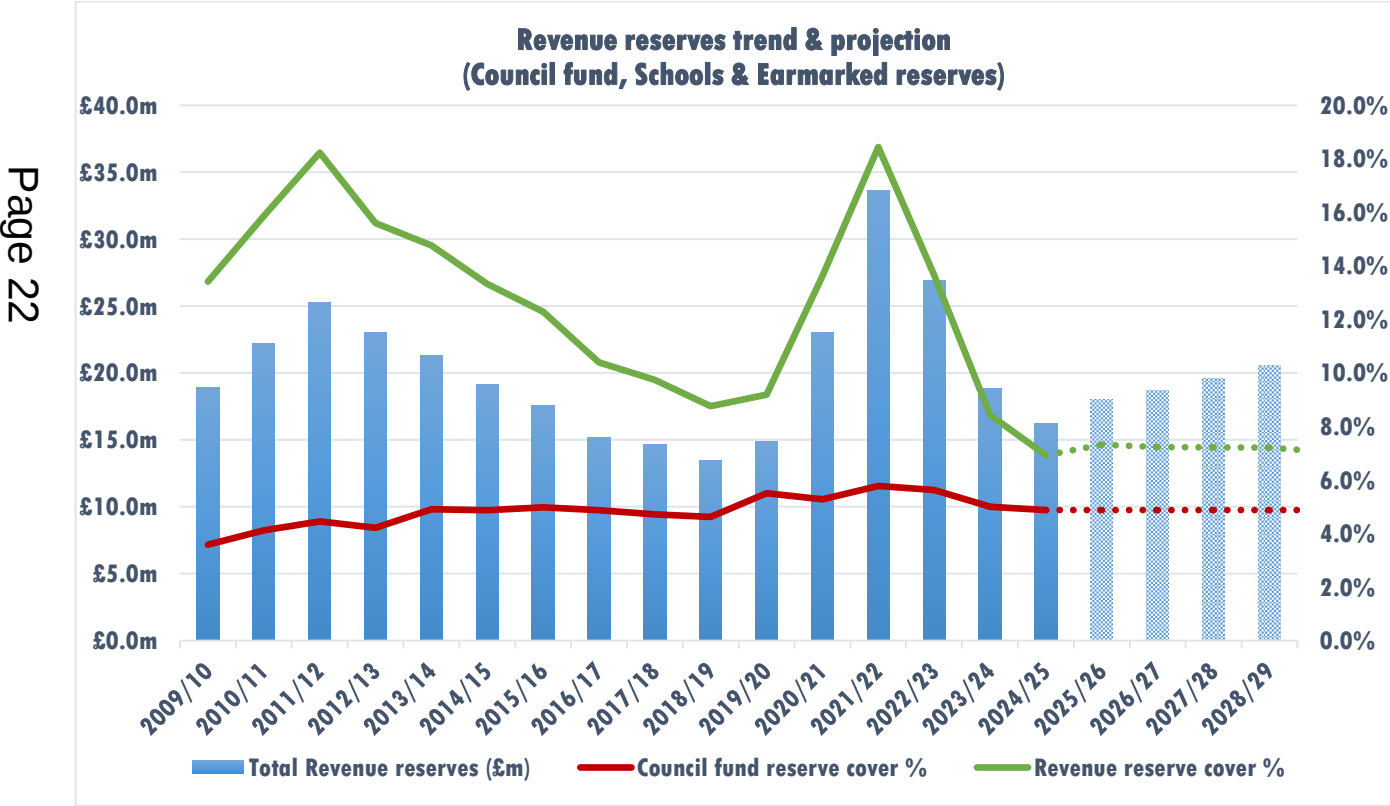
5. Current year budget

- 5.1. The context outlined above continues to impact on the Council's finances in the current financial year.
- 5.2. The first full financial update for 2025/26 will not be considered until September, however early indications are of developing cost pressures and income shortfalls against the approved budget. These are currently in excess of the £850,000 contingency budget that is held.
- 5.3. The Council will need to draw on its successful experience from 2024/25 to bring forward prompt mitigating action by services in order to deliver at least a balanced outturn position by year end.
- 5.4. Notably, the 2025/26 budget continues to be supported by £3.7 million of capital receipts under the Welsh Government's directive on the flexible use of capital receipts. Originally introduced in 2019/20 as a short-term measure to facilitate investment in service transformation and reduce medium-term service costs, this approach was not intended to be a long-term funding strategy. However, the sustained need for service reform over the past five years has necessitated the continued use of this flexibility to support the delivery of cost-reduction initiatives.
- 5.5. The inherent pressures noted above will need to be assessed for their impact upon the 2026/27 budget and over the medium term unless suitably mitigated through service changes, additional funding or alternative recurrent service savings.

6. Reserves

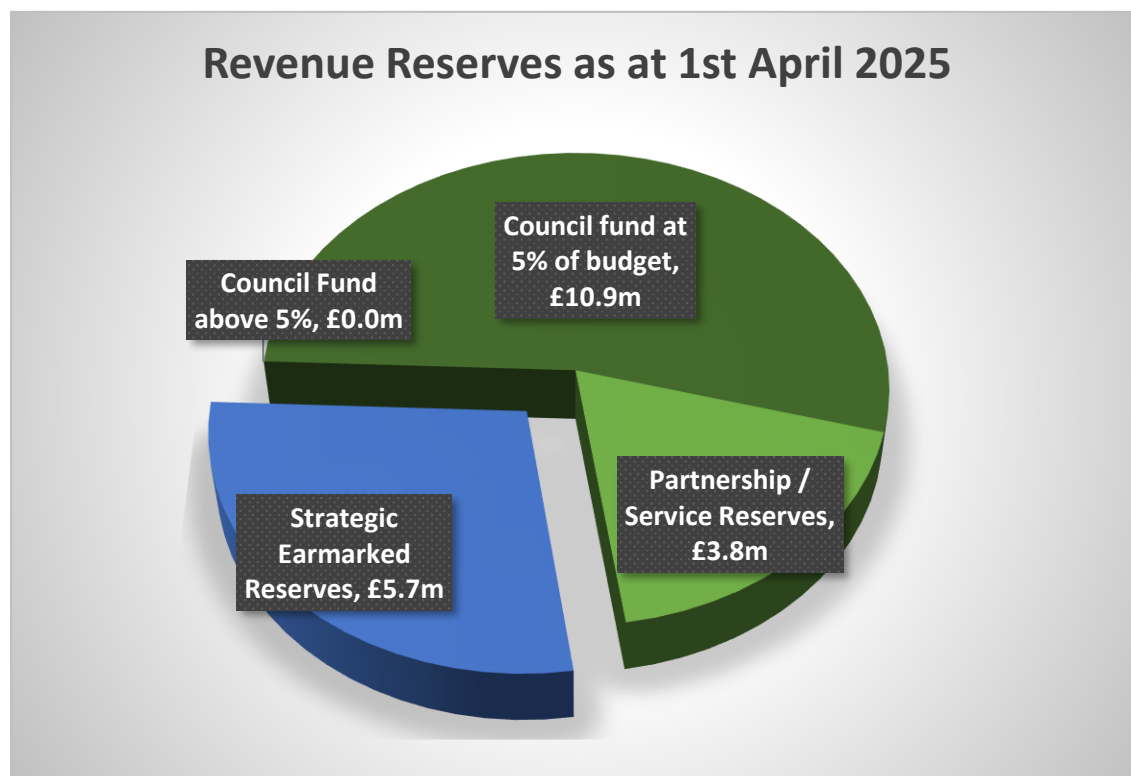
- 6.1. The Council's usable revenue reserves have been significantly depleted due to the need to support both the budget proposals and subsequent recovery measures during the 2022/23 and 2023/24 financial years. This follows a period during the COVID-19 pandemic when reserves were partially restored through substantial Welsh Government funding.

- 6.2. The decisions to utilise reserves were made with careful consideration. Without this intervention, the Council would have faced severe and immediate impacts on service delivery. A balanced approach was necessary in light of the inflationary pressures and increased demand arising from the cost-of-living and public health crises.
- 6.3. Although the 2024/25 financial year saw a modest replenishment of the Council Fund and earmarked reserves, this was outweighed by a £3.187 million increase in the schools reserve deficit, bringing the cumulative schools reserve position to a £4.1 million deficit. Despite additional investment in schools' base budgets for 2025/26, a further draw on reserves is currently forecast. This trend weakens the Council's balance sheet, undermines financial resilience, and heightens risk exposure by reducing available resources.
- 6.4. The current and projected levels of the Council's usable revenue reserves are detailed below:



- 6.5. The Council Fund remains at 5% of the net revenue budget, a level deemed prudent and sufficient to manage short-term financial risks.

- 6.6. Over the medium term, overall reserve levels are expected to remain relatively stable. However, it is important to note that Monmouthshire currently has the lowest reserve cover as a percentage of net revenue budget in Wales². This necessitates a revised reserves policy that prioritises the protection of revenue reserves to safeguard against both anticipated and unforeseen risks. Strengthened budget management and in-year financial discipline will be essential to promptly identify overspends and implement mitigating actions or savings.
- 6.7. This challenge is further exacerbated by the fact that many reserves are earmarked for specific services, partnerships, or timing adjustments, leaving a limited proportion available for strategic use, as outlined below:



preservation of an appropriate and prudent level of reserves.

6.8. The 2025/26 budget planning framework emphasised the need to place the Council on a path toward long-term financial sustainability, including the

² [Audit Wales report on financial sustainability of local government, December 2024 – Table 3](#)

- 6.9. The framework established clear principles for the use of general and earmarked reserves, including a commitment to avoid reliance on revenue reserves to balance the budget.
- 6.10. The reserves policy will continue to evolve to ensure that revenue reserves are both protected and replenished over the medium term, thereby maintaining the Council's capacity to respond to future financial risks.

7. Schools' budgets and reserve balances

- 7.1. The Council allocates funding to schools through an annual delegated budget, known as the Individual Schools Budget (ISB), for which each school's governing body holds direct responsibility. However, the Council retains a key oversight role in monitoring the overall financial performance of schools.
- 7.2. For the 2025/26 financial year, the total ISB delegated to schools amounts to **£60.45 million**, representing approximately **27%** of the Council's net budget.
- 7.3. The majority of school funding is provided by the Council, which receives resources for pre-16 education through the Welsh Government's local government revenue settlement and local taxation. Post-16 education funding is allocated via specific Welsh Government grants. Schools may also generate supplementary income through voluntary contributions, donations, and the rental of premises to community groups.
- 7.4. Schools begin each financial year with reserve balances that reflect cumulative surpluses or deficits from previous years.
- 7.5. The trend in net school reserve balances over the past ten years is as follows:

Year	Net level of School Balances (Surplus) / Deficit in £000's
2015/16	(1,156)
2016/17	(269)
2017/18	(175)
2018/19	232

2019/20	435
2020/21	(3,418)
2021/22	(6,956)
2022/23	(4,257)
2023/24	905
2024/25	4,092

- 7.6. The final financial position for 2024/25 showed a significant use of reserves, leading to an overall increase of £3.187 million in the total schools' deficit. As a result, 15 out of 35 schools are now operating in deficit. Earlier forecasts had predicted the deficit could reach £5.0 million, but this was reduced due to cost-saving measures and additional grant funding received later in the year.
- 7.7. There is considerable variation in financial performance across schools. While some continue to deplete their reserves, raising concerns, others maintain relatively healthy surpluses.
- 7.8. Pandemic-related grants temporarily boosted school balances, masking underlying structural deficits in some schools.
- 7.9. Over the past decade, ISB funding has generally increased at a rate exceeding the Council's own settlement from the Welsh Government. However, during and immediately following the pandemic, this trend reversed, coinciding with a period of substantial grant funding to schools.
- 7.10. The legacy of the pandemic continues to affect schools, particularly in areas such as attendance, behaviour, wellbeing, and additional learning needs. Addressing these challenges has required increased staffing and specialist support, driving up costs.
- 7.11. The post-pandemic period has also seen sustained inflation and higher pay awards for teaching and non-teaching staff - costs that have not always been fully funded.
- 7.12. Schools have also been expected to contribute to addressing the Council's broader budgetary pressures during successive challenging financial years.

- 7.13. Concurrently, schools are required to implement the Welsh Government's long-term education reform agenda, including the Curriculum for Wales, reducing absenteeism, closing the attainment gap, and meeting the requirements of the Additional Learning Needs and Education Tribunal Act.
- 7.14. In light of the current funding context and the structural deficits within some schools, the level of future investment in education will be a critical consideration in the upcoming budget process.
- 7.15. The Council's approach must be evidence-based and strategically balanced, taking into account the variability in school financial positions, the overall budget gap, and the need to develop a sustainable, balanced budget.

8. Budget assumptions and the projected budget gap

- 8.1. The Authority's medium term budget modelling is reviewed regularly and reported into the Performance & Overview scrutiny committee and Cabinet on a six-monthly basis. The model contains the base budgets of the Authority overlaid with assumptions that are then updated in the light of updated data and information. This allows prudent changes to be made to the modelling to enable the gap between resources and expenditure to be highlighted.
- 8.2. External data from sources such as the Office for Budget Responsibility (OBR), and the Wales Fiscal Analysis unit support the budget assumptions applied within the modelling.
- 8.3. This is further supported by the work that Welsh Local Authorities produce through the Welsh Local Government Association (WLGA), that allows validation and challenge of the assumptions made throughout the budget process.
- 8.4. The latest budget planning assumptions are shown below which reflect the updated assumptions following new data and information coming forward:

Budget assumptions 2026/27	Previous assumption	Updated Assumption	Impact of 1% change in £000's
Expenditure:			
Pay award (non-teaching staff)	2.30%	3.00%	1,099

Pay award (teaching staff – from September 2026)	2.30%	3.00%	419
Superannuation rates	25.3%	23.90%	668
Non-pay inflation	0.00%	2.00%	1,279
Service pressures (non-schools)	£7.5m	£7.5m	
Service pressures (schools)	£0.0m	£0.0m	
Borrowing cost pressures	£1.0m	£1.0m	
Fire levy	3.95%	3.95%	62
Income and Efficiencies:			
Staff vacancy factor (non-schools)	3.00%	3.00%	659
Fees and charges	2.00%	2.00%	217
Funding:			
Welsh Government Settlement (AEF)	1.3%	1.3%	1,352
Council Tax (MCC) - Band D increase	3.95%	3.95%	786
Capitalisation direction support	£2,358,000	£2,708,000	

8.5. The updated review of the assumptions contained in the modelling suggested a number of prudent proposed changes:

Pay award (non-teaching staff)	Increase from 2.3% to 3.0%. Assumptions had previously been based on forecast movements in inflation in line with the target of 2% over the medium term, recognising that there is often a lag effect within pay negotiations. The latest Monetary Policy Committee (MPC) forecasts anticipates a more gradual decline in wage pressures, forecasting wage growth to slow to around 3.7% by the end of 2025. It is therefore felt prudent to revise this assumption upward at the current time.
Pay award (teaching staff)	Increase from 2.3% to 3.0% (September 2026 onwards).

	The independent pay review body has recommended a 4% increase for the academic year starting September 2025. Whilst it is yet to be accepted, this forms the basis of the forecast for the 5/12ths that will fall into the 2026/27 financial year. The projection for the 2026/27 academic year is in line with non-teaching staff at 3% for the reason outlined above.
Superannuation rates	Reduce from 25.3% to 23.9%. The Council's Local Government Pension Scheme valuation review in 2025 has resulted in revision to the Councils contribution rate, with a stepped reduction recommended from 24.9% in 2025/26 to 21.9% in 2028/29. This has resulted from an improved overall pension funding position within the fund. The Teacher's Pension Scheme (TPS) was subject to its actuarial review which increased contributions with effect from 1st April 2024 and funded via Welsh Government grant.
Non-pay inflation	Increase from 0% to 2.0%. Over more recent years a non-pay inflation factor of 0% has been used for modelling purposes, in favour of relying on more evidence-based pressures being brought forward from services. This was adjusted in 2025/26 following reflection upon previous budget rounds and the significant impact that inflation has had on final cost pressures experienced by services. At this stage, an allowance of 2% remains prudent. This assumption will be further considered as better information becomes available.
Service pressures (non-schools)	Maintain at £7.5m. Provision is made within the budget modelling for "unidentified pressures" of £7.5m in each of the 4 years of the medium-term financial plan and based on the level of pressures that have historically presented themselves and been accommodated as part of the budget process.

	When considering the gross pressures included within the 2024/25 budget outturn, coupled with early indications of cost pressures on the 2025/26 budget, this assumption remains prudent. An initial review of recurrent pressures impacting 2026/27 will be made in the early stage of the budget process and will be the subject to rigorous review and challenge with the aim of reducing and mitigating their impact.
Service pressures (schools)	Maintain at £0.0m. Given the funding context as outlined in Section 6 above, the level of further investment in schools over and above meeting new pay and non-pay pressures, will be a key consideration during the budget process. The additional recurring £1m of funding added to schools' budgets for 2025/26 will provide ongoing support for pressures being experienced. Any further investment will need to be carefully balanced with overall funding landscape for the Council, the need to set a balanced budget, and the need for schools to operate within a financially sustainable budget.
Borrowing cost pressures	Maintain at £1.0m. A full review of the revenue cost of existing and planned capital expenditure will be undertaken during the budget process. At this early stage, as a net borrower, the prevailing interest rate environment. Coupled with capital programme commitments, is expected to create further cost pressure of £1.0m in 2026/27.
Staff vacancy factor (non-schools)	Maintain at 3% Services have consistently experienced a challenging labour market with a shortage of available staff in some discrete service areas which has led to pressure on existing staff structures, and increased costs for commissioned services and agency staff. A vacancy freeze initiated as part of the budget recovery action during over recent years is expected to maintain a degree of vacancy throughout staffing structures leading into 2026/27.

Fees and charges	Maintain at 2% As a general rule, the council's policy is based on full cost recovery with inflationary uplifts considered annually to ensure that the Council recovers its costs for the services it provides. Whilst a blanket uplift is not applied, an increase in line with inflation is expected unless there is a clear evidence base to do otherwise. With inflation proving stickier than previously anticipated, this assumption will be kept under constant review.
Welsh Government Settlement (AEF) Page 30	Maintain at 1.3% increase Welsh Government have not provided an indication of future year financial settlements, with Councils therefore modelling potential scenarios for their medium term financial planning using the support of the Welsh Local Government Association (WLGA) and Wales Fiscal Analysis unit. A Comprehensive Spending Review is expected to be forthcoming from Welsh Government which will provide more certainty on funding allocations in the medium term. However in periods of comparatively low funding settlements, Monmouthshire has historically received a below Wales average increase due to the factors that influence individual Authority settlements.
Council Tax increase	Maintain at 3.95% The assumption of council tax increases are solely for modelling purposes and Cabinet have not yet considered the level at which Council Tax will be set for 2026/27. With Council tax income accounting for nearly 40% of the Council's overall income, which proportionately is the highest in Wales, this is clearly an important consideration. Consideration will need to be given to local context, such as the affordability for communities, balanced against the ongoing need to meet increasing demand and cost pressures of essential local services.

Fire levy	Maintain at 3.95% The Council is required to pay a levy and annual contribution towards the South Wales Fire and Rescue Authority. A planning assumption of a 3.95% increase has now been modelled ahead of the process of consultation and engagement with constituent Councils. This increase is reflective of the expected pressure on SWFRA budgets.
Energy	The Council procures its energy through a purchasing consortium, benefiting from regular market intelligence and data updates to inform budget planning. As the budget-setting process progresses, the financial impact of revised energy tariffs will be evaluated across the Council's operational estate, street lighting infrastructure, and the solar farm. Given the volatility of external market conditions, the energy cost landscape remains fluid. This necessitates ongoing monitoring and responsive management, including the potential implementation of mitigation strategies. These may involve reassessing the Council's decarbonisation initiatives and identifying opportunities to reduce overall energy consumption.

8. The effect of these revised assumptions and pressures being incorporated into the updated modelling is shown below for 2026/27, indicating a projected budget deficit of £13.6m.
- 8.7. This represents an early assessment of the budget landscape for 2026/27. The budget process is always a dynamic one, and all figures will be revised during the process. The funding outlook for local government does, however, remain challenging and the projected budget gap a very real one.

2026/27 projected budget gap	(£000's)	
2025/26 Balanced Budget		0
<u>Pay</u>		
Superannuation rate	-668	
Pay inflation - non-teaching	3,243	

Pay inflation - teaching	1,385	
		3,940
<u>Non-Pay</u>		
Non-pay inflation	2,558	
Fire Levy	244	
Service pressures (non-schools)	7,500	
Service pressures (schools)	0	
Waste Adjustment	3,035	
Indicative budget savings	-819	
Treasury, Corporate & Reserves	1,456	
		13,974
<u>Income</u>		
Council tax increase	-3,106	
WG settlement increase	-1,758	
Fees & Charges	-434	
Reduction in capitalisation directive support	1,000	
		-4,298
Budget Gap		13,616

9. Budgetary Risk

- 9.1. In preparing the Council's 2026/27 budget, a number of financial uncertainties persist, driven by limited forward-looking information and a volatile economic environment that continues to place pressure on public services. In this context, it is essential to maintain a robust risk management framework that enables the identification, assessment, and mitigation of financial risks wherever possible.
- 9.2. The principal risks currently influencing the Council's financial planning are summarised below:

Service pressures	There is currently limited clarity regarding the recurrent budget pressures that will carry forward, as well as new pressures anticipated for 2026/27. This uncertainty presents a challenge in accurately forecasting service demands and associated costs.
National living wage / Real living wage	The Council's pay structure, particularly at the lower end, is directly influenced by increases in the National Living Wage. Each financial year must begin with the lowest pay scale meeting or exceeding the NLW expected in the following April. Although no forecasts are currently available, historical trends show that even during periods of low inflation, the NLW has typically increased by at least 4%, with the exception of 2021. The limited headroom at the lower end of the pay scale may necessitate a review of the Council's grading structure. Additionally, as a Real Living Wage employer, the Council ensures all staff and apprentices are paid at or above this level, which is closely aligned with NLW movements. The NLW also has significant implications for commissioned care services, where the Welsh Government expects local authorities to ensure care workers are paid in line with the NLW.
Economic factors	Inflation and interest rate fluctuations continue to impact the cost of goods, services, and borrowing, placing additional pressure on the Council's financial position.
Delivery of budget saving proposals	81.6% of the £10.9 million in-year savings for 2024/25 were delivered - broadly consistent with historical performance. However, this highlights a potential risk in achieving full delivery of savings targets for 2026/27.
Variations to settlement Assumptions	Each 1% change in the Welsh Government settlement equates to approximately £1.3 million, significantly influencing the Council's ability to plan and deliver services effectively.
Income	The ongoing cost-of-living crisis continues to affect household disposable income, which in turn impacts demand for income-generating Council services. The new responsibilities under the Extended Producer Responsibility scheme for Waste are yet to be fully embedded within services, with the corresponding funding levels being based upon future disposal performance.

Debt recovery	Similarly, financial pressures on households are affecting the Council's ability to recover debts, including Council Tax and charges for services.
Capacity for service change delivery	High vacancy levels across Council services may limit the organisation's capacity to implement strategic service changes and transformation initiatives.

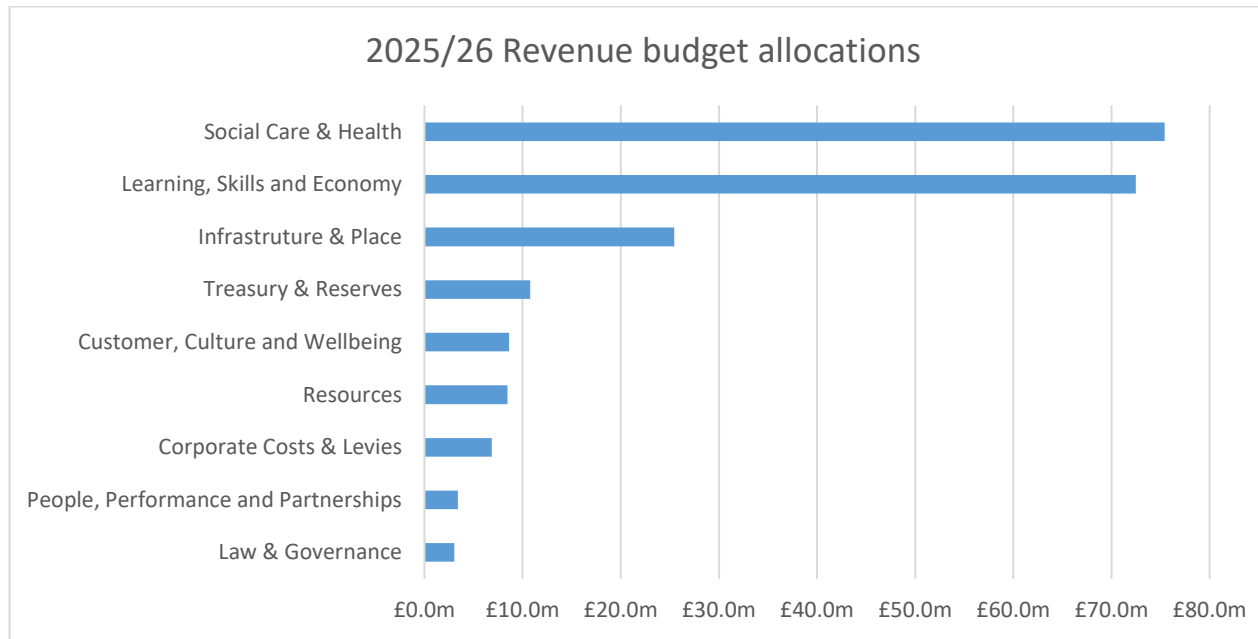
10. Medium term outlook

- 10.1. The medium term outlook remains very uncertain at the current time. Budget assumptions have been revised and based on the premise that inflation will remain under control, and that public spending by UK Government and the consequential impact on local government in Wales are in line with independent analysis. There are a lot of downside risks that could still play out and that could adversely impact further the budget shortfalls modelled over the medium term.
- 10.2. It is anticipated that the Welsh Government Comprehensive Spending Review will provide greater clarity on funding levels over the medium term that will allow service changes to be considered and planned over a more certain timeframe.
- 10.3. The most up to date modelling indicates significant budget gaps over the medium term:

Budget shortfall	In Year (£m)	Cumulative (£m)
2026/27	13.6	13.6
2027/28	8.4	22.0
2028/29	8.0	30.0
2029/30	8.0	38.0

11. Bridging the gap between expenditure and available resources

- 11.1. As the Council prepares for the 2026/27 budget and looks ahead over the medium term, Cabinet must carefully assess the extent to which further cost savings can be achieved through service efficiencies or reductions. This assessment must also consider the potential for mitigating budget shortfalls through additional funding streams or income generation.
- 11.2. Since 2010, the Council has responded to sustained financial austerity by delivering significant efficiencies across services. Many areas are now operating at the minimum level required to meet statutory obligations. In light of the projected budget gap for 2026/27 and beyond, a more strategic, evidence-led approach is essential to ensure that resident needs continue to be met within a financially sustainable framework.
- 11.3. Persistent cost pressures, coupled with funding settlements that have not kept pace with inflation or rising demand, and the introduction of new, often underfunded responsibilities, have led to a growing reliance on savings, efficiencies, and the use of reserves and capital receipts to balance the budget.
- 11.4. With reserve levels now comparatively low and the scope for further efficiencies increasingly constrained, the Council faces a significant financial challenge. Addressing this will require a deliberate and forward-looking response - one that prioritises long-term reform, financial resilience, and the transformation of service delivery.
- 11.5. Of the Council's £227 million service delivery budget, 77% is allocated to three core service areas: Social Care & Health; Learning, Skills & Economy; and Infrastructure & Place (including Waste, Housing, Planning, Highways, and Transport). Achieving financial sustainability over the medium term will necessitate substantial and targeted programmes of change within these high-expenditure areas.



11.6. The Council's programme of change

- 11.7. The Council's evolving programme of change, underpinned by strong financial governance, provides the strategic framework through which services will be reshaped to meet resident needs within available resources. This programme is not simply a response to financial pressures but also a proactive effort to modernise and improve outcomes.
- 11.8. Positive progress continues across the programme of change. To maximise its impact, there is a requirement for coordination and discipline to how this work is captured, aligned, and reported. Doing so will help create a more coherent and connected picture of the overall programme, even though different elements are at varying stages of development.
- 11.9. By putting strong foundations in place, better assessment can be made of the quality and direction of the work underway, ensuring that the outcomes being achieved are moving the Council in the right direction. This will also allow the Council to quickly adapt and refine approach as needed.

11.10. Equally important is identifying what the Council is not doing or may need to stop doing, given the limits on capacity, resources, and funding. Making these choices will be key to delivering meaningful and sustainable change.

11.11. Key areas of ongoing change include:

- **Digital Collaboration:** Leveraging technology to streamline operations, improve service accessibility, and reduce costs.
- **Whole-Authority Strategy for Wellbeing and Prevention:** Shifting focus from reactive services to preventative approaches that improve long-term outcomes and reduce demand.
- **Data-Driven Decision Making:** Embedding the systematic use of data and evidence in policy development and service planning.
- **Leadership Alignment:** Ensuring senior leadership is fully engaged and aligned with transformation objectives to drive cultural and operational change.
- **Community-Centric Service Design:** Enhancing resident engagement and co-design to ensure services are responsive, inclusive, and locally relevant.
- **Workforce and Organisational Culture:** Investing in staff development, fostering innovation, and embedding a culture of continuous improvement.
- **Asset optimisation:** The strategic asset management plan is building on identifying underutilised or surplus assets and transforming for new, more effective uses that align with community needs and policy goals.
- A more centralised co-ordination and **assessment of value/outcome/alignment of specific grant funding** streams with our future direction of travel.
- **Appropriate and fit for purpose governance, risk management and capability** – ensuring that all of the above and below is underpinning with sound arrangements to keep the business safe and secure, for delivery and implementation to be overseen, and impacts and outcomes successfully delivered.

11.12. This integrated approach to change is essential to bridging the gap between expenditure and available resources, while maintaining the Council's commitment to delivering high-quality, resident-focused services.

Budgetary Framework for 2026/27

11.13. The budget framework will be underpinned by the set of strategic budget principles approved as part of the MTFS in July 2024:

MTFS Strategic Budget Principles

1. To maintain financial management arrangements that will be sufficiently robust to support the delivery of financial plans and mitigate corporate risks.
2. A citizen facing budget focused on mitigating any potential impacts of inequality or climate change.
3. A balanced budget reflecting objectives, priorities and commitments set out in the Council's Community and Corporate Plan.
4. Council budgets to be continually reviewed to ensure resource allocations are delivering value money and continue to align to the delivery of priority outcomes.
5. Budgets set without budget shortfalls having general recourse to reserve funding. In year spending will be met by in year funding.
6. The Council Fund (general reserve) will be maintained at a minimum of 5% of Net Revenue Expenditure (excluding the Schools Delegated budget) over the period of the MTFS.
7. An affordable and acceptable level of council tax increase with qualifying households being encouraged to access all dispensations they are entitled to receive.
8. To increase existing fees and charges. As a minimum fees and charges will be increased to match cost inflation. The Council will review opportunities to introduce new fees as appropriate.
9. To manage, wherever possible, any necessary reduction in the workforce through turnover rather than through specific voluntary or compulsory redundancy programmes.
10. To optimise the use of specific grant funding across the Council, taking advantage of legitimate opportunity to offset existing core cost through direct charge to the funding stream.
11. To sustain services through the development of strategic partnering arrangements with other local authorities, public sector partners, town and community councils, and third sector organisations.
12. Informed estimates will be factored into the MTFP for cost pressures anticipated to result from inflation, demand increases, growth and investment.

MTFS Strategic Budget Principles

13. To maintain a budget contingency budget of no less than £1m from 2025/26 with specific criteria for its use. No reduction in the budget is permissible unless there is a clear and realistic plan for reinstating the budget within the Medium Term.
14. To optimise the use of land and buildings and consider alternate uses or disposal where there is not a clear ongoing case for continued use.
15. To be open to using capital receipt balances to support one-off revenue expenditure associated with service reform and to reviewing existing capital programme commitments not yet entered into.
16. Capital investment decisions will support the Council's corporate priorities and mitigate any statutory risks taking account of the return on investment and robust business cases.
17. Prudential borrowing will only be used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
18. To act in accordance with council's risk appetite in determining the amount of risk that the council is willing to seek or accept in the pursuit of its objectives.

12. Capital programme

- 12.1. In the current climate of financial constraint, capital investment must remain within affordable limits. Demand for capital resources continues to exceed availability, making the prioritisation of projects, securing external funding, and collaboration with partners essential to meeting investment needs.
- 12.2. The capital programme is subject to the same external pressures affecting the revenue budget, including inflation, supply chain disruptions, and internal resourcing challenges. These factors are contributing to delays and reduced delivery capacity within existing capital budgets.
- 12.3. While ongoing condition surveys and monitoring help identify and manage risks, the ageing asset base will inevitably require increasing levels of investment to maintain or refurbish infrastructure to acceptable standards.

12.4. Annual capital allocations for asset maintenance and refurbishment are targeted at the highest-priority backlog issues, focusing on assets in the poorest condition and associated risks. Estate optimisation, asset disposals, transfers, and strategic capital projects will also be used to mitigate risk, although these measures will not fully address the total backlog.

12.5. The current draft capital MTFP is outlined below:

Scheme	Final Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28	Indicative Budget 2028/29	Indicative Budget 2029/30
Expenditure	£	£	£	£	£
Property Maintenance	1,872,357	1,653,357	1,653,357	1,653,357	1,653,357
Property Maintenance Fees	236,194	236,194	236,194	236,194	236,194
County Farms Maintenance	300,773	300,773	300,773	300,773	300,773
Upgrade School Kitchens	39,725	39,725	39,725	39,725	39,725
Asset Management Schemes	2,449,049	2,230,049	2,230,049	2,230,049	2,230,049
Bergavenny 3-19 school	12,232,076	0	0	0	0
School Development Schemes	12,232,076	0	0	0	0
Carriageway major works	1,136,540	1,136,540	1,136,540	1,136,540	1,136,540
Carriageways & Structures – additional improvements	2,743,000	1,312,000	1,312,000	1,312,000	1,312,000
Safety fence upgrades	76,181	76,181	76,181	76,181	76,181
Footway Reconstruction	197,453	197,453	197,453	197,453	197,453
Reconstruction of bridges & retaining walls	449,041	449,041	449,041	449,041	449,041
Road safety & trafficman programme	161,508	129,508	129,508	129,508	129,508
Signing upgrades & disabled facilities	38,091	38,091	38,091	38,091	38,091
Street Lighting Defect Column Programme	171,408	171,408	171,408	171,408	171,408
Flood Alleviation Schemes	30,427	11,427	11,427	11,427	11,427
Drainage & Gully works	375,000	375,000	375,000	375,000	375,000
Structural Repairs - Public rights of way	437,091	118,091	118,091	118,091	118,091
Surveys and Closures - Public rights of way	90,000	90,000	90,000	90,000	90,000
Ash Dieback/Dangerous Trees works	170,000	100,000	100,000	100,000	100,000
Infrastructure & Transport Schemes	6,075,740	4,204,740	4,204,740	4,204,740	4,204,740

Capital Region City Deal	730,200	730,200	730,200	730,200	730,200
S106 Schemes	287,524	0	0	0	0
Regeneration Schemes	1,017,724	730,200	730,200	730,200	730,200
Disabled Facilities Grant	900,000	900,000	900,000	900,000	900,000
Access for all - Schools	50,000	50,000	50,000	50,000	50,000
Access For All	250,000	250,000	250,000	250,000	250,000
Inclusion Schemes	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
ICT Hardware replacement	126,000	260,000	260,000	260,000	260,000
Network Estate replacement	100,000	50,000	50,000	50,000	50,000
SRS capital reserve contribution	61,000	61,000	61,000	61,000	61,000
Business world upgrade transition	40,000	0	0	0	0
Asset Management software transition	51,000	0	0	0	0
Ransomware & security	84,500	42,000	42,000	42,000	42,000
ICT Schemes	462,500	413,000	413,000	413,000	413,000
V ehicle Leasing	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
C apitalisation Directive	3,707,500	2,357,500	1,357,500	0	0
Capitalisation Directive	3,707,500	2,357,500	1,357,500	0	0
Fixed Asset Disposal Costs	50,000	50,000	50,000	50,000	50,000
Match Funding of Grant applications	500,000	500,000	500,000	500,000	500,000
Contingency budget	0	560,000	560,000	560,000	560,000
Other Schemes	550,000	1,110,000	1,110,000	1,110,000	1,110,000
Total Expenditure	29,194,590	13,745,490	12,745,490	11,387,990	11,387,990
Funding	£	£	£	£	£
Supported Borrowing	(2,432,000)	(2,432,000)	(2,432,000)	(2,432,000)	(2,432,000)
Unsupported Borrowing	(18,068,566)	(4,256,990)	(4,256,990)	(4,256,990)	(4,256,990)
Grants & Contributions	(3,333,524)	(3,046,000)	(3,046,000)	(3,046,000)	(3,046,000)
Reserve Funded	(103,000)	(103,000)	(103,000)	(103,000)	(103,000)
Capital Receipts	(3,757,500)	(2,407,500)	(1,407,500)	(50,000)	(50,000)

Vehicle Lease Financing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Total Funding	(29,194,590)	(13,745,490)	(12,745,490)	(11,387,990)	(11,387,990)
(Surplus) / Deficit	0	0	0	0	0

- 12.6. The Council's Capital Strategy sets out the framework for making and managing capital investment decisions aligned with corporate objectives. It ensures a consistent, informed, and transparent approach to investment planning. The Capital Strategy will be refreshed and presented alongside final budget proposals to Council in March 2026.
- 12.7. While the core capital programme remains in place and supports infrastructure investment, significant backlog pressures persist outside the programme due to affordability constraints. These pressures carry varying levels of risk that must be actively managed and mitigated.
- 12.8. All schemes within the indicative programme will be reviewed for timing and alignment with strategic priorities. Non-urgent projects may be deferred to focus resources on priority schemes or to release capital receipts for wider service redesign.
- 12.9. The Capital Programme for 2026-2030 will be reviewed during the budget-setting process to ensure revenue implications are accurately reflected and that capital plans remain affordable, prudent, and sustainable.
- 12.10. The capital receipts summary below shows the expected level of receipts and planned usage, highlighting the balances available in the next few years. Future investment in capital schemes, is in part dependent on future success of achieving capital receipts as it mitigates the requirement for borrowing.

13. Budget Process and Timetable

- 13.1. In the context of all the above, setting a balanced budget for 2026/27 will be significantly challenging and will involve difficult decisions that will allow Cabinet to align and deliver the aims and aspirations set out in its revised Corporate and Community plan, and within the confines of available funding. The work required needs to involve Members and Monmouthshire communities as early in the process as possible.
- 13.2. The draft milestone dates in developing the budgetary process for 2026/27 is as follows:

Review of latest of budget modelling using updated assumptions & data	September 2025
Budget workshops – SLT/Cabinet/Officers	October 2025
High level pressure & saving mandates produced for Cabinet scrutiny	October 2025
MTFP update report - Cabinet	November 2025
Final pressure & saving mandates to be produced	December 2025
Budget assumptions, pressures and savings to undergo further Cabinet scrutiny	December 2025
Consideration of Welsh Government Provisional settlement	December 2025
Set Council tax base - ICMD	December 2025
Consideration of draft revenue & capital budget proposals - Cabinet	January 2026
Scrutiny of Proposals - Select Committees	January & February 2026
Public Consultation for 2026/27 budget	January & February 2026
Consideration of scrutiny, consultation, final pressures, savings & assumptions	February 2026
Consideration of Welsh Government Final settlement	February 2026
Final budget proposals - Cabinet	March 2026
Formal Council Tax Resolution & Budget Proposals - Council	March 2026

14. Progress against the MTFS Delivery plan

- 14.1. The medium term financial strategy (MTFS) approved by Council in July 2024 outlined the delivery plan that will convert the MTFS into practice. The plan contains the actions proposed in accordance with the strategy document. These align to the strategy's key aims and objectives.
- 14.2. There was a commitment made to provide a six-monthly update on progress against the delivery plan to monitor progress of the plan against the core objectives. The latest update of progress is outlined below:

Action No.	Action/Description	Outcome/Output	Milestones			Timescale for completion	Responsible Officer/Body	Progress update July 2025
			25/26	26/27	27/28			
-Page 44	Develop a Change and Improvement plan to enable delivery of required savings over the medium term	Programme of work developed with overarching governance to enable delivery to be co-ordinated	✓	✓	✓	Continual but next milestone is input into 26/27 budget process – Autumn 2025	Cabinet/SLT	Programme evolving to formally capture ongoing change processes.
2	Delivery of budget holder training	Refresh and rollout of training to all budget holders	✓	✓	✓	Autumn 2025	Head of Finance	
3	Self-assessment of compliance with CIPFA Financial Management Code	Self-assessment to identify further actions to improve the Council's financial management		✓	✓	March 2026	Deputy Chief Executive	
4	Independent financial resilience review to be undertaken	Independent review to highlight and further areas for improvement		✓		March 2026	Deputy Chief Executive	

5	Enhance approach to modelling future growth, demand, demographic and inflationary pressures in the MTFP		✓	✓	✓	Ongoing	Head of Finance	Work is progressing on developing more evidence based data metrics to support the budget process. Some of this has already been embedded within the updated assumptions in this plan update
6	Revenue reserves (including school balances) and useable capital receipt review to be undertaken in line with the revised reserves policy	Rationalisation of revenue reserves	✓			July 2025	Deputy Chief Executive; Head of Finance	Completed as part of 2024/25 outturn and endorsed by Cabinet
7	Financial risk register to be maintained and regularly updated	To ensure that suitable mitigations are in place against key financial risks	✓	✓	✓	Ongoing	Head of Finance	Risks have currently been identified and updated as part of this plan update. Also captured through various risk registers.
8	Annual review of fees and charges	To benchmark and assess fees and charges to ascertain scope for further income potential	✓	✓	✓	December 2025 and annually	Head of Finance	

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REPORT

SUBJECT:	TREASURY MANAGEMENT ACTIVITY UPDATE - QUARTER 1 2025/26
MEETING:	Governance & Audit Committee
DATE:	24th July 2025
DIVISIONS/WARD AFFECTED:	All

1. **PURPOSE:**

- 1.1. The Prudential Code and CIPFA treasury guidance require local authorities to produce annually a Treasury Management Strategy Statement and Prudential Indicators on their likely financing and investment activity, and to ensure that the appropriate governance function that oversees the treasury management activities of the Authority is kept informed of activity quarterly.
- 1.2. The Authority's treasury management strategy for 2025/26 was approved by Council on 6th March 2025. Over the first quarter of the year the Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.
- 1.3. This report represents the first update of treasury management activity during 2025/26.

2. **RECOMMENDATIONS:**

That Governance & Audit committee review the results of treasury management activities and the performance achieved in quarter 1 as part of their delegated responsibility to provide scrutiny of treasury policy, strategy and activity on behalf of Council.

3. **KEY ISSUES:**

3.1. **Key data metrics at quarter end:**

Type	Metric	Q1 2425	Q2 2425	Q3 2425	Q4 2425	Q1 2526
External	Bank of England base rate	5.25%	5.00%	4.75%	4.50%	4.25%
External	UK Consumer Prices Index	2.0%	1.7%	2.5%	2.6%	3.4%*
External	10-year UK gilt yield	4.29%	4.01%	4.57%	4.69%	4.29%
Internal	Borrowing	£177.7m	£175.3m	£184.5m	£202.3m	£208.2m
Internal	Borrowing Average rate	3.62%	3.60%	3.71%	3.90%	3.93%
Internal	Investments	£10.3m	£16.0m	£15.5m	£16.0m	£37.0m
Internal	Investment Average rate	5.30%	5.13%	5.03%	5.03%	4.40%
Internal	Credit score/rating	AA- / 4.3	AA- / 4.1	AA- / 3.95	A+ / 4.50	AA- / 4.50

*May 2025

3.2. Key messages:

Treasury management activities undertaken during the quarter complied fully with the CIPFA code and the limits and indicators as set out in the Authority's approved Treasury Management Strategy.

The Authorities average cost of borrowing has increased marginally from 3.9% to 3.93% over the quarter, reflective of slightly increased UK Gilt yields.

Cash balances increased significantly over the quarter by £21.0m to £37.0m due to the front-loading of the Councils budgeted funding. During the quarter, the authority's investment balances ranged from between £14.5m and £48.0m.

Investments in externally managed pooled funds generated £16k (5.44%) income return, together with a £0.1k (-0.01%) unrealised capital loss during the first month of the year.

Unrealised capital losses over the lifetime of the investments stand at £378k, for which the Authority maintains a sufficient treasury risk reserve to mitigate against realisation.

The Authority continues to invest in a specific Environmental, Social and Governance (ESG) investment product and is prioritised for investment where returns remain competitive. During the quarter this product returned 4.17% compared to an average rate of 4.29% for all Money Market Funds.

Non-treasury investments, comprising the Authority's Solar farm and two strategic property assets, are budgeted to generate £453,000 (1.6%) in net income during the year.

4. ECONOMIC SUMMARY

- 4.1. **Economic Overview:** The quarter began with heightened financial market volatility following US President Donald Trump's announcement of broad trade tariffs, which impacted global equity and bond markets, including the UK. Although a subsequent 90-day pause on most tariffs helped stabilize markets somewhat, uncertainty remained a persistent theme. UK inflation rose notably, with headline CPI increasing from 2.6% in March to 3.4% in May, exceeding the Bank of England's 2% target. Core and services inflation also showed elevated levels, though slightly lower than the previous month.
- 4.2. **UK Economic and Monetary Policy Developments:** UK GDP grew by 0.7% in Q1 2025, marking a recovery from previous quarters of weaker performance. However, April's monthly data showed a contraction of 0.3%, suggesting a slowdown in Q2. Labour market indicators pointed to softening conditions, with slower earnings growth and rising unemployment. In response to economic signals, the Bank of England reduced the Bank Rate from 4.5% to 4.25% in May, with expectations of further cuts. The May Monetary Policy Report indicated that disinflationary pressures and excess supply could help bring inflation back to target over the medium term.
- 4.3. **Global Central Bank Actions and Market Sentiment:** Internationally, central banks responded to evolving economic conditions. The US Federal Reserve held rates steady for the fourth consecutive month despite revised forecasts indicating weaker growth and higher inflation. The European Central Bank cut its main refinancing rate to 2.0%, citing near-term trade uncertainties and potential economic softening. Financial markets showed signs of recovery after early declines, with bond yields and equity prices rebounding, although volatility persisted throughout the period.
- 4.4. **Credit Conditions and Outlook:** Credit conditions remained stable, with Arlingclose maintaining its recommended counterparty limits. Fitch upgraded NatWest Group's rating, while Moody's downgraded the US sovereign rating. Credit default swap (CDS) prices spiked in early April but

generally trended downward by quarter-end, remaining within acceptable limits. European and Canadian banks saw modest increases in CDS levels due to trade tensions. Looking ahead, financial market volatility is expected to continue, and credit indicators will be closely monitored to manage risk and maintain prudent investment strategies.

5. **BORROWING ACTIVITY**

	31.3.25 Balance £m	31.3.25 Weighted Average Rate %	31.3.25 Weighted Average Maturity (years)	Balance Movement	30.6.25 Balance £m	30.6.25 Weighted Average Rate %	31.3.25 Weighted Average Maturity (years)
Public Works Loan Board	145.5	3.7	17.0	2.2	147.7	3.7	16.6
Banks (LOBO)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Welsh Govt Interest Free	6.7	0.0	2.7	(0.2)	6.5	0.0	2.6
Local Authorities / Other	50.0	5.3	0.4	4.0	54.0	5.1	0.4
Total borrowing	202.3	3.9	12.4	6.0	208.2	3.9	11.9

- 5.1. The Authority maintained its borrowing strategy focused on affordability and long-term debt stability, continuing to rely on internal borrowing where possible. Gilt yields remained volatile but ended the period slightly lower. Public Works Loan Board (PWLB) rates fluctuated across maturities, with 10-year loans ranging from 5.17% to 5.56%, and short-term borrowing costs from other local authorities broadly aligned with the Base Rate at 4.0% to 4.5%. The Authority's average short-term borrowing rate decreased slightly over the quarter, reflecting lower market rates.
- 5.2. As of 30th June 2025, the Authority's total borrowing stood at £208.2m, up £6.0m from the previous quarter, supporting capital programme funding. A small long-term PWLB loan was taken to replace short-term borrowing and enhance cost certainty. The Authority continues to balance securing low interest costs with maintaining flexibility to adjust borrowing in line with evolving long-term plans, ensuring a prudent and responsive approach to debt management.

6. **INVESTMENT ACTIVITY**

- 6.1. During the quarter, the authority's investment balances ranged from between £14.5m and £48.0m due to timing differences between income and expenditure. The movement in investments during the year was:

	31.3.25 Balance	Net Movement	30.6.25 Balance	30.6.25 Income Return	30.6.25 Weighted Average Maturity Days
	£m	£m	£m	%	
Banks & building societies (unsecured)	(2.0)	0.0	(2.0)	Average 4.26%	Up to 180 days
Government (incl. local authorities)	(3.0)	(8.0)	(11.0)		
Money Market Funds (MMFs)	(7.0)	(13.0)	(20.0)		
Multi asset income, Pooled funds	(4.0)	0.0	(4.0)	5.54%	N/A
Total investments	(16.0)	(21.0)	(37.0)	4.40%	

- 6.2. Bank Rate reduced by 0.25% through the quarter to 4.25% with short term interest rates largely being around this level. The rates on DMADF deposits ranged between 4.2% and 4.45% and money market rates between 4.14% and 4.56%.
- 6.3. **Externally Managed Pooled Funds:** £4m of the Authority's investments are invested in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and longer-term price stability.
- 6.4. These funds provide an important diversification for the Authority and generated £16k (5.44%) income return, together with a £0.1k (-0.01%) unrealised capital loss in first month of the year.
- 6.5. Accumulated unrealised capital losses over the lifetime of the investment stand at £378k. The Authority maintains an adequate treasury risk reserve to mitigate against the risk that capital losses on pooled funds become realised and consequently result in a charge against the Council Fund.

7. Environmental, Social and Governance

- 7.1. Throughout the quarter the investment portfolio has been assessed against 3 charters that organisations can voluntarily sign up for to ensure that all are meeting minimum level of ESG responsibility.
- 7.2. The authority continues to hold an ESG specific Investment product. This fund aims to provide security of capital and liquidity while focussing on the performance of the underlying issuers on a range of environmental, social and governance.
- 7.3. At 30th June 2025 the Authorities ESG specific Money Market Fund returned 4.17% compared to an average rate of 4.29% for all Money Market Funds.

8. NON-TREASURY INVESTMENTS:

- 8.1. The authority continues to hold £28.19m of non-financial asset investments and their forecast performance can be seen in the table below:

	Budgeted (income) / loss 2025/26 £000's	Carrying Value 31.03.25 £000's	Budgeted return 2025/26	Net return 2024/25 %
--	--	---	-------------------------------	----------------------------

			%	
Oak Grove Solar Farm	(263)	5,785	4.55	5.25
Newport Leisure Park & service loan	(300)	15,616	1.92	1.41
Castlegate Business Park	111	6,784	-1.64	-7.56*
Total	(452)	28,185	1.60	1.06

* includes one-off provision for bad debt of £248k & £169k relating to service charges and business rates respectively. Net return excluding this write-off would be -1.42% (overall portfolio 1.52%)

- 8.2. The investment at Oak Grove Solar Farm continues to provide a substantial return on investment for the Council. Overall returns are expected to be slightly lower during 2025/26 which reflects the trend in market prices of the ability of the Council to export energy.
- 8.3. The investment at Newport leisure park continues to provide a net income stream for the Authority. This is budgeted to remain slightly lower than the expected 2% net ROI until negotiated rent free concessions end towards the end of 2025.
- 8.4. The investment at Castlegate Business Park is budgeting a net negative return on investment for 2025/26. Continued negotiations with interested parties are expected to further improve the net return over the medium term and the Council is actively working with its agents to fill any remaining space. The overall position continues to represent a significant improvement on the position since the anchor tenant vacated their space in Spring 2022.
- 8.5. A more detailed report on the performance of these investments is considered regularly by the Performance & Overview scrutiny committee.

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

- 9.1. The Section 151 officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA code and the limits and indicators as set out in the Authority's approved Treasury Management Strategy.

10. **CONSULTEES**

Cabinet Member – Resources

Head of Finance (Acting Section 151 Officer)

Deputy Chief Executive, Chief Officer Resources

Arlingclose Limited – External Treasury management advisors to Monmouthshire CC

11. **APPENDICIES**

Appendix 1 – 2024/25 Treasury Management Outturn Quarter 1 Report

12. **AUTHORS**

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2025/26 Treasury Management Report – Quarter 1 (as at 30th June 2025)

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Section 3	Borrowing activity during the year
Section 4	Investment Activity during the year
Section 5	Environmental, Social and Governance
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1. External market conditions

- 1.1. Economic background: The quarter started to significant financial market volatility as US President Donald Trump announced a wide range of 'reciprocal' trade tariffs in early April, causing equity markets to decline sharply which was subsequently followed by bond markets as investors were increasingly concerned about US fiscal policy. As the UK was included in these increased tariffs, equity and bond markets here were similarly affected by the uncertainty and investor concerns.
- 1.2. President Trump subsequently implemented a 90-day pause on most of the tariffs previously announced, which has been generally positive for both equity and bond markets since, but heightened uncertainty and volatility remained a feature over the period.
- 1.3. UK headline consumer price inflation (CPI) increased over the quarter, rising from an annual rate of 2.6% in March to 3.4% in May, well above the Bank of England's 2% target. The core measure of inflation also increased, from 3.4% to 3.5% over the same period. May's inflation figures were generally lower than in the previous month, however, when CPI was 3.5% and core CPI 3.8%. Services inflation was 4.7% in May, a decline from 5.4% in the previous month.
- 1.4. Data released during the period showed the UK economy expanded by 0.7% in the first quarter of the calendar year, following three previous quarters of weaker growth. However, monthly GDP data showed a contraction of 0.3% in April, suggesting growth in the second quarter of the calendar year is unlikely to be as strong as the first.
- 1.5. Labour market data appeared to show a softening in employment conditions as weaker earnings growth was reported for the period February to April 2025, in what would no doubt be welcome news to Bank of England (BoE) policymakers. Regular earnings (excluding bonuses) was 5.2% 3mth/yoy while total earnings was 5.3%. Both the employment and unemployment rates increased, while the economic inactivity rate and number of vacancies fell.
- 1.6. Having started the financial year at 4.5%, the Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 4.25% in May. The 5-4 vote was split with the majority wanting a 25bps cut, two members voting to hold rates at 4.5% and two voting for a 50bps reduction. At the June MPC meeting, the committee voted by a majority of 6-3 to keep rates on hold. The three dissenters wanted an immediate reduction to 4%. This dovish tilt by the Committee is expected to continue and financial market expectations are that the next cut will be in August, in line with the publication of the next quarterly Monetary Policy Report (MPR).
- 1.7. The May version of the MPR highlighted the BoE's view that disinflation in domestic inflation and wage pressures were generally continuing and that a small margin of excess supply had

opened in the UK economy, which would help inflation to fall to the Bank's 2% over the medium term. While near-term GDP growth was predicted to be higher than previously forecast in the second quarter of calendar 2025, growth in the same period the following year was trimmed back, partly due to ongoing global trade developments.

- 1.8. Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall, and that the BoE would focus more on weak GDP growth rather than stickier and above-target inflation. Two more cuts to Bank Rate are expected during 2025, taking the main policy rate to 3.75%, however the balance of risks is deemed to be to the downside as weak consumer sentiment and business confidence and investment impact economic growth.
- 1.9. Despite the uncertainty around US trade policy and repeated calls for action from the US President, the US Federal Reserve held interest rates steady the period, maintaining the Fed Funds Rate at 4.25%-4.50%. The decision in June was the fourth consecutive month where no changes were made to the main interest rate and came despite forecasts from Fed policymakers that compared to a few months ago they now expected lower growth, higher unemployment and higher inflation.
- 1.10. The European Central Bank cut rates in June, reducing its main refinancing rate from 2.25% to 2.0%, and representing the eighth cut in just over a year. ECB noted heightened uncertainty in the near-term from trade and that stronger economic growth in the first quarter of the calendar may weaken. Inflation in the region rose to 2.0% in June, up from an eight-month low of 1.9% in the previous month but in line with the ECB's target. Inflation is expected to stay broadly around the 2% target over the next year or so.
- 1.11. **Financial markets:** After the sharp declines seen early in the quarter, sentiment in financial markets showed signs of improvement during the period, but bond and equity markets remained volatile. Early in the period bond yields fell, but then uncertainty from the impact of US trade policy caused bonds to sell-off but from the middle of May onwards, yields have steadily declined, but volatility continues. Equity markets sold off sharply in April but have seen gained back most of the previous declines, with investors seemingly remaining bullish in the face of ongoing uncertainty.
- 1.12. Over the quarter, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.49% having hit 4.82% early in April and falling to 4.45% by the end of the same month. While the 20-year gilt started at 5.18%, fell to 5.02% a few days later before jumping to 5.31% within a week, and then ending the period at 5.16%. The Sterling Overnight Rate (SONIA) averaged 4.31% over the quarter to 30th June.
- 1.13. **Credit review:** Arlingclose maintained its advised recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
- 1.14. During the quarter, Fitch upgraded NatWest Group and related entities to AA- from A+ due to the generally stronger business profile. Fitch also placed Clydesdale Bank's long-term A- rating on Rating Watch Positive.
- 1.15. Moody's downgraded the long term rating on the United States sovereign to Aa1 in May and also affirmed OP Corporate's rating at Aa3.
- 1.16. Credit default swap prices on UK banks spiked in early April following the US trade tariff announcements but have since generally trended downwards and ended the quarter at levels broadly in line with those in the first quarter of the calendar year and throughout most of 2024.

- 1.17. European banks' CDS prices followed a fairly similar pattern, albeit some German banks are modestly higher compared to the previous quarter. Trade tensions between Canada and the US caused Canadian bank CDS prices to rise over the quarter and remain elevated compared to earlier in 2025 and in 2024, while Singaporean and Australian lenders CDS rose initially in April but have since trended downwards, albeit are modestly higher than in previous recent periods.
- 1.18. Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.
- 1.19. Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

2. Movement in Treasury balances

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

Table 1: Balance Sheet Summary

	31.3.25 £m	Movement £m	30.06.25 £m
General Fund CFR	209.6	6.4	216.0
Less: *Other debt liabilities	(1.9)	0.0	(1.9)
Borrowing CFR	207.7	6.4	214.1
Less: External borrowing	(202.3)	(5.9)	(208.2)
Net External borrowing	5.4	0.5	5.9
Less: Usable reserves	(25.3)	0.0	(25.3)
Less: Working capital	3.9	(21.5)	(17.6)
(Net Investments) at 31st March 2023	(16.0)	(21.0)	(37.0)

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

- 2.2. The Authority pursued its strategy of keeping borrowing and investments below their underlying levels for the quarter, known as internal borrowing. Table 1 above highlights that at the end of the quarter the Authority was internally borrowed by £18.3m, meaning that reserves and working capital were being used in lieu of external borrowing.
- 2.3. At the end of the quarter the Authority had net investments of £37.0m. Balances over the period ranged from between £14.5m and £48.0m due to timing differences between income and expenditure and borrowing activity.
- 2.4. The treasury management position at 30th June 2025 and the change during the year is shown in Table 2 below.

Table 2: Borrowing and Investment Summary

	31.3.25 Balance £m	31.3.25 Rate %	Movement	30.6.25 Balance £m	30.6.25 Rate %
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Long-term borrowing	138.7	3.5	(8.7)	130.0	3.40
Short-term borrowing	63.6	4.9	14.6	78.2	4.79
Total borrowing	202.3	3.9	5.9	208.2	3.93
Long-term investments	0.0	N/A	0.0	0.0	N/A
Short-term investments	(3.0)	5.1	(8.0)	(11.0)	4.26
Pooled Funds	(4.0)	5.4	0.0	(4.0)	5.54
Cash and cash equivalents	(9.0)	Included in ST above	(13.0)	(22.0)	Included in ST above
Total investments	(16.0)	5.2	(21.0)	(37.0)	4.40
Net Borrowing	186.3		(15.1)	171.2	

2.5. The authorities net borrowing position has slightly decreased over the quarter. This is due to temporary increases in cash balances as significant amounts of Council funding are front-loaded into the earlier periods of the financial year.

3. Borrowing activity during the year

- 3.1. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, known as internal borrowing.
- 3.2. Gilt yields have remained relatively volatile during the period, finishing the period slightly lower than it began.
- 3.3. The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.27% at the end. The lowest available 10-year maturity rate was 5.17% and the highest was 5.56%. Rates for 20-year maturity loans ranged from 5.71% to 6.16% during the period, and 50-year maturity loans from 5.46% to 5.97%. The cost of short-term borrowing from other local authorities has been similar to Base Rate during the period at 4.0% to 4.5%.
- 3.4. The Authority's short-term borrowing cost has reduced slightly over the period in line with Base Rate and short-dated market rates. The average rate on the Authority's short-term loans at 30th June 2025 on £78.2m was 4.79%, this compares with 4.9% on £63.6m loans 3 months ago.
- 3.5. At 30th June 2025 the Authority held £208.2m of loans, an increase of £5.9m from 31st March 2025, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30th June are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.25 Balance £m	31.3.25 Weighted Average Rate %	31.3.25 Weighted Average Maturity (years)	Balance Movement	30.6.25 Balance £m	30.6.25 Weighted Average Rate %	30.6.25 Weighted Average Maturity (years)
Public Works Loan Board	145.5	3.7	17.0	2.2	147.7	3.7	16.6
Banks (LOBO)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Welsh Gov Interest Free	6.7	0.0	2.7	(0.2)	6.5	0.0	2.6
Local authorities /Other	50.0	5.3	0.4	4.0	54.0	5.1	0.4
Total borrowing	202.3	3.9	12.4	5.9	208.2	3.9	11.9

- 3.6. The Authority's chief objective when borrowing has always been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.
- 3.7. A small long-term PWLB loan was taken during the period to replace short-term borrowing and give more cost certainty.
- 3.8. The weighted average maturity of loans continues to reduce as shorter term funding has represented better value for a significant period. This will continue to be monitored to ensure that the Council is not overly exposed to volatility in interest rates by needing to refinance large amounts of loans at any one time.

Table 4: Long-dated Loans borrowed

	Amount £m	Rate %	Period (years)
PWLB EIP Loan	3.0	4.51	5
Total	3.0		

- 3.9. **Forward Starting Loans:** No loans taken during the period.
- 3.10. CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.
- 3.11. The Authority currently holds commercial investments that were purchased prior to the change in the CIPFA Prudential Code. The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to access PWLB borrowing if considered cost effective.

4. Investment activity during the quarter

- 4.1. The CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (revised in 2021) defines treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

4.2. The Authority holds significant invested funds during the year, representing income received in advance of expenditure plus balances and reserves held. During the quarter, the Authority's investment balances ranged from between £14.5m and £48.0m due to timing differences between income and expenditure. The investment position at the end of the quarter was:

Table 6: Treasury Investment Position

	31.3.25 Balance	Net Movement	30.6.25 Balance	30.6.25 Income Return	30.6.25 Weighted Average Maturity Days
	£m	£m	£m	%	
Banks & building societies (unsecured)	(2.0)	0.0	(2.0)	Average 4.26%	Up to 180 days
Government (incl. local authorities)	(3.0)	(8.0)	(11.0)		
Money Market Funds (MMFs)	(7.0)	(13.0)	(20.0)		
Multi asset income, Pooled funds	(4.0)	0.0	(4.0)	5.54%	N/A
Total investments	(16.0)	(21.0)	(37.0)	4.40%	

4.3. Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

4.4. The Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

4.5. The rates on DMADF deposits ranged between 4.2% and 4.45% and money market rates between 4.14% and 4.56%.

4.6. The combination of risk and return metrics are shown in the extracts from the Arlingclose quarterly investment benchmarking in the table below.

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

	Credit Score	Credit Rating	<u>Bail-in Exposure</u>	Weighted Average Maturity (days)	Rate of Return
					%
MCC 31.03.2025	A+	4.5	75%	3	5.17
MCC 30.06.2025	AA-	4.5	66%	9	4.40
Similar LAs	AA-	4.08	25%	42	4.26
All LAs	AA-	4.56	62%	10	4.36

- 4.7. Whilst bail-in exposure as a percentage metric remains high in comparison to similar Local Authorities, this is skewed by the overall low value of investments held at 31st March 2025. Consequently unsecured bank deposits and MMF's which attract bail-in exposure constitute a higher proportion of overall investments, despite the overall value of investment in these instruments being low.
- 4.8. **Externally Managed Pooled Funds:** £4m of the Authority's investments are invested in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and longer-term price stability.
- 4.9. These funds provide an important diversification for the Authority and generated £16k (5.44%) income return, together with a £0.01k (-0.01%) unrealised capital loss during the first month.
- 4.10. Accumulated unrealised capital losses over the lifetime of the investment stand at £378k. The Authority maintains an adequate treasury risk reserve to mitigate against the risk that capital losses on pooled funds become realised and consequently result in a charge against the Council Fund.
- 4.11. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over the longer term that total returns will exceed cash interest rates.

Statutory override: The statutory override in England has been extended until the 1st April 2029 for any investments already in place before 1st April 2024. Welsh Government is expected to adopt the same policy imminently. The Authority maintains a treasury management risk reserve which currently holds £590,000 to mitigate the impact of such risks materialising.

5. Environmental, Social and Governance

- 5.1. Throughout the year the investment portfolio has been assessed against 3 charters that organisations can voluntarily sign up for to ensure that all are meeting minimum level of ESG responsibility. These are shown in the table below:

Table 8: ESG Charter Signatories

	UN Principles for Responsible Investment	Uk Stewardship Code 2020	Net-Zero Asset Managers Initiative
Aberdeen Asset Liquidity	✓	✓	✓
Aegon	✓	✓	✓
CCLA Investment Management	✓	✓	✓
Federated (Prime Rate) Liquidity Fund	✓	✓	✓
HSBC Global Asset Management	✓	✓	✓
LEGAL AND GENERAL MMF	✓	✓	✓
Ninety-One	✓	✓	✓

STATE STREET	✓	✓	✓
Morgan Stanley - No Longer Used	✓	✓	x
Goldman Sachs - No Longer Used	✓	✓	x

- 5.2. An updated list of signatories to the three charters is provided by the Authority's treasury advisors each quarter and will continue to be monitored. Any counterparties not signed up to all three charters will be removed from the Authorities investment portfolio.
- 5.3. At 30th June 2025 the Authorities ESG specific Money Market Fund returned 4.17% compared to an average rate of 4.29% for all Money Market Funds.

6. Non-Treasury Investments

- 6.1. The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return.
- 6.2. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and/or for commercial purposes (made primarily for financial return).
- 6.3. Investment Guidance issued by DLUHC and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.
- 6.4. The Authority held a net book value of £28.19m of such non-financial asset investments at the 31st March 2024 (£31.1m as at 31st March 2024) made up of:

	Budgeted (surplus) / deficit 2025/26 £000's	Carrying Value 31.03.25 £000's	Budgeted Return 2025/26 %	Net return 2024/25 %
Oak Grove Solar Farm	(263)	5,785	4.55	5.25
Newport Leisure Park & service loan	(300)	15,616	1.92	1.41
Castlegate Business Park	111	6,784	-1.64	-7.56*
Total	(452)	28,185	1.60	1.06

*includes one-off provision for bad debt of £248k & £169k relating to service charges and business rates respectively. Net return excluding this write-off would be -1.42% (overall portfolio 1.52%)

- 6.5. These investments continue to represent an important income diversification for the Council and contributes towards the overall funding of services.
- 6.6. Returns on both the Newport Leisure park and Castlegate investments will improve as the profile of rental concessions advance during the year. A more detailed report on the performance of these investments is reported regularly to the Performance & Overview scrutiny committee.

6.7. The Authority also holds a portfolio of legacy non-financial asset investments that have been held for over a decade and are retained for income generation, capital gain or to support wider economic development or broader policy objectives. Income generation for these agricultural, retail and industrial assets are a secondary consideration and as such return against original investment would be considered negligible.

7. Treasury performance

7.1. The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 9 below.

Table 9: Budget performance

	Forecast 30.06.25 £000's	Budget £000's	Over / (under) Budget £000's
Interest Payable			
PWLB	5,298	4,931	366
Market loans	0	0	0
Short term loans	2,590	2,538	53
Other Activities (Internal Arrangements)	155	155	0
Total Interest payable on borrowing	8,044	7,624	419
Interest Receivable			
Invested cash short term	(798)	(788)	(10)
Pooled Funds	(189)	Included above	(189)
Finance lease income	(55)	Included above	(55)
Total income from Investments	(1,042)	(788)	(254)
Total	7,001	6,836	165

8. Compliance with treasury limits and indicators

8.1. The Section 151 officer reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA code and the limits and indicators as set out in the Authority's approved Treasury Management Strategy.

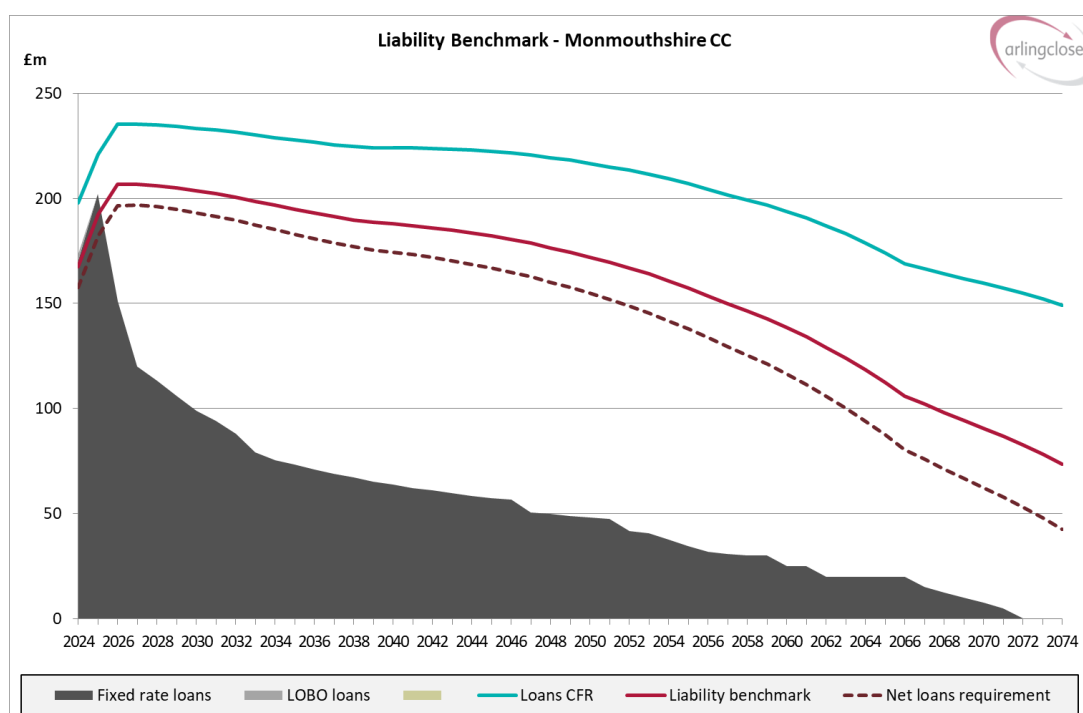
8.2. **Liability Benchmark:** This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external

borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 10: Liability Benchmark

	31.3.25 Actual	31.3.26 Forecast	31.3.27 Forecast	31.3.28 Forecast	31.3.29 Forecast
Loans CFR	207.7	235.2	235.4	234.8	234.8
Less: Balance sheet resources	(5.4)	(38.2)	(38.2)	(38.2)	(38.2)
Net loans requirement	202.3	197.0	197.2	197.6	196.6
Plus: Liquidity allowance	0.0	10.0	10.0	10.0	10.0
Liability benchmark	202.3	207.0	207.2	206.6	206.6
Current loan profile	(202.3)	(151.7)	(120.6)	(113.6)	(106.7)
Borrowing requirement	0.0	55.3	86.6	93.0	99.9

- 8.3. This indicates that if capital plans remains accurate the Council will have a borrowing requirement over the medium term of £99.9m. This projection forms the basis for future borrowing strategy and will be a consideration should any value loan opportunities present themselves in the market.
- 8.4. Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing is in line with the medium-term financial plan, minimum revenue provision on new capital expenditure is based on the annuity method, and expenditure and reserves all increasing by inflation of 2.5% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.



- 8.5. The gap between the dotted red line and the grey shaded area of the chart represents the forecast difference between the estimated borrowing requirement and the Council's current loans profile. If capital expenditure plans remain accurate, the gap represents a borrowing requirement which will need be met by new and replacement loans over time.

8.6. **Borrowing limits:** Compliance with the [authorised limit](#) and [operational boundary](#) for external debt is demonstrated in the table below.

Table 11: Borrowing Limits

	2025/26 Maximum during the year £m	30.6.25 Actual £m	2025/26 Operational Boundary £m	2025/26 Authorised Limit £m	Complied? Yes/No
Borrowing	208.2	208.2	248.2	263.6	Yes
PFI, Finance Leases & Other LT liabs	1.9	1.9	17.8	18.8	Yes
Total debt	210.1	210.1	266.0	282.4	Yes

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

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

Table 12: Maturity Structure of borrowing

Maturity	30.6.25 Actual	Lower Limit	Upper Limit	Complied?	31.3.25 Actual (For comparison)
Under 12 months	38%	0%	50%	Yes	31%
12 months and within 24 months	5%	0%	30%	Yes	10%
24 months and within 5 years	10%	0%	30%	Yes	10%
5 years and within 10 years	12%	0%	30%	Yes	12%
10 years and within 20 years	7%	0%	30%	Yes	9%
20 years and within 30 years	11%	0%	30%	Yes	11%
30 years and within 40 years	7%	0%	30%	Yes	7%
40 years and within 50 years	10%	0%	30%	Yes	10%
50 years and above	0%	0%	30%	Yes	0%

Table 13: Investment Limits

	Maximum in quarter	2025/26 Limit	Complied? Yes/No
The UK Government	£22.5m	Unlimited	Yes
Local Authorities per counterparty	£0m	£4m	Yes
Secured Investments	£0m	£4m	Yes

Banks per counterparty, rating A- or above	£2m (£3m total for the Councils operational bank)	£2m (£3m total for the Councils operational bank)	Yes
Building societies (unsecured)	£0m	£2m	Yes
Registered providers (e.g. Housing Associations (unsecured)	£0m	£2m	Yes
Money Market Funds	£4m	£4m	Yes
Any group of pooled funds under the same management	£2m	£5m	Yes
Real estate investment trusts	£0m	£5m	Yes
Other Investments	£0m	£2m	Yes

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

Table 14: Credit Risk

	30.6.24 Actual	2025/26 Target	Complied?
Portfolio average credit	AA-/4.50	A-/5.0	Yes

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

Table 15: Principal invested for period longer than a year

	During 2025/26
Actual principal invested for 365 days & beyond year end	£0m
Limit	£5m
Complied?	Yes

8.11. For context, the changes in interest rates during the quarter were:

01/04/25	30/06/25
4.50%	4.25%

Bank Rate

1-year PWLB certainty rate, maturity loans	4.82%	4.50%
5-year PWLB certainty rate, maturity loans	4.94%	4.70%
10-year PWLB certainty rate, maturity loans	5.38%	5.27%
20-year PWLB certainty rate, maturity loans	5.88%	5.88%
50-year PWLB certainty rate, maturity loans	5.63%	5.71%

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

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

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

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

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

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



AGENDA ITEM TBC

SUBJECT: DRAFT STATEMENT OF ACCOUNTS 2024/25 – MONMOUTHSHIRE COUNTY COUNCIL

MEETING: GOVERNANCE & AUDIT COMMITTEE

DATE: 24th July 2025

DIVISIONS/WARD AFFECTED: All

1. PURPOSE:

- 1.1 This report has been prepared to provide Governance and Audit Committee Members with an opportunity to review and provide comment on the draft 2024/25 Statement of Accounts of Monmouthshire County Council under the following terms of reference of the Committee:
- To review and scrutinise the authority's financial affairs;
 - To oversee the authority's internal and external audit arrangements; and
 - To review financial statements prepared by authority
- 1.2 Members are asked to note that the figures provided are subject to change during the external audit process and that a final audited statement of accounts will be presented to this committee at a future date.

2. RECOMMENDATIONS:

- 2.1 That the Governance & Audit Committee:
- Review the 2024/25 draft Statement of Accounts and highlight any queries and comments.
 - Note that following the completion of the external audit process, the audited Statement of accounts for 2024/25, alongside the outcome of the external audit process, will be presented to this Committee.

3. KEY ISSUES

- 3.1 Under current legislation for Wales, the draft statement of accounts are to be produced and published by the Authority by the 31st May following the financial year they relate to.
- 3.2 Welsh Government, in recognising the continued demands and pressure on Local Government resources, continue to allow the Council the flexibility to publish the statement of accounts after the statutory deadline subject to providing a statutory notice as per paragraph 10(4) of the regulations detailing the reasons for not meeting the deadline. This notice was made by the Council on the 31st May 2025.
- 3.3 The draft Statement of Accounts were signed by the Responsible Finance Officer on the 30th June 2025, and were subsequently published on the Council's website, and will now be subject to external audit and a public inspection period.

- 3.4 The draft accounts were completed a day earlier than for 2023/24, and 20 days earlier than those produced for 2022/23. The date of completion was in line with the timetable communicated to Audit Wales at the start of the closure process and therefore allows for the timely commencement of the external audit.
- 3.5 Monmouthshire is one of twelve Councils in Wales to complete and publish its draft accounts by the revised 30th June deadline.
- 3.6 This is a significant achievement given the additional responsibilities placed upon finance teams during the closure period in dealing with increased financial reporting requirements for both budget forecasting and treasury management. Managing the introduction of the new leasing reporting standard for 2024/25 has also been a significant undertaking.
- 3.7 The high-level timetable for completion of the final audited accounts is as follows:

Draft accounts published	30th June 2025
Public Inspection period	31st July 2025 to 27th August 2025
External audit process	July to October 2025
Governance & Audit Committee approval	October 2025
Audit Wales certification	October 2025

- 3.8 As we look forward to 2025/26 and beyond, there is further significant improvement to be made to move towards meeting the statutory deadline of publishing audited accounts by 30th September. This will rely upon suitable resources being made available in a timely manner within finance teams to support the external audit process, but will also require the support of the wider Council services involved in the accounts such as Estates, HR, Payroll, Democratic services, and Internal Audit.

Statement of accounts

- 3.9 The Statement of Accounts, shown in **Appendix 1**, is a highly technical document and its form and content are heavily regulated. The main regulations come through the:
- Code of Practice on Local Authority Accounting in the United Kingdom;
 - Service Reporting Code of Practice; and
 - Supported by International Financial Reporting Standards (IFRS).
- 3.10 While following these accounting standards ensures that financial statements are consistent and comparable across different bodies, it doesn't always make them easy to understand. To help with this, a simplified summary of the main financial statements has been included in **Appendix 2**. This is meant to support the review and understanding of the primary financial statements.
- 3.11 Alongside this, the guide produced by CIPFA – **Understanding Local Authority Financial Statements** has been provided as a background paper which may assist members of the Governance and Audit Committee and other users to understand the format of the accounts.
- 3.12 The formal Statement of Accounts at **Appendix 1** include the following statutory primary statements:
- Movement in Reserves Statement
 - Income & Expenditure Statement
 - Balance Sheet
 - Cashflow Statement
- 3.13 Supporting explanatory notes are also included in sections 10 to 17 which aim to give further information on the amounts included in the primary statements.

- 3.14 It should be noted that the Council is required to consolidate into its accounts its share of the financial accounts and transactions for the South East Wales Corporate Joint Committee or SEWCJC (formally known as the Cardiff Capital Region City Deal). The SEWCJC audited accounts for 2023/24 or draft accounts for 2024/25 are not yet available. The draft Council accounts presented therefore continue to reflect its share of 2022/23 SEWCJC audited accounts and transactions.

4. REASONS

- 4.1 To provide Governance and Audit Committee Members with an opportunity to review and provide comment on the draft 2024/25 Statement of Accounts of Monmouthshire County Council.

5. BACKGROUND PAPERS

Appendix 1 - Draft 2024/25 Statement of Accounts – Monmouthshire County Council

Appendix 2 - Summary of 2024/25 primary financial statements

Background paper 1 - Understanding Local Authority Financial Statements (CIPFA – 2016)

6. AUTHORS:

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MONMOUTHSHIRE COUNTY COUNCIL

DRAFT STATEMENT OF ACCOUNTS

2024/25



monmouthshire
sir fynwy

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1 NARRATIVE REPORT

1.1 Introduction

Monmouthshire County Council's Statement of Accounts provides a record of the Council's financial position for the year. This section of the document supplements the financial information contained in the accounts, with the aim of providing an overview of the more significant financial and accounting issues which affected the Council during the year.

Key facts about Monmouthshire



Monmouthshire is the most South Eastern County in Wales covering the area from the main towns of Abergavenny & Monmouth in the North to Chepstow & Caldicot in the South. It is a predominantly rural County covering an area of 880sq miles and serving a resident population of just over 94,000.

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

Political and management structure

The Council uses a Leader and Cabinet (Executive) governance model, with the Cabinet comprised of elected members, who each have lead responsibility for an area of the Council's business, including the Leader. Council determines the Authority's policy framework and budget and other constitutional functions. Below Cabinet and Council level there are a number of committees and panels that fulfil various scrutiny, statutory oversight and regulatory functions.

Following the Local Government elections in May 2022, there are 46 locally elected councillors representing 39 Monmouthshire wards who sit on the various committees of the Council, with the current political make-up of the Council being 21 Labour; 19 Conservative; 4 Independent; 2 Green Independent.

The Cabinet and elected members are supported by the Council's Strategic Leadership Team which is led by the Chief Executive. For management purposes the Council's operations are organised into Service Areas each of which is headed by a chief officer reporting to the Chief Executive. The Service Areas with a brief overview of their budget and functions are:

Social Care & Health

£68.4m

Adult services

Children's services

Public protection

Resources & performance

Learning, Skills & Economy

£65.2m

Schools and Early Years provision

Emergency Planning

Standards

Economy, Employment & Skills

Infrastructure & Place

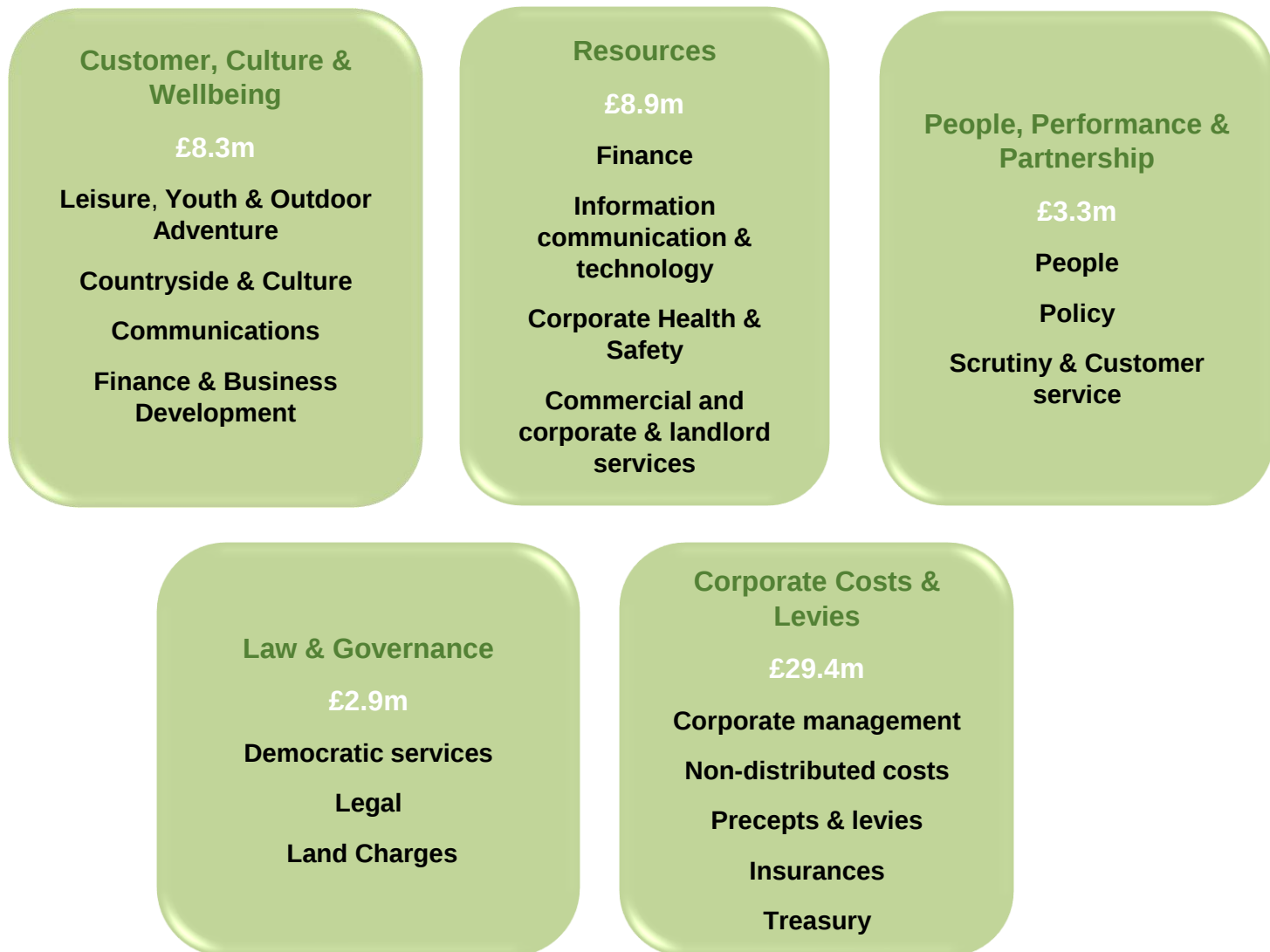
£26.2m

Enterprise, Housing & Community Animation

Facilities & Fleet Management

Neighbourhood services

Placemaking, Highways & Flood



1.2 Operational Performance for the Year

The Council's Community & Corporate Plan 2022-28 sets the Council's purpose and objectives focused on the well-being of current and future generations. The commitments in the plan will continue to inform the council's medium-term financial strategy to ensure that our spending follows clear priorities.

The Community & Corporate Plan establishes a clear purpose to become a net-zero county, supporting well-being, health and dignity for everyone at every stage of life. This is supported by six well-being objectives. A summary of the progress being made against these during 2024/25 is outlined below:

A fair place to live

- We have rolled out universal free school meals to all primary school pupils in Monmouthshire. The proportion of children having these free meals has maintained at 75%
- We have supported children and young people in the school holidays with free or low-cost play provision. Over 2,400 children have benefitted from these sessions.
- We have distributed 360 meal kits containing 1,400 meals to residents struggling with the cost of living and food insecurity.

A green place to live

- Our residents have recycled 72.2% of household waste. This is well above the national target of 70%
- We have created or enhanced 19 active travel routes in the county to provide more opportunities for residents to walk and cycle
- We have increased the percentage of our vehicle fleet which is ultra-low emission from 14% to 16.5% as part of our commitments to reduce our carbon emissions

A thriving & ambitious place

- We supported 82 people into employment during the year through a range of training and support
- We supported young people who were not in employment, education or training (NEET) into employment. Overall, 3.1% of school leavers in Monmouthshire are NEET. We will use the tools available to us to try and prevent young people becoming NEET
- We provided support to 89 pre-start-up and existing local businesses to help them develop and grow

A safe place to live

- We have prevented 71% of homeless applications from becoming homeless, the same as the previous year
- We have decreased the number of homeless households in Bed & Breakfast accommodation by over 60% during the year, from 46 to 20 households

A connected place where people care

- We have provided care and support for adults requiring social care services. 84.7% of adults we support are happy with the care and support they receive
- We have provided early help to support families through our Building Stronger Families service. 100% of families involved reported positive outcomes following intervention
- We delivered 309 packages of reablement to support people to regain independence, of which 55.7% of packages mitigated the need for further support

A learning place

- We have worked with schools to support pupils to attend schools. Pupil attendance at our primary schools was 93.6%. Pupil attendance at our secondary schools remains lower at 88.2%. We are providing continued support to increase attendance
- We have built a new 3-19 school in Abergavenny that will provide wide ranging education and support to 1,900 pupils, including for those with complex learning needs
- We are continuing to develop adult learning by supporting 909 learners to participate in community education courses

1.3 Financial Performance for the Year

Revenue Budget for 2024/25

The 2024/25 financial year has seen the continuation of financial headwinds which are impacting upon the Council's service operating environment.

The ongoing cost of living crisis and broader socio-economic challenges are increasing demand for Council services, especially in Children's and Adult Social Care, Homelessness, and Additional Learning Needs. Pressures from the wider public sector, particularly Health, are adding complexity to social care needs. Despite falling headline inflation, some services still face rising costs and supply chain issues. High interest rates, expected to persist longer than initially forecast, add financial strain. Additionally, staff shortages continue to affect some Council departments.

The first two financial updates received by Cabinet in October and December indicated significant pressure on the Council's budget of between £3m and £4m. Cabinet subsequently endorsed mitigating action to develop a structured approach to tackling the forecast deficit through a range of budget recovery measures.

In February 2025 Cabinet received the third financial update for the year outlining a reduced forecast deficit of £1.593 million. This was reflective of favourable movements within the majority of service budget areas, where successful budget recovery action and additional grant income had been notified.

At outturn, the Council has successfully mitigated the overall cost pressures through these ongoing targeted actions, and through additional unbudgeted grants and contributions. This has culminated in a gross expenditure budget surplus of £1.239 million prior to transfers to reserves, representing a 0.6% variance against the approved budget.

Further details on the outturn position are provided in the July 2025 budget outturn report to Cabinet.

	Revised Budget £000	Actual £000	Variance £000
Net Expenditure:			
Net cost of services (as per internal management reporting)	212,321	211,781	(540)
Interest and Investment Income	(1,176)	(1,317)	(141)
Interest Payable and Similar Charges	7,252	7,049	(203)
Charges Required Under Regulation	6,230	6,779	549
Borrowing Cost Recoupment	(3,883)	(4,725)	(842)
Earmarked Contributions to/(from) Reserves	(533)	(379)	154
Net Revenue Budget	220,211	219,188	(1,023)
Financed by:			
General government grants	(91,149)	(91,149)	0
Non-domestic rates	(34,871)	(34,871)	0
Council tax	(102,601)	(102,265)	336
Council Tax Benefit Support	8,410	7,858	(552)
Net Financing Budget	(220,211)	(220,426)	(215)
Year-end Surplus	0	(1,239)	(1,239)
Year-end Transfer to Earmarked Reserves	0	742	742
Year-end transfer to Council Fund	0	497	497
Council Fund (surplus)/deficit - Non Schools	0	0	0
Council Fund (surplus)/deficit - Schools	0	3,187	3,187

Council Fund (surplus)/deficit - Total	0	3,187	3,187
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The net cost of services in the table above of £211.781m is reported on a management accounting basis, i.e. the same basis as the budget reports that Cabinet receive during the year. The net cost of services in the Comprehensive Income and Expenditure (CIES) of £209.289m is different because these accounts are prepared on a financial accounting basis, which is specified and governed by accepted accounting guidelines.

Note 11.1 to the accounts shows how these figures reconcile.

Level of general and specific reserves/balances

The following summarises the Council's general and earmarked reserve balances.

Reserves & balances	2022/23 £000	2023/24 £000	2024/25 £000
Council Fund Balance	11,105	10,388	10,885
School Balances	4,256	(905)	(4,092)
Earmarked Reserves	11,549	9,359	9,440
Total Usable Reserves & balances available for Revenue Purposes	26,909	18,842	16,233

The level of the Council Fund reserve stood at £10.4m at the start of 2024/25, excluding delegated school balances. This represented 5% cover as a proportion of the Council's 2024/25 net revenue budget and was in line with the recommendations of the approved Medium Term Financial Strategy.

The final revenue budget proposals for 2024/25 did not include any use of the Council Fund reserve to balance the budget which was in line with the budget planning framework agreed by Cabinet. The budget did include £1.122 million of planned use of earmarked reserves in support of one-off revenue expenditure.

In determining the allocation of the outturn position, priority was given to strengthening the Council's financial sustainability. The focus has been on mitigating potential financial risks and enhancing the medium-term financial outlook. These will provide greater resilience against future uncertainties and support strategic investment in key service priorities over the The level of the Council Fund at the end of 2024/25 represents 5% of the Councils net revenue budget and is considered to be at a prudent level to cover future risks.

Further information on reserves can be found in Section 10 of the accounts.

Schools: The following table summarises the schools year-end balances position by school type:

School Balances	Number of schools	2022/23 £000	2023/24 £000	2024/25 £000
Comprehensives	3	1,259	(976)	(1,366)
Middle	1	0	0	(1,386)
Primaries	30	3,027	1,142	306
Other	1	(31)	(742)	(1,645)
Total	35	4,257	(576)	(4,092)

Schools continue to face significant budget pressures, particularly in respect of attendance, behaviours and increased additional learning needs. This has required increased staff and specialist resources to tackle the issues presenting and increased the overall costs of provision. Higher than budgeted pay awards have also impacted upon budgets.

The 2024/25 financial year has culminated in a £3,187,000 draw on school's balances, resulting in the cumulative deficit balance increasing to £4,092,000 and with fifteen of thirty-five schools now holding deficit balances.

The ongoing budget challenges at Chepstow Comprehensive, King Henry VIII School, and the Pupil Referral Service remain a concern. The Local Authority continues to work closely with representatives from these schools to implement agreed budget recovery plans. It is acknowledged that, due to the scale of the challenges, the recovery process will take longer than initially anticipated.

The Authority continues to work closely with all schools of concern to aid in the return to more sustainable budget plans over the medium term without impacting on educational standards. This will continue to be informed by the ongoing review of school's budgets as part of the periodic update of the medium-term financial plan.

Capital expenditure & financing

In addition to revenue spending the Council also spent £48.8m on its assets which is detailed below along with the corresponding finance streams:

2023/24 £000		2024/25 £000
	Expenditure	
28,192	Schools modernisation programme	21,801
11,941	Infrastructure	10,749
8,357	Asset management schemes	5,162
1,481	Inclusion schemes	2,872
503	ICT schemes	641
8,976	Regeneration schemes	2,676
1,209	Vehicles	930
4,193	Other	3,975
64,851	Total Expenditure	48,806
	Financing	
(6,472)	Capital receipts	(4,275)
(12,095)	Borrowing and Finance Lease Commitments	(17,019)
(45,758)	Grants and Contributions	(27,230)
(527)	Revenue and Reserve Contributions	(282)
(64,852)	Total Financing	(48,806)

Significant capital receipts

No significant capital receipts were received during the year. Multiple small disposals totalled £264,000. The Council currently utilise its capital receipts reserve to support the ongoing investment priorities in line with its approved Community & Corporate plan.

Non-current assets

The Council has a policy of revaluing all Land & Building assets every five years on a rolling programme. During 2024/25 the valuations included Community Centres, Comprehensive & Primary Schools, Corporate Facilities, Hubs & Public Contact Centres, Leisure & Outdoor Education Centres, Museum & Theatres and Nurseries & Play Groups. The programme for subsequent years is as follows:

- 2025/26 – Community Centres, Corporate Facilities, Leisure & Outdoor Education Centres and Recreational Spaces
- 2026/27 – Primary Schools, Recreational Spaces, Public Conveniences, Nurseries & playgroups and Cemeteries

In addition to the assets individually revalued a program of indexation has been undertaken on the remaining land & building assets to uplift values. Significant inflation in recent years increases the risk that the carrying values of non-revalued assets may be materially different to the current value. This has been addressed by uplifted DRC asset values in line with the relevant movements in the BCIS' All In Tender Price Index.

In addition to this rolling asset revaluation programme, an annual review is also undertaken of our assets for any significant changes in their use. The investment property portfolio is assessed annually by the Authority's Estates section to ensure the value is accurately reflected in the accounts.

During the year the value of our non-current assets has increased from £524.9m to £568.9m. The increase arises from recognising the in-year asset expenditure of £40.3m, £2.6m of newly recognised Right of Use assets, the rolling programme of revaluations increasing their held value by £19.1m, additional Land & Building uplift of £4.4m; offset by depreciation of £15.9m and impairment of £5.8m, and book value of disposals of £0.7m.

Effective from 1 April 2024, the Council implemented the IFRS 16 accounting standard, which mandates that lessees recognise the majority of leases on the Balance Sheet. In accordance with this standard, Right-of-Use (RoU) assets have been recognised for leased properties, vehicles, and equipment where the Council retains control over the use of the asset for a specified period in exchange for payment. This change has resulted in an increase in the reported value of Property, Plant, and Equipment on the Balance Sheet.

Borrowing arrangements and sources of funds

The Council's overall borrowing, on a principal valuation basis, totalled £204.5m as at 31st March 2025 (£175.9m as at 31st March 2024), comprising of the following:

31st March 2024 £000		31st March 2025 £000
126,236	Public Works Loan Board	146,792
3,081	Market Loans & Bank loans	0
4,739	Welsh Government	3,741
38,830	Local Government bodies	50,949
3,000	Special Purpose Vehicle	3,000
175,886	Total borrowing	204,482

Further information on borrowing arrangements is disclosed in notes 13.3 and 13.4 to the accounts. The Council continues to operate within its limits as set according to the Local Government Act 2003 and the CIPFA Prudential Code.

Collection of Council Tax and Non-Domestic Rates

The Council Tax bill for Monmouthshire County Council in 2024/25 (including amounts raised for Police and Community Councils) was £2,110.67 (£1,959.94 in 2023/24) for properties in valuation Band D. We collected 96.1% in year of the total due (96.7% 2023/24). Our in-year collection rate for Non-Domestic Rates was 94.8% in 2024/25 (96.9% in 2023/24). During the year £216,000 Council Tax and £312,000 Non-Domestic Rates debts were written off (£53,000 and £0 in 2023/24).

Pension Liabilities

In accordance with accounting standards, the Council is required to recognise the cost of retirement pensions when it becomes committed to them, rather than when payments are made. An independent actuary estimates these figures for Monmouthshire. For 2024/25, a net surplus of £83.4 million has been reported, compared to £5.98 million in 2023/24.

In line with IFRIC 14 – IAS 19, which addresses the limit on a defined benefit asset, minimum funding requirements, and their interaction, any surplus must be adjusted for committed past service contributions. This adjusted surplus is then assessed against the economic benefit available through reduced future contributions to determine whether an additional liability should be recognised. As a result, an adjustment has been made to reflect the asset ceiling. After accounting for this and the present value of unfunded benefits, a total net liability of £53.2 million is reported.

Between 1 April 2024 and 31 March 2025, the Council's share of the combined net surplus of the Greater Gwent Pension Funds increased by £89.4 million. This was driven by a £27.6 million rise in scheme assets and a £61.4 million reduction in scheme liabilities. The improvement reflects stronger performance across equities, bonds, and infrastructure investments. .

The most recent actuarial valuation that informs the accounts was conducted as of 31 March 2022 and will inform employer contribution rates through to 31 March 2026. Further information is provided in Section 14 of the Notes to the Accounts.

1.4 The Financial Outlook

2025/26

The budget round for 2025/26 was the third successive year that the Council has needed to tackle gross expenditure pressures of £20m+. Whilst the Council has in the past regularly dealt with financial challenges in the order of £5m - £10m in an annual planning cycle, the level of sustained increase in demand for high-cost services continues to put a strain on the Council's finances.

Given the nature and extent of the cost pressures faced for 2025/26 and the broad range of budget savings proposals being proposed, Cabinet reached out and purposefully engaged with a wide range of different interest groups and communities within Monmouthshire. The feedback received was considered and addressed in the final budget.

The Council was required to make difficult choices balancing the levels of service delivery, fees and charges, reserve usage, and Council Tax levels. As part of the process the Council approved an annual Council Tax increase of 7.8%, which increased the annual band D charge by £131.56 to £1,818.26 (excluding amounts raised for Police and Community Councils). Cabinet committed to maximising its efforts to ensure that individuals and households eligible for council tax exemptions or reductions claim the benefit available to them.

In respect of the Council's forward capital programme this has been constructed to principally support the Schools modernisation programme, Disabled Facilities Grants, Asset management and Infrastructure. The Council has a good track record of securing external capital grant funding and this will continue through 2025/26 to support wider regeneration within Active travel, town centre regeneration and wider infrastructure improvements. £65.1m is budgeted to be spent in 2025/26, inclusive of budget carried over from 2024/25.

The Medium Term

The Council's financial planning has been shaped by a consistent and disciplined approach in response to a prolonged period of fiscal constraint. Since the 2009 financial crisis, the Council, like many across Wales and the UK, has operated within a challenging financial environment. Over the period from 2010/11 to date, the Council has delivered over £83 million in budget savings. In the last two financial years alone, it has absorbed more than £31 million in cost pressures.

Despite these pressures, the Council has maintained a strong track record in delivering value for money and managing public resources effectively. It has successfully navigated the impacts of austerity, economic recession and the COVID-19 pandemic.

Looking ahead to 2026/27, the financial outlook remains uncertain. Significant changes at both national and local levels are expected to influence the Council's operating environment, including economic conditions, policy shifts, additional responsibilities and changes in demographic trends.

The medium term outlook remains very uncertain at the current time. Budget assumptions have been revised and based on the premise that inflation will remain under control and that public spending by UK Government and the consequential impact on local government in Wales are in line with independent analysis. There are a lot of downside risks that could still play out which could adversely impact further the budget shortfalls modelled over the medium term.

With reserve levels comparatively low and the scope for further efficiencies increasingly constrained, the Council faces a significant financial challenge. Addressing this will require a deliberate and forward-looking response - one that prioritises long-term reform, financial resilience and the transformation of service delivery.

The Council's evolving programme of change, underpinned by strong financial governance, provides the strategic framework through which services will be reshaped to meet resident needs within available resources. This programme is not only a response to financial pressures but also a proactive effort to modernise and improve outcomes.

South East Wales Corporate Joint Committee (SEWCJC)

The Cardiff Capital Region City Deal was originally established as a Joint Committee through a Joint Working Agreement on 1 March 2017. This partnership includes the ten local authorities in South East Wales, including Monmouthshire County Council.

As of 18 March 2024, the City Deal transitioned into a Corporate Joint Committee (CJC). The public-facing name of the body is Cardiff Capital Region (CCR), while its legal designation is the South East Wales Corporate Joint Committee (SEWCJC).

Monmouthshire County Council contributes 6.1% to the £120 million investment programme, based on its share of the regional population. The Council is also responsible for funding its share of the annual costs associated with this investment. The development and oversight of the programme are managed by the CJC Regional Cabinet.

The revenue contribution required during the year was £78,568 (£78,568 in 2023/24). The capital contribution to the project was not required during 2024/25, as was the case in 2023/24, due to reprofiling of the investment pipeline.

The Council has incorporated its proportionate share of income, expenditure, assets, liabilities, reserves, and cash flows related to the SEWCJC within its single-entity financial statements and disclosures. Further details are provided in Note 16.6 of the Accounts.

1.5 The Accounting Statements

The Authority's accounts for the year are set out in sections 5 to 17. They consist of:

Movement in Reserves Statement

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

Comprehensive Income and Expenditure Statement

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

Balance Sheet

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

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

Cash Flow Statement

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

Notes to the Accounts

The core financial statements outlined above are supported by notes to further assist the reader in interpreting the Authority's financial position for the year ended 31st March 2025. The notes are sectioned to aid the user of the accounts to navigate the extensive supporting notes.



Jonathan Davies
Head of Finance (Acting S151 Officer)

30th June 2025

Date

2 STATEMENT OF RESPONSIBILITIES

2.1 The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs, in line with statute this is the Section 151 Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

2.2 The Section 151 Officer's Responsibilities

The Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the Section 151 Officer has:

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

The Section 151 Officer has also:

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

APPROVAL OF STATEMENT OF ACCOUNTS

I certify that the accounts set out within sections 5 to 17 gives a true and fair view of the financial position of the Council as at the 31st March 2025 and its income and expenditure for the year ended 31st March 2025.



Jonathan Davies
Head of Finance (Acting S151 Officer)

30th June 2025

Date

ANNUAL GOVERNANCE STATEMENT

2024/25

Date of Report Issue

24th June 2025

Report Status

Draft v4

Report Author

Jan Furtek, Acting Chief Internal Auditor



Executive Summary

This Annual Governance Statement confirms that Monmouthshire County Council (the 'Council') has, for the financial year 2024/25, conducted a review of its governance arrangements which concluded that these arrangements accorded with the principles as set out in the Councils Code of Corporate Governance. Consequently, the Council's overall governance arrangements are assessed as being **effective** and provide a sound framework for delivering services to the citizens of Monmouthshire. This statement outlines the Council's responsibility for ensuring proper standards and the safeguarding of public money, as well as the arrangements for the management of risk.

There have been a small number of changes to the Senior Officers within the Council during the period, all of which have benefitted from robust succession planning with consequential interim amendments being made to the Strategic Leadership Team structure. A permanent restructuring of the Strategic Leadership Team will be completed during the Summer of 2025 to strengthen executive oversight.

The effective governance arrangements as set out in the body of this document have been operated continuously through the year and up until the date of the 2024/25 Report and Accounts. The remainder of this document sets out further detail of the review of the Council's governance arrangements. In undertaking its review of governance, the Council considered each of the principles set out within the Code of Corporate Governance and assessed what the Council has in place to support each of the Principles, its effectiveness and any areas for future improvement. In summary the Council has concluded as follows:

Principle	Rating	Movement from Previous Year	Number of Areas for Improvement
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Good	↓ (Previously Very Good)	
B. Ensuring openness and comprehensive stakeholder engagement	Very Good	↔	
C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits	Very Good	↔	
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Very Good	↔	
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	Good	↑ (previously adequate)	
F. Managing risks and performance through robust internal control and strong public financial management	Very Good	↔	
G. Implementing good practices in transparency, reporting, and audit to	Very Good	↔	

Principle	Rating	Movement from Previous Year	Number of Areas for Improvement
deliver effective accountability			
Overall	Very Good		

Overall, the governance arrangements in place at Monmouthshire County Council continue to be regarded as being fit for purpose.

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- 1 This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), the 'Delivering Good Governance in Local Government Framework 2016' and Delivering Good Governance in Local Government Guidance Notes for Welsh Authorities 2016'. It embraces the elements of internal financial control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.
- 2 The Statement itself demonstrates that Monmouthshire has governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in most areas we have effective governance arrangements in place which are continually improving, but also recognise that there is further work to do. Progress against the 2023/24 Action Plan is shown on page 33.

Scope of Responsibility

- 3 Monmouthshire County Council (the Council) (MCC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.
- 4 In discharging these responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
- 5 The Council's financial management arrangements conform to the governance requirements of the 'CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)'.
- 6 The **Code of Corporate Governance**, which is consistent with the principles of the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government', was initially approved by Council in July 2011; the Code was revised and updated again in June 2020, approved by Cabinet in September 2021. This statement explains how the Council has complied with the revised Framework and Guidance (2016) and also meets the requirements of the Accounts and Audit (Wales) Regulations 2014. The Code sets out what governance arrangements are in place within Monmouthshire CC for each of the Governance Principles.
- 7 The Council had planned to formally review the Code of Corporate Governance during the 2024/25 financial year. The Code was reviewed over the year by the Chief Officer for Law & Governance (Monitoring Officer) and it was determined no changes were required, however, this was not put forward for subsequent approval as Officers were aware of forthcoming updated guidance from CIPFA which was not published until May 2025. The updating of the Code in light of the Delivering Good Governance in Local Government: addendum will be a priority for the 2025/26 year.

Senior Management

- 8 For the majority of the 2024/25 financial year an interim senior management structure for the Council was in place. This was due to the absence of the Chief Executive and also the departure of two Chief Officers. The following occurred.
 - The Chief Executive was absent on medical leave between October 2024 to March 2025. We are pleased to report that he has now fully returned to work.
 - The Deputy Chief Executive / Strategic Director for Resources (S151 Officer) assumed the Chief Executive's responsibilities during the above period.
 - To ensure a segregation of duties, while the Deputy Chief Executive acted up their Section 151 responsibilities were formally delegated to the Head of Finance.
 - The Chief Officer for Communities & Place left the Council in October 2024 to become the Chief Executive at Neath Port Talbot Council. As an interim arrangement their portfolio was managed by an Interim Chief Officer for Infrastructure and an Interim Chief Officer for Place.

- The Chief Officer for Customer, Culture and Wellbeing (MonLife) retired in March 2024. The Deputy Chief Executive assumed line management responsibility for the service area as an interim arrangement.
- 9 Since the Chief Executive returned to work, a review has taken place of the senior leadership structure of the Council. This along with proposed departmental changes will be presented to the County Council in June 2025 and subsequently implemented.
- 10 In July 2024, the County Council agreed to establish a Remuneration Committee with the scope to determine the remuneration for the Council's Senior Leadership Team which consisted of the Chief Executive and 7 Chief Officers. This was prompted as the pay scales for senior officers had not been reviewed since 2009/10 and over the last 15 years, the roles of senior leaders have evolved. Reviewing the pay scale would also ensure that Monmouthshire could attract and retain the best possible candidates for the positions which are key to the effective running of the Council.
- 11 The remuneration committee met 3 times and sought advice from independent sources, the Deputy Monitoring Officer, Torfaen County Borough Council and an experienced public sector HR consultant. Prior to Council approval, the Independent Remuneration Panel for Wales was requested to review and approve the proposed increase in Chief Executive Salary. Panel members noted a comprehensive review of salaries of senior pay (including Chief Executive) was undertaken by the authority. Supported by an independent governance officer and an external consultant, members agreed the process was open, transparent and rigorous. The approach was also holistic, logical and very much evidence based. It was the decision of the Panel to approve the proposal for the revised salary of the post of Chief Executive as submitted.
- 12 In accordance with the Remuneration Committees Terms of Reference they presented a report to the County Council in April 2025 who resolved to approve the recommendations made. This resulted in senior leaders of the Council receiving an increase in pay, in accordance with the median salary range, over a 2-year period, from April 2025. The implementation of this recommendation ensured that the salary structure for senior leaders was comparable with other Councils in the regional area.

The Purpose of the Governance Framework

- 13 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads in the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 14 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, outcomes and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised. Appropriate internal controls also ensure the Council's resources are utilised, and services are delivered efficiently, effectively and economically.
- 15 The governance framework has been in place at the Council for a number of years and continued to be in place for the year ended 31st March 2025 and up to the date of approval of the statement of accounts.

The Governance Framework

- 16 The Council's Code of Corporate Governance is in line with the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government' principles:

Overarching requirements for acting in the public interest:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

B. Ensuring openness and comprehensive stakeholder engagement

In addition, achieving good governance in the Council requires effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Wellbeing of Future Generations (Wales) Act 2015

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

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

This needs to be applied to the five ways of working outlined in the 2015 Act. These five ways of working have to permeate all segments of delivering outcomes which, in turn, should ensure effective use of resources as the Council maximises its contribution to the economic, social, environmental and cultural well-being of Monmouthshire and Wales.

- Long Term
- Prevention
- Integration
- Collaboration
- Involvement

- 18 The key elements of the Council's governance arrangements are set out in its Community and Corporate Plan 2022-28. This was approved by Council on the 20th April 2023.
- 19 Since the Local Government elections in May 2022, initially the administration had been working without a majority, however, in May 2023 a coalition agreement was reached. During the 2024/25 financial year, a Councillor from the administration was elected to serve as the Member of Parliament for Monmouthshire and stepped down from the Council in September 2024. The resulting bi-election reduced the number of seats held by the coalition to 22 out of 46.
- 20 As part of the requirements of the Well-being of Future Generations (Wales) Act 2015 the Public Service Board (PSB) is focused on improving social, economic, environmental and cultural wellbeing, in accordance with the sustainable development principle. Public Service Boards have a planning responsibility to prepare and publish an assessment of local well-being, produce a local well-being plan and report annually on its progress. Monmouthshire is a member of a Gwent-wide Public Service Board, formed following a voluntary agreement between the partners.

Review of Effectiveness

- 21** The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Strategic Leadership Team within the Authority which has responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 22** The review of effectiveness has been completed using a six point scale which is used within Monmouthshire County Council to assess the performance framework and progress with the Community and Corporate Plan.

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

Chief Internal Auditor Statement and Annual Opinion

- 23** The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual opinion based upon and limited to the work performed on the overall adequacy and effectiveness of Monmouthshire County Council's framework of governance, risk management and internal control. This is achieved through a risk-based plan of work, agreed with management, which should provide a reasonable level of assurance.

The Internal Audit team has completed its internal audit work for the year based upon the Operational Audit Plan approved by the Audit Committee in April 2024. The Plan was designed to ensure adequate coverage over the Council's financial and operational systems using a risk based assessment methodology.

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

The 2024/25 Audit opinion is partially reliant on previous work undertaken by the team where Reasonable Assurance opinions were issued; there have been no significant changes to the organisation's systems or key personnel and no major frauds were identified.

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

Based on the planned work undertaken during the year, in my view the internal controls in operation give **Reasonable Assurance**; *There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.*

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

Jan Furtek
Acting Chief Internal Auditor
June 2025

- 24 The [Global Internal Audit Standards](#), the [Application Note: Global Internal Audit Standards in the UK Public Sector](#) and the [Code of Practice for the Governance of Internal Audit in UK Local Government](#) replace the Public Sector Internal Audit Standards with effect from April 2025. The Council will look to ensure compliance with the new standards as soon as possible.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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The Council is accountable not only for how much it spends, but also for how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Behaving with integrity	- Members Code of Conduct in Constitution which reflects Local Authorities (Model Code of Conduct) (Wales) Order 2016 - Officers Code of Conduct in Constitution - Registers of interests / hospitality - Induction training - Member/Officer Protocol in Constitution - Member led Authority principles/document - Member training programme - Council Values — Openness, Fairness, Flexibility, Teamwork, Kindness - Whistleblowing Policy - Anti-Fraud, Bribery and Corruption Policy - Standards Committee - Standards Committee Annual Report presented to Council - Member Dispute Resolution	- The Code of Conduct for Members and the protocol on Member / Officer relationships are set out in the Constitution. - The Standards Committee, which includes a majority of independent representatives, advises on and monitors the Members' Code of Conduct, the Protocol for Member/Officer Relations, and any other Codes relating to the conduct of Members. The Standards Committee met 4 times during 2024/25. - The Public Service Ombudsman Wales (PSOW) Annual Report (2023/24) was presented to Cabinet in December 2024. This indicated that for 2023/24 there were 15 complaints that the PSOW decided not to investigate and 1 where it did investigate but decided no action was necessary. - The PSOW's annual report for 2024/2025 is due by September of this year and will be considered by the Standards Committee and Cabinet. - No judicial reviews were commenced or dealt with at the pre-action stage in the previous year. - The Governance & Audit Committee met 9 times during 2024/25 and has the responsibility for ensuring that sufficient internal control mechanisms are in place to help identify any potential misconduct within the authority.	Continue to review all HR policies including the Employee Code of Conduct and Whistleblowing Policy. (Principle A)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Complaints procedure - Decision 'Call In' process - Audit Wales Review into MCC Counter-fraud Arrangements Action Plan - Fraud Risk Assessment	- The Remuneration Committee met 3 times with it's recommendations reviewed and approved by both the County Council and the Independent Remuneration Panel for Wales prior to implementation. - Over 2024/25 the Council began a programme to review all HR policies in consultation with the Joint Advisory Group. Ten policies have so far been revised and approved. - Audit Wales completed a review of the Counter Fraud Arrangements which concluded that 'the Council has recently strengthened its counter-fraud arrangements but recognises there are further steps it can take'. A management response has been provided and will be further considered as part of the Fraud Risk Assessment review due in October 2025.	
Demonstrating strong commitment to ethical values	- Council Values — Openness, Fairness, Flexibility, Teamwork, Kindness - Contract procedure rules - Financial procedure rules - Codes of conduct for members and employees - Audit Wales Review into MCC Counter-fraud Arrangements - Whistleblowing Policy - Fraud Risk Assessment	The ethical governance framework includes: - Codes of conduct for officers and Members. - A protocol governing Member/Officer relations. - A whistle-blowing policy widely communicated within the Council. - Registers of personal and business interests for Members. - Declarations of interests for Chief Officers. - An agreed policy and associated corporate procedures for ensuring that complaints about services can be properly made and investigated, and for ensuring that any lessons learnt can be applied. - All exemptions of the Contract Procedure Rules are reported through the Governance & Audit Committee periodically. The Internal Audit team co-ordinates the exemption process in conjunction with strategic procurement. - The Governance & Audit Committee has the opportunity to call in senior managers during the year and challenge them on why a procurement process went outside the Council's normal tendering processes. There were no call-ins during 2024/25. - A Scrutiny and Executive Protocol is in place which is aligned to the constitution and provides parameters for effective executive and scrutiny relationships.	- Review the Council's Code of Corporate Governance against new CIPFA guidance and seek approval from SLT and Members. (Principle A) - Review the Corporate Induction process to ensure the key messages are being delivered. (Principle A)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Respecting the rule of law	- Member and Officer Code of Conduct in Constitution - Role of Chief Executive, Section 151 Officer and Monitoring Officer established in Constitution - CIPFA statement on the Role of the Chief Financial Officer - Anti-Fraud, Bribery and Corruption Policy - Governance & Audit Committee - Internal Audit Section - Internal Audit Annual Report presented to Governance & Audit Committee - External Auditors Annual Audit Letter - Standards Committee - Whistleblowing Policy - Complaints procedure - Decision 'Call In' process - Audit Wales Review into MCC Counter-fraud Arrangements	- The Constitution is updated periodically by the Monitoring Officer; the latest update approved by Council was in April 2025. It can be found on the Council's website. - To ensure agreed procedures and all applicable statutes are complied with, the Monitoring Officer attends full Council meetings, Cabinet and SLT. To ensure sound financial management is a key factor in decisions, the Deputy Chief Executive and Chief Officer Resources (S151 Officer) attends SLT, Cabinet and Council meetings. - In accordance with the Local Government and Housing Act, 1989, the Monitoring Officer ensures compliance with established policies, procedures, laws and regulations. After appropriate consultation, this officer will report to the full Council in respect of any proposals, decisions or omissions which could be unlawful or which have been subject of an Ombudsman Investigation resulting in a finding of maladministration. The Monitoring Officer has not issued a Section 5 report in 2024/25, or in the previous year, 2023/24. - The Councils has an Anti-Fraud, Corruption & Bribery Policy which was approved by Cabinet in January 2024. A mandatory training course for this area was launched in January 2025 with completion across all service areas being closely monitored. - Audit Wales completed a review of MCC's Counter-fraud Arrangements during 2024/25 with the final report issued in May 2025. It was determined that the Council has recently strengthened its counter-fraud arrangements but recognises there are further steps it can take. The Council will look to implement the 2 recommendations issued.	Deliver the action plan to address the recommendations from the Audit Wales Counter-fraud Arrangements review.

Principle B: Ensuring openness and comprehensive stakeholder engagement

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Openness	- Agendas published in advance of meetings - Minutes published following meetings - Democratic meetings live streaming on YouTube - Decision making process described in Constitution - Forward Plan published on internet showing key decisions to be made by Council and Cabinet - Annual budget consultation - Freedom of Information Scheme - Public questions at Council, Cabinet and Select Committees - Engagement with hard to reach groups, including those with the protected characteristics defined by the Equality Act 2010. As well as engagement with children and young people to meet the requirement of the United Nations Convention on the Rights of the Child (UNCRC).	- Agendas are published in advance of all meetings on the Council's website; corresponding minutes are published post meeting. - Transparency and openness are important to Monmouthshire; the Annual Statement of Accounts was considered by the Governance & Audit Committee prior to their approval. All Council decisions, reports and questions asked by Members are available on the website. Financial information, Corporate Plan progress, Council activities, achievements, developments, updates and events were included on the Council's intranet and website. All public meetings of the Council are live streamed and are available to view on the Council's YouTube channel at any time after the meeting, which provides greater transparency of the Council's business. - A forward work planner is used to identify decision making reports due to be considered by Council, Cabinet and Individual Cabinet Member decision. This is also used to inform the work programme of scrutiny committees. - The Council's website contains links to 38 open data sets to promote transparency and openness. Following a decision of the First Tier Information Rights Tribunal (EA/2018/0033) the Authority no longer publishes business rates data on its	The use of the Committee Forward Work Planner will be strengthened to ensure decision making reports are included on it at the earliest opportunity to support improved democratic work planning.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	Publication of open data sets on the Council's website	open data web page. It will no longer disclose information about business rate accounts in response to FOI requests. - Policy and decision-making is facilitated through (i) Council and Cabinet; the meetings of which are open to the public and live streamed online except where exempt or confidential matters are being discussed, and (ii) a scheme of delegation to committees and officers as set out in the Constitution: Four Scrutiny Committees (including the statutory Public Services Scrutiny Committee) and a separate Governance & Audit Committee review, scrutinise and hold to account the performance of the Cabinet, decision-making committees and officers. A Scrutiny "Call-In" process for decisions which have been made but not yet implemented is incorporated in the Constitution in order to consider their appropriateness. - Implementing Open Government standards which enable us to effectively engage with our citizens and open up our data for anyone who needs to use it. Making the most of digitisation and digital inclusion to enable us to engage with people across our County. - The Council's strategic risk register is published.	
Engaging comprehensively with institutional stakeholders	- Gwent Public Service Board Partnership arrangements and structure - Gwent Public Service Board Well-Being Plan - Public Services Scrutiny Committee - Cardiff Capital Region	- During 2021/22 several local PSBs merged to form the Gwent Public Services Board. A Gwent wide well-being assessment has been produced, including an assessment of well-being in Monmouthshire and local communities within the county, March 2022. - In June 2023 the Council considered and approved the Gwent Public Services Board Well-being Plan. The plan had been subject to scrutiny Monmouthshire's Public Services Scrutiny Committee in March 2023. - The Monmouthshire Programme Board, chaired by a senior officer links directly to the Gwent PSB to ensure that local issues remain at the forefront of partnership delivery. There is a good alignment between the priorities of the PSB document and our own Community and Corporate Plan. The programme board did not meet during 2024/25. During this	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		time the Gwent PSB was conducting work to determine its priorities and as a result it was determined that there was no need for the Programme Board to meet The Council is a member of the Cardiff Capital Region, a regional body (Corporate Joint Committee) made up of the 10 councils across South East Wales.	
Engaging stakeholders effectively, including individual citizens and service users	- Ward role of Councillors - Consultations on the council website and social media platforms - Complaints Policy and Annual Report - Medium Term Financial Plan (MTFP) - Complaints procedure - Integrated Impact Assessment including Future Generations evaluation and Equality Impact Assessment, on decision reports - Strategic Equality Plan - Communication via Social Media - Lets Talk Monmouthshire - a designed website for customer consultations and engagement. - Completion of National Resident Survey - Support key services, such as the Contact Centre and Community Development, to be aware of current communication messages and to be able to support our residents.	- Social media e.g. X (Twitter), Instagram Facebook, LinkedIn and YouTube, are used to engage local people and communicate the corporate message. During 24/25 in excess of 2.5m reach / interactions was achieved on social media and 698k views were achieved through our Monmouthshire.gov website. - Scrutiny Committees hold a Public Open Forum on each agenda and the public can attend meetings remotely or in person. They can also submit written, audio or video representations to Scrutiny Committees and submit suggested topics for the scrutiny forward work programme via the Scrutiny Website www.monmouthshire.gov.uk/scrutiny. Chief Officers, Members and the Communications team are very proactive in engaging with the public. - Public engagement events and YouTube continued to be used for the budget proposals. The Council has encouraged the community within Monmouthshire to actively contribute to making stepped changes to improve the way in which services are provided. This links back to the principles of the Well-being of Future Generations Act which sets out five ways of working including involvement. Work continued during 24/25 to ensure the information hosted within the budget proposals consultation was as accessible as it could be and in a much more condensed version when compared to previous year. Face to face engagement sessions in the community enabled conversations to take place to inform the wider consultation process. - The Medium Term Financial Plan supports the vision for Monmouthshire and extensive public engagement continued in 2024/25 for the 2025/26 budget and Medium Term	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		Financial Plan which engaged with the public in their own community; this included website, social media, drop in sessions, Cabinet Member YouTube video and open meetings. - In January 2025 Monmouthshire County Council launched 'Lets Talk Monmouthshire' - a designed platform for consultations and engagement. The focus of this platform is to enable clarity of information for residents and a single place to visit for online consultations right across the organisation, ensuring residents do not miss the opportunity to engage. It also enables a recognisable brand when engaging in face-to-face conversations within our communities. Work continues to grow this platform and encourage residents to register for regular updates, across each and every directorate. - During the Autumn of 2024 the Council conducted the National Resident survey. Hosted by Data Cymru, the survey is designed to support local councils in increasing their understanding of performance and perception. A total of 1,465 responses were received and the results have been analysed to understand what respondents said about their local area, the council and their interactions with the council.	

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Improvement	Future
Defining Outcomes	- Community & Corporate Plan produced and reviewed annually in accordance with Local Government & Elections Act 2021 and 'Wellbeing Objectives' in Wellbeing of Future Generations (Wales) Act 2015 - Quarterly, six monthly & annual Performance Monitoring Reports - Corporate Plan Annual Self-Assessment Report - Public Service Board Well-being Plan annual report - Service Business Plans produced annually and reviewed quarterly by each service area. - Monthly Financial Monitoring meetings held for each service area - Risk Management Policy and Guidance - Whole Authority Strategic Risk Register - Capital Review Programme - Self-Assessment report	- The Community & Corporate Plan 2022-2028, "Taking Monmouthshire Forward" was approved by Full Council in April 2023 and sets a purpose 'To become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life'. This is underpinned by the Council's 6 objectives (fair place, green place, thriving & ambitious place, safe place, connected place and learning place) and 5 values (teamwork, openness, fairness, flexibility and kindness). - The Council's Annual Self-Assessment Report 2023/24 was presented to the Performance & Overview Scrutiny Committee, Governance and Audit Committee and was agreed by Council. The report was published on the council's website in September 2024. The 2024/25 self-assessment is being developed, this has informed and been informed by the Annual Governance Statement. - The annual self-assessment report will be complemented by a panel performance assessment once in an electoral cycle, a requirement of the Local Government & Elections Act 2021. - The Council is planning to undertake this towards the end of 2025/26. The six-month performance report on the Community and Corporate Plan was presented to Performance and Overview Scrutiny Committee and Cabinet in December 2024. - Monmouthshire County Council is a member of the Gwent PSB, where we work with other public services and the		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		voluntary sector on the delivery of the local well-being plan. This includes countywide well-being objectives that are a focus for public services. - Regular budget monitoring reports for revenue and capital were presented to and approved by Cabinet during the year and at Outturn. The budget management actions of Cabinet and senior officers are scrutinized regularly by the Performance and Overview Scrutiny Committee. - The Council has a Welsh Language Strategy for 2022 – 2027, which sets out a vision of how Welsh language will look in Monmouthshire until 2027. The Welsh Language Monitoring Report 2023/24 was presented to the Performance and Overview Scrutiny Committee in July 2024. - Objectives are supported by Service Business Plans to operationally deliver these objectives. Service plans are made available on the Council's Hub intranet site. These are quality assessed as part of the service planning process. All service plans were developed to align the delivery of the Council's Corporate Plan.	
Sustainable economic, social and environmental benefits	- Medium Term Financial Plan (MTFP) covering 3 financial years approved annually by Council - Corporate Plan - Risk management Policy and Guidance - Whole Authority Strategic Risk Register - Monmouthshire Public Service Board Well-being Plan - Future Generations Evaluation, including Equality Impact Assessment, on decision making reports - Service Business Plans produced annually and reviewed quarterly by each service area.	- The Budget Setting Process and Timetable for 2025/26 was reviewed and approved by Cabinet in October 2024. This provided a framework to underpin the 2025/26 budget and a set of principles were adopted. This report also highlighted an initial budget shortfall of £11.4 million taking into account the impact of economic situation, service demand pressures and the latest intelligence on likely funding levels. Budget recovery actions were undertaken to allow services to maintain delivery whilst addressing the in-year financial overspend that had been forecast. - The Draft Capital Budget Proposals 2025/26 were taken to Cabinet in January 2025. Final Proposals went to Cabinet before being approved by Council in March 2025. Ongoing scrutiny of the Council's budget position in line with the MTFP has provided Members with a greater understanding of the budget setting process and the pressures within individual directorates.	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Climate Emergency Strategy and Action Plan - Replacement Local Development Plan process	- In May 2019 Monmouthshire County Council declared a Climate Emergency. Plans are underway to meet our target to reduce council carbon emissions to zero by 2030. In November 2021, following wide community consultation, an updated and amended action plan was published. A revised Climate and Nature Emergency Strategy was considered by Cabinet in May 2024. - Between September and October 2024 the Council consulted with the public regarding the Local Nature Recovery Action Plan (NRAP) and Green Infrastructure Strategy. - The Council began the process for their Replacement Local Development Plan. A revised Delivery Agreement was agreed by Welsh Government on 25th October 2024 which sets out the amended timetable for plan preparation. - Monmouthshire County Council (MCC) consulted on its Deposit Replacement Local Development Plan, together with the supporting Integrated Sustainability Appraisal Report and Habitats Regulations Assessment between Monday 4th November and Monday 16th December 2024.	

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource input while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Improvement	Future
Determining interventions	- Corporate Plan - Scrutiny / Select Committee function - Risk management policy and guidance - Whole Authority Strategic Risk Register - Finance and Legal implications in all Council, Cabinet and Committee reports report writing template and guidance - Future Generations Evaluation (including Equality Impact Assessment) - Results of consultation exercises - Reports to Government Agencies - Enabling strategy framework	- Monmouthshire is a partner in the South East Wales Consortium Schools Causing Concern protocol. This Policy forms a part of, and is aligned with, the National Model for School Improvement in relation to the informal support and challenge provided by the Local Authority to a school prior to any issuing of a warning notice or invocation of formal powers of intervention based on the six grounds for intervention. It also aligns with the Welsh Government Guidance on Schools Causing Concern (September 2017). - Regular reporting into Cabinet, Scrutiny and Governance & Audit Committee enables the achievement of the Council's objectives to be challenged and appropriate actions put in place to address any identified issues so that the intended outcomes can be achieved. - Dealing with customer complaints helps Monmouthshire to identify and deal with failures in service delivery. The Council's corporate complaint / compliment procedure is available on the web site. During 2024/25 there were; - Stage 1 Complaints - 93 - Stage 2 Complaints - 8 - Comments - 359 - Compliments - 277		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		- A separate report containing the Ombudsman's findings in relation to complaints about Monmouthshire County Council was reported separately to both Cabinet and Governance & Audit Committee. - Consultation on budget proposals is extensive. - The Authority makes numerous annual returns to various external Governing Bodies, such as the Food Standards Agency, Drinking Water Inspectorate, Department for Levelling Up & Communities, Department for Transport, Home Office, Gambling Commission, DEFRA, Health & Safety Executive, General Registrar's Office, National Fraud Initiative and other government departments'. These allow the Council to self-assess and determine if any intervention is required within the services provided. - The Council looks to ensure that detailed and timely responses are made to both Welsh and UK Government consultations. For example, over the 2024/25 year the Council has responded to the COVID public enquiry as coordinated by the WLGA.	
Planning Interventions	- Monthly Financial Monitoring meetings for each Directorate reviews progress and authorises corrective action where necessary - Medium Term Financial Plan - Annual budget setting process in place including consultation exercise - Financial procedure rules - Senior Management Structure - Corporate Plan produced and reviewed annually in accordance with Local Government and Elections Act 2021 and 'Wellbeing Objectives' in Wellbeing of Future Generations (Wales) Act 2015 - Quarterly, six monthly & annual Performance Monitoring Reports	- The Council has established robust planning and control cycles covering strategic and operational plans, priorities and targets which is achieved through: - A timetable for producing and reviewing plans on an annual basis. - Working with a consultation and engagement strategy. - Quarterly and annual performance monitoring including achievement of national and local performance indicators. - There is robust Medium Term Financial Planning. - There is an annual budget setting process in place including an extensive consultation exercise. - Self-assessment report presented to Governance & Audit Committee and Performance & Overview Scrutiny Committee to review, scrutinise and make any recommendations for changes. - Self-assessment report agreed by Council and published in September 2024. The report provides an assessment of the Authority's performance during the year ending 31 March	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Annual Self-Assessment Report - Public Service Board Well-being Plan - Public Service Board Well-being Plan annual report - Service Business Plans produced annually and reviewed quarterly by each service area. - Risk Management Policy and Guidance - Whole Authority Strategic Risk Register - Reports to Government Agencies	2024, in line with requirements outlined in the Local Government and Elections (Wales) Act 2021. A Local Authority Warning Notice was issued to the Chair of Governors at Caldicot School on the 19th April 2024 in accordance with Part 2 of the School Standards and Organisation (Wales) Act 2013 and Welsh Government Statutory Guidance Document (202/2016) Schools Causing Concern. The purpose of the Warning Notice was to secure immediate improvement in the specified aspects of the School. This has been continually reviewed over the course of the year.	
Optimising achievement of intended outcomes	- Quarterly Financial Monitoring reports to Cabinet and scrutiny - Mid-Year Budget Statement to Cabinet - Medium Term Financial Plan - Budget consultation - Community & Corporate Plan - Annual Self-Assessment Report	- The Council ensures the Medium Term Financial Plan integrates and balances service priorities, affordability and other resource constraints by setting out any shortfall in resources and spending requirements in the context of service priorities. - The achievement of the Community & Corporate Plan is reviewed at least annually.	

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Developing the entity's capacity	- Performance review for all staff where required by them or their line manager - People Strategy - Quarterly financial reports to Cabinet and Scrutiny Committees - Partnership & collaborative working arrangements - Quarterly, six monthly & annual Performance Monitoring Reports - Community & Corporate Plan Annual Self-Assessment Report - Public Service Board Well-being Plan annual report - Service Business Plans produced annually and reviewed quarterly by each service area. - Thinqi Learning Management System.	- The Council's recruitment procedures provide equality of employment opportunities. The equality-assessed pay structure meets the requirements of the Single Status Agreement of 1997. The Single Status Collective Agreement was approved by Cabinet in September 2010. This is complemented by the People Strategy. The Pay Policy is approved annually by Council and is available on the MCC website. - Developing the digital capabilities of people and systems to enable effectiveness, efficiency and enhanced customer services is important within Monmouthshire and is measured via the Digital Design and Innovation Service Business Plan. A Digital and Data Strategy was agreed by Cabinet in July 2024 with the aim to outline how the Councils use of digital and data will transform and modernise services, improve efficiency and effectiveness, and support the delivery of the wider Community and Corporate Plan. - Over the course of the 2024/25 year the Council considered and developed proposals to build on existing collaborative arrangements in place for the provision of technology services	- Implement the revised senior management structure for the Council. - Use feedback from the implementation of the TalentLinkLink Recruitment System to identify improvements to enhance the user experience.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	ResourceLink Recruitment System.	through the Shared Resource Service (SRS). In May 2025 Cabinet agreed to being the process for transitioning towards a shared service model for digital and data in collaboration with Torfaen County Borough Council and Blaenau Gwent County Borough, as part of an expanded role for the SRS. - There is continued support for Members' development through briefing sessions and other learning opportunities. - Appropriate and relevant job descriptions were in place for the Chief Executive, Strategic Leadership Team (SLT), Monitoring Officer and S151 Officer. - The Council ensures that it has appropriate governance arrangements around its collaborations with other public agencies and other third parties. These can take a range of forms, from informal arrangements to those where governance arrangements are determined through legislation. The governance arrangements form a key part of the decision making processes that the Cabinet or Council follow when deciding to enter a collaborative arrangement, transparent local accountability is a key area of focus. - A review of the Councils Senior Pay structure continued during the 2024/25 year and was concluded at a meeting of Full Council in April 2025. - The Thingi Learning Management System was launched during the 2024/25 year with a number of modules deemed as mandatory essential learning. The system continues to be developed with new training being launched. - During 2024/25 the Council implemented a new recruitment management system, TalentLink. This was designed to improve the accessibility and the ease of recruitment into Monmouthshire so that we can attract the best possible candidates for the post.	
Developing the capability of the entity's leadership and other individuals	- Member/Officer Protocol in Constitution - Scheme of Delegation published in Constitution - Scrutiny member development programme	- There has been member led training with both senior officers and cabinet members. - There are regular 1-2-1 meetings with the Leader, Cabinet members, Chief Executive, SLT and Heads of Service. - The Constitution sets out the Scheme of Delegation which is regularly reviewed.	Roll out of a new performance appraisal system across the organisation.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Occupational Health and Wellbeing Policy exists with aim of promoting the health and wellbeing of all employees to enable them to achieve their full potential at work - Internal and external audit reports and action plans	The Councils Annual Appraisal process was reviewed during 2024/25 with pilot training provided to a group of senior leaders. This will be rolled out during the 2025/26 year.	

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will ensure financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Improvement	Future
Managing Risk	- Risk Management Policy and Guidance - Whole Authority Strategic Risk Register - Service Business Plans produced annually and reviewed quarterly by each service area, including service risk registers - Strategic Risk Register reported to Governance & Audit Committee, Performance & Overview Scrutiny Committee and Cabinet	- The Council's Strategic Risk Management Policy was reviewed, updated and approved by Cabinet in June 2024. The policy requires the proactive participation of all those responsible for planning and delivering services in identifying, evaluating and managing high level strategic risks to the Council's priorities, services and major projects. The risk controls necessary to manage them are identified and monitored to ensure risk mitigation. - Within the Council the purpose of risk management is to: - preserve and protect the Council's assets, reputation and staff. - aid good management of risk and support whole authority governance. - aid delivery of its population outcomes internally and when working with partners. - improve business performance and anticipated risks in delivering improvements.		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		○ avoid unnecessary liabilities, costs and failures. ○ shape procedures and responsibilities for implementation. ▪ The strategic risk assessment ensures that: ○ Strategic risks are identified and monitored by Monmouthshire. ○ Risk controls are appropriate and proportionate. ○ Senior managers and elected members systematically review the strategic risks facing the Council. ▪ The risk assessment is prepared by drawing on a wide range of evidence including service plans, performance measures, regulatory reports, progress on the previous risk assessment and the views of Scrutiny and Governance & Audit Committees. In order to mitigate the risks, proposed actions are recorded and also aligned back into the respective Service Business Plan. The risk assessment is a living document and is updated over the course of the year as new information comes to light. ▪ The strategic risk assessment was presented to the Performance & Overview Scrutiny Committee in December 2024. They scrutinised the risk assessment and responsibility holders to ensure that strategic risks have been appropriately identified and risk is being appropriately managed. An overview of the strategic risk register was also presented to Governance and Audit Committee in November 2024 to fulfil the committee's role of assessing the effectiveness of the authority's risk management arrangements. ▪ The Council's Strategic Risk Assessment for 2024/25 contained 16 risks. Following mitigation there were 7 medium risks and 9 high risks.	
Managing performance	▪ Community & Corporate Plan produced and reviewed annually ▪ Corporate Plan Annual Self-Assessment Report ▪ Service Business Plans produced annually and reviewed quarterly by each service area. ▪ Quarterly, six monthly & annual Performance Monitoring Reports	▪ Audit Wales presented the Councils ISA260 report for 2023/24 to the Governance & Audit Committee in November 2024. ▪ The Councils Self-Assessment report 2023/24 was completed in line with requirements outlined in the Local Government and Elections (Wales) Act 2021 to ensure that members and the public had a clear and transparent assessment of the Council's performance. ▪ The Authority makes numerous annual returns to various external Governing Bodies and Government Agencies, such	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Director of Social Services Annual report - Chief Officer Children & Young People Annual Report - Scrutiny function - Bi-monthly Directorate and Financial monitoring meetings	as the Food Standards Agency, Drinking Water Inspectorate, Department for Levelling Up & Communities, Department for Transport, Home Office, Gambling Commission, DEFRA, Health & Safety Executive, General Registrar's Office, National Fraud Initiative and other government departments'.	
Robust internal control	- Governance & Audit Committee provides assurance on effectiveness on internal control, risk management and governance - Governance & Audit Committee Annual Report to Council - Anti-Fraud, Bribery and Corruption Policy - Audit Wales Review into MCC Counter-fraud Arrangements - Role of Internal Audit Section - Annual Plans approved by Governance & Audit Committee - Annual Reports to Governance & Audit Committee - Annual Governance Statement - Governance Working Group	- The Governance & Audit Committee considers the effectiveness of the Council's arrangements for securing continuous improvement including risk management arrangements. The Governance & Audit Committee also considers corporate governance, monitors the work of auditors and inspectors, and monitors the relationships between auditors and staff and the responses to audit and inspection recommendations. It also has responsibility for reviewing the Annual Statement of Accounts and its associated reports (which include this statement) before approval by Council. The Governance & Audit Committee has an independent, non-political, Chairperson who prepares an annual report of the work of the Governance & Audit Committee. - Internal Audit operate to the standards set out in the 'Public Sector Internal Auditing Standards' (PSIAS) which came into effect in April 2013. During 2024/25 the team have begun implementing the Global Internal Audit Standards (GIAS) and the Code of Practice for the Governance of Internal Audit in UK Local Government which replace PSIAS in the UK Public Sector with effect from April 2025. A presentation was made to the Governance & Audit Committee regarding the new standards and their implications in October 2024. - The Internal Audit team's role and status is set out in the Council's Internal Audit Charter which has been updated to reflect the GIAS. This along with an Internal Audit Strategy and Mandate was considered and approved by the Governance & Audit Committee in June 2025. The Chief Internal Auditor reports a summary of audit findings to the Governance & Audit Committee each quarter; he also reports annually an opinion on the overall adequacy and effectiveness of the Council's	Continue to implement the Global Internal Audit Standards and complete a self-assessment of compliance.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement																												
		internal control environment through his Internal Audit Annual Report. - The Chief Internal Auditor continues to ensure Internal Audit complies with the PSIAS. A self-assessment was undertaken during 2024/25 to assess compliance with the Standards which was validated as 'generally compliant' in March 2024 by an external assessor. A self-assessment of the GIAS has been completed with a similar outcome and the Chief Internal Auditor is working to implement new requirements brought about by the changing of the requirements. - The Council has an objective and professional relationship with its external auditors and statutory inspectors. It manages its information resource through strategies and policies to enable effective decision making which is managed via the Information Strategy and action plan. - The Anti-Fraud, Bribery and Corruption Strategy was approved by Cabinet January 2024 and provides a deterrent, promotes detection, identifies a clear pathway for investigation and encourages prevention. Mandatory training was launched to all staff in January 2025. - The overall opinion on the adequacy of the internal control environment for 2024/25 was REASONABLE. Management agreed to implement the recommendations made in audit reports in order to address the weaknesses identified. The Internal Audit opinions issued in 2024/25 were; <table border="1"> <thead> <tr> <th>Opinion</th><th>2022-23</th><th>2023-24</th><th>2024-25</th></tr> </thead> <tbody> <tr> <td>Substantial Assurance</td><td>7</td><td>8</td><td>3</td></tr> <tr> <td>Considerable Assurance*</td><td>10</td><td>-</td><td>-</td></tr> <tr> <td>Reasonable Assurance</td><td>4</td><td>18</td><td>21</td></tr> <tr> <td>Limited Assurance</td><td>1</td><td>8</td><td>9</td></tr> <tr> <td>No Assurance</td><td>-</td><td>0</td><td>0</td></tr> <tr> <td>Total</td><td>22</td><td>34</td><td>33</td></tr> </tbody> </table> * The 'Considerable' audit opinion ceased to be used with effect from 01st April 2023.	Opinion	2022-23	2023-24	2024-25	Substantial Assurance	7	8	3	Considerable Assurance*	10	-	-	Reasonable Assurance	4	18	21	Limited Assurance	1	8	9	No Assurance	-	0	0	Total	22	34	33	
Opinion	2022-23	2023-24	2024-25																												
Substantial Assurance	7	8	3																												
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Reasonable Assurance	4	18	21																												
Limited Assurance	1	8	9																												
No Assurance	-	0	0																												
Total	22	34	33																												

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		- The reasons why the outcome of an audit review was deemed to provide Limited Assurance was included within quarterly reports to the Governance & Audit Committee; assurances have been sought from respective operational managers that action will be taken to make the necessary improvements in control. - The Acting Chief Internal Auditor's overall audit opinion is based on the number of audits undertaken and their individual opinions; he was able to give an overall opinion on the adequacy of the control environment. The 2024/25 audit opinion was supported by the knowledge that there were appropriate governance, risk management and internal control assurances in place in previous years, with no significant changes.	
Managing data	- We have established an Information Security & Technology Team across the organisation, including education - A cyber security team is in place to support, advise and train our workforce. The same team provides a cyber audit function of our ICT infrastructure and governance arrangements - The Information Governance Group with participants from each directorate - A Senior Information Risk Officer (SIRO) in place - Mandatory training in GDPR and Cyber Security, alongside comprehensive guidance and policies for all aspects of data management - Information Asset Register - Information sharing & publication guidance in place - A comprehensive EDRMS is in place	- Our comprehensive governance and security arrangements for data and information have enabled us to gain accreditation in industry standards for cyber security. - Cyber security arrangements cover cultural, physical and electronic barriers to data access and misuse. - Information governance is maintained through policies, guidelines, and training that are reported and disseminated via the Information Governance Group, headed up by the SIRO and with departmental representatives. Performance is reported to the Governance & Audit Committee, and this year our performance targets have been exceeded. - Privacy notices are published online and have been updated through the year. - Schedules are maintained of all MCC information 'line of business' systems to ensure they are fit for purpose and upgraded/replaced as needed. - Networks and forums are in place to work with the South East Wales Information Forum (SWIF) and WARP (Warning Advice and Security Point) and the NCSC (National Cyber Security Centre). - Data arrangements are audited by Audit Wales and performance reported through the Governance & Audit Committee.	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	Annual National and Local performance Indicator data collection process and internal audit arrangements	The ICT service, the SRS, are audited by the host organisation Torfaen County Borough Council, and all audits are reported through the SRS governance structures.	
Strong public financial management	- Financial procedure rules in Constitution - Contract procedure rules in Constitution - Accounting Instructions on Intranet - Spending Restrictions document on Intranet - Audit Wales Review into MCC Counter-fraud Arrangements	- The Council ensures both long term achievement of outcomes and short term performance through the delivery of the Medium Term Financial Plan. - In June 2023, the Council's Socially Responsible Procurement Strategy 2023-28 was approved by Cabinet. In July 2021 Cabinet approved the collaboration with Cardiff Council, for mutual benefit, the discharge and provision of the Council's Strategic Procurement services. - The Procurement Act 2023 became applicable from February 2025 and the Councils Contract Procedure Rules were updated accordingly and approved by the County Council in March 2025. Training with regards to the Procurement Act and revised Contract Procedure Rules is available to all staff via Thingi.	

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Improvement	Future
Implementing good practice in transparency	- Report writing template and guidance - Integrated Impact Assessment including Future Generations evaluation and Equality Impact Assessment, on decision reports	- The Council aims to present understandable and transparent reports for both stakeholders and the public which is supported by:- - A Report Authors Protocol which ensures consistency in reports. - A Clear Writing guide for Officers. - All reports are signed off by Chief Officers, S151 Officer and Monitoring Officer prior to publication. - Where possible exempt reports are split so that the main report can be heard in public with confidential information being a separate exempt report. - Publication of delegated decisions. - Reports are published on the website		
Implementing good practices in reporting	- Annual Statement of Accounts audited by an external auditor and approved by Council - Code of Corporate Governance based on CIPFA/SOLACE Framework 2016 - Annual Governance Statement - Corporate Plan Annual Self-Assessment Report - Service Business Plans produced annually and reviewed quarterly by each service area	Transparency and openness is important to Monmouthshire; the Annual Statement of Accounts was taken through the Governance & Audit Committee before being endorsed by Council. All public meetings of the Council, including Council, Cabinet, Select, Governance & Audit Committee, Planning Committee are live streamed on YouTube and are available to view on the Council's YouTube channel at any time after the meeting, which provides greater transparency of the Council's business.		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Audit Wales Review into MCC Counter-fraud Arrangements - Quarterly budget monitoring and Medium Term Finance Plan (MTFP) reports to Cabinet.		
Assurance and effective accountability	- External Audit provided by Audit Wales - ESTYN reviews & reports - Care Inspectorate Wales reviews & reports - Performance of Internal Audit Section monitored by Governance & Audit Committee - Implementation of Audit Wales and Internal Audit recommendations monitored by Governance & Audit Committee - Peer Review, Corporate Assessment and Corporate Governance Review action plan monitored by SLT - Annual Governance Statement - Enabling strategy framework	- The Council's enabling strategies have been revised to align to the delivery of the Community and Corporate Plan, these include the Digital and Data Strategy, People Strategy, Asset Management Strategy, Medium-term Financial Strategy and Socially Responsible Procurement Strategy as well as linking in with Service Business Plans. - A collective annual performance review of these strategies will be completed, alongside and informing the self-assessment 2024/25, and reported to Performance & Overview Scrutiny Committee in July 2025. - The Governance & Audit Committee continues to support the Internal Audit team and endorses its annual report and plan. The plan details the work and service areas the team will cover based on a risk assessment in order to provide assurance on the adequacy of the internal controls, governance arrangements and risk management process. The Governance & Audit Committee presents its Annual report to Council. - The Whole Authority Report: Complaints, Comments and Compliments 2023/24 was presented to Governance & Audit Committee in November 2024 which identified the number and types of feedback, received and dealt with, from 1 April 2023 until 31 March 2024. - Reports and plans to implement Audit Wales and Internal Audit recommendations are reported (as relevant) to Scrutiny and the Governance & Audit Committee. - All agreed recommendation and actions from Internal Audit reviews are monitored. - The Council takes note of all reports issued by External Regulators such as Audit Wales, ESTYN and Care Inspectorate Wales. Action plans are agreed and followed up.	

Progress against the Action Plan (Previous Year 2023/24)

No	Area for Improvement	Current Status
1	Review the Council's Code of Corporate Governance (Principle A)	Partially Implemented The Chief Officer Law & Governance (Monitoring Officer) has reviewed the current Code and has determined that no changes are required from a legal perspective. New CIPFA guidance issued in May 2025 will be incorporated into the review which will be subject to SLT and Member consultation / approval.
2	Review the Corporate Induction process to ensure the key messages are being delivered. (Principle A)	Implemented Corporate Induction has been kept under continual review with the Chief Internal Auditor having a regular slot to talk to new employees. This will be carried forward as a continuous improvement action.
3	Review and update the Employee Code of Conduct and Whistleblowing Policy. (Principle A)	Partially Implemented We are undertaking a review of all HR Policies in consultation with the Joint Advisory Group. Ten policies have so far been revised and approved. This policy is scheduled for January 2026. In the meantime, the Governance and Audit Committee continue to receive the annual whistleblowing report
4	Review the minute taking process to ensure accurate minutes are held of all meetings. (Principle B)	Implemented The minute taking process has been reviewed as part of the audit into democratic services and more detailed minutes are now being taken.
5	To continue to increase the number of datasets published on the council's website. (Principle B)	Implemented 38 open data sets are now published on the Council's website. Further work work is presently a low priority relative to other commitments within the Council's Digital and Data Strategy. This will remain an action for continuous improvement to further improve our transparency.
6	Deliver the action plan to address the recommendations form the Audit Wales Use of Performance Information review. (Principle B)	Implemented The action plan is being implemented and updates provided to Governance and Audit Committee as part of the 'Audit Wales Work Programme: Council Progress Update' report presented on 2 nd June 2025.
7	To ensure that the revised financial strategy is considered by scrutiny and approved by Council. (Principle C)	Implemented The revised Financial Strategy was considered by the Performance and Overview Scrutiny Committee on the 11 th July 2024 prior to approval by the County Council on the 18 th July 2024.
8	A learning management system to be implemented across the organisation to coordinate all training including for schools. (Principle E)	Implemented The Learning Management System was launched authority-wide in September 2024 enabling is to target

		and track essential learning for all colleagues.
9	Roll out of a new performance appraisal system across the organisation. (Principle E)	Partially Implemented A new template has been developed and tested by a cross section of teams. This will improve our ability to link individuals' performance to the priorities of the organisation and improve accountability. Capacity constraints in the people services teams have slowed progress and as a result this is not yet been rolled out across the whole organisation.
10	For Cabinet to approve the Council's updated Strategic Risk Management Policy. (Principle F)	Implemented The updated policy was approved by Cabinet in June 2024 following the involvement of the Governance and Audit Committee.
11	Deliver awareness raising training sessions on the importance of compliance with revised Contract Procedure Rules and Financial Procedure Rules. (Principle F)	Partially Implemented A number of training courses have been launched via the Thingi e-Learning system over the year. • Anti-Fraud, Corruption & Bribery • Contract Procedure Rules • Financial Controls • Thingi has not been in place for a full year at time of publication and the authority has yet to achieve 100% take up of all mandatory courses

Action Plan – 2024/25 Annual Governance Statement

No	Area for Improvement	By Who	By When
1.	Review the Council's Code of Corporate Governance against new CIPFA guidance and seek approval from SLT and Members. (Principle A)	Chief Officer Law & Governance	December 2025
2.	Review the Corporate Induction process to ensure the key messages are being delivered. (Principle A)	Chief Officer People, Performance & Partnerships	December 2025
3.	Deliver the action plan to address the recommendations from the Audit Wales Counter-fraud Arrangements review. (Principle A)	Chief Internal Auditor	October 2025
4.	Continue to review all HR policies including the Employee Code of Conduct and Whistleblowing Policy. (Principle A)	Chief Officer People, Performance & Partnerships	Ongoing
5.	The use of the Committee Forward Work Planner will be strengthened to ensure decision making reports are included on it at the earliest opportunity to support improved democratic work planning. (Principle B)	Chief Officer People, Performance & Partnerships	Ongoing
6.	Implement the revised senior management structure for the Council. (Principle E)	Chief Executive	June 2025

No	Area for Improvement	By Who	By When
7.	Use feedback from the implementation of the TalentLinkLink Recruitment System to identify improvements to enhance the user experience.	Chief Officer People, Performance & Partnerships	September 2025
8.	Roll out of a new performance appraisal system across the organisation. (Principle E)	Chief Officer People, Performance & Partnerships	March 2026
9.	Continue to implement the Global Internal Audit Standards and complete a self-assessment of compliance. (Principle F)	Chief Internal Auditor	March 2026
10.	To further raise awareness of the importance of compliance with revised Contract Procedure Rules and the Procurement Act 2023. (Principle F)	Deputy Chief Executive & Strategic Director - Resources	December 2025

Monitoring & Evaluation

We propose over the coming year to continually review our governance arrangements to ensure they remain effective and appropriate. Steps will be taken, where appropriate, to further enhance our governance arrangements.

Certification by the Leader of the Council and the Chief Executive

Signed:

Date:

Councillor Mary Ann Brocklesby, Leader of Monmouthshire County Council

Signed:

Date:

Paul Matthews, Chief Executive



Movement In Reserves Statement for the Year Ended 31st March 2025								
		Council Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Joint Arrangement CCRCD	Total Reserves
	Note	£000	£000	£000	£000	£000		£000
Balance at 1st April 2023		15,361	11,549	12,846	39,755	225,825	5,082	270,663
Movement in reserves during 2023/24								
Total Comprehensive Income and Expenditure		22,203	0	0	22,203	58,801	0	81,004
Adjustments between accounting basis & funding basis under regulations	10.2	(30,270)		(2,626)	(32,896)	32,896		(0)
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(8,067)	0	(2,626)	(10,693)	91,697	0	81,004
Transfers to/(from) Earmarked Reserves	10.4	2,190	(2,190)		0			0
Prior period adjustment: CCRCD								0
Increase/(Decrease) in 2023/24		(5,877)	(2,190)	(2,626)	(10,693)	91,697	0	81,004
Balance at 31st March 2024 carried forward		9,483	9,358	10,221	29,063	317,522	5,082	351,667
Movement in reserves during 2024/25								
Total Comprehensive Income and Expenditure		7,110	0	0	7,110	(30,180)	0	(23,070)
Adjustments between accounting basis & funding basis under regulations	10.2	(9,719)		(4,010)	(13,729)	13,729		-0
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(2,609)	0	(4,010)	(6,619)	(16,451)	0	(23,070)
Transfers to/(from) Earmarked Reserves	10.4	(81)	81		0			0
Increase/(Decrease) in 2024/25		(2,690)	81	(4,010)	(6,619)	(16,451)	0	(23,070)
Balance at 31st March 2025 carried forward		6,793	9,439	6,210	22,443	301,071	5,082	328,597

Comprehensive Income & Expenditure Statement for the Year Ended 31st March 2025							
2023/24					2024/25		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
91,350	(19,835)	71,514	Learning, Skills & Economy		100,383	(36,391)	63,992
95,384	(26,333)	69,052	Social Care & Health		97,990	(26,275)	71,716
74,778	(38,273)	36,506	Infrastructure & Place		70,849	(31,327)	39,522
19,742	(9,496)	10,246	Customer, Culture & Wellbeing		17,546	(10,307)	7,240
5,513	(2,287)	3,226	People, Performance & Partnerships		5,459	(1,807)	3,652
2,930	(197)	2,733	Law & Governance		3,491	(698)	2,794
42,285	(23,673)	18,611	Resources		45,606	(25,566)	20,040
3,514	(597)	2,916	Corporate		3,303	(2,969)	334
0	0	0	Cardiff Capital Region City Deal (CCRCD)		0	0	0
335,495	(120,691)	214,804	Cost of Services	11.1	344,627	(135,338)	209,289
			Other operating expenditure:				
			<i>Precepts & Levies:</i>				
15,505	0	15,505	Gwent Police Authority		16,940	0	16,940
5,472	0	5,472	South Wales Fire & Rescue Authority		5,839	(84)	5,755
3,381	0	3,381	Community and Town Councils		3,608	0	3,608
116	(1)	115	National Parks		116	0	116
105	0	105	Internal Drainage Boards		109	0	109
2,341	(2,227)	114	Gains/losses on the disposal of non-current assets		681	(157)	524
		24,691	Total Other operating expenditure				27,051
17,185	(22,263)	(5,078)	Financing and investment income and expenditure	11.3	19,390	(11,513)	7,877
		0	Interest & Investment income: CCRCD				0
		0	Change in Fair Value of Investment Properties: CCRCD				0
			<i>Taxation & non-specific grant income:</i>				
442	(93,883)	(93,440)	Council Tax	11.5	835	(103,100)	(102,265)
0	(31,224)	(31,224)	Non-domestic rates redistribution	11.5	0	(34,871)	(34,871)
0	(131,956)	(131,956)	General government grants	11.6	0	(114,192)	(114,192)
	0	0	Recognised Capital Grants & Contributions: CCRCD			0	0
	0	0	Tax Expenses: CCRCD			0	0
		(22,203)	(Surplus) or Deficit on Provision of Services				(7,110)
			Other Comprehensive Income and Expenditure:				
		(7,468)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	12.1			(21,223)
		0	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets: CCRCD				0
		(72)	(Surplus) or deficit from investments in equity instruments designated at fair value through other comprehensive income				(1)
		(51,261)	(Gains)/losses on remeasurement of pension assets / liabilities	14.3			51,403
		(58,801)	Total Other Comprehensive Income and Expenditure				30,179
		(81,004)	Total Comprehensive Income and Expenditure				23,070

Balance Sheet as at 31st March 2025			
31st March 2024 £000s		Note	31st March 2025 £000s
294,266	Other land and buildings	12.1	317,082
11,108	Vehicles, plant, furniture and equipment	12.1	9,280
90,028	Infrastructure	12.1	94,799
4,548	Community assets	12.1	4,548
38,254	Assets under construction	12.1	57,539
10	Surplus assets not held for sale	12.1	10
0	Right of Use Assets	12.1	1,749
9,682	Heritage Assets	12.7	9,696
79,981	Investment Property	12.5	77,246
8	Intangible Assets		4
1,358	Long-Term Investments	13.1	1,219
2,818	Long Term Debtors	13.5	2,842
532,060	Long term assets		576,014
6,878	Short Term Investments	13.1	6,878
504	Inventories		474
42,763	Short Term Debtors	13.5	52,552
8,346	Cash and Cash Equivalents	15.3	12,629
1,250	Assets Held for Sale	12.6	1,250
110	CCRCD: Deferred Tax asset		110
59,851	Current Assets		73,893
(1,723)	Cash and Cash Equivalents	15.3	(2,488)
(51,678)	Short Term Borrowing	13.1	(65,814)
(43,761)	Short Term Creditors	13.6	(47,441)
(466)	Provisions	13.7	(339)
(97,629)	Current Liabilities		(116,083)
(5,980)	Liability related to defined benefit pension scheme	10.9	(53,150)
(2,350)	Provisions	13.7	(2,221)
(124,212)	Long Term Borrowing	13.1	(138,701)
(1,061)	Long Term Creditors: CCRCD		(1,061)
(2,273)	Other Long Term Liabilities	13.1	(3,081)
(5,388)	Capital Grants Receipts in Advance	11.6	(5,711)
(1,350)	Revenue Grants Receipts in Advance		(1,302)
(142,613)	Long Term Liabilities		(205,226)
351,667	Net Assets		328,597
9,483	Council Fund Balance	10.3	6,793
9,359	Earmarked Reserves	10.4	9,440
10,220	Capital Receipts Reserve	10.6	6,210
1,402	Other usable Reserves: CCRCD		1,402
30,463	Usable Reserves		23,845
81,737	Revaluation Reserve	10.7	100,360
(5,980)	Pensions Reserve	10.9	(53,150)
247,171	Capital Adjustment Account	10.8	260,550
2,443	Deferred Capital Receipts Reserve	10.11	2,336
(449)	Financial Instrument Adjustment Account		(401)
(347)	Financial Instrument Revaluation Reserve		(347)
(3,562)	Accumulating Absence Adjustment Account	10.10	(4,789)
192	Other unusable Reserves: CCRCD		192
321,204	Unusable Reserves		304,751
351,667	Total Reserves		328,597

Cash Flow Statement for the Year Ended 31st March 2025			
31st March 2024			31st March 2025
£000		Note	£000
(22,202)	Net (surplus) or deficit on the provision of services	15.1	(7,110)
(28,741)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	15.1	(10,694)
44,727	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	15.1	25,521
(6,216)	Net cash flows from Operating Activities	15.1	7,718
51,423	Purchase of property, plant and equipment, investment property and intangible assets		45,555
0	Purchase of short-term and long-term investments		4,650
0	Other payments for investing activities		0
(4,010)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(264)
(10,812)	Proceeds from short-term and long-term investments		(4,758)
(37,460)	Other receipts from investing activities		(27,828)
(859)	Net Cash (Inflow)/Outflow from Investing Activities		17,354
	Financing Activities		
30,389	Repayments of short and long-term borrowing		3,998
35	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		35
(6,051)	Cash receipts of short and long-term borrowing		(32,622)
0	Other receipts from financing activities		0
24,373	Net Cash (Inflow)/Outflow from Financing Activities		(28,590)
17,298	Net (increase) / decrease in cash and cash equivalents		(3,518)
23,921	Cash and cash equivalents at the beginning of the reporting period		6,623
6,624	Cash and cash equivalents at the end of the reporting period	15.3	10,141

**Notes to the Accounts
for the Year Ended
31st March 2025**

10 MOVEMENT IN RESERVES STATEMENT NOTES

10.1 Movement in Reserves

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

	Note	Balance at 1st April 2023 £000	Movement in Reserve £000	Balance at 31st March 2024 £000	Movement in Reserve £000	Balance at 31st March 2025 £000
Usable Reserves:						
Council Fund balance: Authority	10.3	11,105	(717)	10,388	497	10,885
Council Fund balance: LMS School Balances	10.5	4,256	(5,161)	(905)	(3,187)	(4,092)
Earmarked reserves	10.4	11,549	(2,190)	9,359	81	9,440
Capital Receipts Reserve	10.6	12,846	(2,626)	10,220	(4,010)	6,210
Usable Reserves: CCRCD		1,402	(1)	1,401	1	1,402
Total Usable Reserves		41,158	(10,694)	30,463	(6,618)	23,845
Unusable Reserves:						
Revaluation Reserve	10.7	77,372	4,365	81,737	18,623	100,360
Capital Adjustment Account	10.8	210,354	36,817	247,171	13,379	260,550
Financial Instruments Adjustment Account		(472)	23	(449)	48	(401)
Pension Reserve	10.9	(56,576)	50,596	(5,980)	(47,170)	(53,150)
Deferred Capital Receipts Reserve	10.11	3,409	(966)	2,443	(107)	2,336
Financial Instrument Revaluation Reserve		(419)	72	(347)	1	(346)
Accumulated Absences Adjustment Account	10.10	(4,354)	792	(3,562)	(1,227)	(4,789)
Unusable Reserves: CCRCD	16.6	192	(0)	192	0	192
Total Unusable Reserves		229,506	91,699	321,205	(16,454)	304,751
Total Authority Reserves		270,664	81,005	351,667	(23,072)	328,597

10.2 Adjustments Between Accounting Basis and Funding Basis Under Regulations

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

Movements in 2024/25:	Council Fund Balance £000	Usable Reserves £000	Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:			
Charges for depreciation and impairment of Property, Plant and Equipment assets	19,720	-	(19,720)
Charges for impairment of Heritage Assets	134	-	(134)
Revaluation movements on Property Plant and Equipment (charged to SDPS)	(4,383)	-	4,383
Revaluation movements on Assets Held for Sale (charged to SDPS)	0	-	0
Movements in the market value of Investment Properties	3,703	-	(3,703)
Amortisation and impairment of intangible assets	212	-	(212)

Capital grants and contributions applied	(23,043)	-	23,043
Revenue expenditure funded from capital under statute	4,285	-	(4,285)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	677	-	(677)
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Statutory provision for the financing of capital investment (MRP)	(7,530)	-	7,530
Capital expenditure charged against the Council Fund	(282)	-	282
Adjustments involving the Capital Receipts Reserve:			
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(157)	264	(107)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(4,274)	4,274
Adjustments involving the Financial Instruments Adjustment Account:			
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(48)	-	48
Adjustments involving the Pensions Reserve:			
Reversal of items relating to retirement benefits debited or credited to the CIES	15,508	-	(15,508)
Employer's pensions contributions and direct payments to pensioners payable in the year	(19,741)	-	19,741
Adjustment involving the Accumulated Absences Account:			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,226	-	(1,226)
Adjustment between the Capital Adjustment Account and the Revaluation Reserve:			
Depreciation of non-current asset revaluation gains	0	-	0
Total adjustments between accounting basis & funding basis under regulations	(9,719)	(4,010)	13,730

Movements in 2023/24:	Council Fund Balance £000	Usable Reserves £000	Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:			
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Charges for depreciation and impairment of Property, Plant and Equipment assets	20,812	-	(20,812)
Charges for impairment of Heritage Assets	121	-	(121)
Revaluation movements on Property Plant and Equipment (charged to SDPS)	264	-	(264)
Revaluation movements on Assets Held for Sale (charged to SDPS)	522	-	(522)
Movements in the market value of Investment Properties	(10,214)	-	10,214
Amortisation and impairment of intangible assets	183	-	(183)
Capital grants and contributions applied	(40,505)	-	40,505
Revenue expenditure funded from capital under statute	4,929	-	(4,929)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	2,366	-	(2,366)

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:			
Statutory provision for the financing of capital investment (MRP)	(5,985)	-	5,985
Capital expenditure charged against the Council Fund	(363)	-	363
Adjustments involving the Capital Receipts Reserve:			
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(2,253)	4,010	(1,758)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(6,636)	6,636
Adjustments involving the Financial Instruments Adjustment Account:			
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(22)	-	22
Adjustments involving the Pensions Reserve:			
Reversal of items relating to retirement benefits debited or credited to the CIES	19,636	-	(19,636)
Employer's pensions contributions and direct payments to pensioners payable in the year	(18,971)	-	18,971
Adjustment involving the Accumulated Absences Account:			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(790)	-	790
Adjustment between the Capital Adjustment Account and the Revaluation Reserve:			
Depreciation of non-current asset revaluation gains	-	-	-
Total adjustments between accounting basis & funding basis under regulations	(30,270)	(2,626)	32,895

10.3 Usable Reserves available for Revenue Purposes

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

Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. The balance on the Council Fund includes a deficit of £905,000 in respect of underspent (or overspent) budgets which have been delegated to schools. These balances are at the disposal of the respective schools and represent an earmarked reserve which is not available for the Authority to use generally.

	At 1st April 2023 £000	In Year Movement £000	At 31st March 2024 £000	In Year Movement £000	At 31st March 2025 £000
Amount of Council Fund Balance held by Schools under Local Management Schemes	4,256	(5,161)	(905)	(3,187)	(4,092)
Amount of Council Fund Balance generally available for new expenditure	11,105	(717)	10,388	497	10,885
Total Council Fund Balance	15,360	(5,878)	9,483	(2,689)	6,793
Earmarked Revenue Reserves	11,549	(2,190)	9,359	81	9,440
Total Usable Reserves available for Revenue Purposes	26,909	(8,067)	18,842	(2,608)	16,234

10.4 Transfers to/from Earmarked Reserves

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

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

The transfers to and from Earmarked Reserves in 2024/25 can be summarised as follows:

	At 1st April 2023	Transfer to Reserves	Transfer from Reserves	At 31st March 2024	Transfer to Reserves	Transfer from Reserves	At 31st March 2025
	£000	£000	£000	£000	£000	£000	£000
Invest to Redesign	1,427	1,236	(1,427)	1,236			1,236
Priority Investment	1,905	27	(1,500)	432		(27)	405
Insurance and risk management	925			925			925
IT Transformation	746		(389)	357	664	(214)	807
Treasury equalisation	590	1,007		1,597		(1,007)	590
Capital Investment	625			625		(375)	250
Redundancy and Pensions	769			769		(88)	681
Pay Inflation Reserve	1,316		(1,316)	(0)	130		130
Council Tax Premium Reserve	0			0	1,062	(253)	809
Programme of Change Reserve	0			0	350		350
Capital Receipt Generation	314			314			314
Service and partnership Reserves:							
Elections	125	35		160	100		260
Museums acquisition	36			36			36
Solar Farm Maintenance & Community Fund	158	23		181	23		204
Castlegate Business Park	125		(40)	85			85
Newport Leisure Park	177		(177)	0			0
Sustainability - PV Invertor Replacement Reserve	65		(25)	40		(28)	12
Ukrainian Support Reserve	1,341	131		1,472		(400)	1,072
Local Resilience Forum	129		(13)	116	1		117
Grass Routes Buses	171	5		176	5		181
Schools sickness & maternity cover	298	49		346		(22)	324
Youth Offending Team	150			150			150
Building Control	(2)		(9)	(11)			(11)
Rural Development Plan	19		(4)	15		(15)	0
Highways Plant & Equipment Replacement	141	65	(103)	103	100		203
Energy Efficiency Development Reserve	0	236		236	74		310
Total	11,549	2,813	(5,003)	9,359	2,509	(2,428)	9,440

Invest to Redesign Reserve - To fund service redesign to either improve the service, generate income or reduce costs.

Priority Investment Reserve - To fund additional one off investment in the Authority's agreed priorities.

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

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

Treasury Equalisation Reserve - Originally created from loan rescheduling discounts and premia, the reserve is held to manage the longer term approach to treasury decisions.

Capital Investment Reserve - To finance future capital expenditure.

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

Pay Inflation Reserve - To mitigate against the volatility and budgetary risk of future pay settlements.

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

Ukrainian Support Reserve - Created from unspent Welsh and UK Government funding to cover future costs related to housing and supporting Ukrainian refugees.

Council Tax Premium Reserve – This reserve holds funds generated through council tax premiums on long-term empty properties and second homes. The funds are earmarked for strategic investment within the County to address housing challenges. Key objectives include:

- Bringing long-term empty properties back into use – Encouraging owners to sell or rent these properties to increase the availability of housing.
- Supporting the supply of affordable housing – Discouraging underuse of housing stock to make more homes accessible to local residents.
- Enhancing the sustainability of local communities – Reducing the number of empty or intermittently occupied homes to help maintain vibrant, year-round communities, particularly in areas with high concentrations of second homes.

Programme of Change Reserve - This reserve is designated to provide targeted, upfront support for the Council's change initiatives. It underpins efforts to develop and implement financially sustainable service delivery models that align with the strategic priorities outlined in the Community and Corporate Plan.

Service Reserves - Held for a specific service purpose and maintained to support and develop service delivery, mitigate specific service risk, or support collaborative arrangements.

10.5 School Balances

The balance on the Council Fund includes (£3,186,636) in respect of underspent (or overspent) budgets which have been delegated to schools. These balances are at the disposal of the respective schools and represent an earmarked reserve which is not available for the Authority to use generally. Details of the movements of these reserves are shown below:

	At 1st April 2023 £	In Year Movement £	At 31st March 2024 £	In Year Movement £	At 31st March 2025 £
Comprehensives					
Caldicot	227,499	(579,936)	(352,437)	85,181	(267,256)
Chepstow	(352,451)	(500,587)	(853,038)	(277,952)	(1,130,990)
King Henry VIII*	785,180	(785,180)	0	0	0
Monmouth	599,192	(369,535)	229,657	(197,735)	31,922
Sub Total Comprehensives	1,259,420	(2,235,237)	(975,817)	(390,507)	(1,366,324)
Middle					
King Henry VIII 3-19	0	(329,197)	(329,197)	(1,056,972)	(1,386,169)
Sub Total Middle	0	(329,197)	(329,197)	(1,056,972)	(1,386,169)
Primaries					
Archbishop R Williams	31,060	(4,239)	26,821	55,323	82,144

Cantref	196,350	(85,933)	110,417	(8,922)	101,495
Castle Park	105,297	(30,251)	75,046	(56,304)	18,742
Cross Ash	101,453	(42,986)	58,467	(43,790)	14,677
Deri View*	26,326	(26,326)	0	0	0
Dewstow	275,059	(217,499)	57,560	(51,255)	6,305
Durand	55,199	3,506	58,705	34,692	93,397
Gilwern	151,764	(174,688)	(22,924)	7,206	(15,718)
Goytre Fawr	72,125	(64,781)	7,344	36,302	43,646
Kymin View	88,378	(11,511)	76,867	(140,353)	(63,486)
Llandogo	(5,941)	23,596	17,655	(10,243)	7,412
Llanfoist	171,434	(45,949)	125,485	(37,865)	87,620
Llantilio Pertholey	72,714	(11,966)	60,748	14,015	74,763
Llanvihangel Crucorney	119,219	(22,353)	96,866	(13,258)	83,608
Magor Vol Aided	215,776	(54,257)	161,519	44,605	206,124
New Pembroke Primary	203,307	(32,231)	171,076	96,968	268,044
Osbaston Church in Wales	12,750	(86,238)	(73,488)	9,680	(63,808)
Our Lady's & St Michael's Catholic Primary	(17,078)	(4,177)	(21,255)	(32,634)	(53,889)
Overmonnow	7,662	(132,066)	(124,404)	(130,825)	(255,229)
Raglan	195,485	(20,104)	175,381	(14,092)	161,289
Rogiet	21,439	(86,860)	(65,421)	(103,791)	(169,212)
Shirenewton	185,338	(55,395)	129,943	974	130,917
St Mary's (Chepstow)	95,024	(25,021)	70,003	360	70,363
The Dell	(23,912)	(57,082)	(80,994)	(77,188)	(158,182)
Thornwell	4,257	(99,447)	(95,190)	(73,593)	(168,783)
Trellech	157,692	(57,639)	100,053	(7,524)	92,529
Undy	167,025	(25,516)	141,509	703	142,212
Usk CV	268,295	(176,876)	91,419	(72,307)	19,112
Ysgol Gymraeg Y Fenni	20,789	(191,254)	(170,465)	(115,614)	(286,079)
Ysgol Gymraeg Ffin	52,678	(69,341)	(16,663)	(58,553)	(75,216)
Ysgol Gymraeg y Trefynwy	0	0	0	(88,855)	(88,855)
Sub Total Primaries	3,026,964	(1,884,884)	1,142,080	(836,139)	305,941
Other					
Pupil Referral Unit	(30,707)	(711,453)	(742,160)	(903,018)	(1,645,178)
Sub Total Other	(30,707)	(711,453)	(742,160)	(903,018)	(1,645,178)
Total	4,255,677	(5,160,771)	(905,094)	(3,186,636)	(4,091,730)
* King Henry VIII and Deri View closed on 31/08/23; the King Henry VIII 3-19 School is operating from these sites with effect from 01/09/23 until Easter 2025, whilst the new build is being completed, and is utilising the previous school budgets.					

10.6 Capital Receipts Reserve

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

2023/24 £000		2024/25 £000
12,846	Balance as at 1st April	10,220

2,983	Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	157
1027,2516	Transfer from Deferred Capital Receipts Reserve upon receipt of cash	107
(6,636)	Less: use of the Capital Receipts Reserve to finance new capital expenditure	(4,274)
10,220	Balance as at 31st March	6,210

10.7 Revaluation Reserve

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

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

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

2023/24 £000		2024/25 £000
77,372	Balance at 1 April	81,737
9,725	Upward revaluation of assets	23,352
(2,257)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(2,129)
(3,103)	Difference between fair value depreciation and historical cost depreciation	(2,599)
0	Accumulated gains on assets sold or scrapped	0
81,737	Balance at 31 March	100,360

10.8 Capital Adjustment Account

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

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

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

2023/24 £000		2024/25 £000
210,354	Balance at 1 April	247,171
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(20,812)	Charges for depreciation and impairment of property, plant and equipment assets	(19,720)
(121)	Impairment of Heritage assets	(134)
(264)	Revaluation movements on Property, Plant and Equipment	4,383
(522)	Revaluation movements on Assets Held for Sale	0
(183)	Amortisation & impairment of intangible assets	(212)
(4,929)	Revenue expenditure funded from capital under statute	(4,285)
(2,366)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(677)

(792)	Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	0
3,103	Adjusting amounts written out of the Revaluation Reserve	2,599
0	CCRCD Adjustment	0
6,636	Use of the Capital Receipts Reserve to finance new capital expenditure	4,274
40,505	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	23,043
5,984	Statutory provision for the financing of capital investment charged against the Council Fund	7,530
363	Capital expenditure charged against the Council Fund	282
10,214	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(3,703)
247,171	Balance at 31 March	260,550

10.9 Pensions Reserve

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

2023/24 £000		2024/25 £000
(56,576)	Balance at 1 April	(5,980)
51,261	Remeasurement gains or (losses) on pension assets and liabilities	(51,403)
(19,636)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(15,508)
18,971	Employer's pensions contributions and direct payments to pensioners payable in the year	19,741
(5,980)	Balance at 31 March	(53,150)

10.10 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year, for example, annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the Account. Further information on the calculations of benefits can be found in note 17.8 to the accounts.

2023/24 £000		2024/25 £000
(4,354)	Balance at 1 April	(3,562)
4,354	Settlement or cancellation of accrual made at the end of the preceding year	3,562
(3,562)	Amounts accrued at the end of the current year	(4,788)
0	Share of CCRCD	(1)
(3,562)	Balance at 31 March	(4,789)

10.11 Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which full cash settlement has yet to take place. Under statutory arrangements, the authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

The balance at the 31st March 2025 is made up of £2.336m relating to the Old Abergavenny cattle market site disposed of under a finance lease.

2023/24		2024/25
£000		£000
3,409	Balance at 1 April	2,443
(1,027)	Transfer to the Capital Receipts Reserve upon receipt of cash	(107)
61	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
2,443	Balance at 31 March	2,336

11 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT NOTES

11.1 Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2023/24				2024/25		
Net Expenditure Chargeable to the general fund £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the general fund £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in the CIES £000
62,736	8,779	71,514	Learning, Skills & Economy	65,120	(1,128)	63,992
67,020	2,031	69,052	Social Care & Health	71,561	155	71,716
25,965	10,540	36,505	Infrastructure & Place	25,983	13,540	39,522
8,067	2,179	10,246	Customer, Culture & Wellbeing	7,454	(215)	7,240
2,865	361	3,226	People, Performance & Partnerships	3,347	305	3,652
2,775	(43)	2,733	Law & Governance	2,843	(50)	2,794
8,120	10,491	18,611	Resources	8,282	11,758	20,040
27,136	(24,219)	2,916	Corporate	26,272	(25,938)	334
0	0	0	Cardiff Capital Region City Deal (CCRCD)	0	0	0
204,683	10,120	214,804	Cost of Services	210,863	(1,574)	209,289
(203,967)	(33,039)	(237,006)	Other Income & Expenditure	(211,360)	(5,039)	(216,399)
716	(22,918)	(22,202)	Surplus or Deficit	(497)	(6,613)	(7,110)
(11,104)			Opening General Fund Balance	(10,388)		
716			Surplus or Deficit on General Fund	(497)		
(10,388)			Closing General Fund Balance	(10,885)		

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

2023/24					2024/25			
Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other differences £000	Total Adjustments £000		Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other differences £000	Total Adjustments £000
(6,287)	2,816	(254)	(3,725)	Learning, Skills & Economy	2,717	(1,311)	(2,534)	(1,128)
2,481	4,878	(702)	6,656	Social Care & Health	2,324	(1,183)	(986)	155
7,291	4,657	2,351	14,298	Infrastructure & Place	10,748	(1,092)	3,884	13,540
1,828	1,465	(487)	2,806	Customer, Culture & Wellbeing	503	(475)	(243)	(215)
491	571	(148)	914	People, Performance & Partnerships	277	(134)	162	305
278	715	260	1,254	Law & Governance	0	(93)	43	(50)
2,549	794	6,904	10,246	Resources	3,373	(281)	8,665	11,758

320	(322)	(22,630)	(22,633)	Corporate	438	152	(26,528)	(25,938)
0	0	(65)	(65)	Cardiff Capital Region City Deal (CCRCD)	0	0	0	0
8,950	15,573	(14,772)	9,751	Cost of Services	20,380	(4,417)	(17,537)	(1,574)
(34,440)	7,208	17,228	(10,003)	Other Income & Expenditure	(30,121)	184	24,898	(5,039)
(25,490)	22,781	2,457	(253)	Adjustments between the Funding & Accounting Basis	(9,740)	(4,233)	7,361	(6,613)

11.2 Expenditure & Income analysed by nature

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

2023/24 £000		2024/25 £000
153,181	Employee benefits expenses	157,585
159,475	Other services expenses	169,737
34,079	Depreciation, amortisation and impairment	30,186
24,578	Precepts & levies	26,894
6,395	Interest payments	7,066
2,334	Gain/loss on disposal of non-current assets	677
380,042	Total Expenditure	392,145
(66,292)	Fees, charges & other service income	(76,106)
(14,125)	Interest and investment income	(3,685)
(125,107)	Income from council tax & NNDR	(137,971)
(194,500)	External grants and contributions	(181,336)
(2,220)	Gain/loss on disposal of non-current assets	(157)
(402,244)	Total Income	(399,255)
(22,202)	Surplus or Deficit on the Provision of Services	(7,110)

11.3 Financing and Investment Income and Expenditure

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

31st March 2024				Note	31st March 2025		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000			Gross Expenditure £000	Gross Income £000	Net Expenditure £000
6,395	0	6,395	Interest payable and similar charges	13.2	7,066	0	7,066
2,641	0	2,641	Pensions interest cost and expected return on pensions assets	14.3	184	0	184
0	(1,762)	(1,762)	Interest receivable and similar income	13.2	0	(1,313)	(1,313)
0	0	0	Interest receivable and similar income: CCRCD share		0	0	0
5,615	(18,123)	(12,508)	Income and expenditure in relation to investment properties and changes in their fair value		9,323	(7,680)	1,643
2,535	(2,328)	207	(Surpluses)/deficits on trading undertakings not included in the Net Cost of Services		2,817	(2,513)	304
0	(50)	(50)	Other investment income		0	(7)	(7)

17,185	(22,263)	(5,078)	Total Financing and Investment Income and Expenditure		19,390	(11,513)	7,877
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11.4 Agency Income & expenditure

There have been a number of grants and financial support made available by Welsh & UK Government to support businesses in the retail, leisure and hospitality sectors and to fund the additional services required to support people displaced by the war in Ukraine. Local Authorities have been requested to administer these grants on behalf of Welsh & UK Government because they have the local knowledge and ability to put in place systems quickly to make payments.

A payment was also made to Cardiff City Council to facilitate a CCRCD transaction which was matched by a corresponding receipt for the same amount. As this transaction was made on behalf of Cardiff City Council and does not relate directly to Monmouthshire's provision of service it has been treated as Agency income & expenditure.

The Council acted as an agent in the provision of the following funding streams:

Amount Received 2023/24 (£000's)	Scheme	Purpose	Amount Received 2024/25 (£000's)
4	Ukraine £200	Each Ukrainian person arriving in the UK is eligible for a £200 cash payment to support them with essentials before universal credit is awarded.	5
104	Ukraine £350 Host Payments	£350 payment by UK Government for guests that have been in the country for less than a year	50
44	Ukraine £150 Host Top-up Payments	£150 top up payment by Welsh Government for guests that have been in the country for less than a year	21
240	Ukraine £500 Host Payments	£500 payment by UK Government for guests that have been in the country for more than a year	271
13	Ukraine £100 Host Top Up Payments	£100 top up payment by Monmouthshire County Council	18
3,164	Cardiff City Council	Payment on behalf of Cardiff City Council to facilitate CCRCD transaction	557
4,068	Gwent Police Collaborative Arrangement	The Council acts as an agent on behalf of Gwent Police where their property maintenance service is managed by Monmouthshire County Council. Payments are made on behalf of Gwent Police with full reimbursement made during the year.	3,942
48,286	Bus Services Support Grants	Monmouthshire County Council are the regional lead on the Bus services support grant and Bus Network grant, acting as the agent on behalf of Welsh Government.	30,235
3,269	NDR Rate Relief Scheme	Monmouthshire County Council provided rate relief to eligible business under the Welsh Government's Retail, Leisure and Hospitality Rates Relief Scheme	1,833
59,192	Total		36,932

These transactions are not included the figures reported in the primary statements or as part of the other disclosure notes to these accounts.

11.5 Council Tax & National Non-Domestic Rates

Council Tax

Council tax derives from charges raised according to the value of residential properties. Each dwelling has been classified into one of nine valuation bands according to its capital value at 1 April 2003 for this specific purpose. Charges are calculated by taking the amount of income required for the Authority, Office of Police and Crime Commissioner for Gwent and Town and Community Councils for the forthcoming year and dividing this amount by the Council Tax Base. The Council Tax Base is the total number of properties in each valuation band adjusted by a proportion to convert the number to a Band D equivalent, totalled across all bands and adjusted for discounts. The tax base was £48,465.53 for 2024/25 (£47,778.09 for 2023/24).

This average basic amount for a Band D property, £2,110.67 (£1,959.94 in 2023/24), is multiplied by the proportion specified for the particular band to give the individual amount due.

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

Band	A	B	C	D	E	F	G	H	I
Multiplier	6/9	7/9	8/9	1.0	11/9	13/9	15/9	18/9	21/9
Chargeable Dwellings	521	3,454	7,141	9,457	7,655	8,095	5,515	1,791	666
Valuation (£000)	up to 44	44-65	65-91	91-123	123-162	162-223	223-324	324-424	424+

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

2023/24 £000		2024/25 £000
(93,882)	Council tax collectable	(103,100)
442	Provision for non-payment of council tax	835.3843
(93,440)	Total Council Tax proceeds	(102,265)

National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Welsh Government specifies an amount for the rate, 0.562p per £ in 2024/25 (0.535p per £ in 2023/24) and, subject to the effects of transitory arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The NNDR income after relief and provisions of £25,312,901 (£23,406,540 for 2023/24) was based on an average rateable value of £61,528,461 (£62,020,519 for 2023/24).

The Authority acts as the Welsh Government's agent and collects rates due from ratepayers in its area and then pays the proceeds into the NNDR pool administered by the Welsh Assembly Government. The Welsh Government redistributes the sums payable to local authorities on the basis of a fixed amount per head of population. The total amount redistributed from the National Pool to the Council in 2024/25 was £34.87m (£31.22m in 2023/24).

A net debtor of £1,928,864 at 31st March 2025 (£1,399,303 debtor as at 31st March 2024) is included in the balance sheet which represents the amount by which the cash received from Welsh Government is less than the amount collected from ratepayers.

11.6 Grant Income

Capital Grants and Contributions

The Authority has credited the following capital grants & contributions to the Comprehensive Income and Expenditure Statement in 2024/25:

2023/24 £000		2024/25 £000
2,495	WG General Capital Grant	2,502
225	Section 106 Developer Contributions	397
43,038	Grants	24,332
0	Other Contributions	0
45,758	Total	27,231
	Credited to the Comprehensive Income and Expenditure Statement:	
(5,253)	Grants and contributions applied towards Revenue Expenditure Funded from Capital under Statute	(4,188)
(40,505)	Capital grants and contributions applied and credited to Taxation and Non-specific Grant Income	(23,043)

(45,758)	Total	(27,231)
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Capital Grants and Contributions Received in Advance

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

2023/24 £000		2024/25 £000
	Developer Contributions held in Advance:	
5,388	S106 Developer contributions	5,711
5,388	Total	5,711

Revenue Grants and Contributions

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

2023/24 £000	Revenue Grants credited to services	2024/25 £000
	Central Government:	
15,819	Housing Benefit Subsidy	15,201
	Welsh Government:	
10,068	Education - General Grants - EIG/PDG/LAEG	13,169
4,199	Education - Post-16 Funding	4,387
2,814	Housing Support Grant (Supporting People)	3,046
2,265	Concessionary Fares, Transport Subsidy	3,092
1,745	Universal Free School Meals	2,352
1,745	Education - Children & Communities	2,613
0	Scape Pensions	1,563
0	Additional unhypothecated revenue grant	1,189
1,046	Animal Licensing Wales	1,126
1,121	Social care workforce grant	1,113
415	INFUSE - Innovating Public Services	1,010
1,957	Ukrainian Support Fund	935
647	Homelessness - No one left out grant	613
0	Deprivation of Liberties (DOLS)	577
478	Eliminate Agenda	562
499	Radical reform	524
483	Waste Management	482
692	Families First	330
353	Communities for Work	263
948	ENRAW – Gwent Green Grid Partnership	120
364	Floods and SUDS	81
359	WG 20mph Scheme (Monmouthshire)	0
3,402	Other WG grants	2,273
	Home Office:	
2,222	Community Renewal Fund (Shared Prosperity Fund)	2,284
533	Support Afghan / Syrian / Unaccompanied Asylum Seekers	572
170	Police and Crime Commissioner	360
2,951	Other Grants & Contributions	2,498
57,292	Total Revenue Grants credited to services	62,335

	Non-Specific Grant Income	
31,224	Non-Domestic Rates	34,871
91,451	Revenue Support Grant	91,149
122,675	Total Non-Specific Grant Income	126,019

12 NON-CURRENT ASSET & CAPITAL FINANCING NOTES

12.1 Property, Plant and Equipment

The following tables summarise the movements in the Authority's property, plant and equipment portfolio by asset type for the years ending 31st March 2025 and 31st March 2024.

Movements in 2024/25:	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant and Equipment £000	PFI Assets Included in Property, Plant and Equipment* £000
Cost or Valuation:								
At 1st April 2024	297,642	25,987	4,547	10	38,254	0	366,438	1,529
Additions	7,807	1,429	67	0	19,285	2,578	31,166	
Revaluation movements taken to Revaluation Reserve	14,630						14,630	(18)
Revaluation movements taken to Surplus/Deficit on Provision of Services	2,160						2,160	
Impairment movements taken to Surplus/Deficit on Provision of Services	(1,621)	(285)	(59)	0			(1,964)	
Impairment movements taken to RRA	(1,182)		(8)	0			(1,190)	
Reclassified (to)/from Held for Sale	0	(3,416)					(3,416)	
Disposals							0	
Other reclassifications	392						392	
Movement in CCRCD Assets							0	
At 31st March 2025	319,828	23,715	4,547	10	57,539	2,578	408,215	1,511
Accumulated Depreciation:								
At 1st April 2024	(3,375)	(14,879)				0	(18,254)	0
Depreciation charge	(9,488)	(2,293)				(829)	(12,610)	
Depreciation written out on revaluation to Revaluation Reserve	7,783						7,783	
Depreciation written out on revaluation to Surplus/Deficit on Provision of Services	2,223						2,223	
Depreciation written out on impairment to Surplus/Deficit on Provision of Services	112						112	
Reclassified to/(from) Held for Sale		2,739					2,739	
Disposals							0	
Other reclassifications							0	
Movement in CCRCD Assets							0	
At 31st March 2025	(2,745)	(14,433)	0	0	0	(829)	(18,008)	0
Net Book Value:	317,082	9,280	4,548	10	57,539	1,749	390,207	1,511

Movements in 2023/24	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant and Equipment £000	PFI Assets Included in Property, Plant and Equipment* £000
Cost or Valuation:								
At 1st April 2023	289,776	25,218	4,528	10	18,702		338,234	1,485
Additions	6,311	1,930	306		32,111		40,659	
Revaluation movements taken to Revaluation Reserve	(940)						(940)	44
Revaluation movements taken to Surplus/Deficit on Provision of Services	(2,630)						(2,630)	
Impairment movements taken to Surplus/Deficit on Provision of Services	(722)	(105)	(280)		-375		(1,481)	
Impairment movements taken to RRA	(553)		(8)				(560)	
Reclassified (to)/from Held for Sale	(3,531)	(1,057)					(4,588)	
Disposals							0	
Other reclassifications	9,930				(12,184)		(2,254)	
Movement in CCRCD Assets							0	
At 31st March 2024	297,642	25,987	4,547	10	38,254	0	366,440	1,529
Accumulated Depreciation:								
At 1st April 2023	(2,634)	(13,586)					(16,220)	0
Depreciation charge	(12,626)	(2,194)					(14,819)	
Depreciation written out on revaluation to Revaluation Reserve	9,518						9,518	(45)
Depreciation written out on revaluation to Surplus/Deficit on Provision of Services	2,367						2,367	45
Depreciation written out on impairment to Surplus/Deficit on Provision of Services							0	
Reclassified to/(from) Held for Sale		900					900	
Disposals							0	
Other reclassifications							0	
Movement in CCRCD Assets							0	
At 31st March 2024	(3,375)	(14,879)	0	-	-	-	(18,254)	-
Net Book Value:	294,266	11,108	4,548	10	38,254	0	348,185	1,528

12.1b Infrastructure Disclosure

In accordance with the temporary relief offered by the Statutory Instrument as an amendment to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (Regulation 24L) this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The authority has determined in accordance with Regulation [24L Wales] of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

2023/24 £000		2024/25 £000
81,758	Net Book Value At 1 April	90,028
12,782	Additions	10,028
0	Derecognition	0
(2,836)	Depreciation	(3,242)
(1,676)	Impairment	(2,015)
0	Other Movements in Costs	0
90,028	Net Book Value At 31 March	94,799

12.1c Right of Use Assets

From 1 April 2024, the Council adopted IFRS 16, which requires most leases where the Council is the lessee to be recognised on the balance sheet. This means that assets previously treated as operating leases - such as vehicles, equipment, property, and land - are now recorded as right-of-use assets, with corresponding lease liabilities.

Under IFRS 16, lessor accounting remains largely unchanged. The Council has applied the standard retrospectively using the modified approach, meaning prior year figures have not been restated. Instead, balances have been recognised from 1 April 2024 as if IFRS 16 had always applied.

Exemptions have been applied for:

- Leases of low-value assets
- Short-term leases (12 months or less) ending by 31 March 2025

For these, lease payments continue to be recognised as an expense on a straight-line basis over the lease term.

	Land and Buildings £000	Vehicle, Plant & £000	Total £000
Balance at 1 April 2024	0	0	0
Additions	2,213	150	2,363
Additions - New Lease Arrangements	119	96	214
Depreciation	(734)	(94)	(829)
Disposals	0	0	0
Balance at 31 March 2025	1,598	151	1,749

12.2 Revaluations of Property, Plant & Equipment

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

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

- The 2024/25 revaluations were carried out or approved by qualified valuers within the Authority's Estates section. The basis for valuation is set out in the accounting policies within section 17 of the notes to the accounts.

- All assets requiring valuations have been revalued in the 5 year period ending 31st March 2025. The valuations carried out during 2024/25 include Community Centres, Comprehensive & Primary Schools, Corporate Facilities, Hub & Public Contact Centres, Leisure & Outdoor Education Centres, Museum & Theatres, Nurseries & Play Groups, Public Conveniences, Care & Housing and Waste Disposal Sites.
- In addition to the rolling programme of revaluations any DRC assets not individually revalued were uplifted in line with movements in the BICS All In Tender Price Index. This indexation was undertaken due to the high levels of inflation seen in the year which increased the risk of potential misstatement in carrying value of assets.

	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant and Equipment £000
Carried at historical cost	0	9,008	4,547	10	57,452	1,749	72,765
Valued at current value as at:							
31st March 2025	282,555	-	-	-	-	-	282,555
31st March 2024	19,848	-	-	-	-	-	19,848
31st March 2023	1,913	-	-	-	-	-	1,913
31st March 2022	11,855	-	-	-	-	-	11,855
31st March 2021	911	-	-	-	-	-	910
CCRCDC Assets (Method unknown)	-	274	-	-	88		362
Total Cost or Valuation	317,082	9,282	4,547	10	57,539	1,749	390,207

12.3 Schools Non-Current Assets

The Authority currently owns and runs three secondary, one middle and twenty three primary schools. In addition to the twenty three primary schools, there are two voluntary controlled schools and four voluntary aided schools.

The Authority runs the voluntary controlled schools on behalf of 3rd party organisations such as charities and religious organisations who own the underlying assets. The Authority does not record these school assets on its balance sheet other than Raglan Primary (£5,189,124.82 as at 31st March 2025) as the transfer of legal ownership to the third party is yet to be concluded.

With regards to voluntary aided schools within Monmouthshire, and similar to voluntary controlled schools, the assets are owned by 3rd party organisations and are not recorded on the Authority's balance sheet other than Osbaston Primary (£2,289,460.70 as at 31st March 2025) as the transfer of legal ownership to the third party is yet to be concluded.

The net book value of school non-current assets as at 31st March 2025, shown in the Authority's balance sheet, is £207,248,716.66 (£206,789,094 as at 31st March 2024).

12.4 Private Finance Initiatives

Monmouth Health & Social Care Facility (Monnow Vale)

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

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

The Authority accounts for its 28% share of the PFI assets, comprising buildings and equipment, with a corresponding liability amounting to its long term obligation for financing these assets.

The life of the building had originally been established for valuation purposes as being 40 years and the equipment as being 15 years. As the life of the building is 10 years beyond that of the PFI agreement, it is anticipated that the facility will be used by the parties beyond the 30 year PFI agreement. At the end of the agreement, the buildings revert to the Health Board at nil consideration. There have been no changes in the arrangements during the year.

The Authority's share in the assets used to provide services at the facility are recognised on the Authority's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 12.1, their total net book value at 31st March 2025 being £1,511,158.11 (£1,529,128 at 31st March 2024).

12.5 Investment Properties

Investment Properties are those that are used solely to earn income and/or for capital appreciation. Investment Properties are not used in any way to deliver a service and are not held for sale. The Authority's current portfolio of investment properties consists of long held assets such as County Farms and District Shops and also a Solar Farm, Newport Leisure Park and Castlegate Business Park constructed/acquired more recently. The resultant impact on the Authority's net income is shown below.

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

2023/24 £000		2024/25 £000
(5,912)	Rental income from investment property	(5,353)
3,618	Direct operating expenses arising from investment property	3,705
(2,294)	Net (gain)/loss	(1,647)

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

2023/24 £000		2024/25 £000
66,862	Balance at start of the year	79,981
650	Additions	1,360
0	Disposals	0
10,214	Net gains/(losses) from fair value adjustments recognised in Financing and Investment Income and Expenditure	(3,703)
2,255	Transfers (to)/from Property, Plant and Equipment	(392)
0	Movement in CCRCD balances	0
79,981	Balance at end of the year	77,246

Capital receipts of £264,073 were credited to the Capital receipts reserve during 2024/25 in relation to investment properties (£3,087,815 in 2023/24).

Fair Value Hierarchy

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

2023/24				Type of Property	2024/25			
Quoted Prices in active markets for identical assets	Other Observable inputs	Significant Unobservable inputs			active markets for identical assets	Other Observable inputs	Significant Unobservable inputs	
Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
£000	£000	£000	£000		£000	£000	£000	£000
		107	107	Freehold Reversions			123	123
	38,329		38,329	Agricultural Properties		38,215		38,215
		883	883	Retail Units			1,074	1,074

		2,677	2,677	Industrial Properties			2,853	2,853
		5,611	5,611	Solar Farm			5,785	5,785
		3,907	3,907	Share of CCRCD Asset			3,907	3,907
		28,467	28,467	Properties acquired for rental income			25,289	25,289
0	38,329	41,652	79,981		0	38,215	39,031	77,246

There have been no transfers between levels during the year. The authorities share in CCRCD assets have recognised at Level 3.

Level 2 Other Observable inputs: The fair value for the Agricultural Portfolio (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets locally. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Level 3 Significant Unobservable Inputs: The Freehold Reversions, Retail Properties, Industrial Properties & Solar Farm located in the local authority area & properties acquired for rental income are measured using the income approach, by means of a term and reversion method. The approach has been developed using the authority's own data requiring it to factor in assumptions such as the duration, rent growth, occupancy levels, bad debt levels, maintenance costs, etc. These property types are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

Highest and Best Use: In estimating the fair value of the authority's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques: There has been no change in the valuation techniques used during the year for investment properties.

Level 3 Investment Properties

A summary of the movement in the fair value of level 3 investment properties over the year:

2023/24 £000		2024/25 £000
39,216	Balance at start of the year	41,652
2,255	Transfers (to)/from Level 3	0
348	Additions	1,019
0	Disposals	0
(167)	Net gains/(losses) from fair value adjustments included in Surplus or Deficit on the Provision of Services	(3,640)
41,652	Balance at end of the year	39,031

Fair Value Measurement

The valuers arrive at a Fair Value for level 3 Investment Properties by applying a yield to the income stream. The yield reflects the risk and is derived from factors such as the use made of the property, the quality of the tenant, the length and security of the income and also in the case of retail, the location. These impact on rent growth, occupancy levels, bad debt levels and maintenance costs. The yield is arrived at from the valuers knowledge of the market, from contacts and published information alongside knowledge of the individual asset.

Type of Property	Valuation Technique used to measure Fair Value	Unobservable Inputs	Range	Sensitivity
Freehold Reversions	Income approach, by means of a term and reversion	Yield	4%	The Fair Value of the Property will increase as
Retail Units		Yield	7% - 10%	
Industrial Properties		Yield	12%	

Solar Farm	method	Yield	6%	the yield reduces.
Investment Assets		Yield	6%	
Investment Assets		Yield	7%	

12.6 Assets Held for Sale

Assets held for sale comprise those assets that are available for immediate sale and where the sale is highly probable and will be actively marketed at its market value. The in-year movement and balance of assets held for sale as at 31st March 2025 are shown below:

2023/24 £000		2024/25 £000
1,000	Balance outstanding at start of year	1,250
0	Additions	0
3,687	Assets newly classified as held for sale: From Plant, Property & Equipment	677
0	Assets declassified as held for sale: To Plant, Property & Equipment	0
250	Revaluation gains	0
(522)	Revaluation losses charged to SDPS	0
(799)	Revaluation losses charged to RRA	0
0	Impairment losses	0
(2,366)	Assets sold	(677)
1,250	Balance outstanding at year-end	1,250

12.7 Heritage Assets

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

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

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

	Property £000	Museum £000	Civic £000	Total £000
Cost or Valuation:				
1st April 2023	322	8,901	156	9,379
Additions	424	0	0	424
Revaluation increases/(decreases) recognised in the SDPS	0	0	0	0
Revaluation increases/ (decreases) taken to Revaluation Reserve	0	0	0	0
Impairment (losses)/reversals recognised in the SDPS	(121)	0	0	(121)
Reclassified from property, plant and equipment	0	0	0	0
31st March 2024	625	8,901	156	9,682
Cost or Valuation:				
Additions	149	0	0	149
Revaluation increases/(decreases) recognised in the SDPS	0	0	0	0
Revaluation increases/ (decreases) taken to Revaluation Reserve	0	0	0	0
Impairment (losses)/reversals recognised in the SDPS	(134)	0	0	(134)
Reclassified from property, plant and equipment	0	0	0	0

31st March 2025	640	8,901	156	9,696
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Property Heritage Assets

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

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

These assets were last valued on an existing use value (EUV) basis and were carried out internally by the Authority's Estates Section under the supervision of the Head Of Commercial and Integrated Landlord Services (MRICS).

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

Museum Exhibits

Monmouthshire operates four museums, namely Monmouth, (The Nelson Museum), Abergavenny, Caldicot (Castle) and Chepstow. Each individual museum maintains an inventory of exhibits and the Authority last commissioned a valuation of material items in 2022.

The most significant museum exhibit is the Nelson collection which is included on the balance sheet at a valuation of £8.7m. This collection was revalued externally during the year and the estimated value has increased by £4.4m since the previous valuation carried out in August 2012. The valuation was limited to selected items with market prices in excess of £1,000.

Civic Regalia, Artwork & Collections

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

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

These assets are currently valued at their most recent insurance valuation.

12.8 Capital Expenditure and Capital Financing

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

31st March 2024 £000		31st March 2025 £000
193,336	Opening Capital Financing Requirement	199,446
	Capital investment:	
	Enhancing value:	
48,884	Property, plant and equipment	32,508
348	Investment properties	948
1,188	Vehicles	872
304	Heritage assets	14
	Not enhancing value:	

3,305	Property, plant and equipment	5,090
302	Investment properties	412
157	Intangible assets	209
63	Vehicles	146
121	Heritage assets	134
10,181	Revenue Expenditure Funded from Capital under Statute	8,473
	Sources of finance:	
(6,636)	Capital receipts	(4,274)
(2,495)	General Capital Grant	(2,502)
(43,038)	Capital Grants and Contributions	(24,164)
(225)	S106 Contributions	(565)
(363)	Direct revenue contributions	(282)
	Other:	
0	Right of Use assets recognised	2,578
(5,985)	Minimum revenue provision	(7,530)
199,446	Closing Capital Financing Requirement	211,513
	Explanation of movements in year:	
2,430	Increase in underlying need to borrowing - supported by Government financial assistance	2,436
9,665	Increase in underlying need to borrowing - unsupported by Government financial assistance	14,583
0	Right of Use assets recognised	2,578
(5,985)	Less: Minimum revenue provision	(7,530)
6,110	Increase / (decrease) in Capital Financing Requirement	12,067

12.9 Capital Commitments

At 31st March 2025, the Authority had entered into no major contracts (those individually £200,000 and more) for the construction of Property, Plant and Equipment in 2024/25 and later years. Last years budgeted commitments were valued to a cost of £36,109,672, which have been satisfied.

12.10 Minimum Revenue Provision

2023/24		2024/25
£6,642,105	Minimum Revenue Provision Charged	£7,530,021

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

The charge is equal to an amount calculated on a prudent basis according to the policy determined by the Council in accordance with statutory guidance. An annual MRP Statement is submitted to Council for approval in advance of each financial year and any variance to this policy must be approved by Council.

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

MRP charges have been in respect of Right-of-Use assets recognised under IFRS 16. This reflects the requirement for local authorities to make a prudent provision for the repayment of the capital element of lease liabilities, consistent with the statutory guidance issued.

12.11 Leases - Authority as Lessor

Operating Leases

The Authority has entered into operating lease arrangements to lease property assets to various individuals and organisations. These primarily consist of Industrial units, County Farms, Land parcels and Recreation halls. Under IFRS 16 Lessor accounting is effectively unchanged.

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

2023/24 £000		2024/25 £000
2,565	Not later than one year	3,249
9,679	Later than one year and not later than five years	11,930
12,645	Later than five years	14,563
24,890		29,743

13 FINANCIAL INSTRUMENTS, CURRENT ASSETS & LIABILITIES NOTES

13.1 Categories of Financial Instruments

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

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

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

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

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

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

All other financial assets are held at fair value through Profit & Loss.

The following categories of financial assets are carried in the Balance Sheet as at 31st March 2025:

Long-Term 31st March 2024 £000	Short-Term 31st March 2024 £000		Note	Long-Term 31st March 2025 £000	Short-Term 31st March 2025 £000
		Financial Assets			
		Investments at amortised Cost:			
1,338	3,184	Principal invested	13.4	1,199	3,225
	0	Accrued Interest		0	0
		Investments at fair value through other comprehensive income:			
0	3,653	Equity Investments elected FVOCI		0	3,652
		Investments at fair value through profit & loss:			
20	41	Unquoted equity investments	13.4	19	0
1,358	6,878	Total Investments		1,219	6,878
		Cash & Cash Equivalents at amortised cost:			
0	8,346	Principal	15.3	0	12,629
0	0	Accrued Interest		0	0
0	8,346	Total Cash & Cash Equivalents		0	12,629
		At amortised cost:			
0	8,306	Trade Receivables		0	8,031
0	(1,026)	Loss allowance		0	(1,510)

2,240	107	Lease Receivables		2,133	107
193	(4)	Loans made for service purposes		185	(4)
2,432	7,384	Included in Debtors	13.5	2,318	6,624
3,790	22,607	Sub-Total Financial Assets		3,537	26,131
0	1,865	Current assets which are not Financial Instruments		0	1,835
385	35,379	Debtors which are not Financial Instruments	13.5	523	45,927
4,176	59,851	Total Financial Assets		4,060	73,893

Long-Term 31st March 2024 £000	Short-Term 31st March 2024 £000		Note	Long-Term 31st March 2025 £000	Short-Term 31st March 2025 £000
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All of the Council's financial liabilities are held at amortised cost including short and long term loans, bank overdraft, lease payables, PFI contracts and trade payables for goods and services.

The following categories of financial liabilities are carried in the Balance Sheet as at 31st March 2025:

		Financial Liabilities			
		Loans at amortised Cost:			
(124,188)	(50,019)	Principal sum borrowed		(138,701)	(63,603)
0	(1,658)	Accrued Interest		0	(2,211)
(25)	(1)	EIR adjustments		0	0
(124,212)	(51,678)	Total Borrowings	13.4	(138,701)	(65,814)
		Loans at amortised Cost:			
0	(1,723)	Cash & cash equivalents	15.3	0	(2,488)
0	(1,723)	Total Cash & Cash Equivalents		0	(2,488)
		Liabilities at amortised Cost:			
(574)		PFI and finance lease liabilities		(1,664)	
(1,699)		Other Long Term Liabilities		(1,417)	
(2,273)	0	Total Other Long Term Liabilities		(3,081)	0
		Liabilities at amortised Cost:			
	(2,142)	Trade Payables			(2,862)
0	(2,142)	Included in Short Term Creditors	13.6	0	(2,862)
(126,485)	(55,543)	Total Financial Liabilities		(141,782)	(71,164)
	(41,619)	Short term creditors which are not Financial Instruments	13.6		(44,579)
(16,129)	(466)	Other Current & long term liabilities which are not Financial Instruments:		(63,445)	(339)
(142,613)	(97,628)	Total Balance Sheet Liabilities		(205,227)	(116,083)

Under IFRS 16, lease liabilities are included in the accounts to reflect the Council's obligation to make future lease payments. The standard requires lessees to recognise most leases on the balance sheet by recording a right-of-use asset and a corresponding lease liability. This approach improves transparency and comparability by ensuring that financial statements reflect the full extent of lease commitments, rather than treating them as off-balance sheet items.

Right-of-use asset lease liabilities totalling £1.79 million are split between long-term and short-term obligations on the Balance Sheet: £1.12 million is reported under other long-term liabilities, and £0.67 million under short-term creditors.

Where the lease or contract does not specify an implicit interest rate, the Council has applied the relevant Public Works Loan Board (PWLb) borrowing rate to calculate the present value of lease liabilities.

	31st March 2025 £000
Lease Liabilities Maturity	
Less than one year	666
One to five years	1,100
More than five years	1,791
Total	3,557

Equity instruments elected to fair value through OCI						
31st March 2024 £000	31st March 2024 £000	31st March 2024 £000		31st March 2025 £000	31st March 2025 £000	31st March 2025 £000
Fair value	OCI	Dividends		Fair value	OCI	Dividends
1,870	95	115	Kames Capital diversified monthly income fund	1,855	(15)	108
1,366	(6)	62	Investec Asset Management Ltd diversified income fund	1,367	1	67
416	(17)	16	CCLA LAMIT Property Fund	431	15	27
3,654	72	194	Total Balance Sheet Asset	3,653	1	202

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

13.2 Financial Instruments - Income, Expense, Gains and Losses

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

31st March 2024 £000					31st March 2025 £000
	Financial Liabilities measured at:	Fair value through P&L	Fair value through OCI	Fair value through OCI - elected	Amortised cost
15	Interest expense - finance lease /private finance initiative debtors	0	0	0	15
0	Losses on de-recognition	0	0	0	0
0	Losses from changes in fair value	0	0	0	0
0	Impairment losses	0	0	0	0
0	RoU Lease Liability Interest	0	0	0	130
6,380	Other Interest expense	0	0	0	6,922
6,395	Subtotals	0	0	0	7,066
6,395	Total Interest payable and similar charges				7,066

	Financial assets measured at:	Fair value through P&L	Fair value through OCI	Fair value through OCI - elected	Amortised cost
(55)	Interest income relating to finance lease debtors	0	0	0	(53)
0	Interest from deferred receipts	0	0	0	0
0	Dividend income (elected equity instruments)	0	0	(204)	0
0	Gains on derecognition	0	0	0	0
0	Gains from changes in fair value	0	0	0	0

0	Impairment loss reversals	0	0	0	0
(1,561)	Other Interest income	0	0	0	(1,064)
(1,617)	Subtotals	0	0	(204)	(1,116)
(1,812)	Total Interest & Investment income				(1,321)
4,583	Net impact on surplus/deficit on provision of services				5,746

	Impact on other comprehensive income:	Fair value through P&L	Fair value through OCI	Fair value through OCI - elected	Amortised cost
0	Gains on revaluation	0	0	0	0
0	Losses on revaluation	0	0	(1)	0
0	Amounts recycled to surplus/deficit on provision of services	0	0	0	0
0	Subtotals	0	0	(1)	0
13	Impact on other comprehensive income				(1)
4,596	Net (gain)/loss for the year				5,745

13.3 Fair Values of Financial Instruments

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including pooled funds, the fair value is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2025, using the following methods and assumptions.

The value of financial instruments held at amortised cost have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2025, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of "Lender's Option Borrower's Option" (LOBO) loans have been increased by the value of the embedded options. Lenders' options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March 2025.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at an appropriate rate.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

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

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

Financial liabilities

Balance Sheet 31st March 2024 £000	Fair Value 31st March 2024 £000		Balance sheet position	Fair Value Level	Balance Sheet 31st March 2025 £000	Fair Value 31st March 2025 £000
		Financial liabilities held at amortised cost:				
(175,890)	(150,536)	Borrowings	Borrowing (ST & LT)	2	(204,515)	(173,179)
(574)	(444)	PFI and finance lease liabilities	Other LT Borrowing	3	(1,664)	
(176,464)	(150,980)	Subtotal			(206,179)	(173,179)
		Financial liabilities held at amortised costs for which fair value is not disclosed:				
(1,723)		Cash & Cash equivalent	C & C E		(2,488)	
(2,142)		Trade payables	Short term creditors		(2,862)	
(1,699)		Net agency creditor and lease deposits	Other LT Borrowing		(1,417)	
(182,028)		Total financial liabilities			(212,946)	

The fair value of financial liabilities held at amortised cost is less than the carrying amount because the authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the current rates available for similar loans at the balance sheet date. The commitment to pay interest below current market rates reduces the amount that the authority would have to pay if the lender requested or agreed to early repayment of the loans.

Financial Assets

Balance Sheet 31st March 2024 £000	Fair Value 31st March 2024 £000			Fair Value Level	Balance Sheet 31st March 2025 £000	Fair Value 31st March 2025 £000
		Financial assets held at fair value:				
3,653	3,653	Equity investments elected FV through OCI	ST Investments	2	3,652	3,652
20	20	Unquoted equity investments held at FVP&L	LT Investments	3	19	19
3,672	3,672	Subtotal			3,672	3,672
		Financial assets held at amortised cost:				
2,347	1,934	Lease receivables	LT debtors	3	2,240	
0	0	Trade receivables - deferred receipt	LT debtors			
6,019	5,606	Subtotal			5,911	3,672
		Financial assets held at amortised cost for which fair value is not disclosed:				
8,346		Cash & Cash equivalent	C&CE		12,629	
6,878		Short term investments	ST Investments		6,878	
8,306		Trade Receivables	Short term debtors		8,031	
193		Loans made for service purposes	Long term debtors		185	
29,742		Total financial assets			33,635	

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

13.4 Nature and Extent of Risks arising from Financial Instruments

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team in conjunction with appointed treasury advisors.

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

Whilst the majority of Investments used continue to be with institutions which are given a high credit rating by external rating agencies and which continue to show other measures of credit worthiness, the authority's investment portfolio now includes £4m in strategic pooled funds which achieve higher returns. The risk is controlled by following the advice of the Authority's treasury management advisors, by the use of experienced fund managers and diversification within the funds purchased.

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

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

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

a) Credit Risk

Treasury Investments

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

A limit of £4m is placed on the amount of money that can be invested in unsecured investments with a single counterparty (other than the UK government) for the majority of the Authority's activities (for more details see the Treasury Strategy).

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

Balance Long-term	Balance Short-term	Counterparty Group	Investment Vehicle	Average rating	Country	Balance Long-term	Balance Short-term
31st March 2024	31st March 2024					31st March 2025	31st March 2025
£'000	£'000					£'000	£'000

0	3,000	UK Government	Term Deposit with DMADF	AA+	United Kingdom	0	3,000
0	0	Local Authority	Term Deposit	AA+	United Kingdom	0	0
0	5,187	Bank	Term Deposit	A+	United Kingdom	0	9,469
		Credit risk Not applicable:					
0	3,653	Pooled funds			United Kingdom	0	3,652
19	0	Unquoted Equity			United Kingdom	19	0
1,338	3,385	CCRC				1,199	3,385
1,358	15,224	Total Investments				1,219	19,506

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

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies, multiplied by 365% to adjust for current and forecast economic conditions. A two-year delay in cash flows is assumed to arise in the event of default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating. They are determined to be credit-impaired when awarded a "D" credit rating or equivalent. At 31st March 2025, £nil of loss allowances related to treasury investments.

Trade & Lease receivables and Contract assets

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

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

The Council has one finance lease receivable as a result of a lease disposal of a piece of land, which is held on the balance sheet at amortised cost. The Council's credit risk on lease receivables is mitigated by its legal ownership of the asset leased, which can be repossessed if the debtor defaults on the lease contract, so no loss allowance has been applied. At the 31st March 2025 the carrying value was £2,720,000.

Loans, Financial Guarantees and Loan Commitments

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

b) Liquidity Risk

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

The maturity analysis of financial instruments is as follows:

31st March 2024				31st March 2025		
£000	£000	£000		£000	£000	£000
Borrowing	Investment	Net		Borrowing	Investment	Net
			The Loans Mature as follows:-			
4	(5,235)	(5,231)	No defined maturity	4	(5,096)	(4,666)
51,678	(3,000)	48,678	Less than one year	65,814	(3,000)	62,787
5,086	0	5,086	Between one and two years	20,518	0	20,518

16,594	0	16,594	Between two and five years	19,234	0	19,234
27,714	0	27,714	Between five and ten years	25,589	0	25,589
16,634	0	16,634	Between ten and twenty years	15,968	0	15,968
58,179	0	58,179	More than twenty years	57,387	0	57,387
175,890	(8,235)	167,655	Total	204,515	(8,096)	196,817

The Counterparty analysis of Borrowing is shown below:

31st March 2024 £000		31st March 2025 £000
126,236	Public Works Loan Board	146,792
3,081	Market Loans & Bank loans	28
4,739	Welsh Government	3,741
38,830	Local Government bodies	50,949
3,000	Special Purpose Vehicle	3,000
4	Other - CCRCD	4
175,890	Total	204,515

The financial liabilities due to Welsh Government at the 31st March 2025 are the outstanding balances from interest free loans provided to fund energy saving Street Lighting & Refit capital schemes and a loan which funded the Oak Grove solar farm construction. Accounting requirements require financial liabilities in the form of loans to be carried at amortised cost. However, some of these interest free loans have not been carried at amortised cost on the grounds that the figures quoted are not materially different.

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

c) Market Risk

i) Interest rate risk

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

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

Investments measured at amortised cost and loans borrowed are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Authority has a number of strategies for managing interest rate risk. The 2024/25 treasury strategy includes a limit on the Authority's exposure to interest rate risk. This limit of 50% applies to the percentage of net variable rate debt to total net debt, where net debt is debt net of investments.

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

The interest payable and interest receivable during 2024/25, on borrowings and investments held at the 31st March 2025, with all other variables held constant, would increase / (decrease), if interest rates were 1% higher. The most significant impact would relate to variable rate and short term loans & investments, with long term instruments not being affected:

31st March 2024	Effect of a 1% increase in interest rates	31st March 2025
£000		£000
51	Increase in interest payable on borrowings	384
29	Increase in interest receivable on investments	30
0	Decrease in fair value of investments held at FVP&L	0
80	Impact on Surplus or Deficit on the Provision of Services	413
(11,043)	Decrease in fair value of fixed rate borrowing *	(9,966)

* No impact on Comprehensive Income and Expenditure

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

ii) Price risk

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

iii) Foreign exchange risk

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

13.5 Debtors

The nature and value of payments due to the Council for the year but not received as at 31st March 2025, repayable in the short term (within 12 months of the balance sheet date) and long term (after 12 months of the balance sheet date), is summarised below:

31st March 2024					31st March 2025			
Long Term	Short Term	Impair-ment	Net		Long Term	Short Term	Impair-ment	Net
£000	£000	£000	£000		£000	£000	£000	£000
				Central Government Bodies:				
	13,291		13,291	Welsh Government		23,489		23,489
	2,964		2,964	HM Customs & Excise		2,430		2,430
	1,945		1,945	NNDR Debtor		3,092		3,092
				Other entities and individuals:				0
	4,462	(3)	4,459	Other Local Authorities		5,910	(4)	5,906
2,240			2,240	Finance Lease	2,133			2,133
	5,060	(85)	4,975	Revenue debtors		5,337	(110)	5,227
	6,210	(2,935)	3,275	Council tax arrears		7,605	(3,842)	3,763

	1,584	(178)	1,406	Corporate sundry debtors		1,392	(161)	1,231
	1,195	(745)	450	Housing benefit overpayments		1,175	(726)	449
	2,567	0	2,567	NHS Bodies		1,903	(4)	1,899
	2,175	(467)	1,708	Social Services debtors		2,142	(885)	1,257
	558	(378)	180	Rent arrears		642	(456)	186
	4,901		4,901	Capital debtors		2,981		2,981
184			184	Housing Advances	177			177
393	642		1,035	Other	532	642		1,173
2,818	47,554	(4,791)	45,580	Total Debtors	2,842	58,740	(6,188)	55,393

The aged analysis of short term debtors outstanding as at 31st March 2025 is as follows:

	Not Overdu £000	Up to 3 Months £000	3 Months 12 £000	Over 12 Months £000	Over 24 Months £000	Total £000
Central Government Bodies:						
Welsh Government	23,488	1	0	0	0	23,489
HM Customs & Excise	2,430	0	0	0	0	2,430
NNDR Debtor	1,724	0	268	222	878	3,092
Other entities and individuals:						
Other Local Authorities	4,785	903	136	86	0	5,910
Finance Leases	0	0	0	0	0	0
Revenue debtors	5,136	0	64	55	82	5,337
Council tax arrears	0	0	1,535	1,382	4,688	7,605
Corporate sundry debtors	138	987	133	48	86	1,392
Housing benefit overpayments	0	0	330	100	745	1,175
NHS Bodies	927	965	3	31	-23	1,903
Social Services sundry debtors	265	306	766	491	314	2,142
Rent arrears	101	53	88	68	332	642
Capital debtors	2,981	0	0	0	0	2,981
Housing Advances	0	0	0	0	0	0
Other	642	0	0	0	0	642
Total	42,616	3,215	3,322	2,484	7,102	58,740

The associated impairment for potential default and uncollectability for debtors outstanding as at 31st March 2025 is as follows:

	Not Overdu e £000	Up to 3 Months £000	3 to 12 Months £000	Over 12 Months £000	Over 24 Months £000	Total £000
Other Local Authorities	0	0	4	0	0	4
Revenue debtors	0	0	31	27	52	111
Council Tax Arrears	0	0	1,120	632	2,090	3,842
Corporate sundry debtors	0	7	80	24	50	161
Housing benefit overpayments	0	0	67	22	637	726
NHS Bodies	0	0	4	0	0	4
Social Services sundry debtors	30	101	326	210	218	885
Rent arrears	0	11	45	68	332	456
Total	30	119	1,677	983	3,379	6,188

13.6 Creditors

It is the Authority's policy to pay creditors promptly, without undue delay and within mutually agreed terms. 96.71% of payments were paid within a 30 day target settlement date (95.9% in 2023/24).

The nature and value of payments due to be made by the Council in the year but not actually made as at 31st March 2025 is summarised below:

31st March 2024		31st March 2025
£000		£000
6,819	Central Government Bodies	7,402
4,459	Other Local Authorities	7,163
65	NHS Bodies	28
6,951	Capital Creditors	4,776
19,819	Other entities & individuals	21,197
3,562	Accumulating Compensated Absences	4,788
2,087	CCRCD	2,087
43,761	Total	47,441

13.7 Provisions and Contingent Liabilities

The value of provisions as at 31st March 2025, together with their movement for the year, is summarised below:

	Note	As at 1st April 2024	New or increased Provisions	Used or reduced Provisions	As at 31st March 2025
		£000	£000	£000	£000
Insurance Claims	13.7a	924	328	(583)	668
CCRCD Consolidation		1,893	0	0	1,893
Total		2,817	328	(583)	2,561

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

Current 31st March 2024	Long Term 31st March 2024		Current 31st March 2025	Long Term 31st March 2025
£000	£000		£000	£000
466	457	Insurance Claims	339	328
0	1,893	CCRCD Consolidation	0	1,893
466	2,350	Total	339	2,221

a) Insurance Claims

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

To satisfy IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a full actuarial assessment of open insurance claims was carried out in 2022 by the Authority's insurance brokers. The Authority has used this data to project future potential liabilities on the basis of current claims received, policy excesses and stop losses (the capped loss we can incur in any policy year). This assessment has allowed the Authority to reflect the estimated cost of liabilities at 31 March 2025. Provision has only been made where the Authority's insurers indicate a settlement is likely. The result is that the total provision is at the most likely level to be paid out in the future. Any movement in provisions has been charged against the services to which the claims relate.

The Authority maintains the insurance and risk management reserve to assist in the control of the Authority's insurance risks. The balance in the reserve is reviewed annually as part of the assessment on the adequacy of reserves by the Section 151 Officer. The reserve is required to cover potential claims not yet reported as well as recorded claims, which do not merit a provision, referred to above. It therefore represents additional cover, over and above the provision, to cover all foreseeable claims as at the balance sheet date.

The provision in place at 31st March 2025 was £667,874 (£923,592 at 31st March 2024) and the balance on the insurance and risk management reserve as at 31st March 2025 was £924,997 (£924,997 as at 31st March 2024).

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

31st March 2024 £000		31st March 2025 £000
892	Public Liability	625
0	Property	25
9	Motor Liability	11
22	Employer's Liability	7
924	Total	668

b) Contingent Liabilities

There are no Contingent Liabilities as at the 31st March 2025.

14 POST-EMPLOYMENT BENEFIT NOTES

14.1 Participation in Pension Schemes

The council is required to account for its pension costs in accordance with IAS19 - employee benefits.

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

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

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

In 2024/25, the Council paid £8,973,235 to the TPA in respect of teachers' retirement benefits, (£7,093,236 in 2023/24) representing 28.6% of pensionable pay (23.6% in 2023/24). In 2025/26 the expected contributions for the plan are £9.7 million.

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

There were £753,501 of contributions remaining payable to the scheme at the year end (£558,992 at 31st March 2024). The Council is not responsible for any other employers' obligations under this pension plan.

Greater Gwent Pension Fund

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

- The Local Government Pension Scheme - This is a funded defined benefit scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets in the long term. Pension benefits accrued up until March 2014, based on pensions being a percentage of final salary. Benefits since that time have accrued on an average salary basis.
- Unfunded Teachers Discretionary Benefits - the Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme above. This is unfunded, meaning that there are no investment assets built up to meet pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The following sections of the notes provide further supporting information covering the Authority's interest in the Greater Gwent Pension Fund.

14.2 Pension Fund Stakeholders

14.3 Entries in the comprehensive income and expenditure statement

14.4 Expected future pension contributions

14.5 Actuarial Assumptions

14.6 Sensitivity analysis

- 14.7 Investments held by the pension fund
- 14.8 The movement in the authority's share of the assets and liabilities within the Fund
- 14.9 Impact of Applying IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- 14.10 A summary explanation of the movement in assets and liabilities

14.2 Pension Fund Stakeholders

The total defined benefit obligation for the Authority's share of the Greater Gwent Pension fund (excluding unfunded liabilities) as at the 31st March 2025 is split as follows, along with the weighted average duration of each group:

2023/24			2024/25		Average Age (Years)
£000's	%		£000's	%	
226,322	45%	Active	203,477	45%	52
73,223	14%	Deferred	60,959	14%	52
209,944	41%	Pensioners	184,039	41%	69
509,489	100%	Total	448,475	100%	

A breakdown of the investments held by the Greater Gwent pension fund, quoted and unquoted is given in 14.7 giving an indication of the level of diversification and therefore risk within the Investment Portfolio.

14.3 Entries in the comprehensive income and expenditure statement

The Authority recognises retirement benefits in the net cost of services, as they are earned by employees not when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable to the pension fund in the year, so the real cost of post-employment/ retirement benefits is reversed out of the Council Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund Balance via the Movement in Reserves Statement during the year.

The McCloud Judgement (public service pensions age discrimination cases) was accounted for in latest valuation results and therefore an allowance is included in the accounting disclosure.

Finance is only required to be raised to cover teachers unfunded discretionary benefits when the pensions are actually paid.

Local Government Pension Scheme	Teachers' Unfunded Discretionary Benefits		Local Government Pension Scheme	Teachers' Unfunded Discretionary Benefits
2023/24 £000's	2023/24 £000's		2024/25 £000's	2024/25 £000's
		Comprehensive Income and Expenditure Account		
		Net Cost of Services:		
15,839	0	current service cost	14,410	0
1,156	0	past service cost / (gain) including curtailments	914	0
0	0	settlement gain	0	0
16,995	0	Total Net Cost of Services	15,324	0
		Financing and Investment Income and Expenditure:		
23,974	122	interest cost on pension liabilities	24,874	126
(21,455)	0	interest income on plan assets	(24,816)	0
0	0	Impact of asset ceiling on net interest	0	0
19,514	122	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	15,382	126
		Other Comprehensive Income and Expenditure:		

(51,548)	288	(Gains) and losses on remeasurement	(84,994)	(174)
0	0	Effect of business combinations and disposals	0	0
(51,548)	288	Total Other Comprehensive Income and Expenditure	(84,994)	(174)
(32,034)	410	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(69,612)	(48)
		<i>Movement in Reserves Statement</i>		
(19,514)	(122)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits	(15,382)	(126)
		<i>Actual amount charged against the Council Fund for pensions in the year:</i>		
18,591	381	Employers' contributions payable to scheme	19,362	379

14.4 Expected future pension contributions

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2026 is £18,885,000. Expected contributions for Teachers Unfunded Discretionary Benefits scheme in the year to 31 March 2025 are £392,000.

Statutory arrangements are in place to ensure that the financial position of the fund remains healthy. In the 31 March 2022 Actuarial Valuation, a shortfall of 3% of the fund's liabilities was identified. The Fund's 'funding target' is to achieve and maintain a funding level of 100% of liabilities. The maximum deficit recovery period has been set at 20 years. At each Actuarial Valuation, a contribution rate is set to meet the funding target over the deficit recovery period.

In June 2023, the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993 and that changes without this certification are to be considered void.

Where specific actuarial 'section 37' certificates cannot be found, the June 2023 legal ruling has the potential to invalidate historic scheme benefit changes dating all the way back to 1997. Pension practitioners were awaiting the outcome of an appeal, but this has now (July 2024) been dismissed by the Court of Appeal and the original ruling stands.

LGPS practitioners are not currently making additional liability allowances within funding and accounting valuations, as there is significant uncertainty about whether this ruling will impact the LGPS. We understand HM Treasury are currently looking into whether section 37 certificates exist for prior LGPS benefit changes, and a number of pension bodies have written to DWP to request legislation that would allow retrospective section 37 certificates to be produced now to validate historic changes.

The DWP are being asked by pension bodies to look at pragmatic solutions where schemes are unable to evidence historic section 37 confirmation.

14.5 Actuarial Assumptions

The principal IAS19 assumptions used by the Actuary for these accounts are shown in the following table. Using the projected unit method, the Actuary determines the figures at the Balance Sheet date using the latest scheme valuation as a base, which was 31 March 2022.

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

Financial Assumptions	Local Government Pension Scheme & Teachers Unfunded Discretionary Benefits		
	31st March 2025	31st March 2024	31st March 2023
Rate of increase in salaries	3.3%	3.3%	3.5%
Rate of increase in pensions (inline with CPI)	2.8%	2.8%	3.0%
Rate for discounting scheme liabilities	5.8%	4.9%	4.8%

Life Expectancy:			
Current male pensioner aged 65 (years)	20.8	20.9	21.0
Current female pensioner aged 65 (years)	23.8	23.9	24.1
Future male pensioner aged 65 in 20 years' time (years)	21.7	21.8	21.9
Future female pensioner aged 65 in 20 years' time (years)	25.4	25.4	25.7

The discount rate used to value fund liabilities is based on market yields on high quality corporate bonds over appropriate terms. To facilitate this, Hymans Robertson produce a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

14.6 Sensitivity Analysis

As noted above, changes to the financial assumptions disclosed in 14.5 will result in movements in the key pension related financial outcomes. An estimation of the results of such movements are given below.

Change in assumption at 31st March 2025	Approximate % increase to Employer	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	8,120
1 Year Increase in Member Life Expectancy	4%	18,136
0.1% increase in the Salary Increase Rate	0%	403
0.1% increase in the Pension Increase Rate	2%	7,942

In addition the actuary estimates that a one year increase in life expectancy would approximately increase the Employers Defined Benefit Obligation by around 3-5%. In practice this is dependent on the age groups predominantly affected.

14.7 Investments held by the pension fund

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

31st March 2024		Category	Quoted in Active markets	31st March 2025	
£000	%			£000	%
0	0.0%	Equities	Yes	0	0.0%
		Investment funds & Unit Trusts			
374,836	73.6%	Equities	No	390,054	72.7%
62,428	12.3%	Bonds	No	61,972	11.5%
45,555	8.9%	Other	No	74,196	13.8%
8,696	1.7%	Property	No	8,573	1.6%
17,738	3.5%	Cash accounts	No	2,036	0.4%
0	0.0%	Alternatives	No	0	0.0%
509,253	100.0%	Total		536,832	100.0%

14.8 The movement in the authority's share of the assets and liabilities within the fund

The Movement in Fund Assets

Local Government Pension Scheme	Teachers Unfunded Discretionary Benefits		Local Government Pension Scheme	Teachers Unfunded Discretionary Benefits
2023/24 £000	2023/24 £000		2024/25 £000	2024/25 £000
449,740	0	As at 1st April	509,253	0
0	0	Settlement costs	0	0
21,455	0	Interest on plan assets	24,816	0
18,591	381	Employers contributions	19,362	379
4,659	0	Contributions by scheme participants	4,740	0
34,137	0	Gains / (losses) on remeasurement of assets	(2,848)	0
0	0	Administration expenses of plan assets	0	0
(19,329)	(381)	Benefits paid	(18,492)	(379)
509,253	0	As at 31st March	536,831	0

The Movement in Fund Liability

(503,557)	(2,759)	As at 1st April	(512,445)	(2,788)
(15,839)	0	Current service cost	(14,410)	0
(1,156)	0	Past service (cost) / gain (including curtailments)	(914)	0
0	0	Settlement gains	0	0
0	0	Curtailment costs	0	0
(23,974)	(122)	Interest on pension liabilities	(24,874)	(126)
(4,659)	0	Contributions by scheme participants	(4,740)	0
17,411	(288)	Gains / (losses) on remeasurement of liabs	87,842	174
19,329	381	Benefits paid	18,492	379
0	0	Effect of business combinations & disposals	0	0
(512,445)	(2,788)	As at 31st March	(451,049)	(2,361)

There were £2,007,000 of contributions remaining payable at the year end for the Local Government Pension Scheme (at 31 March 2024 £1,872,000 was payable) and £18,000 was owed to the Authority for the Teachers unfunded discretionary benefits scheme (£14,000 at 31 March 2024).

Within the £451,049,000 of pension liabilities for the Local Government Pension Scheme at 31 March 2025 (£512,445,000 31 March 2024), there are £2,765,000 of unfunded liabilities (£2,766,000 as at 31st March 2024).

14.9 Impact of Applying IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

In accordance with IFRIC 14 - IAS 19, Hymans Robertson LLP, the Council's actuary has assessed that as of 31 March 2025, the fair value of the Council's pension scheme assets exceeds the present value of its defined benefit obligations. This results in the recognition of a net pension asset.

The standard then requires the position to be further evaluated against the economic benefits available through reductions to future pension contributions to determine whether an additional liability needs to be recognised through an asset ceiling. Committed past service contributions, which have been agreed upon, are included in the net asset position along with any effects of the asset ceiling calculation.

Adjustment Required to Net Asset/Liability	31st March 2025 £000
Net Asset - Unadjusted	88,356
Effect of IAS 19 / IFRIC 14 for the Asset Ceiling Calculation	(141,506)
Net Liability	(53,150)

14.10 Summary of the movement in assets and liabilities

Over the five years ending the 31 March 2024, the fund's actuaries have estimated that the Authority had the following assets and liabilities:

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Local Government Pension Scheme					
Present value of scheme liabilities	(727,091)	(708,219)	(503,557)	(512,445)	(451,049)
Fair value of scheme assets	424,338	452,486	449,740	509,253	400,260
Surplus / (deficit) in the scheme	(302,753)	(255,733)	(53,817)	(3,192)	(50,789)
Teachers Unfunded Discretionary Benefits					
Present value of scheme liabilities	(3,951)	(3,479)	(2,759)	(2,788)	(2,361)
Fair value of scheme assets	0	0	0	0	0
Surplus / (deficit) in the scheme	(3,951)	(3,479)	(2,759)	(2,788)	(2,361)
Total					
Present value of scheme liabilities	(731,042)	(711,698)	(506,316)	(515,233)	(453,410)
Fair value of scheme assets	424,338	452,486	449,740	509,253	400,260
Surplus / (deficit) in the scheme	(306,704)	(259,212)	(56,576)	(5,980)	(53,150)
Year on year increase in net liability (or deficit)		47,492	202,636	50,596	(47,170)

There is a increase in the authorities share of the combined net surplus of the Greater Gwent pension funds of £89,401,000 from 1 April 2024 to 31 March 2025, prior to accounting for the asset ceiling adjustment. This has resulted from an increase of £27.6m in the value of scheme assets and a reduction in the value of scheme liabilities of £61.4m. The performance of underlying assets have improved with equities, bonds and infrastructure investments all increasing in value.

15 NOTES TO THE CASH FLOW STATEMENT

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

2023/24 £000		2024/25 £000
(22,202)	Net (surplus) or deficit on the provision of services	(7,110)
	Non-cash transactions:	
(17,656)	Depreciation of non-current assets	(15,852)
(4,220)	Impairment and downward valuations	172
(26)	Amortisation of intangible non-current assets	(4)
(884)	Increase/(decrease) in impairment for provision for bad debts	(1,463)
85	Increase/(decrease) in inventories	(30)
(14,491)	Increase/(decrease) in debtors	11,138
1,595	(Increase)/decrease in creditors	(4,488)
(115)	(Increase)/decrease in provisions	256
(665)	Pension liability	4,233
0	CCRCDC: Capital & Revenue Grants recognised	0
(2,366)	Carrying amount of non-current assets, assets held for sale and investment properties which are sold or derecognised	(677)
10,214	Movement in the value of investment properties	(3,703)
(213)	Other non-cash items charged to the net Surplus or Deficit on the Provision of Services	(276)
	Items classified in another classification in the cash flow statement	
3,248	Other payments for investing activities	-2,644
37,460	Other receipts from investing activities	27,828
(35)	Other payments for financing activities	(35)
0	Other receipts for financing activities	0
4,054	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	371
(6,216)	Net cash flows from Operating Activities	7,718

15.2 Returns on Investments and Servicing of Finance

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

2023/24 £000		2024/25 £000
	Returns on Investments received:	
(1,799)	Interest received	(1,314)
(50)	Other interest and investment income	(7)
	Servicing of Finance paid:	
6,106	Interest paid	8,322
0	Interest element of finance lease rental payments	145
4,257		7,145

15.3 (Increase)/decrease in Cash and Cash Equivalents

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

	At 31st March 2024	In Year Movement	At 31st March 2025
	£000	£000	£000
Current Assets			
Cash held by the Authority	149	-34	115
Bank current accounts	172	166	339
Short-term call account deposits	8,024	4,151	12,175
Current Liabilities			
Bank current account overdrafts	(1,723)	(765)	(2,488)
Total	6,623	3,517	10,141

16 OTHER NOTES TO THE ACCOUNTS

16.1 Members Allowances

Information on members' allowances is available on request from the Payroll Manager, Payroll Section, Monmouthshire County Council, County Hall, The Rhadyr, Usk NP15 1GA

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

2023/24 £000		2024/25 £000
772	Basic allowance	806
226	Special responsibility allowance	244
8	Travel allowance	10
9	Subsistence allowance	3
0	ICT Costs	0
1,015	Total	1,063

The increase in expenditure is mainly due to the 24/25 pay award which was agreed as part of an Independent Remuneration Panel review. There was also a small increase in expenses due to claims from our co-opted members.

16.2 Audit Costs

The Authority has incurred the following costs during 2024/25 in relation to the audit of the Statement of Accounts, certification of grant claims, statutory inspections and to non-audit services provided by the Authority's external auditors:

2023/24 £000		2024/25 £000
223	Fees payable to the appointed auditor with regard to external audit services - financial audit	216
119	Fees payable to the appointed auditor with regard to external audit services - Performance Audit Work	121
52	Fees payable to the appointed auditor for certification of grant claims & returns	43
394	Total	380

16.3 S31 and S33 Pooled Budget Arrangements

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

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

a) Mardy Park Rehabilitation Scheme

The Authority had previously entered into a pooled budget arrangement with the Aneurin Bevan University Health Board for the provision of a Rehabilitation Scheme at Mardy Park which came into effect from the 1st April 2004, with the Authority being host for the partnership.

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

The income and expenditure for the pooled fund arrangements for the financial year ended 31st March 2025 was:

2023/24 £000		2024/25 £000
	Funding	

(367)	Monmouthshire County Council	(368)
(276)	Monmouthshire Local Health Board	(278)
(643)	Total Funding	(646)
	Expenditure	
419	Employee related	422
147	Premises related	92
0	Transport related	6
35	Supplies & Services	32
31	Agency & Contracted	45
632	Total Expenditure	597
(11)	Net (Under)/over spend	(49)

b) Gwent Integrated Community Equipment Store (GWICES)

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

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

Torfaen County Borough Council is the host for the Partnership, who recorded gross expenditure of £4,787,000 (£4,457,000 for 2023/24) and gross income of £4,787,000 (£4,457,000 for 2023/24) for the financial year ended 31st March 2025. Monmouthshire County Council's contribution for the year was £518,000 (£406,000 for 2023/24).

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

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

The Facility is a unique project that replaced a number of out dated or separate facilities scattered throughout the County with a new building that has been financed by a private finance partner over a period of 30 years. Further information is contained in note 12.4 to the accounts.

Aneurin Bevan University Health Board is the host for the Partnership, who recorded gross expenditure of £4,772,000 (£4,667,000 for 2023/24) and gross income of £4,347,000 (£4,172,000 for 2023/24) for the financial year ended 31st March 2025. Monmouthshire County Council's total contribution for the year was £1,501,000 (£1,447,000 for 2023/24).

d) Gwent Frailty Programme

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

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

The programme has attracted Welsh government Invest to Save funding totalling £7.3m which is being used to pump prime the establishment of CRTs and to fund the IT infrastructure. Partners have also committed recurring budgets to the programme totalling £8.9m per annum and have agreed savings targets to ensure on-going financial stability.

Caerphilly County Borough Council is the host for the Partnership, who recorded gross expenditure of £18,136,000 (£17,166,000 for 2023/24) and gross income of £17,967,000 (£17,232,000 for 2023/24) for the financial year ended 31st March 2025. Monmouthshire County Council's total contribution for the year was £1,628,000 (£1,626,000 for 2023/24).

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

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

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

Torfaen County Borough Council is the host for the Partnership, who recorded gross expenditure of £150,254,591 (£137,951,490 for 2023/24) and funding of £150,254,591 (£137,951,490 for 2023/24) for the financial year ended 31st March 2025. Monmouthshire County Council's total contribution for the year was £15,255,257 (£12,680,547 for 2023/24).

16.4 Related Party Transactions

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allow readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central & Welsh Government

Central & Welsh Government has effective control over the general operations of the Authority - it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of core and specific grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. housing benefits). Details of grant income received from Central & Welsh Government and other government departments are set out in note 11.6 to the Accounts and balances owing to/from these parties is outlined in notes 13.5 & 13.6.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2024/25 is shown in note 16.1. Under the Code of Conduct, incorporated in the Council's constitution, Members are required to record in the Register of Members' Interests any financial and other personal interests, together with any gift, hospitality, material benefit or advantage. The Register is open to inspection by the public and is available on an individual Member basis on the Council's website. Members who declare an interest do 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 the minutes of relevant meetings.

Members of the Council are nominated to serve on numerous outside bodies, such as Town & Community Councils. These bodies will either receive funding from the Council or issue levies and precepts to be paid by the Council. When sitting on these bodies Members are expected to act independently and not to represent the views of the County Council. Where works 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 Council must ensure that contracts entered into were in full compliance with standing orders and that grants were made with proper consideration of declarations of such interests.

Some County Councillors are also active Town or Community Councillors during the Financial Year. All Community Council precepts are included within the Consolidated Income and Expenditure Statement. The Authority made payments of £4,519 and received income of £486,312 for Town & Community councils in addition to precept payments in 2024/25.

The Authority made payments of £919,900 and received income of £28,606 from other organisations that were identified as a related party to Councillors. There were no debtor or creditor balances outstanding with related parties at the end of 2024/25 (nil in 2023/24)

Companies and Joint Ventures

The Authority has interests in companies and joint ventures and relevant transactions are disclosed in note 16.6 to the Accounts about such interests.

Senior Officers

Section 117 of the Local Government Act 1972 requires officers to declare any pecuniary interests that they may have regarding any transactions being entered into by the Authority in which they have a direct or indirect involvement.

The Chief Executive was the Acting Returning Officer and Electoral Registration Officer for Monmouthshire during 2024/25 and held the following position during the year:

- **Member of the Cardiff Capital Region Investment Committee**
- **Governor (Honorary) - Cardiff Metropolitan University**

The former Chief Officer for Infrastructure & Place held the following position during the year:

- **Cadwyn Housing Association (Chair)**

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

- **South-East Wales Corporate Joint Committee**

Payments of £3,955, and receipts of £10,750 were paid and received from Cardiff Metropolitan University during 2024/25 (£3,850 and £3,290 respectively in 2023/24) in relation to transactions involving goods and services. Contracts were entered into in full compliance with the council's standing orders.

All other Chief Officers in post during the financial year have no pecuniary interests.

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

16.5 Trust Funds

The Council acts as sole or custodian trustee for a number of trust funds. The funds do not represent assets of the Council and they have not been included in the Consolidated Balance Sheet. The below balances are based upon unaudited figures for the year ended 31st March 2025:

2023/24					2024/25			
Income £000	Expend £000	Assets £000	Liabs £000		Income £000	Expend £000	Assets £000	Liabs £000
(303)	294	5,484	(5,475)	Welsh Church Act Fund	TBC	TBC	TBC	TBC

The primary objective of the Charity is to assist groups and individuals for educational, social, recreational and other charitable purposes. The Trust owns tangible fixed assets comprising eight parcels of land. Five of these are agricultural, two are grazing and one is forestry.

(6)	6	138	(72)	Llanelly Hill Social Welfare Centre	0	0	138	(138)
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The primary objective of the fund is the provision of a Social welfare centre to the residents of Llanelly hill. The Trust's fixed assets comprise the social welfare centre premises and land upon which it is situated.

(1)	0	1	0	Chairman's Charity	0	1	1	0
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The Chairman's Charity supports and raises funds for the Chairman's nominated Charity of the year.

				Funds for which Monmouthshire County Council acts as custodian trustee:				
(30)	18	636	(2)	Monmouthshire Farm School Endowment	TBC	TBC	TBC	TBC
(1,560)	1,519	1,368	(1,326)	Appointeeship - Personal Monies	(1,560)	1,519	1,368	(1,326)

16.6 Related Businesses and Operations

The Council has a number of interests in other entities which fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code.

In respect of the South East Wales Corporate Joint Committee (SEWCJC), the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures. Further details of the arrangement are outlined below.

The Council's remaining interests in other entities, in aggregate, are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative information. For this reason, group accounts are not deemed necessary for these entities within these statements. In order to ensure compliance with the Code, a range of narrative disclosures have been made as follows:

SRS Public

The Authority entered into a public sector collaborative arrangement, known as the Shared Resource Service, with Torfaen County Borough Council (TCBC) and Gwent Police Authority in May 2011, Newport City Council and Blaenau Gwent Borough Council have joined the partnership subsequently. The arrangement has resulted in a Shared Resources Centre (SRC) being set up for the purpose of providing IT services to each member authority.

A memorandum of understanding is in place to provide robust governance arrangements. The arrangement is not a separate legal entity and ownership of the SRS premises resides with TCBC. The arrangement is funded by core contributions from partners, income from desk licences and rack rentals from schools and external income. Monmouthshire's core contribution during 2024/25 included in the Council's Accounts totalled £2.418m (£2.374m in 2023/24).

The Authority owed £22,716 to SRS Public at the 31st March 2025 (£384,362 owed as at 31st March 2024).

Melin Homes & Y Prentis

Y Prentis is a business set up by Monmouthshire County Council and Melin Homes with a 50/50 share to actively promote the provision of technical and vocational secondary education.

The Company's latest available trading results are the financial statements for the period ending 30th September 2024.

The company is exempt from audit under section 477 of the companies act 2006 for the financial year ending September 2024.

On 21st May 2025 Monmouthshire County Council approved the cessation of Y Prentis, with its functions and responsibilities to be transferred to Cyfle Shared Apprenticeship Scheme - a charitable company with a similar mission. This decision follows a strategic review highlighting the financial unsustainability of Y Prentis, declining apprenticeship completion rates, and challenges in securing employer placements. With Melin Homes (now Hedyn) withdrawing from its support and shareholder role, and no other board organisations stepping forward, the transition ensures continuity of apprenticeship opportunities under a more viable delivery model. Monmouthshire will retain oversight through representation on Cyfle's Board. All remaining assets will be transferred in accordance with the company's Articles of Association.

30th Sep 2023 £000 Final		30th Sep 2024 £000 Draft
299	Total Assets/(Liabilities)	224
(25)	Profit/(Loss) before Taxation	(75)
(25)	Profit/(Loss) after Taxation	(75)
0	Dividends	0

There were no transactions between Monmouthshire County Council and Y Prentis during 2024/25 (nil in 2023/24).

Education Achievement Service (EAS)

The five local Councils of Monmouthshire, Caerphilly, Blaenau Gwent, Torfaen and Newport have formed an Education Achievement Service (EAS). The integrated service has been designed to raise education standards in South East Wales.

The EAS became operational in September 2012. It is a joint company, limited by guarantee and wholly owned and completely controlled by the five local Councils, but operating at arm's length. It is not a profit making company, and it is a separate legal entity. There is no lead Council with each being represented equally with a 20% interest and having equal voting rights. The company has a Board consisting of the Lead Director and elected member representatives from the partner Councils. The collaboration Agreement commits the Council to participating in the EAS company for a minimum period of four years.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2024.

31st March 2023		31st March 2024
£000 Final		£000 Draft
369	Total Assets/(Liabilities)	473
105	Profit/(Loss) before Taxation	125
105	Profit/(Loss) after Taxation	125
0	Dividends	0

Payments of £473,582 were made to the EAS during 2024/54 (£498,143 during 2023/24). Income received from EAS was £3,214. No outstanding income was owed by the EAS to MCC at 31st March 2025 (£Nil at 31st March 2024).

Gwent Archives

The five local Councils of Monmouthshire, Caerphilly, Blaenau Gwent, Torfaen and Newport are included in the Gwent Archives Service. The integrated service collects, preserves, and makes accessible to the public, documents relating to the area it serves.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2025.

31st March 2024		31st March 2025
£000 Final		£000 Draft
255	Total Assets/(Liabilities)	235
16	Profit/(Loss) before Taxation	8
16	Profit/(Loss) after Taxation	8
0	Dividends	0

Payments of £219,057 were made to Gwent Archives during 2024/25 (£213,302 during 2023/24). There were no balances owing to/from Gwent Archives at 31st March 2025 (nil at 31st March 2024).

Gwent Crematorium

The five local Councils of Monmouthshire, Caerphilly, Blaenau Gwent, Torfaen and Newport are included in the Gwent Crematorium Service. The integrated service provides crematorium services to the public relating to the area it serves.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2024.

31st March 2023		31st March 2024
£000 Final		£000 Draft
2,314	Total Assets/(Liabilities)	2,110
236	Profit/(Loss) before Taxation	(350)
236	Profit/(Loss) after Taxation	(350)
0	Dividends	0

A dividend payment of £48,294 was received from Gwent Crematorium in 2024/25 relating to the 2023/24 financial year (£83,045 during 2022/23). A dividend of £86,929 is outstanding for 2024/25 as at 31st March 2025.

Project Gwyrdd

The five local Councils of Monmouthshire, Caerphilly, Newport, Cardiff and the Vale of Glamorgan are included within the Project Gwyrdd. The integrated service collects, processes, and disposes of household waste that is suitable for recycling.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2025.

31st March 2024		31st March 2025
£000 Final		£000 Draft
237	Total Assets/(Liabilities)	191
(30)	Profit/(Loss) before Taxation	(46)
(30)	Profit/(Loss) after Taxation	(46)
0	Dividends	0

A payment of £27,000 was made to Project Gwyrdd during 2024/25 (£27,000 for 2023/24). There was £Nil owing to Project Gwyrdd at 31st March 2025 (£Nil at 31st March 2024).

South East Wales Corporate Joint Committee (SEWCJC)

As of 18 March 2024, the City Deal transitioned into a Corporate Joint Committee (CJC). The public-facing name of the body is Cardiff Capital Region (CCR), while its legal designation is the South East Wales Corporate Joint Committee (SEWCJC).

Monmouthshire County Council contributes 6.1% to the £120 million investment programme, based on its share of the regional population. The Council is also responsible for funding its share of the annual costs associated with this investment. The development and oversight of the programme are managed by the CJC Regional Cabinet.

The revenue contribution required during the year was £78,568 (£78,568 in 2023/24). The capital contribution to the project was not required during 2024/25, as was the case in 2023/24, due to reprofiling of the investment pipeline.

There were no balances owing to/from the SEWCJC at 31st March 2025 (nil at 31st March 2024).

CSC Foundry

During 2024/25 MCC had 'Significant Influence' over CSC Foundry Ltd which is a subsidiary of CCRCD. As at 31st March 2025 CSC Foundry had £3.0m invested with the Authority which is classified within Short term borrowing in the Balance sheet (£3.0m in 2023/24).

16.7 Senior Officer Remuneration

The remuneration paid to the Authority's senior employees, where annualised salary is equal to or more than £60,000 per year, is as follows:

Year ended 31st March 2025						
Post Holder	Salary including fees and allowances £	Compensation for loss of employment £	Expense Allowances inc. Benefits in Kind £	Total Remuneration excluding Pension contributions £	Pension Contributions (Based on Common Rate from Actuary) £	Total Remuneration including Pension contributions £
Chief Executive Officer	131,208	0	1,123	132,331	28,952	161,283
Chief Officer - Resources and Deputy Chief Executive	115,039	0	0	115,039	28,184	143,223
Strategic Director - Learning, Skills & Economy (previously Chief Officer - CYP)	98,665	0	0	98,665	24,173	122,838
Chief Officer - Communities and Place (Apr - Nov)	61,101	0	0	61,101	14,970	76,071

Chief Officer - Law & Governance	95,473	0	0	95,473	23,391	118,864
Strategic Director - Social Care & Health (previously Chief Officer - Social Care, Safeguarding and Health)	97,935	0	0	97,935	23,994	121,929
Chief Officer - Customer, Culture & Wellbeing	88,572	0	0	88,572	21,700	110,272
Chief Officer - People, Performance & Partnerships	82,409	0	0	82,409	20,190	102,599
Chief Officer - Infrastructure (Nov - Mar)	34,340	0	0	34,340	8,413	42,753
Chief Officer - Place (Nov - Mar)	29,959	0	0	29,959	7,340	37,299
Total	834,701	0	1,123	835,824	201,308	1,037,132

Year ended 31st March 2024						
Post Holder	Salary including fees and allowances £	Compensation for loss of employment £	Expense Allowances inc. Benefits in Kind £	Total Remuneration excluding Pension contributions £	Pension Contributions (Based on Common Rate from Actuary) £	Total Remuneration including Pension contributions £
Chief Executive Officer	128,008	0	874	128,882	28,493	157,375
Chief Officer - Resources & Deputy Chief Executive	100,965	0	0	100,965	24,333	125,298
Chief Officer - Children and Young People	94,538	0	0	94,538	22,784	117,322
Chief Officer - Communities & Place	94,538	0	0	94,538	22,784	117,322
Chief Officer - People and Governance and Monitoring Officer (April to July)	31,084	0	202	31,286	7,008	38,294
Chief Officer - Law and Governance (November to March) replaced post above	38,320	0	0	38,320	9,235	47,555
Chief Officer - Social Care, Safeguarding & Health	91,967	0	0	91,967	22,164	114,131
Chief Officer - MonLife and Customer, Culture & Wellbeing	82,970	0	0	82,970	19,996	102,966
Chief Officer - People, Performance & Partnerships (previously known as Head of Policy, Performance & Scrutiny)	78,043	0	0	78,043	18,808	96,851
Total	740,433	0	1,076	741,509	175,604	917,113

During a period of absence, the Deputy Chief Executive Officer became the Acting Chief Executive Officer, receiving an honorarium payment of £11,550, with associated employer pension contributions of £2,830 . These figures are included in the figures above.

Senior Officers are defined for the purposes of this disclosure as the Chief Executive, together with those senior officers that the Chief Executive is either directly responsible for or senior officers who are directly accountable to the Chief Executive. If they meet this definition any time during the year, their annual salary has been reported.

Senior staff can act in an ancillary capacity as Returning Officers overseeing the administration of periodic referenda and elections. Commonly the fee for such work is nationally set. For the avoidance of any doubt, any such costs are not included in this analysis.

Employers' pension contributions were paid at a rate of 24.5% of pensionable pay for staff within the Local Government Pension Scheme (24.1% for 2023/24). Expense allowances are defined as those additional costs that are chargeable to income tax and no such costs are reported in respect of 2024/25 (Nil in 2023/24).

In satisfying the requirement to report the Chief Executive's remuneration as a proportion of the full time equivalent median salary of Monmouthshire County Council employees, the median employee position has been calculated as £28,163. This equates to spinal point 13 and resulting in a median ratio when compared with the Chief Executive Officer salary of 5:1.

In 2023/24, the median employee position was calculated as £27,334, equating to spinal point 14 and resulting in a median ratio when compared with the Chief Executive Officer salary of 5:1.

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

16.8 Officers' Emoluments

The number of employees whose remuneration was £60,000 or more in bands of £5,000, during the year ended 31st March 2025, was:

2023/24		Remuneration Band	2024/25	
Number of employees	(Of which are teaching staff)		Number of employees	(Of which are teaching staff)
0	0	£130,000 - £134,999	1	1
0	0	£125,000 - £129,999	1	0
3	1	£120,000 - £124,999	1	0
0	0	£115,000 - £119,999	2	2
0	0	£110,000 - £114,999	4	2
0	0	£105,000 - £109,999	0	0
1	1	£100,000 - £104,999	2	1
1	0	£95,000 - £99,999	1	0
4	0	£90,000 - £94,999	8	5
3	1	£85,000 - £89,999	1	0
7	2	£80,000 - £84,999	11	2
4	2	£75,000 - £79,999	19	13
15	11	£70,000 - £74,999	16	16
12	11	£65,000 - £69,999	20	12
29	19	£60,000 - £64,999	38	21
79	48	Total	125	75

Remuneration is defined as gross salary and expenses and the effect of any severance costs e.g. redundancy, termination and compromise agreements. Remuneration also excludes pension contributions.

Bandings above include the effect of senior officers shown in note 16.7.

Employers' pension contributions were paid at a rate of 24.5% of pensionable pay for staff within the Local Government Pension Scheme (24.1% for 2023/24) and 28.68% of pensionable pay for staff within the Teachers' Pension Scheme (23.68% in 2023/24).

16.9 Termination Benefits

The Code does not set out a precise definition of exit packages and authorities need to consider the relevant departure costs that have been recognised in the financial statements in accordance with the Code's requirements on termination benefits.

Termination benefits are defined as amounts payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Code sets out that the form of the employee benefit does not determine whether it is provided in exchange for service or in exchange for termination of the employee's employment.

Total Cost of Exit packages reflects redundancy payments, settlement agreements to terminate employment, and any strain costs associated with the agreed enhancement of post-employment pension benefits.

2023/24			Exit package Cost band	2024/25		
No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each pay band £000's		No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each pay band £000's
31	8	364	£0 - £20,000	23	4	140
10	2	346	£20,001 - £40,000	18	3	601
5	3	389	£40,001 - £60,000	6	5	529
1	2	206	£60,001 - £80,000	1	1	165
1	0	89	£80,001 - £100,000	0	1	97
1	0	136	£100,001 - £150,000	0	0	0
0	0	0	£150,001 - £200,000	1	0	177
49	15	1,530	Total	49	14	1,709

16.10 Events after the Balance Sheet date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. There are two types:

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

No such unadjusting events have been identified subsequent to the balance sheet date.

17 STATEMENT OF ACCOUNTING POLICIES

17.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year-end of 31st March 2025.

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended), which those Regulations require to be prepared in accordance with proper accounting practices.

These practices, primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS), and the Service Reporting Code of Practice 2024/25 (SeRCOP).

The Statement of Accounts has been prepared on a 'going concern' basis. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Unless otherwise stated the convention used in these statements is to round to amounts of the nearest thousand pounds. All totals are the rounded totals of unrounded figures and therefore may not be the strict sums of the figures presented in the text or tables. Throughout the statements all credit balances are shown with parentheses e.g. (£1,000).

17.2 Accounting Standards issued not yet adopted

There are no new relevant standards or amendments to existing standards that have been published but not yet adopted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) that will have an impact on the Statement of Accounts.

However the following details are provided for information purposes:-

Infrastructure Assets - Temporary Relief. CIPFA/LASAAC issued a code update in November 2022 that included specifications for future codes on the disclosure of gross cost and accumulated depreciation for infrastructure assets. The Code has been updated to include a temporary relief from the Code's core requirement to disclose gross cost and accumulated depreciation of infrastructure assets until 31st March 2025.

17.3 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place rather than when cash payments are made or received. In particular:

- Revenue from the sale of goods or services is recognised in accordance with the terms and conditions of the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

- A discretionary deminimis level of £1,000 is applied to accruals of both income and expenditure with the exception of automatically system generated accruals or those required where it is necessary to ensure accuracy for grant claims or agency work.

17.4 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on the next banking day. Cash equivalents are investments that are readily convertible on the next banking day to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

17.5 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement calculated on a prudent basis as determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Council Fund Balance with a Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

17.6 Critical Judgements in Applying Accounting Policies

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

- The Council is deemed to control the services provided under its PFI arrangements and also to control the residual value of the assets at the end of the contract. The accounting policy for PFIs and similar contracts has been applied to these arrangements and the assets are recognised as Property, Plant and Equipment in the Council's Balance Sheet.
- Council Tax Reduction Scheme (CTRS) – a number of points are considered relevant in determining to present this item of expenditure as gross in the Cost of Services segment of the Comprehensive Income and Expenditure Statement rather than netting it off Council Tax income in the Taxation and Non-Specific Grant Income segment. The most persuasive and significant of these being that, as there is no specific reference to the proper accounting treatment of CTRS in the CIPFA Accounting Code of Practice or Guidance Notes, reliance has been placed on IPSAS 23 - Revenue from Non-Exchange Transactions (taxes and transfers). This standard is relevant to public sector bodies, and states that taxation revenue shall be determined at a gross amount; it shall not be reduced for expenses paid through the tax system.

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

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

The items in the Authority's Balance Sheet at 31st March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Consequences if actual results differ from assumption
Revaluation of Property, plant & equipment	Property, plant and equipment (with the exception of infrastructure, community assets, assets under construction and vehicles, plant and equipment) are revalued on a periodic basis and tested annually for indicators of impairment. Traditionally the Council undertakes a rolling five-year valuation schedule to review and update the value of the assets held in the balance sheet. Given the potential extended length of time between valuations and the perceived impact of recent construction inflation changes upon replacement cost figures, this introduces an increased uncertainty as to the values reported. In order to mitigate this, a desk based exercise has been completed to revise property values impacted by construction inflation annually until that asset receives its next formal revaluation.	If the actual results differ from the assumptions, the value of PPE will be over or understated. This would be adjusted when the assets were next revalued.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
Pensions Liability	Pensions Liability – Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the expected rate of price inflation, the rate at which salaries and pensions are expected to increase, mortality rates and rate of commutation of pensions. A firm of actuaries are engaged to provide the Council with expert advice about the assumptions to be applied. A sensitivity analysis of these assumptions is provided in Note 14. To account for the McCloud Judgement (public service pensions age discrimination cases) the actuary has made an estimated adjustment to these liabilities from the 2022 valuation data to ensure that it is captured in the 31 March 2024 IAS19 balance sheet figures. The final impact on the pension scheme will not be known until the required changes in legislation have been made.	The assumptions interact in complex ways. Further information is provided in note 14 concerning the risks and sensitivity of changes in the pension assets and liabilities.

Provisions	The Council has included provisions for known insurance claims as at 31st March 2025. The value of these claims is based on information provided by our Insurers on the number of claims outstanding at the end of the financial year, the average settlement amount for each type of claim and the likelihood of each type of claim being settled. However the outcome of these cases is still uncertain as outstanding legal cases and negotiations remain on going.	The Authority maintains the insurance and risk management reserve to assist in the control of the Authority's insurance risks. The provisions in place and the balance on the insurance and risk management reserve at 31st March 2025 are deemed to provide sufficient cover for the Authority's claims exposure. Notes 13.7 provides further information on the types of claims the Authority is exposed to.
Arrears	At 31st March 2025, the Authority had an outstanding balance of short term debtors totalling £58.74m. Against this debtors balance, there is an impairment allowance of £6.19m. It is not absolutely certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not. The economic impact of high inflation and cost of living crisis has made the estimation of debt impairment more difficult as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts.	An understatement of doubtful debts would lead to a future adjustment and impairment to be reflected. The impairment allowances held are based on policies adapted to historic experience and success rates experienced in collection.

17.8 Employee Benefits

Benefits Payable During Employment

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

Termination Benefits

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

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

Post Employment Benefits

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

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

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

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

The Local Government Pension Scheme

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme which is administered by Torfaen County Borough Council. The pension costs charged to the Authority's accounts in respect of this group of employees is determined by the fund administrators and represents a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme:

- The Liabilities of the pension fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projections of earning for current employees.
- Liabilities are discounted to their value at current prices, using a single discount rate which is derived from the spot rates on a selection of AA rated corporate bonds of various durations which match the liabilities within the Authority's pension fund. This is known as the yield curve approach.
- The assets of the Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the balance sheet at their fair value as determined by the Fund's actuary.
- The change in the net pensions liability is analysed into seven components:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non- Distributed Costs.
 - Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

- Interest on plan assets – this is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.
- Gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- Gains or losses on remeasurement – changes in the net pensions liability (Liabilities less assets) that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve.
- Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

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

Discretionary Benefits

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

17.9 Events After the Balance Sheet Date

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

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

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

17.10 Exceptional Items

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

17.11 Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

Financial Liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortised cost. For the Council's borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest).

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

Financial Assets

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

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council. For most assets, this is 12 month expected credit losses until the risk increases significantly, then it is lifetime expected losses. For trade debtors expected lifetime losses are always used.

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

All other financial assets are held at fair value through Profit & Loss.

17.12 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Receipts in Advance account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Receipts in Advance account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

17.13 Expenditure & Income where the Council is acting as an agent

Welsh Government or UK Government will periodically use Councils' as an intermediary to distribute resources to the electorate or particular business sectors as an alternative to making their own direct payment arrangements. Such measures are classified as agency arrangements and are noted within Section 11 of these statements.

As the Code requires transactions classified as agency arrangements to be excluded from the income and expenditure of the Council (i.e. amounts debited and credited to the Comprehensive Income and Expenditure Statement), many of the cash flows involved in agency arrangements will be excluded from these statements.

17.14 Heritage Assets

Heritage assets are assets that are held by the authority principally for their contribution to knowledge or culture.

Heritage assets were previously shown in community assets but are now recorded in a separate category on the balance sheet as a non-current asset class. The Authority does not classify any operational assets as heritage assets.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets and as a result the Authority has chosen not to value heritage assets if the cost is deemed to be excessive.

A further condition for expenditure to be capitalised is that it exceeds the relevant de minimus limit in place. A de minimus limit has been put in place of £10,000 for heritage assets.

The Authority considers that the heritage assets held by the Authority will have indeterminate lives and a high residual value, hence the Authority does not consider it appropriate to charge depreciation for the assets.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment. The trustees of the Authority's Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

17.14 Intangible Assets

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for any sale proceeds greater than £10,000, the Capital Receipts Reserve.

17.15 Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the latest price paid, with an allowance made for obsolescent and slow moving items. This is a departure from the requirements of the Code which require inventories to be shown at the lower of actual cost and net realisable value. However, the amounts concerned are not considered material.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

17.16 Investment Property

Investment properties are measured initially at cost and subsequently at fair value. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end.

Revaluation gains and losses are recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement. However, regulations do not permit unrealised gains and losses to impact the General Fund balance. Therefore, gains and losses are reversed via the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Net rental income together with any revaluation gains and losses or impairments are recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

17.17 Fair value measurement

The Council measures its assets held for sale, surplus assets, investment properties and available-for-sale financial instrument at fair value at each reporting date. Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Measurement will be at highest and best use from the perspective of a market participant. The fair value of an investment property held under a lease is the lease interest.

It is assumed that any fair value measurement of an asset or liability uses the same assumptions that market participants acting in their economic best interest would use and that the transaction takes place in the principal market or failing that in the most advantageous market for the asset or liability.

Appropriate valuation techniques are used for which sufficient data is available. Inputs to the techniques are categorised within the fair value hierarchy that consists of three levels as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are accessible by the Council at the measurement date
- Level 2 inputs are quoted prices other than quoted prices within Level 1 that are observable either directly or indirectly

- Level 3 inputs are unobservable inputs for an asset or liability.

The use of relevant observable inputs is maximised and the use of unobservable inputs is minimised.

Any transfers between valuation levels will take place at the valuation date at the end of the reporting period.

17.18 Interests in companies and other entities

The Council has a number of interests in other entities which fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code.

In respect of the South East Wales Corporate Joint Committee (SEWCJC), the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures.

However the Council's remaining interests in other entities, in aggregate, are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative information. For this reason, group accounts are not deemed necessary for these entities within these statements. In order to ensure compliance with the Code, a range of narrative disclosures have been made in other sections of the accounts (See note 16.6 for further information).

17.19 Leases

The Council applied IFRS 16 (Leases) with effect from 1st April 2024.

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

Leases in place before IFRS 16 and not aligned with proper practice as of 31 March 2010 are exempt. Under the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010 No. 454, the Council may continue to account for income based on the original lease terms.

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

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

The Authority as Lessee

The Council assesses contracts based on their substance to determine if they meet the definition of a lease. This includes analysing whether the arrangement—regardless of how it is described—conveys the right to control the use of an identified asset, including rights to obtain most of its economic benefits or service potential and to direct its use. The Code extends IFRS 16 to cover arrangements with nil, nominal, or peppercorn payments

Initial Measurement

Leases are recognised as right-of-use assets with corresponding liabilities from the date the asset becomes available for use (or from the IFRS 16 transition date, if later). Leases typically exceed one year and may include extension options.

Lease liabilities are initially measured at the present value of lease payments, discounted using the Council's incremental borrowing rate (Public Works Loan Board certainty rate used as a proxy if the implicit rate is unknown). Included in the liability are:

- Fixed and in-substance fixed payments
- Variable payments based on an index or rate (measured at the adoption date)

- Expected payments under residual value guarantees
- Purchase options the Council is reasonably certain to exercise
- Extension option payments if likely to be exercised
- Early termination penalties, unless early termination is unlikely

The right-of-use asset is measured at the lease liability amount, adjusted for prepayments, dismantling/restoration costs, and less any lease incentives. For leases with nil, nominal, or peppercorn payments, the asset is measured at fair value.

Subsequent Measurement

Right of Use assets are carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption. The lease liability is subsequently measured at amortised cost, using the effective interest method.

Low value and short lease exemption

As permitted by the Code, the Authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

The Authority as Lessor - Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Again, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the Council Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the Council Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the Council Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

The Authority as Lessor - Operating Leases

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

17.20 Overheads and Support Services

The costs of overheads and support services are no longer charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Code of Practice. The Statement of Accounts are now presented in the same way as the management reporting structure of the Council, so overheads are reported in the budget areas where they are managed.

17.21 Property, Plant and Equipment

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

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

It is not a requirement for expenditure outside of the capital programme to be capitalised if it does not exceed the de minimus limit of £10,000 for all asset categories.

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- All other operational assets – Current value based on existing use value (EUV) for operational assets where there is an active market, or if there is no market-based evidence of current value because of the specialist nature of the asset and/or the asset is rarely sold (i.e. EUV cannot be determined), depreciated replacement cost (DRC) using the ‘instant build’ approach.
- Non-operational assets – Fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value. Vehicles, plant and equipment are categories of asset treated in this manner.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

In addition to the assets individually revalued a program of indexation has been undertaken on the remaining Land & Building assets to uplift values. Significant inflation in recent years increases the risk of that the carrying values of non-revalued assets may be materially different to the current value. This has been addressed by uplifted asset values in line with the relevant movements in the BCIS' All In Tender Price Index.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life including freehold land and Community Assets) and assets that are not yet available for use (assets under construction).

Depreciation is calculated on the following bases:

- **Dwellings and other buildings** – straight-line allocation over the useful life of the property as estimated by the valuer
- **Vehicles, plant, furniture and equipment** – straight-line allocation over the life of the asset as advised by a suitable qualified officer
- **Infrastructure:**
 - Carriageways** – Straight Line over 27 years
 - Street Lighting** – Straight Line over 20 years
 - Principal Rights of Way** – Straight Line over 15 years
 - Green Infrastructure** – Straight Line over 20 years
 - Bridges & Major Retaining Walls** – Straight Line over 30 years
 - Abergavenny & Caldicot Town Centre** – Straight Line over 20 years
 - Flood Alleviation & Land Slip** – Assessed on a case by case basis.

Useful lives of Infrastructure assets are reviewed annually.

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

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

Components

An asset may consist of several different and significant physical components. If an item of property, plant and equipment comprises two or more significant components with substantially different useful lives, then each component is treated separately for depreciation purposes and depreciated over its individual useful life.

When a component is replaced or restored, the old component is written off to avoid double counting and the new component capitalised. Where a component does not have its own carrying amount because it has not previously been accounted for separately the cost of the new component is used as an indication of the cost of the replaced part. A component is derecognised where no future economic benefits are expected from its use.

The Authority has established thresholds for the separation of significant components. As a result components of an item of property, plant or equipment that make up a significant part of the cost of the item would only need to be separated where the item itself is material individually or when aggregated with like items.

Disposals and Non-current Assets Held for Sale

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

Assets held for Sale Assets are assets where the:

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

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

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

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

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

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

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

17.23 Private Finance Initiative (PFI) and Similar Contracts

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

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

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

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

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

17.24 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

Contingent Liabilities

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

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

17.25 Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

17.26 Revenue Expenditure Funded from Capital under Statute

Legislation requires defined items of revenue expenditure charged to services within the Comprehensive Income and Expenditure Statement to be treated as capital expenditure. All such expenditure is transferred from the General Fund balance via the Movement in Reserves Statement to the Capital Adjustment Account.

17.27 VAT

The Comprehensive Income and Expenditure Account excludes amounts relating to VAT and will be included as an expense only if it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income within the Council's Income and Expenditure account.

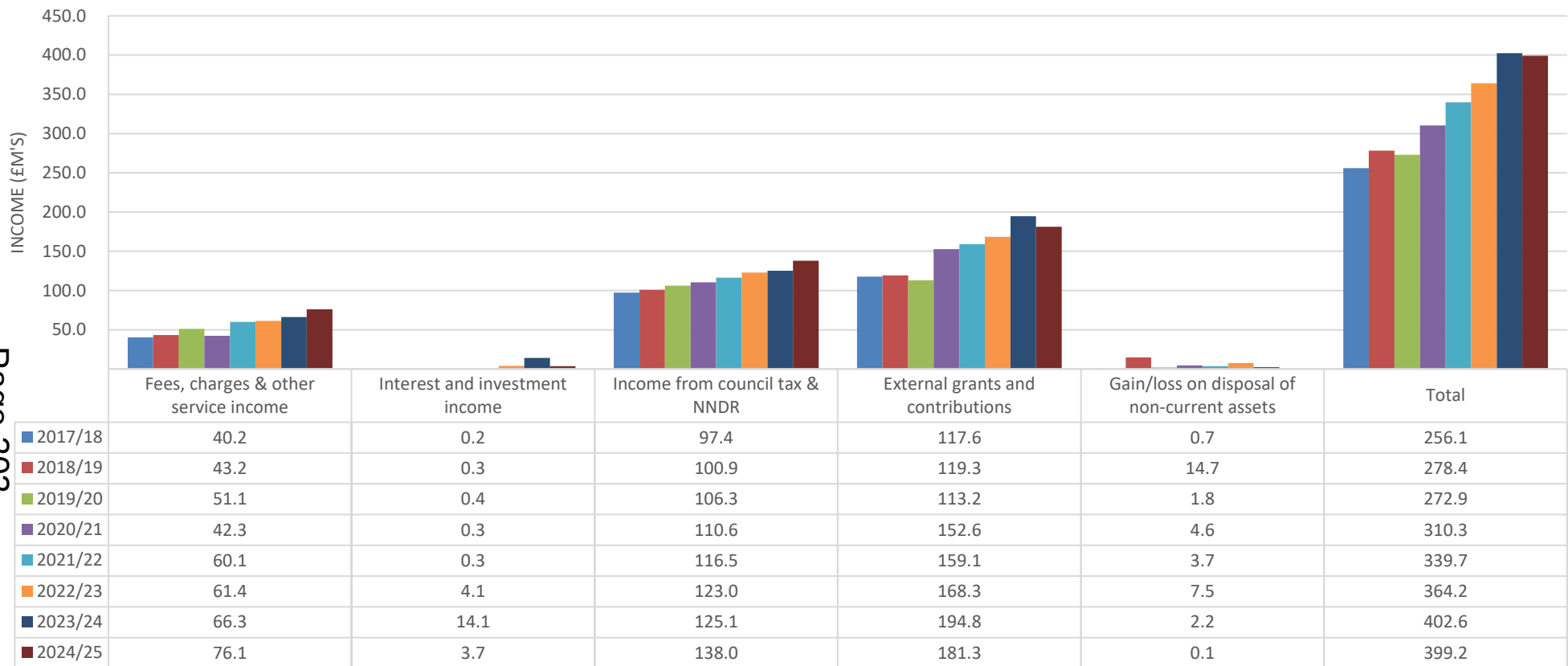
Appendix 2 – Summary of 2024/25 primary financial statements

Comprehensive Income & Expenditure Statement (CIES) (Sections 6 & 11)

- 1 The **Comprehensive Income and Expenditure Statement (CIES)** presents the full accounting cost of delivering services, following generally accepted accounting principles. This differs significantly from the **budget monitoring reports** provided to Cabinet during the year, which focus only on actual spending funded by Council income.
- 2 To reflect the true accounting cost, the CIES includes several additional items not shown in budget reports:
 - **Capital Charges:** These include depreciation, amortisation, impairment losses, revaluation changes, and the application of capital grants.
 - **Pension Service Costs:** Instead of showing only the pension contributions paid during the year, the CIES reflects the long-term cost of pension liabilities earned by employees, and the value of assets set aside to meet those liabilities.
 - **Accumulated Absences:** The CIES accounts for the cost of employee holiday entitlements that have been earned but not yet taken, ensuring costs are recorded in the year the entitlement arises.
 - **Other Differences:** The format of the CIES is governed by statutory regulations, which may require income and expenditure to be classified differently than in internal monitoring reports.
- 3 The following charts illustrate the movement in the “accounting” income and expenditure which make up the Surplus/deficit on the provision of services (SDPS) within the CIES. Further information can be found in notes 11.1 & 11.2 of the accounts.

Income & Expenditure analysed by nature (note 11.2)

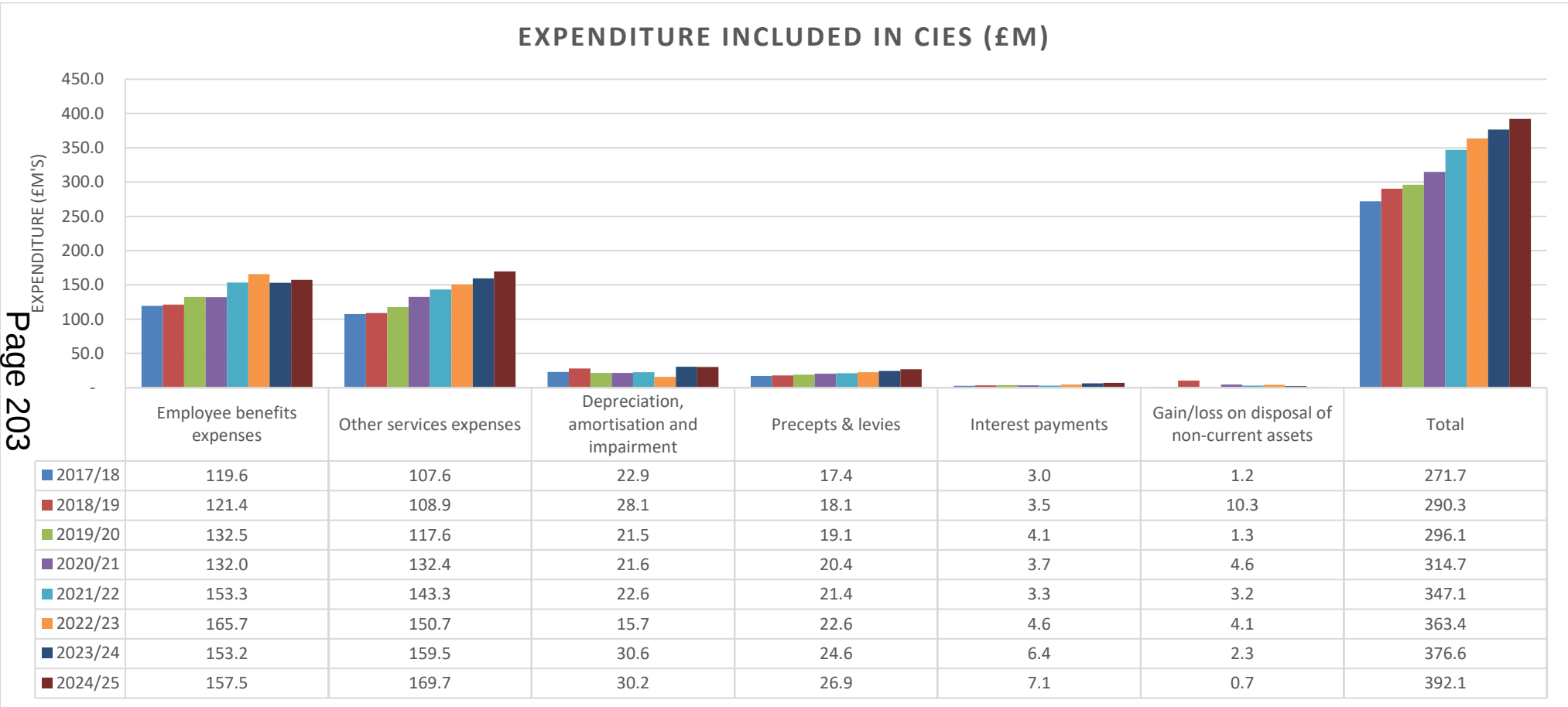
INCOME INCLUDED IN CIES (£M'S)



- 4 ***Fees, charges & other service income*** has increased by £9.8m (14.8%) year on year (YOY). Some of this is to be expected from increases in charges for Council services such as Waste, Social Care, rents, and Car parking for example. Other service income can be more variable YOY where joint financing contributions and one-off contributions can impact income levels considerably.
- 5 The reduction in ***investment income*** of £10.4m is due to the increase of the valuation of the Council's investment properties in 2023/24, which is not replicated in 2024/25. Whilst this is shown as income in the CIES, this is simply an accounting adjustment that has no impact on Council's funding position.

6

The reduction in **external grants** of £13.5m (6.9%) YOY is mainly due to the increase in capital grants applied during 2023/24 which is not replicated in 2024/25. This was reflective of variances in specific grant awards for capital schemes such as the new King Henry school scheme where significantly more grant was received in 2023/24 to match the profile of the scheme.



7

Employee benefit expenses have increased by £4.3m (2.8%) YOY. Standard employee costs have increased YOY by £7.3m which is reflective of staff pay awards and service operating levels. This has been offset by a reduction of £3.0m in the accounting cost of providing for pension related costs under accounting conventions. Increased investment returns on pension fund assets, and reductions in projected liabilities have combined to reduce future liabilities and consequently the annual cost share reported in the CIES.

- 8 The increase in **other service expenses** of £10.2m (6.4%) YOY principally reflects the additional demand pressures and inflationary environment that services have experienced in premises, supplies and third-party contracts during 2024/25.
- 9 **Precepts and Levies** have increased by £2.3m (9.4%) YOY which is principally due to expected increases in rates applied by the bodies. Alongside this, there was an additional one-off increase in costs relating to the Coroner service following improvements to the service and premises.

Movement in Reserves (Sections 5 & 10)

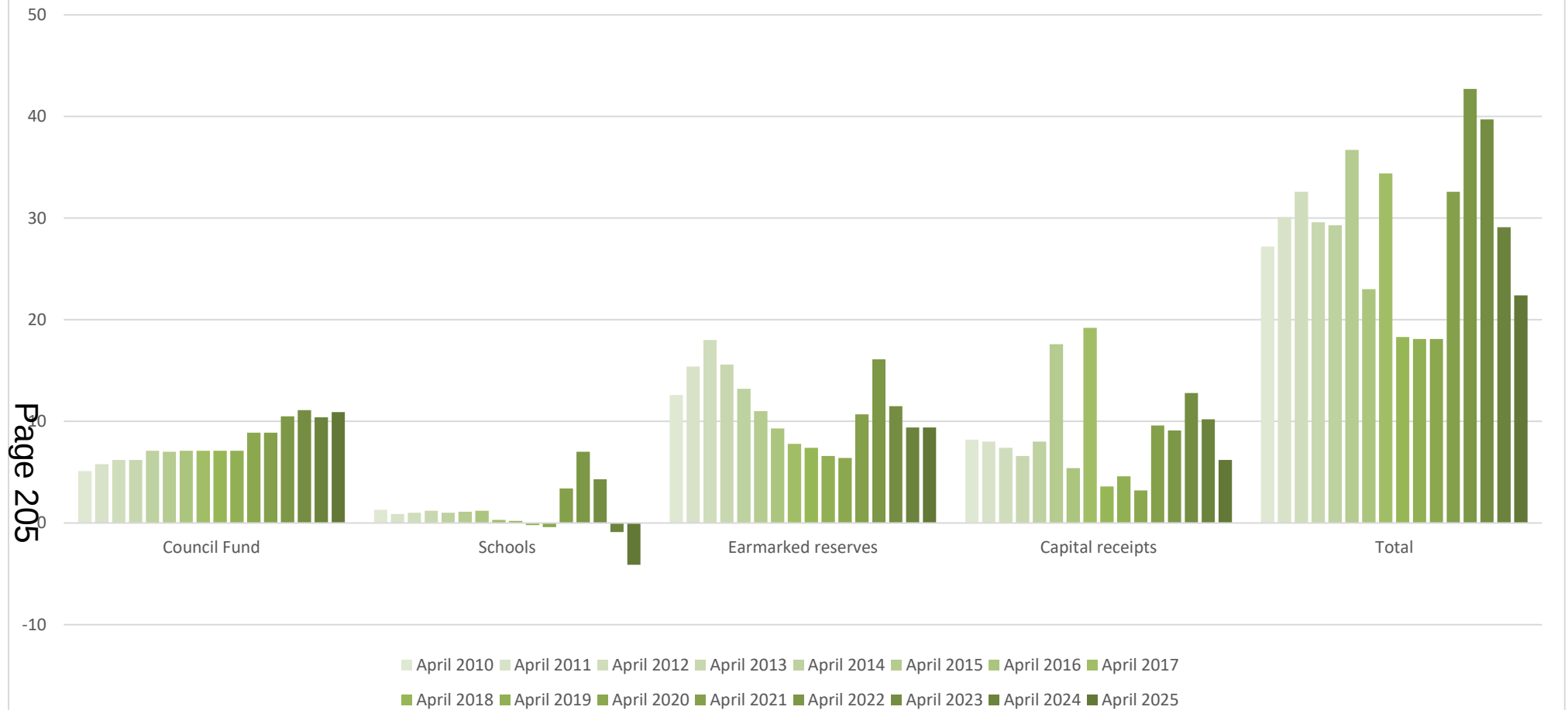
- 10 This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable' and 'non-usable' reserves.
- 11 **Usable reserves** are those that represent resources which the authority might use to support service delivery subject to prudence and statutory limitations on use and include:

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Council fund balance
School's balances
Earmarked reserves
Capital receipts reserve

- 12 **Unusable reserves** are not available to use to support service delivery at the reporting date. It includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences.
- 13 The below chart shows the movement in **Usable reserves** over time. The capital receipts reserve is by far the most variable usable reserve which can be expected given varying levels of receipts received over time, and that it has supported significant investment in the Authority's capital programme and transformation over the period.

Movement in usable Reserves (£m's)



- 14 **Earmarked reserves** saw a sustained period of decline from 2013 as reserves were used to invest in redesign and modernisation of services during a period of funding pressures and wider financial challenges for Local Government.
- 15 This trend was significantly reversed over the pandemic period by additional funding received from Welsh Government that was intended to provide Councils with suitable resources to be able to manage the post-pandemic impact upon demand for services and a period of economic recovery. The

agreed budget framework for 2024/25 required that earmarked reserves were not used to fund recurrent expenditure and this has resulted in a stable position being reported in overall earmarked reserves.

- 16 The **Council fund** sits at £10.9m at 1st April 2025 representing 5% of the Council's net revenue budget for 2025/26. This level is in line with the minimum sustainable level of cover as outlined in the Council's Medium term financial strategy.
- 17 The 2024/25 financial year has culminated in a £3.187m draw on **school's balances**, resulting in the cumulative deficit balance increasing to £4.1m and with fifteen of thirty-five schools now holding deficit balances.
- 18 Schools continue to face significant budget pressures, particularly in respect of attendance, behaviours and increased additional learning needs. This has required increased staff and specialist resources to tackle the issues presenting and increased the overall costs of provision. Higher than budgeted pay awards have also impacted upon budgets.
- 19 The Authority continues to work closely with all schools of concern to aid in the return to more sustainable budget plans over the medium term without impacting on educational standards. This will continue to be informed by the ongoing review of school's budgets as part of the periodic update of the medium-term financial plan.

Balance Sheet (Sections 7, 12, 13 & 14)

31st March 2024		31st March 2025	Change	Change
£m		£m	£m	%
	<i>What we own and are owed (Assets):</i>			
527.9	Non-current assets	572.0	44.1	8.4%
8.2	Investments	8.1	(0.1)	-1.2%
8.3	Cash & Cash equivalents	12.6	4.3	51.8%
45.6	Debtors	55.4	9.8	21.5%
1.3	Assets held for sale	1.3	0.0	0.0%
0.6	Inventories & other assets	0.6	0.0	0.0%
591.9	Total Assets	650.0	58.1	9.8%
	<i>What we owe (Liabilities):</i>			
(124.2)	Long term Borrowing – to finance capital expenditure	(138.7)	(14.5)	11.7%

(53.4)	Short term borrowing – to support day to day cash flow & finance capital expenditure	(68.3)	(14.9)	27.9%
(46.6)	Creditors & provisions	(50.0)	(3.4)	7.3%
(6.0)	Liability for meeting future pension costs	(53.2)	(47.2)	786.7%
(10.0)	Other liabilities	(11.2)	(1.2)	12.0%
(240.2)	Total Liabilities	(321.4)	(81.2)	33.8%
351.7	Total Worth (Assets less Liabilities)	328.6	(23.1)	-6.6%
	<i>Usable Reserves (available to support service delivery)</i>			
10.4	General Fund Balance	10.9	0.5	4.8%
(0.9)	Schools Balances	(4.1)	(3.2)	355.6%
9.4	Earmarked Reserves	9.4	0.0	0.0%
10.2	Capital Receipts Reserve	6.2	(4.0)	-39.2%
1.4	Joint Arrangements	1.4	0.0	0.0%
30.5	Total Usable Reserves	23.8	(6.7)	-22.0%
	<i>Unusable Reserves (not available to support service delivery)</i>			
81.7	Revaluation Reserve	100.4	18.7	22.9%
(6.0)	Pensions Reserve	(53.2)	(47.2)	786.7%
247.2	Capital Adjustment Account	260.6	13.4	5.4%
2.4	Deferred Capital Receipts Reserve	2.3	(0.1)	-4.2%
(0.4)	Financial Instrument Adjustment Account	(0.4)	0.0	0.0%
(0.3)	Financial Instrument Revaluation Reserve	(0.3)	0.0	0.0%
(3.6)	Accumulating Absence Adjustment Account	(4.8)	(1.2)	33.3%
0.2	Other unusable reserves	0.2	0.0	0.0%
321.2	Total Unusable Reserves	304.8	(16.4)	-5.1%
351.7	Total Reserves	328.6	(23.1)	-6.6%

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- 20 The Balance Sheet shows the value of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority.
- 21 There is a difference of £328.6m between the Council's assets (things we own e.g. property, investments, stocks and debtors) and its liabilities (what we owe to others). This difference represents the surplus of assets over liabilities and is a measure of *Total Worth* – i.e. a theoretical value of what the council would be worth if purchased / acquired by another party.

- 22 Whilst this position has deteriorated YOY, this is primarily as a result of the movement in the forecast liability for meeting future pension costs. This is explained further below.

Debtors

- 23 The YOY increase in debtor balances is significant at £9.8m or 21.5% and reflects a growing challenge the Council faces in recovering amounts owed to it. Note 13.5 to the accounts analyses the amounts owing to the Council by debt type and shows that a significant amount of this increase is due to public sector debt (Welsh Government, other Councils).
- 24 There has been a notable rise in the amount owed by individuals for **Council Tax arrears** and **Social Services care charges**. This reflects a growing difficulty in recovering these statutory debts. The trend is not unique to Monmouthshire—councils across the UK are facing similar challenges due to:
- Rising Council Tax bills,
 - Ongoing cost of living pressures, and
 - The complexity of collecting social care charges, which are often deferred or involve lengthy legal processes.

72.5% of debt was not overdue at the balance sheet date (68% at 31/03/2024), with a further 5% overdue by less than 3 months.

Investments and Cash & cash equivalents

- 26 There is an overall increase of £4.1m YOY in these balances which is reflective of short term cash balances being held at year end. There will always be timing differences, where funding for specific programmes or services was received in advance of the related expenditure, resulting in variance in cash holdings at year-end.

Non-current assets (Land, buildings, infrastructure, vehicles & plant)

- 27 Non-currents assets increased by £44m YOY to £572m. The adoption of IFRS 16 accounted for £2.2m of this increase as the authority recognised 'Right of Use' assets on the balance sheet, reflecting leased assets previously treated as off-balance sheet under the former accounting standards.
- 28 Revaluations were carried out on approximately 20% of our non-current assets during the year in line with the 5-year rolling programme of revaluation. This has resulted in an overall increase in value of £19.1m.

- 29 The audit sector nationally has raised concerns in recent years of the impact of significant increases in build costs which as a consequence may mean that it is no longer appropriate for audited bodies to rely on valuations of assets carried out in previous financial years (i.e. the 80% of assets we didn't revalue in 2023/24) to demonstrate that carrying values remain materially consistent with current values at 31 March 2025. This uplift increased the value by an additional £4.4m.
- 30 Non-current asset values were further increased by in year capital expenditure of £40.3m. The increases we're offset by £15.9m of depreciation and £5.8m of impairments while £0.7m of disposals were made in year.
- 31 To overcome this issue, the Council agreed an approach with Audit Wales that indexation of assets most impacted by this issue is carried out using sector wide building cost information. Valuations have subsequently been adjusted to reflect the current trend in building cost data, and this accounts for the significant increase seen in overall values of non-current assets.

Pension liability

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- There has been a significant accounting re-measurement of net future pension fund liability which has increased by £47.2m.
- Initially the value of the pension scheme assets increased by £27.6m with liabilities decreasing by £61.4m which resulted in a net surplus of £83.4m. The increase in scheme assets is due to the improvement of investments with equities, bonds and infrastructure investments all increasing in value. The decrease in liabilities is due to changes in financial assumptions (e.g. inflation, discount rate, longevity/age presumptions).
- 34 This would have resulted in the pension scheme being reported as a net asset on the Council's balance sheet. In line with accounting standards (IFRIC 14 – IAS 19), which address the limits on a defined benefit pension asset, the minimum funding requirements, and their interaction - any surplus must be adjusted for committed past service contributions.
- 35 This adjusted surplus is then assessed against the economic benefit available through reduced future contributions to determine whether an additional liability should be recognised. This has resulted in an adjustment to reflect what is known as the asset ceiling. After accounting for this and the present value of unfunded benefits, a total net liability of £53.2 million has been reported.
- 36 It should be noted that the fund is in place for the long-term funding of pensions, and annual variations in actuarial assumptions can regularly skew the presentation of the overall balance sheet figures quite significantly in any one year. Any estimated deficit on the pension scheme and its impact on the Council's overall reserves is also a long-term consideration. Notably, the deficit and liability would not arise in any one single year, and any potential

deficit would be addressed through higher employee and employer contributions, as well as the pension scheme benefits being calculated differently, such as moving to career average salaries as opposed to final salary.

Borrowing

- 37 The Council locked in longer-term borrowing late in year to give certainty on future interest costs in light of an increased CFR. In some cases this borrowing was taken before the short-term borrowing it was replacing had matured. Consequently borrowing levels have increased over the year by £28.6m (16.3%).
- 38 The proportion of short term borrowing (<12 months to maturity) has increased from 29% to 32% over the year. Further information can be found in the 2024/25 treasury outturn report for the Authority.

Creditors & Provisions

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- Creditors & provisions have increased YOY by £3.4m or 7.4%. Note 13.6 to the accounts provides additional detail on the composition of this balance.
- Amounts owing to non-public sector bodies have increased by £2.6m YOY with 96.7% of payments during the year made within the 30 day target (95.9% in 2023/24).

understanding local authority financial statements

2016

\ introduction

Local authority financial statements have a key part to play in accountability to taxpayers and other stakeholders as to how public money is used. However, the complexity of the financial statements has not always helped this accountability, particularly allowing the amounts in the statements to be easily reconciled to management accounting and in-year monitoring of budgets.

The introduction of the Expenditure and Funding Analysis to the 2016/17 Code is intended to allow a clear link to be made between in-year monitoring and General Fund information and final outturn as set out in the audited financial statements, thus closing the accountability loop from budgets through to outturn.

A key to achieving the aims of the changes will be to use the information not just in the narrative section of the financial statements to explain performance during the year, but more widely to all stakeholders, including elected members as citizens' representatives, in a range of formats and media to provide a definitive position on financial performance. Local authorities are also urged to look to their balance sheets as a part of this explanation and the key messages that can be drawn out.

At the same time it is important that opportunities are taken to cut the clutter and remove immaterial disclosures or through the use of technical appendices to separate out the more complex disclosures. Working in partnership CIPFA/LASAAC will itself continue to review opportunities for improvement and explore links with other published information to ensure that the definitive position remains clear.

This briefing note is intended to help chief financial officers and other senior staff to present the financial statements to members and other stakeholders by explaining how the formats can be used to convey key information. It is also designed to give elected members and stakeholders an introduction to the format of the accounts and provide them with key questions on the financial statements.

An important element of financial reporting which will assist local authorities to tell the story of their financial performance is the narrative report (management commentary in Scotland). This report accompanies the financial statements and should provide a commentary on how the authority has used its resources to achieve desired outcomes in line with its objectives and strategies. It should provide an explanation of the main messages of financial performance, financial position and cash flows in the financial statements.

This publication includes extract financial statements to demonstrate key issues. It is important to note that the Code sets out the minimum requirements for the financial statements of the authority, but authorities are free to include more detail if they think it will help them to explain the accounts to members and other stakeholders.

This publication also highlights the opportunities to simplify presentation and make the messages clearer in a number of areas:

- comparisons with budgets (General Fund and Housing Revenue Account performance)
- reserves position, and
- cash flows.

comparisons with budgets

For members, probably the most important issue will be whether the authority has a surplus or deficit on General Fund or Housing Revenue Account (HRA) balances against its budget for the year.

The financial statements will enable individual authorities to demonstrate performance both in the way in which they organise themselves and, more importantly, in how they budget against the General Fund to provide services.

The introduction of the new expenditure and funding analysis

The financial statements primarily follow accounting standards rather than local government legislation. Although some information is provided on General Fund and HRA balances this hasn't always been easy to identify in the past. However, the new Expenditure and Funding Analysis provides users of the financial statements with more information to make that analysis (for example, by comparison with their budget reports).

The Expenditure and Funding Analysis brings together local authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the General Fund (including the HRA).

Proper accounting practices measure the resources that have been generated and consumed in the year including such things as the use of property (depreciation) and the value of pensions benefits earned by the employees. Statutory provisions determine how much of the authority's expenditure needs to be met from council tax each year.

The Expenditure and Funding Analysis:

- shows for each of the authority's services or directorates a comparison of the net resources applied and the net charge against council tax, and
- provides an opportunity to explain significant differences between the two within the authority's framework for accountability.

The Expenditure and Funding Analysis promotes accountability and stewardship by providing a more direct link with the annual decision making process of the authority and its budget ie the General Fund. The changes are more transparent and follow the performance framework of the authority.

The Expenditure and Funding Analysis takes the net expenditure that is chargeable to taxation and rents and reconciles it to the Comprehensive Income and Expenditure Statement. To demonstrate accountability and to meet segmental reporting requirements it is necessary to reconcile to the statutory position on the General Fund balance. The service analysis for both the Expenditure and Funding Analysis and the Comprehensive Income and Expenditure Statement are now both provided in the way in which an authority organises itself and manages financial performance.

The Expenditure and Funding Analysis needs to be positioned in the financial statements where it is most accessible and relevant to its users. This means it could be placed before the main statements, to accompany the Comprehensive Income and Expenditure Statement, or even included as the first note. An authority will be able to decide for itself.

Expenditure and Funding Analysis (extract)

The Expenditure and Funding Analysis analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

20X0/20X1	Net Expenditure Chargeable to the General Fund and HRA Balances £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
People Directorate	47,385	898	48,283
Neighbourhoods	5,929	13,608	19,537
Business Change	30	224	254
Corporate and Central Services	19,358	833	20,191
Net Cost of Services	72,702	15,563	88,265
Other Income and Expenditure	(72,658)	(1,019)	(73,677)
Surplus or Deficit	44	14,544	14,588
Opening General Fund and HRA Balance at 31 March 20X0	(25,247)		
Less Deficit on General Fund and HRA Balance in Year	44		
Closing General Fund and HRA Balance at 31 March 20x1*	(25,203)		

*for a split of this balance between the General Fund and the HRA – see the Movement in Reserves Statement

comprehensive income and expenditure statement

The Comprehensive Income and Expenditure Statement shows how resources have been generated and expended in accordance with International Financial Reporting Standards. It shows whether the authority's operations resulted in a surplus or deficit. The key lines that summarise performance are highlighted below.

Comprehensive Income and Expenditure Statement (extract)

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation [or rents]. Authorities raise taxation [and rents] to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Comprehensive Income and Expenditure Statement 20X0/X1	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	
People Directorate	74,297	(26,014)	48,283	Expenditure of continuing operations, analysed by service segment, these lines are reconciled to the General Fund in the Expenditure and Funding Analysis
Neighbourhoods	58,225	(38,688)	19,537	
Business Change	11,624	(11,370)	254	
Corporate and Central Services	24,021	(3,830)	20,191	
Cost of Services	168,167	(79,902)	88,265	
Other Operating Expenditure (Note 9)	2,218	–	2,218	Operational costs of providing the services of the authority.
Financing and Investment Income and Expenditure (Note 10)	11,340	(2,359)	8,981	
Taxation and Non-specific Grant Income and Expenditure (Note 11)	–	(84,876)	(84,876)	
(Surplus) or Deficit on Provision of Services			14,588	Total income and expenditure of the authority for the year, this line is also reconciled to the General Fund in the Expenditure and Funding Analysis
(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets			(36,597)	
(Surplus) or Deficit on Revaluation of Available-for-Sale Financial Assets			(101)	
Remeasurement of the Net Defined Benefit Liability (Asset)			(8,444)	
Other Comprehensive Income and Expenditure			(45,142)	
Total Comprehensive Income and Expenditure			(30,554)	

From 2016/17 local authorities are required to report their service segments based on the way in which they operate and manage services. There is no longer a requirement for that service analysis to be based on the definition of total cost or the service expenditure analysis in the *Service Reporting Code of Practice* in the financial statements. This new format means that the service section of the Comprehensive Income and Expenditure Statement supports accountability and transparency as it reflects the way in which services operate and performance is managed.

Where an authority uses alternative service reporting formats it will need to select the presentation most commonly used by the individual or group within the authority who has the most significant role in allocating resources and assessing performance of services when considering the allocation of resources.

This format of the Comprehensive Income and Expenditure Statement is also more meaningful for both local authority members and users of the financial statements as it follows their budget and performance monitoring and other key documents such as their council tax leaflets.

Treatment of overheads will depend on an authority's arrangements for accountability. If an authority operates and manages some or all of its corporate and support services separately then these service segments would be shown separately on the face of the Comprehensive Income and Expenditure Statement and not apportioned.

The test is whether the expenditure relating to these activities is reported to key decision makers as separate activities or spread across services as overheads for the financial statements. Therefore, there is no longer an absolute requirement to apportion support service overheads to services. However, local authorities will not need to change any of their financial reporting requirements for internal management processes. Whatever you are doing internally determines the structure for external reporting statements.

The Comprehensive Income and Expenditure Statement is then split into two parts.

The first part reflects the full economic cost of providing the services of the authority with the results summarised at the Surplus or Deficit on the Provision of Services line, highlighted above. It represents the operating costs of providing the services of the authority in the year. In the private sector this would be equivalent to the profit or loss of a company.

The second part, other comprehensive income and expenditure, shows the gains or losses in the measurement of the assets and liabilities of the authority. These gains or losses arise as a result of changes in market valuations, interest rates or changes in measurement assumptions in relation to pensions assets and liabilities.

movement in reserves statement

The Comprehensive Income and Expenditure Statement shows the income and expenditure on the authority's services in the year in accordance with International Financial Reporting Standards as adopted by the Code. However, the amount chargeable to council tax and an authority's General Fund is limited by statutory requirements and requires a number of adjustments. The statutory adjustments largely relate to arrangements for funding local authority capital expenditure or the timing with which some items are charged to council tax. The reserves of the authority represent its net worth; the usable reserves show the resources currently available to spend on services.

The movements in the financial position of the authority are summarised in the Movement in Reserves Statement.

The Movement in Reserves Statement shows how:

- the authority has generated and expended resources in the year; and
- the resourcing position is adjusted under statutory rules to show the funds available to be spent at year end.

The Movement in Reserves Statement prescriptions have been reduced to the absolute minimum in the Code. Authorities can provide additional rows to these minimum requirements if they consider that they need to do so to provide a true and fair presentation of their reserves.

Movement in Reserves Statement (extract)

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (ie those that can currently be used to fund expenditure or reduce local taxation) and other 'unusable' reserves. It shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax [or rents] for the year. The Net Increase/Decrease line shows the statutory General Fund balance and Housing Revenue Account balance movements in the year following those adjustments.

	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve* £000	Major Repairs Reserve** £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 20X0	22,118	3,129	10,065	1,600	450	37,362	1,350,567	1,387,929
Movement in reserves during 20X0/X1								
Total Comprehensive Income and Expenditure	(14,983)	395	–	–	–	(14,588)	45,142	30,554
Adjustments from income & expenditure charged under the accounting basis to the funding basis	14,835	(291)	(750)	–	–	13,794	(13,794)	–
Increase or (decrease) in 20X0/X1	(148)	104	(750)	–	–	(794)	31,348	30,554
Balance at 31 March 20X1 carried forward	21,970	3,233	9,315	1,600	450	36,568	1,381,915	1,418,483

* Capital Fund Scotland

** Applicable in England Only

An overall increase in usable reserves can arise despite a loss being shown in the Comprehensive Income and Expenditure Statement where statutory provisions allow a different charge to revenue from the authority expenditure incurred (eg replacement of depreciation by minimum revenue provision (MRP)). The adjustment to usable reserves is balanced by a movement in unusable reserves.

Unusable reserves such as the Capital Adjustment Account and the Pensions Reserve with debit balances will need to be funded in the future, even if it is over a long period, so increases in these balances show an increasing burden on future taxpayers.

balance sheet

The balance sheet in local authorities is very similar to other public sector or private sector balance sheets. The balance sheet presents an authority's financial position, ie its net resources at the financial year end. The balance sheet is composed of two main balancing parts: its net assets and its total reserves. The net assets part shows the assets the authority would have control of after settling all its liabilities. The balance of these assets and liabilities is then shown as being attributable to the various reserves of the authority.

For local authorities balance sheet presentation is split between the usable reserves and unusable reserves. Usable reserves are those which the authority can utilise to support future service provision. Unusable reserves cannot be used to support services and include gains and losses where amounts can only become available to support services if the assets are sold. These gains and losses are referred to as unrealised.

Balance sheet (extract)

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves represents those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Balance Sheet	Notes	31 March 20X1 £000	
Property, plant and equipment	12	628,924	The authority's property portfolio
Highways Network Asset	13	1,028,700	The Highways Network Asset (not applicable to district councils). This will be the largest asset balance in a local highways authority balance sheet
Heritage assets	14	3,379	
Investment property	15	4,020	
Intangible assets	16	709	
Long-term investments	17	948	Long term assets ie those expected to provide benefits to the authority beyond 12 months
Long-term debtors	17	3,798	
Long-term assets		1,670,478	
Short-term investments	17	24,060	Current assets ie those anticipated to be consumed in 12 months – the normal operating cycle for the authority
Assets held for sale	22	1,409	
Inventories	18	1,769	
Short-term debtors	20	15,351	
Current assets		42,589	Reconciles to the cash and cash equivalents balance in the cash flow statement
Bank overdraft		(13,767)	
Short-term borrowing	17	(9,500)	Current liabilities ie those liabilities anticipated to be settled within 12 months
Short-term creditors	23	(21,960)	
Current liabilities		(45,227)	
Provisions	24	(4,297)	Long-term liabilities ie those liabilities that are anticipated to be settled beyond 12 months
Long-term borrowing	17	(89,733)	
Other long-term liabilities	17	(155,327)	
Long-term liabilities		(249,357)	
Net assets		1,418,483	Total assets less total liabilities

\ reserves

Reserves – including the General Fund and (where relevant) the Housing Revenue Account – are an indication of the resources available to an authority to deliver services at the balance sheet date. The key messages that members will be looking for in terms of reserves – especially the General Fund and the HRA – are how the balances have changed over the year, whether the balances are still adequate, and what the balances mean in terms of future budgets and services.

Information on the level of reserves can be found in the balance sheet and related notes, and in the Movement in Reserves Statement (and related notes). This latter statement will be more useful in explaining the changes that have taken place during the year.

	Notes	31 March 20X1 £'000
Usable reserves	24	36,568
Unusable Reserves	25	1,381,915
		<u>1,418,483</u>

The minimum requirement in presenting resources is to include only two lines – usable reserves (such as General Fund) and unusable reserves (such as the Revaluation Reserve and the Capital Adjustment Account).

If there are some reserves you do want to show on the balance sheet, that's fine, as long as these totals are shown.

While the balance sheet aims to show those reserves over which members have control, don't forget that some of the unusable reserves will become a charge against the revenue account – or usable reserves – over time. And in some cases, such as the Unequal Pay Back Pay Account, this might be within a year or two.

As indicated above, not all reserves can be used to deliver services, and the Code reflects this by reporting reserves in two groups – 'usable' and 'unusable' reserves. Usable reserves such as the General Fund are those where members will be involved in deciding on the levels maintained, and their use. Unusable reserves such as the Revaluation Reserve and the Capital Adjustment Account are not subject to such member influence.

cash flows

The final statement required by the Code is the cash flow statement.¹ The cash flow statement shows changes in cash flows of the authority during the financial year. It shows net cash flows split into three activities: operating, investing and financing. The cash flow statement shows the resulting movement in the authority's cash and cash equivalents. Cash and cash equivalents include short term investments that are readily convertible and which are subject to only insignificant risk of changes in value.

Cash Flow Statement (extract)

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

	20X0/X1 £000	
Net (surplus) or deficit on the provision of services	14,588	Surplus or deficit taken from the Comprehensive Income and Expenditure Statement
Adjustments to net surplus or deficit on the provision of services for non-cash movements	(36,267)	
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	11,523	
Net cash flows from Operating Activities (Note 26)	(10,156)	Three groups of transactions: ■ Operating ■ Investing ■ Financing
Investing Activities (Note 27)	(24,585)	
Financing Activities (Note 28)	35,140	
Net increase or decrease in cash and cash equivalents	399	
Cash and cash equivalents at the beginning of the reporting period	(14,166)	
Cash and cash equivalents at the end of the reporting period (Note 19)	(13,767)	Cash and cash equivalents figure in the balance sheet

¹ Note the format of the cash flow statement shown is produced under the indirect method.

a checklist of questions to ask about a local authority's financial statements

To assist with the understanding of local authority financial statements a checklist about the core financial statements and the Expenditure and Funding Analysis has been included below.

Checklist	
Expenditure and Funding Analysis	
1	Have any significant differences between budget reports and net expenditure chargeable to General Fund and Housing Revenue Account balances been explained?
2	Are the major statutory adjustments clearly explained and easily understood?
Comprehensive Income and Expenditure Statement	
3	Is the purpose of the Comprehensive Income and Expenditure Statement clear (ie does it show actual financial performance under accounting standards before fiscal adjustments)?
4	Do the service net expenditure figures clearly demonstrate the financial performance of the services on the face of the Comprehensive Income and Expenditure Statement during the year?
5	Are the material items of income and expenditure in the Comprehensive Income and Expenditure Statement presented separately on the face of the Statement or explained in the notes?
6	Do the notes to the Comprehensive Income and Expenditure Statement provide easily understandable information relating to the Statement (or lines within the Statement)?
7	Are there any unexplained significant variances between current and previous year information?
Movement in Reserves Statement	
8	Can the major movements in net worth that occur within the Movement in Reserves Statement be easily identified? Are these explained within the financial statements or Narrative Report?
9	Do the opening balances in the Movement in Reserves Statement match with the closing balances of the preceding year? Are any adjustments to opening balances explained on the face of the Statement and/or in the notes?
10	Is there a clear explanation of the statutory adjustments in the adjustments from income and expenditure charged under the accounting basis to the funding basis line in the Movement in Reserves Statement? (Note this may be linked with the Expenditure and Funding Analysis.)
11	Do the entries on the statutory adjustment line net to nil?
12	Do the related notes on reserves clearly explain the line or columnar items not explained in the Statement?

Checklist

13 Does the Total Comprehensive Income and Expenditure line in the Movement in Reserves Statement agree with the information in the Comprehensive Income and Expenditure Statement?

14 How have the balances of usable reserves moved during the year? Are these balances sufficient to support an authority's financial plans in the immediate future and over the medium term?

Balance Sheet

15 Does the property, plant and equipment information tell the story of the authority's property portfolio during the year (including the major movements in that portfolio ie major disposals and acquisitions)? Do these balances reflect the authority's asset management strategy?

(Note the same question can be asked for local authorities with substantial portfolios of investment properties.)

16 For highways authorities – do the movements in the Highways Network Asset represent the transport management/investment decisions of the authority?

17 Has there been any substantial movement in the pension asset or liability? If yes, has the reason for such a movement been explained and the subsequent consequences described in the financial statements or the Narrative Report?

18 Have there been any new provisions or significant movements in provisions in the year? If yes, have the reasons for making these provisions been set out in the financial statements or any material movements been explained?

19 Have there been any significant movements in the authority's borrowings during the year? Are these movements reflected in your council's borrowing strategy and what impact will this have on the prudential indicators or future investment plans?

20 Are there any significant movements in an authority's investment portfolio? Do these agree with the plans in the authority's treasury management strategies and statutory investment plans?

21 Are there any other significant movements in balances in the balance sheet that are not clearly explained?

22 Do the balance sheet reserves agree with the totals in the Movement in Reserves Statement?

Cash Flow Statement

23 Do the cash balances in the cash flow statement agree with the relevant balances in the balance sheet?

24 Are the council's cash balances reflected adequately in the council's treasury management strategies?

reminders and questions raised on the IFRS-based code

IFRS – what is it?

International Financial Reporting Standards (IFRSs) are a suite of accounting standards used across the world. The Code of Practice on Local Authority Accounting is based on IFRS standards as adapted or interpreted for local authority circumstances.

The pension deficit is meaningless – why do we have to show it?

The deficit doesn't have to be funded from this year's budget, but it's still a true cost estimated by actuaries – it represents the amount that will need to be found from future budgets to pay for pension entitlements already incurred in delivering services. So it's a real call on future funding arising from past activity. Not showing this would hide the liability that the authority has incurred.

This also applies to other reserves. Like the Pension Reserve, the Capital Adjustment Account, the Unequal Pay Back Pay Account and similar reserves all do one thing: they hold expenditure that the authority has incurred but not yet financed. Think of them as being a bit like a credit card balance – these amounts will have to be funded in future, either from taxation or from usable reserves.

Concerns have been expressed that all these reserves make the balance sheet incomprehensible. But all that needs to be shown on the balance sheet itself are 'usable reserves' and 'unusable reserves' – the details can all go in a note. This will help to declutter the balance sheet.

The financial statements do not clearly demonstrate traditional measures of local authority performance ie General Fund and HRA balances

The IFRS-based Code sets out that local authority financial statements are intended to be used for assessing the stewardship of local authority resources and for making economic decisions. Thus the information is intended for two purposes. The Comprehensive Income and Expenditure Statement presents information on the real economic cost of providing services in the year and it does not show the movement in General Fund and HRA balances. This reconciliation is provided in the Movement in Reserves Statement, whose bottom line shows the General Fund and HRA resources available at year end. CIPFA has reviewed options for making this even clearer. The new Expenditure and Funding Analysis brings together both the accounting measures of performance and the performance against General Fund for council tax setting purposes.

The accounts are too long!

Yes, the accounts can be long, but local authorities have a complex story to tell. But notes only need to be produced if they are material – leaving out notes that aren't material or required by legislation is a good start. CIPFA/LASAAC as standard setter is continuously challenging the need to introduce disclosures and reporting requirements for local government.

What changes were made to the 2016/17 Code?

CIPFA and CIPFA/LASAAC consulted widely in preparation for these changes, particularly the Telling the Story consultation in the summer of 2015. CIPFA also engaged a working group to consider a wide range of proposals for change. Following feedback from consultations from local authority accounts preparers and the work of the Working Group, the Telling the Story consultation set out proposals for change that CIPFA/LASAAC considers will reconnect the financial statements of local authorities with the way those authorities are both organised and funded.

The changes to the 2016/17 Code therefore have two main strands:

- to allow local authorities to report on the same basis as they are organised by breaking the formal link between the Service Reporting Code of Practice (SeRCOP) and the Comprehensive Income and Expenditure Statement
- to introduce a new Expenditure and Funding Analysis which provides a direct reconciliation between the way local authorities are funded and prepare their budget and the Comprehensive Income and Expenditure Statement in a way that is accessible to the lay reader. This analysis is supported by a streamlined Movement in Reserves Statement and replaces the current segmental reporting note.

The changes to the Code will for the first time allow local authorities to bring together the funding framework and the accounting framework in one analysis.

further reading

Financial Statements: A Good Practice Guide for Local Authorities (CIPFA, 2013)

Clear out the Clutter (Public Finance, April 2014)

Simplified Accounts: Small Isn't Always Beautiful (Public Finance, September 2015)

Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA, issued annually)

Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for Practitioners
(CIPFA, issued annually)



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**SUBJECT: MONMOUTHSHIRE COUNTY COUNCIL
ANNUAL GOVERNANCE STATEMENT (2024/25)**

DIRECTORATE: Resources

MEETING: Governance & Audit Committee

DATE: July 2025

DIVISION/WARDS AFFECTED: All

1. PURPOSE

To receive a **draft** version of the Council's Annual Governance Statement [Appendix 1] prior to inclusion into the Statement of Accounts 2024/25.

2. RECOMMENDATION(S)

1. That the Governance & Audit Committee contribute to the appropriateness and content of the draft Annual Governance Statement (2024/25).
2. Considers the review of effectiveness and the assessment made against each of the governance principles.
3. The Committee endorses the Annual Governance Statement for inclusion within the Draft Statement of Accounts 2024/25.

3. KEY ISSUES

- 3.1 Corporate Governance is about doing the right thing at the right time for the right people in an open and transparent way. The Council's Code of Corporate Governance was presented to the Council's former Audit Committee in June 2020 and approved by Cabinet in September 2021.
- 3.2 The Council intended to formally review the Code of Corporate Governance during the 2024/25 financial year. The Code was reviewed over the year by the Chief Officer for Law & Governance (Monitoring Officer) and it was determined no changes were required, however, this was not put forward for subsequent approval as Officers were aware of forthcoming updated guidance from CIPFA which was not published until May 2025. The updating of the Code in light of the Delivering Good Governance in Local Government: addendum will be a priority for the 2025/26 year.
- 3.3 The Annual Governance Statement (AGS) demonstrates that Monmouthshire County Council has appropriate governance arrangements in place to meet the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements.
- 3.4 Monmouthshire County Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also

has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

- 3.5 The Council is also required to self-assess its governance and performance as outlined in the Local Government and Elections (Wales) Act 2021. Any recommendations or actions from this Governance Statement for the Council will be integrated into the Council's Annual Wellbeing and Self-Assessment Report.
- 3.6 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
- 3.7 New guidance from CIPFA and Solace on the annual review of governance and internal controls and the preparation of an AGS was released in May 2025. The guidance forms an addendum to the 'Delivering Good Governance in Local Government Framework 2016' which the 2024/25 AGS has been written in accordance with. The requirements from the new addendum apply to UK local government statements covering the financial year 2025/26 onwards.

4 The Purpose of the Governance Framework

- 4.1 The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 4.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk or failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 4.3 The governance framework has been in place at the Council for the year ended 31 March 2025 and will be in place up to the date of approval of the statement of accounts.
- 4.4 The Annual Governance Statement itself [Appendix 1] demonstrates that Monmouthshire has appropriate governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements.

5 The Governance Framework

- 5.1 The Council's Code of Corporate Governance has been developed in line with the following principles:

Overarching requirements for acting in the public interest:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

In addition achieving good governance in the Council requires effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

6 REASONS

- 6.1 In accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 an Annual Governance Statement must be prepared and included within the Council's year-end financial statements. The Council is required to self-assess its governance and performance as outlined in the Local Government and Elections (Wales) Act 2021. The Statement details the effectiveness of the Council's governance arrangements as at the 31st March 2025.
- 6.2 The Annual Governance Statement confirms that Monmouthshire County Council has, for the financial year 2024/25, conducted a review of its governance arrangements which concluded that these arrangements accorded with the principles as set out in the Council's Code of Corporate Governance. Consequently, the Council's overall governance arrangements are assessed as being effective and provide a sound framework for delivering services to the citizens of Monmouthshire. This statement outlines the Council's responsibility for ensuring proper standards and the safeguarding of public money, as well as the arrangements for the management of risk.
- 6.3 The effective governance arrangements as set out in the body of the document have been operated continuously through the year and up until the date of the 2024/25 Report and approval of the Accounts. The remainder of this document sets out further detail of the review of the Council's governance arrangements. In undertaking its review of governance, the Council considered each of the principles set out within the Code of Corporate Governance and assessed what the Council has in place to support each of the Principles, its effectiveness and any areas for future improvement.
- 6.4 The Council has considered each of the principles set out within the Code of Corporate Governance and assessed what the Council has in place to support each of the Principles, its effectiveness and any areas for future improvement. The Council has concluded as follows:

Principle	Rating	Movement from Previous Year	Number of Areas for Improvement
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Good	 (Previously Very Good)	4
B. Ensuring openness and comprehensive stakeholder engagement	Very Good		1

Principle	Rating	Movement from Previous Year	Number of Areas for Improvement
C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits	Very Good	↔	-
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Very Good	↔	-
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	Good	↑ (previously adequate)	3
F. Managing risks and performance through robust internal control and strong public financial management	Very Good	↔	2
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Very Good	↔	-
Overall	Very Good	↔	10

6.5 In summary the Council has concluded that 5 of the 7 governance principles have been operating with a 'Very Good' effectiveness rating. We have determined that Principle A (Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law) has been rated as 'Good'. This is a reduction from 'Very Good' in the previous year. The assessment recognises that some ongoing workstreams are in place to improve the area as detailed within the action plan (page 34). One further principle (E - Developing the entity's capacity, including the capability of its leadership and the individuals within it) was rated as Good. This was an improvement on the previous year where this area was rated as 'Adequate', further improvements are due during 2025/26.

6.6 The Council also recognises that there are areas for improvement within its governance processes. Ten areas have been identified within the Statement and an Action Plan has been included within the Statement. This will be monitored by the Strategic Leadership Team (SLT) through the course of the 2025/26 financial year and the Chief Executive has tasked SLT with ensuring that each of the Principles are rated as at least Very Good, if not Excellent within the 2025/26 Statement.

6.7 Overall, the governance arrangements in place at Monmouthshire County Council continue to be regarded as being fit for purpose.

7 RESOURCE IMPLICATIONS

None.

8 CONSULTEES

Leader of the Council

Cabinet Member for Resources
Chair of the Governance & Audit Committee
Chief Executive
Deputy Chief Executive / Strategic Director – Resources (S151 Officer)
Chief Officer – Law & Governance (Monitoring Officer)
Chief Officer – People, Performance & Partnerships
Strategic Leadership Team
Performance & Data Insight Manager

9 BACKGROUND PAPERS

[MCC Code of Corporate Governance](#)

10 AUTHOR AND CONTACT DETAILS

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ANNUAL GOVERNANCE STATEMENT

2024/25

Date of Report Issue

24th June 2025

Report Status

Draft v4

Report Author

Jan Furtek, Acting Chief Internal Auditor

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Executive Summary

This Annual Governance Statement confirms that Monmouthshire County Council (the 'Council') has, for the financial year 2024/25, conducted a review of its governance arrangements which concluded that these arrangements accorded with the principles as set out in the Councils Code of Corporate Governance. Consequently, the Council's overall governance arrangements are assessed as being **effective** and provide a sound framework for delivering services to the citizens of Monmouthshire. This statement outlines the Council's responsibility for ensuring proper standards and the safeguarding of public money, as well as the arrangements for the management of risk.

There have been a small number of changes to the Senior Officers within the Council during the period, all of which have benefitted from robust succession planning with consequential interim amendments being made to the Strategic Leadership Team structure. A permanent restructuring of the Strategic Leadership Team will be completed during the Summer of 2025 to strengthen executive oversight.

The effective governance arrangements as set out in the body of this document have been operated continuously through the year and up until the date of the 2024/25 Report and Accounts. The remainder of this document sets out further detail of the review of the Council's governance arrangements. In undertaking its review of governance, the Council considered each of the principles set out within the Code of Corporate Governance and assessed what the Council has in place to support each of the Principles, its effectiveness and any areas for future improvement. In summary the Council has concluded as follows:

Principle	Rating	Movement from Previous Year	Number of Areas for Improvement
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Good	↓ (Previously Very Good)	4
B. Ensuring openness and comprehensive stakeholder engagement	Very Good	↔	1
C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits	Very Good	↔	-
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Very Good	↔	-
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	Good	↑ (previously adequate)	3
F. Managing risks and performance through robust internal control and strong public financial management	Very Good	↔	2
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Very Good	↔	-

Principle	Rating	Movement from Previous Year	Number of Areas for Improvement
Overall	Very Good		10

Overall, the governance arrangements in place at Monmouthshire County Council continue to be regarded as being fit for purpose.

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- 1 This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), the 'Delivering Good Governance in Local Government Framework 2016' and Delivering Good Governance in Local Government Guidance Notes for Welsh Authorities 2016'. It embraces the elements of internal financial control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.
- 2 The Statement itself demonstrates that Monmouthshire has governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in most areas we have effective governance arrangements in place which are continually improving, but also recognise that there is further work to do. Progress against the 2023/24 Action Plan is shown on page 33.

Scope of Responsibility

- 3 Monmouthshire County Council (the Council) (MCC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.
- 4 In discharging these responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
- 5 The Council's financial management arrangements conform to the governance requirements of the 'CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)'.
- 6 The **Code of Corporate Governance**, which is consistent with the principles of the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government', was initially approved by Council in July 2011; the Code was revised and updated again in June 2020, approved by Cabinet in September 2021. This statement explains how the Council has complied with the revised Framework and Guidance (2016) and also meets the requirements of the Accounts and Audit (Wales) Regulations 2014. The Code sets out what governance arrangements are in place within Monmouthshire CC for each of the Governance Principles.
- 7 The Council had planned to formally review the Code of Corporate Governance during the 2024/25 financial year. The Code was reviewed over the year by the Chief Officer for Law & Governance (Monitoring Officer) and it was determined no changes were required, however, this was not put forward for subsequential approval as Officers were aware of forthcoming updated guidance from CIPFA which was not published until May 2025. The updating of the Code in light of the Delivering Good Governance in Local Government: addendum will be a priority for the 2025/26 year.

Senior Management

- 8 For the majority of the 2024/25 financial year an interim senior management structure for the Council was in place. This was due to the absence of the Chief Executive and also the departure of two Chief Officers. The following occurred.
 - The Chief Executive was absent on medical leave between October 2024 to March 2025. We are pleased to report that he has now fully returned to work.
 - The Deputy Chief Executive / Strategic Director for Resources (S151 Officer) assumed the Chief Executive's responsibilities during the above period.
 - To ensure a segregation of duties, while the Deputy Chief Executive acted up their Section 151 responsibilities were formally delegated to the Head of Finance.

- The Chief Officer for Communities & Place left the Council in October 2024 to become the Chief Executive at Neath Port Talbot Council. As an interim arrangement their portfolio was managed by an Interim Chief Officer for Infrastructure and an Interim Chief Officer for Place.
 - The Chief Officer for Customer, Culture and Wellbeing (MonLife) retired in March 2024. The Deputy Chief Executive assumed line management responsibility for the service area as an interim arrangement.
- 9** Since the Chief Executive returned to work, a review has taken place of the senior leadership structure of the Council. This along with proposed departmental changes will be presented to the County Council in June 2025 and subsequently implemented.
- 10** In July 2024, the County Council agreed to establish a Remuneration Committee with the scope to determine the remuneration for the Council's Senior Leadership Team which consisted of the Chief Executive and 7 Chief Officers. This was prompted as the pay scales for senior officers had not been reviewed since 2009/10 and over the last 15 years, the roles of senior leaders have evolved. Reviewing the pay scale would also ensure that Monmouthshire could attract and retain the best possible candidates for the positions which are key to the effective running of the Council.
- 11** The remuneration committee met 3 times and sought advice from independent sources, the Deputy Monitoring Officer, Torfaen County Borough Council and an experienced public sector HR consultant. Prior to Council approval, the Independent Remuneration Panel for Wales was requested to review and approve the proposed increase in Chief Executive Salary. Panel members noted a comprehensive review of salaries of senior pay (including Chief Executive) was undertaken by the authority. Supported by an independent governance officer and an external consultant, members agreed the process was open, transparent and rigorous. The approach was also holistic, logical and very much evidence based. It was the decision of the Panel to approve the proposal for the revised salary of the post of Chief Executive as submitted.
- 12** In accordance with the Remuneration Committees Terms of Reference they presented a report to the County Council in April 2025 who resolved to approve the recommendations made. This resulted in senior leaders of the Council receiving an increase in pay, in accordance with the median salary range, over a 2-year period, from April 2025. The implementation of this recommendation ensured that the salary structure for senior leaders was comparable with other Councils in the regional area.

The Purpose of the Governance Framework

- 13** The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads in the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 14** The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, outcomes and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised. Appropriate internal controls also ensure the Council's resources are utilised, and services are delivered efficiently, effectively and economically.
- 15** The governance framework has been in place at the Council for a number of years and continued to be in place for the year ended 31st March 2025 and up to the date of approval of the statement of accounts.

The Governance Framework

- 16** The Council's Code of Corporate Governance is in line with the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government' principles:

Overarching requirements for acting in the public interest:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

In addition, achieving good governance in the Council requires effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Wellbeing of Future Generations (Wales) Act 2015

- 17** Monmouthshire has to demonstrate it is compliant with the Well-being of Future Generations (WFG)(Wales) Act 2015 and this complements the way it functions in line with the above principles of good governance; the core behaviours being:
- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
 - ensuring openness and comprehensive stakeholder engagement

This needs to be applied to the five ways of working outlined in the 2015 Act. These five ways of working have to permeate all segments of delivering outcomes which, in turn, should ensure effective use of resources as the Council maximises its contribution to the economic, social, environmental and cultural well-being of Monmouthshire and Wales.

- Long Term
- Prevention
- Integration
- Collaboration
- Involvement

- 18** The key elements of the Council's governance arrangements are set out in its Community and Corporate Plan 2022-28. This was approved by Council on the 20th April 2023.
- 19** Since the Local Government elections in May 2022, initially the administration had been working without a majority, however, in May 2023 a coalition agreement was reached. During the 2024/25 financial year, a Councillor from the administration was elected to serve as the Member of Parliament for Monmouthshire and stepped down from the Council in September 2024. The resulting bi-election reduced the number of seats held by the coalition to 22 out of 46.
- 20** As part of the requirements of the Well-being of Future Generations (Wales) Act 2015 the Public Service Board (PSB) is focused on improving social, economic, environmental and cultural wellbeing, in accordance with the sustainable development principle. Public Service Boards have a planning responsibility to prepare and publish an assessment of local well-being, produce a local well-being plan and report annually on its progress. Monmouthshire is a member of a Gwent-wide Public Service Board, formed following a voluntary agreement between the partners.

Review of Effectiveness

- 21** The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Strategic Leadership Team within the Authority which has responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 22** The review of effectiveness has been completed using a six point scale which is used within Monmouthshire County Council to assess the performance framework and progress with the Community and Corporate Plan.

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

Chief Internal Auditor Statement and Annual Opinion

- 23** The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual opinion based upon and limited to the work performed on the overall adequacy and effectiveness of Monmouthshire County Council's framework of governance, risk management and internal control. This is achieved through a risk-based plan of work, agreed with management, which should provide a reasonable level of assurance.

The Internal Audit team has completed its internal audit work for the year based upon the Operational Audit Plan approved by the Audit Committee in April 2024. The Plan was designed to ensure adequate coverage over the Council's financial and operational systems using a risk based assessment methodology.

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

The 2024/25 Audit opinion is partially reliant on previous work undertaken by the team where Reasonable Assurance opinions were issued; there have been no significant changes to the organisation's systems or key personnel and no major frauds were identified.

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

Based on the planned work undertaken during the year, in my view the internal controls in operation give **Reasonable Assurance**; *There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.*

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

Jan Furtek
Acting Chief Internal Auditor
June 2025

- 24 The [Global Internal Audit Standards](#), the [Application Note: Global Internal Audit Standards in the UK Public Sector](#) and the [Code of Practice for the Governance of Internal Audit in UK Local Government](#) replace the Public Sector Internal Audit Standards with effect from April 2025. The Council will look to ensure compliance with the new standards as soon as possible.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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The Council is accountable not only for how much it spends, but also for how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Behaving with integrity Page 243	- Members Code of Conduct in Constitution which reflects Local Authorities (Model Code of Conduct) (Wales) Order 2016 - Officers Code of Conduct in Constitution - Registers of interests / hospitality - Induction training - Member/Officer Protocol in Constitution - Member led Authority principles/document - Member training programme - Council Values — Openness, Fairness, Flexibility, Teamwork, Kindness - Whistleblowing Policy - Anti-Fraud, Bribery and Corruption Policy - Standards Committee - Standards Committee Annual Report presented to Council - Member Dispute Resolution	- The Code of Conduct for Members and the protocol on Member / Officer relationships are set out in the Constitution. - The Standards Committee, which includes a majority of independent representatives, advises on and monitors the Members' Code of Conduct, the Protocol for Member/Officer Relations, and any other Codes relating to the conduct of Members. The Standards Committee met 4 times during 2024/25. - The Public Service Ombudsman Wales (PSOW) Annual Report (2023/24) was presented to Cabinet in December 2024. This indicated that for 2023/24 there were 15 complaints that the PSOW decided not to investigate and 1 where it did investigate but decided no action was necessary. - The PSOW's annual report for 2024/2025 is due by September of this year and will be considered by the Standards Committee and Cabinet. - No judicial reviews were commenced or dealt with at the pre-action stage in the previous year. - The Governance & Audit Committee met 9 times during 2024/25 and has the responsibility for ensuring that sufficient internal control mechanisms are in place to help identify any potential misconduct within the authority.	Continue to review all HR policies including the Employee Code of Conduct and Whistleblowing Policy. (Action 1)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Complaints procedure - Decision 'Call In' process - Audit Wales Review into MCC Counter-fraud Arrangements Action Plan - Fraud Risk Assessment	- The Remuneration Committee met 3 times with its recommendations reviewed and approved by both the County Council and the Independent Remuneration Panel for Wales prior to implementation. - Over 2024/25 the Council began a programme to review all HR policies in consultation with the Joint Advisory Group. Ten policies have so far been revised and approved. - Audit Wales completed a review of the Counter Fraud Arrangements which concluded that 'the Council has recently strengthened its counter-fraud arrangements but recognises there are further steps it can take'. A management response has been provided and will be further considered as part of the Fraud Risk Assessment review due in October 2025.	
Demonstrating strong commitment to ethical values Page 244	- Council Values — Openness, Fairness, Flexibility, Teamwork, Kindness - Contract procedure rules - Financial procedure rules - Codes of conduct for members and employees - Audit Wales Review into MCC Counter-fraud Arrangements - Whistleblowing Policy - Fraud Risk Assessment	The ethical governance framework includes: - Codes of conduct for officers and Members. - A protocol governing Member/Officer relations. - A whistle-blowing policy widely communicated within the Council. - Registers of personal and business interests for Members. - Declarations of interests for Chief Officers. - An agreed policy and associated corporate procedures for ensuring that complaints about services can be properly made and investigated, and for ensuring that any lessons learnt can be applied. - All exemptions of the Contract Procedure Rules are reported through the Governance & Audit Committee periodically. The Internal Audit team co-ordinates the exemption process in conjunction with strategic procurement. - The Governance & Audit Committee has the opportunity to call in senior managers during the year and challenge them on why a procurement process went outside the Council's normal tendering processes. There were no call-ins during 2024/25. - A Scrutiny and Executive Protocol is in place which is aligned to the constitution and provides parameters for effective executive and scrutiny relationships.	- Review the Council's Code of Corporate Governance against new CIPFA guidance and seek approval from SLT and Members. (Action 2) - Review the Corporate Induction process to ensure the key messages are being delivered. (Action 3)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Respecting the rule of law	- Member and Officer Code of Conduct in Constitution - Role of Chief Executive, Section 151 Officer and Monitoring Officer established in Constitution - CIPFA statement on the Role of the Chief Financial Officer - Anti-Fraud, Bribery and Corruption Policy - Governance & Audit Committee - Internal Audit Section - Internal Audit Annual Report presented to Governance & Audit Committee - External Auditors Annual Audit Letter - Standards Committee - Whistleblowing Policy - Complaints procedure - Decision 'Call In' process - Audit Wales Review into MCC Counter-fraud Arrangements	- The Constitution is updated periodically by the Monitoring Officer; the latest update approved by Council was in April 2025. It can be found on the Council's website. - To ensure agreed procedures and all applicable statutes are complied with, the Monitoring Officer attends full Council meetings, Cabinet and SLT. To ensure sound financial management is a key factor in decisions, the Deputy Chief Executive and Chief Officer Resources (S151 Officer) attends SLT, Cabinet and Council meetings. - In accordance with the Local Government and Housing Act, 1989, the Monitoring Officer ensures compliance with established policies, procedures, laws and regulations. After appropriate consultation, this officer will report to the full Council in respect of any proposals, decisions or omissions which could be unlawful or which have been subject of an Ombudsman Investigation resulting in a finding of maladministration. The Monitoring Officer has not issued a Section 5 report in 2024/25, or in the previous year, 2023/24. - The Councils has an Anti-Fraud, Corruption & Bribery Policy which was approved by Cabinet in January 2024. A mandatory training course for this area was launched in January 2025 with completion across all service areas being closely monitored. - Audit Wales completed a review of MCC's Counter-fraud Arrangements during 2024/25 with the final report issued in May 2025. It was determined that the Council has recently strengthened its counter-fraud arrangements but recognises there are further steps it can take. The Council will look to implement the 2 recommendations issued.	Deliver the action plan to address the recommendations from the Audit Wales Counter-fraud Arrangements review. (Action 4)

Principle B: Ensuring openness and comprehensive stakeholder engagement

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Openness Page 246	- Agendas published in advance of meetings - Minutes published following meetings - Democratic meetings live streaming on YouTube - Decision making process described in Constitution - Forward Plan published on internet showing key decisions to be made by Council and Cabinet - Annual budget consultation - Freedom of Information Scheme - Public questions at Council, Cabinet and Select Committees - Engagement with hard to reach groups, including those with the protected characteristics defined by the Equality Act 2010. As well as engagement with children and young people to meet the requirement of the United Nations Convention on the Rights of the Child (UNCRC).	- Agendas are published in advance of all meetings on the Council's website; corresponding minutes are published post meeting. - Transparency and openness are important to Monmouthshire; the Annual Statement of Accounts was considered by the Governance & Audit Committee prior to their approval. All Council decisions, reports and questions asked by Members are available on the website. Financial information, Corporate Plan progress, Council activities, achievements, developments, updates and events were included on the Council's intranet and website. All public meetings of the Council are live streamed and are available to view on the Council's YouTube channel at any time after the meeting, which provides greater transparency of the Council's business. - A forward work planner is used to identify decision making reports due to considered by Council, Cabinet and Individual Cabinet Member decision. This is also used to inform the work programme of scrutiny committees. - The Council's website contains links to 38 open data sets to promote transparency and openness. Following a decision of the First Tier Information Rights Tribunal (EA/2018/0033) the Authority no longer publishes business rates data on its	The use of the Committee Forward Work Planner will be strengthened to ensure decision making reports are included on it at the earliest opportunity to support improved democratic work planning. (Action 5)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Improvement	Future
Page 247	Publication of open data sets on the Council's website	open data web page. It will no longer disclose information about business rate accounts in response to FOI requests. - Policy and decision-making is facilitated through (i) Council and Cabinet; the meetings of which are open to the public and live streamed online except where exempt or confidential matters are being discussed, and (ii) a scheme of delegation to committees and officers as set out in the Constitution: Four Scrutiny Committees (including the statutory Public Services Scrutiny Committee) and a separate Governance & Audit Committee review, scrutinise and hold to account the performance of the Cabinet, decision-making committees and officers. A Scrutiny "Call-In" process for decisions which have been made but not yet implemented is incorporated in the Constitution in order to consider their appropriateness. - Implementing Open Government standards which enable us to effectively engage with our citizens and open up our data for anyone who needs to use it. Making the most of digitisation and digital inclusion to enable us to engage with people across our County. - The Council's strategic risk register is published.		
Engaging comprehensively with institutional stakeholders	- Gwent Public Service Board Partnership arrangements and structure - Gwent Public Service Board Well-Being Plan - Public Services Scrutiny Committee - Cardiff Capital Region	- During 2021/22 several local PSBs merged to form the Gwent Public Services Board. A Gwent wide well-being assessment has been produced, including an assessment of well-being in Monmouthshire and local communities within the county, March 2022. - In June 2023 the Council considered and approved the Gwent Public Services Board Well-being Plan. The plan had been subject to scrutiny Monmouthshire's Public Services Scrutiny Committee in March 2023. - The Monmouthshire Programme Board, chaired by a senior officer links directly to the Gwent PSB to ensure that local issues remain at the forefront of partnership delivery. There is a good alignment between the priorities of the PSB document and our own Community and Corporate Plan. The programme board did not meet during 2024/25. During this		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		time the Gwent PSB was conducting work to determine its priorities and as a result it was determined that there was no need for the Programme Board to meet The Council is a member of the Cardiff Capital Region, a regional body (Corporate Joint Committee) made up of the 10 councils across South East Wales.	
Engaging stakeholders effectively, including individual citizens and service users Page 248	- Ward role of Councillors - Consultations on the council website and social media platforms - Complaints Policy and Annual Report - Medium Term Financial Plan (MTFP) - Complaints procedure - Integrated Impact Assessment including Future Generations evaluation and Equality Impact Assessment, on decision reports - Strategic Equality Plan - Communication via Social Media - Lets Talk Monmouthshire - a designed website for customer consultations and engagement. - Completion of National Resident Survey - Support key services, such as the Contact Centre and Community Development, to be aware of current communication messages and to be able to support our residents.	- Social media e.g. X (Twitter), Instagram Facebook, LinkedIn and YouTube, are used to engage local people and communicate the corporate message. During 24/25 in excess of 2.5m reach / interactions was achieved on social media and 698k views were achieved through our Monmouthshire.gov website. - Scrutiny Committees hold a Public Open Forum on each agenda and the public can attend meetings remotely or in person. They can also submit written, audio or video representations to Scrutiny Committees and submit suggested topics for the scrutiny forward work programme via the Scrutiny Website www.monmouthshire.gov.uk/scrutiny. Chief Officers, Members and the Communications team are very proactive in engaging with the public. - Public engagement events and YouTube continued to be used for the budget proposals. The Council has encouraged the community within Monmouthshire to actively contribute to making stepped changes to improve the way in which services are provided. This links back to the principles of the Well-being of Future Generations Act which sets out five ways of working including involvement. Work continued during 24/25 to ensure the information hosted within the budget proposals consultation was as accessible as it could be and in a much more condensed version when compared to previous year. Face to face engagement sessions in the community enabled conversations to take place to inform the wider consultation process. - The Medium Term Financial Plan supports the vision for Monmouthshire and extensive public engagement continued in 2024/25 for the 2025/26 budget and Medium Term	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Page 249		Financial Plan which engaged with the public in their own community; this included website, social media, drop in sessions, Cabinet Member YouTube video and open meetings. ▪ In January 2025 Monmouthshire County Council launched 'Lets Talk Monmouthshire' - a designed platform for consultations and engagement. The focus of this platform is to enable clarity of information for residents and a single place to visit for online consultations right across the organisation, ensuring residents do not miss the opportunity to engage. It also enables a recognisable brand when engaging in face-to-face conversations within our communities. Work continues to grow this platform and encourage residents to register for regular updates, across each and every directorate. ▪ During the Autumn of 2024 the Council conducted the National Resident survey. Hosted by Data Cymru, the survey is designed to support local councils in increasing their understanding of performance and perception. A total of 1,465 responses were received and the results have been analysed to understand what respondents said about their local area, the council and their interactions with the council.	

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Improvement	Future
Defining Outcomes Page 250	- Community & Corporate Plan produced and reviewed annually in accordance with Local Government & Elections Act 2021 and 'Wellbeing Objectives' in Wellbeing of Future Generations (Wales) Act 2015 - Quarterly, six monthly & annual Performance Monitoring Reports - Corporate Plan Annual Self-Assessment Report - Public Service Board Well-being Plan annual report - Service Business Plans produced annually and reviewed quarterly by each service area. - Monthly Financial Monitoring meetings held for each service area - Risk Management Policy and Guidance - Whole Authority Strategic Risk Register - Capital Review Programme - Self-Assessment report	- The Community & Corporate Plan 2022-2028, "Taking Monmouthshire Forward" was approved by Full Council in April 2023 and sets a purpose 'To become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life'. This is underpinned by the Council's 6 objectives (fair place, green place, thriving & ambitious place, safe place, connected place and learning place) and 5 values (teamwork, openness, fairness, flexibility and kindness). - The Council's Annual Self-Assessment Report 2023/24 was presented to the Performance & Overview Scrutiny Committee, Governance and Audit Committee and was agreed by Council. The report was published on the council's website in September 2024. The 2024/25 self-assessment is being developed, this has informed and been informed by the Annual Governance Statement. - The annual self-assessment report will be complemented by a panel performance assessment once in an electoral cycle, a requirement of the Local Government & Elections Act 2021. - The Council is planning to undertake this towards the end of 2025/26. The six-month performance report on the Community and Corporate Plan was presented to Performance and Overview Scrutiny Committee and Cabinet in December 2024. - Monmouthshire County Council is a member of the Gwent PSB, where we work with other public services and the		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Improvement	Future
Page 26		voluntary sector on the delivery of the local well-being plan. This includes countywide well-being objectives that are a focus for public services. - Regular budget monitoring reports for revenue and capital were presented to and approved by Cabinet during the year and at Outturn. The budget management actions of Cabinet and senior officers are scrutinized regularly by the Performance and Overview Scrutiny Committee. - The Council has a Welsh Language Strategy for 2022 – 2027, which sets out a vision of how Welsh language will look in Monmouthshire until 2027. The Welsh Language Monitoring Report 2023/24 was presented to the Performance and Overview Scrutiny Committee in July 2024. - Objectives are supported by Service Business Plans to operationally deliver these objectives. Service plans are made available on the Council's Hub intranet site. These are quality assessed as part of the service planning process. All service plans were developed to align the delivery of the Council's Corporate Plan.		
Sustainable economic, social and environmental benefits	- Medium Term Financial Plan (MTFP) covering 3 financial years approved annually by Council - Corporate Plan - Risk management Policy and Guidance - Whole Authority Strategic Risk Register - Monmouthshire Public Service Board Well-being Plan - Future Generations Evaluation, including Equality Impact Assessment, on decision making reports - Service Business Plans produced annually and reviewed quarterly by each service area.	- The Budget Setting Process and Timetable for 2025/26 was reviewed and approved by Cabinet in October 2024. This provided a framework to underpin the 2025/26 budget and a set of principles were adopted. This report also highlighted an initial budget shortfall of £11.4 million taking into account the impact of economic situation, service demand pressures and the latest intelligence on likely funding levels. Budget recovery actions were undertaken to allow services to maintain delivery whilst addressing the in-year financial overspend that had been forecast. - The Draft Capital Budget Proposals 2025/26 were taken to Cabinet in January 2025. Final Proposals went to Cabinet before being approved by Council in March 2025. Ongoing scrutiny of the Council's budget position in line with the MTFP has provided Members with a greater understanding of the budget setting process and the pressures within individual directorates.		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Page 252	- Climate Emergency Strategy and Action Plan - Replacement Local Development Plan process	- In May 2019 Monmouthshire County Council declared a Climate Emergency. Plans are underway to meet our target to reduce council carbon emissions to zero by 2030. In November 2021, following wide community consultation, an updated and amended action plan was published. A revised Climate and Nature Emergency Strategy was considered by Cabinet in May 2024. - Between September and October 2024 the Council consulted with the public regarding the Local Nature Recovery Action Plan (NRAP) and Green Infrastructure Strategy. - The Council began the process for their Replacement Local Development Plan. A revised Delivery Agreement was agreed by Welsh Government on 25th October 2024 which sets out the amended timetable for plan preparation. - Monmouthshire County Council (MCC) consulted on its Deposit Replacement Local Development Plan, together with the supporting Integrated Sustainability Appraisal Report and Habitats Regulations Assessment between Monday 4th November and Monday 16th December 2024.	

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource input while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Determining interventions Page 253	- Corporate Plan - Scrutiny / Select Committee function - Risk management policy and guidance - Whole Authority Strategic Risk Register - Finance and Legal implications in all Council, Cabinet and Committee reports report writing template and guidance - Future Generations Evaluation (including Equality Impact Assessment) - Results of consultation exercises - Reports to Government Agencies - Enabling strategy framework	- Monmouthshire is a partner in the South East Wales Consortium Schools Causing Concern protocol. This Policy forms a part of, and is aligned with, the National Model for School Improvement in relation to the informal support and challenge provided by the Local Authority to a school prior to any issuing of a warning notice or invocation of formal powers of intervention based on the six grounds for intervention. It also aligns with the Welsh Government Guidance on Schools Causing Concern (September 2017). - Regular reporting into Cabinet, Scrutiny and Governance & Audit Committee enables the achievement of the Council's objectives to be challenged and appropriate actions put in place to address any identified issues so that the intended outcomes can be achieved. - Dealing with customer complaints helps Monmouthshire to identify and deal with failures in service delivery. The Council's corporate complaint / compliment procedure is available on the web site. During 2024/25 there were; - Stage 1 Complaints - 93 - Stage 2 Complaints - 8 - Comments - 359 - Compliments - 277	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Improvement	Future
Page 254		- A separate report containing the Ombudsman's findings in relation to complaints about Monmouthshire County Council was reported separately to both Cabinet and Governance & Audit Committee. - Consultation on budget proposals is extensive. - The Authority makes numerous annual returns to various external Governing Bodies, such as the Food Standards Agency, Drinking Water Inspectorate, Department for Levelling Up & Communities, Department for Transport, Home Office, Gambling Commission, DEFRA, Health & Safety Executive, General Registrar's Office, National Fraud Initiative and other government departments'. These allow the Council to self-assess and determine if any intervention is required within the services provided. - The Council looks to ensure that detailed and timely responses are made to both Welsh and UK Government consultations. For example, over the 2024/25 year the Council has responded to the COVID public enquiry as coordinated by the WLGA.		
Planning Interventions	- Monthly Financial Monitoring meetings for each Directorate reviews progress and authorises corrective action where necessary - Medium Term Financial Plan - Annual budget setting process in place including consultation exercise - Financial procedure rules - Senior Management Structure - Corporate Plan produced and reviewed annually in accordance with Local Government and Elections Act 2021 and 'Wellbeing Objectives' in Wellbeing of Future Generations (Wales) Act 2015 - Quarterly, six monthly & annual Performance Monitoring Reports	- The Council has established robust planning and control cycles covering strategic and operational plans, priorities and targets which is achieved through: - A timetable for producing and reviewing plans on an annual basis. - Working with a consultation and engagement strategy. - Quarterly and annual performance monitoring including achievement of national and local performance indicators. - There is robust Medium Term Financial Planning. - There is an annual budget setting process in place including an extensive consultation exercise. - Self-assessment report presented to Governance & Audit Committee and Performance & Overview Scrutiny Committee to review, scrutinise and make any recommendations for changes. - Self-assessment report agreed by Council and published in September 2024. The report provides an assessment of the Authority's performance during the year ending 31 March		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Improvement	Future
	- Annual Self-Assessment Report - Public Service Board Well-being Plan - Public Service Board Well-being Plan annual report - Service Business Plans produced annually and reviewed quarterly by each service area. - Risk Management Policy and Guidance - Whole Authority Strategic Risk Register - Reports to Government Agencies	2024, in line with requirements outlined in the Local Government and Elections (Wales) Act 2021. A Local Authority Warning Notice was issued to the Chair of Governors at Caldicot School on the 19th April 2024 in accordance with Part 2 of the School Standards and Organisation (Wales) Act 2013 and Welsh Government Statutory Guidance Document (202/2016) Schools Causing Concern. The purpose of the Warning Notice was to secure immediate improvement in the specified aspects of the School. This has been continually reviewed over the course of the year.		
Optimising achievement of intended outcomes Page 255	- Quarterly Financial Monitoring reports to Cabinet and scrutiny - Mid-Year Budget Statement to Cabinet - Medium Term Financial Plan - Budget consultation - Community & Corporate Plan - Annual Self-Assessment Report	- The Council ensures the Medium Term Financial Plan integrates and balances service priorities, affordability and other resource constraints by setting out any shortfall in resources and spending requirements in the context of service priorities. - The achievement of the Community & Corporate Plan is reviewed at least annually.		

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Developing the entity's capacity	- Performance review for all staff where required by them or their line manager - People Strategy - Quarterly financial reports to Cabinet and Scrutiny Committees - Partnership & collaborative working arrangements - Quarterly, six monthly & annual Performance Monitoring Reports - Community & Corporate Plan Annual Self-Assessment Report - Public Service Board Well-being Plan annual report - Service Business Plans produced annually and reviewed quarterly by each service area. - Thingqi Learning Management System.	- The Council's recruitment procedures provide equality of employment opportunities. The equality-assessed pay structure meets the requirements of the Single Status Agreement of 1997. The Single Status Collective Agreement was approved by Cabinet in September 2010. This is complemented by the People Strategy. The Pay Policy is approved annually by Council and is available on the MCC website. - Developing the digital capabilities of people and systems to enable effectiveness, efficiency and enhanced customer services is important within Monmouthshire and is measured via the Digital Design and Innovation Service Business Plan. A Digital and Data Strategy was agreed by Cabinet in July 2024 with the aim to outline how the Councils use of digital and data will transform and modernise services, improve efficiency and effectiveness, and support the delivery of the wider Community and Corporate Plan. - Over the course of the 2024/25 year the Council considered and developed proposals to build on existing collaborative arrangements in place for the provision of technology services	- Implement the revised senior management structure for the Council. (Action 6) - Use feedback from the implementation of the TalentLink Recruitment System to identify improvements to enhance the user experience. (Action 7)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Page 257	ResourceLink Recruitment System.	through the Shared Resource Service (SRS). In May 2025 Cabinet agreed to being the process for transitioning towards a shared service model for digital and data in collaboration with Torfaen County Borough Council and Blaenau Gwent County Borough, as part of an expanded role for the SRS. - There is continued support for Members' development through briefing sessions and other learning opportunities. - Appropriate and relevant job descriptions were in place for the Chief Executive, Strategic Leadership Team (SLT), Monitoring Officer and S151 Officer. - The Council ensures that it has appropriate governance arrangements around its collaborations with other public agencies and other third parties. These can take a range of forms, from informal arrangements to those where governance arrangements are determined through legislation. The governance arrangements form a key part of the decision making processes that the Cabinet or Council follow when deciding to enter a collaborative arrangement, transparent local accountability is a key area of focus. - A review of the Councils Senior Pay structure continued during the 2024/25 year and was concluded at a meeting of Full Council in April 2025. - The Thingi Learning Management System was launched during the 2024/25 year with a number of modules deemed as mandatory essential learning. The system continues to be developed with new training being launched. - During 2024/25 the Council implemented a new recruitment management system, TalentLink. This was designed to improve the accessibility and the ease of recruitment into Monmouthshire so that we can attract the best possible candidates for the post.	
	- Member/Officer Protocol in Constitution - Scheme of Delegation published in Constitution - Scrutiny member development programme	- There has been member led training with both senior officers and cabinet members. - There are regular 1-2-1 meetings with the Leader, Cabinet members, Chief Executive, SLT and Heads of Service. - The Constitution sets out the Scheme of Delegation which is regularly reviewed.	Roll out of a new performance appraisal system across the organisation. (Action 8)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Occupational Health and Wellbeing Policy exists with aim of promoting the health and wellbeing of all employees to enable them to achieve their full potential at work - Internal and external audit reports and action plans	The Councils Annual Appraisal process was reviewed during 2024/25 with pilot training provided to a group of senior leaders. This will be rolled out during the 2025/26 year.	

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will ensure financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Managing Risk	▪ Risk Management Policy and Guidance ▪ Whole Authority Strategic Risk Register ▪ Service Business Plans produced annually and reviewed quarterly by each service area, including service risk registers ▪ Strategic Risk Register reported to Governance & Audit Committee, Performance & Overview Scrutiny Committee and Cabinet	▪ The Council's Strategic Risk Management Policy was reviewed, updated and approved by Cabinet in June 2024. The policy requires the proactive participation of all those responsible for planning and delivering services in identifying, evaluating and managing high level strategic risks to the Council's priorities, services and major projects. The risk controls necessary to manage them are identified and monitored to ensure risk mitigation. ▪ Within the Council the purpose of risk management is to: ○ preserve and protect the Council's assets, reputation and staff. ○ aid good management of risk and support whole authority governance. ○ aid delivery of its population outcomes internally and when working with partners. ○ improve business performance and anticipated risks in delivering improvements.	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Page 260		○ avoid unnecessary liabilities, costs and failures. ○ shape procedures and responsibilities for implementation. ▪ The strategic risk assessment ensures that: ○ Strategic risks are identified and monitored by Monmouthshire. ○ Risk controls are appropriate and proportionate. ○ Senior managers and elected members systematically review the strategic risks facing the Council. ▪ The risk assessment is prepared by drawing on a wide range of evidence including service plans, performance measures, regulatory reports, progress on the previous risk assessment and the views of Scrutiny and Governance & Audit Committees. In order to mitigate the risks, proposed actions are recorded and also aligned back into the respective Service Business Plan. The risk assessment is a living document and is updated over the course of the year as new information comes to light. ▪ The strategic risk assessment was presented to the Performance & Overview Scrutiny Committee in December 2024. They scrutinised the risk assessment and responsibility holders to ensure that strategic risks have been appropriately identified and risk is being appropriately managed. An overview of the strategic risk register was also presented to Governance and Audit Committee in November 2024 to fulfil the committee's role of assessing the effectiveness of the authority's risk management arrangements. ▪ The Council's Strategic Risk Assessment for 2024/25 contained 16 risks. Following mitigation there were 7 medium risks and 9 high risks.	
Managing performance	▪ Community & Corporate Plan produced and reviewed annually ▪ Corporate Plan Annual Self-Assessment Report ▪ Service Business Plans produced annually and reviewed quarterly by each service area. ▪ Quarterly, six monthly & annual Performance Monitoring Reports	▪ Audit Wales presented the Councils ISA260 report for 2023/24 to the Governance & Audit Committee in November 2024. ▪ The Councils Self-Assessment report 2023/24 was completed in line with requirements outlined in the Local Government and Elections (Wales) Act 2021 to ensure that members and the public had a clear and transparent assessment of the Council's performance. ▪ The Authority makes numerous annual returns to various external Governing Bodies and Government Agencies, such	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Director of Social Services Annual report - Chief Officer Children & Young People Annual Report - Scrutiny function - Bi-monthly Directorate and Financial monitoring meetings	as the Food Standards Agency, Drinking Water Inspectorate, Department for Levelling Up & Communities, Department for Transport, Home Office, Gambling Commission, DEFRA, Health & Safety Executive, General Registrar's Office, National Fraud Initiative and other government departments'.	
Robust internal control Page 261	- Governance & Audit Committee provides assurance on effectiveness on internal control, risk management and governance - Governance & Audit Committee Annual Report to Council - Anti-Fraud, Bribery and Corruption Policy - Audit Wales Review into MCC Counter-fraud Arrangements - Role of Internal Audit Section - Annual Plans approved by Governance & Audit Committee - Annual Reports to Governance & Audit Committee - Annual Governance Statement - Governance Working Group	- The Governance & Audit Committee considers the effectiveness of the Council's arrangements for securing continuous improvement including risk management arrangements. The Governance & Audit Committee also considers corporate governance, monitors the work of auditors and inspectors, and monitors the relationships between auditors and staff and the responses to audit and inspection recommendations. It also has responsibility for reviewing the Annual Statement of Accounts and its associated reports (which include this statement) before approval by Council. The Governance & Audit Committee has an independent, non-political, Chairperson who prepares an annual report of the work of the Governance & Audit Committee. - Internal Audit operate to the standards set out in the 'Public Sector Internal Auditing Standards' (PSIAS) which came into effect in April 2013. During 2024/25 the team have begun implementing the Global Internal Audit Standards (GIAS) and the Code of Practice for the Governance of Internal Audit in UK Local Government which replace PSIAS in the UK Public Sector with effect from April 2025. A presentation was made to the Governance & Audit Committee regarding the new standards and their implications in October 2024. - The Internal Audit team's role and status is set out in the Council's Internal Audit Charter which has been updated to reflect the GIAS. This along with an Internal Audit Strategy and Mandate was considered and approved by the Governance & Audit Committee in June 2025. The Chief Internal Auditor reports a summary of audit findings to the Governance & Audit Committee each quarter; he also reports annually an opinion on the overall adequacy and effectiveness of the Council's	Continue to implement the Global Internal Audit Standards and complete a self-assessment of compliance. (Action 9)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement																												
Page 262		internal control environment through his Internal Audit Annual Report. - The Chief Internal Auditor continues to ensure Internal Audit complies with the PSIAS. A self-assessment was undertaken during 2024/25 to assess compliance with the Standards which was validated as 'generally compliant' in March 2024 by an external assessor. A self-assessment of the GIAS has been completed with a similar outcome and the Chief Internal Auditor is working to implement new requirements brought about by the changing of the requirements. - The Council has an objective and professional relationship with its external auditors and statutory inspectors. It manages its information resource through strategies and policies to enable effective decision making which is managed via the Information Strategy and action plan. - The Anti-Fraud, Bribery and Corruption Strategy was approved by Cabinet January 2024 and provides a deterrent, promotes detection, identifies a clear pathway for investigation and encourages prevention. Mandatory training was launched to all staff in January 2025. - The overall opinion on the adequacy of the internal control environment for 2024/25 was REASONABLE. Management agreed to implement the recommendations made in audit reports in order to address the weaknesses identified. The Internal Audit opinions issued in 2024/25 were; <table border="1"> <thead> <tr> <th>Opinion</th><th>2022-23</th><th>2023-24</th><th>2024-25</th></tr> </thead> <tbody> <tr> <td>Substantial Assurance</td><td>7</td><td>8</td><td>3</td></tr> <tr> <td>Considerable Assurance*</td><td>10</td><td>-</td><td>-</td></tr> <tr> <td>Reasonable Assurance</td><td>4</td><td>18</td><td>21</td></tr> <tr> <td>Limited Assurance</td><td>1</td><td>8</td><td>9</td></tr> <tr> <td>No Assurance</td><td>-</td><td>0</td><td>0</td></tr> <tr> <td>Total</td><td>22</td><td>34</td><td>33</td></tr> </tbody> </table> * The 'Considerable' audit opinion ceased to be used with effect from 01st April 2023.	Opinion	2022-23	2023-24	2024-25	Substantial Assurance	7	8	3	Considerable Assurance*	10	-	-	Reasonable Assurance	4	18	21	Limited Assurance	1	8	9	No Assurance	-	0	0	Total	22	34	33	
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No Assurance	-	0	0																												
Total	22	34	33																												

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		- The reasons why the outcome of an audit review was deemed to provide Limited Assurance was included within quarterly reports to the Governance & Audit Committee; assurances have been sought from respective operational managers that action will be taken to make the necessary improvements in control. - The Acting Chief Internal Auditor's overall audit opinion is based on the number of audits undertaken and their individual opinions; he was able to give an overall opinion on the adequacy of the control environment. The 2024/25 audit opinion was supported by the knowledge that there were appropriate governance, risk management and internal control assurances in place in previous years, with no significant changes.	
Managing Data Page 263	- We have established an Information Security & Technology Team across the organisation, including education - A cyber security team is in place to support, advise and train our workforce. The same team provides a cyber audit function of our ICT infrastructure and governance arrangements - The Information Governance Group with participants from each directorate - A Senior Information Risk Officer (SIRO) in place - Mandatory training in GDPR and Cyber Security, alongside comprehensive guidance and policies for all aspects of data management - Information Asset Register - Information sharing & publication guidance in place - A comprehensive EDRMS is in place	- Our comprehensive governance and security arrangements for data and information have enabled us to gain accreditation in industry standards for cyber security. - Cyber security arrangements cover cultural, physical and electronic barriers to data access and misuse. - Information governance is maintained through policies, guidelines, and training that are reported and disseminated via the Information Governance Group, headed up by the SIRO and with departmental representatives. Performance is reported to the Governance & Audit Committee, and this year our performance targets have been exceeded. - Privacy notices are published online and have been updated through the year. - Schedules are maintained of all MCC information 'line of business' systems to ensure they are fit for purpose and upgraded/replaced as needed. - Networks and forums are in place to work with the South East Wales Information Forum (SWIF) and WARP (Warning Advice and Security Point) and the NCSC (National Cyber Security Centre). - Data arrangements are audited by Audit Wales and performance reported through the Governance & Audit Committee.	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	Annual National and Local performance Indicator data collection process and internal audit arrangements	The ICT service, the SRS, are audited by the host organisation Torfaen County Borough Council, and all audits are reported through the SRS governance structures.	
Strong public financial management Page 264	- Financial procedure rules in Constitution - Contract procedure rules in Constitution - Accounting Instructions on Intranet - Spending Restrictions document on Intranet - Audit Wales Review into MCC Counter-fraud Arrangements	- The Council ensures both long term achievement of outcomes and short term performance through the delivery of the Medium Term Financial Plan. - In June 2023, the Council's Socially Responsible Procurement Strategy 2023-28 was approved by Cabinet. In July 2021 Cabinet approved the collaboration with Cardiff Council, for mutual benefit, the discharge and provision of the Council's Strategic Procurement services. - The Procurement Act 2023 became applicable from February 2025 and the Councils Contract Procedure Rules were updated accordingly and approved by the County Council in March 2025. Training with regards to the Procurement Act and revised Contract Procedure Rules is available to all staff via Thingi.	To further raise awareness of the importance of compliance with revised Contract Procedure Rules and the Procurement Act 2023. (Action 10)

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Implementing good practice in transparency Page 265	- Report writing template and guidance - Integrated Impact Assessment including Future Generations evaluation and Equality Impact Assessment, on decision reports	- The Council aims to present understandable and transparent reports for both stakeholders and the public which is supported by:- - A Report Authors Protocol which ensures consistency in reports. - A Clear Writing guide for Officers. - All reports are signed off by Chief Officers, S151 Officer and Monitoring Officer prior to publication. - Where possible exempt reports are split so that the main report can be heard in public with confidential information being a separate exempt report. - Publication of delegated decisions. - Reports are published on the website	
Implementing good practices in reporting	- Annual Statement of Accounts audited by an external auditor and approved by Council - Code of Corporate Governance based on CIPFA/SOLACE Framework 2016 - Annual Governance Statement - Corporate Plan Annual Self-Assessment Report - Service Business Plans produced annually and reviewed quarterly by each service area	Transparency and openness is important to Monmouthshire; the Annual Statement of Accounts was taken through the Governance & Audit Committee before being endorsed by Council. All public meetings of the Council, including Council, Cabinet, Select, Governance & Audit Committee, Planning Committee are live streamed on YouTube and are available to view on the Council's YouTube channel at any time after the meeting, which provides greater transparency of the Council's business.	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Audit Wales Review into MCC Counter-fraud Arrangements - Quarterly budget monitoring and Medium Term Finance Plan (MTFP) reports to Cabinet.		
Assurance and effective accountability Page 266	- External Audit provided by Audit Wales - ESTYN reviews & reports - Care Inspectorate Wales reviews & reports - Performance of Internal Audit Section monitored by Governance & Audit Committee - Implementation of Audit Wales and Internal Audit recommendations monitored by Governance & Audit Committee - Peer Review, Corporate Assessment and Corporate Governance Review action plan monitored by SLT - Annual Governance Statement - Enabling strategy framework	- The Council's enabling strategies have been revised to align to the delivery of the Community and Corporate Plan, these include the Digital and Data Strategy, People Strategy, Asset Management Strategy, Medium-term Financial Strategy and Socially Responsible Procurement Strategy as well as linking in with Service Business Plans. - A collective annual performance review of these strategies will be completed, alongside and informing the self-assessment 2024/25, and reported to Performance & Overview Scrutiny Committee in July 2025, - The Governance & Audit Committee continues to support the Internal Audit team and endorses its annual report and plan. The plan details the work and service areas the team will cover based on a risk assessment in order to provide assurance on the adequacy of the internal controls, governance arrangements and risk management process. The Governance & Audit Committee presents its Annual report to Council. - The Whole Authority Report: Complaints, Comments and Compliments 2023/24 was presented to Governance & Audit Committee in November 2024 which identified the number and types of feedback, received and dealt with, from 1 April 2023 until 31 March 2024. - Reports and plans to implement Audit Wales and Internal Audit recommendations are reported (as relevant) to Scrutiny and the Governance & Audit Committee. - All agreed recommendation and actions from Internal Audit reviews are monitored. - The Council takes note of all reports issued by External Regulators such as Audit Wales, ESTYN and Care Inspectorate Wales. Action plans are agreed and followed up.	

Progress against the Action Plan (Previous Year 2023/24)

No	Area for Improvement	Current Status
1	Review the Council's Code of Corporate Governance (Principle A)	Partially Implemented The Chief Officer Law & Governance (Monitoring Officer) has reviewed the current Code and has determined that no changes are required from a legal perspective. New CIPFA guidance issued in May 2025 will be incorporated into the review which will be subject to SLT and Member consultation / approval.
2	Review the Corporate Induction process to ensure the key messages are being delivered. (Principle A)	Implemented Corporate Induction has been kept under continual review with the Chief Internal Auditor having a regular slot to talk to new employees. This will be carried forward as a continuous improvement action.
3	Review and update the Employee Code of Conduct and Whistleblowing Policy. (Principle A)	Partially Implemented We are undertaking a review of all HR Policies in consultation with the Joint Advisory Group. Ten policies have so far been revised and approved. This policy is scheduled for January 2026. In the meantime, the Governance and Audit Committee continue to receive the annual whistleblowing report
4	Review the minute taking process to ensure accurate minutes are held of all meetings. (Principle B)	Implemented The minute taking process has been reviewed as part of the audit into democratic services and more detailed minutes are now being taken.
5	To continue to increase the number of datasets published on the council's website. (Principle B)	Implemented 38 open data sets are now published on the Council's website. Further work work is presently a low priority relative to other commitments within the Council's Digital and Data Strategy. This will remain an action for continuous improvement to further improve our transparency.
6	Deliver the action plan to address the recommendations from the Audit Wales Use of Performance Information review. (Principle B)	Implemented The action plan is being implemented and updates provided to Governance and Audit Committee as part of the 'Audit Wales Work Programme: Council Progress Update' report presented on 2 nd June 2025.
7	To ensure that the revised financial strategy is considered by scrutiny and approved by Council. (Principle C)	Implemented The revised Financial Strategy was considered by the Performance and Overview Scrutiny Committee on the 11 th July 2024 prior to approval by the County Council on the 18 th July 2024.
8	A learning management system to be implemented across the organisation to coordinate all training including for schools.	Implemented The Learning Management System was launched authority-wide in

	(Principle E)	September 2024 enabling is to target and track essential learning for all colleagues.
9	Roll out of a new performance appraisal system across the organisation. (Principle E)	Partially Implemented A new template has been developed and tested by a cross section of teams. This will improve our ability to link individuals' performance to the priorities of the organisation and improve accountability. Capacity constraints in the people services teams have slowed progress and as a result this is not yet been rolled out across the whole organisation.
10	For Cabinet to approve the Councils updated Strategic Risk Management Policy. (Principle F)	Implemented The updated policy was approved by Cabinet in June 2024 following the involvement of the Governance and Audit Committee.
11	Deliver awareness raising training sessions on the importance of compliance with revised Contract Procedure Rules and Financial Procedure Rules. (Principle F)	Partially Implemented A number of training courses have been launched via the Thingi e-Learning system over the year. • Anti-Fraud, Corruption & Bribery • Contract Procedure Rules • Financial Controls • Thingi has not been in place for a full year at time of publication and the authority has yet to achieve 100% take up of all mandatory courses

Action Plan – 2024/25 Annual Governance Statement

No	Area for Improvement	By Who	By When
1.	Continue to review all HR policies including the Employee Code of Conduct and Whistleblowing Policy. (Principle A)	Chief Officer People, Performance & Partnerships	Ongoing
2.	Review the Council's Code of Corporate Governance against new CIPFA guidance and seek approval from SLT and Members. (Principle A)	Chief Officer Law & Governance	December 2025
3.	Review the Corporate Induction process to ensure the key messages are being delivered. (Principle A)	Chief Officer People, Performance & Partnerships	December 2025
4.	Deliver the action plan to address the recommendations from the Audit Wales Counter-fraud Arrangements review. (Principle A)	Chief Internal Auditor	October 2025
5.	The use of the Committee Forward Work Planner will be strengthened to ensure decision making reports are included on it at the earliest opportunity to support improved democratic work planning. (Principle B)	Chief Officer People, Performance & Partnerships	Ongoing
6.	Implement the revised senior management structure for the Council. (Principle E)	Chief Executive	June 2025

No	Area for Improvement	By Who	By When
7.	Use feedback from the implementation of the TalentLinkLink Recruitment System to identify improvements to enhance the user experience. (Principle E)	Chief Officer People, Performance & Partnerships	September 2025
8.	Roll out of a new performance appraisal system across the organisation. (Principle E)	Chief Officer People, Performance & Partnerships	March 2026
9.	Continue to implement the Global Internal Audit Standards and complete a self-assessment of compliance. (Principle F)	Chief Internal Auditor	March 2026
10.	To further raise awareness of the importance of compliance with revised Contract Procedure Rules and the Procurement Act 2023. (Principle F)	Deputy Chief Executive & Strategic Director - Resources	December 2025

Monitoring & Evaluation

We propose over the coming year to continually review our governance arrangements to ensure they remain effective and appropriate. Steps will be taken, where appropriate, to further enhance our governance arrangements.

Certification by the Leader of the Council and the Chief Executive

Signed:

Date:

Councillor Mary Ann Brocklesby, Leader of Monmouthshire County Council

Signed:

Date:

Paul Matthews, Chief Executive



SUBJECT: Draft Self-Assessment 2024/25
MEETING: Governance and Audit Committee
DATE: 24th July 2025
DIVISION/WARDS AFFECTED: All

1 PURPOSE:

- 1.1 To provide the committee with an opportunity to review the draft Monmouthshire County Council Self-Assessment Report, in line with the requirements of the Local Government and Elections (Wales) Act 2021.

2 RECOMMENDATIONS:

- 2.1 That the committee review the draft self-assessment report 2024/25 and make any recommendations for changes to the conclusions or actions prior to the report being considered by Council in September.

3. KEY ISSUES:

- 3.1 The Self-Assessment Report is a requirement under the Local Government and Elections (Wales) Act 2021. The Act requires each local authority in Wales to keep under review the extent to which it is meeting the 'performance requirements', that is the extent to which; it is exercising its functions effectively; it is using its resources economically, efficiently and effectively and its governance is effective for securing these.
- 3.2 Under the Act, the mechanism for a council to keep its performance under review is self-assessment, with a duty to publish a report setting out the conclusions of the self-assessment once in respect of every financial year. Self-assessment is a way of evaluating, critically and honestly, the current position to make decisions on how to secure improvement for the future. It needs to be embedded across the organisation to help the council continually learn and achieve sustainable improvement and better outcomes for citizens, service users and its own workforce. The self-assessment process has been embedded as part of the council's performance management framework (appendix 1). It is important that the assessment dovetails with, but does not duplicate, the Annual Governance Statement.
- 3.3 The self-assessment report evaluates the council's performance under each of the six Well-being Objectives set out in the Community and Corporate Plan, and the programme of work that supports their delivery. The report focusses on the 'what we want to achieve' outcome statements that are each underpinned by specific actions for each objective. To support the delivery of the objectives, the council has to make sure that all of its areas are working efficiently and effectively. The report also assesses the effectiveness of the 'enabling functions' that support council services to meet changing demands and ensure their sustainability. These include corporate planning, performance and risk management, financial planning, workforce planning, procurement, asset management, digital and data.
- 3.4 Appendix 2 provides the committee with an overview of the process that was followed to complete the draft self-assessment report. This included desk-based evidence gathering to inform an initial evaluation, followed by workshops with each of the directorates and a session the Strategic Leadership Team. The assessment has been facilitated through a focus on answering three key

questions about the effectiveness of the council's arrangements: how well are we doing? how do we know? And, what and how can we do better? These informed the draft report, which is constructed around:

- How well do we understand our local context and place and has this informed our purpose and priorities? (Understanding well-being in the county)
- How well are we achieving our agreed outcomes? (How well are we achieving the outcomes set in the Community and Corporate Plan)
- How do we know? (Evidence)
- How effectively are resources being used to deliver our priorities? (Enabling functions/services)
- How effectively does the council work with stakeholders and partners on agreed outcomes? (Partnership and collaborative working)
- What could we do better? (Actions)

- 3.5 The self-assessment report demonstrates the progress the council has made in achieving its intended outcomes and identifies any further areas for development to be addressed in 2024/25. A summary of the assessment will be developed ahead of the report to Council. This will improve the accessibility of the findings.
- 3.6 Governance and Audit Committee has an important role in contributing to the self-assessment report. Committee findings have been used to inform our assessment of performance and formed a key part of our evidence base. Evidence presented to and scrutinised by the committee which informed the assessment includes, but is not limited to, the Annual Governance Statement; the Strategic Risk Register; self-assessment of performance management arrangements; and financial reports. The self-assessment report should be used to inform the committee's role of seeking assurance of the effectiveness of the council's governance and performance management arrangements. Scrutiny of the council's performance, which is contained in the report, is the remit of the Performance and Overview Scrutiny Committee, who received the report at their 15th July meeting.
- 3.7 Governance and Audit Committee are presented with a draft of this report, as per the statutory guidance under the Local Government and Elections (Wales) Act 2021 and can make any recommendations for changes to the conclusions or actions the council intends to take. If the council does not make a change recommended by Governance and Audit Committee, it must set out the recommendation and the reasons why in the final report. Further updates may be made to the report ahead of Council, where information becomes available or feedback received, ahead of the final assessment being presented to Council on the 18th September.
- 3.8 The annual self-assessment report will be complemented by a panel performance assessment once in an electoral cycle, providing an opportunity to seek external insights (other than from auditors, regulators or inspectors) on how the council is meeting the performance requirements. Monmouthshire's panel performance assessment is scheduled for February 2026.

4. RESOURCE IMPLICATIONS:

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

5. BACKGROUND PAPERS:

Local Government and Elections (Wales) Act 2021

6. AUTHORS:

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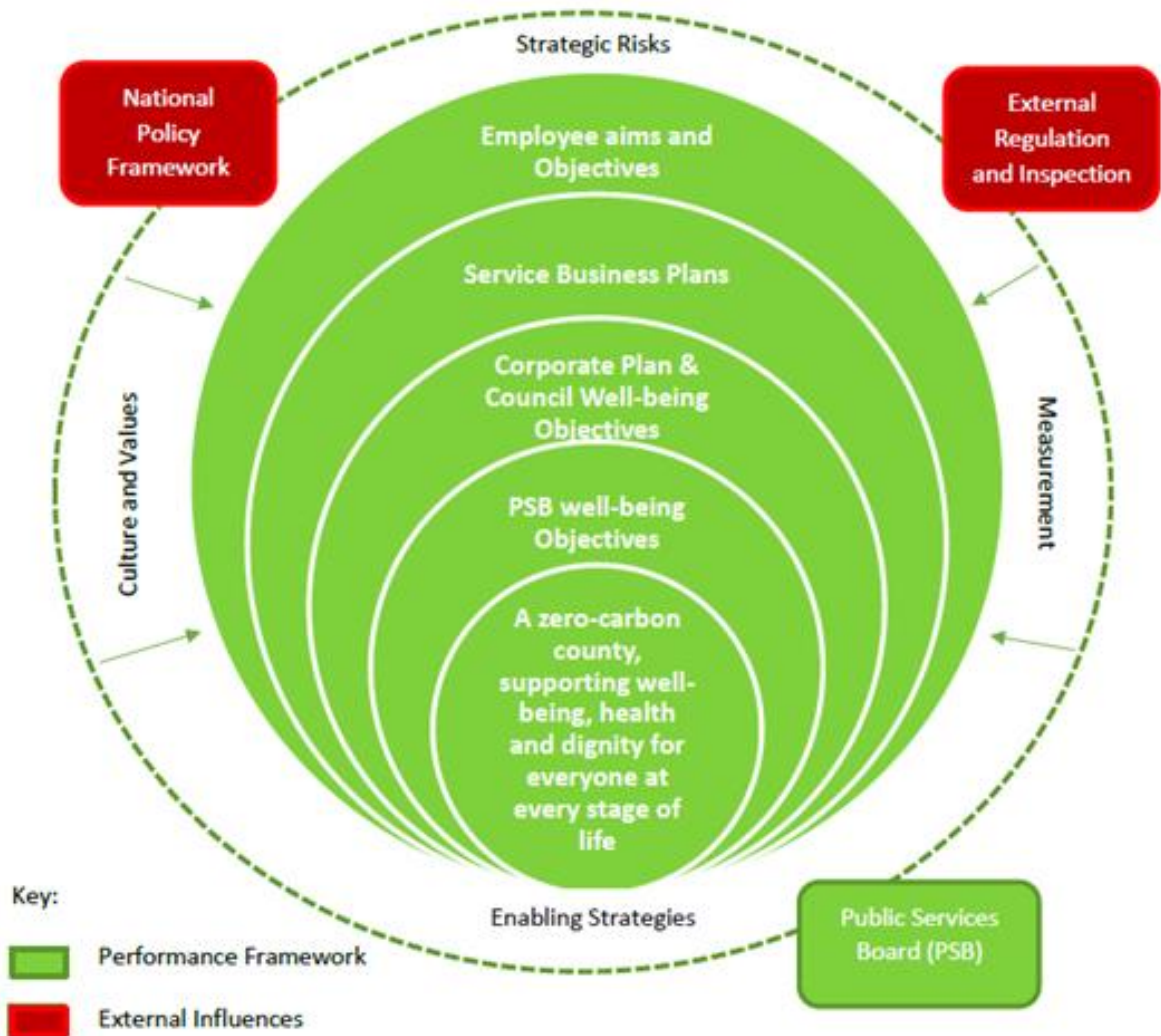
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Appendix 1

Performance Management Framework

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

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



Appendix 2 – Self-assessment process

Legislation

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

The performance and governance provisions in the Act are framed within the context of the well-being duty in the Well-being of Future Generations (Wales) Act 2015, which sets out a legally binding common purpose for public bodies to improve the social, economic, environmental and cultural well-being of Wales.

The mechanism for a council to keep its performance under review is self-assessment, with a duty to publish a report setting out the conclusions of the self-assessment once in respect of every financial year. Self-assessment will be complemented by a panel performance assessment once in an electoral cycle, providing an opportunity to seek external insights (other than from auditors, regulators or inspectors) on how the council is meeting the performance requirements.

Why

Self-assessment is a way of evaluating, critically and honestly, the current position in order to make decisions on how to secure improvement for the future. It is about the council being self-aware, understanding whether it is delivering the right outcomes, and challenging itself to continuously improve. It needs to be embedded as effective self-assessment helps the council to continually learn and achieve sustainable improvement and better outcomes for citizens, service users and its own workforce.

The WLGA have identified draft principles for self-assessment for councils to ensure that they have arrangements in place that:

- demonstrate self-awareness derived from evidence-based analysis that focuses on outcomes;
- are owned and led at a strategic level and are not an exercise in compliance;
- further develop a culture of challenge to facilitate improvement as part of an ongoing process;
- are integrated as part of the council’s corporate planning, performance and governance processes; and
- enable an organisation-wide assessment rather than an assessment of individual services.

Further developing this culture and embedding an evaluative mindset will be a key development point through the continued production of the self- assessment report.

Process

The council has developed a process to undertake self-assessment under the Act, assessing performance in the 2024/54 financial year. The main component parts of the process and timeline are:

April – May	May – June	June – July	July	September
Desk-based evidence gathering	Directorate self-assessment Workshops	Council self-assessment report drafted	Draft report to Scrutiny and Governance & Audit Committee	Self-assessment report agreed in line with council process

This timeline ensures that the self-assessment can inform and be informed by the policy direction of the council and how it uses its resources efficiently and effectively, particularly the budget setting process.

Evaluative evidence to inform the assessment has been compiled at a directorate level. Most of the evidence has been collated by using intelligence already held corporately in an insightful way; this includes, for example, the Annual Governance Statement, audit and inspection reports, and service level business plans.



The evidence gathered has been explored further, and challenged where necessary, at directorate and enabling function based self-assessment workshops, to determine if the objectives (outcomes) of the council are being achieved.

Self-assessment workshops

Directorate workshops	Enabling functions workshops
Learning, Skills & Economy	People
Social Care & Health	Asset Management
Place	Finance
Infrastructure	Procurement
Customer, Culture & Well-being	Digital & Data

The workshops were facilitated through the following questions:

- How well are we achieving our agreed outcomes? (Community & Corporate Plan objectives)
- How do we know? (Evidence)
- How effectively are resources being used to deliver our priorities? (Enablers)
- How effectively does the council work with stakeholders and partners on agreed outcomes? (Partnership working)
- What could we do better? (Actions - including a review of actions from the previous report)

The full evidence and conclusions from workshops have been collated and will be used by directorates and enabling functions to inform their services business plans.

Following the workshops, the evidence has been reviewed, further challenged, and collated into a corporate level evaluative self-assessment. This has been integrated with the council's requirement to report on the progress it has made in meeting its well-being objectives for the preceding financial year (2024/25) under the Well-being of Future Generations Act. The report is structured under these headings:

- Understanding our local place
- Outcomes (progress against our objectives in the Community and Corporate Plan):
 - How well are we achieving our agreed outcomes?
 - How do we know?
 - Areas for development
- Enabling functions
 - Corporate planning, performance and risk management
 - Financial planning
 - Workforce planning
 - Procurement
 - Assets
 - Digital & Data
 - Democracy & Scrutiny
- Our work with partners
- Our Actions (including progress against previous actions)

The self-assessment report will be scrutinised by the council's Performance and Overview Scrutiny Committee. A draft of the self-assessment report will be made available to Governance and Audit committee, who must review the draft report and make recommendations for changes to the conclusions or action the council intends to take. The self-assessment will be approved in accordance with the council's agreed processes at a meeting of full Council.

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Self-assessment Report 2024/25



Version Control

Title	Monmouthshire County Council Self-Assessment 2024/25
Purpose	To self-assess the council's goals and arrangements as required by the Local Government and Elections (Wales) Act 2021.
Owner	Chief Officer – People, Performance and Partnerships
Approved by	Draft - Not yet approved
Date	July 2025
Version Number	0.3
Status	Draft
Review Frequency	Annual
Next review date	2025
Consultation	Cabinet Strategic Leadership Team Performance and Overview Scrutiny Committee Governance and Audit Committee

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Introduction

Our ambition for Monmouthshire County Council and the people it serves is set in our Community and Corporate Plan. We want to be a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life. We will do this working with, and alongside, our communities. These are ambitious goals and it's vital that we track and evaluate our progress. We are clear about what we want to achieve, and this self-assessment is a critical tool in helping us achieve that. This will make sure we can respond to changing circumstances and opportunities and, most importantly, be held accountable for how well we are doing.

Local councils deliver a wide range of services. Some, such as roads and waste collection are universal, others such as social care are there at times of need. Many of our services act as a safety net when people are at their most vulnerable or are targeted at those experiencing disadvantage. Others, such as schools are there to help young people get the best start in life and make sure we are educating and developing the next generation of Monmouthshire residents. This evaluation cannot cover every single service. We have scrutiny committees and business plans in place to allow our councillors to hold senior officers and Cabinet members to account for those. Instead, it focuses primarily on how well we have delivered the six well-being objectives described in the Community and Corporate Plan.

Our Community and Corporate Plan – at a glance



The report also evaluates some of the key governance aspects that underpin our work such as the effectiveness of our workforce planning, use of assets and our financial management arrangements. It dovetails with the Annual Governance Statement, which is coordinated by our Chief Internal Auditor on behalf of the leadership team. It draws on audit and inspection work carried out by regulators including Audit Wales, Estyn and the Care Inspectorate Wales.

Like many public services we are facing budget pressures as a result of rising costs and increasing demands. We have made tens of millions of pounds in savings over recent years. We have had to take difficult decisions to balance our books but we always do this with the needs of communities in mind. This evaluation helps us understand the impact of the changes we make and allows us to learn from these so we can strive to continually improve what we do.

Our Self-Assessment

The Local Government and Elections (Wales) Act 2021, requires councils to keep their performance under review through self-assessment. We need to publish a report setting out the conclusions of the assessment once every financial year. This report predominantly looks back over the period from April 2024 to March 2025. It also makes reference to the cumulative effect of changes since 2022 when we began to develop our Community and Corporate Plan.

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

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

This is integrated with our annual reporting arrangements on the progress and impact we have made in meeting our well-being objectives, which is a requirement under the Well-being of Future Generations Act. Further details on the process of the self-assessment are shown in Appendix 2. We also produce a short summary of this assessment.

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



improvement@monmouthshire.gov.uk



Matthew Gatehouse, Chief Officer People, Performance and Partnerships, Monmouthshire County Council, County Hall, Usk, NP15 1GA



@MonmouthshireCC

Understanding our local place

Monmouthshire is a diverse county. As a council we need to ensure we are meeting the needs of a wide range of groups, from residents to businesses. We strive to better understand the challenges facing our residents.

The context that we operate in is complex. Having a clear and current understanding of the social, economic, environmental, and cultural well-being in Monmouthshire is essential for the council to inform its purpose and priorities.

Local place	
How well do we understand our local context and place and has this informed our purpose and priorities?	How do we know?
The council has a good understanding of the well-being of its residents. We have access to and analyse a range of statistical information including but not limited to health, income levels and the local economy. We have also conducted a residents survey. We received 1,465 responses and have analysed the results to understand what respondents said about their local area, the council and their interactions with the council. The survey is one mechanism to help us understand residents' views, alongside a range of feedback collected across services, which provides a more detailed understanding of the council's services. Some, such as social care, libraries and building control also gather feedback from user surveys. However, we recognise that we do not have a comprehensive understanding of how well services and policies are meeting the needs of the people who use them given the breadth of our responsibilities. A study by Audit Wales concluded that, like other councils, we needed to do more to understand the impact of our services on residents. We facilitated the Make Your Mark survey, which a record-breaking 3,509 young people took part in for 2025. A youth conference was held in May 2025 that allowed young people from schools across the county to unpack and dig deeper into three priority areas identified in the survey - the cost of living, mental health matters and employment and skills. This allowed young people to formulate recommendations for decision makers, public services and young people themselves to address over the coming year. We have 46 ward councillors who represent the interests of their communities and bring forward local intelligence. This is supplemented by the use of a public open forum at scrutiny meetings and Council to allow residents to raise matters of concern. We have launched 'Lets Talk Monmouthshire' as a platform for consultations and engagement. This is enabling greater clarity of information for residents and providing a single place to visit for online consultations right across the organisation, to ensure residents do not miss the opportunity to engage. We need to grow this platform and encourage residents to register for regular updates, across each and every directorate. We also consult directly when we are planning service changes or considering action in a particular area, for example, we engaged with over 1,200 people to understand how we could make our communities more age friendly.	National Resident Survey Customer Surveys Audit Wales Report - <i>Use of Performance Information: Service User Perspective and Outcomes</i> Make Your Mark survey Informational from the National Statistics Office and other sources Population Needs Assessment Gwent Well-being Assessment & Plan Community and Corporate Plan Replacement Local Development Plan Town centre masterplans

The Community and Corporate Plan sets a clear commitment to work with and alongside communities, empowering people to support each other and come up with long-term solutions.

We have engaged extensively during the production of the replacement Local Development Plan. This will shape land use in the county. It will increase opportunities for the younger people to both live and work within Monmouthshire, creating a more balanced demography and socially and economically sustainable communities. We are also working in partnership on the production of town centre masterplans.

Once every five years we also conduct an extensive well-being assessment and population needs assessment with partners across Gwent. The Gwent Public Services Board (PSB) has engaged widely in the development of the well-being assessment and plan for the area.

Our Outcomes

The Community & Corporate Plan 2022-28 contains six well-being objectives which focus on the longer-term future of the county and aims to address complex challenges, in line with the Future Generations Act.

In assessing the performance of the six objectives, we have considered the extent to which:

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

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

We have included the following icons to illustrate each objectives contribution to the Well-being of Future Generations Act goals:



Prosperous Wales



Healthier Wales



Vibrant culture and thriving Welsh language



Resilient Wales



More equal Wales



Wales of cohesive communities



Globally responsible Wales

The long-term nature of our objectives means that the effects of some activity may not be clearly demonstrable over short timescales, and some activity will only have an impact over the longer term. Informed by the evidence gathered, we have assessed progress against each of our objectives on a scale of 1-6 based on the following principles:

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

A guide showing the layout of the template we have used, and what each section means, is included as an appendix to the self-assessment.



A Fair Place to Live

What we want to achieve:

- Improved life chances for people regardless of income or background.
- Residents have better access to council services and support needed to live a healthy life.
- Citizens are able to participate in council and community decision-making and take actions which enable them to shape their own futures.

Strategic Assessment

We've been working hard to improve life chances for people irrespective of their income or background. This includes providing targeted support those experiencing disadvantage. The sort of changes we want people to experience won't happen overnight so in the meantime we've also been putting in place solutions to mitigate the effects of inequality on different groups of people.

Monmouthshire, on average, is a prosperous and affluent county. None of our communities are in the most deprived 10% in Wales. However, we have high levels of income inequality, and headline figures can mask pockets of need. We have therefore focused on providing targeted support wherever possible to mitigate the effects of inequalities. This includes programmes including Food and Fun and the expansion of Flying Start childcare to ensure children in the least affluent communities have access to foundational learning.

We have delivered our statutory duty to provide breakfast and a freshly cooked meal at lunchtime to all primary school pupils to ensure everyone has access to a healthy meal which is shown to have positive effects on health and education outcomes. Take up of this free offer has differed by area and we are working hard to address this.

We have developed a Strategic Equality Plan which sets objectives that value, and aim to make the most of, the abilities and contributions of everyone in our communities, irrespective of age, gender, race, sexual orientation or any of the other characteristics that make us who we are. We want to celebrate the diversity of our communities and make sure everyone feels welcome. We have committed to becoming a county of sanctuary for those fleeing war and persecution and will meet these individuals with compassion and understanding. We are fortunate to have excellent social capital with many community networks working to support the place they live, as shown by our high volunteering rate. We have continued to support our fantastic volunteers and supporting them to access the training they need.

Community & Corporate Plan Objective: A Fair Place to Live

A Fair Place to Live		
Fair place 	Evaluation Score:	Level 4 Good – Important strengths with some areas for improvement – the weight of evidence shows that the successes are greater than the areas that have not been achieved. We have increased the support we provide to residents to improve their life chances and enabled our communities to develop the places they live. We have set plans to deliver most of what we to achieve. Our assessment shows we need to ensure all our interventions to achieve this objective are evidence-based, targeted, clearly communicated and evaluated to assess impact.
Why we focussed on this?		
Nobody should be left behind in Monmouthshire or feel their voice does not count. Many of our residents are prosperous and very capable of looking after themselves and their loved ones. However, this is not the case for all and in a rural county inequality is often more hidden than in urban places. We will increase the intensity of our work to help those who need support to live the lives they want.		
How well are we achieving our agreed outcomes?		How do we know?
What we want to achieve: Improved life chances for people regardless of income or background		
We have worked with childcare providers to increase the number of Flying Start childcare places available. This ensures that families in disadvantaged areas can access free childcare, giving children access to key foundational learning and providing parents with the opportunity to return to work. Having a positive early years education ensures strong foundations for young people. Despite increased efforts to expand the number of childcare places, due to the closure of a nursery setting and the cancellation or suspension of the registration of some childminding settings, the number of places has reduced. We will continue to work with existing providers to develop new settings and promote a career in childcare to encourage more individuals to join the childcare workforce. We have established a new childcare setting on the site of Trellech Primary School at the end of February 2025. This purpose-built setting will allow the provider to develop their provision and ensure their sustainability. We have undertaken feasibility studies for childcare provision on the site of Archbishop Rowan Williams Primary School; a Business Justification Case will be submitted to Welsh Government in Summer 2025. The development of an additional Cylch Meithrin has not progressed as planned due to a lack of suitable accommodation. This has meant that families in Monmouth and Chepstow are unable to access childcare, including Flying Start, through the medium of Welsh. We will continue to work closely with partners to develop Welsh medium provision in these communities. We have gone above our statutory duty to provide breakfast and a freshly cooked meal at lunchtime to all primary school pupils. Healthy, free meals at school help all children to learn and thrive irrespective of their background or income. Uptake of meals remains		Number of childcare and Flying Start places Free school meals uptake Community Development Team action plan Number of meal kits distributed Community fridge usage figures

varied across schools, on average 75% of pupils received the meals in the last year. We are working with schools, parents and learners to understand and remove any barriers to take-up. We have developed a targeted tackling poverty and inequality action plan. We partnered with Citizen’s Advice, Warm Wales, local foodbanks and many others to give support, ideas and advice to residents to help with the cost of living. Increased community engagement has led to improved levels of trust, participation and collaboration with our communities. We recognise there is still more we can and will do to reach out to our communities to provide support to ensure a cohesive and joined-up approach. We secured £29k of funding from Welsh Government to support 30 Warm Spaces during 24/25. Over 700 people used these facilities providing immediate relief to those in need of support. We also distributed 100 Warm Packs to ensure no one in our community goes cold in Winter. We are working to ensure individuals in need of support can be easily identified. We have supported a local organisation to improve the data we hold to help us understand of service user needs. This will enable more responsive, targeted interventions. We are also taking part in the Local Authority Benefit Take-up Pilot which aims to identify residents who may be missing out on means-tested devolved and reserved benefits. We will use data to undertake targeted outreach campaigns to improve benefit take-up. This project is in the early stages. The Shared Benefits Team have begun the foundational work to integrate this tool into our systems. We want residents to have access to healthy meals, irrespective of their circumstances. We have distributed 360 meal kits to residents, which provided over 1,400 meals. These offered practical and dignified support, whilst also building confidence in cooking skills; 93% of participants reported a decrease in weekly food bills after getting involved. We are also a part of Monmouthshire Food Action Network helping to improve food security sharing knowledge, resources and data and providing support and advice on best practice. We have continued to support circular economy projects, including Benthylg libraries of things, which means residents can borrow or buy things that they only use occasionally. This saved residents approximately £28,028 last year. This resulted in a carbon saving of 12,402kg last year. We appointed two circular economy project enabling the development of Benthylg Caldicot which opened in December 2024. Benthylg Chepstow will be re-launched during the next year. We are continuing our commitment to wider circular economy initiatives which help people on lower incomes reduce expenditure. These include our repair cafes, swap shops, and bike repair workshops.	Carbon and monetary saving from Benthylg library of things
What we want to achieve: Residents have better access to council services and support needed to live a healthy life	
We are working with our partners in other public services to take action to reduce unfair and unjust inequalities in health. We have committed to becoming a Marmot region and recognise that the conditions in which people are born, grow, live, work and age play a major factor in their health. We are ensuring children have access to play by providing free or subsidised activities during the school holidays. We delivered free or subsidised play provision, which benefited 2,463 children this year. This includes our targeted Food & Fun programme which provides	School Holiday Play provision Food and Fun scheme National Exercise Referral Scheme take-up

two healthy meals and activities for children during the summer holidays, aiming to reduce the financial burden on families. This scheme supported 617 children throughout this year, serving 8,950 healthy meals. We have continued to help residents to improve their health and fitness levels through the National Exercise Referral Scheme. The percentage of participants who completes the scheme increased to 66% last year. Those completing the scheme reported improvements in balance, fitness levels and independence, and importantly their mental health; 75% of people reported that their general well-being had improved and that they felt happier. The positive experience of those taking part has resulted in an increase in Exercise Referral Memberships at our leisure centres from 300 in 2015 to 1,134 in 2025. We have continued to develop our relationship with the creative sector in Monmouthshire and have worked with them to identify their needs. We held our first annual celebration of the arts day at County Hall in April 2024 which showcased arts activity from across the county. The event brought together a range of artists and practitioners enabling us to understand their priorities and inform the development of our Cultural Strategy. We have not met our milestone to develop the strategy by March 2025 as we broaden our focus to ensure it is a strategy for the whole county and not just the council. We are preparing applications for new rounds of Arts Council Wales funding and have successfully secured funding from the Social Prosperity Fund to progress this work. We have developed and opened the new £2.9 million Magor and Undy Community Hub in partnership with MUCH group. The development was based on extensive involvement of the community and is designed based on residents' feedback. The site provides spaces for community use and commercial events, as well as potential for small business growth. The MUCH group now occupies and manages the community hub for the direct promotion of social, cultural, leisure, sporting and other community activities.	Draft Cultural Strategy
What we want to achieve: Citizens are able to participate in council and community decision-making and take actions which enable them to shape their own futures	
We have developed a Volunteering Good Practice Guide to ensure a high-quality volunteering experience. We have also delivered bespoke training to over 570 volunteers and community groups through our Be Community project. This is ensuring volunteers are equipped with the skills they need. Our commitment has resulted in a retention rate of active volunteers of 89.7% and 95% of volunteers who responded to our annual survey agreeing that they felt their expectations for volunteering were being met. Ensuring volunteers are supported helps to maintain the social capital which brings huge benefits to communities. We have launched 'Lets Talk Monmouthshire' as a platform for consultations and engagement. This is enabling greater clarity of information for residents and providing a single place to visit for online consultations right across the organisation, to ensure residents do not miss the opportunity to engage. We need to grow this platform and encourage residents to register for regular updates, across each and every directorate. We are committed to tackling inequality. We have made achieved the accredited Disability Confident Employer (Level 2) status. We committed to encourage local firms to become accredited disability confident employers; currently 39 local firms are Disability Committed and 7 are Disability Employers reducing the inequalities faced by disabled people in accessing employment.	Annual Volunteer Survey 'Lets Talk Monmouthshire' Disability Confident Employer action plan County of Sanctuary working group Number of staff completing a Welsh language course

Council passed a motion in September 2023 committing us to formally becoming a county of sanctuary. Progress has been slower than planned and we anticipate securing accredited status towards the end of 2025. Supporting and promoting the use of the Welsh language is vital to ensuring it's growth. We are providing opportunities for our staff to improve their Welsh language skills; 53 staff members were completing a Welsh language course during 24/25. We currently have 392 members of staff that have some level of Welsh language skills and can use these to provide a service in Welsh to residents. There has been an increase in the percentage of the Monmouthshire population who can speak Welsh from 19.7% (March 24) to 21.4% (September 24). We are continuing to work with partners to promote the use of the Welsh language in our county.	Number of staff that have a level of Welsh speaking ability
Further areas for development identified through our 2024/25 self-assessment	
Develop more childcare places, including Flying start and Welsh-medium childcare provision	

Well-being of Future Generations Act impact						
Contribution of Council goal to Future Generations Act Well-being Goals						
Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	Vibrant culture and thriving Welsh Language	Globally responsible Wales
✓		✓	✓		✓	
Well-being Objective: A Fair Place to Live     Adopting community-focussed approaches promotes collaboration which in turn will support well-being. By working with communities, empowering people and ensuring they can access support we hope to prevent problems from occurring. Opportunities are plentiful in our county, so it is vital that everyone can be involved to maximise benefits to well-being. This should have a long-term benefit to individuals and communities. Our actions will have an integrated benefit for many aspects of the act, they will promote a Wales of cohesive communities and overall, help to create a more equal Wales.						
Measures of progress						
Milestone	Target for completion		Progress			
A new poverty and inequality action plan is approved by Cabinet	December 2024		It has been agreed that a new strategy or formal tackling poverty and inequality action plan is not the preferred option. The Community Development Team have developed a targeted action plan for 2025/26.			

All four library of things are fully operational	March 2025	Currently 3 of 4 sites are fully operational. Benthg Chepstow will be relaunched during 25/26 following a closure during 24/25.			
Establish two additional cylch meithrin	First established September 2025, second established January 2027	These have not been established as planned due to a lack of suitable accommodation.			
Establish childcare settings on the sites of Archbishop Rowan Williams Primary school and Trellech Primary schools	To establish the site at Trellech by March 2025 and Archbishop Rowan Williams by January 2027	The setting at Trellech Primary School has now been completed. A business case for the site at Archbishop Rowan Williams Primary School will be submitted in Summer 2025.			
Opening of the Magor and Undy Community Hub	August 2023	This has now been completed.			
A new inclusive Cultural Strategy is approved by Cabinet	March 2025	Changes to the nature of the strategy has meant that this milestone has not yet been met. A draft document is being prepared for consultation in 25/26.			
Disability Confident Employer (Level 2) Status attained	June 2024	This has now been completed.			
County of Sanctuary Status attained	December 2024	This has not yet been achieved. A multi-agency working group has been developed to drive forward progress			
Measure	Previous¹	Latest²	Target for 2024/25	Quick View	Comment
Percentage of pupils choosing to receive universal free school meals	75	75	77	↔	
i) The financial saving to communities (£) ii) Carbon saving (Kg Co2) from items borrowed through Benthg Library of Things	New measure	i)28,028 ii)12,402	i)20,000 ii)10,000		
Percentage of people participating in sporting activities three or more times a week	42	43	45	↑	Previous is 2021/22, latest is 2022/23.
Number of children benefitting from MonLife-run free or subsidised play provisions	New measure	2,463	3,525		This is a new measure introduced for 24/25. More accurate reporting has meant a revision to figures; targets will be adjusted in line with this change.

¹ Previous data is 2023/24 unless otherwise stated.

² Latest data is 2024/25 unless otherwise stated.

Number of local employers who make the disability confident employer pledge	35	46	70	↑	Previous is November 24, latest is March 25.
Percentage of people who volunteer	32	39	40	↑	Previous is 2019/20, latest is 2022/23.
Percentage of the population who can speak Welsh	16.6	19.7	18	↑	Previous is March 23, latest is March 24.

Quick View of Trend: ↑ Improving performance; ↓ Declining Performance; ↔ Unchanged Performance
Quick View of Target: Green – Target achieved; amber – just missed the target; red – fell some way short



Green Place to Live

What we want to achieve:

- Council operations are net zero by 2030 and local communities are supported to reduce their own carbon footprint
- Nature recovery, improved environmental and river health
- Sustainable local agriculture and farming practices with public services and residents consuming more local and seasonal produce

Strategic Assessment

We are taking local action to reduce our carbon emissions and play our part in tackling global warming. We face systemic challenges reaching our ambition of achieving net zero by 2030 but independent analysis from Climate Emergency UK shows that we are making good progress.

We need to celebrate the outstanding beauty of our county and ensure we are doing all we can to protect and conserve it. We are working with partners and our communities to enhance and protect biodiversity. We have empowered local nature champions to carry out their vision for local green space. The health of our rivers has suffered in recent years with high phosphate levels in the Usk and Wye. We have worked with partners to address this. Dŵr Cymru Welsh Water are now installing phosphate stripping plants at two areas in the county to improve the health of our rivers.

Carbon emissions per head of population in Monmouthshire are above the average for the UK. Residents have made a significant contribution to the green agenda by recycling 72.18% of household waste last year - one of the highest rates in the UK.

We have refitted many of our buildings with LED lighting, solar panels and heat pumps. We have recently opened the new King Henry VII 3-19 school, a carbon neutral secondary in Abergavenny. We are also expanding our use of electric vehicles when they are suitable for the job in hand. Over time these actions are reducing energy use and carbon emissions. We have also refreshed our Climate and Nature Emergency Strategy and have separated this into four clear action plans, including a decarbonisation plan. This better reflect the breadth of work being undertaken as we strive to meet our goal.

Community & Corporate Plan Objective: A Green Place to Live

A Green Place to Live		
Green place 	Evaluation Score:	Level 3 – Strengths just outweigh weaknesses – the evidence of success marginally outweighs areas that are not on track. Some actions are behind schedule and some measures are falling short of planned targets. We are continuing to implement projects that are contributing to achieving our objective, however we will need to do more and quicker to meet our ambition. The range of work that we are undertaking is helping us to understand the scale of the challenge and the path we need to take to reach our goal. We remain ambitious in our aim of becoming net zero by 2030. However, unless there is significant public investment, the evidence that we are gathering suggests that reaching our target will be extremely challenging.
Why we focussed on this?		
We recognise the outstanding beauty of Monmouthshire. As custodians of this stunning place we need to encourage residents and visitors to enjoy it, protect it and conserve it. The natural world in all its guises is the backdrop to our tourism and visitor economy. We will work with others to promote access to our special places whilst protecting the environment, support nature recovery, reduce our carbon emissions, reduce the risk of flooding and promote the circular economy. We also recognise that these are complex issues, and it will take decades rather than years to see the full impact of the changes we are making.		
How well are we achieving our agreed outcomes?		How do we know?
What we want to achieve: Council operations are net zero by 2030 and local communities are supported to reduce their own carbon footprint		
Changes in our climate are linked to man-made greenhouse gas emissions, in particular carbon dioxide, and affect the natural environment, infrastructure, health, communities, the built environment and business. We recognise that achieving our collective target of net zero by 2030 will be challenging without significant public sector investment. The range of activity we are undertaking is helping us to better understand the scale of the challenge and target our action accordingly. We have updated our Climate and Nature Emergency Strategy. This includes an action plan showing on how we will reduce the council's carbon emissions. The Climate and Nature Emergency Steering Group is monitoring progress and using this to target future activity. The council's carbon emissions increased between 2022/23 and 2023/24 (data for 2024/25 is being collated and is not yet available). The main reasons for this increase are larger construction projects being undertaken in that period, the development of Severn View Park care home and Abergavenny 3-19 school. Whilst the construction of these buildings has increased emissions in the short term, they have been designed to ensure minimal environmental impact in the long-term, with Abergavenny school being net-zero and the new care home being far more energy efficient than its predecessor. We are currently undertaking an assessment of the carbon footprint of the council's purchased good and services; this will ensure we are targeting future carbon reduction activity in areas of spend with the highest emissions.		Climate and Nature Emergency Strategy Carbon emission reporting data Recycling and waste data Active travel route usage data Local Area Energy Plan

The emissions from the council's estate have been steadily decreasing in recent years. However, these are not at the pace needed to achieve net zero by 2030. We have commissioned and are completing decarbonisation surveys which will inform the development of our low carbon heat strategy and an action plan for our built estate. We are also developing a high-level costed decarbonisation plan, informed by this data, that will include costs for reducing operational emissions from the estate, fleet, and street lighting. This will quantify the scale of investment that is required to achieve our decarbonisation aims and will inform prioritisation of our resources based on cost and impact. A draft Local Area Energy Plan has been produced in conjunction with the Cardiff Capital Region (CCR). This outlines actions for key aspects of our energy transition locally, as well as joining up actions regionally and nationally. We have had challenges in progressing decarbonisation projects due to increased costs, complexity of delivery and accessing the specialist skills required. We have increased the capacity of our decarbonisation team which will help ensure a pipeline of ready-to-implement decarbonisation projects when funding becomes available. The emissions from our fleet and travel have increased. We are transitioning to Ultra Low Emission Vehicles at the point of renewal and where services need and funding permits. We have increased the percentage of our fleet which is ultra-low emission from 8% in 2022 to 16.5% today. We are developing a fleet transition plan. As we progress this, the electric vehicle charging infrastructure (EVCI) network across the county will need to be reviewed. We have identified potential requirements and assessed on-street charging options, with internal consultation underway, and we are using this to draft an overarching EVCI strategy. Climate Emergency UK assessed all UK councils on the actions they have taken towards net zero. While we have a range of mechanisms in place to assess our own performance the Climate Emergency UK audit is another way to gauge our progress. Our overall score from the 2025 assessment was 46% of potential targets achieved, an increase from 37% in 2023, and we are amongst the highest scoring local authorities in Wales. Our scores improved in most areas in 2025, although a couple of sections were lower than in 2023. We have increased the percentage of municipal waste in the county that was sent for recycling, reuse or composting to a provisional rate of 72.18%. This is above the statutory target of 70%. This is due to continued participation of residents with household recycling. The overall amount of waste generated per person increased from 198kg in 2022/23 to 202kg in 2023/24 and remains above the Wales average. Our score for Waste Reduction & Food in the Climate Emergency UK assessment was the highest in the UK, at 93%. We are improving and expanding our active travel network to help our communities to reduce the carbon produced from travel. We currently have over 100 active routes in place. We have utilised over £6.5m of funding to and have created or enhanced 19 Active travel routes this year, above our target of 14. We have live journey counter information to monitor the use of our network; these found a 4.1% increase in active travel usage in 24/25 compared with the previous year. We have continued to support low-income households to access grant funding to improve the energy efficiency of their homes. We are promoting the Eco4 scheme which provides funding for low-income households and those living with medical conditions worsened by damp or cold to access energy efficiency improvements.	Climate Emergency UK Assessment
What we want to achieve: Nature recovery, improved environmental and river health	

The natural world in all its guises is the backdrop to life in Monmouthshire. We need to ensure we are doing all we can to protect and conserve it. We have reviewed and updated our Climate and Nature Emergency Strategy to include a biodiversity and ecosystems resilience action plan. This sets out how we will maintain and enhance biodiversity and ecosystems resilience through the council's operations. We have created a Local Nature Recovery Action Plan (NRAP) and Green Infrastructure strategy and have undertaken a consultation to help shape the plans. We worked with Monmouthshire Local Nature Partnership to produce the local NRAP which provides a roadmap for local conservation efforts, offering practical steps to reverse biodiversity decline and strengthen ecosystem resilience across Monmouthshire. The plan aims to support everyone, from individuals and communities to businesses and conservationists. The Green Infrastructure Strategy aims to create a connected network of green spaces to improve health, support biodiversity, enhance ecosystem resilience, increase climate resilience, preserve our landscapes, and promote sustainable economic growth. We have delivered 23 Green Infrastructure nature-based projects across the county, above our target of 20, these delivered a variety of benefits including ecosystem resilience and climate change mitigation. We continue to actively participate in partnerships, including coordinating of the Monmouthshire Local Nature Partnership and roles in the Usk catchment partnership. We have supported the delivery of 25 nature recovery projects, including improvements to green spaces, purchase of machinery to facilitate meadow management, and a swift tower. We have empowered local nature champions to carry out their existing vision for local green spaces and the wider community to enhance biodiversity. We have fostered conversations with local community groups about protecting local nature and biodiversity planting and provided opportunities for primary schools and gardening volunteers to help with enhancement of green spaces outside their normal sites. The health of our rivers has suffered in recent years. Phosphate targets for the Usk were being failed at a rate of 88% and the Wye at 68%. We have worked with partners to address this, and Dŵr Cymru Welsh Water is now installing phosphate stripping plants to improve the health of our rivers. This is enabling appropriate development to be permitted within these areas where it was previously restricted and has contributed to the increase in the number of affordable homes granted planning permission. We have developed an action plan showing how we will work in partnership to improve the health of our rivers and oceans. The Climate and Nature Emergency Steering Group will monitor progress against this. With extreme weather events becoming more frequent it is important to support communities at risk of flooding. We have developed and updated emergency flood response plans for sites across the county and regularly engage with our communities through one-to-one sessions and community meetings. We have also continued to operate as the Sustainable Drainage Systems (SuDS) Approving Body to ensure all new developments in the county have a sustainable drainage system in place, eliminating an increased risk of flooding whilst also providing water quality and biodiversity benefits. We are developing a Local Flood Risk Management Strategy and action plan, which assesses flood risk on a catchment-based approach and will identify Strategic Flood Risk Areas (SFRA). We plan to consult on the strategy in the Autumn.	Nature Isn't Neat project Gwent Green Grid Partnership Biodiversity and ecosystems resilience action plan
What we want to Achieve: Sustainable local agriculture and farming practices with public services and residents consuming more local and seasonal produce	

We have created a Local Food Strategy that sets out how we will facilitate access to council land for growing food, including allocating land for community use. We have facilitated the Welsh Government's Allotment Support Grant which has supported over 130 allotment plots to be improved, created or revived across six different sites throughout Monmouthshire. We are committed to transforming our agriculture to be more regenerative and sustainable. We are supporting the Regen Ben mentoring scheme, with three farms receiving mentorship. This is helping participating farms to move their operations onto more regenerative lines, building soil health and improving water quality. The Talk Farm Regen Monmouthshire continues to attract support from volunteers in the local farming community. We have worked with local farmers as part of the Welsh Veg in Schools pilot scheme to bring more local produce into schools. This has provided pupils in ten participating schools with nutritious, local food no matter their socio-economic background. The project has also supported the development of new safety standards and new logistics. Growers are expanding their enterprises, and new farmers are diversifying into organic horticulture to participate.	Local Food Strategy Welsh Government Allotment Support Grant
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Well-being of Future Generations Act impact

Contribution of Council goal to Future Generations Act Well-being Goals

Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	Vibrant culture and thriving Welsh Language	Globally responsible Wales
	✓	✓		✓		✓

Well-being Objective: A Green Place to Live



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

Measures of progress

Milestone	Target for completion		Progress		
New climate and nature emergency strategy approved by Cabinet	May 2024		This has now been completed.		
Food strategy developed and approved	May 2024		This has now been completed.		
Increased use of seasonal and/or local produce in schools, care homes and domiciliary care	May 2026		Work with partners is ongoing to increase the use of seasonal, local produce in schools and play activities across the county.		
Measure	Previous	Latest	Target for 2024/25	Quick View	Comment
Carbon emissions (kgCO ₂ e) from the council's assets and operations ⁱ	44,248	54,859	36,000	↓	Latest figure is 2023/24, previous is for 2022/23. 2024/25 data will be included when available.
Percentage of our local authority fleet which is ultra-low emission	14	16.5	12	↑	
Capacity (MW) of renewable energy equipment installed on the Council's estate	6.598	6.722	6.7	↑	Latest figure is 2023/24, previous is for 2022/23. 2024/25 data will be included when available.
Amount (kwh) of renewable energy generated from Council installations	4,783,567	5,271,000	4,857,500	↑	Latest figure is 2023/24, previous is 2022/23. 2024/25 data will be included when available.
Number of active travel routes created or enhanced	20	19	14	↓	These reflect annual figures and are linked to the funding available each year and the size and scale of projects delivered.
Percentage of municipal waste sent for recycling, reuse or composting	71.8	72.2	70	↑	Latest is provisional 2024/25 data.

Quick View of Trend: ↑ Improving performance; ↓ Declining Performance; ↔ Unchanged Performance

Quick View of Target: Green – Target achieved; amber – just missed the target; red – fell some way short



A Thriving and Ambitious Place

What we want to achieve:

- Vibrant town centres which bring people together and attract investment
- People of all ages and backgrounds have the skills to do well in work or start their own business
- Sustainable Transport and Infrastructure

Strategic Assessment

We have delivered a range of projects that are contributing to a local diverse economy in which businesses and workers can thrive. We have been working in partnership with others, including the Cardiff Capital Region, to make this happen. Monmouthshire has a strong local economy and is well placed for growth in Welsh terms. The employment rate is higher than both the UK and Wales averages. We also have a highly qualified population, with over half of Monmouthshire's working age population qualified to level NVQ4 and above. However, the lack of higher education establishments in the county, combined with high property and rental prices, results in many young people leaving the county. We have developed an Economy, Employment and Skills Strategy which sets out how we equip young people with the skills to enter the workforce and how we will work with partners to create training and employment opportunities.

Our towns and high streets have faced many challenges in recent years. We have established placemaking partnerships in all six towns and have secured additional funding to improve commercial properties. We are committed to supporting local businesses through these challenges and promoting the creation of new business. We provided support to pre-starts and existing businesses throughout this year. It's important that we support the amenities that attract people to our towns. We have continued to make improvements to the accessibility of our visitor sites as part of our Heritage Strategy and are working to understand and address barriers to attendance.

Public transport is limited in the county. This results in an over-reliance on cars, which can be a barrier to accessing training and employment. We have developed a Local Transport Strategy which sets a clear ambition for transport infrastructure in Monmouthshire over the next five years. We have made changes to local bus services to improve connections and efficiency and expanded our active travel network. We also have allocated an additional £2M in our 2025-26 budget for infrastructure with the majority being spent on road improvements. However, like all parts of the UK we have a highways maintenance backlog that exceeds the available funding.

Community & Corporate Plan Objective: A Thriving and Ambitious Place

A Thriving and Ambitious Place		
Thriving and ambitious place 	Evaluation score:	Level 4 – Good – Important strengths with some areas for improvement – the weight of evidence shows that the successes are greater than the areas that have not been achieved. We have developed our strategies to deliver the objective. We have provided support for residents and businesses to gain new skills, develop and grow. We have delivered projects to enhance connectivity in the County. We are building from a strong economic and skills base. Our assessment shows we need to grow this base and provide targeted support and projects for people, business and places that need them most.
	Why we focussed on this?	Our starting point is a comparatively strong one. Monmouthshire has a strong local economy and is well placed for growth in Welsh terms. There is strength in a number of key sectors which are highlighted and supported at a national level. Employment rates are high, as are qualification levels. But more can be done. Monmouthshire can be more vibrant. The conditions exist to achieve this. We will work with national, regional and local partners to increase investment, improve connectivity and continue the development of an economy which is thriving, ambitious and enterprising.
How well are we achieving our agreed outcomes?		How do we know?
What we want to achieve: Vibrant town centres which bring people together and attract investment		
Attracting residents and visitors to our town centres is vital for the local economy. We are committed to ensuring that town centres remain vibrant and welcoming places that meet the needs of the local communities, businesses and visitors. We have established placemaking partnerships in all six towns in the county. Building these strong links ensures developments are informed and aligned with the needs of our communities. We have worked with partners and stakeholders to adopt Placemaking Plans in Usk and Chepstow, and are developing plans for Monmouth, Abergavenny and Magor with Undy. These plans aim to create a vibrant and sustainable future for town and village centres, informed by local residents, business and voluntary organisations. We have secured over £800k in funding from Welsh Government to drive forward town centre regeneration projects. Throughout this year we have used grant funding to provide a flexible grant scheme to enable building owners and businesses to bring vacant commercial space back into use and improve the functionality, performance and appearance of town centre buildings. 17 buildings or commercial units across the county benefitted from this grant, including the refurbishment of a previously run down building for the use of a community fridge and food club, and improvements to youth centres. A range of town centre public realm/connectivity projects have also been delivered to improve the functionality and appearance of town centres, including installation of steps and walkways to improve connectivity between towns and visitor attractions and widening of walkways to improve accessibility.		Placemaking plans Flexible grant scheme delivery and public realm improvements Tourism data

We are making improvements to our heritage sites, including their accessibility. We have launched a small grants programme to support access improvements at visitor attractions and events throughout the county. We continue to provide concessionary prices at our attractions, including for foster carers, to reduce the financial barriers to attending. Inclement weather has affected attendance at open-air spaces during this year, with 189,541 visitors to our heritage and culture sites in 2024/25, falling slightly below our target. This tourism sector is important in supporting employment and the economy in the county. We have continued to assist the sector and promote event and attractions in the county. The number of jobs supported by tourism increased from 3,356 to 3,462 in 2023. The economic impact of tourism increased to £329.8m in 2023, a 2% increase on the previous year, demonstrating that the resilience of the sector in Monmouthshire.	
What we want to achieve: People of all ages and backgrounds have the skills to do well in work or start their own business	
Monmouthshire values all of its citizens and the people who work for our businesses. In 2023 we developed an Economy, Employment and Skills Strategy. We are committed to helping people of all ages and backgrounds develop the skills needed by new and established businesses helping them to grow and thrive. We have provided support to people who want to start their own business, funded by the UK Shared Prosperity Fund (SPF). We assisted 89 pre-start and existing businesses during the year, below our target. We had a staffing vacancy that reduced our capacity to provide support in the year. We have filled this vacancy and using our new customer relationship management system to promote our services more widely to existing businesses. We have continued to provide employment support, with a specific focus on addressing skills in shortage areas. We have held successful Construction Skills Certification Scheme weekly drop-in sessions in. 70% of those enrolling completed the assessments to gain the green labourer's card, promoting career paths in the construction sector. We have addressed barriers to employment and supported 82 people to gain employment this year, above our annual target. We are running a number of projects, funded by the UK Shared Prosperity Fund, such as business coaching and advice. We are awaiting announcements regarding the future of the longer-term funding that supports this work. We have developed a new Not in Education, Employment, or Training (NEET) Prevention Strategy. The demonstrates our commitment to preventing young people ending up without education, training or employment, ensuring better outcomes and opportunities, through collaborative work with stakeholders. We have supported ten young people into employment in the year, this is fewer than our target. There is reduced capacity across the NEET prevention team and so priority is given to those most in need of support. There has been a significant increase in the number of Year 11 and Year 13 leavers not in education, employment or training; 3.1% of Year 11 leavers were NEET higher than the 1.8% in the recent years. We are analysing the reasons for this, including tracking individual journeys, and will use this information to target support with partners as part our NEET prevention strategy. The latest data shows that 55% of Monmouthshire residents are qualified to level 4 of the national framework (the highest level), compared to 45% for Wales and 48% for Great Britain. However, the ratio of jobs to population in Monmouthshire is lower than the figures for Wales and the UK as a whole. One of the reasons behind this is a shortage of the new employment sites needed to grow opportunities. We have developed a deposit replacement Local Development Plan, which has been agreed by Council for consultation, in which new employment sites are highlighted to address the shortfall. We are seeing positive signs of progress in the Monmouthshire economy, such as an improvement in our economic position as	Entrepreneur and business assistance Self-employment rate Employment support

measured by the UK Competitiveness Index, and sustained levels of people economically active: 79.9% of people in Monmouthshire are economically active which is above the rates for Wales and Great Britain.	
What we want to achieve: Sustainable Transport and Infrastructure	
Good transport and infrastructure are vital to our communities and economy, enabling access to a wide range of services and opportunities for all residents. We adopted a new Local Transport Strategy in May 2024 setting out a clear ambition for transport infrastructure in Monmouthshire over the next five years. We have been awarded up to £8.4m to implement transport projects to enhance access, safety and infrastructure. We have used the funding on community road safety training, bus infrastructure projects and road resilience projects to mitigate and adapt to the effects of climate change. We are using the largest portion of this funding on Active Travel work, including the installation of an active travel bridge in Llanfoist. As well as infrastructure improvements, we are using the funding to improve safe routes in the community and supporting public transport improvements, such as real-time interfaces. We amended bus timetables in September to ensure that public buses were a viable option for those pupils wishing to travel to school who are not eligible for free home to school transport. This has ensured a suitable and sustainable travel option for those pupils. We also utilised Welsh Government funding to increase the frequency of some public bus services to ensure a well-connected county for our residents. In March 2025, Cardiff Capital Region (CCR) opened its consultation on the draft Regional Transport Plan (RTP) to shape transport provision in Southeast Wales, aimed at unlocking opportunities, connecting people and businesses, and supporting the creation of jobs. The Regional Transport Plan includes various schemes identified within the South East Wales Transport Commission led by Lord Burns. We are focussed on ensuring the needs and ambition of Monmouthshire are included in this plan as it will be key to securing funding for the delivery of our Local Transport Strategy. If our transport schemes are not prioritised, there is a risk we may not be as successful going forward. In June 2025, the UK Government allocated £445m of resources to enable rail infrastructure improvements across Wales, this includes the delivery of the recommendations made by the South East Wales Transport Commission. The upgrades to the South Wales Mainline will increase train service frequency and the provision of five new railway stations – including Magor Walkway. We will continue to work with the Welsh Government and our neighbouring authorities to deliver the other recommendations of the Commission which includes the provision of a new link road between the M48 and the B4245 to enhance park and ride facility at Severn Tunnel Junction Railway station. A motion was passed at Monmouthshire County Council’s full council meeting, expressing concerns over the ban on Heavy Goods Vehicles (HGVs) crossing the M48 Severn Bridge. The council recognises the urgent need to address the potential impact on local business and the wider community and will be urging UK and Welsh Government to work quickly to develop new measures for the bridge. Monmouthshire is not alone in facing challenges maintaining its highways. There is a significant backlog in roads maintenance across the UK. We simply cannot afford to fund all the necessary improvements from our capital budget. These have varying levels of risk associated with them. We commission independent assessments of key highways infrastructure, and these have enabled us to prioritise maintenance expenditure in line with our maintenance strategy. We are also undertaken surveys of road and pavements to gain a further detailed understanding of their condition. Welsh	Local Transport Strategy Highway planned programme maintenance

Government's Local Government Borrowing Initiative will allow us to borrow money to fund an increased number of improvements projects. This will still not meet the identified funding gap required.	
Further areas for development identified through our 2024/25 self-assessment	
Understand the reasons for the rise in young people Not in Employment, Education or Training	

Well-being of Future Generations Act impact

Contribution of Council goal to Future Generations Act Well-being Goals						
Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	Vibrant culture and thriving Welsh Language	Globally responsible Wales
✓	✓		✓	✓	✓	✓

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Well-being Objective: A Thriving and Ambitious Place



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

Measures of progress

Milestone	Target for completion	Progress
Development of draft Placemaking Plans for Abergavenny, Magor with Undy and Monmouth	March 2025	Draft plans have been developed for each area with partners and residents and consultation undertaken in each of the local areas.
Develop Economy, Employment and Skills Strategy	February 2024	This has now been completed.
Develop and approve NEET strategy	November 2024	This has now been completed.
Local Transport Plan supporting modal shift is produced	May 2024	This has now been completed.

Measure	Previous	Latest	Target for 2024/25	Quick View	Comment
Number of NEET young people supported into employment	New measure	10	25		This is a new measure for 24/25. Targets will be assessed to ensure they reflect capacity for delivery of projects.
Number of pre-starts and existing businesses assisted during the year by the local authority and its partners	165	89	180	↓	These reflect annual figures and are linked to the funding available each year and the size and scale of projects delivered. This was fewer than targeted due a staffing vacancy reducing our capacity to provide support. The vacancy has now been filled.
Number of working age people supported into employment during the year through action by the local authority	115	82	60	↓	These reflect annual figures and are linked to the funding available each year and the size and scale of projects delivered.
Percentage of school leavers not in education, employment or training ⁱⁱ	1.8	3.1	1.5	↓	Work is underway to understand the drivers of this increase.
Percentage of care experienced young people who have completed at least three months in education, training or employment	52.5	65	60	↑	Measure amended in line with Welsh Government Performance Improvement Framework to include care leavers up to the age of 21 from 19.
Total number of visitors to our heritage & culture sites	194,700	189,541	198,000	↓	
Number of schools who reported that MonLife Heritage Learning has had a positive impact on teaching and learning in their school	10	11	10	↑	

Quick View of Trend: ↑ Improving performance; ↓ Declining Performance; ↔ Unchanged Performance

Quick View of Target: Green – Target achieved; amber – just missed the target; red – fell some way short

A Safe Place to Live



What we want to achieve:

- Increased supply of good quality affordable housing
- Reduce the number of people who become homeless
- A more energy efficient housing stock with a lower carbon footprint
- Communities in which everyone feels safe and respects each other

Strategic Assessment

We have taken action to reduce homelessness and have put plans in place to ensure the future supply of good quality, energy efficient homes. House prices here are some of the highest in Wales, with the average property costing over £320k or 8.5 times average earnings in the county. This makes it difficult for many people to buy or rent locally. That is why affordability is at the heart of our ambition in our proposed replacement Local Development Plan for our county. The delays in adopting this plan have limited the progress we have made in increasing the supply of affordable homes.

High property prices, a shortage of affordable private rented accommodation and the increasing cost of living have all contributed to a rising homelessness challenge in the county. Working collaboratively with partners we have implemented a Rapid Rehousing Transition Plan. This has increased homeless prevention. We have worked with social and private landlords and started to re-purpose our own properties to increase the availability of temporary and settled homes for homeless households which has led to reduced use of unsuitable B&B accommodation including the elimination of it to house 16 and 17 years olds and families with children.

We want everyone to feel safe in Monmouthshire. Residents have voiced concerns about safety and rates of anti-social behaviour have increased slightly. We have worked with young people to address their concerns about knife crime and anti-social behaviour and have secured funding from the Police and Crime Commissioner's Office to support this work. We have worked with the Police and partners across the region to develop a strategy aimed at preventing the most serious types of violence across Gwent.

Community & Corporate Plan Objective: A Safe Place to Live

Objective: A Safe Place to Live		
Safe place 	Evaluation Score:	Level 4 – Important strengths with some areas for improvement – the weight of evidence shows that the successes are greater than the areas that have not been achieved. We have drafted our ambition for development in the county and implemented projects and support to deliver our objective. Our assessment shows that the delay in progressing our plans has limited the impact we have made to deliver our objective in the short term.
Why we focussed on this?		
For most people, Monmouthshire is a really good place to live, but not for everyone. This needs to change. We will work with partners to create a safe place that people are proud to call home, increase the availability of good quality affordable housing, reduce homelessness and promote approaches to help homeowners to improve energy efficiency and reduce carbon emissions.		
How well are we achieving our agreed outcomes?		How do we know?
What we want to achieve: Increased supply of good quality affordable housing		
Having a safe, secure and warm place to call home is one of the most important contributors to peoples' well-being. High property prices and a limited supply of affordable housing mean this is currently out of reach for too many local people. We have granted 108 affordable homes planning permission this year, a significant increase on the 46 granted permission in 23/24. This is mainly attributed to improvements in river health permitting developments in Monmouth and Abergavenny that were previously restricted. An additional 71 affordable homes were delivered throughout this year, an increase on the 61 delivered in 23/24 and above our target of 60. We recognise that more affordable homes are need to meet need in the county and our deposit Replacement Local Development Plan aims to increase delivery. We have developed a deposit Replacement Local Development Plan (RLDP). This was endorsed by Council in October ahead of a public consultation in December 2024. This plan aims to address a number of key issues and align with the priorities of the organisation. It has allocated 50% affordable housing on each new development and is introducing enabling policies which will allow for further affordable housing developments to come forward. This includes facilitating more single person accommodation in the county which is currently extremely limited and is a factor contributing to homelessness. Council will consider the results of the consultation in Autumn 2025, following which the RLDP will be subject to public examination. We have engaged with owners of vacant properties, offering advice and support to help and encourage them to bring houses back into use. This has led to 36 applications to the Empty Homes Grant. Four owners have subsequently expressed an interest in leasing their property as temporary homeless accommodation.		Draft RLDP Applications for Empty Homes Grant Number of long-term empty homes

We have introduced more formal mechanisms to help tackle empty properties within the county. This includes a Council Tax Premium on long-term vacant properties to encourage owners to bring them back into use. Our approach has reduced the number of recorded long-term empty homes from 541 to 447.	
What we want to achieve: Reduce the number of people who become homeless	
We have seen increasing levels of homelessness in recent years, alongside this, limited temporary accommodation has meant we have been dependent on costly and unsuitable bed and breakfast accommodation to fulfil our responsibilities to citizens. We have applied a Rapid Rehousing approach and increased the resources for homeless prevention. This includes increased staffing, procedural changes and closer partnership working to support more people at risk and providing grants from the Homeless Prevention Fund to help tackle arrears/debt and enable households remain in their current accommodation or access alternatives. We remodelled our Housing Support service to include dedicated substance misuse support, temporary accommodation support and re-settlement support. This also includes dedicated support for young people with higher need through the expansion of the Housing First scheme with Pobl and the introduction of MoYo – dedicated housing floating support for young people. These initiatives have contributed to increasing the percentage of applicants successfully prevented from becoming homeless from 62% to 71%. We have identified further opportunity exists to review and refresh the current Housing Support Grant programme to increase effectiveness and we will focus on this over the next year. We are striving to provide more settled accommodation of homeless households in temporary accommodation. The number of households in temporary accommodation remains high, with 140 households in this accommodation. The focus of our RLDP on affordable housing provision will help us to address some of this need, particularly the demand for single person accommodation, of which there is a limited supply. We have also continued to engage with owners and private landlords to encourage them to make their properties available for temporary accommodation through private leasing. In order to meet more immediate demand, we have started to acquire accommodation for use as temporary accommodation. A former agricultural property has been refurbished, and approval has been given to repurpose Severn View, a former residential home, to temporary homeless accommodation with dedicated support. This will particularly help to reduce the need to use B&B accommodation. We have worked with housing associations to make more social housing available for homeless households; 55% of general needs social housing was allocated to homeless households in 24/25. We need to ensure that allocating further social housing to homeless applicants will not be detrimental to other housing need groups. The increased support for those at risk of homelessness, combined with efforts to increase availability of both temporary and settled accommodation, has contributed to a reduction in the use of bed and breakfast (B&B) accommodation from 46 people at March 2024 to 20 at March 2025. The number of 16- and 17-year-olds and the number of families in B&B accommodation was zero at March 2025. Ensuring increases in both temporary and permanent accommodation will be key to achieving our milestone of eliminating the use of B&B accommodation for households with children and young people.	Homelessness data Housing Support Grant programme Re-purposing of property

We regularly hold a Corporate Parenting Panel to coordinate and support care leavers to prevent them from becoming homeless. During the last year, eight care leavers experienced homelessness within 12 months of leaving care, an increase from five the previous year.	
What we want to achieve: A more energy efficient housing stock with a lower carbon footprint	
Tackling the climate emergency and reducing emissions is one of our priorities. Domestic properties are one of the biggest contributors to carbon emissions in Monmouthshire. The Replacement Local Development Plan (RLDP) has been subject to consultation ahead of consideration by Council in the Autumn. This will require new homes in the county to be net zero carbon. Once implemented, this will lower carbon emissions and help to reduce energy costs for residents in new homes. We have continued to support low-income households to access grant funding to improve the energy efficiency of their homes. We are promoting the Eco4 scheme which provides funding for low-income households and those living with medical conditions worsened by damp or cold to access energy efficiency improvements. During 24/25, 60 applications were processed, a significant increase on the previous year. We are working with the NHS to identify residents with respiratory or immune suppression illnesses who may benefit from the scheme. A targeted campaign is being prepared to increase take-up from those who can benefit from the scheme. We are supporting a range of further energy schemes such as Solar Together, a group-buying scheme for solar panels and Nest Scheme which provides advice and support for energy efficiency improvements.	Number of people supported to access Eco4
What we want to achieve: Communities in which everyone feels safe and respects each other	
Everyone should have the right to feel safe and have a sense of belonging in their local community. Our community safety team have worked with young people across the county to address concerns of knife crime and anti-social behaviour in the area. We secured £10k from the Police and Crime Commissioner's Office to support this work. We are also working with the charity Fearless to deliver workshops on critical issues such as county lines and knife crime at our youth centres, helping young people to navigate these challenges. Through our work we targeted 9 young people involved in ASB in Caldicot through a total of 121 sessions; this has resulted in a 23% decrease in ASB incidents in the towns where our teams are based, and 17% overall for the area. We are working to improve the relationship between young people and local police by regularly inviting police to our youth centres to engage with young people and understand what is important to them. We have continued to support young people through engagement at youth centres, providing a space to share concerns and any issues they are facing. Youth workers provide consistent emotional support, practical safety advice and made referrals to wider support organisations where necessary. We have worked with partners to develop a Gwent Serious Violence Prevention Strategy 2024/25. This has helped identify the serious violence priorities across Monmouthshire. We are now working with key partners and agencies to deliver a range of targeted interventions to address these.	Feedback from young people at youth centres Gwent Serious Violence Prevention Strategy VAWDASV strategy

We have contributed to the development of the Gwent regional violence against women and domestic sexual violence (VAWDASV) strategy. The strategy is now being implemented through partnership arrangements and will ensure that more people feel safe, and free from abuse and violence.	
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Well-being of Future Generations Act impact

Contribution of Council goal to Future Generations Act Well-being Goals						
Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	Vibrant culture and thriving Welsh Language	Globally responsible Wales
	✓		✓	✓		✓



Well-being Objective: A Safe Place to Live

It is important the council **collaborates** with partners and **integrates** with their plans to reduce homelessness and ensure people can stay in their own homes and communities wherever possible. **Involving** and working with partners and community members is essential to develop communities in which everyone feels safe and respects each other. The Replacement Local Development Plan has a focus on **long term** and has affordable housing and a well-connected net zero carbon development at its heart. A focus on **preventing** problems occurring is essential to creating a safe place that people are proud to call home.

Measures of progress

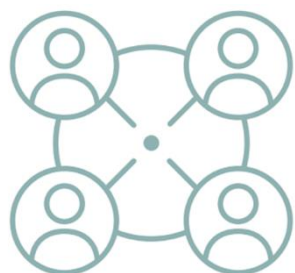
Milestone	Target for completion	Progress
Replacement Local Development Plan approved by Council	July 2025	Council will consider the results of the RLDP consultation in Autumn 2025, following which the RLDP will be subject to public examination.
The use of B&B accommodation is eliminated for households with children and young people	March 2027	There are currently 0 families in B&B accommodation, down from 9 at September 2024. Ensuring increases in both temporary and permanent accommodation will be key to achieving this milestone.
Rapid Rehousing Approach introduced	April 2023	This has now been completed. The Rapid Rehousing Approach was implemented in April 2023 and has contributed to increased focus on homeless prevention.

Measure	Previous	Latest	Target for 2024/25	Quick View	Comment
Number of affordable homes granted planning permission in year	46	108	50	↑	
Number of additional affordable homes delivered	61	71	60	↑	
Percentage of homeless applications who are successfully prevented from becoming homeless	62	71	70	↑	
Number of 16 and 17 year olds in bed and breakfast accommodation	0	0	0	↔	
Number of families in bed and breakfast accommodation	9	0	0	↑	Previous is September 2024, latest is March 2025.
Number of homeless households in bed and breakfast accommodation	46	20	40	↑	
Number of homeless households in temporary accommodation	161	140	150	↑	

Quick View of Trend: ↑ Improving performance; ↓ Declining Performance; ↔ Unchanged Performance

Quick View of Target: Green – Target achieved; amber – just missed the target; red – fell some way short

A Connected Place Where People Care



What we want to achieve:

- High quality social care which enables people to live their lives on their terms
- A healthy and active Monmouthshire where loneliness and isolation are reduced, well-being is promoted, and people are safeguarded
- A professional and passionate social care workforce

Strategic Assessment

We are changing the way we provide services to ensure that Monmouthshire is a place where people's contributions are valued, they feel part of a community and are connected to others. The council has a track record of delivering innovative approaches and rich partnership working in health and social care. Working in this way is vital to meet growing pressures on health and social care services. We have worked to speed up hospital discharge, helped vulnerable older people regain their independence, developed a longer-term strategy for domiciliary care, including reduce unmet care hours, and opened a new purpose-built specialist care home. These have increased the availability of care for those who need it now and set out our path for a longer-term strategy to meet increased demand for the future. We have also developed a recruitment and retention strategy to maintain the social care workforce we need.

Early help is vital to prevent children coming into local authority care. We have established a coordinated approach to early intervention in children's social services and overseen a gradual reduction in the number of children looked after. We are also delivering a new strategy to develop more in-county residential and supported accommodation placements. This will ensure that children can maintain local connections and much needed stability in their lives.

Healthy life expectancy in Monmouthshire is above both the average for Wales and the UK. This hides inequalities at a local level with a gap between those living in the most and least affluent parts of the county. We know that there are many factors that affect our health and well-being. For this reason, we committed to work with others across Gwent and the Institute of Health Equity to tackle these by becoming what is known as a Marmot Region. We are developing a strategy to enhance wellbeing, resilience and prevention for adult residents who are on the threshold of needing formal care and support. We have continued to deliver schemes to support people to be physically active and access nature for the well-being benefits it brings.

Community & Corporate Plan Objective: A Connected Place Where People Care

A Connected Place Where People Care		
Connected place 	Evaluation Score:	Level 4 – Good – Important strengths with some areas for improvement – the weight of evidence shows that the successes are greater than the areas that have not been achieved. We have increased access to care and support in the county and provided services to support health and well-being of residents. Our evidence shows we are supporting higher levels and greater complexity of demand. Resourcing the preventive approaches required while meeting existing demand is a challenge to the delivery of our objective.
Why we focussed on this?		
Monmouthshire will be a place where people's contributions are valued, they feel part of a community and are connected to others. The health and social care system is facing significant challenges, and statutory services across the UK are struggling to cope with the volume and complexity of demand. Monmouthshire has a track record of delivering innovative approaches and rich partnership working. We recognise that well-being is about far more than treating people when they get sick. There are many factors that can affect our health including the environment, housing, what we do for work, how much we earn, our lifestyles, transport and community cohesion. These wider determinants of health, sometimes called the social determinants, can affect physical and mental health in either a positive or negative way.		
How well are we achieving our agreed outcomes?		How do we know?
What we want to achieve: High quality social care which enables people to live their lives on their terms		
Early help is vital to prevent children coming into care. We have established a coordinated approach to early intervention and prevention in Children's Social Services. Demand for these services is high; we have maintained low waiting times by building capacity through group work and supporting student placements. This ensures that families get the help they need in a timely way and supports good outcomes for children. Evaluation and feedback of family support services indicates clear and positive outcomes for families. 100% of families continue to report a positive outcome following a Building Stronger Families team intervention. A significant amount of our prevention work is grant funded which could impact on our ability to deliver these services if the funding is altered or removed. We continue to review demand and work with partners to provide accessible and coordinated early help support. Early help services are the foundation for our long-term strategy to prevent and reduce the need for children to come into care. We are focussed on preventative family support throughout children's social care, from first referral to complex cases. We have seen an ongoing gradual reduction of children looked after from 209 in April 2022 to 190 in March 2025. Due to the demand and complexity of presenting issues there remains a shortage of suitable placements for children requiring support particularly locally, and especially those who need additional support or who are not able to be placed with foster carers. We have developed our foster care offer and a placement development strategy to address this. We have analysed demand and set a strategy to develop children's residential and 16+ supported accommodation placements within the county. This sets out how we will support the transition to not-for-profit care for children in Wales and respond to the associated risks and challenges. We have completed one project providing aged 16+ supported accommodation for five		Early help service evaluations Placement Development Strategy Children Social care performance data Hospital discharge monitoring information Reablement service performance information

placements and are developing a further three projects, two children’s residential homes and one further aged 16+ supported accommodation. This will improve availability or placements and help to ensure children and young people can remain close to their communities. The recruitment and retention of foster carers remains a significant challenge across Wales and the rest of the UK. We have an unfailing commitment to the recruitment and retention of in-house foster carers. Our fostering strategy has helped the us a achieve a small increase in fostering households and whilst our foster carer retention is generally good; we have an aging population of foster carers, and it is likely that some of our fostering households will retire in the next few years. Overall, the total number of Local Authority foster carers has not increased sufficiently to meet our needs. We still have a reliance on commissioning “for profit” foster placements for children from independent fostering agencies. As of March 2025, 35.8% of placements of children looked after were made with in-house foster carers. We have reviewed the foster care offer to Monmouthshire carers to support recruitment and agreed a case for investment in generic in-house foster carers. This includes increasing the fees paid to Monmouthshire (in-house) foster carers, this aims to support the recruitment and retention of foster carer to improve placement sufficiency. This will improve outcomes for children who are looked after and reduce costs. We are supporting an ageing population. This is the prime driver for increased demand in adults' social care. The proportion of residents aged 65 and over is expected to increase to 33.6% by 2043, compared to 25.7% across Wales. We have been implementing a renewed focus on assessment and review of care and support needs for adults requiring social care support to ensure residents receive the right support to meet their outcomes. This includes increasing the number of people accessing the opportunities that reablement provides, supporting people to relearn how to do daily activities and to reduce their need for further support, as opposed to providing long term care. Over time this should help to mitigate demand pressures. We have provided 309 packages of reablement in 2024/25, with 55.7% of these mitigating the need for further support. We are continuing to focus on the consistency in application of assessment and support provided at the front door of Adult’s social care to make sure people receive the most appropriate information, advice and assistance they need. We are increasing the use of assistive technology within care and support planning. The Assistive Tech service is supporting 1017 clients and provided 310 installations in 2024/25, this has provided a range of technology that helps support someone to live independently at home for longer. We want to ensure care is available for adults who require it. We have developed and are implementing a long-term strategy for commissioned domiciliary care. This supports place-based care and the provider market. At the same time this ensures that wherever possible our in-house provision is supported for reablement, utilising our expertise to support residents to retain independence. Due to a combination of our activities and external factors resulting in the demand and market for care at home stabilising across the region we have increased capacity across home care and significantly reduced the number of unmet care hours from 804 in March 2023 to 132 hours in March 2025, with 98.2% of hours of long-term domiciliary care now being fulfilled. This has improved access to care and support for those who need it. Our continued focus is on ensuring we have capacity and support available to review and assess care requirements to provide support that meets needs with the right services, allowing choice and consistency including the provision of reablement to try to reduce further needs. We have seen a gradual reduction over the year in the number of adults in receipt of home care, from 535 in April 2024 to 475 in March 2025, and an increase in the number of adults in receipt of residential care over the same period, from 319 in April 2024 to 357 in March 2025. The increasing need for residential care is a trend nationally, in Monmouthshire this increased demand is mainly due to an ageing population and increasingly complex	Care Inspectorate Wales Improvement Inspection of Adults services Adults Social care performance information Strategy for commissioned domiciliary care
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needs requiring increased support. Feedback from adults' social care services users shows continued high levels of satisfaction with their care and support; 84.7% of adults were happy in 2024/25, the same as the previous year. There remain challenges to responding to all people's care and support needs in as timely a manner as we would want due to continuing pressure across the social care and health system and the complexity of people's support needs has resulted in increased costs needing to be met from our Adults' Social Care budget. We are developing new provision and the way we provide care and support to meet this demand. We opened Severn View Park, a specialist care home for people living with dementia in March 2024. The home provides 32 bedrooms for both long-term support and short-term support in the form of respite based on a relationship-centred care model. The new care home aims to maintain connections with the surrounding community. We continue to work with partners in both primary and secondary health to prevent unnecessary admissions to hospital and support timely discharges. Ensuring well-coordinated and timely discharges and managing the pressure within the hospital system remains challenging. We convene weekly multi-disciplinary meetings to identify and unblock delays when they arise. The number of patients awaiting discharge varies during the year, in March 2025, 26 patients were awaiting discharge for social care reason. The main reasons for these delays include, waiting for assessment and capacity in care homes and domiciliary care. We continue to develop and embed our practice, working in an integrated way with acute and community settings and with multi-disciplinary teams to support hospital discharge. An Audit Wales report reviewing the arrangements to support effective flow out of hospital in the Gwent Region sets out several recommendations for both the health board and local authority to respond to and a collective response to address these has been developed. A Care Inspectorate Wales inspection improvement check of adult social services found key strengths in our establishment of a place-based approach and implementation of the commissioning strategy, the improved availability of domiciliary care development, reablement approaches reducing or mitigating the need for ongoing support. Areas requiring further development identified include the need for improvement in risk identification, staff engagement and communication and support for carers. We have developed a response to address the areas for improvement identified.	
What we want to achieve: A healthy and active Monmouthshire where loneliness and isolation are reduced, well-being is promoted, and people are safeguarded	
We recognise that well-being is about far more than treating people when they need support, there are many factors that can have an impact on our health including the environment, housing, what we do for work, how much we earn, our lifestyles, transport and community cohesion. These wider determinants of health, sometimes called the social determinants, can impact in either a positive or negative way on physical and mental health. We are committed to work with others across Gwent and the Institute of Health Equity to tackle these by becoming what is known as a Marmot Region. We are also developing a strategy focussed on enhancing wellbeing, resilience and prevention for adult residents who are on the threshold of needing formal (statutory) care and support. This will aim to coordinate our own council activity and work with partners to facilitate healthier lifestyles and build individual and community resilience so that residents, especially our more deprived residents, are enabled to live healthier and independently for longer – boosting their wellbeing as well as delaying or reducing their call on statutory services.	Youth Service provision Carers and Young Carers service Strategy for enhanced wellbeing, resilience and prevention

We are helping residents to live healthier and more fulfilled lives through improved access to outdoor opportunities. In total 41 schools, volunteers, local interest groups and partners have been involved in nature-based health and wellbeing projects and initiatives across the county, providing participants with increased access to nature to support well-being. We have supported young peoples' mental health and wellbeing across the county through the youth service Shift project. We have expanded the offer with a focussed grant funded programme called Emotional Logic. 90% of young people engaged in the project reported an improvement in their mental health/emotional well-being, exceeding the target of 85%. We have commissioned carers services, provided information and advice and offered a range of free events and activities to support carers and young carers' needs. We have focussed on re-shaping information we provide to carers, informed by feedback from the young carers and carers strategy group. This feedback is informing the redevelopment of our website, a revised carers handbook and improved signposting to other organisations with specific expertise and knowledge. We provide 1,028 adult carers on our database with advice and assistance through our biannual carer newsletter and discounted leisure offer. Similarly, 136 young carers are registered with the Young Carers Service and are provided with more targeted support. We are focussed on improving our engagement with our young carers on the support we provide. This feedback will also inform how we develop our assessments of carers needs. We undertake carers needs assessments to ensure that carers needs are understood in their own right. There is increasing demand for support, and carers awaiting a needs assessment has increased from 8 in 2023/24 to 23 in the same period in 2024/25, with a vacancy in the carers team reducing our capacity to undertake assessments. We are developing clearer information about a carer needs assessment to ensure all age unpaid carers are correctly supported by the appropriate agencies at the right time.	
What we want to achieve: A professional and passionate social care workforce	
We have developed our workforce planning arrangements. We have focussed our social care workforce development on addressing areas where there is high demand and recruiting to essential posts to meet the care needs of our residents. Recruitment is focussed on demonstrating the opportunities, career progression, work life balance and job satisfaction that people experience who work within the sector. Generally, the workforce in social care remains stable, the number of vacancies across social care was 26 in March 2025 compared to 23 vacancies in March 2024. The attraction and recruitment of people into the social care sector, particularly in some roles, continues to be a challenge. We have also undertaken a training needs analysis and used this to develop training plans focussing on professional development and practice. We have delivered a range of activities and support working with care providers and our partners. For example, we have developed a micro-care project to increase the availability of care in the county. The project supports self-employed carers to develop their businesses as well as providing the opportunity for greater oversight and governance of self-employed care workers operating within Monmouthshire. The number of micro-carers is steadily increasing. The number of carers has grown, with 59 carers registered (an increase from 24 previously). Micro-carers are delivering around 900 hours of care and support each week supporting Monmouthshire residents in their local community.	Social care workforce recruitment and retention data Micro-care project Fees for care providers

We have allocated additional funding to pay fees for care providers to increase the placements available for people who require care. We have provided an additional £2.7 million in last year's budget for care provider fees across Children's and Adults' social care. This ensures that providers can continue to pay the real living wage to attract and retain key staff to meet increasing demand. We need to ensure our fee rate remains a viable and attractive option for care providers. We have allocated an additional £3.2 million to cover an expected increase in fees following the review of care provider fees across Children's and Adults' social care as part of the yearly fee negotiations. This aims to ensure that residents can choose the best support for them.

Well-being of Future Generations Act impact

Contribution of Council goal to Future Generations Act Well-being Goals						
Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	Vibrant culture and thriving Welsh Language	Globally responsible Wales
		✓	✓	✓		

Well-being Objective: A Connected Place Where People Care



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

Measures of progress

Milestone	Target for completion	Progress
Development of a young persons' Placement Development Strategy	April 2024	This has now been completed.
Approval of a commissioning strategy to support a sustainable domiciliary care sector	May 2024	This has now been completed.

Measure	Previous Period	Latest Period	Target for 2024/25	Quick View	Comment
The percentage of packages of reablement completed during the year that mitigated the need for support / positive outcome from reablement	55.3	55.7	60	↑	
Percentage of adult service users who are happy with the care and support they have had	84.6	84.7	90	↑	
Percentage of hours of long-term domiciliary care fulfilled	96.6	98.2	96	↑	
Percentage of families reporting a positive outcome following a building stronger families team intervention	100	100	90	↔	
Percentage of adult service users who have had the right information or advice when they needed it	77.6	78.0	80	↑	
Percentage of placements of children who are looked after by the local authority made with in-house foster carers	36.5	35.8	43	↓	As at Census date
Percentage of young people engaged in the youth service Swift project who perceive an improvement in their mental health / emotional well-being	84	90	85	↑	
Number of schools, volunteers, local interest groups and partners involved in nature-based health and wellbeing projects and initiatives across the county	New Measure	41	30		

Quick View of Trend: ↑ Improving performance; ↓ Declining Performance; ↔ Unchanged Performance

Quick View of Target: Green – Target achieved; amber – just missed the target; red – fell some way short

A Learning Place



What we want to achieve:

- Improved school attendance and reduced levels of exclusion which remove barriers to learning for vulnerable pupils
- The benefits of the new curriculum in Wales are maximised through excellent teaching and learning
- A truly inclusive educational system that recognises learners' starting points, strengths and educational needs
- Continue our programme of school modernisation

Strategic Assessment

We are working hard to ensure that Monmouthshire is a place where everybody experiences the best possible start in life and has the opportunity to learn, developing the skills and knowledge to reach their potential. The pandemic caused significant disruption to the education of our pupils. We are still seeing the consequences of this today. School attendance has declined since the pandemic. Our Education Welfare Officers have worked with vulnerable learners and we have a specific programme targeted at those with very low attendance levels.

We are seeing an increase in need for mental health and emotional well-being support for children and young people. There has been a rise in behaviours that challenge in our schools, with permanent exclusions becoming more common. This has required us to evolve and grow the learning and well-being support for our children and young people. We have restructured our education inclusion service and have worked with all schools with targeted training and support.

We provide monitoring and evaluation of teaching and learning. Learners in our secondary schools achieve higher results than elsewhere in Wales. Our disadvantaged learners attain in line with their modelled outcomes, although continue to experience lower attainment than those less disadvantaged. We have developed targeted support for these learners from education advisors and the wider community focussed schools approach. This is aimed at ensuring all pupils can succeed irrespective of their socio-economic background.

The environment children and young people learn in is important to their development and well-being. We have built a new 3-19 school in Abergavenny, and we have also developed plans and secured funding to increase our Welsh medium provision.

Community & Corporate Plan Objective: A Learning Place

A Learning Place		
Learning place 	Evaluation Score:	Level: 4 – Good – Important strengths with some areas for improvement – the weight of evidence shows that the successes are greater than the areas that have not been achieved We have developed our approaches and increased our support to schools and pupils to achieve our objective. Our evidence shows the demand and complexity of support children and young people require, particularly vulnerable learner, has grown. Our assessment identifies the need to further adjust, develop and target our support to achieve our objective.
	Why we focussed on this?	Monmouthshire will be a place where everybody experiences the best possible start in life and has the opportunity to learn, developing the skills and knowledge they will need to reach their potential. The pandemic has had a substantial effect on schools and pupils. The two years of uncertainty and significant disruption to learning have inevitably left a legacy. Before the pandemic we knew that our disadvantaged learners did not achieve the outcomes we would wish. The pandemic has worsened the learning experiences of many vulnerable students such as those eligible for free school meals. The emotional and mental well-being of pupils was often affected, with many experiencing increased uncertainty, anxiety and loneliness. In line with our guiding principles, it is vital that we develop more opportunities to listen and learn from our pupils and students. Since schools have reopened the education system in Wales has continued to evolve with reforms and developments including the new curriculum for Wales and the introduction of a new Additional Learning Needs Act.
How well are we achieving our agreed outcomes?		How do we know?
What we want to achieve: Improved school attendance and reduced levels of exclusion which remove barriers to learning for vulnerable pupils		
We recognise that being around teachers and friends in school is the best way for pupils to learn and reach their potential. Being in school can also support pupils' wellbeing, and wider development. We continue to work with our schools to support pupils to attend. Lower attendance levels in our schools remains a challenge since the pandemic and continues to be a national issue. We have dedicated education welfare officers who are working with vulnerable pupils to bring them back into the educational setting, where possible, and are holding attendance consultations with schools regularly to promote attendance and provide bespoke support to families. We have updated our attendance policies to strengthen systems and processes to improve and sustain high levels of attendance in line with new Welsh Government guidance. As a result, overall attendance has increased during the academic year 2024/25. There has been a gradual increase in attendance in our primary schools, at the end of the academic year 2023/24 attendance was 93.6%; provisional data shows attendance was 94.1% in the summer term 2024/25. Attendance in secondary schools remains lower and has been slower to increase, attendance was 88.2% in the academic year 2023/24, provisional attendance was 90.1% by summer term 2024/25. Attendance for those eligible for free school meals (eFSM) remains lower and we continue our work to improve attendance for these pupils to return the school environment to support their well-being and educational attainment. Pupils eFSM attendance in primary schools was slightly lower in the academic year 2023/24 at 89.0%, and significantly lower in secondary schools at 75.8%; provisional data shows attendance was 89.3% in primary school and		Education Welfare Service School Attendance School Exclusions Whole school approach to emotional and mental well-being Trauma Informed Schools Training

79.8% in secondary school in the summer term 2024/25. This means we will need continue to focus on our work to securing improvements in attendance for these pupils to ensure no pupil is left behind and all can achieve their potential.

There has been an increase in episodes of behaviours that challenge in schools as a result of the continuation of trends that first emerged during the pandemic. This is a national challenge and is an issue that poses a challenge for schools, staff, and learners. There is a risk that this will also result in a worsening of educational attainment. We have continued to develop and evolve our support to reduce and prevent behaviour that challenges. We continue to try to further understand the reasons for this behaviour and implement support for learners' wellbeing. We have implemented the whole school approach to emotional and mental well-being. This helps schools to understand how they are best placed to promote well-being. We have introduced this in a phased approach and increased the number of schools engaged in the approach from 74% to 88.2%. All schools and settings are engaged with Emotional Literacy Support Assistants (ELSAs), and we currently have 78 practicing ELSAs, at least one in each of our schools, who access regular supervision making a positive impact on the emotional literacy of pupils.

We continue to be committed to our trauma informed practice which form part of a universal, whole-school, preventative approach, which continues to be led by the Educational Psychology Service (EPS). We have developed a Monmouthshire specific Trauma-Informed Professional Learning programme in collaboration with Traumatic Stress Wales (TSW) and Adverse Childhood Experiences (ACEs) Hub Wales. This aligns with the Trauma-Informed Wales Framework. This approach focuses on understanding children/young people presenting with behaviours of concern and raising the awareness and capacity of adults supporting vulnerable pupils. Currently 79% of schools (27 of 34) are engaged in professional learning related to Emotionally Based School Avoidance (EBSA); Trauma Informed Approaches; and Autism.

The continued work of the Vulnerable Learner Lead and increased capacity within the Inclusion Service is supporting more focus on managing exclusions, this includes an increased focus on the role of critical friend to schools where the use of exclusion is of concern. The number of permanent exclusions from schools was high at 22 in the last academic year. This year to date 20 permanent exclusions have been issued but none of these have been upheld at Pupil Discipline Committees (PDC). This is due to the improved operation and effectiveness of the Inclusion Panel to consider acceptable alternatives to permanent exclusion where the threshold is met. This has enabled the Inclusion Service to work with schools and other agencies, to offer viable and suitably risk-managed alternatives. The number of fixed term exclusions also increased in the last academic year and remain high. The high levels of exclusions have increased the pressure on the Pupil Referral Service (PRS) to support pupils who have been excluded, and those at risk of exclusion. Our investment in new accommodation and enhanced leadership is improving capacity to support pupils in the PRS.

What we want to achieve: The benefits of the new curriculum in Wales are maximised through excellent teaching and learning

We need to support all learners to secure the necessary skills and knowledge that we would expect them to have at the relevant point in their education. Schools in Monmouthshire are embracing the new curriculum. Through our regular monitoring and Estyn inspections, we know that overall, many schools are making good progress in developing a broad, balanced and purposeful curriculum that reflects the context of the school and meets pupils' needs well. Nearly all schools have aligned their curriculum with the principles of the Curriculum for Wales and most have a clear vision for the curriculum. They have carefully designed their curriculum to promote pupils' moral, social and cultural development effectively. Teachers plan worthwhile learning experiences that support all pupils to develop and transfer their knowledge and skills to other areas of the curriculum. Where this is most successful, teachers provide a range of engaging, exciting and inclusive learning experiences that meet the pupils'

Estyn Inspection reports

Attainment data

School Development Plans (SDPs)

interests and develop pupils’ knowledge, skills and experience progressively. Schools continue to refine and adapt their curriculum to reflect pupil’s interests and the changing context of the school. Between April 2024 and the end of March 2025, Estyn inspected six primary schools and two secondary schools.

Our focus remains on supporting excellent teaching and learning. We have worked with the Education Achievement Service to provide challenge, monitoring and evaluation of teaching and learning in schools. All schools are provided with a bespoke support package that complements the priorities identified within their own School Development Plans (SDPs), in line with the levels of support they require.

The results of learners in our secondary schools are higher than elsewhere in Wales. On average, the capped 9 points score was 369.8 in Monmouthshire in 2024, compared to 358.1 across Wales. Most of our pupils performed in line with their expectations; overall, two schools in Monmouthshire were above Welsh Government modelled capped 9 outcomes, and two below. Breaking groups of learners in each individual school into ‘thirds’ compared with modelled outcome shows that all schools are above expectation for the highest and middle achieving thirds. In the lowest third two schools are well above expectation, but two are below, one significantly (the equivalent of half a GCSE grade per learner, per subject). This suggests a need for targeted intervention to support lower-attaining learners. Overall, 27.5% of pupils across Monmouthshire are achieving 5 or more GCSE at levels A*-A in 2024, compared with 18.1% for Wales. We also have fewer pupils leaving school with no qualifications, at 1.1%, although higher than 0.8% in 2024, compared with 1.8% of pupils across Wales. Adjustments in examinations means direct comparison with the previous year's outcomes has not been provided.

When schools evaluate their own performance, they assess this against similar schools. This is a more informative and detailed assessment of attainment and wider progress, given the varying make up and individual plans of schools, than comparing against Wales averages. When comparing our comprehensive schools with those of similar size and linguistic delivery across Wales, two schools outperform schools in almost every category (including capped 9, literacy, numeracy, science, Welsh Baccalaureate, 5+ A*-A, expect one school for no qualifications). One of our schools underperforms in some categories and one in more categories compared to similar schools. We continue to support our schools to raise attainment levels beyond expected levels to levels where they and we want attainment to be.

We have an agreed Welsh in Education Strategic Plan that sets our strategic direction for the planning, delivery, and growth of Welsh medium education in Monmouthshire over the next ten years. We are mainly on target with delivering the plan, in line with point we want to be in the plan. We are working with childcare providers to expand the availability of Welsh medium childcare provision. The development of an additional Cylch Meithrin has not progressed as planned which has limited access to childcare, through the medium of Welsh. We opened a new Welsh-medium primary school to serve both Monmouth and the surrounding towns and villages, Ysgol Gymraeg Trefynwy, in September 2024, uptake of places at schools has been positive and from September the school will welcome pupils from nursery age to Year 3 pupils. We have established an immersion class at Ysgol Y Ffin and have secured funding to establish a second class in Y Fenni to enable pupils from year 3 and upwards to transfer into Welsh-medium education, and in doing so support an increased demand when the school moves to a new site in September 2025. The current number of Reception learners in Welsh medium schools is 57, which is 64% of our 2031 target.

Arrangements to develop and track linguistic progression within Monmouthshire schools and at transition from Year 6 to Year 7 has strengthened significantly during the year through bespoke support from the EAS. The number of children transitioning from a Welsh language primary school

Welsh in Education
Strategic Plan

into a Welsh language secondary school in the summer of 2024 was 22 and below our expectation. We will continue to implement our plan to increase Welsh medium education in the county.	
What we want to achieve: A truly inclusive educational system that recognises learners' starting points, strengths and educational needs	
Over the past three years, schools have seen a consistent increase in the number of learners eligible for free school meals (eFSM), ranging between 5% to 48% (with an average of 18%). We need to support learners who are eligible for Free School Meals (eFSM) or who are experiencing the impact of poverty, and those learners with Additional Learning Needs (ALN) throughout our provision. We have worked with the Education Achievement Service (EAS) to provide challenge, monitoring and evaluation of teaching and learning in schools. This has a particular focus on vulnerable learners, which includes those eligible for free school meals who are also more likely to have further needs requiring support. eFSM learners in Monmouthshire attain higher than their peers in Wales at Key stage 4, the capped 9 points score for Monmouthshire pupils eFSM was 304.7 for exams in the summer of 2024. Modelled expectations for eFSM learners are all above expectations for all indicators (including capped 9, Skills Challenge Certificate, numeracy and science), except the literacy indicator which is slightly below. There remains a difference in attainment between those pupils eligible for free school meals and those not by around 1.3 GCSE grades. Lower attendance levels for eFSM learners will also have an impact on their attainment. Schools continue to undertake a detailed assessment of attainment and wider progress based on the varying make up and individual plans of each school to ensure that each pupil has an equal opportunity to succeed no matter their socio-economic background. We have developed a new Inclusion Strategy and an updated Additional Learning Needs (ALN) Policy to shape our work with children and young people in schools and settings in Monmouthshire. The Inclusion Strategy sets out our priorities to improve outcomes for children and young people in vulnerable groups and their families. The Additional Learning Needs Policy outlines our approach to supporting children and young people with barriers to learning and additional learning needs, ensuring they receive the necessary support, resources, and opportunities to thrive academically, socially, and emotionally. Our Inclusion support is now embedded as part of interconnected strategies and related toolkits, resources and policies. This covers ALN, relationships, children looked after and reducing exclusions. A framework is being developed for the management of specialist resource bases (SRB) to ensure a consistent, equitable approach across all settings. We have established an Additional Learning Provision (ALP) Review and associated quality assurance cycle to ensure that there is a consistent and equitable approach to meeting the needs of Monmouthshire children and young people with ALN. The assessment demonstrates many strengths in provision across Monmouthshire, as well as identifying some recommendations for development on the consistency of ALN provision across the county. We are operating the Inspire programme in each secondary school in Monmouthshire to work with vulnerable learners, with a designated worker per school. Inspire has supported 340 young people since January 2023, to achieve 185 life skills and 130 qualifications, providing them with further learning to improve their future life chances. The inspire project is funded by the Shared Prosperity Funded (SPF). We have secured funding for the project for another year, as part of transitional funding, while announcements are awaited regarding the future of the funding for subsequent years. Our Community Focussed Schools lead works with schools and partners to develop activities and relationships for the benefit of the whole	Attainment data School Development Plans (SDPs) Community Focussed Schools Inclusion Strategy Additional Learning Need (ALN) Strategy Additional Learning Provision (ALP) Review Inspire programme Adult education courses participation Additional Learning Needs (ALN) Strategy

school community. This has included building relationships, signposting to support and benefits entitlements, poverty proofing schools and providing cost of living support. We are reducing financial barriers to our adult education courses to make them more accessible to our residents. We have reviewed our course funding model and have shifted to a grant subsidised model; this now means that all our community education courses are directly subsidised. We have also continued our partnership with Coleg Gwent to offer low-cost foundation-level learning, costing £10 for access to all franchise courses provided in Monmouthshire. We recognise the importance of removing any barriers to involvement in adult education and the effect it can have on adults gaining new skills and knowledge. In 24/25, 909 learners enrolled in our community education courses, above our target of 876.	
What we want to achieve: Continue our programme of school modernisation	
The environment in which children and young people learn is important to their development and well-being. We have completed the construction of the new King Henry VIII all-through school in Abergavenny in April 2025. The facility provides a hub for learning in Abergavenny, providing the tools for young people to thrive as well as well wider community facilities. The building is the first operationally net zero carbon all-through school in Wales, in line with our commitment to decarbonise our operations. The school has the capacity for 1,200 secondary school age pupils, 420 primary age pupils and 200 places for post 16 education. There will also be suitable accommodation for 71 pupils with complex neurodevelopmental and learning needs within the school. It is anticipated that the development will reduce the number of pupils attending an out of county secondary school. The remaining construction of the site's playing fields and energy centre is scheduled to be completed by April 2026. Full Council approved a capital investment of £1.2m to improve and remodel the accommodation to facilitate the relocation of the south Monmouthshire pupil referral service. This is providing the service with a permanent and dedicated high-quality environment that is conducive to the needs and increasing demands of the vulnerable population of pupils it serves. We are expanding our provision of Welsh medium education. We have secured a new site for Ysgol Y Fenni which will increase the capacity of the school from 210 to 420 pupils. Work is scheduled to be completed in September 2025. We opened Ysgol Gymraeg Trefynwy on the site of Overmonnow Primary school in September 2024, with 24 pupils attending. To continue the expansion of our Welsh medium provision we need to focus on promoting Welsh medium education and securing appropriate staff to ensure a high-quality education for our young people.	King Henry VIII all-through school Welsh in Education Strategic Plan Pupil Referral Service

Well-being of Future Generations Act impact						
Contribution of Council goal to Future Generations Act Well-being Goals						
Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	Vibrant culture and thriving Welsh Language	Globally responsible Wales
✓		✓	✓		✓	

Well-being Objective: A Learning Place



The **long-term** nature of this goal is intrinsic to its success. Working with and **involving** children and young people, as early as possible, to identify their needs will give them the best chance of achieving their maximum potential. **Preventing** problems before they start will provide our young people with the best chance to develop. Using a **collaborative** approach and aligning services provides a rounded resource that works in harmony for the young person. Overall, this approach **integrates** the needs of our young people, ensuring they have the best opportunity to achieve their goals.

Measures of progress

Milestone	Target for completion	Progress
Attendance and Engagement Strategy updated to strengthen systems and processes to improve and sustain high levels of attendance in line with new Welsh Government Guidance	September 2024	A range of policies have been updated to support increased attendance levels. These include the council attendance policy, primary and secondary school attendance model policies and fixed penalty notice policy.
Inclusion Strategy approved by Cabinet	November 2024	The Inclusion Strategy and ALN Policy have been drafted and consulted on between October – December 2024. The draft policy was scrutinised by People Scrutiny Committee in February 2025.
Quality Assurance of Additional Learning Provision across the county via school's finance forms and provision pyramids is completed. Additional Learning Provision (ALP) meets the needs of vulnerable learners in the county and is of good quality	Regular Assessment	Additional Learning Provision (ALP) Review associated quality assurance cycle has been established. An update on the outcomes and recommendations from the quality assurance was presented to Performance & Overview Scrutiny Committee in June 2025.
Additional Learning Need Coordinators and Specialist Resource Base Leads are engaged in quality assurance processes around the consistency and impact of Additional Learning Need provision through Additional Learning Provision forum and cluster / Specialist Provision and Outreach Team	Regular Assessment	Individual Development Plans moderation has taken place at both a cluster and Local Authority level. Secondary supported self-evaluation for ALN / ALP outcomes have been shared with ALN coordinators and Headteachers; where relevant action plans have been developed with schools or existing plans added to.
A new carbon neutral, 3-19 school is opened in Abergavenny	Phase 1 April 2025, Phase 2 April 2026	Phase 1 was completed in April 2025 with completion of the new school building.
A strategic review of school catchments is completed, and recommendations are made to Cabinet	Annual review of policy	The School Admissions Policy 2025/26, including a review of school catchment areas, was approved by Cabinet in April 2024, in which it was agreed to accommodate the villages of Tredunnock, Llanhennock and

		Llandegveth into the catchment area for Usk Church in Wales Primary School. The changes will be implemented for the academic year 2025/26.
Deliver a new non-maintained nursery in Trellech, invest S106 funding to improve the infrastructure at Castle Park and Archbishop Rowan Williams schools and improve and develop the buildings used to accommodate the Pupil Referral Service	Trellech March 2025, Archbishop Rowan Williams January 2027	Trellech Nursery building was completed and opened in February 2025. We are investing S106 funding to improve the infrastructure at Castle Park and Archbishop Rowan Williams schools and expect to complete this by January 2027
A new Welsh-medium seedling provision is opened in Monmouth	September 2025	We opened Ysgol Gymraeg Trefynwy on the site of Overmonnow Primary school in September 2024
A newly refurbished Welsh-medium primary school is opened	Opened and refurbished September 2025	We have secured a new site for Ysgol Y Fenni which will increase the capacity of the school from 210 to 420 pupils. Work is scheduled to be completed in September 2025

Measure	Previous	Latest	Target for 2024/25	Quick View	Comment
Percentage pupil attendance (brackets show eFSM figures) i) Primary ii) Secondary	i) 92.9 (89.0) ii) 88.1 (77.2)	i) 93.6 (89.0) ii) 88.2 (75.8)	i) 94.6 (92.6) ii) 91.2 (82.4)	↑	Data measured in academic years. Previous is 2022/23 academic year data. Latest is 2023/24 academic year.
Percentage of schools engaged in professional learning related to Emotionally Based School Avoidance (EBSA); Trauma Informed Approaches; and Autism	New Measure	79%	100%		New Measure for 2024/25
Number of Reception learners in Welsh medium schools	48	57	85	↑	Longer term target is 105 by 2030.
Number of children transitioning from a Welsh language primary school to a Welsh language secondary school	27	22	46	↓	Latest is summer 2024, transition numbers varied in primary schools. As a result, transition numbers are lower than the target this year.
Number of young people supported by Inspire (in school support/outreach support/post 16 support) to achieve an additional qualification and / or achieve a life skill	New Measure	186	133		New Measure for 2024/25
Total number of enrolments by adult learners on community education courses including Coleg Gwent franchise courses	937	909	876	↓	

Quick View of Trend: ↑ Improving performance; ↓ Declining Performance; ↔ Unchanged Performance

Quick View of Target: Green – Target achieved; amber – just missed the target; red – fell some way short

Using Our Resources

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

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

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

Annual Governance Statement

The council has a governance framework, our Code of Corporate Governance, for the year end March 2025. The framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

We have produced a draft Annual Governance Statement for the year 2024/25 that demonstrates that we have appropriate governance arrangements in place to meet the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. This self-assessment of our resources integrates with the findings from the Annual Governance Statement and will also contain further actions and recommendations related to these arrangements.

Corporate Planning, Performance and Risk Management – Evaluation Score: Level 4 - Good

How effective is corporate planning?	How do we know?
We have developed and agreed a Community and Corporate Plan 2022-28. This sets a clear direction for the council. An Audit Wales review of our objective setting in the Community and Corporate Plan has found ‘the council has set its well-being objectives in accordance with the sustainable development principle and is aligning its key strategies and business plans to support their delivery, but it could further strengthen its approach by increasing the diversity of citizen involvement in future’. We have developed an accompanying performance measurement framework. We have reviewed the measurement framework to increase the focus on outcomes, where possible. We have set targets against these measures that demonstrate the ambition of the council to residents. This is allowing us to be held to account for performance and measure our performance on areas that can be directly affected by the council and the progress of wider outcomes that are not directly in the council’s control. This also responds to the Audit Wales review on the council’s use of performance information which found ‘the council provides some performance information to enable senior leaders to understand the perspective of service users, but information on outcomes is limited. Supporting and enabling strategies have been developed to ensure they are fit for purpose and support the new policy aims and objectives set out in the Community and Corporate Plan. These will enable the delivery of the ambitions of the plan. We have developed arrangements to monitor the impact of these strategies and regularly evaluate performance against outcomes, through an annual performance assessment.	Community and Corporate Plan 2022-28 and measurement framework Audit Wales reports Enabling strategies Annual performance assessment of enabling strategies
How effective is performance management?	How do we know?
The approval of the Community and Corporate Plan has ensured that there is a clear direction for the council. This has been embedded in our performance management framework. Regular reporting ensures accountability at all levels and demonstrates progress to residents. We have embedded the self-assessment process in the council’s performance management framework. The self-assessment process has facilitated the completion of a robust evaluation of performance. These performance management arrangements have helped to clearly identify areas of progress and areas for development. An Audit Wales review of our performance management arrangements found ‘the council has a maturing performance management system that supports delivery of its corporate objectives’. Service business planning principles, supporting templates and guidance are in place and regularly reviewed. Service business plans are facilitating services to plan for the next three years, assess what went well, learn from what did not and measure the impact their service has made on people and places of Monmouthshire. Service business plan completion rates and quality have improved. Although these remains varied and require improvement. Latest monitoring shows 60% were updated within timescales and there is an increase in compliance with principles. Quality assurance on service business plans has shown areas of planning still require development to ensure the principles are consistently applied.	Community and Corporate Plan progress report Draft Self-assessment report Service business plans & quality assurance

How effective is risk management?	How do we know?
We have developed an updated strategic risk management policy and guidance. This defines the approach, process and responsibility for managing strategic risk in the council. This also defines risk tolerance and a risk appetite for the council. The policy is being embedded in the council, the requirements have been integrated as part of the council's performance management framework. There remains some part of the new policy that need to be embed through the organisation. The strategic risk register is updated regularly and available to all members and officers to view at any time. There are arrangements to formally review the whole strategic risk register and report it six monthly to scrutiny, Governance and Audit Committee and Cabinet. This facilitates and demonstrates that risk management is embedded in the council and strategic risks facing the council are being robustly identified and managed. The risk assessment in service business plans is not always completed robustly. This limits the ability of services to use their service business plans to robustly manage and mitigate risks and may impact the escalation of risks onto the strategic risk register.	Strategic risk management policy, appetite statement and guidance Strategic risk register

Financial Planning – Evaluation Score: Level 4 - Good

How effective is financial monitoring?	How do we know?
We have closely monitored our finances at regular intervals throughout the year. Cabinet have received regular financial updates. These have forecasted a revenue budget deficit for the financial year 2024/25 for which we implemented budget recovery action. This has included services bearing down on avoidable cost and identifying further income opportunities wherever possible in order to bring the budget back to a balanced position. As a result of this action, forecasts through the financial year have demonstrated an improvement in the forecast financial position at the end of the year. Our 2025/26 budget setting process also identifies many risks that remain to be assessed and managed within the year. These include high demand for council services; deliverability of budget saving proposals; pay awards; and employer's national insurance contributions. Grant funding also supports delivery of some our priorities, particularly preventive approaches, there is associated risks to the certainty of some funding, which can limit our ability to plan longer term. We have strengthened our governance arrangements and will continue to implement these through 2025/26 to provide assurance that robust arrangements are in place to respond to any circumstances where further budget pressures might require additional mitigation or savings to be brought forward. There remains variability in the quality of our budget monitoring and forecasting across service areas. This has impacted on the effectiveness of our in-year budget management. We are developing a structured financial training programme for staff on our learning management platform to help strengthen financial monitoring. Prioritisation of budget monitoring and year end accounts closure has resulted in a slight delay from the original schedule.	Financial monitoring reports
How effective is financial planning?	How do we know?

We established a clear process and timetable to set a budget for the 2025/26 financial year. We developed a range of proposals in line with a set of budget principles. The proposals were subject to public engagement, robust scrutiny and an assessment of their potential impact. This informed the development of the final budget proposals. This planning resulted in us setting a balanced budget for the 2025/26 financial year.

Our capital planning is based on an established prioritisation process informed by evidence and assessment of risk to develop a programme within the financial constraints on the council. We have reviewed and agreed a current and forward capital programme for 2025/26. The core capital programme is being sustained and sets planned investment in the council's infrastructure. There remains a considerable number of backlog pressures that sit outside the core capital programme. These have varying levels of risk associated with them.

Our financial planning arrangements identify current and future budget pressures which pose a risk to the deliverability of our objectives in the Community and Corporate Plan. We have developed a Medium-Term Financial Strategy (MTFS). This strategy provides the strategic framework for the Medium-Term Financial Plan (MTFP), and a set of key principles to guide medium term financial planning. These enable us to plan for the council's long-term policy objectives within our financial capacity. As part of the development of the strategy, a delivery plan has been established, which is monitored and scrutinised regularly. The authority's budget modelling assumptions are reviewed and updated regularly. We are developing a wider programme of service change that will include an ongoing assessment of key service pressures, the risks and modelling assumptions that sit alongside it. This is essential to establish a clear plan and approach to address the medium-term budget shortfalls forecast.

Budget setting reports
2025/26

Medium -Term Financial
Strategy

Further areas for development identified through our 2024/25 self-assessment

A programme of service change which identifies sustainable ways to deliver services whilst addressing the forecast funding gap.

Workforce Planning – Evaluation Score: Level 4 - Good

How effective is workforce management?	How do we know?
We have a loyal, dedicated and talented workforce that continue to deliver our services and objectives for residents.	People Strategy
We have an established set of policies and procedures that guide our Human Resources function. These support standards and behaviours we expect employees to deliver. They also allow flexibility and opportunity for our workforce to develop their careers in Monmouthshire. If employees do not meet these standards, we have arrangements to manage and resolve these issues.	Workforce management data
We have increased engagement with our workforce, including relaunching the People Leaders Workshops and team Q&A sessions, which are held face-to-face in peoples' workplaces, and holding two face-to-face staff conferences. We also ran a staff survey to enable us to understand how connected people feel to the organisation. The results have been fed back to staff and will be used to inform the development of our workforce planning and management arrangements.	Staff survey

Our sickness figures have increased slightly from 11.9 to 12.7 days per full time equivalent employee, we continue to analyse the figures to support service areas in managing and supporting colleagues. We have a developed well-being offer, including the 'Go To' group, free counselling and a well-regarded occupational health service. The results of our staff survey shown that only around six out of ten employees think we do enough in this area. In response, we created a marketplace at the staff conference to promote our offer. We also need to ensure our workforce management support is targeted and applied consistently to support our colleagues.

We have developed a new employee appraisal scheme aligned to a training needs analysis. This has been piloted in some service areas. We have yet to roll this out across the organisation due to capacity constraint. This scheme aims to improve our ability to link individuals' performance to the priorities of the organisation and improve accountability. It will also ensure we understand peoples' development needs and can design our training offer to fit this.

How effective is workforce planning?

We have a flexible approach to workforce planning to attract and retain people to roles in the council. This includes long-standing agile working arrangements, for jobs that do not require employees to travel to their base every day and targeted recruitment campaign for certain jobs.

We are in the early stages of developing our workforce planning arrangements. We have become a member of workforce planning networks, to learn from others in the development of our practice. We do not yet have all the arrangements in place to facilitate the organisation to plan the workforce it needs to meet current and future demands. We have seen a reduction in turnover this year. The continued delivery of our new People Strategy will aim to improve the effectiveness of our workforce planning.

We are experiencing recruitment challenges in specific sectors, most of which match wider national recruitment issues. We have implemented an e-recruitment system to support the development of recruitment as a genuine talent acquisition process. Some challenges in use have been experienced by recruiting managers and we will be seeking feedback to inform how we embed the system.

The development and retention of existing staff is an essential component of workforce planning. A learning management system (Thinqi) has now been rolled out to all staff; this provides a centralised training and development area for officers and includes a host of learning resources for staff as well as the opportunity to book face to face and digital/online training. We need to develop our training offer to equip the workforce with the skills its needs for now and the future.

How do we know?

People Strategy

Workforce management data

learning management system

Procurement – Evaluation Score: Level 3 - Adequate

How effective is strategic procurement?	How do we know?
We have developed and Cabinet has approved, a Socially Responsible Procurement Strategy 2023-28 which sets an enabling platform for the development of progressive policies that will achieve greater and more targeted social, economic, environmental and cultural gains through working with our supply chains.	Socially Responsible Procurement Strategy 2023-27
We have begun to develop supporting policies and guidance to enable the delivery of this strategy, including giving consideration to new legislative requirements of the Procurement Act. We have held workshops and training sessions, as well as developed training videos, to support staff to implement the requirements of the strategy. We are also developing training modules to be made available on our learning management system. We are monitoring completion rates of training and promoting completion of training and use of guidance. We need to ensure officers feel supported and are provided with the knowledge and skills needed to deploy the necessary thinking and processes to secure value for money in procurement and deliver the aims of the strategy.	Draft Socially Responsible Procurement Policy Updates CPRs
We are developing a Socially Responsible Procurement Policy, in collaboration with Ardal, to implement our ambitions in the strategy. We need to accelerate its completion to provide clear guidance to officers and our supply chains. The policy will provide a well-being framework to ensure a consistent approach to the delivery of 'Socially Responsible Procurement' that encapsulates UK and Welsh Government legislative requirements and the council's priorities.	Revised Contract Forward Plan
We have developed updated Contract Procedure Rules (CPRs) that reflect the new legislative requirements of the Procurement Act and worked with Ardal to standardise the core elements of the CPRs across all Ardal Councils. Digital governance forms including Pre-Tender and Contract Award Reports have also been developed and rolled out across all Ardal Councils for all tenders in excess of £75,000 to promote transparency. This ensures that all tenders are challenged and that consideration for Community Well-being Benefits (CWBs), Social Value, safeguarding, fair work, carbon reduction and localism are, where appropriate, delivered as part of the award of contract.	Updated guidance and training
We are developing a new and revised Contract Forward Plan to mirror the requirements of the Procurement Act and the requirement to publish a Pipeline Notice of all current and future public contract opportunities over £2M. The development of more definitive Contract Forward Plans allows greater dedicated time for procurement professionals to consult with operational technical leads to discuss options and undertake soft market testing if there is an opportunity for innovation. This will also be used to assess opportunities to create better economies of scale and identify contracts where Community well-being benefits can be delivered.	
We are continuing to work with suppliers to ensure they are able to meet the requirements of the strategy and developing policy. This included developing Carbon Reduction Plan Guidance and holding a Carbon Reduction Workshop Programme, targeted at three high carbon spend areas. As part of the response to the new Procurement Act, we have simplified the quotation processes for low value opportunities and introduced a digital form for service areas to record their quotation process and outcomes. We will continue to look to reduce the burden of information required from bidders ensuring that it is proportionate to the value of the procurement.	

We are reviewing how to increase opportunities for local businesses to bid for work. We are aiming to work with partners to publicise opportunities on the Contract Forward Plan to local businesses that have not worked with the council previously. We have worked with the other Ardal Councils to develop an Ardal Selling to the Council Guide that will be launched in July 2025. The Guide is designed to help suppliers and contractors understand how to do business with all Ardal Councils.

Further areas for development identified through our 2024/25 self-assessment

Strengthen arrangements that support officers undertaking procurement to meet the ambitions of the Socially Responsible Procurement Strategy

Assets – Evaluation Score: Level 5 - Very Good

How effective is strategic Asset Management?	How do we know?
We have developed an Asset Management Strategy 2023-2027 that informs the way decisions and day-to-day management of council land and property is undertaken. It sets five clear objectives for land and property to deliver the council's objectives. It also establishes the supporting policy framework from which the strategy is implemented. The Asset Management Strategy is supported by an Asset Management Plan which identifies the actions to deliver the strategy. We have continued to develop significant building projects in the last year, improving services to residents and supporting community activity in line with wider corporate strategies. In March 2024 we opened Severn View Park, a specialist care home for people living with dementia. The care home provides a bespoke environmental design, based upon innovating best practice standards for people with dementia and a relationship-centred care model. In Education, new provisions have been created through the completion of the new non-maintained nursery at Trellech Primary School, and completion of the north and south provision for the Pupil Referral Service. This has provided the service with a dedicated high-quality environment and setting, with improved access to outdoor space which is conducive to the needs of the pupils they serve. As part of the completion of new developments, we have given careful consideration to the environmental impact, with low carbon measures included as part of schemes. This includes the installation of air source heat pumps and renewable technologies as part of retrofit and new build design. Improving our built environment through investment in low carbon technologies has continued to feature in our design and development approach, including targeting higher standards of BREEAM performance. Electric Vehicle (EV) charging points have been installed at various council assets. These installations have supported the expansion of the public EV network throughout the county.	Asset Management Strategy and Asset Management Plan Severn View Park New nursery site Pupil Referral Service
How effective is operational Asset Management?	How do we know?
We are undertaking feasibility studies, technical assessments and surveys on property, infrastructure, and assets. These are informing our capital budget planning and maintenance schedules in line with established processes. Decision making on managing our assets will need to be strengthened in line with the mechanisms established in our Asset Management Strategy. We have considerable number of maintenance pressures for our assets, including property and highways infrastructure and public rights of way, that sit outside any potential to fund them within the capital medium term financial plan. These carry significant risk.	Asset Management Strategy and Asset Management Plan Capital medium term financial plan

Progress has been made to strengthen the enablement role of Landlord Services and facilitate increased collaboration across the organisation. This is ensuring the delivery of a cohesive asset management system that aligns with the priorities of the organisation. We need to develop individual Service Asset Plans to inform proactive planning on the potential for assets and developing service requirements can be forecast. We will establish Service Asset Working Groups for each directorate to inform the development of the capital maintenance budget. Landlord services will continue to 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.

We aim to achieved further efficiencies in the reporting of property information through the design, procurement and implementation of a new asset management system. This will enable clearer strategic planning with an evolving asset base. Capital funding has been secured for the implementation of the system and procurement of the new system is ongoing.

Digital & Data – Evaluation Score: Level 3 - Adequate

How effective is the development of digital?	How do we know?
We have developed a revised Digital and Data Strategy that sets the direction for the organisation over the next three years We have strong partnership arrangements in place for digital with the Shared Resource Service (SRS), neighbouring Local Authorities and national partners. These have led to the development of five collaborative digital and data projects led by the Shared Resource Service (SRS), focussed on customer services, use of Artificial Intelligence and data insight. These projects are utilising the knowledge and skills within this field in our partnership network and enabling sharing of learning on common issues across Local Authorities We have not been able to fulfil all our digital ambitions in the year, particularly due to reductions in our digital team's capacity. To accelerate our use of digital as means to transform the way we work and deliver our ambitions in the strategy, we have begun the process of transitioning towards a shared service model for digital and data in collaboration with Torfaen County Borough Council and Blaenau Gwent County Borough, as part of an expanded role for the Shared Resource Service. With the digital team beginning to work alongside partner organisations at the earliest opportunity. We also need to strengthen how we priorities digital and data projects based on the outcomes they can achieve and how we subsequently evaluate impact of digital and data, including efficiency and effectiveness. To deliver the strategy and strengthen stakeholder engagement a Strategic Digital, Data and Technology Board and a Digital Steering Group have been established and will be operational this year. We have established information security and technology arrangements ensuring that information held by the council to ensure that information remains confidential, maintains its integrity and is available to those who need to access it as part of our work. We actively support, advise, and train our workforce. Mandatory training is provided for GDPR and cyber security, alongside comprehensive guidance, and policies for all aspects of data management.	Digital Service Business Plan Digital and Data Strategy Information security and governance arrangements. Digital, data and technology collaboration

We have developed a range of training for officers to improve digital literacy across the organisation. These included an essential skills framework for foundational digital skills and a digital induction which will be rolled out on our corporate training platform. We know that continuous development in digital skills is essential to achieve our ambition. We need to continue to develop digital training resources to allow staff to continue to improve their digital skills.	
How effective is the development of data?	
We have been implementing projects in line with our digital and data strategy that are focussed on providing insight using our data to inform our service delivery and policy development. For example, we have developed new performance dashboards for each directorate and our Community and Corporate Plan. We have developed a 'workforce radar' that brings together a range of data to provide strategic insight on the workforce internally. We have run the national resident survey and analysed responses to provide insights into resident views of their local place and council. We have developed the use of geo-spatial data, including automating updates from internal systems and external sources through our Geographical Information Systems (GIS) to inform service delivery. These are providing data insights to inform future planning and service delivery. We have not been able to fulfil all our data ambitions in the year. We do not have all the skills we require to deliver our actions within the council. We need to further harness and connect data as council-wide asset. We also need to improve our data maturity across the organisation. We have ambitions to use data to inform how we transform the way we work and deliver our ambitions in the Community and Corporate Plan. Developing and accessing the capability and capacity required to develop and generate more advanced insights and move to more predictive analysis is an integral part of the investment case we are developing for a modern data service operating across three authorities. We have begun to develop our training for officers to improve data skills. These include training on the use of business intelligence tools and developed data standards for the organisation. We need to continue to develop training resources to allow staff to continue to improve their data skills.	Performance & Data Insight Service Business Plan Digital and Data Strategy
Further areas for development identified through our 2024/25 self-assessment	
Strengthen the capacity and capability to deliver the ambition in the digital and data strategy	

Democracy & Scrutiny – Evaluation Score: Level 4 - Good

How effectively are resources being used?	How do we know?
The use of remote attendance at Council, Cabinet and committee meetings is fully embedded. This brings positive benefits for those with work or family commitments who are able to participate in meetings they would otherwise not be able to attend. Attendance at meetings has remained high. Revisions to the changes of scrutiny committees have reduced duplication, for example budget and performance reports are now presented to Performance and Overview Scrutiny Committee rather than having the same report presented to four separate meetings. There is robust challenge from scrutiny members. The outcomes of scrutiny meetings are	Attendance Figures Scrutiny minutes Annual Governance

clearly captured and shared with cabinet and officers to consider. A forward work planner is used to identify decision making reports due to considered by Council, Cabinet and Individual Cabinet Member decision. This is also used to inform the work programme of scrutiny committees. The use of the planner will be strengthened to ensure decision making reports are included on it at the earliest opportunity to support improved democratic work planning.	Statement Forward work planner
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Our work with others

To deliver the outcomes required for the county we need to work together with a range of partners, stakeholders and our communities. the council will not have all the answers to solve the challenges facing the county and we will not be able to deliver the outcomes required on our own. Working collaboratively with others increases the likelihood of us developing effective and sustainable solutions.

Stakeholders and partnership working

How effectively does the council work with stakeholders and partners on agreed outcomes?	How do we know?
Working in partnership is one of the ways we can achieve our objectives while delivering value for money. We enter into collaborative arrangements thoughtfully and with a clear articulation of how they can help us achieve our objectives. Regionally we work with many large organisations in partnership including Welsh Government, Cardiff Capital Region, Regional Partnership Board and the Gwent Public Services Board to fulfil our commitments on, for example, decarbonisation, transport, health and social care, housing and regeneration. An Internal Audit review identified a reasonable level of assurance was in place for the authority's governance arrangements based on a sample of partnerships. The audit identified we need to strengthen our guidance on the arrangements that partnerships need to have in place and assure ourselves these are subsequently adhered to. We have created a partnership toolkit to support lead council officers to develop and capture the arrangements for their partnership. We need to complete its implementation for those partnerships we have identified on our partnership register. Including, applying it to evaluate if the expected outcomes of the partnerships are being realised. The South East Wales Corporate Joint Committee (CJC) was given the legal responsibility for preparing Regional Strategic Development Plans, Regional Transport Plans and for doing whatever is deemed necessary to enhance or promote the economic well-being of the area. The committee is made up of the leaders of the ten local authorities in South East Wales. All governance papers are published on the Cardiff Capital Region website. The arrangements are overseen by a joint committee comprising representatives from the ten local authorities with additional regulatory activity undertaken by Audit Wales. Partnerships and collaborations of all scales are important to deliver improved outcomes in the county. We are committed to strengthening our collaboration with community and town councils and lean into the expertise and enthusiasm of the many volunteers and community groups that make this county so special.	Internal Audit review of Partnerships and collaborations

Our Actions

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

The action plan focuses specifically on what, and how, we can do better for the significant conclusions of the assessment. All of the findings will inform the development of the council's well-being objectives and delivery plans. They will inform how internal processes and procedures should change to support more effective planning, delivery and decision-making to drive better outcomes, and ways to deliver the council's functions. These also integrate with further actions identified in the council's Annual Governance Statement 2024/25.

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

Progress with 2023/24 Actions?

We have provided an update on progress against the actions we identified in the 2023/24 self-assessment report. A more detailed assessment of these arrangements is provided in the relevant section of the report.

Section	What can we do better	How	Progress
Outcomes	Ensure interventions to achieve a Fair Place to Live objective are evidence-based, targeted, clearly communicated and evaluated to assess impact	Develop a poverty and inequality action plan to deliver the commitments in the Community & Corporate Plan 2022-28	A Tackling Poverty and Inequality Lead was appointed in April 2024. It has been agreed that a new strategy or formal tackling poverty and inequality action plan is not the preferred option at this time. The Community Development Team, who coordinate delivery of our work on poverty and inequality, have developed a targeted action plan for 2025/26.
Outcomes	Ensure early and help prevention services are effectively able to meet current and prevent, as far as possible, future demand	Complete an evaluation of the performance of early help and preventive services, as part of the Director of social care annual report and use the findings to inform future action	The Social Care & Health Director's report 2023/24 included an assessment of early help and preventive services. The impact of these services is also assessed under the A Connected Place Where People Care Objective.
Outcomes	Increase the focus of council activities on improving the social determinants of health	Use the recommendations in the Building a Fairer Gwent: Improving health equity and the social	The recommendations in the Building a Fairer Gwent: Improving health equity report continue to inform the council's activity. Including, embedding these in the development of a strategy focussed on enhancing

		determinants report to inform the council's service planning	wellbeing, resilience and prevention for adult residents who are on the threshold of needing formal care and support.
Outcomes	Ensure the delivery of the action plan which aims to address recommendations identified by Estyn	Deliver and assess progress on the Estyn recommendation Action Plan	The Children and Young People's Chief Officer's Report provided an assessment of progress against Monmouthshire's Estyn Recommendations.
Outcomes	Develop the support offer for schools and pupils to reduce and prevent exclusions	Develop an Inclusion Strategy for delivery of inclusion services across Monmouthshire	We have developed a new Inclusion Strategy that sets out our priorities to improve outcomes for children and young people in vulnerable groups and their families.
Outcomes	Develop the support offer for disadvantaged learners to achieve their potential	Developing a whole authority approach on supporting disadvantaged learners, including working with the EAS.	We continue to work with the EAS to support disadvantaged learners. This action will be carried forward to the 2024/25 action plan.
Enablers	Increase the focus on outcomes in the measurement framework of the Community and Corporate Plan	Review and revise the measurement framework of the Community and Corporate Plan	The measurement framework for the Community and Corporate plan has been revised and used in this self-assessment report.
Enablers	Strengthen arrangements that support workforce planning and management	Develop and deliver the action plan in the People Strategy	A People Strategy for the council has been developed. An assessment of our arrangements to support our workforce is included in this self-assessment. A separate assessment of performance of the commitments in the People Strategy has been completed.
Enablers	Strengthen arrangements that support officers undertaking procurement to meet the ambitions of the Socially Responsible Procurement Strategy	Develop consistent guidance, training, and support for officers undertaking procurement	An assessment of our procurement arrangements is included in this self-assessment. A separate assessment of performance of the commitments in the Socially Responsible Procurement Strategy has been completed. This identifies these arrangements require further development. This action will be carried forward to the 2024/25 action plan.
Enablers	Strengthen the capacity and capability to deliver the ambition in the digital and data strategy	Develop and deliver the action plan in the Digital and Data Strategy	We have developed a Digital and Data Strategy. A separate assessment of performance of the commitments in the Digital and Data Strategy has been developed. We have begun the process of transitioning towards a shared service model for digital and data in collaboration with Torfaen County

Borough Council and Blaenau Gwent County Borough, as part of an expanded role for the Shared Resource Service (SRS). This action will be carried forward to the 2024/25 action plan.

Stakeholder and Partnership	Evaluate if the expected outcomes of partnerships are being realised and impact on delivering the council's objectives	Implement the partnership toolkit to facilitate lead council officers for identified partnerships to evaluate if the expected outcomes of the partnerships are being realised	A partnership toolkit has been developed. This requires further facilitation to support Council lead council officers for identified partnerships to implement it. This action will be carried forward to the 2024/25 action plan.
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New Areas for Development: What and how can we do better?

Section	What can we do better	How	Who	When
Outcomes	Develop more childcare places, including Flying Start and Welsh-medium childcare provision	Implement the action plan as part of Childcare Sufficiency Assessment	Strategic Director Learning, Skills and Economy	March 2027
Outcomes	Understand the reasons for the rise in young people Not in Employment, Education or Training	Implement the NEET Prevention Strategy and targeted support with partners	Strategic Director Learning, Skills and Economy	March 2026
Outcomes	Develop the support offer for disadvantaged learners to achieve their potential	Develop a whole authority approach on supporting disadvantaged learners, including working with the EAS	Strategic Director Learning, Skills and Economy	To be set
Enablers	A programme of service change which identifies sustainable ways to deliver services whilst addressing the forecast funding gap.	Develop a programme of change to enable delivery of required savings over the medium term.	Strategic Leadership Team	September 2025
Enablers	Strengthen arrangements that support officers undertaking procurement to meet the ambitions of the Socially Responsible Procurement Strategy	Develop consistent guidance, training, and support for officers undertaking procurement	Deputy Chief Executive & Chief Officer Resources	December 2025

Enablers	Strengthen the capacity and capability to deliver the ambition in the digital and data strategy.	Develop and deliver the action plan in the Digital and Data Strategy	Deputy Chief Executive & Chief Officer Resources Chief Officer People, Performance and Partnerships	March 2026
Stakeholder and Partnership	Evaluate if the expected outcomes of partnerships are being realised and impact on delivering the council's objectives.	Implement the partnership toolkit to facilitate lead council officers for identified partnerships to evaluate if the expected outcomes of the partnerships are being realised.	Chief Officer People, Performance and Partnerships Partnership lead officers	March 2026

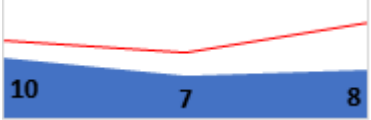
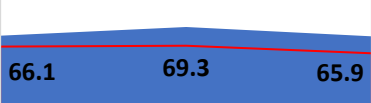
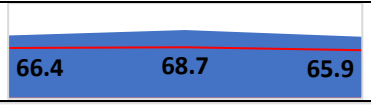
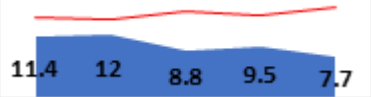
Performance Measures

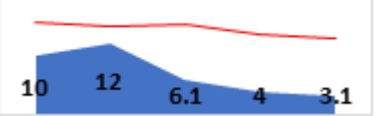
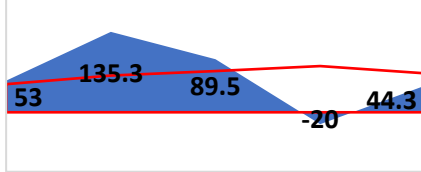
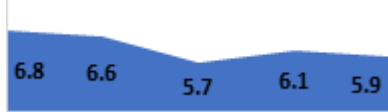
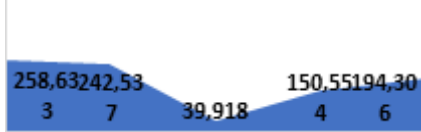
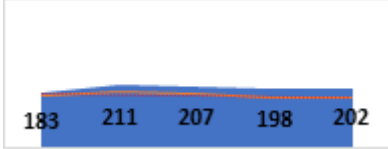
The use of performance measures is one of the important mechanisms we use to assess our performance. Each of our objectives has specific performance measures set to monitor progress. Some further relevant performance indicators we use to assess our services' performance are set out in this section.

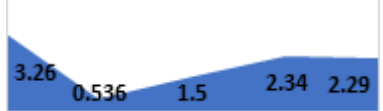
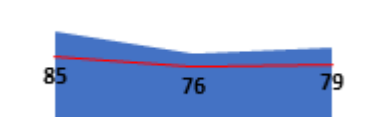
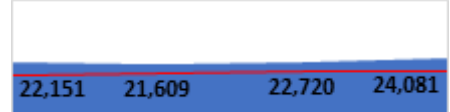
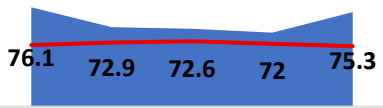
National indicators have been set as part of the Future Generations Act for the purpose of measuring progress towards the achievement of the well-being goals in Wales as a whole. While the national indicators will not measure the performance of individual public bodies or public services boards, it is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

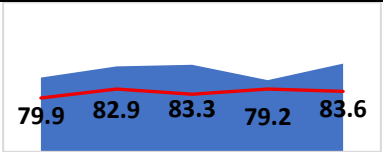
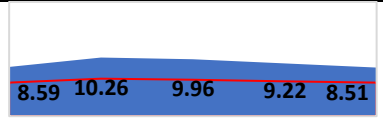
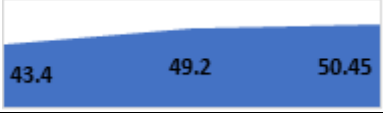
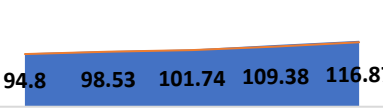
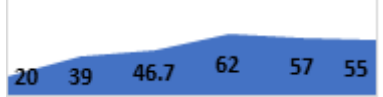
Longer term measures in the Community & Corporate Plan 2022-28

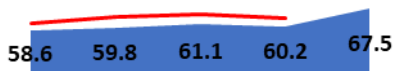
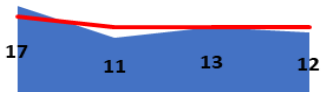
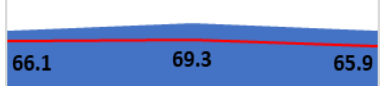
Alongside the specific measures included under each objective the Community and Corporate Plan also includes measures for each objective that we want to track because they will inform our work. We want to see positive movement in these measures, but they are things where our input is only part of a much bigger picture. The latest update of the measures can be seen below. The red comparator line in some graphs seen below displays the Wales average data, where available.

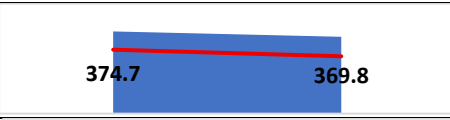
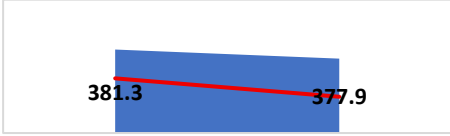
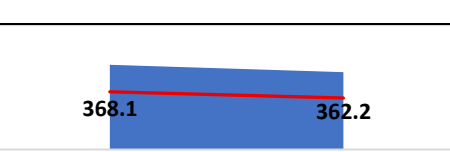
Longer term measures in Community & Corporate Plan 2022-2028	Trend (Wales trend in red where available)	Latest
A Fair place to live		
Percentage of people satisfied with their ability to get to/ access the facilities and services they need		86
Percentage of people living in households in material deprivation		8
Healthy life expectancy - female (years)		65.9
Healthy life expectancy – male (years)		65.9
Gap in healthy life expectancy between most and least deprived areas - female (years)		7.7

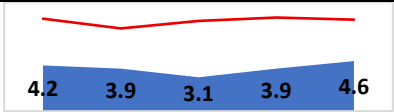
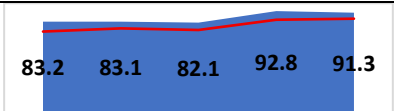
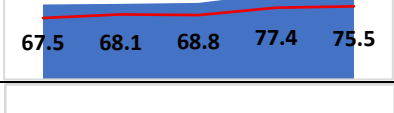
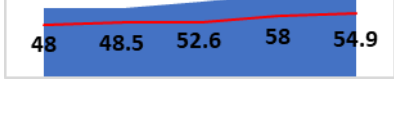
Gap in healthy life expectancy between most and least deprived areas – male (years)		3.1
Difference in average pay between men and women working in the county (£)		44.3
Percentage of children living in relative low-income families		17.4
Percentage of residents who feel 'People in my local area get on well and help each other'	New measure – trend data not yet available	78.1
Percentage of residents who feel 'People in my local area pull together to improve the local area'	New measure – trend data not yet available	63.8
A Green place to live		
Average carbon emissions per capita in Monmouthshire (tonnes)		5.9
Number of rail passenger journeys		194,306
Average level of nitrogen dioxide pollution in the air (µg/m3), measured at Air Quality Management Areas in Monmouthshire		6
Average annual residual household waste produced per person (kilograms)		202
Percentage of the Special Area of Conservation river catchment waterbodies that fail the phosphorus targets	Trend data not available	88 for Usk 67 for Wye

Percentage of people who agree that their local area has a clean environment	New measure – trend data not yet available	58.7
A Thriving and Ambitious place		
Percentage of people satisfied with their local area as a place to live		95
Average hourly town centre footfall		288
Percentage of vacant town centre premises		10.9
Annual economic impact of tourism (£)		329.8
Number of tourists visiting the county (million)		2.29
Percentage of people who attend or participate in arts, culture or heritage activities three or more times a year		79
Percentage of adults with qualifications at different levels of the national qualification framework i) no qualifications, ii) qualified to level 2 or above, iii) qualified to level 3 or above iv) qualified to level 4 or above	Update in learning place below	Update in learning place below
Gross disposable household income per head (£)		24,081
Percentage unemployed i) females ii) males	Data not available	Data not available
Percentage employed – female		75.3

Percentage employed – male		83.6
Percentage of council expenditure spent in local supply chain through public sector contracts	Data not yet available	Data not yet available
Percentage increase in active travel route usage	New measure – trend data not yet available	4.1
A Safe Place to Live		
Median house prices compared to median workplace-based earnings		8.51
Percentage of all homes in the county with an energy efficiency rating of 'C' or above		50.45
Average weekly rent for social housing in Monmouthshire		116.87
Average time (months) homeless households spend in Band 1 with a homeless duty before moving on to settled/permanent accommodation		13.8
Percentage of social housing allocated to homeless households		55
Number of overall crimes recorded		6152
Number of recorded crimes - sexual offences		200

Number of recorded crimes - public order offences		722
Rate of anti-social behaviour incidents per 1,000 population		13.04
Percentage of residents who feel safe when outside in their local area during the i) day ii) night	New measure - trend data not yet available	i) 90.29 ii) 66.19
Percentage of those referred to the youth offending service who subsequently re-offend		12.5
A Connected Place Where People Care		
Percentage of children supported to remain living with their family (not including children looked after)		67.5
Percentage of adult service users who feel part of their community		50.2
Percentage of children looked after supported to remain in Monmouthshire		45.8
Number of carers and young carers supported by the carers team		97
Percentage of people who are lonely		12
Percentage of adults with two or more healthy lifestyle behaviours	Trend data not available	93
Healthy life expectancy at birth (women)		65.9
Healthy life expectancy at birth (men)		65.9

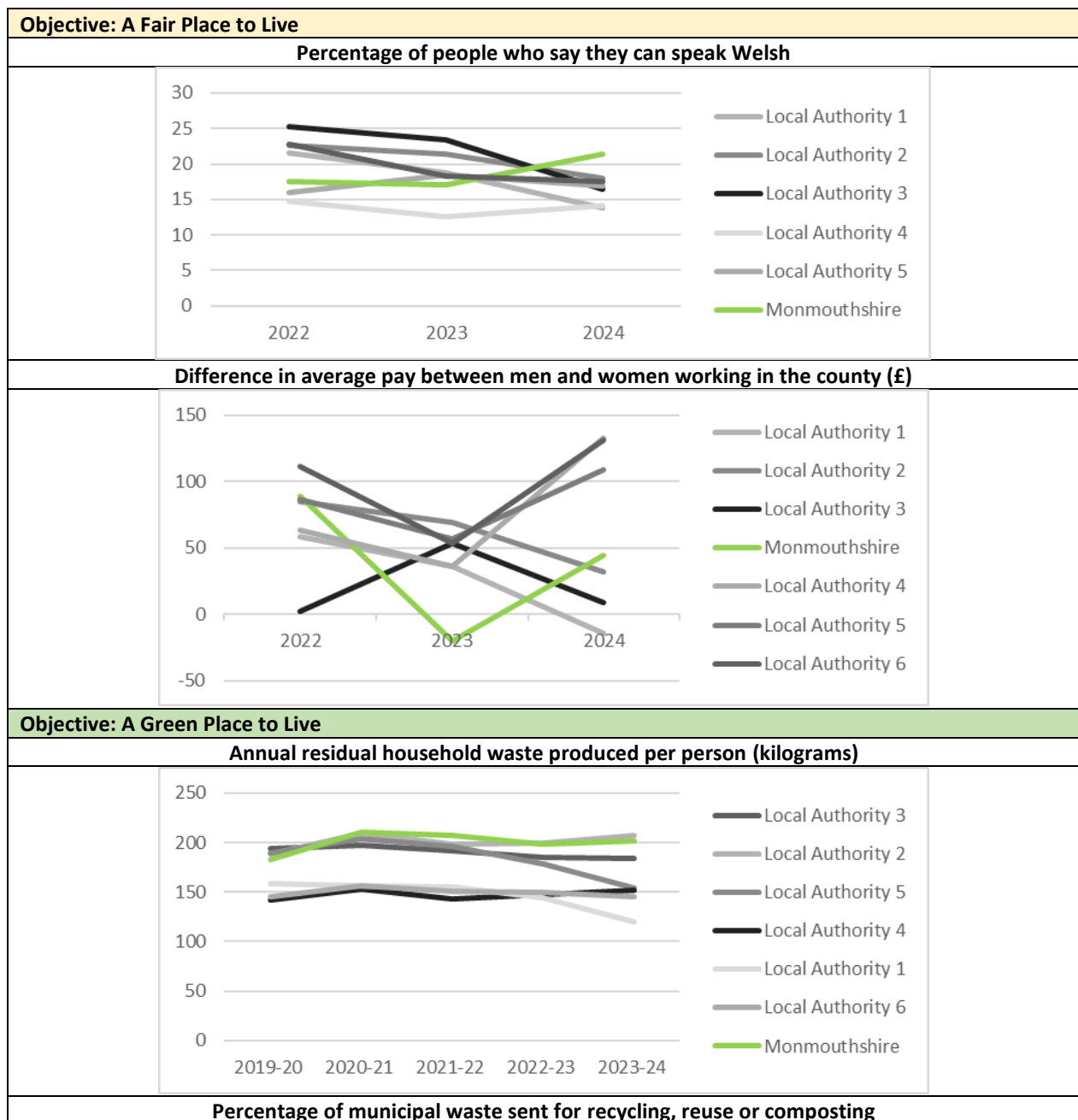
Percentage of people who agree 'People in my local area get on well and help each other'	Trend data not available	78.1
A Learning place		
Number of permanent exclusions across primary and secondary schools	 A blue bar chart showing an increase from 10 to 22. The number 10 is at the start of the bar and 22 is at the end.	22
Rate of permanent exclusions across primary and secondary schools	 A blue bar chart showing an increase from 1.07 to 2.34. The number 1.07 is at the start of the bar and 2.34 is at the end.	2.34
Rate of fixed term exclusions 5 days or less i) primary ii) secondary More than 5 days iii) primary iv) secondary	Trend data not yet available	i)29.1 ii)394.0 iii)1.1 iv)9.0
Capped 9 Point Score – All pupils	 A blue bar chart showing a decrease from 374.7 to 369.8. The number 374.7 is at the start of the bar and 369.8 is at the end.	369.8
Capped 9 Point Score - Females	 A blue bar chart showing a decrease from 381.3 to 377.9. The number 381.3 is at the start of the bar and 377.9 is at the end.	377.9
Capped 9 Point Score - Males	 A blue bar chart showing a decrease from 368.1 to 362.2. The number 368.1 is at the start of the bar and 362.2 is at the end.	362.2
Capped 9 Point Score - eFSM	 A blue bar chart showing no change from 304.7 to 304.7. The number 304.7 is at both the start and end of the bar.	304.7

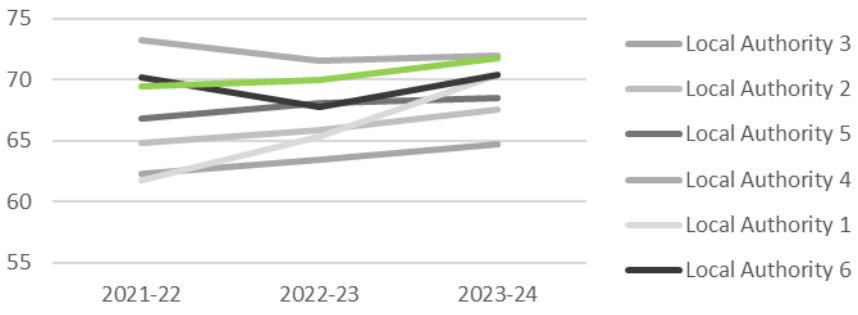
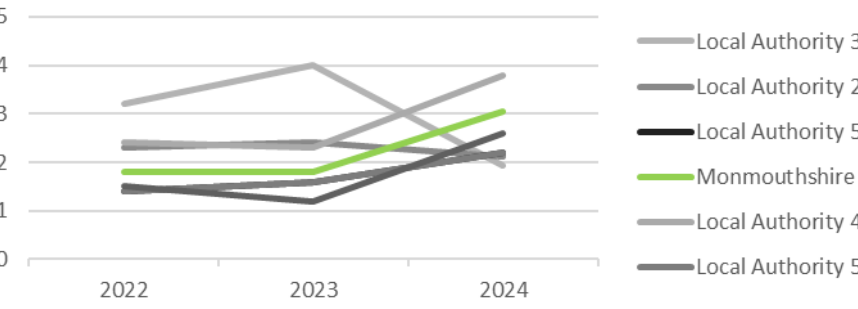
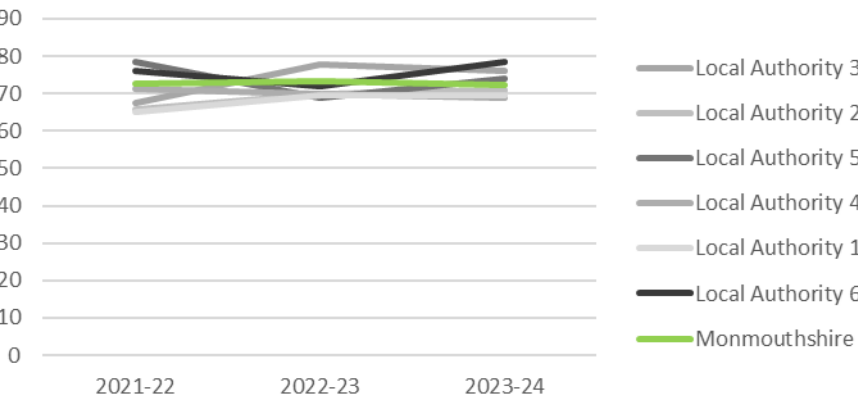
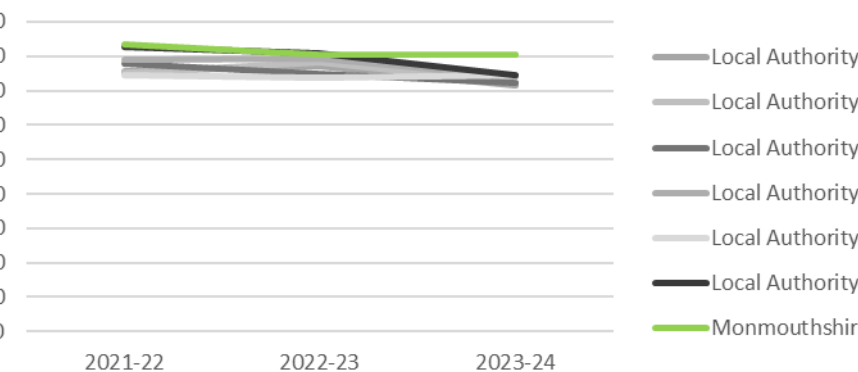
Percentage of adults with qualifications at different levels of the national qualification framework i) no qualifications		4.6
Percentage of adults with qualifications at different levels of the national qualification framework ii) qualified to level 2 or above		91.3
Percentage of adults with qualifications at different levels of the national qualification framework iii) qualified to level 3 or above		75.5
Percentage of adults with qualifications at different levels of the national qualification framework iv) qualified to level 4 or above		54.9
Percentage of learners studying for an assessed qualification in Welsh as a subject	Trend data not yet available	93.3%

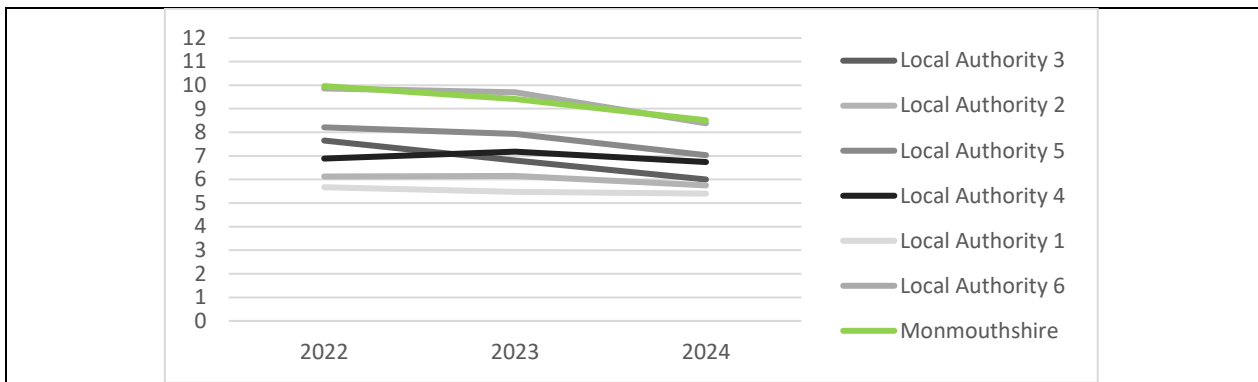
Performance comparable with other areas

When assessing performance, it is essential to ensure wider context and relative performance is considered to offer a well-rounded evaluation.

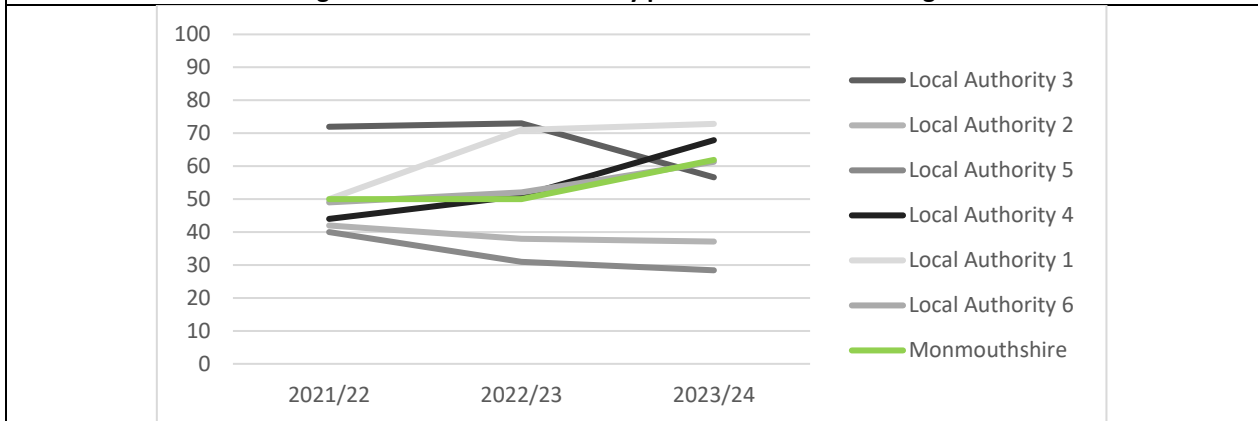
Through our self-assessment we have assessed our progress using both local and national metrics. Some of these national metrics are comparable with other local authorities across Wales. The table below provides an overview of how we are performing against some of our 'nearest neighbours'. These 'neighbours' are those authorities with which we share a wide range of similar characteristics, for example rurality, population demographics, and local economic factors. These may not always correlate with nearest geographic neighbours. The selection of nearest neighbours is based on ONS analysis which assesses a range of data and evidence to ensure a fair comparison.



	 Local Authority 3 Local Authority 2 Local Authority 5 Local Authority 4 Local Authority 1 Local Authority 6	
Objective: A Thriving and Ambitious Place		
Percentage of school leavers known not to be in Education, Employment or Training (NEET)		
	 Local Authority 3 Local Authority 2 Local Authority 5 Monmouthshire Local Authority 4 Local Authority 5	
Percentage employed (aged 16-64) - Female		
	 Local Authority 3 Local Authority 2 Local Authority 5 Local Authority 4 Local Authority 1 Local Authority 6 Monmouthshire	
Percentage employed (aged 16-64) - Male		
	 Local Authority 3 Local Authority 2 Local Authority 5 Local Authority 4 Local Authority 1 Local Authority 6 Monmouthshire	
Objective: A Safe Place to Live		
Median house prices compared to median workplace-based earnings		

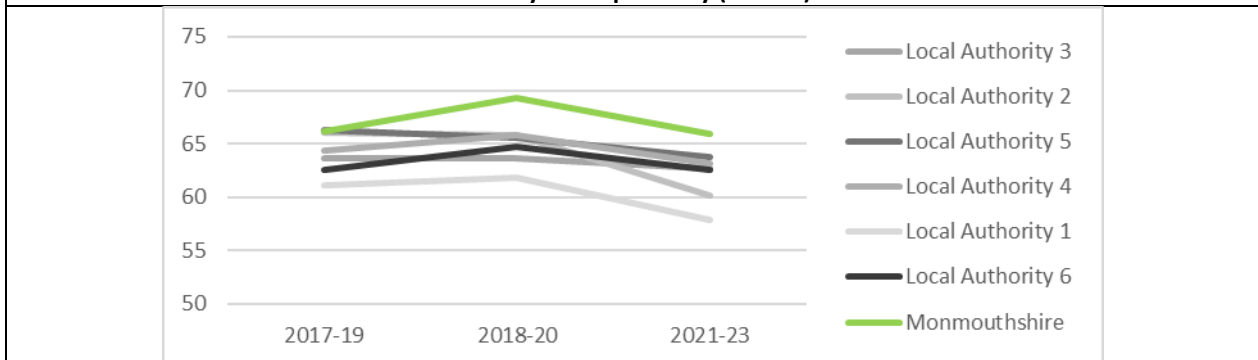


Percentage of households successfully prevented from becoming homeless

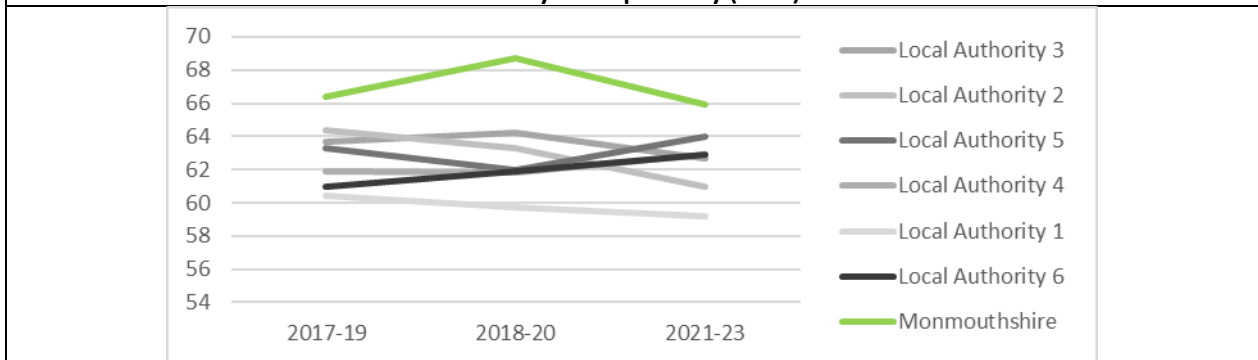


A Connected Place Where People Care

Healthy life expectancy (female)

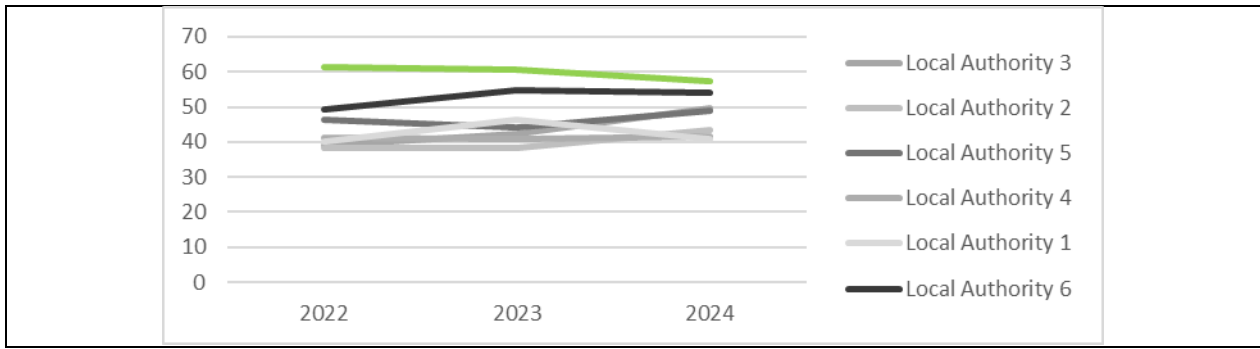


Healthy life expectancy (male)



A Learning Place

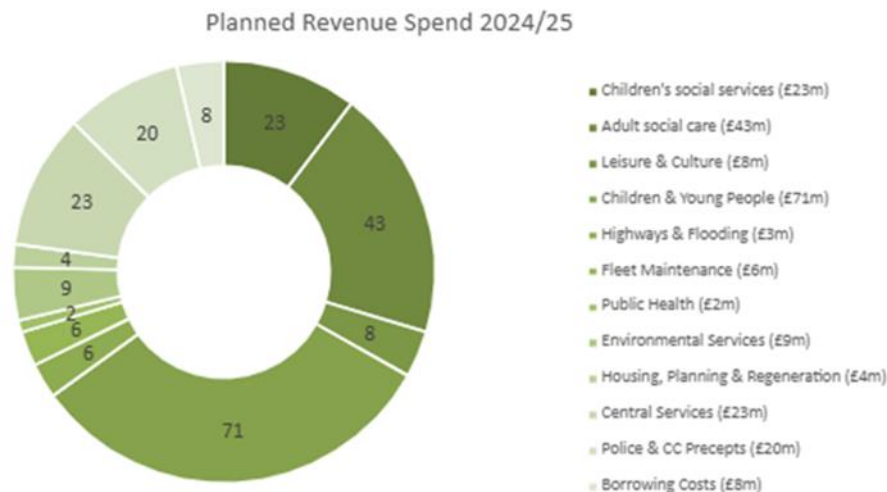
Percentage of adults qualified to level 4 or above of the National Qualification Framework



What we spent in 2024/25

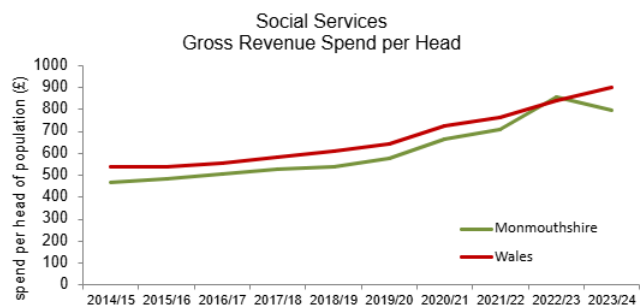
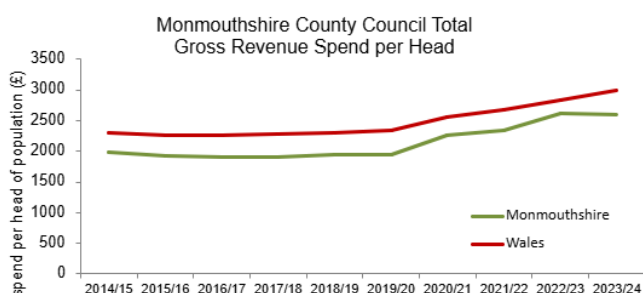
In 2024/25, the council's planned spend was £220 million to provide services for Monmouthshire residents.

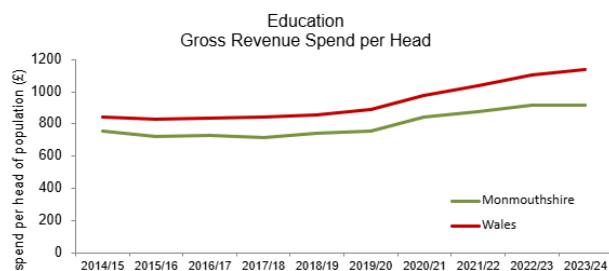
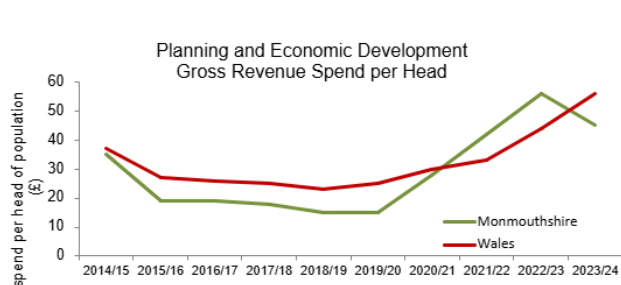
The proportion of our spending on different services in 2024/25 is shown in the diagram. These services are paid for by a combination of central government grants, council tax and non-domestic rates. Council tax is also used to fund the services of the Police and crime commissioner for Gwent and Community Councils.



How our revenue spend compares with other areas

The graphs below show how much we spend per head of population in some of our priority areas. In 2023/24, the latest year comparative data is available, we had the lowest gross revenue spend per head of all councils in Wales. We spend less than the Wales average on education services, social services and planning and economic development. We have continued to work hard to make sure this money goes where it matters. For 2024/25 we received an increase in core funding; however, our budget settlement from the Welsh Government was the lowest per head of population of councils in Wales.





What citizens said

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

Through our self-assessment we have used the views of service users and residents to inform our assessment. Some of the specific engagement exercises we undertaken to involve citizens this year include:

Budget engagement: Monmouthshire County Council launched its draft budget proposals for 2025-2026 in January 2025. Communities were invited to share their views on these possible changes in an open consultation process. A range of information on the proposals and their potential impacts was shared. Face-to-face budget consultation events took place, as well as online budget sessions. For those unable to join the livestream, the session was uploaded to the website to watch after the event. As part of the consultation process, residents were also asked to share their thoughts via a feedback survey on the budget proposals, which were shared across our social media platforms. The feedback received informed the development of our final budget proposals.



Regeneration Proposals: We are working in partnership with town councils and other key stakeholders to drive and oversee the development of placemaking plans in Monmouth, Abergavenny and Magor with Undy. To inform these plans a range of consultation events were held including face-to-face engagement opportunities, displays were held in the local area on plans and designs and surveys provided. Initial discussions have taken place with local stakeholders about a new placemaking plan for Caldicot. We have invited expression of interest from eligible businesses in Monmouthshire town centres for the Monmouthshire Town Centre Property Improvement Grant. This is funded through the Welsh Government's Transforming Town Placemaking Grant and Monmouthshire County Council. The grant provides financial support for improvements to properties in the designated town centres of Abergavenny, Caldicot, Chepstow and Monmouth.

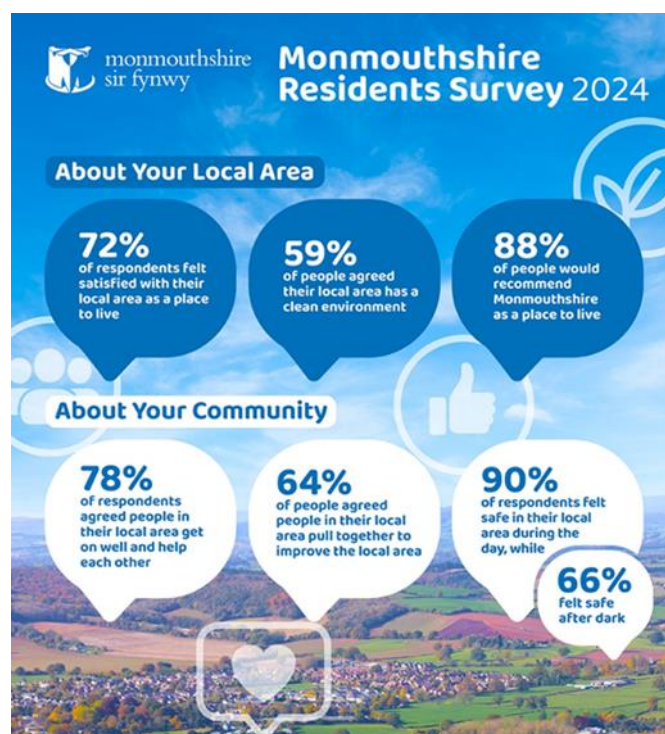
Replacement Local Development Plan: In October, Council endorsed the Replacement Local Development Plan (RLDP) for public consultation which was held between November and December 2024. This included

a series of both in-person and online events as well as specific engagement with local businesses. Residents and local businesses were invited to share their thoughts on the Deposit Plan to enable them to shape its development. The findings of the consultation will be considered by full Council in Autumn 2025.

Customer Complaints and Compliments: We monitor and learn from feedback received from customers. These are reported to the Governance and Audit Committee. Issues included the length of time we can take to respond to people. Not only is it important to deal with complaints effectively, investigating and putting things right for the complainant where necessary, it is also vital to learn from them to minimise the chances of the same problem occurring twice. Twenty-nine complaints about Monmouthshire County Council were received by Public Service Ombudsman for Wales in 2023-24, the last year for which data is available, an increase from twenty-three during 2022-23. Monmouthshire is below the average levels of complaints reported to the Ombudsman at 0.31 per 1,000 residents. This ranges from 0.15 to 0.58 with an average of 0.36.

National Residents Survey: During the Autumn of 2024, we conducted a resident survey on everyday life in Monmouthshire. Hosted by Data Cymru, the survey was part of their National Residents Survey, designed to support local councils in increasing their understanding of performance and perception. Residents were asked about their experiences in the local area, their views on the council's services, and how we, as a council, can improve things. Thanks to the engagement from residents, we received 1,465 responses. We have analysed the survey results to understand what respondents said about their local area, the council and their interactions with the council. The evidence from the survey provides us with a fuller picture of how people feel in the county and the valuable feedback will help inform our services. The full results are available on <https://www.monmouthshire.gov.uk/monmouthshire-resident-survey/>. The survey is one mechanism to help us understand residents' views, alongside a range of feedback collected across services, which will provide a more detailed understanding of the council's services.

Respondents were asked questions about their local area, some of the key results are shown in the graphic below:



The responses show that residents are satisfied with their local area as a place to live, assist each other in their communities and support their local place in Monmouthshire. We know this isn't always the case for everyone, and we are focussed on our objective in the Community and Corporate Plan to make Monmouthshire a fair place to live where the effects of inequality and poverty have been reduced.

Overall, a significant majority of respondents felt safe in the day, with most feeling safe at night, although fewer than in the day. Feelings of safety varied by age and place. We are focussed on delivering our objective for Monmouthshire to be a safe place to live where people have a home and community where they feel secure.

Those younger people who responded to the survey reported lower levels of satisfaction with Monmouthshire as a place to live. The council's deposit Replacement Local Development Plan identifies this as one of its key issues, ensuring our communities are socially and economically sustainable by providing accessible places to live and work and a choice and range of homes to retain and attract younger people and rebalance our ageing demography.

We asked questions about the council to understand people's views on local service delivery, interaction with the council and democratic representation. Key results about the council are shown below:



Overall, fewer than half of the respondents were satisfied with how the council operates, its communication methods, and the level of trust they felt toward the council. We are dedicated to upholding the council's core values of Teamwork, Openness, Fairness, Flexibility, and Kindness in the delivery of our services, and the survey responses highlight the importance of consistently reflecting these principles in all the council's activities.

Slightly more than half of respondents felt the council provides high quality services, with satisfaction varying by service from higher levels in waste management to lower levels in other service areas. Respondents reported generally higher satisfaction levels with their experience of specific council processes, such as making payments and requests.

We are committed to using residents and services users' views in the evaluation of our performance. Service areas will use the responses from this survey to inform their planning and evaluate their performance against the objectives we have set. We remain committed to working with communities and businesses to improve things and make Monmouthshire an even better place to live.

Staff engagement

As part of our process to collate the self-assessment, we held directorate and enabling-service workshops to provide an opportunity for staff to directly feed into the self-assessment via identification of their own strengths and areas for development. Workshop attendees were presented with evidence packs, collated from existing information sources such as scrutiny reports, external regulator feedback, and service business plans, and were facilitated to self-assess their performance. A range of evidence was gathered from the workshops, both in terms of successes and areas for development associated with our strategic goals and our enabling functions, but also on how to strengthen the self-assessment process.

We have also used evidence gathered from a range of staff events and groups. These include the relaunched People Leaders Workshops and team Q&A sessions which are held face-to-face in peoples' workplaces. We have held two face-to-face staff conferences in the north and south of the County and will be holding an online version. We also completed a new staff survey to enable us to understand how connected people feel to the organisation. The use of these sessions, networks, digital communication, surveys and feedback loops to senior managers, has extended the reach of contact with the workforce.

Businesses

We have established stronger engagement networks with businesses in our area since the pandemic and are working to maintain and improve these connections. We have a better understanding of the types of businesses in our area. We have continued to engage with businesses through our new customer relationship management system which acts as a database of Monmouthshire businesses and a tool to promote the advice and guidance services that we can provide to pre-starts and existing businesses. Our Business Data & Communications Officer has continued to improve our links with businesses and has helped to improve feedback loops with businesses to ensure we are capitalising on the conversations that are taking place and can improve our service as a result. This feedback will continue to inform our self-assessment.

Trade Unions

We engage well with Trade Unions to achieve our outcomes. We have briefed them on the process we undertake to complete our self-assessment and shared our initial findings with them as part of our self-assessment process. We have developed a Social Partnership Duty Report 2025, setting out how we will build on existing practice, and work collaboratively with trade unions, in line with the requirements of the Social Partnership and Public Procurement (Wales) Act 2023.

What Regulators and Inspectors Said

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

Each year, Audit Wales publishes an Audit Plan setting out the work they plan to undertake at the council. As part of the plan, they have undertaken a range of audits during the year. These included:

- **Financial sustainability:** The report found that although the council is developing a longer-term approach to financial planning, it is yet to identify how it will close its future funding gap. Given its low reserves levels, the council will need to work at pace to implement its financial strategy and strengthen its financial resilience
- **Performance Management Arrangements:** The report concludes that the council has proper arrangements in place to manage its performance and is proactive in identifying areas for improvement.
- **Digital Strategy Review:** The report concludes the council does not have a clearly articulated strategic approach to digital. The report recognises the council currently does not have a digital strategy and its current digital work is detailed within individual service business plans and some project work. It also acknowledges the council intends to develop a new digital strategy to help clarify the role that digital technology will play in the council. We have now developed a digital and data strategy for 2024-2027.
- **Unscheduled Care (regional review):** The work examined whether health boards and local authorities have effective arrangements in place to ensure the timely discharge of patients out of hospital. The report makes several recommendations for both the health board and local authority to respond to and a collective response to address these has been developed.
- **Assurance and Risk Assessment work in the council during 2024/25.** This reviewed the arrangements the council has put in place to secure value for money in the use of its resources in line with the Auditor General's duties. The assessment is also used to inform our work planning for future years.

We have developed responses to the recommendations in these reports and the progress in delivering these is regularly reported to the council's Governance & Audit Committee. Reports produced by Audit Wales are available to download on their website (www.audit.wales/publications). This includes local government national reports.

We underwent an Estyn Inspection into Local Government Education Services in February 2020. The inspection recognised the clear vision and strong focus on ensuring 'the best possible start in life' and identified the commitment to partnership working that has resulted in a good track record of improvement. It also identified areas for development, such as the performance of children eligible for free school meals, and a lack of clarity in how services for learners with special educational needs will be strengthened. The progress in addressing the four recommendations in the report has been evaluated in the Children and Young People's Chief Officer's Report 2023/24, with all four being assessed as making 'good progress'. The progress report can be found here [Children and Young People's Chief Officer's Report 2023/24 \(monmouthshire.gov.uk\)](http://monmouthshire.gov.uk). The full Estyn report, and other Estyn reports related to Monmouthshire and schools in the county, can be found on www.estyn.gov.wales

Care Inspectorate Wales carried out an improvement check of Monmouthshire County Council's adult services in April 2025, following up on their Performance Evaluation Inspection (PEI) conducted in July 2022. The inspection assessed the progress made in addressing previously identified areas for improvement. The review found key strengths in our establishment of a place-based approach and implementation of the commissioning strategy, the improved availability of domiciliary care and development of reablement approaches reducing or mitigating the need for ongoing support. Areas requiring further development identified include the need for improvement in risk identification, staff

engagement and communication and support for carers. We have developed a response to address the areas for improvement identified.

The full inspection report, and other inspection reports about Monmouthshire social services by Care Inspectorate Wales (CIW), can be found on www.careinspectorate.wales

Equality and Diversity

The council has a long-standing commitment to equality and diversity. Our fourth Strategic Equality Plan, produced under the Equality Act 2010 sets the council's objectives to ensure we deliver better outcomes for people with protected characteristics. This is clearly aligned with the evidence provided by the Well-being Assessment, and evidence provided by the Equality and Human Rights Commission's report "Is Wales Fairer 2023".

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

The Welsh Language

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

The Welsh Language (Wales) Measure 2011, and accompanying Welsh Language standards, place a legal duty on councils to treat Welsh and English equally, to promote the Welsh Language and provide services to the public through the medium of Welsh. There are 176 standards that apply to the council. This is a significant challenge, but systems have been put in place to comply with these. We have a Welsh Language Strategy for 2022-2027, which identifies a vision of how the language will look in Monmouthshire in five years and is accompanied by targets to help achieve it. We produce annual monitoring reports that assess our progress against our Welsh language commitments under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards. These can be found [here](#).

Appendix 1 – Self-assessment process

Legislation

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

The performance and governance provisions in the Act are framed within the context of the well-being duty in the Well-being of Future Generations (Wales) Act 2015, which sets out a legally binding common purpose for public bodies to improve the social, economic, environmental and cultural well-being of Wales.

The mechanism for a council to keep its performance under review is self-assessment, with a duty to publish a report setting out the conclusions of the self-assessment once in respect of every financial year. Self-assessment will be complemented by a panel performance assessment once in an electoral cycle, providing an opportunity to seek external insights (other than from auditors, regulators or inspectors) on how the council is meeting the performance requirements.

Why?

Self-assessment is a way of evaluating, critically and honestly, the current position to make decisions on how to secure improvement for the future. It is about the council being self-aware, understanding whether it is delivering the right outcomes, and challenging itself to continuously improve. It needs to be embedded as effective self-assessment helps the council to continually learn and achieve sustainable improvement and better outcomes for citizens, service users and its own workforce.

The WLGA have identified draft principles for self-assessment for councils to ensure that they have arrangements in place that:

- demonstrate self-awareness derived from evidence-based analysis that focuses on outcomes;
- are owned and led at a strategic level and are not an exercise in compliance;
- further develop a culture of challenge to facilitate improvement as part of an ongoing process;
- are integrated as part of the council’s corporate planning, performance and governance processes; and
- enable an organisation-wide assessment rather than an assessment of individual services.

Further developing this culture and embedding an evaluative mindset will be a key development point through the continued production of the self- assessment report.

Process

The council has developed a process to undertake its self-assessment under the Act, assessing performance in the 2024/25 financial year. The main component parts of the process and timeline are:

April - May	May - June	June - July	July	September
Desk-based evidence gathering	Directorate self-assessment Workshops	Council self-assessment report drafted	Draft report to Scrutiny and Governance & Audit Committee	Self-assessment agreed in line with council process.

This timeline ensures that the self-assessment can inform and be informed by the policy direction of the council and how it uses its resources efficiently and effectively, particularly the budget setting process.

Evaluative evidence to inform the assessment has been compiled at a directorate level. Most of the evidence has been collated by using intelligence already held corporately in an insightful way; this includes, for example, the Annual Governance Statement, audit and inspection reports, and service level business plans.



The evidence gathered has been explored further, and challenged where necessary, at directorate and enabling function based self-assessment workshops, to determine if the objectives (outcomes) of the council are being achieved.

Self-assessment workshops

Directorate workshops	Enabling functions workshops
Learning, Skills & Economy	People
Social Care & Health	Asset Management
Place	Finance
Infrastructure	Procurement
Customer, Culture & Well-being	Digital & Data

The workshops were facilitated through the following questions:

- How well are we achieving our agreed outcomes? (Community & Corporate Plan objectives)
- How do we know? (Evidence)
- How effectively are resources being used to deliver our priorities? (Enablers)
- How effectively does the council work with stakeholders and partners on agreed outcomes? (Partnership working)
- What could we do better? (Actions – including a review of actions from the previous report)

The full evidence and conclusions from workshops have been collated and will be used by directorates and enabling functions to inform their services business plans.

Following the workshops, the evidence has been reviewed, further challenged, and collated into a corporate level evaluative self-assessment. This has been integrated with the council’s requirement to report on the progress it has made in meeting its well-being objectives for the preceding financial year (2024/25) under the Well-being of Future Generations Act.

The report is structured under these headings:

- Understanding our local place
- Outcomes (progress against our objectives):
 - How well are we achieving our agreed outcomes?
 - How do we know?
 - Areas for development
- Enabling functions
 - Corporate planning, performance and risk management
 - Financial planning
 - Workforce planning
 - Procurement
 - Assets
 - Digital & Data
 - Democracy & Scrutiny
- Our work with partners
- Our Actions (including progress against previous actions)

The self-assessment report will be scrutinised by the council's Performance and Overview Scrutiny Committee. A draft of the self-assessment report will be made available to Governance and Audit Committee to review the draft report in line with the requirements of the legislation. The self-assessment will be presented for approval at a meeting of full Council.

Evaluation Score: This provides our assessment of performance against the objective using the evaluation scoring mechanism	
Why we focussed on this?	
Why we are focussing on this objective to improve well-being in Monmouthshire.	
How well are we achieving our agreed outcomes?	How do we know?
Row 1 - This sets 'What we want to achieve' from the Community & Corporate Plan 2022-28	
Column 1 - This provides the self-assessment of our performance during 2024/25 based on 'what we want to achieve'	Column 2 - The evidence sources we have used to inform our assessment.
Further areas for development identified through our 2024/25 self-assessment	
These are specific conclusions from the self-assessment that inform our action plan.	

Well-being of Future Generations Act impact				
This provides an explanation of how our activity contributes to the Well-being of Future Generations Act well-being goals and ways of working. It also identifies the council's well-being objective(s) that were set as part of the Community and Corporate Plan in April 2023.				
Measures of progress				
Measure	Previous	Latest	Target for 2024/25	Comment
This provides an update using the measurement framework of the Community and Corporate Plan.	Previous data is 23/24 unless otherwise stated	Latest data is 24/25 unless otherwise stated	This is the target we set for 24/25	Any further explanation on the performance measure

ⁱ This includes both emissions from the council's operations and land-based and supply chain operations

ⁱⁱ Percentage of Year 11 school leavers who are NEET. [Pupil destinations | Careers Wales \(gov.wales\)](#)

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GOVERNANCE & AUDIT COMMITTEE WORK PROGRAMME 2025-26

1ST MAY 2025

Reports to be with Peter by – 7th April 2025
Reports to be with Wendy Barnard/Chair prior to pre-meeting – 10th April 2025
Pre-meeting – 14th April 2025
Finalised reports to Democratic Services – 17th April 2025
Despatch by Democratic Services – 23rd April 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Self - assessment of Performance Management Arrangements Report	Richard Jones		✓			
Audit Wales Work Programme: Council Progress Update	Richard Jones		✓			
Internal Audit Plan 25/26	Jan Furtek				✓	
Implementation of Internal Audit agreed recommendations	Jan Furtek				✓	
Internal Audit Charter, Mandate and Strategy	Jan Furtek				✓	
Audit Wales Work Programme and Timetable quarterly update - March 2025	Steve Wyndham/Charlotte Owen					✓
Audit Wales Annual Audit Plan 2025 - 26	Steve Wyndham					✓

12TH JUNE 2025

Reports to be with Peter by – 23rd May 2025
Reports to be with Wendy Barnard/Chair prior to pre-meeting – 29th May 2025
Pre-meeting – 2nd June 2025
Finalised reports to Democratic Services – 3rd June 2025
Despatch by Democratic Services – 4th June 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Effectiveness of Strategic Risk Management Framework	Richard Jones		✓			
Draft Freedom of Information (FOI) & Data Protection Act (DPA) Breaches & Date Subject Access Request (DSARs)	Sian Hayward		✓			
Internal Audit Annual Report 2024/25	Jan Furtek				✓	
SRS Annual Internal Audit Report – Torfaen CBC IA Team	Jan Furtek				✓	

2024/25 Treasury Outturn report	Jonathan Davies	✓				
Audit Wales Annual Audit Summary 2024	Audit Wales/Richard Jones		✓			✓
Audit Wales Counter Fraud Arrangements Review & Management Response	Audit Wales/Richard Jones		✓			✓
Whistleblowing Annual Report	Philippa Green	✓				✓

24TH JULY 2025

Reports to be with Peter by – 7th July 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 10th July 2025

Pre-meeting – 14th July 2025

Finalised reports to Democratic Services – 15th July 2025

Despatch by Democratic Services – 16th July 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Revenue & Capital MTFP update and process	Jon Davies	✓				
2025/6 Q1 - Treasury report	Jon Davies	✓				
Mon CC Draft Statement of Accounts 2024/25	Jon Davies	✓				
Draft Annual Governance Statement 2024/25	Jan Furtek				✓	
Draft Self-Assessment Report 2024/25	Richard Jones		✓			

11TH SEPTEMBER 2025

Reports to be with Peter by – 22nd August 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 28th August 2025

Pre-meeting – 1st September 2025

Finalised reports to Democratic Services – 2nd September 2025

Despatch by Democratic Services – 3rd September 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Internal Audit Quarterly progress report (Q1)	Jan Furtek				✓	
Global Internal Audit Standards – Implementation and Self-Assessment	Jan Furtek				✓	
Governance & Audit Committee Annual report 2024/5	Chair – Andrew Blackmore		✓			
CPR Exemptions - 6 monthly update to 31st March 2025	Jan Furtek				✓	
2024/25 Welsh Church Fund/Monmouthshire Farm School Endowment Trust Draft Statements of Accounts	Jon Davies	✓				

16TH OCTOBER 2025

Reports to be with Peter by – 29th September 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 2nd October 2025

Pre-meeting – 6th October 2025

Finalised reports to Democratic Services – 7th October 2025

Despatch by Democratic Services – 8th October 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
2024/25 MCC Statement of Accounts Final	Jon Davies	✓				
Anti-Fraud, Corruption & Bribery Policy Update	Jan Furtek				✓	

27TH NOVEMBER 2025

Reports to be with Peter by – 10th November 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 13th November 2025

Pre-meeting – 17th November 2025

Finalised reports to Democratic Services – 18th November 2025

Despatch by Democratic Services – 19th November 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
25/26 Q2 Treasury report	Jon Davies	✓				
ISA260 audit report of MCC accounts	Rachel Freitag/Jon Davies					✓
Audit Wales Work Programme: Council Progress update	Richard Jones		✓			
Whole Authority Annual Complaints Report	Annette Evans			✓		
The Ombudsmans's Annual Letter	Annette Evans			✓		
Audit Grants report	Audit Wales					✓
Audit Wales Financial Sustainability Review	Audit Wales					✓
Annual Audit Plan 24-25 Welsh Church Funds						✓
CPR Exemptions - 6 monthly update to 30th September 2025	Jan Furtek				✓	
Internal Audit quarterly progress report (Q2)	Jan Furtek				✓	

15TH JANUARY 2026

Reports to be with Peter by – 24th December 2025
 Reports to be with Wendy Barnard/Chair prior to pre-meeting – Wednesday 31st December 2025
 Pre-meeting – 5th January 2026
 Finalised reports to Democratic Services – 6th January 2026
 Despatch by Democratic Services – 7th January 2026

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
2024/5 WCF/Mon Farm Statement of Accounts Final	Jon Davies	✓				
2026/27 Capital strategy & Treasury strategy	Jon Davies	✓				
Effectiveness of Strategic Risk Management Framework and summary of wider arrangements	Richard Jones		✓			

26TH FEBRUARY 2026

Reports to be with Peter by – 9th February 2026
 Reports to be with Wendy Barnard/Chair prior to pre-meeting – 12th February 2026
 Pre-meeting – 16th February 2026
 Finalised reports to Democratic Services – 17th February 2026
 Despatch by Democratic Services – 18th February 2026

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
ISA260 for trust funds	Rachel Freitag/Jon Davies					✓
25/26 Q3 Treasury report	Jon Davies	✓				
Anti Fraud, Bribery & Corruption Risk Assessment	Jan Furtek				✓	
Internal Audit quarterly progress report (Q3)	Jan Furtek				✓	
Draft Internal Audit Plan 2025/26	Jan Furtek				✓	

Public Document Pack Agenda Item 11

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Governance and Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 12th June, 2025 at 2.00 pm**

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

Lay Members: Colin Prosser and Rhodri Guest,
County Councillor: Sara Burch, John Crook, David Jones,
Malcolm Lane, Phil Murphy, Peter Strong and Ann Webb

OFFICERS IN ATTENDANCE:

Peter Davies	Deputy Chief Executive and Chief Officer for Resources
Jan Furtek	Acting Chief Internal Auditor
Wendy Barnard	Democratic Services Officer
Charlotte Owen	Audit Wales Officer
Richard Jones	Performance and Data Insight Manager
Jonathan Davies	Head of Finance
Emma Tapper	Governance & Assurance Officer
Steve Wyndham	Audit Wales Officer
Mike Corcoran	Torfaen Head of Internal Audit
Kathryn Evans	Data Protection and Information Governance Manager
Daniel Francis	Finance Business Partner Corporate
Philippa Green	Head of HR
Sian Hayward	Head of Information Technology and Security and SIRO (Senior Information Risk Owner)

APOLOGIES:

None

1. Declarations of Interest

No declarations of interest were made.

2. Public Open Forum

No members of the public were present.

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

The Action List from the previous meeting was noted. There were no items outstanding.

<https://www.youtube.com/live/84u5cQfkVky?si=2nw5BiQFEZwZjfhP>

4. Audit Wales Annual Audit Summary 2024

Audit Wales Officers presented the Monmouthshire Audit Wales Annual Summary 2024.
Committee Members were then invited to ask questions:

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Governance and Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 12th June, 2025 at 2.00 pm**

https://www.youtube.com/live/84u5cQfkVkY?si=Mvo9r16v_l1qoA-&t=1499

This summary report was noted.

5. Audit Wales Counter Fraud Arrangements Review and Management Response

Audit Wales Officers presented the Audit Wales Counter Fraud Arrangements Review. The Management Response was provided by the Acting Chief Internal Auditor. Committee Members were given the opportunity to ask questions:

<https://www.youtube.com/live/84u5cQfkVkY?si=IsMuWJRPLx58P0PM&t=1647>

The Review and Management Response was noted. The completion rate for the mandatory Anti-Fraud, Corruption and Bribery training for all staff was queried. It was agreed to add this point to the Action List/Forward Work Programme in liaison with the Acting Chief Internal Auditor. Updated statistics were requested for a future meeting. [ACTION]

6. Effectiveness of Strategic Risk Assessment Framework

The Performance and Data Insight Manager presented the Effectiveness of Strategic Risk Assessment report. Members were invited to ask questions:

<https://www.youtube.com/live/84u5cQfkVkY?si=z2HUJodeKAXjMSWy&t=2932>

As per the report recommendations, Members used the assessment to seek assurance about the effectiveness of the authority's risk management arrangements.

7. Draft Freedom of Information, Data Protection Breaches and Data Subject Access Requests

The Head of Information Technology and Security, and Senior Information Risk Owner (SIRO) and the Data Protection and Information Manager presented a report on Freedom of Information, Data Protection Breaches and Data Subject Access Requests. Following presentation of the report, Members were invited to ask questions:

<https://www.youtube.com/live/84u5cQfkVkY?si=Mre-eZgWHMmwbT5K&t=432>

As contained in the report recommendations, Members scrutinised, reviewed and assessed the Council's arrangements for managing and responding to information requests and breaches and considered the adequacy and effectiveness of those arrangements.

8. SRS Annual Report and Internal Audit Plan - Torfaen Internal Audit Team

Torfaen Head of Internal Audit presented the SRS Annual Report and Internal Audit Plan

<https://www.youtube.com/live/84u5cQfkVkY?si=oWb4t7GERhloXQCX&t=90>

As per the report recommendations, Members noted the overall opinion provided by the Torfaen Head of Internal Audit and the intended coverage for 2025/26.

9. Internal Audit Annual Report 2024/25

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 12th June, 2025 at 2.00 pm

The Acting Chief Internal Auditor presented the Internal Audit Annual Report 2024/25. Following presentation of the report, Members of the Committee were invited to ask questions:

<https://www.youtube.com/live/84u5cQfkVkY?si=rMeq7OkIRt4qBaEk&t=3564>

As contained in the report recommendations, the Governance and Audit Committee received, commented on and endorsed the Annual Report.

10. Treasury Outturn Report 2024/25

The Head of Finance and Finance Business Partner Corporate presented the Treasury Outturn Report 2024/25. Following presentation of the report, Committee Members were invited to ask questions:

<https://www.youtube.com/live/84u5cQfkVkY?si=AVsybpl7-cKdAZf-&t=4633>

As per the report recommendations the Governance & Audit Committee reviewed the results of treasury management activities and the performance achieved in quarter 4 and throughout 2024/25 as part of their delegated responsibility to provide scrutiny of treasury policy, strategy and activity on behalf of Council.

11. Whistleblowing Annual Report

The Head of HR presented the Whistleblowing report. Following presentation of the report, Committee members were given the opportunity to ask questions:

<https://www.youtube.com/live/84u5cQfkVkY?si=chHKuB9KN3yZVEdC&t=1336>

As per the report recommendations, the Members noted the information contained in the report.

12. Governance and Audit Committee Forward Work Plan

The Forward Work Plan was noted.

<https://www.youtube.com/live/84u5cQfkVkY?si=SzBZo-sQ66Cx-ksd>

13. To approve the minutes of the previous meetings held on 2nd June 2025.

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

<https://www.youtube.com/live/84u5cQfkVkY?si=QgEP8ZI0-Hpnzgs4&t=5412>

14. Date of Next Meeting: 24th July 2025 at 2pm

Meeting ended at 3.31 pm

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