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Cyngor Sir
CEREDIGION
County Council

Neuadd Cyngor Ceredigion, Penmorfa,
Aberaeron, Ceredigion SA46 0PA
www.ceredigion.gov.uk

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19 January 2023

Dear Sir / Madam

I write to inform you that a MEETING of COUNCIL will be held at Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron and remotely via video conferencing on Thursday, 26 January 2023 at 10.00 am for the transaction of the following business:

- 1. Apologies**
- 2. Disclosure of personal / prejudicial interests**
- 3. Personal matters**
- 4. To confirm the Minutes of the Meetings of the Council held on 15 December 2022 (Pages 3 - 6)**
- 5. To consider the updated Annual Governance Statement 2021/22 (Pages 7 - 80)**
- 6 (a) To receive the ISA260 Report of Audit Wales on the 2021/22 Statement of Accounts (Pages 81 - 98)**
- 6 (b) The Chairman of the Governance and Audit Committee to formally present that Committee's comments on the report**
- 6 (c) To approve the 2021/22 Statement of Accounts (Pages 99 - 262)**
- 7. To consider the report of the Corporate Lead Officer: Finance and Procurement upon the requirement to adopt a Council Tax Reduction Scheme by 31 January 2023 (Pages 263 - 268)**

8. **To consider the report of the Corporate Lead Officer: Legal and Governance in relation to the review of the Council's Regulation of Investigatory Powers Act 2000 (RIPA) (Pages 269 - 362)**
9. **To consider the report of the Corporate Lead Officer: Legal and Governance upon the appointment of an Independent Member to the Ethics and Standards Committee (Pages 363 - 364)**
10. **To consider the report of the Corporate Lead Officer: People and Organisation upon the Approval of Teachers' Pay Policies 2022/23 and Model Unattached Teacher Pay Policy for centrally employed teachers (Pages 365 - 452)**
11. **To consider the report of the Corporate Lead Officer: People and Organisation upon the Council's proposed Pay Policy for 2023/24 (Pages 453 - 486)**

Members are reminded to sign the Attendance Register.

A Translation Service will be provided at this meeting and those present are welcome to speak in Welsh or English at the meeting.

Yours faithfully



Miss Lowri Edwards
Corporate Lead Officer: Democratic Services

To: Chairman and Members of Council

**Minutes of the Meeting of CEREDIGION COUNTY COUNCIL
held at Neuadd y Cyngor, Penmorfa, Aberaeron and remotely via video-
conferencing on Thursday, 15th December, 2022**

PRESENT: Councillor Ifan Davies (Chair), Councillors Bryan Davies, Catrin M S Davies, Clive Davies, Gareth Davies, Gethin Davies, Meirion Davies, Rhodri Davies, Amanda Edwards, Endaf Edwards, Elaine Evans, Elizabeth Evans, Eryl Evans, Gwyn Wigley Evans, Keith Evans, Rhodri Evans, Wyn Evans, Keith Henson, Geraint Hughes, Hugh R M Hughes, Chris James, Gwyn James, Ceris Jones, Maldwyn Lewis, Gareth Lloyd, Sian Maehrlein, Ann Bowen Morgan, Caryl Roberts, John Roberts, Wyn Thomas, Matthew Vaux, Alun Williams and Carl Worrall

(10.00am - 10.30am)

Procedure

The Chairman of the Council, Councillor Ifan Davies welcomed all to the meeting and confirmed that the meeting was being webcasted.

1 Apologies

Councillors Euros Davies, Marc Davies, Steve Davies, Paul Hinge and Mark Strong apologised for their inability to attend the meeting.

Duncan Hall apologised for his inability to attend the meeting due to other Council duties.

2 Disclosure of personal / prejudicial interests

There were no declarations of personal or prejudicial interest.

3 Personal matters

- a) Councillor Ifan Davies, Chairman of the Council wished Mr Geraint Evans, Head of the Ceredigion Schools Music Service on his retirement following 26 years of service;
- b) Councillor Ifan Davies thanked all the staff working day and night to ensure that roads are gritted, office staff, and staff that have been going out in all weathers to provide support to the residents of Ceredigion;
- c) Councillor Ann Bowen Morgan congratulated the University of Wales, Trinity Saint David on the concert held in November to celebrate 200 year at the Lampeter campus;
- d) Councillor Ann Bowen Morgan congratulated pupils and staff at Ysgol Bro Pedr for its excellent performance of 'Grease';
- e) Councillor Ceris Jones congratulated Megan Teleri Davies on winning the RCGP South East Wales Faculty Student of the Year Award, receiving the highest score for her portfolio on GP and Patient Pathway Projects;
- f) Councillor Ceris Jones congratulated Michael Morgans on receiving a Community Award from Llanfihangel Ystrad Community Council for his tireless voluntary work in his community;
- g) Councillor Elizabeth Evans asked that everyone completes the Hywel Dda Community Health Council patient questionnaire, in order to feed into the national enquiry on the response to Covid-19;

h) Councillor Keith Evans congratulated Councillor Rhodri Evans on his appointment to the Hywel Dda University Health Board.

4 Minutes of the Meetings of the Council held on 24th November 2022

It was **RESOLVED** to confirm as a true record the Minutes of the Council meetings held on 24th November 2022.

5 To appoint a Member to the Hywel Dda Community Health Council

Councillor Ifan Davies, Chairman of the Council noted that Councillors Elizabeth Evans, Amanda Edwards and Wyn Evans were appointed to the Hywel Dda Community Health Council 20 May 2022. Councillor Wyn Evans had requested to stand down from the Hywel Dda Community Health Council, therefore Council was asked to nominate an alternative Member to take up this role.

Councillor Elizabeth Evans nominated Councillor Elaine Evans, which was seconded by Councillor Bryan Davies.

Following a vote, it was unanimously **RESOLVED** to appoint Councillor Elaine Evans to represent Ceredigion County Council on the Hywel Dda Community Health Council.

6 Appointment of Councillor Rhodri Evans to the Hywel Dda Health Board

Councillor Ifan Davies, Chairman of the Council noted that the Council nominated 2 representatives to the Hywel Dda University Health Board, and following a selection process, Councillor Rhodri Evans received confirmation of his appointment from Eluned Morgan, the Minister for Health and Social Services, to serve as an Independent Member for a term of 4 years.

Eifion Evans, Chief Executive noted the importance of Ceredigion having a voice on the Hywel Dda University Health Board and congratulated him on his appointment. This was re-iterated by Councillor Bryan Davies, Leader of the Council. Councillor Rhodri Evans thanked everyone for their kind words, and to all Councillors for nominating him.

The appointment of Councillor Rhodri Evans to the Hywel Dda Health Board as an Independent Member (Local Authority) for a term of 4 years was noted by Council.

7 Appointment of Councillor Carl Worrall to the Pendinas Hillfort Project Steering Group

Councillor Bryan Davies, Leader of the Council noted that Councillor Carl Worrall, a Local Member for the Aberystwyth Penparcau Ward has been appointed to the Pendinas Hillfort Project Steering Group.

The appointment was noted by Council.

8 Appointment of an Independent (Lay) Member to the Governance and Audit Committee

Councillor Matthew Vaux, Cabinet Member for Partnerships, Housing, Legal and Governance and Public Protection presented the report noting that

following a recruitment process Mr Andrew Blakemore was selected as an Independent / Lay Member to the Governance and Audit Committee

It was noted that subject to approval by the Council, the new lay member would be appointed for no more than two consecutive administrative terms, i.e. one term initially, with the option to extend to a second term in 2027 from 15 December 2022, subject to satisfactory references.

Following a vote, it was unanimously **RESOLVED** to approve the appointment of Andrew Blakemore as Independent / Lay Member of the Governance and Audit Committee.

9 Ceredigion County Council Self-Assessment Report 2021/22

Councillor Bryan Davies, Leader of the Council and Cabinet Member for Democratic Services, Policy, Performance and People and Organisation presented the report to Council noting that a new self-assessment based performance regime for Principal Councils was introduced as a result of Part 6 of the Local Government and Elections (Wales) Act 2021.

He noted that the Council is required to publish a Self-Assessment Report per financial year setting out the extent to which the Council has met performance requirements during that year, and any actions it will take, or has already taken to meet the performance requirements. This self-assessment discharges the duties of the Well-being of Future Generations (Wales) Act 2015 and the Local Government and Elections (Wales) Act 2021. He also noted that the Governance and Audit Committee reviewed the report on 27 September 2022, requesting minor formatting amendments.

Subject to approval by Council, the report will be submitted to Ministers, Estyn, the Auditor General for Wales and the Council's Governance and Audit Committee and published on the Council's website.

Following discussion, it was unanimously **RESOLVED** to approve the Self-Assessment Report 2021-22 including the Annual Review of Performance and Well-being Objectives.

10 Introduction of a Sleep-in Allowance and an Approved Mental Health Professional (AMHP) Allowance

Councillor Bryan Davies, Leader of the Council and Cabinet Member for Democratic Services, Policy, Performance, People and Organisation presented the report to Council noting that the development of a Council run children's residential facility has prompted a review of allowance arrangements for staff in residential settings, which may also be used periodically in the Council's adult residential care homes during periods of inclement weather to ensure service continuity.

He also noted that it is a statutory duty for the Council to have an AMHP on duty at all times. AMHP's are suitably qualified and approved Social Workers who are responsible for the coordination and the final decision relating to an individual's Mental Health assessment. Where necessary, this will include the individual's admission to hospital if they are to be sectioned as set out in

the Mental Health Act 2007. In recognition of the responsibility, the role and the required skill base when undertaking AMHP duties, an additional allowance is proposed.

Members requested clarification regarding the sleep-in allowance if call out exceeds 30 minutes, and it was confirmed that an hourly rate would apply in such circumstances. Members also asked if Ceredigion County Council has sufficient AMHP qualified staff to carry out the duties noted, and it was confirmed that recruitment has been successful but that the relevant training will need to be completed.

Following discussion, it was **RESOLVED** to:

1. Approve the implementation of a Sleep-In Allowance with effect from 1 April 2022;
2. Approve the implementation of an AMHP Allowance with effect from 1 April 2022.

Councillor Bryan Davies, Leader of the Council thanked all the Councillors, noting that this would be their first break since the elections in May, and wished everyone a Happy Christmas. Councillor Ifan Davies, Chairman of the Council re-iterated the best wishes to all.

Confirmed at the Meeting of the Council held on 26 January 2023

CHAIRMAN: _____

CEREDIGION COUNTY COUNCIL

Report to: Council

Date of meeting: 26 January 2023

Title: Annual Governance Statement 2021-22 Update

Purpose of the report: To approve the Annual Governance Statement 2021-22

For: Decision

Cabinet Portfolio and Cabinet Member: Cllr. Matthew Vaux, Cabinet Member for Partnerships, Housing, Legal and Governance and Public Protection

Background:

The Draft Annual Governance Statement was approved by Council on the 8th of July 2022.

Current Position:

In response to recommendations from Audit Wales, the following amendments were made to the Annual Governance Statement 2021-22:

- Page 7 – Corrected dates relating to the review of the Governance Framework Document by Internal Audit.
- Page 7 – Added conclusion of self-assessment review of CIPFA Financial Management Code.
- Pages 13, 29 & 35 – Updated date of approval of Internal Audit Charter.
- Page 22 – Year of Internal Audit Strategy & Plan corrected to 2021/2022.
- Page 29 – Additional dates provided for Internal Audit Reporting to Governance and Audit Committee.
- Page 30, 35 & 36 – Updated date of latest peer review undertaken to May 2022 by Anglesey County Council.
- Page 36 – Updated date of reporting of Annual Internal Audit Report to Governance and Audit Committee.
- Page 37 – Updated comments and dates for Internal Audit Progress Report and Annual Report 2021/22.
- Page 38 – Minor typographical error corrected.

These changes are all shown in the attached updated Annual Governance Statement 2021-22 (**Appendix 1**) using tracked changes/highlight.

A report on this updated Annual Governance Statement 2021-22 was presented to the Governance and Audit Committee on the 19th of January 2023.

		Has an Integrated Impact Assessment been completed?	No
		If, not, please state why	
Wellbeing of Future Generations:		Summary:	This report does not represent a change in policy or strategy.
		Long term:	
		Collaboration:	
		Involvement:	
		Prevention:	
		Integration:	
Recommendation(s):			To approve the Annual Governance Statement 2021-2022 (Appendix 1).
Reasons for decision:			To progress the publication of an Annual Governance Statement 2021/22 in accordance with The Accounts and Audit (Wales) Regulations 2014.
Overview and Scrutiny:			Reviewed by Governance and Audit Committee 19/1/2023.
Policy Framework:			None
Corporate Well-being Objectives:			Effective Corporate Governance ensures that the Council can deliver on all the Corporate Wellbeing Objectives: 1. Boosting the Economy, Supporting Businesses and Enabling Employment; 2. Creating Caring and Healthy Communities; 3. Providing the Best Start in Life and Enabling Learning at All Ages; and 4. Creating Sustainable, Green and Well-connected Communities.
Finance and Procurement implications:			To comply fully with requirements.
Legal Implications:			To comply with legislation/regulations.
Staffing implications:			None
Property / asset implications:			None
Risk(s):			None
Statutory Powers:			Accounts and Audit (Wales) Regulations 2014
Background Papers:			None
Appendices:			Appendix 1 - Annual Governance Statement 2021-22

Corporate Officer: **Lead** Elin Prysor, Corporate Lead Officer – Legal and Governance Services / Monitoring Officer

Reporting Officer: Harry Dimmack, Governance Officer

Date: 10/01/2023

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Annual Governance Statement 2021-22



Approved by Council [x]

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DRAFT

1 EXECUTIVE SUMMARY

Ceredigion County Council ('the Council') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Council is also committed to improving the social, economic, environmental and cultural wellbeing of its citizens. This commitment is set out in the Council's Corporate Strategy 2017-2022 and describes how the council will meet the challenges ahead and make the most of opportunities. The Council's vision for this period is that the Council *'delivers value for money sustainable bilingual public services that support a strong economy and healthy environment while promoting well-being in our people and our communities'* and is to be achieved by fulfilling the Corporate Priorities, which are:

1. Boosting the Economy;
2. Investing in People's Future;
3. Enabling Individual and Family Resilience; and
4. Promoting Environmental and Community Resilience.

To be successful the council must have a solid foundation of good governance and sound financial management. The Council's Local Code of Corporate Governance ensures that we are doing the right things, in the right way, in line with our values. The Local Code is supported by a Governance Assurance Framework that sets out what assurances the Council seeks to obtain, and how this will be done.

A copy of the Council's Local Code of Corporate Governance and Annual Governance Statement is available on the Council's website at <https://www.ceredigion.gov.uk/your-council/councillors-committees/annual-governance-statement/>.

The Council also has a duty under the Local Government (Wales) Measure 2009 to arrange to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council must ensure proper arrangements for the governance of its affairs are in place, facilitating the effective exercise of its functions, and which includes the arrangements for the management of risk. The Local Government and Elections (Wales) Act 2021 is also largely in force and the Council continues to take necessary preparations to ensure compliance of these sections of the Act and compliance with the sections of the Act that are not yet in force.

A Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local

Government Framework 2016. The framework is used to review the governance arrangements on an annual basis.

The Well-being of Future Generations (Wales) Act 2015 also introduces new governance arrangements for public services in Wales. Public bodies are required to carry out sustainable development. It places a well-being duty on public bodies to set and publish well-being objectives designed to maximise their contribution to the seven national well-being goals. They are also expected to take all reasonable steps towards achieving their objectives.

Following the review and in accordance with the requirements of the Framework a Local Code of Corporate Governance was initially approved by Council on 29 June 2017 and an updated version was approved by Council on 19 March 2020.

The Local Code of Corporate Governance brings together in one document all the governance and accountability arrangements the Council has in place. The Code is based on best practice guidance set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

The 2022/23 Code has been reviewed further to take account of ongoing changes to governance due to the coronavirus pandemic.

In addition, following a review by Audit Wales of the Council's Planning Service undertaken during the period April to July 2021 (Report issued October 2021), the Council continues to take steps to address the recommendations issued in the Report, which are referenced in the Corporate Governance Achievements for 2021-22 below.

The Council's Governance Framework is based on the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) and the following seven principles:

- A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B: Ensuring openness and comprehensive stakeholder engagement
- C: Defining outcomes in terms of sustainable economic, social and environmental 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 the 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

The Council is required, each year, to produce an Annual Governance Statement ('AGS') (this document), which explains how the Council has complied with the seven core principles and sub-principles contained in its Governance Framework and the Local Code of Corporate Governance, and also meets the requirement of The Accounts and Audit (Wales) Regulations 2014. This AGS gives assurances on compliance for the year ending 31 March 2022 and up to the date of approval of the Statement of Accounts.

The Leader of the Council and Chief Executive both recognise the importance of having a solid foundation of good governance and sound financial management. They pledge their commitment to address the matters highlighted in this AGS, and to further enhance the Council's governance arrangements.

The Leader and Chief Executive confirm they have been advised of the implications of the review by Senior Management and the Audit Committee and are satisfied that the steps outlined in this AGS will address the areas for improvement.

Signed on behalf of **Ceredigion County Council**

Leader of the Council

Chief Executive

Date: xx/xx/xxxx

Date: xx/xx/xxxx

2 Assessment of the effectiveness of key elements of the Governance Framework

The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively.

The Leader of the Council provides clear strategic direction and the Constitution clearly defines the roles of Councillors and Officers. Internal and External Audit, Ethics and Standards Committee and the Audit Committee are committed to ensuring the governance arrangements are effective and robust.

The Council has conducted an annual review of the effectiveness of its governance against the CIPFA/SOLACE Delivering Good Governance Framework (2016). The review involved a member/officer workshop in which the Council's Governance Framework Document was analysed and reviewed, and included the following Members: the Chair and Vice Chair of the Governance and Audit Committee, and the Chair of Overview and Scrutiny Co-ordinating

Committee. In addition, the Monitoring Officer, Corporate Manager - Internal Audit, Audit Manager, Governance Officer, Corporate Lead Officer - Democratic Services, Corporate Manager – Democratic Services, Corporate Lead Officer – People & Organisation and the Corporate Manager – Partnerships, Performance and Public Protection also took part. Following the Workshop, the attendees had a further opportunity to consider the Council’s Governance Framework Document and the Corporate Lead Officer Policy, Performance and Public Protection, Corporate Lead Officer Economy & Regeneration, Corporate Manager – Core Finance, Corporate Lead Officer Customer Contact and Governance and Audit Committee Lay Member had an opportunity to consider the Governance Framework Document.

During the workshop each behaviour was introduced and scored against a scoring mechanism, as follows:

- 1/2 Unacceptable Immediate action required
- 3/4 Below satisfactory - urgent Action Required (within 3-6 months)
- 5/6 Satisfactory - Action Required (before end of year 9-12 months)
- 7/8 Acceptable Minor adjustments may be required
- 9/10 Good - overall Governance considered to be good and meets best practice no further action required

Each score used in the Governance Framework Document is a score out of 10 e.g. a score of 7/8 means a score of between 7 and 8 out of a total 10 marks.

The Governance Framework Document was also circulated to other officers, who have governance/management responsibilities within the Council. The review framework is due to be presented to the Governance and Audit Committee in January 2022.

The effectiveness of the governance framework draws on evidence and assurances from:

- Internal and External Audit and Inspection;
- Financial Controls;
- Risk and Performance Management;
- Legal and Ethical Standards;
- Corporate Directors and Other Senior Management, including the S.151 Officer and the Monitoring Officer;
- The Governance and Audit Committee; and
- Overview and Scrutiny Committees.

In addition, the Corporate Manager - Internal Audit undertakes an independent review of the Governance Framework and the method of scoring and evidence,

on an annual basis. The review of the 2021/22 Framework was completed in May 2022 and provided 'high' assurance that there was a sound system of scrutiny and robustness in place. This was reported to the Governance and Audit Committee in June 2022.

The Council has drawn together a Local Code for Corporate Governance which sets out the systems and processes, and cultures 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.

The system of internal control is a significant part of that code 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 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.

The Local Code for Corporate Governance is available on the Council's website at <https://www.ceredigion.gov.uk/your-council/councillors-committees/annual-governance-statement/>.

The CIPFA Financial Management code sets the standards of financial management for local authorities. It is designed to support effective practice in financial management and to assist local authorities in demonstrating their budgetary sustainability. The S151 Officer has undertaken a self-assessment review and is satisfied that the Council is compliant with the code.

3 Corporate Governance Achievements for 2021-22

The Local Code for Corporate Governance sets out the Local Authority's commitment to the principles of good governance. The following paragraphs outline the Corporate Governance achievements during 2021-22.

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

- Code of Conduct for Members (updated in 2016) available on the Council's website, intranet site (CeriNet) under Councillor Resources, and in the Constitution. Also, Members Code of Conduct Flowchart (updated in 2016).
- Code of Conduct for Officers* (currently in the process of being substantially reviewed) available along with all Corporate policies and strategies via Council website/CeriNet.
- Induction and follow-up training on Code of Conduct and ethics provided to all Members.

- Ethics Audit undertaken during 2019. Follow up Internal Audit of Council's arrangements regarding Ethics also in progress (currently in review).
- Ethics/Fraud training provided in collaboration with Council's insurer at Corporate Managers' quarterly workshop 28.5.2021. Slides from presentation are forming a basis for e-learning module for all Staff and Internal Audit ('IA') & Governance Services working with Learning & Development to prepare scenarios for training. Training supported by recent review of Council's Strategy on Counter-Fraud, Corruption & Bribery (to include Anti-Money Laundering). Day to day advice is provided by the Monitoring Officer ('MO') and Scrutiny Support Officer.
- Committee and Members advised by MO and proactive regular advice and reminders sent to Members and Officers as required. Legal and Financial advice/implications is provided on all appropriate reports for decision, Chief Officers provide support and advice to Members and reporting requires financial and legal advice/implications to be included in reports/decisions which are published as appropriate. Items reported to Members for decisions through Cabinet, Council and Committees are subject to legal and financial advice which will be referenced within each report. Also, MO operates an 'open' door policy for Members wishing to receive 'conduct' and 'governance' advice.
- Personal Development Review.
- Individual sign off with regard to compliance.
- Register of Members' interests, available from the Council's Democratic Services, reviewed by MO and published on Council website.
- Declaration of Interest and Hospitality forms for Officers and Members on CeriNet.
- MO circulates reminder re interest/hospitality declarations to Staff quarterly.
- Declarations of interest by Members and Officers at meetings and Minutes for all committees contain Declarations of Interest-Officers and Members.
- Regular reminders through News Updates on CeriNet system, monitoring and review of MO of Chief Officers' declarations annually and advising Chief Officers on need to declare close personal associations with other Officers or Members, including advising Chief Officers at Leadership Group. Chief Officers informed through CeriNet system news update of MO email re declaring interests and Hospitality and reminder to Chief Officers sent.
- Chief Officers' annual Declarations of Interest and continuing obligations to declare interests. Ongoing review on Chief Officers' business declarations.
- Update advice on Council Employees' Declarations of Interest and Hospitality published on 16 December 2021 and 20 July 2021 on CeriNet, also re Covid-19 Restrictions Business Fund NDR Grants for businesses (News update published 8.1.2021) and links to the relevant forms and Code of Conduct for Local Government Employees, along with a reminder that any queries or requests for advice should be made to the MO.
- Declarations of interest by Members and Officers at meetings, an opportunity to make reference to any close personal contacts/roles etc. MO to advise Officers further on the need to declare interests in organisations which actually, or may conflict with Council interests including:
 - Contractors;
 - School Governors;
 - Clerk to Town and Community councils;
 - Members of Town and Community councils; and

- School Governors.
- MO to advise Officers further on the need to declare:
- Directorships; and
- Other employment
 - Including whether conflicting with the Council's interests or not.
- Members required to update Register of Interests in accordance with the Code of Conduct, and in addition, annually, which is opportunity to reference any close personal associates/roles etc. This now includes lay/independent members of the Ethics & Standards Committee and Governance & Audit Committee. Register of Interests booklet published for each Member on Council Website.
- NFI match highlights Staff who are directors of companies that have dealings with the Council – any non-declarations investigated by IA and reported to MO.
- Review is currently being undertaken of the external bodies that have appointed Members, including added value, and also updating of the Constitution.
- Update Dispensations forms for Members completed (2020).
- Professional Qualified Officers and Teachers have to meet their professional body/organisation requirements.
- Members complete a HR training module.
- Training on standards of behaviour is provided to Managers for Staff.
- Employee Handbook is in the process of being reviewed, is available on CeriNet, sets out the expected Employee behaviour and includes the Code of Conduct for Local Government Employees.
- MO circulates to political group leaders updates/decisions from the Adjudication Panel for Wales, whose role is to determine alleged breaches by elected and co-opted members against their authority's statutory code of conduct.
- The main duties of the Ethics & Standards Committee are to improve standards of Member conduct and operation of the Code of Conduct for Members. The Ethics and Standards Committee will have new duties (from May 2022) under the Local Government and Elections (Wales) Act 2021 ('2021 Act'), to include:
 - Monitoring compliance by leaders of political groups on the Council with their duties under S.52A(1) Local Government Act 2000;
 - Advising, training or arranging to train leaders of political groups on the Council about matters relating to their duties under S.52A (1) Local Government Act 2000.
 - The duty to monitor compliance of political group leaders is in relation to standards of conduct, and ensure that this is visible, and consistently demonstrated and evidenced to protect the Council's reputation.
- Ethics and Standards Committee championing ethical compliance to ensure that public have trust and confidence that Members and Officers work to highest ethical and moral standards.
- The Ethics and Standards Committee has been proactive, leading on training sessions and putting procedures in place for dispensation arrangements. The structure has recently been reviewed to improve efficiency and effectiveness.

- Members' standards and conduct matters considered by the Council's Ethics and Standards Committee. Public meetings held regularly, and chaired by an independent person-determine dispensations, and consider strategic/policy issues and receive updates from Public Service Ombudsman for Wales Casebook & APW cases.
- Annual Ethics & Standards Committee Report reported to Council in October 2021.
- Carmarthen County Council undertook an independent audit of ethics within the Council during 2019. Follow up Internal Audit of Council's arrangements regarding Ethics in progress (currently in review).
- A good working relationship exists with the Welsh Government as a key regulator. Regular dialogue is maintained with representatives from Audit Wales.
- This vision for the Council has been reviewed and endorsed by Cabinet, and the vision sets out a number of long term Strategic Objectives.
- Corporate Strategy (2017-2022) contains the priorities of the Council.
- The Well-being and Improvement Objectives build on the priority areas identified in the Corporate Strategy 2017-2022 and are reviewed annually. These are developed in consultation with the public and Members. Council considered the draft Well-being and Improvement Objectives Annual Report 2020-21 and approved the Well-being Objectives for 2022-23 on 21.10.21, which are published on the Council's website.
- Regular dialogue with Public Services Ombudsman for Wales, and other regulators including Estyn, CIW, ICO and IPCO.
- Council Constitution, which is subject to regular reviews, with ongoing updates as required, including presenting proposed changes to Politically Balanced Cross Party Constitution Working Group, to make recommendations on changes to Constitution to Council. Further revision in 2021 is ongoing, as the Constitution is a live document, to reflect legislative changes and according to need. Council approved amendments on 18.3.21 and 23.9.21. Constitution Cross Party Working Group meets regularly to consider proposals for Constitution updates. Meetings held 15.2.21, 19.4.21, 30.6.21, 10.8.21 and 8.11.21. MO/Governance Officer report to Council to update delegations and Constitution.
- The Council has established a Task and Finish Group (T&F group) to develop actions that will improve the Planning Service including decision making.
- The Terms of Reference of the Development Control Committee (to be renamed 'Development Management Committee') have been revised to clearly state its purpose, role and responsibilities, and how it links to Corporate Priorities.
- An Operational Procedures document for the Development Control Committee/Development Management Committee has been revised. The Operational Procedures define applications that are strategically important and 'major' planning applications.
- The Operational Procedures document addresses the arrangements in respect of local ward members addressing the Committee.
- A Protocol for Good Practice for Councillors at Development Control Committee/Development Management Committee has been produced and included in the Constitution.

- Development Control Committee/Development Management Committee Scheme of Delegations has been revised to allow it to better focus on more strategically important and major applications.
- The Scheme of Delegations contains criteria for applications, which must be referred to the Development Control Committee/Development Management Committee, and those applications that can be delegated to the Corporate Lead Officer.
- A 'cooling-off' group has been established within the Development Control Committee/Development Management Committee Operational Procedures in order to review planning applications, which may, if approved, be a significant departure from policy.
- Decisions made contrary to officer advice and that do not fulfil the criteria of the checklist being developed for the Development Control Committee/Development Management Committee will be annually reviewed as part of the AMR process and reported to the internal audit procedures.
- Consideration is being given to the Data Protection Principles and processing of personal information in the context of Council Committees and all Members.
- Training has been scheduled for all Members (Introduction for Council, including GDPR) following the May 2022 Elections.
- A mandatory E-learning training module, introduced in September 2017, on the Well-Being of Future Generations Act 2015 ('WFGA') must be completed by all Staff (between September 2017 and November 2021 completed by 2,834 employees, of which 343 through Welsh and 2,491 through English). Between April and November 2021, 242 total employees completed the module, 40 through Welsh, 202 through English (figures include leavers. Reminders issued to Staff who not yet completed module and Leadership Groups receive periodic reports.
- Standards Conference 2018 jointly hosted by Powys & Ceredigion County Council (held on 14 September 2018). A similar conference was to be hosted by North Wales Councils in 2021-postponed due to Covid.
- Governance and Audit Committee carry out a benchmarking exercise annually to provide further assurance on the review of the AGS process.
- IA review and report on the process annually. Governance & Audit Committee meets regularly to consider governance and external regulator reports. Chaired by non-executive member.
- Governance and Audit Committee Annual Report reported to Council on 23.9.2021 and approved.
- Covid-19 Governance Structure introduced by the Council, to include temporary delegated powers for the Council's Chief Executive and Leadership Group through use of Urgent Decisions for decisions relating to the Council's COVID-19 response), in accordance with Council's Constitution. The Urgent Decision of the Leader was reviewed regularly, and expired on 31.8.2021.
- Gold Command continues under operational procedures pursuant to Civil Contingencies Act 2004
- Gold Command Record of Decisions published on the Council's website). Due to the Covid-19 pandemic, decisions have needed to be made by Gold Command for emergency reasons (under the temporary executive

- function transfer of power in place until 31.8.2021 and for operational procedures under the Civil Contingencies Act 2004 following that date).
- Roadmap produced, which outlines the services the Council does and does not provide, and what the Council's plans are, which is reviewed regularly, for Ceredigion giving overview of services provided in light of Covid-19 Pandemic, current guidance and number of cases in Ceredigion.
 - Effective 'Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering)' updated and approved by Council 17.6.21(minutes confirmed 23.9.21).
 - Internal Audit Annual Report on Counter Fraud presented to Governance and Audit Committee at year-end.
 - Members of Governance and Audit Committee updated on fraud including Internal Audit annual counter fraud report presented to Governance and Audit Committee at year-end.
 - Politically Restricted Post Register for Officers maintained and Political Restrictions on Local Government Employees Policy available to employees on CeriNet.
 - Whistleblowing Policy available to Employees and Contractors (updated 2018) on CeriNet and is updated as necessary.
 - MO is the Corporate Lead Officer ('CLO'), and advises Whistle-blowers, as appropriate.
 - A mandatory E-learning training module on Whistleblowing must be completed by all Staff. MO keeps a register of referrals and reports 6-monthly to the Overview and Scrutiny Co-ordinating Committee. Regarding the take up of the Mandatory e-learning Whistleblowing module, between April and November 2021, 237 Staff completed the Module, 42 through Welsh and 195 through English (*these figures include leavers).
 - All complaints are dealt with in accordance with the corporate procedures which include informal and formal stages and these are communicated to Staff on a regular basis.
 - The complaints system is monitored by the Corporate Complaints and Freedom of Information Manager. Corporate Complaints Policy has been reviewed, new Policy presented to Corporate Resources Overview & Scrutiny Committee 7.7.21 and to Council 23.9.2021, and Revised Concerns and Complaints Policy and Procedures 2021, its implementation and publication approved by Council.
 - Improvements are implemented as a result of complaints /recommendations received.
 - Council Complaints and Freedom of Information Privacy Notice.
 - Annual Complaints Report, including Lessons Learned from complaints, considered by the Governance and Audit Committee and Cabinet prior to approval by Council, presented to Council and noted.
 - Minutes for all committees published on the Council's Website. All Committee agendas/minutes contain disclosures of interests.
 - Cabinet Decision Notices published on the Council's Website.
 - Statutory powers and legal implications included in every decision making Cabinet report.
 - Preparation for publication of delegated decisions register ongoing. Gold Command Decision Log (a decision register) published regularly, presented to Gold Command (and approved) and thereafter to Overview and Scrutiny Co-ordinating Committee (20.1.2021, 16.6.21 and 1.12.2021)

and published on Council's Website. Regarding other delegated decisions, Development Control Committee delegated decisions published for each Development Control Committee.

- Register of Contracts published on Council Website.
- The Council is making preparations to comply with the 2021 Act regarding Governance and Audit Committee (Report on changes presented to Governance and Audit Committee 24.2.2021 and 3.6.2021 (to include requirement of Mid Wales Corporate Joint Committee to have Governance and Audit Sub-Committee)), with changes regarding recruitment approved by Council 18.3.2021, as follows:
 - a) the change of name of the Audit Committee to the Governance and Audit Committee, and additional performance and complaints-handling functions effective from 1 April 2021;
 - b) commencement of the recruitment process for independent lay members to the Governance and Audit Committee;
 - c) the proposals for the Shortlisting Selection Panel; and
 - d) the Role Description and Person Specification.
- Necessary changes to Constitution regarding Governance and Audit Committee per 2021 Act approved by Council 23.9.21. Changes made during 2021-2022 include preparations for:
 - terms of reference/remit/composition changes;
 - change of name to 'Governance and Audit Committee';
 - Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act) – recruitment completed, save for Council approval of successful candidates.
 - Committee duty to appoint own Chair and Deputy Chair;
 - Chair must be lay person.
 - Deputy Chair must not be member of Local Authority Executive; and
 - in absence of Chair & Deputy only non-executive Members can chair.
- Report on the size of the Governance and Audit Committee presented to Democratic Services Committee 21.5.2021, which agreed to recommend to Council that the Committee should comprise 6 County Council Members and 3 lay members (9 total). Report on size of Committee presented to Council 17.6.2021 and Council agreed same member composition from 5.5.2022.
- Officers such as Internal Auditors, sign an annual Code of Ethics affirmation.
- Internal Audit Charter approved by Governance & Audit Committee 19 January 2022.
- Training Needs Analysis Questionnaire has been circulated by Council newsletter to Staff requesting opinion on ethical culture of Council & training module planned in response to feedback.
- Training on equality and diversity and recruitment and selection including equal opportunities is mandatory for all Ceredigion County Council Managers.
- Procurement Strategy 2018-2022 approved by Council 19th June 2018 and procurement training also being rolled out to Staff.
- Council Recruitment Policy and DBS Policy.
- Standard Terms and Conditions for all Suppliers of Goods and services include conditions relating to Equality and Diversity and are available on the Council's website.

- In-House software used to retrospectively check for suspected duplicate payments.
- The Council has developed a Modern Slavery Policy (sent to contractors of the Council), Anti-Slavery Annual Statement 2019-2020 and Code of Practice Ethical Employment in Supply Chains.
- MO and Legal Services are available to advise as appropriate, including in advance and at meetings and the Internal Audit Service is available to advise as appropriate.
- MO attends Leadership Group/Cabinet/Council meetings and routinely attends many public meetings, as required, subject to availability. In the absence of the MO, the Deputy MO will attend Cabinet and Council meetings.
- The 2021 Act shall have an effect on corporate bodies, including the Council, and preparations for compliance are ongoing, including through the Cross-Party Constitution Working Group (Members of each political group in attendance), reports to the Governance and Audit Committee and Council, with a Council Action plan having been prepared and updated regularly, and meetings with relevant Officers and CLOs held, as appropriate.
- Job descriptions & person specifications clearly define the roles and responsibilities required of posts and Members' Role descriptions set out their respective responsibilities.
- Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, published 13 April 2016).
- Compliance with CIPFA's Statement on the Role of the Head of Internal Audit in Public Service Organisations (CIPFA, published 9 April 2019) & contribution published in CIPFA's accompanying Putting Principles into Practice document (2019)).
- Terms of reference are included in the Constitution and Governance and Audit Committee Terms of Reference updated according to 2021 Act.
- Reporting to Governance and Audit Committee.
- Financial Regulations and Financial Procedure Rules (Document F Constitution).
- Contract Procedure Rules (Document G in the Council's Constitution).
- Compliance with Specific Codes e.g. Internal Auditors' Public Sector Internal Audit Standards ('PSIAS', March 2017)
- Statutory Officers accountable to the Chief Executive ('CE') and the Council.
- Regular meetings between CE, S.151 Officer & MO, who has direct access to the CE and reports to Council generally and as part of statutory duty. The MO & S.151 Officer are key members of Leadership Group.
- Corporate Manager – Internal Audit ('CMIA') has free & unfettered access to Members and Officers at all levels, and right of access as per Council's Constitution and Internal Audit Charter.
- Effective External Audit, Internal investigations.
- Disciplinary Policy (Nov 2017).
- An Officer in the IA team is an accredited Counter Fraud Technician and Officer(s) of the IA team hold a CIPFA Certificate in Investigative Practices ('CCIP').
- Council complies with Audit Wales's annual National Fraud Initiative requirements, currently co-ordinated by Internal Audit.

- Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc).
- Membership and active participation in professional networks and groups (Tisonline, KHub, etc).
- IA offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained.
- Nominated Council Officers undertake various fraud training to maintain knowledge and expertise.
- Where appropriate, successful prosecutions publicised on Council website (and in local press).
- Covid-19 grant payments audited prior to payment (as easier to stop a payment than recover it).
- Key financial control audits added to audit plan, to check controls, governance & risks whilst staff working from home.
- IA's annual audit plan can address any necessary re-prioritisation of work, allowing IA to be reactive to any changes in risk within the Council.

B. Ensuring openness and comprehensive stakeholder engagement:

- All statutory Annual reports are available on the Council's Website.
- Freedom of Information Act publication scheme, Freedom of Information Policy (March 2018) and Complaints and Freedom of Information Privacy Notice. Regular and timely responses to the press and other enquiries to Management and members as well as comprehensive FOI responses. Review of the FOI Publication scheme in progress.
- Corporate Complaints and Freedom of Information Manager in post.
- A host of service areas are available online including council tax self-service and information.
- The Council's goals and values are set out in the Corporate Strategy 2017-2022. The Well-being and Improvement Objectives are included in the Council's Corporate Strategy 2017-2022 and are reviewed each year. Council considered the draft Well-being and Improvement Objectives Annual Report 2020-21 and approved the Well-being Objectives for 2022-23 on 21.10.21, which are published on the Council's website.
- Council and Cabinet meetings are broadcasted. All Council, Cabinet and Committee meetings open to the public and agendas and papers published on the Council website (with the exception of exempt reports).
- MO and Ethics & Standards generic email addresses created.
- Environmental Information Regulations Policy (March 2018).
- An Overview and Scrutiny Public Engagement Protocol (2018) (Document N Constitution) has been approved by Council and has been used on several occasions. Also, Public Engagement Tool Kit and Engagement with Service Users List.
- Protocol for speaking at the Development Control Committee (Part 4 Document I Constitution).
- In accordance with the requirements of the LGEW Act 2021, arrangements are being made to enable hybrid meetings to be held from May 2022. New equipment is currently being installed in the Chamber (completion mid-April 2022). The system will allow meetings to be recorded and made available online.

- A Protocol is in place for working relationships between Members and Officers e.g. Officer-Member Protocol) (Part 5 Constitution) and Protocol for access by Cabinet Members to Overview and Scrutiny Committee approved by Council (Part 5 Document M2 Constitution).
- The Protocol of Good Practice has been created in order to support Members of the Development Control Committee (to be renamed Development Management Committee) in ensuring that determination of applications will be based on sound material planning considerations, and not applicants' personal circumstances.
- Integrated Impact Assessment ('IIA') tool and guidance has been approved for implementation.
- IIA tool and guidance to inform effective decision making have been developed and are being implemented with IIA conclusions reported to Council, Cabinet and Overview and Scrutiny. 10 IIAs went to Cabinet over 2021-22 up to 1.12.2021. Committees, which includes consultation.
- Standard templates and guidance for reporting to Council, Cabinet and Overview and Scrutiny Committees are used and all include the IIA results.
- All IIAs for Cabinet are assessed by the Engagement and Equality Officer, including whether effective engagement, involvement and consultation has taken place and informed strategic decision making process.
- Organisational Awareness training available as an optional module of the Corporate Manager Programme, which includes information relating to the decision making process, Wellbeing of Future Generations Act, Equalities, Welsh Language and the use of the IIAs.
- Processes have been introduced to monitor feedback e.g. any consultation/engagement reports are presented to Scrutiny and Cabinet to inform their decision-making.
- Feedback from engagement and how people's views have been taken into account is recorded in the IIAs.
- Council/Cabinet report template updated to include reference to legal implications, staffing implications, property/asset implications and risks.
- Where appropriate, items reported for decisions through Cabinet, Council and Committees are subject to legal and financial advice which will be referenced within each report.
- A calendar of dates of meetings including forward work programmes of the Council, Cabinet and Committees are published on the Council's website.
- Annual reports, Statements of accounts, Improvement progress reports are all published within timescales and are available on the Council's website.
- The Engagement and Consultation Checklist assists with decision making around whether or not to undertake a consultation regarding a proposed change and guidance on dissemination of consultation results is available to Officers.
- A Community Engagement, Consultations and Partnerships Page has been created on CeriNet, which includes links to Community Engagement Policy (11 January 2013), Engagement and Consultation Checklist, Engagement with Service Users and Consultation Decision Making Tool.
- Work is underway to prepare a Community Engagement Policy that will meet the requirements of the 2021 Act, which will also include how the Council will encourage participation in decision-making, although final

guidance is awaited from Welsh Government regarding this part of the legislation.

- Participation Standards have been adopted by Council.
- Engagement with Service Users List including stakeholders with whom the authority should engage is in place.
- Summary reports on consultation and engagement activities are reported back to Members and service users.
- Minutes of structured engagement meetings, events and engagement groups with people with protected characteristics.
- A new Draft Engagement Policy has been prepared to take into account the latest engagement methodology, including digital engagement. This will be consulted upon and agreed following the Local Government Elections in 2022.
- A draft new Engagement Strategy for Ceredigion County Council, 'Talking, Listening and Working Together,' has been prepared. This will be consulted upon and agreed following the Local Government Elections in 2022.
- The Council, in collaboration with partners, has carried out significant engagement to produce the Public Service Board's ('PSB') Well-being Assessment and Local Well-being Plan.
- Work has commenced on preparing the next assessment of Local Well-Being that will be published in March 2022.
- Consultations 2020-21.
- Consultations are promoted through Social Media.
- Dissemination of consultation results and reports on completed consultations and engagement exercises are posted on the Council's public consultations webpage in order to provide feedback to the public.
- PSB Terms of Reference available on the Council Website, PSB Project Groups Terms of Reference available and Scrutiny arrangements for the PSB have been put in place.
- A Well-being assessment (PSB) has been carried out that has informed the development of the PSB's Local Well-being Plan, which was published in March 2018.
- Corporate Complaints Policy has been reviewed, new Policy presented to Corporate Resources Overview & Scrutiny Committee 7.7.21 and to Council 23.9.2021, and Revised Concerns and Complaints Policy and Procedures 2021, its implementation and publication approved by Council.
- Social Services Complaints Policy and Procedure has been reviewed.
- Consultation Decision making tool (Consultation Tree and flowchart) for Staff and Members have been developed and includes the use of feedback.
- Further consultation includes:
 - A new Engagement and Equalities post has been created through the restructure of the Policy and Performance service; and
 - All current consultations are available on the Council website.
- Social Media Policy (revised Aug 2018).
- Social media is being used to seek the public's views on matters being considered by Overview and Scrutiny Committees.
- Due to Covid-19, Council has consulted remotely via video conferences and electronic surveys.

- Guidance has been issued on the Ceredigion Council intranet to all Staff to follow with regards to the dissemination of feedback to decision makers. Recent indications are that significant progress is being made in this area by Officers.
- Joint engagement and consultation exercises are held.
- Collaborative projects are running with institutional stakeholders with clear governance arrangements in place.
- Collaboration Standards for New Strategic Projects Guidance and Templates are available.
- Partnerships Include:
 - PSB;
 - West Wales Regional Partnership Board;
 - Community Safety Partnership (reviewed 2019 and subject to Scrutiny);
 - Mid and West Wales Safeguarding Board; and
 - Growing Mid Wales.
- The formal review of partnerships that sit under the PSB has been completed. The new partnership structure has been operational since June 2018 and the partnerships will be reviewed on a periodic basis.
- Regular reporting of partnership meetings and activity to Leadership Group and Cabinet.
- Partnerships such as Growing Mid Wales have been established with governance arrangements. Growing Mid Wales Joint Overview and Scrutiny Committee has been established
- Partnership metrics are subject to internal review, where appropriate.
- A monitoring partnership framework that reports on all key decisions made by existing partnerships is reported to Leadership Group.
- Advice provided to Members and Officers serving on outside bodies.
- Legal Team is actively involved in drafting and reviewing Terms of Reference for Inter Authority Agreements ('IAAs') and formal committees.
- A suite of documents have been developed that relate to strategic collaboration projects that the Authority is considering entering into. The documents include guidance, standards and numerous templates for varying stages of collaboration projects.
- Executive Group Self-assessment carried out.
- All school reorganisation proposals are required to have formally consulted with stakeholders through adhering to the Welsh Government's School Organisation Code.
- Guidelines on Corporate Branding (May 2019).
- Corporate Communications Strategy (2019-2022).
- Effective Community involvement carried out with the well-being assessment work and service users from different backgrounds to inform the new Strategic Equality Plan.
- We have worked in partnership with Local Authorities and Public Services across Mid and West Wales on the review of our Strategic Equality Plans. A joint question set and engagement and consultation framework was produced and as a result, feedback was obtained from people with protected characteristics.
- An annual report on progress made against the Council's Well-being objectives and Corporate priorities in published on the Council Website.

- UNCRC – United Nations Convention on the Rights of the Child have been adopted by the Council.

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

- Corporate Strategy 2017-2022
- The Council's Well-being and Improvement Objectives are included in the Council's Corporate Strategy 2017-2022 and are reviewed each year and reported in the Well-being and Improvement objectives annual report published on the Ceredigion County Council website. Council considered the draft Well-being and Improvement Objectives Annual Report 2020-21 and approved the Well-being Objectives for 2022-23 on 21.10.21, which are published on the Council's website.
- Performance information is outlined in the Council's Well-being and Improvement Objectives Annual report.
- The purpose and the vision of the Council have been determined by Council and is contained in the Corporate Strategy 2017-22. This strategy illustrates how the authority will support and promote the well-being of the citizens of Ceredigion.
- PSB Local Well-being Plan was published in May 2018.
- The Authority has undertaken the following steps towards the implementation of the Well-being of Future Generations (Wales) Act 2015:
 - Prepared well-being objectives and statement;
 - Embedded the Well-being Goals and Sustainable; development principal into the business planning process
 - Developed a new IIA tool and guidance (training has been rolled out for Officers and Members);
 - Established a Well-being of Future Generations Act group and action plan;
 - The Constitution is continually monitored and reviewed;
 - PSB assessment of Local Well-being published in March 2017;
 - Scrutiny arrangements agreed for PSB;
 - Cabinet Reports, to include the Social/economic/ environmental impact assessment;
 - A mandatory e-learning module on the Act has been developed and promoted to all Council Staff;
 - an Equality, community and Welsh language Impact Assessment must be undertaken on all school restructuring proposals as required under the Welsh Government School Organisation Code; and
 - Members have contributed to The Future Generations Officer Scrutiny Framework in relation to the WFGA
- All Planning arrangements reflect the Golden Thread and make the links to Corporate plans including;
 - Strategic Plan;
 - Corporate Performance Management Reporting; and
 - Well-being Improvement Objectives
- Community and Engagement Policy (11 Jan 2013) is available.
- A Public Engagement Toolkit 2014 has been developed in order to provide a user-friendly resource for Officers when developing and undertaking effective

public engagement with their communities, in accordance with the National Principles of Public Engagement.

- Updates on the budget savings and the work of the Development Group are reported to the Cross Party Transformation and Efficiency Consultative Group.
- Budget setting subject to detailed scrutiny by the five Overview and Scrutiny Committees.
- Business planning process includes resource allocation and Business Plans are prepared on an annual basis and are monitored quarterly by a Performance Board, which includes Cabinet members and the Chairs and Vice Chairs of the Overview and Scrutiny Committees and Chair of the Governance and Audit Committee.
- Quarterly performance arrangements provide a challenge protocol to ensure outcomes are delivered.
- Corporate performance management arrangements include quarterly assessment of risks to the achievement of outcomes or service delivery.
- Risk management includes risk logs for;
 - o Business Plans (Level 1); and
 - o Service Plans (Level 2).
- Local performance measures are included in Business and service delivery plans.
- Capital Plans include;
 - o Rights of Way;
 - o Highways;
 - o Annual Budget Plan; and
 - o Transformation.
- The Risk Management Policy and Strategy and the Risk Management Framework was approved by Cabinet on 24 September 2019.
- Risk Management training to be rolled out to Members and Senior Managers.
- Risk management e-learning package has been developed for all other Staff and training took place in 2019, with workshop with insurers arranged for senior Managers.
- Publication of service performance, including costs and value for money data is routinely considered within service reports.
- The appointed Auditor considers the Council's arrangements to secure economy, efficiency and effectiveness. In his letter he has stated that the Council has complied with its responsibilities to the use of its resources.
- The most recent Audit of the Council's Improvement Plan (2020-2021) was issued in November 2020. The report concluded positively that the Council discharged its duties and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- A capital appraisal form is completed for new capital projects, which covers the requirement for the project, and is used to assess value for money and the revenue implications of major projects.
- Medium Term Financial Strategy, which also contains Capital Investment Strategy.
- Wales procurement policy statement is aligned to the Council's Procurement Strategy 2018-2022.
- IIA tool and guidance is available and used to support decision-making.

- All reports and minutes are published in a timely manner and are open for inspection. All meetings are held in public, subject to the consideration of exempt information as defined by the 1972 Local Government Act.
- Pre-decision Scrutiny encouraged where possible.
- The Transformation Programme.
- Engagement and Consultation Checklists are available on CeriNet.
- The Council wide WFGA Group Action Plan.
- Strategic Equality Plan 2020-2024, and Annual Strategic Equality Plan monitoring report 2020-2021 being submitted for approval, and once approved will be published on Council website.
- Welsh Language Standards and Annual Welsh Language Standards monitoring report.
- A mandatory E-learning training module on Welsh Language Awareness must be completed by all Staff.
- Annual Complaints and Compliments Report 2020/21 presented to Corporate Resources Scrutiny Committee 27.10.21 and approved by Council 9/12/21.

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

- The IIA tool and guidance is available and training has been rolled out for Officers and Members.
- Standard reporting templates are used in decision making process.
- Organisational Awareness training available as an optional module of the Corporate Manager Programme, which includes information relating to the decision making process, Wellbeing of Future Generations, Equalities, Welsh Language and the use of the IIAs, Head of Democratic Services and MO (CLO-Legal & Governance) advise as necessary.
- Risk Management Policy, Strategy and Framework (approved by Cabinet 24.9.10) with training programme for Members, Senior Management and Managers, published on CeriNet and available to all Members of Staff.
- Documents amended to reflect additional risks and background information to make informed decisions. Corporate Risk Register reported regularly to Governance and Audit Committee (9.9.2021, 3.6.2021).
- Medium Term Financial Strategy has been regularly updated the current version dated 2021/22 Onwards approved by Council 5.3.2021.
- Consultation decision tree tool includes a guidance section on dissemination of consultation results.
- Finance challenge regarding savings on Council Website.
- Corporate Performance Management arrangements include quarterly:
 - o Corporate Lead Officer Service Report;
 - o Performance Board; and
 - o Executive Panel meetings.
- The Business Planning process for 2021-22 is being implemented with Level 1 Business Plans shared with the Performance and Research Team.
- Performance measures have been identified within each Level 1 Business Plan that have in turn translate into the reporting Dashboard for each service. These measures have been closely scrutinised and have received final sign-

off from senior leadership. Services report against these measures as part of the performance management process for the year.

- Business Plans include budget and finance information and form part of the quarterly Corporate Performance Management arrangements.
- A calendar is used to report deadlines and Board/Executive Panel dates are published with reports.
- Corporate Communications Strategy 2019-2022
- The Ceredigion PSB has a Local Well-being Plan that has been developed and delivered jointly with external stakeholders and partners.
- An Assessment of Local Well-being has been undertaken by the PSB that has fed the Local Well-being Plan and the Council Well-being Objectives for future years.
- All major collaboration projects have established governance and management arrangements including risk management.
- All projects considered by Corporate Project Management Panel, which is also attended by IA and is an effective forum for advice/challenge and highlighting risks as Service areas develop projects, including collaboration projects.
- The Corporate Project Management Panel helps ensure projects give early consideration to: the Well Being and Future Generations Act; to other guidance; to finance, procurement, governance and legal arrangements; to HR implications; Health & Safety; and Audit. Improve project arrangements prior to reporting to the Development Group and other authorisation processes.
- Account will be taken of legislative changes e.g. work is ongoing in relation to implementing legislative changes such as LGEW 2021 Act changes and considering/monitoring risks facing each partner when working collaboratively, including shared risks. Meetings are being held and preparation being carried out, for example, regarding the 2021 Act's requirement for Corporate Joint Committees, including potential and shared risks (a CJC group has been established, with the first meeting held on 19th April 2021, to consider the requirement to establish the Mid Wales CJC in accordance with the 2021 Act).
- Corporate Project Management Group has been established to formalise project development and management.
- Ensuring Staff with project management skills are available.
- This helps ensure projects give early consideration to: the Well Being and Future Generations Act; to other guidance; to finance, procurement, governance and legal arrangements; to HR implications; Health & Safety; and Audit. Improve project arrangements prior to reporting to the Development Group and other authorisation processes.
- Helps identify capital requirements for inclusion in future capital programmes.
- Local performance indicators have been established and approved for each service element and included in the service plan and are reported upon regularly.
- Budget Framework.
- Service Accountancy – Budget monitoring.
- Financial Regulations and Financial Procedure Rules (Document F Constitution) along with Budgetary Control Guidance are all up to date. Chief Officer Assurance Statements.
- The internal controls in place are subject to regular review by Internal Audit, in accordance with the annual risk-based audit plan.

- Corporate Strategy 2017-2022.
- Internal Audit Strategy & Plan 2021/2022 approved by Governance & Audit Committee 24 February 2021.
- The corporate savings plan has been through a robust governance process to ensure that all savings link to the desired service outcomes.
- Community Benefits is embedded in our Processes and Policies and has been regularly applied, monitored and reported upon.
- Well-being of Future Generations (Wales) Act is integrated into our processes.

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

- Corporate and line management induction is now in place. Corporate induction and Corporate Manager Development plans were introduced in April 2018. Corporate induction sessions are part of these requirements, all new Staff must attend an induction session. Senior Managers present within these face-to-face sessions.
- Induction programme is provided for new Members. Ongoing training is provided for Members and arranged for specific issues e.g. Treasury management, also ongoing review of opportunities for skills and refresher training, including Personal Development Review Scheme (information to be used to develop a Members' Training Plan) and new comprehensive induction programme shall be provided post-election (from May 2022) with additional e-learning modules.
- Member development scheme.
- Preparations are being undertaken for (as part of induction programme for Members (from May 2022)) Cabinet Member training, Ethics and Standards Committee (role) training, Political Group Leader Duties training and Governance and Audit Committee (role) training.
- Development/training done as part of person specifications for key finance and legal posts (mandatory qualification, job requirements).
- Personal reviews for Officers and provision of opportunities for ongoing skills and refresher training for Officers.
- CeriNet (the HR intranet and resource to Staff and management) is continually reviewed and improved for effectiveness. Its introduction has improved effectiveness. Induction information is available along with the Staff handbook and Managers Toolkit.
- Learning & Development is now managed via the Ceri system offering opportunities to all Staff, with opportunities also offered to those within a Leadership Role or who are aspiring leaders. E-learning modules are being introduced to ensure training and development is cost effective wherever possible.
- E-learning packages are regularly being developed and rolled out for mandatory and non-mandatory training.
- Strategic Workforce planning toolkit includes the identification of training and learning needs for all service areas.
- Performance Appraisals record training and development needs via the Ceri system.

- Ongoing annual Personal Performance and Development scheme – Performance Reviews link to Corporate and strategic objectives.
- Personal Development Review process in place for Members.
- The Council aims to achieve the standard level for the Wales Charter for Member Support and Development.
- The Corporate Performance Management arrangements provide the forum for performance management's needs and thereafter preparing action plans for delivery of corporate improvements in performance review of Staff. These have been further strengthened with the introduction of annual appraisals for all Staff via the Ceri HR system.
- All Staff can access learning and development events via Ceri self-service. Managers can also book Staff onto relevant events via Managers Self-service.
- Staff development plans linked to appraisals have been strengthened with the introduction of the Performance Management module in Ceri.
- Ceredigion Manager Programme offers personal development including governance arrangements and organisational knowledge.
- Workforce Plan 2017-2022 includes actions for Staff development in key themes.
- Members attend various events, seminars and conferences (see above).
- Utilisation of research and benchmarking exercises.
- The Ceri HR payroll system has ensured that meaningful data on Staff is now available to Managers on a monthly basis in order to monitor costs turnover and absence.
- Effective operation of partnerships which deliver agreed outcomes. Effective Partnerships have been developed in a number of areas and services including:
 - School Improvement;
 - Health & Social care; and
 - Waste.
- Additional partnerships are included in the strategic Collaboration Projects List.
- A Human Resources Strategy is available on the Intranet.
- Strategic workforce planning is undertaken utilising the Strategic workforce planning tool kit and is completed by all service areas. The outcomes of this tool kit informed the workforce plan for 2017-2022. The Workforce Plan 2017-2022 focuses on 4 key themes:
 1. Engagement & Opportunity;
 2. Flexible & Agile Workforce;
 3. Promote a bilingual workforce; and
 4. Leadership & Management Development.
- Updates on progress of the workforce plan are reported to scrutiny.
- The Leadership and Senior Officer structure has defined these roles, including how they integrate with each other.
- Succession planning is undertaken through discussions and actions within service areas and with partners this cannot always be evidenced. This will be further developed through the Strategic workforce planning toolkit.
- Joint meeting of senior Managers ensures that roles, responsibilities and accountabilities are clear.
- Job descriptions clearly define the roles and responsibilities required of posts.
- The Constitution sets out the roles and responsibilities of Members (Part 3.4 Table 4) and senior Officers (part 2 Article 2) and a Scheme of Delegation

(The Constitution Part 3.5) exists and clearly sets out responsibilities for Members and Officers.

- The Strategic Planning Toolkit includes an element of succession planning and talent management.
- Protocols are in place for working relationships between Members and Officers (e.g. Officer-Member Protocol).
- Codes of Conduct for Officers and Members are in place.
- Member Officer working groups in place and working effectively.
- Contract Procedure Rules ('CPR') (Part 4 Document G Constitution) and Financial Regulations and accompanying financial procedures (Part 4 Document F Constitution) are reviewed on a regular basis e.g. CPR updated March 2019.
- The Corporate structure of the Council has been established to ensure that the Statutory Officers are able to perform their roles effectively.
- The CE is responsible for reviewing this structure, as necessary.
- Democratic Services Committee resolved on 15.10.21 to agree the revised set of Member Role Descriptions, designed to be used alongside Welsh member Development (Competency) Framework, of Welsh Local Government Association ('WLGA') Framework Member Role Descriptions and Person Specifications, which includes role description of the Leader (Report for information also been prepared for presenting to Governance and Audit Committee 19.1.21).
- Access to courses/information briefings on new legislation.
- Members Workshops arranged, as necessary.
- Engagement with Service Users list and Service User focus groups.
- Community Engagement Policy.
- Scrutiny Public Engagement Protocol (2016) (Document N Constitution) Council continually consults and engages with local residents, customers and other stakeholders within the county to understand their opinions and views when developing new plans and/or strategies. Feedback is always given due consideration before final versions are agreed.
- Scrutiny self-assessment undertaken annually including survey.
- Attendance records published annually.
- Members are encouraged and supported to complete Annual Reports, which are published on the Council's website.
- Chair of Governance and Audit Committee attends All Wales Governance and Audit Committee Chair's Networking Meetings to develop and compare role within Local Authorities.
- Implementing appropriate Human Resource policies and ensuring that they are working effectively.
- Smoke-Free Workplace Policy and Alcohol and Drug Misuse Policy.
- The Council has introduced a range of resources and options to enhance the health and well-being of Staff e.g. Health and Well-being Strategy 2021-2026 has been introduced to support the improvement in the workforce health and well-being.
- The Council has appointed an Employee Health & Wellbeing Officer to coordinate and promote health and wellbeing within the workforce.
- A Care First employee assistance package has been introduced that offers:
 - Counselling service; and
 - Advice on financial, legal, consumer, eldercare, childcare and employment issues.

- Other support available for Staff includes:
 - Cognitive Behaviour Therapy Interactive health and wellbeing programme;
 - Eyecare scheme;
 - Childcare voucher scheme;
 - lechyd Da; and
 - Mindfulness training for Staff and Managers.

F. Managing risks and performance through robust internal control and strong financial management:

- Risk Management Policy and Strategy and the Risk Management Framework were approved by Cabinet on 24 September 2019 and Framework continues to be updated. The Council continues to form strategies and plans taking into account the risks caused by the Covid-19 pandemic
- The Corporate Risk Register is considered at all Leadership Group, Corporate Lead Officers, Corporate Performance Management meetings and by the Governance and Audit Committee as a standing item to the Governance and Audit Committee. Updates are reported at each Governance and Audit Committee Meeting to provide ongoing information and assurance that risks continue to be managed. The Committee refers matters to Scrutiny Committees, where appropriate.
- Risk Management is integral to operational business planning Policy and Strategy setting.
- Project and transformation Risks are all logged. The Cross party Transformation and Efficiency Group regularly monitors Transformation Risks and Transformation and Risks are all referred to joint Local Government meetings and Panels.
- All Plans included Risk logs including:
 - The Medium term Financial Plan;
 - Business Plans (level 1); and
 - Service Plans (level 2).
- Business/Service plans are monitored to ensure delivery outcomes are achieved.
- Corporate Risk Management arrangements are audited regularly and the management of risks is included in individual Services service/establishment audit programmes.
- 'Risks' form the basis of Internal Audit's audit programmes of work, as required by the MKI/Pentana audit management software system. Council / Cabinet report template updated to include reference to legal implications, staffing implications, property/asset implications and risks.
- Corporate Performance requires regular updates for Risk.
- The Council revised its Corporate Performance Management arrangements in 2017 to improve monitoring of its business plans and performance indicators, including National Strategic Indicators ('NSI'), PAM and Local Indicators. These are also linked to the Well-being and Improvement Objectives and the Corporate Strategy 2017-2022.
- A Corporate Performance Management Panel meets quarterly. All Corporate Lead Officers report to this Panel and the Dates for reporting are published in the report. The Chairs and Vice Chairs of the Overview and Scrutiny

Committees attend with the principle that they can identify areas that require inclusion on their respective Forward Work Programmes.

- Specific Project Risk Monitoring is undertaken and all Risks are allocated to a Corporate Lead Officer (Risk Owner).
- Council considered the draft Well-being and Improvement Objective Annual Report 2020-21 and approved the Well-being Objectives for 2022-23 on 21.10.21 in October 2020 (The Well-Being & Improvement Objectives Annual Report 2020-2021 was also approved by the Council's Overview and Scrutiny Co-ordinating Committee on the 15.9.21, and Cabinet 5.10.21).
- Benchmarking information carried out as part of service re-modelling.
- External & internal assessments by:
 - Audit Wales;
 - Estyn;
 - Care Inspectorate Wales ('CSIW'); Investigatory Powers' Commissioner's Office ('IPCO'); and
 - Information Commissioner's Office ('ICO').
- External assessments, to include Code of Conduct.
- Self-assessment (Governance and Audit Committee) - self-assessment exercise underway for presenting at 10.3.2022 Governance and Audit Committee Meeting.
- Individual Services carry out self-assessment through a performance matrix.
- IA undertake an annual self-assessment and have a 5-yearly independent external assessment / peer review as required by the PSIAS.
- Cost performance (using inputs and outputs).
- Chief Officers provide support and advice to Members. Advice also provided by Chief Financial Officer.
- Reporting requires financial and legal advice/implications to be included in reports/decisions, which are published as appropriate.
- All reports and minutes are published in a timely manner and are open for inspection including.
- Options for recommendations.
- Scrutiny Committees may request reports at any time and Scrutiny Chairs are invited to take issues back to Cabinet
- Governance and Audit Committee refer matters to Scrutiny and receive reports back.
- All meetings are held in public, subject to the consideration of exempt information as defined by the 1972 Local Government Act.
- Agreement on the information that will be needed and timescales
- Scrutiny arrangements are in place that is supported and which provide opportunities to challenge decision making and review the provision of services. The scrutiny function aim is to provide added value to the continuous improvement agenda in their role as "critical friend". In addition, Overview and Scrutiny Committees also provide opportunities to undertake pre-decision and policy development work, which is a function of scrutiny, which has developed over recent years. The Council's aim is to scrutinise, where possible, before decisions are made.
- An Overview and Scrutiny Public Engagement Protocol (2016) (Document N Constitution) has been approved by Council and has been used on several occasions.

- Arrangements in place to seek the views of the public which is gathered via social media and shared with Overview and Scrutiny Committees for consideration.
- The Council's Overview and Scrutiny Co-ordinating Committee will be responsible for taking an overview of the overall effectiveness of the PSB.
- Work undertaken with the Future Generations Office to develop a Scrutiny Framework in relation to the WFGA.
- Reports and also all agendas, minutes, Forward Work programme and Terms of Reference are published on the Council's website.
- A Corporate Performance Management Board meets each quarter, with Chairs of Scrutiny Committees invited to attend.
- Reporting dates are set at beginning of each year.
- Budget monitoring is regular throughout the year, within services, to Cabinet and to Member Officer working groups e.g. Development Group and CMG and transformation programme savings to the Cross Party Transformation and Efficiency Consultative Group, which Chairs of Overview and Scrutiny Committees are invited to observe alongside Performance Board meetings.
- Financial monitoring is regularly undertaken throughout the Council under a devolved accountancy arrangement and formal reporting is made to Cabinet. Monitoring is also incorporated in to the quarterly performance management reports.
- Financial implications are a requirement for inclusion in all Cabinet Meeting reports.
- Financial Regulations and Financial Procedure Rules (Document F Constitution) and the Contract Procedure Rules (Document G Constitution) are all up to date. The current Procurement Strategy 2018-2022 was approved in 2018.
- Accounting practices - Codes of Practice are complied with. Prudential Indicators are prepared and reported to Council and monitored throughout the year. Regular budget monitoring takes place throughout the year. IA also reviews controls over income collection and monitoring.
- Updates in relation to Business Continuity and Civil Contingencies arrangements submitted on a regular basis in line with the Corporate Risk Register, Risk CORP04 and Business Continuity and Civil Contingencies Group meet monthly.
- The annual Internal Audit Plan is risk-assessed and takes account of Council aims and objectives, and corporate policies and procedures; to include a review of the Risk Management corporate arrangements, and testing the mitigating controls in place for a sample of risks noted in the Corporate Risk Register.
- Internal Audit Strategy & Annual Plan 2021-2022 approved by Governance and Audit Committee 24 February 2021, & continues to take account of additional risks presented by the pandemic.
- IA's annual audit plan can address any necessary re-prioritisation of work, allowing IA to be reactive to any changes in risk within the Council.
- Internal audit reports issued to Managers highlight the risks of not implementing any IA recommended actions. A follow-up audit is conducted of action plans issued. If CMIA considers that any fundamental risks have not been addressed by a Manager this is reported to Governance and Audit Committee who has the discretion of requesting that Manager to attend & explain reasoning for non-compliance.

- The appointed Auditor considers the Council's arrangements to secure economy, efficiency and effectiveness in his letter he has stated that the Council has complied with its responsibilities to the use of its resources.
- The Council Objectives are aligned to Strategies.
- Regular meetings of the Emergency and Business Continuity Management Group take place to review Corporate and Service Area Emergency and Business Continuity Arrangements and Plans as well as recommendations arising from past incidents and exercises to evidence risk, identify emerging trends, and document any lessons learnt for follow up.
- Risk evaluation always appears on agendas.
- Regular Quarterly Internal Audit Progress Reports to Governance and Audit Committee for monitoring (e.g. Internal Audit Progress Report for period 1 April 2021 to 30 June 2021 presented to Governance & Audit Committee on 9 September 2021, subsequent periods were reported on 19 January 2022, 10 March 2022 and 6 June 2022).
- Summary of work and audit opinion on assurance provided annually in Internal Audit Annual Report at year-end. IA Annual Report for 2020/21 approved by Governance & Audit Committee 3 June 2021 and the IA Annual Report for 2021/22 approved by Governance & Audit Committee 6 June 2022.
- Follow-up IA reviews to monitor implementation of required actions.
- Internal controls, risk & governance processes are monitored according to the Internal Audit Charter (last version approved by Governance & Audit Committee 19/01/2022) & the Annual Internal Audit Strategy and Plan.
- Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption ('CIPFA', 2014).
- Internal Auditors have procedures in place if fraud discovered.
- An Officer in the IA team is an accredited Counter Fraud Technician.
- Officer(s) of the IA team hold a CIPFA Certificate in Investigative Practices ('CCIP').
- 'Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering)' updated and approved by Council 17 June 2021 (minutes confirmed 23 September 2021) has been written with regard to the Code of Practice & updated to ensure all requirements are included.
- IA undertakes counter fraud work where required (as well as dealing with the discovery of fraud as considered earlier) and presents Counter-Fraud Report to Governance and Audit Committee annually (2021/22 Counter-Fraud Report presented to Governance & Audit Committee on 6 June 2022).
- Council complies with Audit Wales's annual National Fraud Initiative requirements, currently co-ordinated by IA.
- Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc);
- Membership and active participation in professional networks and groups (Tisonline, KHub, etc);
- IA offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained;
- Nominated Council Officers undertake various fraud training to maintain knowledge and expertise;
- Where appropriate, successful prosecutions publicised on Council website (and in local press).
- Covid-19 grant payments audited prior to payment (as easier to stop a payment than recover it);

- Key financial control audits added to audit plan, to check controls, governance & risks whilst staff working from home
- AGS 2020/21 approved by Council on 25 November 2021 with the Statement of Accounts. The AGS contains the CMIA's annual opinion on assurance.
- Up to 31/12/21 the IA function is headed by a CIPFA qualified CMIA, and the CMIA from 1/1/22 onwards is studying to gain an IIA qualification, Both CMIA's have considerable local government experience, and are supported by a team with appropriate knowledge and skills. Regular reporting to Governance and Audit Committee on the activity of IA is undertaken. Robust risk-based forward work programme and business planning is in place.
- IA evaluates and improves the effectiveness of risk management, control & governance processes in accordance with PSIAS, which is self-assessed and reported to Governance and Audit Committee annually along with any improvements required. A peer review is undertaken every 5 years (latest review completed May 2022 by Anglesey County Council).
- IA provides an individual assurance to Managers after each audit review – these are then used to provide an overall corporate level of assurance annually, which feeds in to the AGS.
- A re-structure of IA was implemented in May 2019, and another in November 2020. The service has been fully resources since 1 December 2020.
- A new CMIA will be in place from 1 January 2022, who has considerable experience in IA, has a 6-week window to 'shadow' the existing CMIA, and is supported by a knowledgeable & skilled Audit Manager (see point G3.2 below).
- Two members of the team are currently pursuing the Institute of Internal Auditors' professional training qualification.
- Governance and Audit Committee established that sets its own work plan. Committee is chaired by a Member of the opposition group (until May 2022 when Lay Person shall be Chair, per 2021 Act provisions).
- Ongoing preparation and implementation of changes affecting the Governance and Audit Committee in light of the 2021 Act. The Governance and Audit Committee was informed, in a report on 24.2.2021 Meeting, of the changes to their role regarding self-assessment reports of the Council, and regarding panel performance assessments, as well as the change of name, and changes to the Chair/Vice Chair and composition.
- The Governance and Audit Committee's Terms of Reference were updated on 6 December 2018.
- Update report on 2021 Act presented to Governance and Audit Committee 3.6.2021, to include updating Governance and Audit Committee regarding changes to Constitution affecting Committee including:
 - Recruitment of lay members and the Mid Wales CJC Governance and Audit Sub-Committee; and
 - Regarding the Committee's functions relating to:
 - reviewing and assessing the performance assessment of the Council;
 - considering the Council's draft annual Self-Assessment report;
 - considering any report from the Auditor General and Council's draft response;
 - review of the Council's complaints handling function; and
 - role regarding Panel Performance Assessments (from May 2022).
- Changes made during 2021-2022 include preparations for:

- terms of reference/remit/composition changes (including recommendations to Council from Cross-Party Constitution Working Group and changes to Constitution approved by Council at its 23.9.2021 Meeting);
- change of name to 'Governance and Audit Committee';
- Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act) – –recruitment completed (Council approved appointments 9.12.21);
- Committee duty to appoint own Chair and Deputy Chair;
- Chair must be lay person –recruitment completed (Council approved appointments 9.12.21) and Chair/Deputy Chair shall be appointed from Lay Members;
- Deputy Chair must not be member of Local Authority Executive; and
- In absence of Chair & Deputy only non-executive Members can chair.
- Size of Governance and Audit Committee review completed and change of size from May 2022 approved (9).
- The Governance and Audit Committee has an effective Lay Member and Membership of Governance and Audit Committee considered in line with 2021 Act: Lay member recruitment completed, taking into account 2021 Act requirements and termination of term of office of current lay member. Job Direction, Personal specification, and criteria approved by Council 10/12/20.
- Membership details for Governance and Audit Committee and all Scrutiny Committees is available on the Council's website.
- Regular meetings between CMIA and Chair of Governance and Audit Committee, advice given by MO and also regular meetings, as necessary between MO and Chair, and MO, CMIA & Audit Wales.
- Regular Meetings between Governance and Audit Committee Members and external regulator Audit Wales (with and without Officers)
- Training for Members and regular training/updates provided to Governance and Audit Committee.
- Chair of Governance and Audit Committee attends Welsh Governance and Audit Committee Chair network group to develop and compare role within Local Authorities.
- A New ICT and Digital Strategy for 2018-2022 has been approved and all policies are up to date including (all approved in February 2019):
 - Data Protection & GDPR Policy;
 - Information Security Policy; and
 - Records Management Policy.
- Officers are considering the introduction of privacy notices in relation to applications to the Development Control Committee/Development Management Committee.
- Training has been scheduled for Members on their obligations under the GDPR as part of the new Member training and a section on said legislation is now included in the protocol for Members in planning.
- Mandatory E-learning training modules on Data Protection and Information Security must be completed by all Staff.
- Designated Data Protection Officer.
- Corporate Lead Officer Customer Contact is the Senior Information Risk Owner ('SIRO') and has attended appropriate training for that role.
- The following responsible Officers are identified:
 - IT Security Officer ('ITSO'); and
 - Information and Records Management Officer ('IRMO')

- In addition, Corporate Data Protection Group and Emergency & Business Continuity Meeting consider Information security.
- Regular Internal Audit of data protection Registration requirements and procedures following Audit Wales audit have been implemented.
- Ceredigion County Council signed Wales Accord on the Sharing of Personal Information ('WASPI') and therefore uses WASPI framework for Information Sharing Agreements.
 - ***The Accord is a common set of principles and standards under which partner organisations will share personal information. Organisations who adopt the Accord will show their commitment in meeting the agreed conditions, obligations and requirements within the framework.
- In most cases agreements are forwarded to the Data Protection Officer.
- There is also a public register on WASPI Website.
- Regular external Assessments e.g. Compliance with Code of Conduct.
- Internal performance monitoring and evidence.
- Cross matching data happens across the different services.
- Performance Indicator values are validated with evidence.
- Retention Schedule –now published on intranet.
- The current Medium Term Financial Strategy ('MTFS') was established during the 2013-14 year and fundamentally updated and approved by Council on the 24th February 2016. The Current MTFS is that of 2018/2019 Onwards, but has now been amended to reflect the 2021/2022 provisional revenue settlement and updated to:
 - Reflect the impact of Covid 19
 - Reflect 'Boosting Ceredigion's Economy – A Strategy for Action 2020-35'
 - Amend the transformation savings plan
 - Project forward cost pressures
 - Reflect data changes, regulations, plans, policies and strategies
 and is being presented to Cabinet for approval 23,2,2021 for approval to then be presented to Council on 5.2.2021.
- This now includes a policy framework for setting the budgets annually as well as a three-year plan. The MTFS features as a corporate risk that is updated at least three times a year. The annual budget setting also included a risk assessment. The Council is responding to the proposal in the 2016 Wales Audit Office (now Audit Wales) Annual Improvement Report, and considering the report in light of the MTFS through ensuring that the Council's financial management arrangements are sufficiently robust to meet the significant challenges ahead.
- A Strategic Plan has been developed and has improved the programme of work necessary to consider service priorities whilst addressing financial constraints.
- An annual budget project plan/timetable is established to ensure that a balanced budget is approved within the statutory period in accordance with the Councils budget framework.
- Regular budget reports are taken to Cabinet and Leadership Group throughout the year and operational budgets are monitored on a monthly basis.
- Quarterly Executive Panel meetings take place if required with Corporate Lead Officers together with the Leader of the Council, the CE, Corporate Lead Officer for Finance and Cabinet Member with Finance responsibility.

G. Implementing Good Practices in transparency, reporting and audit to deliver effective accountability:

- Council's Website.
- Council and Cabinet meetings are broadcasted.
- Standard templates for Cabinet, Scrutiny and Council.
- Compliance to the Welsh language Standards.
- Use of Modern.Gov for publishing agendas and Councillor Information.
- Council preparing for implementation of changes to be introduced by 2021 Act, which include for Council to consult and publish a public participation strategy with the aim of increasing public participation in local democracy, and improving transparency.
- Council compliance with The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020, which allow for remote access for meetings and public access/publishing of documents requirements.
- Work is underway to prepare a Community Engagement Policy that will meet the requirements of the 2021 Act, which will also include how we will encourage participation in decision-making, although final guidance is awaited from Welsh Government regarding this part of the legislation.
- Council Roadmap provides up-to-date information for citizens on services being provided due to Covid-19 pandemic, in order to provide clarity for County residents.
- The Council has been out to tender and awarded the contract for installing equipment in the Council Chamber that will enable hybrid meetings to take place as well as being able to broadcast those meetings. The equipment will be installed over the winter.
- The Council provides alternative ways for citizens to access information if they don't have access to digital services. The Citizen can telephone the Council's Contact Centre or visit its Libraries where public access to computers are available or free 4G Wi-Fi to allow anyone to use their own device.
- Councillors' contact details, attendance records, Committee membership and Declarations of Interests available on the Council's Website.
- Councillors' annual reports available on the Council's Website.
- Overview and Scrutiny Annual Report available on the Council's Website.
- Democratic Services Annual Report available on the Council's Website.
- The County Council's Well-being and Improvement Objectives Annual Report is published on the Ceredigion County website to inform Ceredigion citizens what activities and actions the Council undertakes in support of its Well-being and Improvement Objectives. This also forms part of the Council's self-assessment. A summary plan is also available in public offices for our citizens.
- Annual financial statements are published on the Council's Website.
- Appropriate approvals.
- Corporate Performance Management arrangements.
- Ownership of planning and transformation.
- AGS.
- Council's AGS evidences how it complies with the seven core Governance Framework Principles and sub-principles contained in the Framework and in

the Local Code of Corporate Governance, including how it puts in place proper arrangements for the governance of its affairs, facilitates the effective exercise of its functions, and makes arrangements for risk management (the Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local Government Framework 2016). In compliance also with Local Government (Wales) Measure 2009 and The Well-being of Future Generations (Wales) Act 2015.

- Assessment of the framework for corporate governance carried out to ensure compliance e.g. updated to reflect changes necessary because of Covid-19 pandemic. Decision by Council whether AGS approved e.g. updated and approved by Council 25 November 2021 (with accounts).
- Council's Local Code of Corporate Governance demonstrates how it has the necessary corporate governance arrangements in place to perform effectively, and is a public statement that sets out the way the Council will meet that commitment.
- AGS shared with accounts, reviewed and updated with Members and Officers providing a wider engagement process. Members and Officers carry out a review of the AGS annually.
- Financial implications are a requirement for inclusion in all Cabinet Meeting reports. Financial Regulations and Financial Procedure Rules (Document F Constitution), Contract Procedure Rules (Document G Constitution) are all up to date. The current Procurement Strategy 2018-2022 was approved in 2018.
- Accounting practices - Codes of Practice are complied with Prudential Indicators are prepared and reported to Council and monitored throughout the year. Regular budget monitoring takes place throughout the year. IA also reviews controls over income collection and monitoring.
- A good working relationship exists with Welsh Government as key regulator and external regulators, including Audit Wales, Estyn, CIW, Financial Services Authority ('FSA') and Food Standards Agency as key regulators. Regular dialogue is maintained with representatives from Audit Wales.
- Audit Wales Protocol documented and procedures in place to ensure all 'Management Response Forms' from each Audit Wales report addressed and that Service responses are presented to Leadership Group, Governance and Audit Committee and Audit Wales.
- Regarding monitoring of progress of actions/recommendations, Governance Officer is Audit Wales point of contact for outstanding Management Response Forms ('MRFs') for 2019/20 & 2020/21, and ongoing governance-related MRFs/governance matters. Corporate Performance and Improvement Officer is point of contact for performance-related MRFs/performance matters. This system is set out in a Protocol, approved by Leadership Group and presented to Governance and Audit Committee, with updated version (to reflect that the Corporate Performance and Improvement Officer is in post) presented to Governance and Audit Committee 9.9.2021 Meeting.
- Monthly meetings are also being held with Audit Wales to discuss ongoing work and matters to be presented to the Governance and Audit Committee and regular dialogue is maintained with representatives from Audit Wales.
- Recommendations from Audit Wales are taken forward in the Corporate Performance Management arrangements.

- All Audit Wales reports presented to Leadership group and Governance and Audit Committee, which monitors implementation of corrective actions required.
- Monitoring of progress of Actions process being developed.
- Up to 31/12/21 the IA function is headed by a CIPFA qualified CMIA, and the CMIA from 1/1/22 onwards is studying to gain an IIA qualification, Both CMIA's have considerable local government experience, and are supported by a team with appropriate knowledge and skills. Two members of Staff currently studying for the Chartered Institute of Internal Auditors qualification, and two are developing ICT auditing skills.
- IA Officers undergoing audit qualifications to enhance knowledge, skills and competency.
- A re-structure of IA was implemented in May 2019, and another in November 2020. The service has been fully resources since 1 December 2020.
- A new CMIA will be in place from 1 January 2022, who has considerable experience in IA, has a 6-week window to 'shadow' the existing CMIA, and is supported by a knowledgeable & skilled Audit Manager.
- The role of CMIA has free and unfettered access to the Chair of the Governance & Audit Committee and both meet regularly during the year (and these meetings continue remotely during the Covid-19 pandemic).
- Robust risk-based forward work programme and business planning is in place.
- Regular reporting to Governance & Audit Committee on the activity of IA is undertaken, i.e. quarterly Internal Audit Progress Reports to Governance & Audit Committee for monitoring progress performance and improvement and summary of work and audit opinion on assurance provided annually in Internal Audit Annual Report at year end. Follow-up reviews undertaken to monitor corrective actions are implemented.
- Internal Audit Charter regularly reviewed and approved by Governance & Audit Committee (last version approved by Audit Committee **19/01/2022**).
- CMIA provides annual objective opinion on assurance placed on Council's risk management, control and governance processes, based on the individual assurances given to Managers after each audit review, & feeds into the AGS.
- Compliance with PSIAS reported annually to Governance & Audit Committee with resultant improvement plan. Peer review of assessment every five years (**latest review completed May 2022 by Anglesey County Council**).
- IA's mission is to enhance & protect organisational value by providing risk-based & objective assurance, advice & insight. This is detailed in the internal Audit Charter, which also states IA's right of access (as per the Council's Financial Regulations/Constitution).
- Recommendations from Audit Wales are taken forward in the Corporate Performance Management arrangements.
- The Council is learning and continually works towards improvement.
- Five-yearly external assessment of IA is undertaken as required by PSIAS.
- **The last Internal Audit External Assessment was undertaken in May 2022 by Anglesey County Council and was reported to Audit Committee on the 27 September 2022, along with the resultant improvement Plan.**
- IA progress, performance & improvement is reported to Audit Committee quarterly.
- PSB's terms of reference and Well-being Plan, and annual report from PSB.

- The Ceredigion County Council Overview and Scrutiny Co-ordinating Committee is responsible for taking an overview of the overall effectiveness of the Board.
- Partnership and Accountability agreements are established in collaborative projects.

4 Opinion on the level of assurance that the governance arrangements can provide

The Corporate Manager - Internal Audit (CMIA) prepares an Annual Internal Audit Report at year-end, which is usually presented to the Governance and Audit Committee at its June meeting (presented on 6 June 2022). The report sets out the individual and collective outcomes of the audit reviews undertaken during the year, and provides the overall audit opinion of assurance based on this audit work. The assurance provided also takes into account progress in implementing improvements, consideration of the risk register and assurances provided in reports issued by external regulators. The scope of audit work and how the need to constantly reprioritise to ensure sufficient work is undertaken for the assurance is detailed in the report.

The Annual Report at year-end contains the results of the internal audit annual self-assessment of the service, based on CIPFA's LG Application Note's template. This was subject to an external peer review in May 2022, and an external assessment is planned to be repeated every five years, as required by the Public Sector Internal Audit Standards (PSIAS). The resultant improvement plans from these assessments are included in the quarterly Progress Reports presented to the Governance and Audit Committee and reviewed annually in the Annual Internal Audit Report.

The Improvement Plans identify improvements made and planned against the recommendations arising from the assessments, along with the results of the service's Quality Assurance Improvement Programme as required by the PSIAS to ensure the Governance and Audit Committee is able to monitor the service's progress.

A Report on the Annual Governance Statement 2021-2022 Progress and Current Year Action Plan was provided to the Governance and Audit Committee on 3 June 2021.

The Quarter 1 Internal Audit Progress Report 1/4/2021-30/6/2021 (presented to the Governance and Audit Committee on 9 September 2021 and subsequent periods, reported on 19 January 2022, 10 March 2022 and 6 June 2022) include the actions taken to date to achieve the identified proposed improvements.

The Internal Audit staffing structure has been at full complement during the year 2021-2022.

On 24 February 2021, the CMIA also presented to the Governance and Audit Committee the Internal Audit Strategy and Plan for 2021/22. This is designed to ensure a sufficient area of coverage is undertaken to support the annual opinion on the effectiveness of the systems of governance, risk management and internal control across the Council. The Internal Audit Strategy and Plan for 2021/22 summarised the work areas the Internal Audit Section aimed to concentrate their time on during the year, taking account of the situation due to the pandemic.

The service has been provided on a more reactive basis this year, as with the previous year, due to the various risks introduced from necessary changes in the Council's working practices, such as the issuing of one-off grants, set-up of groups to target specific areas of change, more staff working from home, etc. Internal audit work has been assessed on an on-going basis with regular consideration given to the Council's changing needs and priorities. In addition to this reactive work, assurance for 2021/22 is placed on planned reviews either carried forward or undertaken during the year to assess the annual level of assurance for the Council. All actions taken have been consistent with the guidance note issued by the Internal Audit Standards Advisory Board. In addition, more resources have been dedicated to developing the assurance mapping system to provide additional support to the assurance provided at year-end.

The Council has, for example, had an urgent obligation to award various grants to eligible businesses in the County, and due to potential fraudulent claims, Internal Audit has continued to review a sample of applications prior to payment (easier to stop payments than recover after), adding value to the Council's operations due to changing circumstances, as supported by Internal Audit Standards Advisory Board guidance notes.

The CMIA concluded in her 2021/22 Annual Report presented to the Governance and Audit Committee on 06/06/2022 that the Council has a satisfactory framework of governance, risk management and internal controls in place to manage the achievement of the organisation's objectives during the year, based on:

- the number, scope and assurances from internal and external sources during the year to 31 March 2022, and
- the acceptance of actions by management (where available).

Due to the on-going effect of the pandemic, it should be noted that, as with the previous year, no schools were reviewed during the year. However, certain checks have been undertaken whilst auditing the EIG and PDG grants.

The Annual Governance Statement will be the subject of review by Audit Wales to ensure that it is consistent with their knowledge and with legislation. In addition, the Internal Audit section undertakes an annual independent review of the Annual Governance Framework and the method of scoring and evidence, as noted in Point 2 above.

The Council's Corporate Lead Officer - Customer Contact acts as the Authority's Senior Information Risk Owner and also has responsibility for Data Protection and ICT Security.

The SIRO Forum traditionally included subject matter experts: E.g. Facilities, Data Protection, IT Security, Head of IT, Legal, HR and some departmental representation. This meets every quarter to discuss information risk and information management issues.

The current key roles and scrutiny of Information Assets are as follows:

- An IT Security Officer ('ITSO') who advises on data security and external advisers and consultants are employed from time to time to test and advise on the Authority's security arrangements;
- An Information and Records Management Officer ('IRMO') advises on legal compliance and ensures that policies and procedures are in place and are being adhered to;
- Corporate Data Protection (known internally as Corporate Data Protection / FOI / EIR Group Meeting) meets quarterly and is chaired by the Head of Service Policy (Deputy HOS ICT&CS); and
- Annual Reports as required to the Council's Governance and Audit Committee.

Additionally:

- ITSO is the Vice-chair of Wales National Public Sector Security Forum (CymruWARP) which meets quarterly.
- IRMO Chairs the Information and Records Management Society Wales/Cymru and arranges events across Wales.
- IRMO is part of the WASPI - Mid and West Wales Quality Assurance Panel.

Following the Governance Framework review, overall governance arrangements are considered to be good on the basis that the majority of scores applied were 9/10.

The introduction of the Local Code for Corporate Governance outlining how the Council is committed to the core principles of the CIPFA/SOLACE delivering Good Governance in Local Government Framework provides guidance to all Members and Officers on the governance agenda.

Regular review of the Local Code of Governance will provide a high level of assurance that the governance arrangements are fit for purpose.

Coronavirus Pandemic

Due to the coronavirus pandemic crisis, all Council offices were closed to the public with effect from 23 March 2020.

In light of the national emergency and urgent situation arising as a result of the pandemic, and in order to protect the Council and the public's interests, in circumstances where the decision is deemed urgent such that any delay would seriously prejudice the Council's or the public's interests, the Council Leader granted temporary delegated powers to the Council's Chief Executive and Leadership Group to make decisions relating to the Council's COVID-19 response.

The decision was made in accordance with part 4 of the Council's Constitution.

The Record of Urgent Decision Notice is available on the Council's website on the Council's page for Governance Structure for decision making during COVID-19 (<https://www.ceredigion.gov.uk/resident/coronavirus-covid-19/governance/>). The decision was reviewed and in October 2020, February 2021, March 2021 and May 2021 the Leader approved revised decisions (also available on the Council's website).

During the period Gold Command Meetings have been held in order to discuss the Covid-19 pandemic and how to effectively deal with the situation. Gold Command continues to meet regularly.

The Gold Command forum was set-up immediately to facilitate operations and provide a robust decision-making process from the outset, holding daily virtual meetings.

The Temporary Executive function transfer of powers expired on 31st August 2021. From 1st September 2021 to date, Gold Command has been making operational decisions under the Civil Contingencies Act 2004.

Audit Wales's Covid-19 Recovery Interim Assurance letter of 19 October 2020 to the Council summarised its interim conclusions based on the ongoing monitoring of the adjustment process regarding the ongoing impact of the pandemic. In the Appendix, Audit Wales refers to, as part of the Council's adapting decision-making arrangements, the Decision Log as being planned for publication on the Council's website and for reporting to the next meeting of the Overview and Scrutiny – Co-ordinating Committee. The Governance and Audit Committee noted the contents of this letter at its meeting on 12 November 2020 and a Report by the Corporate Lead officer – Legal and Governance/Monitoring Officer was presented to the Overview and Scrutiny Co-ordinating Committee on 20 January 2020, which noted the contents of the Report and the contents of the Gold Command Covid-19 Leadership Group Meetings per the Decision Log.

The Decision Log was first published on the Council website on 5 November 2020 (for decisions made up to 30 September 2020). Decisions from 1 October 2020 to 30 November 2021 have also now been published and decisions up to the end of December 2021 are in preparation for publishing.

The Council had a clear vision that every single person, business and service could understand and agree upon in order to ensure Ceredigion succeeded in not only reducing predicted deaths through the first peak but more importantly for any future predicted peaks. This has been actioned in three phases to date:

- Phase 1: Preparedness – Closing down of all non-essential services
- Phase 2: Implementation – Delivering services under lockdown conditions
- Phase 3: Adjustment and long term resilience

Phase 3 provides an adjustment phase from the first two phases to a fourth, recovery phase. To enable this to happen, the adjustment phase must consider three main components that will be critical to dealing with COVID-19 whilst at the same time releasing elements of the lockdown safely and in a controlled and structured manner. The three elements are:

Containment + Isolation + Eradication

As lockdown restrictions are gradually eased and the Welsh Government amends its guidance, the Council is looking at how and when it can recommence its services or how they will be delivered differently. This is documented in a 'Roadmap' on the Council's website.

It is hoped that the business sectors and community groups will also contribute to this roadmap so that there is clarity for all residents of Ceredigion.

Following an initial immediate suspension of public meetings, Council meetings have been reintroduced via a virtual platform.

Members of the public are able to attend the remote meetings by e-mailing the Democratic Services for registration details. A full list of remote meetings are available on the Council website. These meetings are also available on the Council's Facebook page to view.

5 Issues identified for last year (2021-2022)

The following table records the actions that have been taken during 2021-22 to resolve the issues identified in the Annual Governance Statement for 2020-2021:

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
<p>A1.1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</p>	<p>Monitoring Officer to advise Officers further on the need to declare interests in organisations which actually, or may conflict with Council interests including:</p> <ul style="list-style-type: none"> • Contractors; • School Governors; • Clerk to Town and Community councils; • Members of Town and Community councils; and • School Governors. <p>MO and CLO Democratic Services to continue to undertake review of Members holding directorships, trusteeships, or memberships when appointed onto outside bodies, and committees, Monitoring Officer to consider member feedback and added value and continue to update Code of Conduct for Officers and Members.</p> <p>Monitoring Officer to advise Officers further on the need to declare</p>	<p>This is an ongoing duty. The Ethics and Standards Committee will have new duties (from May 2022) under the Local Government and Elections (Wales) Act 2021, to include:</p> <ul style="list-style-type: none"> • Monitoring compliance by leaders of political groups on the Council with their duties under S.52A(1) Local Government Act 2000; • Advising, training or arranging to train leaders of political groups on the Council about matters relating to their duties under S.52A (1) Local Government Act 2000. • At the end of each financial year, make an annual report to the Council in respect of that year per 56B Chapter 1 Part 3 Local Government Act 2000. 	<p>EP/LE</p>	<p>March 2022</p>

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	<ul style="list-style-type: none"> • Directorships; and • Other employment <p>Including Whether conflicting with the Council's interests or not.</p> <p>Monitoring Officer to continue to advise Members further on the need to declare hospitality/gifts.</p> <p>Monitoring Officer to advise Chief Officers further on the need to declare:</p> <ul style="list-style-type: none"> • close personal associations with other Officers or Members, 	<p>The duty to monitor compliance of political group leaders is in relation to standards of conduct, and one way that the Council will ensure Members behave with integrity and lead a culture where acting in the public interest is visible, and consistently demonstrated to protect the Council's reputation.</p> <p>The Monitoring Officer's advising of Officers relating to declarations of interests is an ongoing action, which is undertaken regularly through News Updates via the Cerinet system. Most recently, an Update on Council Employees' Declarations of Interest and Hospitality was published on 20 July 2021 on the Council's CeriNet Site, including links to the relevant forms and Code of Conduct for Local Government Employees, along with a reminder that any queries or requests for advice should be made to the Monitoring Officer.</p> <p>An update on Employees' Declaration and Registration of Interests, including regarding COVID-19</p>		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>Restrictions Business Fund NDR Grants for businesses was published on 8 January 2021 on the Council's CeriNet Site.</p> <p>A review is currently being undertaken of the external bodies that have appointed Members, including added value, and also updating of the Constitution.</p> <p>The Code of Conduct for Local Government Employees, and also the Declarations of Interest and Hospitality for Staff are in the process of being substantially reviewed. Regular meetings have been held and input from the Monitoring Officer, Governance Officer, Corporate Lead Officer – People & Organisation and Data Protection Information & Records Management Officer.</p> <p>A draft Data Protection Impact Assessment has also been sent to the Data Protection Officer for consideration in respect of changes proposed to the Code of Conduct and Declarations, with progress updates</p>		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>provided to the Governance and Audit Committee at its 25.11.2021 Meeting (a further progress update to be provided at its 19.1.2022 Meeting).</p> <p>Following completion of the DPIA process, the draft documents shall be sent to and considered by Leadership Group, Trade Unions and Council.</p> <p>Consideration is also being given as to whether Chief Officer Business Interests should be published on the Council's websites, with Meetings held between the MO, Governance Officer, Data Protection Officer and CLO – People and Organisation.</p>		
A1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Leadership Group to be updated on e-Learning with HR reporting to Leadership Group (A mandatory E-learning training module on the Well-Being of Future Generations Act 2015 ('WFGA') must be completed by all Staff).	The mandatory e-learning module was introduced in September 2017 and up to November 2021 it has been completed by 2,834 employees. Of these 343 completed the Welsh medium module and 2,491 the English medium module.	GE	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	Continue to review Constitution to reflect legislative changes and according to need.	<p>Between April and November 2021, a total of 242 employees completed the e-learning module, 40 through the medium of Welsh and 202 through the medium of English (figures include leavers). Reminders are issued to staff who have not yet undertaken the module and Leadership Group will receive periodic reports on the completion of mandatory e-learning modules.</p> <p>Reviewing the Constitution to reflect legislative changes and according to need is an ongoing task, as the Constitution is a live document. Proposed amendments to the Constitution were last presented to Council at the 23rd September 2021 Meeting, and prior to this at its 18th March 2021 Meeting. The Council's Cross Party Constitution Working Group are meeting on a regular basis, with meetings held on 15th</p>	EP/HR	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>February 2021, 19th April 2021, 30th June 2021, 10th August 2021 and 8th November 2021, with the next Meeting scheduled for 11th February 2022.</p> <p>Significant amendments to the Constitution have included amendments to comply with the Local Government and Elections (Wales) Act 2021 and work is currently being undertaken to implement changes as recommended by Audit Wales in its 2020-21 Review of Ceredigion County Council's Planning Service (Report issued October 2021).</p> <p>A comparison exercise will be undertaken of the Current Constitution against the Model Constitution issued by WLGA.</p>		
A1.4 Demonstrating, communicating and embedding the standard	Council making preparations to comply with Local Government and Elections (Wales) Act 2021 regarding Audit	Proposed changes to the Constitution to comply with the Local Government and Elections (Wales) Act 2021	EP/AW/HR	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	<p>Committee (terms of reference, remit and composition to be reviewed):</p> <p>Changes include:</p> <ul style="list-style-type: none"> - change of name to 'Governance and Audit Committee; - Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act); - Committee duty to appoint own Chair and Deputy Chair; -Chair must be lay person; -Deputy Chair must not be member of Local Authority Executive; and - in absence of Chair & Deputy only non-executive Members can chair. 	<p>requirements were put to the Council's Cross-Party Constitution Working Group on 19th April 2021, 30th June 2021 and 10th August 2021, which made appropriate recommendations to Council. A Report regarding these proposed changes was presented to Council at its 23rd September 2021 Meeting. Council resolved to agree to the proposed changes.</p> <p>A further Report on changes relating to the Governance and Audit Committee arising from the Local Government and Elections (Wales) Act 2021 was presented to the Council's Governance and Audit Committee at its 3rd June 2021 Meeting, including updates to the Constitution, and to inform on the requirements for the Mid Wales CJC to have a Governance and Audit Sub-Committee.</p> <p>A report on changes under the Local Government and Elections (Wales)</p>		Changes re Governance and Audit Committee and 2021 Act Complete

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>Act 2021 affecting the Committee was also presented to the Committee in the 24th February 2021 Committee meeting, including the recruitment of lay members to the Committee. These changes and proposals regarding recruitment were then presented to, and approved by, Council on 18th March 2021. Council noted the contents of the Report, and relevant implementation dates, and approved:</p> <ul style="list-style-type: none"> a) the change of name of the Audit Committee to the Governance and Audit Committee, and additional performance and complaints-handling functions effective from 1 April 2021; b) commencement of the recruitment process for independent lay members to the Audit Committee; c) the proposals for the Shortlisting Selection Panel; and d) the Role Description and Person Specification. 		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	<p>• Delegated Decisions Register to be published.</p>	<p>A Report on the size of the Governance and Audit Committee was presented to the Democratic Services Committee on 21st May 2021, which agreed to recommend to Council that the Committee should comprise 6 County Council Members and 3 lay members (9 total). A Report on the size of the Committee was then presented to Council on 17th June 2021 and Council agreed that same member composition from 5th May 2022. The recruitment process has now been completed and Council resolved on 9th December 2021 to appoint the three candidates recommended by the Shortlisting Selection Panel.</p> <p>The publication of the delegated decisions register is ongoing. The Gold Command Decision Log, a decision register, has been published</p>		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>and updated quarterly, presented to Gold Command (and approved), and thereafter to the Overview and Scrutiny Co-ordinating Committee (most recently on 1st December 2021 and, prior to this, on 16th June 2021) and published on the Council's website.</p> <p>It was proposed at this Meeting to publish the Decision Log more regularly and the MO/Governance Officer are arranging for its publication more regularly (decisions up to 30th November 2021 published and decisions up to 31 December 2021 to be published shortly (December 2021).</p> <p>The Decision Log for decisions between 1 December 2021 and 31 December 2021 shall then be presented to the Overview and Scrutiny Co-ordinating Committee at its 10th February 2022 Meeting.</p>		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	<ul style="list-style-type: none"> • Continued monitoring of the Mandatory e-learning take up of Whistleblowing module. Currently lower than required. • The Complaints / Compliments policy is to be reviewed during 2020-2021. 	<p>In relation to other delegated decisions, Development Control Committee delegated decisions are published for each Development Control Committee. Any other decisions work is in progress, however in particular work is currently being undertaken to prepare a Tree Preservation Order (TPO) Register.</p> <p>Regarding the take up of the Mandatory e-learning Whistleblowing module, between April and November 2021, 237 Staff completed the Module, 42 through Welsh and 195 through English (*these figures include leavers)</p> <p>The Corporate Complaints Policy review is complete. The new policy was presented to the Corporate Resources Overview and Scrutiny Committee on the 7th of July and was</p>		Complaints / Compliments Policy review complete

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	Ethics / Fraud training to be provided.	<p>presented to Council on the 23rd of September. Council resolved to approve the revised Concerns and Complaints Policy and Procedures 2021.</p> <p>The Ethics / Fraud training module is now complete, which was prepared in collaboration with Zurich (Council's insurer). The training was presented by Anthony Connolly from Zurich on 28th May 2021 at the Corporate Managers' quarterly workshop. The slides from the presentation are to be used as a basis for an e-learning module for all staff. The Internal Audit & Governance Services have prepared draft questions and answers for the e-learning module and have provided these to Learning & Development, who shall use them as a basis for the module.</p> <p>This is also supported by the recent review of the Council's Strategy on</p>		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>Counter-Fraud, Corruption and Bribery (to include Anti-Money Laundering).</p> <p>A follow-up internal audit of the Council's arrangements regarding Ethics is also in progress (currently in review).</p>		
A3.1 Ensuring members and Staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	<ul style="list-style-type: none"> The Local Government and Elections (Wales) Act 2021 shall have an effect on corporate bodies, including the Council, and preparations for compliance are underway. 	<p>As above, compliance with the Local Government and Elections (Wales) Act 2021 requirements is ongoing, including through the Cross-Party Constitution Working Group (Members of each political group in attendance), reports to the Governance and Audit Committee and Council, with a Council Action plan having been prepared and updated regularly, and meetings with relevant Officers and CLOs held, as appropriate.</p>	EP	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	FOI policy and EIR policy both updated. Review of the FOI Publication Scheme is in progress.	A review of the FOI Publication Scheme is scheduled for the coming year.	LE/AW/MNH	March 2022
B3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	Due to the Covid-19 pandemic, decisions currently need to be made by Gold Command for emergency reasons, therefore it is impossible to consult physically in the community at present for many services, and consequently the scoring has been amended to reflect this.	<p>A Community Engagement, Consultations and Partnerships Page has been created on the new Ceri Net site. https://cerinet.ceredigion.gov.uk/our-council/community-engagement-consultation-and-partnerships/#</p> <p>This includes links to our current Community Engagement Policy, Engagement and Consultation Checklist, Engagement with Service Users and a Consultation Decision Making Tool.</p>	AW/LE/MS	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	<p>Community Engagement Policy is under review and will include provisions for how stakeholders are engaged in future.</p>	<p>All Integrated Impact Assessments (IIAs) for Cabinet are now assessed by the Engagement and Equality Officer. This includes whether effective engagement, involvement and consultation has taken place and informed our strategic decision making process.</p> <p>A draft new Engagement Strategy for Ceredigion County Council, 'Talking, Listening and Working Together,' has been prepared. This will be consulted upon and agreed following the Local Government Elections in 2022.</p> <p>Work is underway to prepare a Community Engagement Policy that will meet the requirements of the Local Government and Elections (Wales) Act 2021, which will also include how we will encourage participation in decision-making, although guidance is awaited from</p>		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		Welsh Government regarding this part of the legislation.		
B3.4 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	Further work on monitoring feedback is required and the new Equalities and Engagement post will address this.	<p>Feedback from engagement and how people's views have been taken into account is recorded in the IIAs.</p> <p>Reports on completed consultations and engagement exercises are posted on our public consultations webpage in order to provide feedback to the public. http://www.ceredigion.gov.uk/your-council/consultations/</p> <p>Any consultation / engagement reports are presented to Scrutiny and Cabinet to inform their decision making.</p>	AW/MS	March 2022
C1.5 Managing service users' expectations effectively with regard to	Publicise service performance including costs and value for money data.	Relevant costs and value for money data is routinely considered within service reports.	AW	March 2022 - Complete

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
determining priorities and making the best use of the resources available		Costs and value for money data in context of managing service users expectations, is not available to or held by the Performance Service.		
D2.3 Considering and monitoring risks facing each partner when working collaboratively including shared risks	Account will be taken of legislative changes e.g. Local Government and Elections (Wales) Act 2021.	<p>As above, work is ongoing in relation to implementing legislative changes, such as Local Government and Elections (Wales) Act 2021 changes and considering/monitoring risks facing each partner when working collaboratively, including shared risks.</p> <p>Meetings are being held and preparation being carried out, for example, regarding the 2021 Act's requirement for Corporate Joint Committees, including potential and shared risks (a CJC group has been established, with the first meeting held on 19th April 2021, to consider the requirement to establish the Mid-</p>	AW/EP	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>Wales CJC in accordance with the 2021 Act).</p> <p>Appropriate Joint Scrutiny arrangements are in place in relation to the Growing Mid Wales Board. Similarly, the Mid Wales Corporate Joint Committee will have Sub appropriate arrangements in place (Joint Scrutiny, Standards and Governance and Audit Committee) - arrangements in compliance with legislation and its Standing Orders.</p>		
<p>D2.5 Establishing appropriate local performance indicators (as well as relevant statutory or other national performance indicators) as part of the planning process in order to identify how the performance of services and projects is to be measured</p>	<p>Further work is progressing to link Local Performance measures to all level 1 Business plan Objectives.</p>	<p>The Business Planning process for 2021-22 is being implemented with Level 1 Business Plans shared with the Performance and Research Team.</p> <p>Performance measures have been identified within each Level 1 Business Plan that will in turn translate into the reporting</p>	<p>AW</p>	<p>March 2022</p>

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		Dashboard for each service. These measures have been scrutinised and have received final sign-off from senior leadership. Services will then report against these measures as part of the performance management process for the year.		
F3.5 Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon	<p>Audit Committee terms of reference, remit and composition to be reviewed in light of Local Government and Elections (Wales) Act 2021. Changes include: - change of name to 'Governance and Audit Committee;</p> <p>-- Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act); - Committee duty to appoint own Chair and Deputy Chair;</p> <p>-Chair must be lay person;</p> <p>-Deputy Chair must not be member of Local Authority Executive; and</p> <p>- in absence of Chair & Deputy only non-executive Members can chair.</p>	<p>As above, work is ongoing in relation to changes affecting the Governance and Audit Committee in light of the Local Government and Elections (Wales) Act 2021. The Governance and Audit Committee was informed, in a report at the 24th February 2021 Meeting, of the changes to their role regarding self-assessment reports of the Council, and regarding panel performance assessments, as well as the change of name, and changes to the Chair/Vice Chair and composition.</p> <p>As above, an update report on the 2021 Act was presented to the</p>	EP/AR/HR	March 2022 - Complete

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	<p>Size of Audit Committee review in progress.</p> <p>Lay member recruitment to be undertaken during 2020/21, taking into account any Local Government & Elections (Wales) 2020 Act requirements and termination of term of office of current lay member.</p>	<p>Committee in the 3rd June 2021 Meeting, to include updating the Governance and Audit regarding changes to the Constitution affecting the Committee, including:</p> <ul style="list-style-type: none"> - Recruitment of lay members and the Mid-Wales CJC Governance and Audit Sub-Committee; and - Regarding the Committee's functions relating to: <ul style="list-style-type: none"> o reviewing and assessing the performance assessment of the Council; o considering the Council's draft annual Self-Assessment report; o considering any report from the Auditor General and Council's draft response; o review of the Council's complaints handling function; and 		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>o role regarding Panel Performance Assessments (from May 2022).</p> <p>The Council has approved (23rd September 2021 Meeting) amendments to the Governance and Audit Committee's terms of reference, further to recommendations by the Cross-Party Constitution Working Group. The Constitution has been duly updated with terms of reference to reflect the Committee's current duties from the 2021 Act, with future duties of the Committee to be inserted in the terms of reference at the appropriate date.</p>		
G1.1 Writing and communicating reports for the public and other stakeholders in an understandable style	Council preparing for implementation of changes to be introduced by Local Government and Elections (Wales) Act 2021, which include for Council to consult and publish a public	Work is underway to prepare a Community Engagement Policy that will meet the requirements of the Local Government and Elections (Wales) Act 2021, which will also	LE/AM	March 2022 (– Complete by March 2022)

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
appropriate to the intended audience and ensuring that they are easy to access and interrogate	participation strategy with the aim of increasing public participation in local democracy, and improving transparency.	<p>include how we will encourage participation in decision-making, although guidance is awaited from Welsh Government regarding this part of the legislation.</p> <p>The Council has been out to tender and awarded the contract for installing equipment in the Council Chamber that will enable hybrid meetings to take place as well as being able to broadcast those meetings. The equipment will be installed over the winter and the system will be in place by March 2022.</p>		
G3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	Monitoring of progress of Actions/recommendations	'Audit Wales Protocol' documented and procedures in place to ensure all 'Management Response Forms' from each AW report addressed and that service responses are presented to LG, GAC and AW.	EP/AW/SJ	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>The Governance Officer is the AW point of contact for outstanding Management Response Forms ('MRFs') for 2019/20 and 2020/21, and ongoing governance-related MRFs/governance matters. The Corporate Performance and Improvement Officer is the AW point of contact for performance-related MRFs and performance matters. This system is set out in a Protocol, which has been approved by Leadership Group and presented to the Governance and Audit Committee. An updated version of the Protocol (to reflect that the Corporate Performance and Improvement Officer is in post) was presented to the Governance and Audit Committee at its 9th September 2021 Meeting.</p> <p>The Governance Officer and Corporate Performance and Improvement Officer have also prepared a spreadsheet for current</p>		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>MRFs, as well as historical MRFs (monitored by the Governance Officer) to be presented to the Governance and Audit Committee for monitoring of MRF responses.</p> <p>Monthly meetings are also being held with AW to discuss ongoing work and matters to be presented to the Governance and Audit Committee.</p> <p>These actions are, therefore, ongoing but the appropriate systems/checks have been put in place.</p>		

Note: Any actions not fully completed by the completion date will be carried forward into the 2022-2023 Action Plan

6 Agreed action plan for matters to be considered during 2022-2023

Following the implementation and review of the CIPFA/SOLACE Delivering good governance in Local Government Framework (2016) the following issues have been identified for resolution during 2022-2023:

Issue	Action	Outcome	Lead Officer	Completion Date
<p>A1.1 Ensuring Members and Officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</p>	<p>MO to continue to advise Members further on the need to declare hospitality/gifts.</p> <p>MO to continue to advise Chief Officers further on the need to declare:</p> <ul style="list-style-type: none"> • close personal associations with other Officers or Members, Ongoing review on Chief Officers business declarations <p>MO and CLO Democratic Services to continue to review Members holding directorships, trusteeships, or memberships when appointed onto outside bodies, and committees, MO to consider member feedback and added value and continue to update Code of Conduct for Officers and Members</p>	<p>Further embedding of behaviour with integrity.</p>	<p>EP/LE</p>	<p>March 2023</p>

Issue	Action	Outcome	Lead Officer	Completion Date
	<p>Update Dispensations forms for Members</p> <p>Appraisals were halted due to Covid-19 Pandemic but have now recommenced (undertaken in May 2021 and continue to be held virtually.)</p> <p>Reviewed Code of Conduct for Officers to be issued once updated & approved.</p> <p>Officers to complete a Mandatory Ethics/Fraud e-training module once completed & approved.</p> <p>Planning/Development Management Committee governance actions/documents established, training to be provided and progress to be reviewed during 2022-2023.</p>			
A1.2 Ensuring Members take the lead in establishing specific standard operating principles or values for the Organisation and its Staff and that they are communicated and understood.	Planning/Development Management Committee governance actions/documents established, training to be provided and progress to be reviewed during 2022-2023.	Further embedment of Standard Operation Principles and values, including their communication.	EP/LE	March 2023

Issue	Action	Outcome	Lead Officer	Completion Date
These should build on the Seven Principles of Public Life (the Nolan Principles)				
A1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Leadership Group to be updated on e-learning with HR reporting to Leadership Group.	Further embedment of Standard Operating principles and leading by example for effective decision-making.	GE	March 2023
A1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	<p>Delegated decision Decisions Register to be published.</p> <p>Continued monitoring of the Mandatory e-learning take up of Whistleblowing module. Currently lower than required.</p> <p>Whistleblowing Policy to be reviewed.</p>	<p>Further embedment of Standard Operating principles and communication through publication of documents.</p> <p>Further embedment of Standard Operating principles and leading by example.</p> <p>Further embedment of Standard Operating principles.</p>	EP/ HR	March 2023

Issue	Action	Outcome	Lead Officer	Completion Date
A3.1 Ensuring members and Staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Further training to be provided to all Members regarding their responsibilities in relation to Data Protection Principles and privacy notices. Privacy notices for Councillors being developed and to be provided.	Demonstrating strong commitment to rule of law and adherence to relevant laws and regulations	EP/LE	March 2023
B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Completion of review of the FOI Publication Scheme, which is in progress.	Demonstrating commitment to openness.	LE/AW/MNH	March 2023
B3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	Due to the Covid-19 pandemic, decisions have needed to be made by Gold Command for emergency reasons (under the temporary executive function transfer of power in place until 31.8.2021 and for operational procedures under the Civil Contingencies Act 2004 following that date), therefore it has been impossible to consult physically in the community at present for many services, and consequently the scoring has been amended to reflect this.	Improving Community Engagement.	AW	March 2023

Issue	Action	Outcome	Lead Officer	Completion Date
	To continue to progress the review of the Community Engagement Policy that will include provisions for how stakeholders are engaged in future.			
D2.3 Considering and monitoring risks facing each partner when working collaboratively including shared risks	<p>To continue to take into account legislative changes e.g. Local Government and Elections (Wales) Act 2021.</p> <p>To implement legislative changes, such as regarding the Local Government and Elections (Wales) Act 2021 and consider/monitor risks facing each partner when working collaboratively, including shared risks.</p>	Risk management and compliance with legislation to demonstrate commitment to rule of law.	AW/EP	March 2023
G3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	Monitor progress of actions/recommendations.	Assurances and managing risk	EP/AW/SJ	March 2023

7 Conclusion

The annual governance framework review measured progress against the new CIPFA/SOLACE Delivering Good Governance Framework (2016) and overall governance arrangements were found to be acceptable or good.

The Council has made good progress during the year with recorded achievements against each of the seven core principles.

The development of a Local Code of Corporate Governance bringing together all the local codes and documents together in one document provides assurance that there are clear governance arrangements in place. This enabled the Council to react swiftly to the threats presented by the coronavirus pandemic.

The Council has identified a number of minor issues for resolution during 2022/23 and has set these out in an action plan for completion (as above). The actions taken as a direct result of the pandemic will be recorded, as appropriate.

8 Certification of Annual Governance Statement

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness throughout the 2022/23 year and will monitor their implementation and operation as part of our next annual review. It is acknowledged that the pandemic may hinder some of these steps, which will be addressed and reported accordingly to Council in the 2022/23 AGS.

Audit of Accounts Report – Ceredigion County Council

Audit year: 2021-22

Date issued: January 2023

Document reference: 3244A2022

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

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

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

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

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

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2021-22 accounts in this report.
- 2 We have already discussed these issues with the relevant officers.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £2.8 million for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Senior Staff Remuneration – £1,000
 - Related Party disclosures for officers and members – £10,000
- 6 We have now substantially completed this year's audit but at the time of drafting this report, the following work is outstanding:
 - the final review of our audit file; and
 - our final review of the revised 2021-22 financial statements.
- 7 We will provide a verbal update on these outstanding items at the Governance and Committee and Council meetings in January 2023.
- 8 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.
- 9 It was necessary to make a change to the audit Engagement Lead to that advertised in the Audit Plan. Derwyn Owen, a Director within Audit Wales, was the Engagement Lead for the audit of accounts.

Infrastructure Assets

- 10 In common with other local authorities, Ceredigion County Council has taken advantage of temporary reliefs for reduced disclosures related to infrastructure assets allowed for in the Update to the Code and Specifications for Future Codes for Infrastructure Assets and the 2022 amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.
- 11 The authority has not disclosed gross cost and accumulated depreciation for infrastructure assets, because historical reporting practices and resultant information deficits mean gross cost and accumulated depreciation are not measured accurately and would not faithfully represent the asset position to the users of the financial statements.

- 12 The reliefs are a temporary expedient that are intended to allow authorities to address the information deficits and prepare robust information to support the carrying value of infrastructure assets. The temporary reliefs are only applicable for financial years up to and including 2024-25.
- 13 **Exhibit 1** shows the impact of this issue on the audit timetable.

Exhibit 1 – impact of national issues on this year’s audit timetable

Timetable	<p>Given the continuing slippage arising from the COVID-19 pandemic and national issues relating to the audit of infrastructure assets, the Welsh Government provided flexibility in terms of both the accounts preparation deadlines and the audit deadlines:</p> <ul style="list-style-type: none"> • the timescale for completing your accounts was revised by the Welsh Government from 31 May 2022 to 31 August 2022; • we received the draft accounts on 16 August 2022; • our deadline for completing our audit was changed from 31 July 2022 to 31 January 2023; and • we expect your audit report to be signed on 30 January 2023.
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Proposed audit opinion

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

Significant issues arising from the audit

Uncorrected misstatements

- 18 There are no uncorrected misstatements included in the audited accounts:

Corrected misstatements

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

Other significant issues arising from the audit

- 20 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There is one matter which we wish to bring to your attention.
- 21 Between 2015-16 and 2019-20, we reported difficulties arising from the audit of the Council's assets in terms of insufficient audit trail and lack of effective Quality Assurance to ensure that issues and errors are identified internally and not when audit are engaged.
- 22 Whilst we did not identify these issues last year, we did identify similar issues again during this year's audit. It is important that the Council addresses these and builds on the improvements that were initially made in 2020-21. The Council's assets are revalued on a five-year rolling programme and future years will see a heavier programme workload. The Council is aware that continuous improvement remains important to ensure that issues do not arise again in the future.

Appendix 1

Final letter of representation

[Audited body's letterhead]

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

26 January 2023

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Ceredigion County Council for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom UK 2021-22; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

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

Financial statement representations

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

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

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

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

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

The financial statements are free of material misstatements, including omissions. There are no uncorrected misstatements in the financial statements.

Representations by those charged with governance

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

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved on 26 January 2023.

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

Signed by:

Signed by:

[Officer who signs on behalf of management]

[Officer or Member who signs on behalf of those charged with governance]

Date: 26 January 2023

Date: 26 January 2023

Appendix 2

Proposed audit report

The independent auditor's report of the Auditor General for Wales to the members of Ceredigion County Council

Opinion on financial statements

I have audited the financial statements of Ceredigion County Council for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

Ceredigion County Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Ceredigion County Council as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

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

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 8, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

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

My procedures included the following:

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

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

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

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

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

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

Certificate of completion of audit

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

Adrian Crompton
Auditor General for Wales
30 January 2023

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of corrections made

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

Exhibit 2: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£165,721,000 Gross Cost; and £29,775,000 Accumulated Depreciation (No overall effect on the Balance Sheet)	Note 1.13 Property, Plant and Equipment and Balance Sheet As detailed in paragraph 11, the historic cost and accumulated depreciation balances relating to infrastructure assets have been removed from the accounts. This means the infrastructure column has been removed from note 1.13 and the net book value of infrastructure assets is shown in the Balance Sheet. There is no overall effect on the Balance Sheet.	To take advantage of temporary reliefs for reduced disclosures related to infrastructure assets.
£2,122,360 Gross Cost and Accumulated Depreciation (NIL NBV) (No overall effect on the Balance Sheet)	Note 1.13 Property Plant and Equipment and Balance Sheet Property, Plant and Equipment included a number of assets which the Council had already disposed of. These assets were fully depreciated and so the NBV of these was NIL. Note 1.13 was amended to remove the Gross Cost and Accumulated Depreciation for these (total of £2,122,360 for each) with no effect on the overall total in Note 1.13 or the Balance Sheet.	To ensure the accuracy of the financial statements.

Value of correction	Nature of correction	Reason for correction
£452,452	<p>Note 1.13 Property Plant & Equipment and Balance Sheet</p> <p>The valuation of the Social Services class of assets, which was scheduled to be completed in 2021-22 as part of the Council's five-year rolling programme of assets, was not completed. These have subsequently been valued during the audit process, resulting in an increase in upward valuations of £1,199,641 and downward valuations of £747,189 (a net increase of £452,452 to the value of assets in Note 13 and the Balance Sheet).</p>	To ensure the accuracy of the financial statements.
£151,000	<p>Note 1.13 Property Plant and Equipment and Balance Sheet</p> <p>Audit testing identified nine assets for which the treatment of non-enhancing expenditure is incorrect. The value of these assets in the accounts is understated by £151,000. The accounts were updated to increase the value of the assets by this amount.</p>	To ensure the accuracy of the financial statements.
£600,000 (No overall effect on the Balance Sheet)	<p>Note 1.13 Property Plant and Equipment and Balance Sheet</p> <p>Note 1.13 was amended to reclassify an asset totalling £600,000 which was originally recorded in Surplus Assets, but audit testing identified that this should have been recorded in Assets Held for Sale.</p>	To ensure the accuracy of the financial statements.
£86,000 (No overall effect on the primary statements)	<p>Note 1.33 Related Party Transactions</p> <p>Audit testing identified a number of related parties relating to members which had not been included within Note 1.33. Note 1.33 was amended to include £86,000 of transactions relating to these related parties.</p>	To ensure the accuracy of the financial statements.

Value of correction	Nature of correction	Reason for correction
£163,000 (No overall effect on the Balance Sheet)	Note 1.19 Financial Instruments Under the Creditors heading, Financial Liabilities at amortised cost has been amended from £31,756,000 to £31,593,000 a decrease of £163,000 due to an error in the calculation.	To ensure the accuracy of the financial statements.
Various (No overall effect on the primary statements)	A number of minor amendments were made to the financial statements relating to either revisions to disclosures of information or narrative changes.	To ensure the accuracy of the financial statements.



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CEREDIGION COUNTY COUNCIL

Report to: Council

Date of meeting: 26 January 2023

Title: Report of the Corporate Lead Officer: Finance and Procurement upon the Ceredigion County Council and Ceredigion Harbour Authority Statements of Accounts 2021/22.

Purpose of the report: To consider the Ceredigion County Council and Ceredigion Harbour Authority Statements of Accounts for the year ended 31 March 2022.

For: Decision

**Cabinet Portfolio and
Cabinet Member:** Cllr Gareth Davies
Finance and Procurement Services

1. INTRODUCTION

In accordance with the Public Audit (Wales) Act 2004 the Ceredigion County Council Statement of Accounts must be approved by the Council by 31 January 2023.

The Ceredigion Harbour Authority Statement of Accounts has been prepared to meet the requirements of the Accounts and Audit (Wales) Regulations 2014.

2. ACCOUNTS

The Draft Accounts were issued to Audit Wales on 16 August. Following the completion of the audit the outturn position is an overall underspend of £668k, the level of the General Fund rises to £6.7m and the level of Earmarked Reserves have increased at year-end to just under £54m. It is positive that it is the Auditor General's intention to issue an unqualified audit report on the Accounts. As a result the deadline of 31 January 2023 to finalise the audit will be met.

There are many references to Covid 19 in the Statement of Accounts with additional notes and requirements. Statement note 1.12 includes two useful tables which show a summary of Covid19 funding for the Council and in addition funding towards Agency expenditure totalling nearly £14m which includes Business Grant Payments.

The Ceredigion County Council and Ceredigion Harbour Authority Statements of Accounts for the year ended 31 March 2022 are enclosed for due consideration by Council. The Governance and Audit Committee considered the Accounts in their meeting held on the 19 January 2023 and Committee's views will be reported to Council.

	Has an Integrated Impact Assessment been completed? If, not, please state why	No Report is a statutory requirement
Wellbeing of Future Generations:	Summary: Long term: Collaboration: Involvement: Prevention: Integration:	Not Applicable Not Applicable Not Applicable Not Applicable Not Applicable
Recommendation(s):	To approve the Council Statement of Accounts and the Harbour Statement of Accounts	
Reasons for decision:	Approved Statements of Accounts.	
Overview and Scrutiny:	Considered by the Governance and Audit Committee – 19th January 2023	
Policy Framework:	Not Applicable	
Corporate Well-being Objectives:	Not Applicable	
Finance and Procurement implications:	Not Applicable	
Legal Implications:	Not Applicable	
Staffing implications:	Not Applicable	
Property / asset implications:	Not Applicable	
Risk(s):	Not Applicable	
Statutory Powers:	Public Audit (Wales) Act 2004 Local Government and Housing Act 1989	
Background Papers:	Not Applicable	
Appendices:	Statements of Accounts	
Corporate Lead Officer:	Duncan Hall, Corporate Lead Officer: Finance and Procurement	
Reporting Officer:	Duncan Hall, Corporate Lead Officer: Finance and Procurement	
Date:	19 January 2023	



Cyngor Sir
CEREDIGION
County Council

STATEMENT OF ACCOUNTS

for the year ending
31st March 2022
Audited

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NARRATIVE REPORT

About Ceredigion County Council

The County of Ceredigion covers an area of over 690 square miles of breath-taking scenery, dramatic coastline and vibrant communities. The County is geographically one of the largest in Wales and has a population figure of 71,500, per the 2021 census, scattered around the County with the main towns being Aberystwyth, Cardigan, Lampeter, Llandysul, Aberaeron and Tregaron.

Ceredigion caters for many industries namely agriculture, tourism, food manufacturing companies, retail, scientific research and many other indigenous businesses scattered around the County. Education plays a big role within Ceredigion, with two Universities, a Further Education College, 4 secondary schools, 3 middle schools and many Primary schools dotted around the County.

Ceredigion County Council is a unitary authority formed on 1 April 1996 and is responsible for a wide range of services and activities. The Council has adopted the "Cabinet" system of administration. The Cabinet carries out the Executive functions for the Authority.

Governance

The Annual Governance Statement (on pages 90 to 154) outlines the Council's approach to ensuring that it maintains an effective system of corporate governance and internal control. The statement is produced following a review of the council's governance arrangements and includes an action plan to address any significant governance issues identified.

Issues and risks affecting the Council

The Council's corporate risks, their risk score and RAG [red (13-25), amber (6-12), green (0-5)] ratings at the start and end of the year are shown below:

Corporate Risk	Beginning of the year	End of the year
Corporate Improvement & Performance Management Arrangements	9/Amber	6/Amber
Business Continuity & Civil Contingency	10/Amber	15/Red
Medium Term Financial Plan	15/Red	15/Red
Through Age and Well-being Programme	15/Red	15/Red
Information Management & Cyber Security Resilience	8/Amber	8/Amber
Supporting Local Food Businesses, Maintain Safety	16/Red	16/Red
Brexit Consequences	16/Red	16/Red
Safeguarding	15/Red	15/Red
COVID-19	25/Red	12/Amber
Climate Change & Coastal Erosion / Flooding		25/Red
Ash Dieback		20/Red
Phosphates		20/Red

- **Corporate Improvement and Performance Management Arrangements** – the risk score has decreased to reflect the latest situation regarding the reinstatement of Business Planning and the Performance Board quarterly meetings following a period of suspension during 2020/21 to respond to the COVID-19 pandemic.
- **Business Continuity and Civil Contingency** – the risk score has increased from 10 to 15 to reflect the risk of ransomware attacks on the council network and the impact this would have on the ability to continue council operations and deliver essential services.
- **Information Management** has been expanded to **Information Management and Cyber Security Resilience** to reflect the increasing importance of cyber security with home-based office staff.
- **COVID-19** – the risk score has decreased from 25 to 20 to reflect the latest situation regarding the risks associated with the pandemic following the success of the vaccination programme. The Council continues to engage in response and recovery arrangements with a variety of internal and external groups.
- **Climate Change and Coastal Erosion / Flooding** – This is a new risk combining the previous risks of Carbon Management and Coastal Erosion into an overarching risk on climate change. The new risk includes the wider implications of climate change such as increased instances of flooding, drought and storms. The Council recognises it needs to lead by example and address these risks. Mitigating actions are in place including the development of a Corporate Climate Change Strategy and action plan detailing how the Council will achieve net carbon zero by 2030. Given the potential impacts and likelihood, this risk has been scored as 25 on the register.
- **Ash Dieback** is a new risk reflecting the significant impact that the Ash Dieback Disease could have across Ceredigion and Wales. It is estimated that there are 42,000 mature Ash trees along the county roads alone and a further 10,000 on the Council's Corporate Estate. Ash Dieback is already widespread and visible across the County. Mitigating actions have been put in place including the production of an action plan, a steering group set up along with a survey of high priority areas to identify locations of Ash trees and their condition.
- **Phosphates** – Phosphates is a new risk. Ceredigion County Council are obliged to regard advice from Natural Resources Wales (NRW) who recommend planning restrictions due to high levels of phosphates in the Teifi. This will significantly impact the county by preventing building development across 44.6% of Ceredigion, impacting economic growth
- **Medium Term Financial Plan, Through Age and Wellbeing Programme, Supporting Local Food Businesses, Maintain Safety, Brexit Consequences and Safeguarding** have no changes, but mitigating actions have been reviewed.

Financial Strategy and Resource Allocation

There are many challenging years ahead in local government with public finances continuing to be extremely tight and this has a direct impact on the Council's budgets. These are therefore difficult times from a budgetary and service delivery perspective, particularly as the full consequences of the COVID-19 pandemic on public finances become apparent. COVID-19 has contributed to the cost of living crisis which is affecting individuals. The Council is experiencing unprecedented inflation pressures since the 2022/23 Budget was set. This is already evidencing itself in tender processes (mainly Capital) and in Revenue costs (particularly where services are impacted by fuel and energy prices, where contracts are linked to inflation). Pay awards also remain as yet undetermined for 2022/23, with there now being a much greater risk of pay inflation exceeding the levels currently budgeted.

The Council's medium term financial strategy can be viewed here:

<http://www.ceredigion.gov.uk/your-council/strategies-plans-policies/finance/medium-term-financial-strategy/>

Financial Performance - Revenue

The final overall revenue position is an overall underspend on £668k. This includes the benefit of a surplus on Council Tax collection and additional WG Revenue Support Grant funding (which came as a result of an amended 2021/22 Local Government Finance Settlement issued in March 2022). The underspend is lower than projected due to transfers to earmarked reserves which will assist in delivering the Council's corporate priorities. The overall surplus will result in General Balances rising to £6.7m, which equates to 4.1% of the 2022/23 Budget (being just above the mid-point of the target range of between 3% and 5%).

Earmarked reserves are regularly reviewed and re-aligned to emerging priorities, commitments and potential needs. This has been looked at further as part of the Outturn process and a full breakdown of Earmarked reserves is shown in Note 1.8. In overall terms, specific Earmarked reserves (excluding General Balances) have increased at year-end to just under £54m (being 32.5% of the 2022/23 Budget).

Managing the financial dynamics of COVID-19 has continued to be both challenging and resource intensive. The 2021/22 performance continues to demonstrate though, that despite COVID-19, the Council's overall financial position remains positive and resilient and the Council's balance sheet is strong, notwithstanding that greater headwinds now exist.

The analysis of the final controllable revenue outturn position is different to previous year's due to the re-opening of the 2021/22 Local Government Settlement and the additional funding that this brings outside of the normal Controllable Budget. Therefore, the overall final position can be summarised as follows:

	2021/22 Latest Budget £'000	2021/22 Actuals £'000	Under/ (Over) spend £'000
Funding			
Council Tax	(45,078)	(46,629)	1,551
NNDR + RSG	(109,658)	(111,093)	1,435
Total Funding	(154,736)	(157,722)	2,986
Less Transfers to Reserves *	-	2,001	(2,001)
Total Net Funding	(154,736)	(155,721)	985
Controllable Budget	154,736	155,053	(317)
Overall Outturn Position	-	(668)	668

* These Transfers to Reserves relate specifically to setting aside the WG RSG £1.4m plus part of the increase in the PFI reserve. There are other transfers to reserves within the Controllable Budget position.

The overall final position is also shown in the Expenditure and Funding Analysis on page 13.

Financial Performance - Capital

	2021/22 £'000	2020/21 £'000
Approved Budget	22,661	19,121
Expendable Budget	22,155	17,737
Actual Expenditure	17,522	13,814
	4,633	3,923

Approved Budget – is the total Capital Programme budget approved by Cabinet/Council which includes a general grants line which is not an expendable budget. This is a mechanism for adding additional approved grant schemes within the year.

Expendable Budget – is the total of the approved schemes within the Capital Programme excluding the general grants line.

Capital Expenditure Financing:	2021/22 £'000	2020/21 £'000
General Capital Funding	1,992	1,754
Supported Borrowing	673	126
Developing Education in Ceredigion Reserves	0	94
Capital Receipts	299	0
Revenue/Reserve contributions - Including Corporate Capital Reserve	127	3
WG repayable Funding (HILS & H2H loans)	142	185
Grants	14,289	11,652
	17,522	13,814

ACCOUNTING STATEMENTS

This Statement of Accounts has been provided to give electors, local taxpayers, Members of the Council and other interested parties information about the Council's financial position. It provides a summary of the financial position as at 31st March 2022 and includes a number of accounting statements, which show the range and scale in financial terms, of the Council's services and activities. The various services of the Council have co-operated by maintaining adequate accounting records, exercising budgetary control and providing relevant documents. This document has been prepared to meet the requirements of the Public Audit (Wales) Act 2004 (and as further specified in the Accounts and Audit (Wales) Regulations 2014) and fully reflects the Code of Practice on Authority Accounting in the United Kingdom 2021/22 requirements for accounting statements.

CORE FINANCIAL STATEMENTS

The Statement of Accounts comprises a number of Accounting Statements and the following notes are provided to explain their purpose.

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by Councils in comparison with those resources consumed or earned by Councils in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

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. Councils raise council tax 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.

Movement in Reserves Statement

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

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Council 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 Usable Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is unusable reserves, i.e. those that the Council 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 difference as shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement

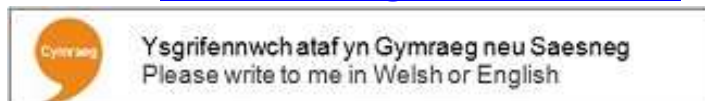
The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council'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 Council.

Further Information

Interested persons have a statutory right to inspect the Accounts before the annual audit is completed. Anyone wishing further information or explanation on the Accounts should contact:

Finance and Procurement

E-mail: df.technicians@ceredigion.gov.uk



STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**THE COUNCIL'S RESPONSIBILITIES**

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Corporate Lead Officer: Finance & Procurement.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

Chair of the Council

26 January 2023

THE RESPONSIBILITIES OF THE CORPORATE LEAD OFFICER – FINANCE & PROCUREMENT

The Corporate Lead Officer: Finance & Procurement is responsible for the preparation of the Council'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 Corporate Lead Officer: Finance & Procurement 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 Corporate Lead Officer: Finance & Procurement has also:

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

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Council at the reporting date and its income and expenditure for the year ended 31 March 2022.

Corporate Lead Officer: Finance & Procurement

26 January 2023

THE INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF CEREDIGION COUNTY COUNCIL

Opinion on financial statements

I have audited the financial statements of Ceredigion County Council for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

Ceredigion County Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Ceredigion County Council as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

BASIS OF OPINION

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

REPORT ON OTHER REQUIREMENTS**Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

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

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

RESPONSIBILITIES

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 8, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

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

My procedures included the following:

- enquiring of management, the Council's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Ceredigion County Council's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals.
- obtaining an understanding of Ceredigion County Council's framework of authority as well as other legal and regulatory frameworks that Ceredigion County Council operates in, focusing on those laws and regulations that had

a direct effect on the financial statements or that had a fundamental effect on the operations of Ceredigion County Council.

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

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

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

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

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

CERTIFICATE OF COMPLETION OF AUDIT

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

Adrian Crompton
Auditor General for Wales
30 January 2023

24 Cathedral Road
Cardiff
CF11 9LJ

EXPENDITURE AND FUNDING ANALYSIS 2021/22

2021/2022	Outturn £'000	Transfers (to)/from Earmarked Reserves (Note 1.8) £'000	Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding & Accounting Basis (Note 1.1 & 1.7) £'000	Net Expenditure in the Comprehensive Income & Expenditure Statement £'000
Schools & Culture	48,508	(2,486)	46,022	9,374	55,396
Porth Cymorth Cynnar	3,719	(125)	3,594	174	3,768
Finance & Procurement	20,004	(1,996)	18,008	(4,972)	13,036
Democratic Services	4,016	0	4,016	732	4,748
People & Organisation	2,082	0	2,082	441	2,523
Porth Cynnal	23,632	(750)	22,882	816	23,698
Porth Gofal	11,595	(524)	11,071	2,383	13,454
Policy, Performance & Public Protection	2,657	0	2,657	335	2,992
Highways & Environmental	17,474	(1,398)	16,076	5,207	21,283
Economy & Regeneration	3,189	(59)	3,130	2,810	5,940
Customer Contact	5,705	(75)	5,630	1,019	6,649
Legal & Governance	1,527	0	1,527	195	1,722
Leadership Group	5,801	(4,922)	879	960	1,839
Levies, Council Tax Premium & Reserves	7,145	(3,073)	4,072	(4,072)	0
NET COST OF SERVICES	157,054	(15,408)	141,646	15,402	157,048
Other Income and Expenditure	(157,722)	0	(157,722)	(5,944)	(163,666)
(Surplus) or Deficit	(668)	(15,408)	(16,076)	9,458	(6,618)
General Fund Opening Balance	(6,052)	(38,533)	(44,585)		
(Surplus) or Deficit	(668)	(15,408)	(16,076)		
General Fund Closing Balance	(6,720)	(53,941)	(60,661)		

EXPENDITURE AND FUNDING ANALYSIS 2020/21

2020/2021	Outturn £'000	Transfers (to)/from Earmarked Reserves (Note 1.8) £'000	Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding & Accounting Basis (Note 1.1 & 1.7) £'000	Net Expenditure in the Comprehensive Income & Expenditure Statement £'000
Schools & Culture	48,861	(4,962)	43,899	7,697	51,596
Porth Cymorth Cynnar	3,158	(351)	2,807	1,643	4,450
Finance & Procurement	20,858	(1,664)	19,194	(6,787)	12,407
Democratic Services	3,957	0	3,957	477	4,434
People & Organisation	2,007	0	2,007	256	2,263
Porth Cynnal	21,950	1,301	23,251	619	23,870
Porth Gofal	10,236	(1,067)	9,169	1,627	10,796
Policy, Performance & Public Protection	2,178	0	2,178	193	2,371
Highways & Environmental	16,305	(2,663)	13,642	4,671	18,313
Economy & Regeneration	3,276	(400)	2,876	1,687	4,563
Customer Contact	5,445	0	5,445	789	6,234
Legal & Governance	1,476	0	1,476	130	1,606
Leadership Group	6,938	(6,416)	522	89	611
Levies, Council Tax Premium & Reserves	4,475	(186)	4,289	(4,289)	0
NET COST OF SERVICES	151,120	(16,408)	134,712	8,802	143,514
Other Income and Expenditure	(151,609)	0	(151,609)	2,164	(149,445)
(Surplus) or Deficit	(489)	(16,408)	(16,897)	10,966	(5,931)
General Fund Opening Balance	(5,563)	(22,125)	(27,688)		
(Surplus) or Deficit	(489)	(16,408)	(16,897)		
General Fund Closing Balance	(6,052)	(38,533)	(44,585)		

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

		2021/22		
	Note	Gross Exp £'000	Gross Inc £'000	Net Exp £'000
Schools & Culture		82,576	(27,180)	55,396
Porth Cymorth Cynnar		9,992	(6,224)	3,768
Finance & Procurement		27,943	(14,907)	13,036
Democratic Services		5,110	(362)	4,748
People & Organisation		3,657	(1,134)	2,523
Porth Cynnal		38,588	(14,890)	23,698
Porth Gofal		24,664	(11,210)	13,454
Policy, Performance & Public Protection		6,291	(3,299)	2,992
Highways & Environmental		30,291	(9,008)	21,283
Economy & Regeneration		9,436	(3,496)	5,940
Customer Contact		7,435	(786)	6,649
Legal & Governance		1,782	(60)	1,722
Leadership Group		9,875	(8,036)	1,839
COST OF SERVICES		257,640	(100,592)	157,048
Other operating expenditure	1.9	13,389	0	13,389
Financing and investment income and expenditure	1.10	8,830	(794)	8,036
Taxation and non-specific grant income	1.11	0	(185,091)	(185,091)
(SURPLUS) OR DEFICIT ON THE PROVISION OF SERVICES		279,859	(286,477)	(6,618)
(Surplus) or deficit on revaluation of Fixed Assets	1.28			(32,256)
Remeasurement of the net defined benefit liability (asset)	1.38			(38,833)
OTHER COMPREHENSIVE INCOME AND EXPENDITURE				(71,089)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE				(77,707)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

	Note	2020/21		Net Exp £'000
		Gross Exp £'000	Gross Inc £'000	
Schools & Culture		74,084	(22,488)	51,596
Porth Cymorth Cynnar		9,753	(5,303)	4,450
Finance & Procurement		28,781	(16,374)	12,407
Democratic Services		4,482	(48)	4,434
People & Organisation		3,346	(1,083)	2,263
Porth Cynnal		36,508	(12,638)	23,870
Porth Gofal		20,902	(10,106)	10,796
Policy, Performance & Public Protection		4,066	(1,695)	2,371
Highways & Environmental		26,595	(8,282)	18,313
Economy & Regeneration		8,011	(3,448)	4,563
Customer Contact		6,899	(665)	6,234
Legal & Governance		1,675	(69)	1,606
Leadership Group		12,282	(11,671)	611
COST OF SERVICES		237,384	(93,870)	143,514
Other operating expenditure	1.9	13,338	0	13,338
Financing and investment income and expenditure	1.10	10,090	(826)	9,264
Taxation and non-specific grant income	1.11	0	(172,047)	(172,047)
(SURPLUS) OR DEFICIT ON THE PROVISION OF SERVICES		260,812	(266,743)	(5,931)
(Surplus) or deficit on revaluation of Fixed Assets	1.28			1,077
Remeasurement of the net defined benefit liability (asset)	1.38			(6,276)
OTHER COMPREHENSIVE INCOME AND EXPENDITURE				(5,199)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE				(11,130)

MOVEMENT IN RESERVES STATEMENT

	Note	General Fund Balance	Earmarked Reserves	TOTAL	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2021/22									
Balance at 31/03/21		(6,052)	(38,533)	(44,585)	(6,331)	(1,803)	(52,719)	(100,264)	(152,983)
(Surplus) or deficit on provision of services		(6,618)	0	(6,618)	0	0	(6,618)	0	(6,618)
Other Comprehensive Expenditure & Income		0	0	0	0	0	0	(71,089)	(71,089)
Total Comprehensive Expenditure & Income		(6,618)	0	(6,618)	0	0	(6,618)	(71,089)	(77,707)
Adjustments between accounting basis & funding basis under regulations	1.7	(9,458)	0	(9,458)	(233)	(3,486)	(13,177)	13,177	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves		(16,076)	0	(16,076)	(233)	(3,486)	(19,795)	(57,912)	(77,707)
Transfers to/from Earmarked Reserves	1.8	15,408	(15,408)	0	0	0	0	0	0
(Increase)/Decrease Balance at 31/03/22		(668)	(15,408)	(16,076)	(233)	(3,486)	(19,795)	(57,912)	(77,707)
		(6,720)	(53,941)	(60,661)	(6,564)	(5,289)	(72,514)	(158,176)	(230,690)
2020/21									
Balance at 31/03/20		(5,563)	(22,125)	(27,688)	(5,990)	(954)	(34,632)	(107,221)	(141,853)
(Surplus) or deficit on provision of services		(5,931)	0	(5,931)	0	0	(5,931)	0	(5,931)
Other Comprehensive Expenditure & Income		0	0	0	0	0	0	(5,199)	(5,199)
Total Comprehensive Expenditure & Income		(5,931)	0	(5,931)	0	0	(5,931)	(5,199)	(11,130)
Adjustments between accounting basis & funding basis under regulations	1.7	(10,966)	0	(10,966)	(341)	(849)	(12,156)	12,156	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves		(16,897)	0	(16,897)	(341)	(849)	(18,087)	6,957	(11,130)
Transfers to/from Earmarked Reserves	1.8	16,408	(16,408)	0	0	0	0	0	0
(Increase)/Decrease Balance at 31/03/21		(489)	(16,408)	(16,897)	(341)	(849)	(18,087)	6,957	(11,130)
		(6,052)	(38,533)	(44,585)	(6,331)	(1,803)	(52,719)	(100,264)	(152,983)

BALANCE SHEET

	Note	£'000	31/03/22 £'000	Restated 31/03/21 £'000
<u>ASSETS</u>				
Property, Plant and Equipment	1.13	277,636		245,034
Infrastructure	1.13	135,946		133,860
Investment Property	1.14	17,368		16,912
Heritage Assets	1.15	3,522		3,220
Long Term Debtors	1.17	3,961		3,526
LONG TERM ASSETS			438,433	402,552
Short Term Investments	1.19	18,006		4,003
Assets Held for Sale		720		120
Inventories	1.18	1,245		1,473
Short Term Debtors	1.22	36,660		30,685
Cash and Cash Equivalents	1.23	32,498		22,695
CURRENT ASSETS			89,129	58,976
TOTAL ASSETS			527,562	461,528
<u>LIABILITIES</u>				
Short Term Borrowing	1.25	(7,818)		(1,084)
Short Term Creditors	1.24	(32,115)		(22,667)
Short Term Provisions		(240)		(24)
Donated Inventories Account	1.18	(687)		(1,066)
CURRENT LIABILITIES			(40,860)	(24,841)
Long Term Creditors		(808)		(817)
Long Term Borrowing	1.25	(108,054)		(115,872)
Other Long Term Liabilities	1.26	(145,029)		(166,649)
Capital Grants Receipts in Advance		(2,121)		(366)
LONG TERM LIABILITIES			(256,012)	(283,704)
TOTAL LIABILITIES			(296,872)	(308,545)
NET ASSETS			230,690	152,983
Usable Reserves	1.27	(72,514)		(52,719)
Unusable Reserves	1.28	(158,176)		(100,264)
TOTAL RESERVES			(230,690)	(152,983)

2020/21 has been restated to include Infrastructure assets separately.

CASH FLOW STATEMENT

	Note	2021/22 £'000	2020/21 £'000
OPERATING ACTIVITIES			
Net Surplus/(Deficit) on the Provision of Services		6,618	5,931
Non cash transactions			
Depreciation and Impairment		9,928	12,256
Capital Grants		(17,393)	(10,975)
Pension Fund adjustments		17,587	12,715
		<u>16,740</u>	<u>19,927</u>
Adjustments for items reported separately on Cashflow			
(Gain)/Loss on the disposal of Fixed Assets		44	23
Items on an accrual basis			
(Increase)/decrease in Inventories		(150)	138
(Increase)/decrease in Debtors		(2,828)	(8,864)
Increase/(decrease) in Creditors		8,611	558
Net Cash Inflow/(Outflow) from Operating Activities	1.29	<u>22,417</u>	<u>11,782</u>
INVESTING ACTIVITIES			
Cash Outflows			
Purchase of fixed assets	(12,718)		(9,851)
Purchase of short term investments	(14,000)		0
Other Capital cash payments	(919)		(536)
		<u>(27,637)</u>	<u>(10,387)</u>
Cash Inflows			
Sale of fixed assets	302		254
Capital grants received	14,518		8,583
Proceeds from long term investments	0		9
Proceeds from short term investments	14		1,997
Other Capital Cash Receipts	1,646		1,082
		<u>16,480</u>	<u>11,925</u>
Net Cash Flows from Investing Activities		<u>(11,157)</u>	<u>1,538</u>
FINANCING ACTIVITIES			
Cash Outflows			
Repayment of short term and long term borrowing	(1,083)		(6,162)
Payments for the reduction of the outstanding liabilities relating to finance leases and on balance sheet PFI contracts	(374)		(278)
		<u>(1,457)</u>	<u>(6,440)</u>
Cash Inflows			
New Loans Raised		0	80
Net Cash Flows from Financing Activities		<u>(1,457)</u>	<u>(6,360)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		<u>9,803</u>	<u>6,960</u>
Cash and Cash Equivalents at beginning of the year		22,695	15,735
Cash and Cash Equivalents at end of the year	1.23	32,498	22,695

NOTES TO THE STATEMENT OF ACCOUNTS

1.1 NOTES TO THE EXPENDITURE AND FUNDING ANALYSIS

2021/22	Adjustments for Capital Purposes (Note A) £'000	Net change for Pensions (Note B) £'000	Other Differences (Note C) £'000	Total Adjustments £'000
Schools & Culture	5,600	3,452	322	9,374
Porth Cymorth Cynnar	(989)	1,101	62	174
Finance & Procurement	86	679	(5,737)	(4,972)
Democratic Services	11	704	17	732
People & Organisation	0	412	29	441
Porth Cynnal	(33)	985	(136)	816
Porth Gofal	335	1,944	104	2,383
Policy, Performance & Public Protection	8	859	(532)	335
Highways & Environmental Services	3,466	1,701	40	5,207
Economy & Regeneration	1,053	979	778	2,810
Customer Contact	87	932	0	1,019
Legal & Governance	0	190	5	195
Leadership Group	582	340	38	960
Levies, Council Tax Premium & Reserves	0	0	(4,072)	(4,072)
NET COST OF SERVICES	10,206	14,278	(9,082)	15,402
Other Income and Expenditure	(18,043)	3,309	8,790	(5,944)
Difference between General Fund surplus or deficit plus Earmarked Reserves and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(7,837)	17,587	(292)	9,458

NOTE A – Adjustments for Capital Purposes

This column adjusts for depreciation, impairment, revaluation gains and losses, gains and losses on disposal of assets, capital grants and capital expenditure funded from revenue.

NOTE B - Net Change for Pensions Adjustments

This column shows the adjustments required to comply with IAS19 Employee Benefits - specifically the removal of employee pension contributions made by the Council as allowed by statute, the replacement with current service costs and past service costs as calculated by the actuary, and the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

NOTE C - Other Differences

This column includes other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute. These include adjustments to realign expenditure and income in accordance with the code and adjustments for the Accumulated Absences accrual.

2020/21	Adjustments for Capital Purposes (Note A) £'000	Net change for Pensions Adjustments (Note B) £'000	Other Differences (Note C) £'000	Total Adjustments £'000
Schools & Culture	5,786	2,228	(317)	7,697
Porth Cymorth Cynnar	802	739	102	1,643
Finance & Procurement	143	379	(7,309)	(6,787)
Democratic Services	21	486	(30)	477
People & Organisation	0	250	6	256
Porth Cynnal	4	662	(47)	619
Porth Gofal	355	1,278	(6)	1,627
Policy, Performance & Public Protection	8	412	(227)	193
Highways & Environmental Services	3,482	1,103	86	4,671
Economy & Regeneration	153	648	886	1,687
Customer Contact	137	592	60	789
Legal & Governance	0	116	14	130
Leadership Group	27	203	(141)	89
Levies, Council Tax Premium & Reserves	0	0	(4,289)	(4,289)
NET COST OF SERVICES	10,918	9,096	(11,212)	8,802
Other Income and Expenditure	(10,978)	3,619	9,143	1,784
Difference between General Fund surplus or deficit plus Earmarked Reserves and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(60)	12,715	(2,069)	10,586

1.2 ACCOUNTING POLICIES

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year end of 31 March 2022. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014, and those Regulations require the accounts 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 2021/22*, supported by International Financial Reporting Standards (IFRS).

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.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- 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 respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The only exception to this are some regular payments where the revenue accounts are charged with the number of payments in the year. This policy is consistently applied each year and does not have a material effect on the year's Accounts.

iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash and cash equivalents are shown net of bank overdrafts.

iv. Exceptional Items

When items of income and expenditure 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 Council's financial performance. Transactions relating to COVID-19 will be included in the notes to the accounts.

v. 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 Council'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.

vi. Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding 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

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the minimum revenue provision (MRP) in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account (which is included in Unusable Reserves) in the Movement in Reserves Statement for the difference between the two.

vii. 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, 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 Council. An accrual is made for the cost of holiday entitlements and flexi leave earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the accounting year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence earned.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary severance or redundancy. Such amounts are charged on an accruals basis to Surplus or Deficit on the Provision of Service when the Council is demonstrably committed to the termination of the employment of an officer, or group of officers, or making an offer to encourage voluntary severance or redundancy.

Post Employment Benefits

Employees of the Council are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE) for the Westminster Government.
- The Local Government Pension Scheme, administered by Carmarthenshire County Council (and referred to as the Dyfed Pension Fund).

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council. However, arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pensions Scheme in the year.

The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- Liabilities and service costs of the Dyfed Pension Fund attributable to the Council are included in the balance sheet on an actuarial basis using the projected unit method. The objective under this method is to expense each participant's benefits under the fund as they would accrue, taking into account future compensation increases and the fund's benefit allocation formula. Thus the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.
- The Benefit obligation is the total present value of the individuals' attributed benefits for valuation purposes at the measurement date, and the service cost is the total present value of the individuals' benefits attributable to service during the year.
- Liabilities are discounted to their value at current prices, using a discounted rate of 2.8%.
- The assets of the Dyfed Pension Fund attributable to the Council are included in the balance sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unlisted securities – current bid price
 - property – market value.
- The change in the net pensions liability is analysed into the following components:
 - Service cost comprising:
 - 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 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 the Finance Service

- Re-measurements comprising:
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - contributions paid to the Dyfed 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 General Fund Balance to be charged with the amounts payable by the Council 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 General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council 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.

viii. 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.

ix. Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market

participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- in the principal market for the asset
- in the absence of a principal market, in the most advantageous market for the asset (highest and best use)

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets or liabilities for which fair value is measured or disclosed in the accounts are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability

x. Financial Instruments

Financial Liabilities

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

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

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure lines in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where re-purchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. Where premiums or discounts are incurred that formally meet the terms of a debt restructuring exercise, they are accounted for as an adjustment to the carrying amount of the replacement loan or loans. If they

do not meet these terms, they are spread over the longer of the outstanding term on the replaced loan or the term of the replacement loan (premiums) or the outstanding term on the replaced loan up to a maximum of ten years (discounts). The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

The fair value calculations have been based on the comparable new borrowing rate for the same financial instrument from a comparable lender. A consistent approach has been applied to assets and liabilities.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss; and
- Fair value through other comprehensive income

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial instruments held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

The Council recognises expected credit losses on its financial assets held at amortised cost. Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xi. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions (including donations) are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council 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-ringfenced 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 General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xii. Heritage Assets

The Council's Heritage Assets are primarily held to preserve items which were common in the district or were unique to it or relate to a significant historical event or person with local connections. They are held in a variety of locations across the county, but most remain in the main Coliseum Museum in Aberystwyth. They are generally held in accordance with the Council's accounting policies on Property, Plant and Equipment but some rules are relaxed in relation to specific assets for reasons described below.

Art Collection

The Council has approximately 190 pieces of art, both contemporary and historic, spread throughout its museums, council offices and leisure centres across Ceredigion. Most are of relatively insignificant value, well below the de minimis value of £10,000 applied for entry onto the Council's asset register. However four were specifically identified as being above this value by an appropriately qualified External Valuer and included in the Balance Sheet since 2011. They were revalued for insurance purposes at market value in 2022 and the condition of the items has not changed since this valuation. These are presumed to have an indeterminate life and thus it is not considered appropriate to apply depreciation.

Civic Regalia

The Council has four official chains of office held for the Chairman, Vice-Chairman and their consorts. Only the Chairman's Chain is considered to be worth more than the de minimis level, based on the market values of the metals used in their

composition. It has therefore been valued and is included in the Balance Sheet at this amount. It will not be depreciated as it has an indeterminate life, but will periodically be considered for revaluation based on the market price of precious metals.

Historic Sites and Buildings

The Council owns and is responsible for the preservation and display of a number of historic sites and buildings throughout Ceredigion, including two castles. As there is no reliable way of valuing such items, due to the lack of a contemporary market, they are held in the balance sheet at historic cost.

Miscellaneous Exhibits

The Council's main museum at The Coliseum, Aberystwyth contains a large number of exhibits. However, because of low estimated values of each individual item and the lack of a contemporary market for many of the items, the Council considers the costs of a valuation exercise would considerably exceed the value of such a process to the users of the accounts and therefore no such exercise has taken place.

There are also thirteen large and/or potentially valuable items at the museum which have been valued for insurance purposes. Although individually the values are less than the £10,000 de minimis level they are significant in total, so have been added to the register and balance sheet as a single item. They will be treated in the same manner as the artworks and not depreciated. If the council makes any significant new purchase it will be added at cost until the next valuation takes place.

Museum Sites and Buildings

The Council's main Coliseum Museum in Aberystwyth has been extended into an adjacent vacant property. Expenditure on this project has been capitalised and added to the value of the museum. In addition to the main museum in Aberystwyth, the Council holds a number of subsidiary museums throughout the region. Consideration has been given to whether any of these should be held as Heritage Assets as opposed to Property, Plant and Equipment. It has been determined that two of them (including the Coliseum) are being held for their own historic significance, in addition to being used for displaying or holding exhibits. They have therefore been transferred to the Heritage Asset category on the Balance Sheet, continuing on the valuation basis they were on previously (Historic or Depreciated Replacement Cost). Depreciation is charged if considered appropriate, considering the individual circumstances of the building concerned.

Heritage Assets General

If there is any evidence of impairment then the carrying amounts of the balance sheet will be reviewed, although it is expected such events will be rare. Any such impairment will be treated in a similar way to impairment on Property, Plant and Equipment assets. If any disposals are made they will also be accounted for in the same manner as Property, Plant and Equipment but disposal proceeds will be identified separately in the notes. There were no disposals in the period under consideration for this set of accounts and it is not expected they will be a common event as the collection is fairly static in nature.

xiii. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

xiv. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements 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.

xv. Jointly Controlled Operations and Jointly Controlled Assets

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

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

xvi. Leases

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.

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 Council as Lessee

Finance Leases

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

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

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

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

Operating Leases

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

The Council as Lessor

Finance Leases

Where the Council 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. A gain, representing the Council'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 General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is transferred out of the General 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 transferred out of the General 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 under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account (which is included in Unusable Reserves) from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Council 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). 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.

xvii. Long Term Contracts

Amounts due under long term contracts are charged to revenue as they fall due under the terms of the contract.

xviii. Minimum Revenue Provision (MRP)

The Council's Minimum Revenue Provision (MRP) Policy follows the principles of the guidance issued by the Welsh Government under section 21(1A) of the Local Government Act 2003 through using one of the options outlined in the guidance.

The major proportion of the MRP continues to relate to the historic debt liability that existed pre 2008 or post 2008 where it relates to Supported Borrowing funded by the Welsh Government. The MRP liability on the Council's Capital Financing Requirement that relates to pre 2008 debt and post 2008 Supported Borrowing funded through the Revenue Support Grant (RSG) system will be provided for using Option 3 (Asset life method) of the 2018 Welsh Government guidance and applying

the Annuity Method with an interest rate of 4.20% (the average borrowing rate of loans outstanding as of 01/04/21) over a 44 year period commencing 1st April 2021. The period consists of the 50 year period selected to match the average lives of Council Assets not specifically financed by Unsupported Borrowing after 1st April 2008, less the six years expired since it was initially applied on 1st April 2015. As further new Supported Borrowing is utilised in the Capital Programme, the MRP liability on each new tranche of such borrowing will also be provided for using Option 3 of the 2018 guidance and applying the Annuity Method. Expenditure that was financed by Unsupported Prudential Borrowing will be provided for using Option 3 (Asset life method) of the 2018 guidance and applying the Annuity Method with an interest rate of 3.68% (the weighted average interest rate of the borrowing concerned) over a 38 year period (the weighted average remaining life of the relevant assets) commencing 1st April 2021. As further Unsupported Prudential Borrowing is utilised in the Capital Programme, the MRP liability reflected within the Capital Financing Requirement will also be charged over a period commensurate with the average estimated useful life of assets using Option 3 and the Annuity Method.

Estimated life periods have been determined in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

The Council continues the principle of not charging MRP on any temporary unsupported (Prudential) borrowing. At present, only Welsh Government repayable funding for Housing Improvements and Empty Properties is treated in this manner.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

According to the Code, assets held under PFI schemes and finance leases are subject to MRP in the same way as assets acquired using other forms of borrowing. Under regulations and statutory guidance, these charges can match the repayment of the liability. The increase in the MRP due to the finance lease assets has therefore been charged at the same rate as the write down of the corresponding liability on the balance sheet so that there will be no overall impact on the General Fund Balances of the Council. The MRP due to the Ysgol Gyfun Penweddig PFI assets, which was historically treated on a similar basis to finance lease assets, was delinked in 2017/18 and will be written down over the remaining lifespan of the Ysgol Gyfun Penweddig buildings on an annuity basis instead.

xix. Overheads and Support Services

The Comprehensive Income and Expenditure Statement is prepared on a Service basis in line with the Council's in-year reporting. As such, the recharging of overhead and support services costs are excluded from the Comprehensive Income and Expenditure Statement.

xx. Property, Plant and Equipment

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

Voluntary Controlled and Voluntary Aided School buildings are not included on the Balance Sheet as they are not Council assets.

If any material part of a building has a significantly shorter lifespan than the main structure and the value of that part is more than £10,000, then it is considered a component to be separately identified on the Council's asset register. Any such components identified within the new capital expenditure are valued separately when initially added to the asset register (or when the asset is transferred out of Assets under Construction for newly constructed buildings).

Recognition – Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. A de-minimis rule for capital has been applied – generally no capital expenditure valued at under £10k is included within capital spend. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is not added to fixed assets in the Balance Sheet but is charged as an expense as it is incurred. This entry is then reversed out to the Capital Adjustment Account to ensure there is no impact on Council Tax Levels.

Measurement – Assets are initially measured at cost, comprising:

- a) the purchase price
- b) 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
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

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

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

Assets are then carried in the balance sheet using the following measurement basis:

- Vehicles, Plant, Furniture and Equipment and Infrastructure Assets – Depreciated Historical Cost
- Assets under construction, Community Assets and some Heritage Assets – Historical Cost
- Assets Held for Sale – Lower of Carrying Amount and Fair value less costs to sell
- All other assets – Fair value, determined by Market Value

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

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value consist mostly of Other Land and Buildings and this category is split into five subcategories. Each subcategory as a whole is revalued every five years. The current timetable for asset revaluations is given below:

2022/23	Miscellaneous Land Assets and Car Parks
2023/24	Public Buildings (Leisure Centres, Public Conveniences, Theatres & Swimming pools), Heritage Assets (where held at Fair Value)
2024/25	Educational Buildings (Primary, Secondary & all-through schools, Youth Clubs & Referral Units)
2025/26	Offices and other Operational Buildings
2026/27	Social Services Buildings

Surplus Assets are considered for revaluation based on when it is five years from their last revaluation, so it will be dependent on which of the categories they were transferred into Surplus from.

Further revaluations may take place between the scheduled investigations where the Valuers deem there have been material changes in the value of the relevant asset or assets.

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.

Where decreases in value are identified, they are accounted for as follows:

- 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 the 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 as follows:

- 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 has 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 (i.e. freehold land, Heritage Assets and Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Buildings – Straight line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant and equipment – Straight line depreciation of the historic cost over the remaining expected life of the asset. Vehicles are given a residual value of 10% of the initial purchase price to reflect their potential resale value
- Infrastructure – Straight line depreciation of historic cost over the remaining expected life of the asset

Acquisitions and disposals of fixed assets are added to the asset register as at their date of purchase or sale in the relevant accounting year and are therefore depreciated in the usual manner for the year from that date if they are in a category which is normally depreciable.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant (more than £10,000) and whose lifespan is materially different to the host asset, the components are depreciated separately according to the differing estimated lives.

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.

Disposals – 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 will in most cases be reclassified as an Asset Held for Sale. In order for this category transfer to take place, the asset must meet the following criteria:

- It must be available for sale in its current condition and subject to normal terms of sale
- The decision to make the sale must have been made at the appropriate level of management
- The asset must be actively marketed at an appropriate price
- The sale must be expected to be completed within one year

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 previous 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 no longer in use that fail to meet all of the above criteria or are to be abandoned or scrapped are normally reclassified as Surplus Assets, unless the Council is not actively marketing the property because it is waiting for prices in the market to rise, in which case the asset might be categorised as an Investment Property. Surplus Assets are depreciated in a normal fashion, however the depreciation is charged to non-distributed costs and not the original service account as the asset is no longer in use.

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 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 disposal in excess of £10k 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 Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General 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 General Fund Balance in the Movement in Reserves Statement.

xxi. Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibilities for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council 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 Council at the end of the contracts for no additional charge, the Council 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. For the

Ysgol Gyfun Penweddig PFI scheme, the liability was written down by an initial capital contribution of £12,027,000.

Long term assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

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 of 4.5% 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 for write downs is calculated using the same principles as for a finance lease)
- lifecycle replacement costs – proportion of amounts payable is recognised as an enhancement to and a corresponding impairment of the Penweddig School asset in Property, Plant and Equipment when the relevant works are eventually carried out. It will have no net effect on the Balance Sheet.

xxii. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council 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. Provisions included in the accounts may not be legally enforceable and may only be inferred from a set of facts in a particular situation therefore the inclusion of them in the accounts does not mean that liability has been accepted.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council 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 made), the provision is reversed and credited back to the relevant service. Regulations provide the power to make an adjusting entry for certain provisions in the Net Cost of Services and the Balance Sheet.

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 Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council 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 Council. 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. They include situations when legal proceedings and other claims covering a range of matters are pending. They concern difficult and complex factual and legal issues which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council 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 Council.

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.

xxiii. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General 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 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 General 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 fixed assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

xxiv. Revenue Expenditure Funded from Capital under Statute

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

xxv. Value Added Tax (VAT)

The Accounts have been prepared on a VAT exclusive basis, to the extent that it is recoverable.

1.3 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Code of Practice requires that the Council discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

As at 31st March 2022 there are no relevant standards or amendments to existing standards that have been published but not yet adopted by the Code that will have any impact in the financial statements. However, the following has been provided for information purposes:

IFRS 16 - Leases will affect the classification of operating and finance leases for lessees and will require local authorities to recognise all leases on their balance sheet as right-of-use assets with a corresponding lease liability representing the lessee's obligation to make lease payments for the asset. There are some exemptions for short term and low value leases. The implementation of IFRS 16 for local government has been further deferred by CIPFA/LASAAC until 1st April 2024.

1.4 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Future levels of funding

There is a high degree of uncertainty about future levels of funding for local government with continued one year only settlements at both Westminster and Welsh Government level.

Voluntary Controlled and Voluntary Aided Schools

Voluntary Controlled and Voluntary Aided school buildings remain off the Balance Sheet as it has been confirmed that they are not Council assets.

Brexit

A UK/EU Trade and Cooperation Agreement was reached on 24 December 2020 which was ratified by the UK Parliament ahead of new arrangements with the EU. Leaving the EU with a deal has reduced the risk and uncertainty to Ceredigion, although the Trade and Cooperation Agreement is still causing some disruption. The Council is monitoring the impact.

COVID-19

The future impact on both service delivery and response activity of the COVID-19 pandemic, as well as the uncertainty of continued financial support from Welsh Government.

Corporate Joint Committees

Possible changes to future governance arrangements brought about by the introduction of Corporate Joint Committees.

1.5 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 Council 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 different from the assumptions and estimates. The items in the Council's Balance Sheet at 31 March 2022 for which there is a risk of adjustment in following financial years are:

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of 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 by Carmarthenshire County Council as the lead Pension Authority to ensure that the Council receives expert advice about the assumptions to be applied.

Impairment Allowance

It is difficult to estimate with certainty the level of impairment allowance required for the various types of debt.

Land and Buildings Valuation

Valuations undertaken in the years 2017/18 to 2020/21 have been reviewed and some valuations have changed as a result of significant increases to building costs or income generated from the asset.

1.6 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

	2021/22	2020/21
	£'000	£'000
Controllable Expenditure		
Employees	107,780	100,418
Premises	9,851	8,912
Transport	10,435	8,772
Supplies and Services	120,245	116,808
Total Expenditure	<u>248,311</u>	<u>234,910</u>
Controllable Income		
Grants	(68,414)	(67,211)
Other Income	(36,461)	(31,370)
Contract Services/Schools	(1,790)	(1,617)
Total Income	<u>(106,665)</u>	<u>(100,198)</u>
Controllable Before Reserves	141,646	134,712
Revenue Expenditure Funded from Capital under Statute	1,082	309
IAS19 <i>Employee Benefits</i> adjustments	17,587	12,715
Accumulated Absences	547	172
Depreciation, amortisation and impairment	9,928	12,256
(Gain)/Loss on disposal of assets	(659)	(414)
Capital Expenditure charged to the General Fund	(127)	(96)
Other capital accounting adjustments	(1,507)	(3,000)
Precepts	9,976	9,462
Taxation and non-specific grant income	(185,091)	(172,047)
(Surplus) or Deficit on Provision of Services	<u>(6,618)</u>	<u>(5,931)</u>

1.7 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the Total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2021/22

Usable Reserves

	General Fund Balance £'000	Usable Capital Receipts £'000	Capital Grants Unapplied £'000	Unusable Reserves £'000
Adjustments involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the Comprehensive I&E Statement:</u>				
Charges for depreciation and impairment of non-current assets	11,954	0	0	(11,954)
Revaluation losses/gains on Property, Plant & Equipment	(2,008)	0	0	2,008
Movement in the fair value of Investment Properties	(18)	0	0	18
Capital grants and contributions applied	(12,722)	0	0	12,722
Revenue expenditure funded from capital under statute	1,082	0	0	(1,082)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal on the Comprehensive I&E Statement	347	0	0	(347)
<u>Insertion of items not debited or credited on the Comprehensive I&E Statement:</u>				
Statutory provision for the financing of capital investment	(1,518)	0	0	1,518
Capital expenditure charged against the General Fund	(127)	0	0	127
Adjustments involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive I&E Statement	(4,671)	0	4,671	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(1,185)	1,185
Adjustments involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive I&E Statement	(602)	602	0	0
Use of Capital Receipts to finance new capital expenditure	0	(369)	0	369
Contribution from the Capital Receipts Reserve to finance administrative costs of non-current asset disposals	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0
Adjustments involving the Deferred Capital Receipts Reserve:				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(404)	0	0	404
Adjustments involving the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive I&E Statement are different from finance costs chargeable in the year in accordance with statutory requirements	11	0	0	(11)

Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive I&E Statement	26,484	0	0	(26,484)
Employer's pensions contributions and direct payments to pensioners payable in the year	(8,897)	0	0	8,897
Adjustments involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive I&E Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	547	0	0	(547)
Total Adjustments	9,458	233	3,486	(13,177)

2020/21

Usable Reserves

	General Fund Balance £'000	Usable Capital Receipts £'000	Capital Grants Unapplied £'000	Unusable Reserves £'000
Adjustments involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the Comprehensive I&E Statement:</u>				
Charges for depreciation and impairment of non-current assets	11,759	0	0	(11,759)
Revaluation losses/gains on Property, Plant & Equipment	(214)	0	0	214
Movement in the fair value of Investment Properties	710	0	0	(710)
Capital grants and contributions applied	(9,734)	0	0	9,734
Revenue expenditure funded from capital under statute	310	0	0	(310)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal on the Comprehensive I&E Statement	277	0	0	(277)
<u>Insertion of items not debited or credited on the Comprehensive I&E Statement:</u>				
Statutory provision for the financing of capital investment	(3,016)	0	0	3,016
Capital expenditure charged against the General Fund	(97)	0	0	97
Adjustments involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive I&E Statement	(1,241)	0	1,241	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(392)	392

Adjustments involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive I&E Statement	(339)	339	0	0
Use of Capital Receipts to finance new capital expenditure	0	0	0	0
Contribution from the Capital Receipts Reserve to finance administrative costs of non-current asset disposals	(2)	2	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0
Adjustments involving the Deferred Capital Receipts Reserve:				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(349)	0	0	349
Adjustments involving the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive I&E Statement are different from finance costs chargeable in the year in accordance with statutory requirements	15	0	0	(15)
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive I&E Statement	21,216	0	0	(21,216)
Employer's pensions contributions and direct payments to pensioners payable in the year	(8,501)	0	0	8,501
Adjustments involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive I&E Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	172	0	0	(172)
Total Adjustments	10,966	341	849	(12,156)

1.8 EARMARKED RESERVES AND DELEGATED SCHOOLS BALANCES

A summary of the earmarked reserves set up by the Council is set out below:

	31/03/20	Transfer	Transfer	31/03/21	Transfer	Transfer	31/03/22
	Balance	to	from	Balance	to	from	Balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Delegated Schools Budget - Primary	1,521	1,514	0	3,035	1,212	(17)	4,230
Delegated Schools Budget - Secondary	640	1,233	0	1,873	540	(12)	2,401
Delegated Schools Budget - All Through	519	922	0	1,441	240	0	1,681
Insurances - Supply Cover	149	148	0	297	13	(125)	185
Schools & Culture Service	407	0	(11)	396	100	0	496
Schools & Culture	3,236	3,817	(11)	7,042	2,105	(154)	8,993
Corporate Capital	2,362	863	0	3,225	2,971	0	6,196
Education Penweddig PFI	1,459	0	(536)	923	1,000	(309)	1,614
Corporate - Joint Arrangements	8	0	0	8	0	0	8
Funding / CTRS Equalisation	700	0	0	700	0	0	700
Corporate Redundancy	1,062	0	0	1,062	0	0	1,062
Insurance	501	387	0	888	216	0	1,104
Cost of Living Scheme (Discretionary)	0	0	0	0	487	0	487
Finance - General	0	250	0	250	0	0	250
Finance & Procurement	6,092	1,500	(536)	7,056	4,674	(309)	11,421
Democratic Services	112	0	0	112	0	0	112
County Council Election reserve	0	200	0	200	0	0	200
Democratic Services	112	200	0	312	0	0	312
People & Organisation	58	0	0	58	0	0	58
Porth Cymorth Cynnar	2	0	0	2	0	0	2
Pyrth Investment	0	0	0	0	250	0	250
Porth Gofal	222	117	0	339	24	0	363
Pyrth Through Age Model	224	117	0	341	274	0	615
Policy, Performance & Public Protection	102	0	0	102	0	0	102
Highways & Environment Services	80	1,213	0	1,293	1,005	0	2,298
Winter Maintenance/Storm Repairs	277	0	0	277	0	0	277
Environmental & Flood Protection	177	0	0	177	0	0	177
Civil Parking Enforcement	93	0	0	93	21	(28)	86
Highways & Environmental Services	627	1,213	0	1,840	1,026	(28)	2,838
Local Development Plan	248	0	0	248	0	0	248
Economy & Regeneration	177	0	0	177	0	0	177
Food Centre Wales (Horeb)	217	0	0	217	0	0	217
Growth Deal	250	0	0	250	0	0	250
Sewage Treatment Works Improvement Programme	543	0	0	543	0	(91)	452
Performance & Economy	1,435	0	0	1,435	0	(91)	1,344
ICT & Digital Investment	0	0	0	0	1,000	0	1,000
Customer Contact	134	0	0	134	75	0	209
Customer Contact	134	0	0	134	1,075	0	1,209
Legal & Governance	125	0	0	125	0	0	125
Contingency (including Covid 19)	1,500	2,873	0	4,373	90	0	4,463
Cost and Inflationary Pressures	0	0	0	0	1,435	0	1,435
Placements Equalisation	0	0	0	0	1,000	0	1,000
Council Tax Premium	462	186	0	648	472	0	1,120
National Eisteddfod 2020	170	0	0	170	0	0	170
Investing in People's Future	4,781	750	(94)	5,437	535	(570)	5,402
Boosting the Economy	67	4,443	0	4,510	2,995	(621)	6,884
Enabling Individual & Family Resilience	0	1,801	(1,301)	500	1,000	0	1,500
Promoting Environmental & Community Resilience	3,000	1,450	0	4,450	500	0	4,950
Leadership Group	9,980	11,503	(1,395)	20,088	8,027	(1,191)	26,924
TOTAL EARMARKED RESERVES	22,125	18,350	(1,942)	38,533	17,181	(1,773)	53,941

The balance on the total Earmarked reserves increased by £15,408k in 2021/22 and £16,408k in 2020/21.

NOTES TO THE EARMARKED RESERVES

Delegated Schools Budgets

These reserves are ring-fenced and consist of the individual balances held for each Primary, Secondary and All through School in Ceredigion.

Corporate Capital

This reserve exists to provide funding for the Capital Programme and will be used for making a revenue contribution to current and future Capital Programmes.

Contingency (including COVID-19)

This reserve includes funding set aside to help mitigate and manage COVID-19 financial risks, as well as providing one-off or tapered funding relating to items treated corporately.

Investing in People's Future

This reserve has been created to assist in delivering one of the Council's specific Corporate Priorities. It includes matched funding for the 21st Century Schools Capital Programme.

Boosting the Economy

This reserve has been created to assist in delivering one of the Council's specific Corporate Priorities. It includes matched funding for the Council's Economic Strategy.

Promoting Environmental & Community Resilience

This reserve has been created to assist in delivering one of the Council's specific Corporate Priorities. It includes matched funding for Coast Protection Capital schemes.

Other Reserves

All the other reserves are held by the respective services for the specific Purpose or Service named. They have been established from savings or underspends generated in past financial years and exist to meet one off non-recurring expenditure or to assist services in managing their budgets in any particular financial year on a one-off basis.

1.9 OTHER OPERATING EXPENDITURE

	2021/22	2020/21
	£'000	£'000
Community Council Precepts	1,183	1,141
Dyfed Powys Police Precept	8,793	8,321
Levies	4,072	4,289
Loss/(Gain) on the disposal of non-current assets	(659)	(413)
Total	<u>13,389</u>	<u>13,338</u>

1.10 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2021/22	2020/21
	£'000	£'000
Interest payable and other charges	5,725	5,749
Pensions interest cost and expected return on pensions assets	3,284	3,602
Interest receivable and similar income	(236)	(62)
(Surplus)/deficit on Trading Operations	128	89
Income and Expenditure in relation to Investment Properties	(847)	(824)
Changes to fair value on Investment Properties	(18)	710
Total	<u>8,036</u>	<u>9,264</u>

1.11 TAXATION AND NON SPECIFIC GRANT INCOME

	2021/22	2020/21
	£'000	£'000
Council tax income	56,605	53,426
Non domestic rates	25,064	23,800
Non-ringfenced government grants (RSG)	86,029	83,846
Capital grants and contributions	17,393	10,975
Total	<u>185,091</u>	<u>172,047</u>

Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into ten valuation bands, based on estimated 1st April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for Ceredigion County Council, Town and Community Councils, and the Dyfed Powys Police Authority 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 band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts – 31,911.26 for 2021/22 (31,936.27 in 2020/21).

Council Tax Base for Ceredigion County Council 2021/22

Tax Base (@ 98.5% collection rate)

<u>Band</u>	<u>Tax Base</u>
A*	1.76
A	1,002.62
B	3,063.29
C	5,674.49
D	6,539.57
E	9,386.17
F	4,641.52
G	1,397.90
H	158.44
I	45.5
Total Tax Base	31,911.26

Analysis of the net proceeds from Council Tax:

	2021/22	2020/21
	£'000	£'000
Council Tax Collected	56,039	53,570
WG Hardship Claim	106	0
WG Hardship Fund Council Tax Collection	0	576
<i>Less:</i>		
(Increase)/Decrease Provision for Non-payment	460	(720)
Net Proceeds from Council Tax	<u>56,605</u>	<u>53,426</u>

The net proceeds can be analysed as follows:

	2021/22	2020/21
Ceredigion County Council	46,629	43,963
Precept for Dyfed Powys Police Authority	8,793	8,322
Precept for Town and Community Councils	1,183	1,141
	<u>56,605</u>	<u>53,426</u>

National Non-Domestic Rates (NNDR)

NNDR is operated on a national basis. The Welsh Government specifies an amount for the rate which was 53.3p in 2021/22 (53.5p in 2020/21), and local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by the Welsh Government (WG). The WG redistributes the sums payable back to Local Authorities on the basis of a fixed amount per head of population over 18 years old.

As at 31 March 2022 the rateable value was £56,060,088 (£56,199,119 as at 31 March 2021).

1.12 GRANT INCOME

Revenue Grants - Credited to Services:	Restated	
	2021/22	2020/21
	£'000	£'000
WG - COVID grants *see page 51 for further details	7,667	15,502
WG - Post 16 Funding	3,773	3,768
WG - Regional Consortium Educational Improvement Grant	2,701	2,582
WG - Pupil Development Grant	1,550	1,287
WG - Local Authority Education Grant	5,463	908
WG - Children & Communities Grant	2,210	2,176
WG - Housing Support Grant	3,847	2,953
WG - Sustainability Pressures Grant	1,145	1,025
WG - Social Care Recovery Fund	1,388	0
WG - LA Social Care Pressures Grant	1,145	0
WG - Sustainable Waste Management	732	574
WG - Concessionary Fares Grant	656	625
WG - Public Bus Services Grant	740	680
WG - Bus Services Support Grant	763	745
WG - Child Care	7,282	7,512
WG - Ramp up Funding	1,703	1,163
Social Care Wales - Workforce Development Programme	1,004	986
DWP - Housing Benefit Subsidy & Admin Grants	14,313	15,453
Other Government Grants and contributions	10,331	9,393
Total Government Grants in Net Cost of Services	68,413	67,332

2020/21 restated due to some large grants being identified from several separate areas.

Capital Grants and Contributions - Credited to Taxation and Non-Specific Grant Income:

	Restated	
	2021/22	2020/21
	£'000	£'000
WG - General Capital Grant	5,136	2,853
WG - Road Improvements	610	785
WG - Local Transport Network Fund	842	570
WG - Child Care	1,548	739
WG - 21st Century Schools	2,145	94
WG - Schools Additional Capital Works	1,188	1,144
WG - Education IT Equipment Grant	321	560
WG - Storm Callum	10	550
WG - Free School Meals	570	0
WG - Land & Property Development	1,060	0
WG - Cardigan Mash Project	540	0
Other Grants	3,423	4,060
	17,393	11,355

2020/21 Restated for corrections to narrative and additional information on grants disclosed in 2021/22

COVID-19 Funding

The value of additional funding streams due to COVID-19 is summarised in the following tables:

Principal by Nature

2021/22	Expenditure £000	Welsh	NHS
		Government Income £000	Income £000
Hardship Claims	5,450	5,450	0
Lost Income	0	1,394	0
Council Tax Grant - Council Tax Income	0	618	0
Admin Fees	26	205	0
Total COVID 19 Government Grants in Net	5,476	7,667	0
Cost of Services			
Test, Trace, Protect - Other Income	2,613	0	1,987
Field Hospitals - Capital Grants & Contributions	129	0	129
Total	8,218	7,667	2,116
2020/21	Expenditure £000	Welsh	NHS
		Government Income £000	Income £000
Hardship Claims	8,168	8,168	0
Lost Income	0	4,782	0
Shielding Parcels	448	448	0
Council Tax Support Increased Cost	354	354	0
Digital Transformation/Savings Strategies/ Admin Fees	15	1,750	0
Total COVID 19 Government Grants in Net	8,985	15,502	0
Cost of Services			
Council Tax Grant - Council Tax Income	0	575	0
Test, Trace, Protect - Other Income	1,017	0	772
Field Hospitals - Capital Grants & Contributions	628	0	628
Total	10,630	16,077	1,400

Agency by Nature

	Expenditure	Welsh Government Income
	£000	£000
2021/22		
Grants to Businesses	2,066	2,066
Retail, Leisure and Hospitality Rates Relief Scheme	8,636	8,636
Social Care Workforce Payment Scheme	1,561	1,561
Self Isolation Grant	886	886
Statutory Sick Pay Enhancement Scheme - Social Care	15	15
Winter Fuel Support Scheme	576	576
Total	13,740	13,740
2020/21		
	Expenditure	Welsh Government Income
	£000	£000
Grants to Businesses	49,184	49,184
Retail, Leisure and Hospitality Rates Relief Scheme	9,096	9,096
Social Care Workforce Payment Scheme	872	872
Self Isolation Grant	42	42
Statutory Sick Pay Enhancement Scheme - Social Care	22	22
Flood Compensation Scheme (COVID-19)	9	9
Total	59,225	59,225

1.13 PROPERTY, PLANT AND EQUIPMENT**Movements in 2021/2022:**

	Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction (AUC) £'000	Total Property, Plant & Equipment £'000
Cost or Valuation						
At 31 March 2021	237,131	24,641	1,469	4,006	1,325	268,572
Additions	5,840	963	2	0	1,941	8,746
Revaluation increases/(decreases) in the Revaluation Reserve	32,240	0	0	3	0	32,243
Revaluation increases/(decreases) in the Surplus/Deficit on the Provision of Services	(13,778)	(10)	0	(13)	(63)	(13,864)
Derecognition-disposals	(102)	(50)	0	(265)	0	(417)
Derecognition-other	(54)	(2,118)	0	(4)	0	(2,176)
Assets reclassified (to) /from Held for Sale	0	0	0	(500)	0	(500)
Assets reclassified from AUC	883	0	0	0	(883)	0
Other movements	(405)	269	(1)	136	0	(1)
At 31 March 2022	261,755	23,695	1,470	3,363	2,320	292,603
Accumulated Depreciation and Impairment						
At 31 March 2021	(8,843)	(13,796)	0	(899)	0	(23,538)
Depreciation charge	(7,196)	(1,724)	0	(79)	0	(8,999)
Depreciation written out to the Surplus/Deficit on the Provision of Services	14,417	10	0	29	0	14,456
Impairment (losses)/reversals in the Revaluation Reserve	(186)	(1)	0	0	0	(187)
Impairment (losses)/reversals in the Surplus/Deficit on the Provision of Services	1,043	(5)	0	0	0	1,038
Derecognition-disposals	8	26	0	79	0	113
Derecognition-other	12	2,118	0	4	0	2,134
Other movements	(1)	80	0	(63)	0	16
At 31 March 2022	(746)	(13,292)	0	(929)	0	(14,967)
Net Book Value						
At 31 March 2022	261,009	10,403	1,470	2,434	2,320	277,636
At 31 March 2021	228,288	10,845	1,469	3,107	1,325	245,034

Movements in 2020/21:

Restated	Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction (AUC) £'000	Total Property, Plant & Equipment £'000
Cost or Valuation						
At 31 March 2020	238,936	23,677	1,380	2,417	516	266,926
Additions	910	2,014	89	1	1,666	4,680
Revaluation increases/(decreases) in the Revaluation Reserve	(715)	0	0	(10)	0	(725)
Revaluation increases/(decreases) in the Surplus/Deficit on the Provision of Services	(2,859)	0	0	(364)	0	(3,223)
Derecognition-disposals	0	(56)	0	(4)	0	(60)
Assets reclassified (to) /from Held for Sale	0	0	0	973	0	973
Assets reclassified from AUC	857	0	0	0	(857)	0
Other movements	2	(994)	0	993	0	1
At 31 March 2021	237,131	24,641	1,469	4,006	1,325	268,572
Accumulated Depreciation and Impairment						
At 31 March 2020	(4,127)	(12,955)	0	(37)	0	(17,119)
Depreciation charge	(7,222)	(1,724)	0	(50)	0	(8,996)
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,774	0	0	41	0	1,815
Impairment (losses)/reversals in the Revaluation Reserve	(349)	0	0	0	0	(349)
Impairment (losses)/reversals in the Surplus/Deficit on the Provision of Services	1,081	(26)	0	0	0	1,055
Derecognition-disposals	0	56	0	0	0	56
Other movements	0	853	0	(853)	0	0
At 31 March 2021	(8,843)	(13,796)	0	(899)	0	(23,538)
Net Book Value						
At 31 March 2021	228,288	10,845	1,469	3,107	1,325	245,034
At 31 March 2020	234,809	10,722	1,380	2,380	516	249,807

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

Other Land and Buildings – 1-99 years

Vehicles, Plant, Furniture and Equipment – 1-20 years

Infrastructure – 10-99 years

Assets held under Finance Leases are depreciated on a straight line basis over the unexpired term of the existing lease.

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value are revalued at least every five years with Investment Properties and County Farms considered annually. All property valuations are carried out internally by the Council's valuers who are Members of the Royal Institution of Chartered Surveyors. The assets revalued by the Council in 2021/22 were Social Services Buildings. All the remaining Council Buildings held on a Depreciated Replacement Cost (DRC) basis had their current valuations updated by an index based on appropriate figures taken from Building Cost Information Service (BCIS) data. Valuations of the Council's Car Parks were similarly updated, based on the Council's latest estimates of future income. The valuations for the remaining categories of assets were deemed sufficiently accurate by the valuers not to require any such indexation at the current time.

Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors, referred to as the 'Red Book'. Valuations of vehicles, plant and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The significant assumptions applied in estimating the fair values are:

- Historic cost is a reasonable proxy for fair value
- Vehicles, plant and equipment asset lives are based on the leasing periods the Council uses for vehicles or equipment of that specific type
- Residual values for vehicles, plant and equipment assets are 10% of the initial cost for vehicles and other equipment has no residual value

The following statement shows the progress of the Council's rolling programme for the revaluation of Property, Plant and Equipment:

	Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Surplus Assets £'000
Carried at historical cost:	66	23,695	1,138
Valued at fair value as at:			
31 March 2022	229,288	0	2,225
31 March 2021	14,019	0	0
31 March 2020	15,949	0	0
31 March 2019	2,228	0	0
31 March 2018	205	0	0
TOTAL	<u>261,755</u>	<u>23,695</u>	<u>3,363</u>

Infrastructure Assets

In accordance with the temporary relief offered by the update to the Code on infrastructure assets 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. There is no impact to any of the financial statements.

The authority has determined in accordance with Regulation 24L Wales of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended) that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

The Council 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.

Infrastructure Assets with a net carrying amount of £135,946k were held as at 31 March 2022 (£133,860k as at 31 March 2021).

	2021/22	2020/21
	£'000	£'000
Net Book Value at 1 April	133,860	131,248
Additions	4,920	5,576
Derecognition - Disposals	0	(153)
Depreciation Charge	(2,825)	(2,760)
Impairment	(9)	(51)
Net Book Amount at 31 March	135,946	133,860

1.14 INVESTMENT PROPERTY

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

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

	2021/22	2020/21
	£'000	£'000
Balance at start of the year	16,912	17,570
Additions:		
Purchases	370	0
Subsequent expenditure	68	52
Disposals	0	0
Net gains/(losses) from fair value investments	18	(710)
Transfers (to)/from Property, Plant and Equipment	0	0
Balance at the end of year	<u>17,368</u>	<u>16,912</u>

1.15 HERITAGE ASSETS

Cost or Valuation	Historic Land & Buildings £'000	Museums £'000	Artwork £'000	Civic Regalia £'000	Museum Exhibits £'000	Total Assets £'000
1st April 2020	1,154	1,763	95	65	54	3,131
Additions	7	82	0	0	0	89
Revaluations	0	0	0	0	0	0
31st March 2021	1,161	1,845	95	65	54	3,220
Cost or Valuation						
1st April 2021	1,161	1,845	95	65	54	3,220
Additions	2	11	0	0	0	13
Revaluations	0	264	21	0	4	289
31st March 2022	1,163	2,120	116	65	58	3,522

Further information on the Council's Heritage Assets is available in section 1.1 of the Notes to the Statement of the Accounts - part xii

1.16 FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS**Fair Value Hierarchy**

Category / Sub Category	Level 1	Level 2	Level 3	Fair Value as at 31/03/2022
Assets Held for Sale	0	720	0	720
Corporate Estate	0	10,729	0	10,729
Empty Property	0	542	0	542
Investment Properties	0	4,200	0	4,200
Leased Property	0	177	0	177
Other Buildings	0	1,720	0	1,720
Surplus	0	2,364	70	2,434
	0	20,452	70	20,522

Category / Sub Category	Level 1	Level 2	Level 3	Fair Value as at 31/03/2021
Assets Held for Sale	0	120	0	120
Corporate Estate	0	10,787	0	10,787
Empty Property	0	763	0	763
Investment Properties	0	3,550	0	3,550
Leased Property	0	152	0	152
Other Buildings	0	1,660	0	1,660
Surplus	0	3,037	70	3,107
	0	20,069	70	20,139

Transfers between Levels of Fair Value Hierarchy

There were no transfers between Levels 1 and 2 during 2021/22.

Valuation Techniques used to Determine level 2 and 3 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

The fair value for these assets has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local Council area. 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.

Significant Unobservable Inputs – Level 3

The fair value of these assets has been based on the capitalised income received using the Council's own data, but also, where necessary, using a market approach using current market conditions of recent sales/lettings for similar assets in the local Council area.

Highest and Best Use of the Investment Properties

In estimating the fair value of the Council'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.

Reconciliation of Fair Value Measurements Categorised within Level 3 of the Fair Value Hierarchy

	2021/22	2020/21
	£'000	£'000
Opening Balance	70	924
Transfers out of Level 3	0	(874)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	0	20
Closing Balance	<u>70</u>	<u>70</u>

Closing Balance

Gains or losses arising from changes in the fair value of the investment property are recognised in the Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.

Quantitative Information about Fair Values Measurement of Investment Properties using Significant Unobservable Inputs – Level 3

Sub Category	As at 31/03/2022	Valuation technique used to measure fair value
	£'000	
Commercial	70	Valuation based on the market rent passing or terms agreed for the property
	<u>70</u>	

Valuation Process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out internally in accordance with the methodologies and bases for estimation set out in the professional standards of the

Royal Institution of Chartered Surveyors. The Council's valuers work closely with finance officers reporting on a regular basis regarding all valuation matters.

1.17 LONG TERM DEBTORS

	2021/22	2020/21
	£'000	£'000
Adult Social Care	494	467
Housing	3,348	2,834
Other	119	225
	<u>3,961</u>	<u>3,526</u>

1.18 INVENTORIES

	2021/22	2020/21
	£'000	£'000
Balance outstanding at start of year	1,473	545
Purchases & Donations	1,968	3,022
Issued	(2,196)	(2,094)
Balance outstanding at year-end	<u>1,245</u>	<u>1,473</u>

Donated Inventories Account

During the year, the Council received a significant amount of Personal Protective Equipment from Welsh Government for use within both in-house as well as commissioned social care services. This represents the principal amount of the Donated Inventories.

	2021/22	2020/21
	£'000	£'000
Balance as at 1st April	1,066	0
Received	883	2,676
Utilised	(1,262)	(1,610)
Balance outstanding at year-end	<u>687</u>	<u>1,066</u>

1.19 FINANCIAL INSTRUMENTS

The following categories of financial instruments are carried in the Balance Sheet:

	Long Term		Current	
	31/03/22	31/03/21	31/03/22	31/03/21
	£'000	£'000	£'000	£'000
Investments				
Loans and Receivables	0	0	18,006	4,003
Total Investments	0	0	18,006	4,003
	Long Term		Current	
	31/03/22	31/03/21	31/03/22	31/03/21
	£'000	£'000	£'000	£'000
Debtors				
Loans and Receivables	3,961	3,526	0	0
Financial Assets at amortised cost	0	0	33,016	27,308
Total Debtors	3,961	3,526	33,016	27,308
	Long Term		Current	
	31/03/22	31/03/21	31/03/22	31/03/21
	£'000	£'000	£'000	£'000
Borrowings				
Financial Liabilities at amortised cost	108,054	115,872	7,818	1,084
Total Borrowings	108,054	115,872	7,818	1,084
	Long Term			
	31/03/22	31/03/21		
	£'000	£'000		
Other Long Term Liabilities				
PFI and finance lease liabilities	5,450	5,824		
Total Other Long Term Liabilities	5,450	5,824		
	Long Term		Current	
	31/03/22	31/03/21	31/03/22	31/03/21
	£'000	£'000	£'000	£'000
Creditors				
Financial Liabilities at amortised cost	808	817	31,593	22,173
Total Creditors	808	817	31,593	22,173

Income, Expense, Gains and Losses

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

	2021/2022			2020/2021		
	Financial Liabilities at amortised cost £'000	Financial Assets: Loans & Receivables £'000	Total £'000	Financial Liabilities at amortised cost £'000	Financial Assets: Loans & Receivables £'000	Total £'000
Interest Expense	5,270	0	5,270	5,441	0	5,441
Fee expense	14	0	14	14	0	14
Total expense in Surplus/Deficit on the Provision of Services	5,284	0	5,284	5,455	0	5,455
Interest Income	0	(236)	(236)	0	(53)	(53)
Interest income accrued on impaired financial assets	0	0	0	0	(9)	(9)
Total income in Surplus/Deficit on the Provision of Services	0	(236)	(236)	0	(62)	(62)
Net (gain)/loss for the year	5,284	(236)	5,048	5,455	(62)	5,393

Fair values of Financial assets and liabilities that are not measured at Fair Value

The fair values calculated are as follows:

<u>Financial Liabilities</u>	31 March 2022		31 March 2021	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial Liabilities (All - Premature Repayment rates)	115,872	166,919	116,956	183,983
Financial Liabilities (All - New Loans rate)	115,872	145,911	116,956	159,052
Financial Liabilities (PWLB loans only - Premature Repayment rate)	108,993	156,253	110,077	172,083
Financial Liabilities (PWLB loans only - New Loans rate)	108,993	137,346	110,077	149,727

Valuation of PWLB loans: For loans from the PWLB, fair value estimates have been provided using both redemption and new borrowing (certainty rate) discount rates.

Valuation of non-PWLB loans: For non-PWLB loans, fair value estimates have been provided using both PWLB redemption and new PWLB Certainty Rate loan discount rates.

The valuation basis adopted uses **Level 2 Inputs** - i.e. inputs other than quoted prices that are observable for the Financial Liability.

The fair value is higher than the carrying amount because the Council's portfolio includes loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date.

PWLB loans:

The commitment to pay interest above current market rates increases the amount that the Council would have to pay if PWLB requested or agreed to early repayment of the loans (Premature Repayment rate). The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the Council will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB (New loans rate).

The following assumptions have been used in the fair value calculations:

- Interest is calculated using the most common market convention, ACT/365
- Interest is not paid/received on the start date of an instrument, but is paid/received on the maturity date.
- The discount rates were obtained from the market on 31 March 2022, using bid prices where applicable.

Other assumptions made about the fair values of financial assets and financial liabilities:

- the fair value of payables and receivables (Short Term Creditors and Debtors) is taken to be the invoiced or billed amount.
- the fair value of loans and receivables have been calculated and are not materially different to the carrying value.

1.20 CAPITAL COMMITMENTS

At 31 March 2022, the authority has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2022/23 and future years budgeted to cost £5,612k (£6,650k as at 31 March 2021).

<u>2021/22</u>	£'000
B4333 Lloyds Terrace, Newcastle Emlyn	305
B4570 Teforgan, Llangoedmor - Earthworks	4
County Road Resurfacing Phase 4	846
Aberaeron Comprehensive School - Canolfan y Môr Extension & New Reception Block	1,313
Cardigan Secondary School - Extension & Refurbishment	3,144
Total	<u>5,612</u>
<u>2020/21</u>	£'000
County Road Resurfacing Phase 3	576
Childcare Provision -Ysgol Henry Richard	686
Cardigan Secondary School extension and refurbishment	4,830
Nursery Facility at Llwyn yr Eos CP School	548
Cenarth Community School - Meithrin Extension and Refurbishment	10
Total	<u>6,650</u>

1.21 CAPITALISATION DIRECTION**LOCAL GOVERNMENT ACT 2003 SECTIONS 16(2)(b) and 20: TREATMENT OF CERTAIN COSTS AS CAPITAL EXPENDITURE**

The Council has used flexibility in the use of capital receipts under guidance and direction issued by Welsh Government for 2021/22. This has enabled the Council to capitalise certain qualifying revenue expenditure. The following projects have made use of the guidance and direction:

Project	Expenditure incurred in year £'000	Expenditure Capitalised and funded through Capital Receipts £'000
Through Age & Wellbeing Model Transformation	281	281

The benefits of the new cross service operating model are outlined in the 2021-2027 Through Age & Wellbeing Strategy approved by Full Council on 21/10/21.

1.22 DEBTORS

	31/03/22 £'000	31/03/21 £'000
Central Government Bodies	20,158	16,633
Other Local Authorities	3,714	3,076
NHS Bodies	4,420	3,169
Public corporations and trading funds	0	0
Other entities and individuals	11,814	11,247
Impairment Allowance	(3,446)	(3,440)
Total	<u>36,660</u>	<u>30,685</u>

1.23 CASH AND CASH EQUIVALENTS

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

	31/03/22 £'000	31/03/21 £'000
Cash held by the Council	36	33
Bank current accounts	(5,036)	(2,538)
Short-term deposits with banks/building societies/other financial institutions	37,498	25,200
Total Cash and Cash Equivalents	<u>32,498</u>	<u>22,695</u>

1.24 CREDITORS

	31/03/22	31/03/21
	£'000	£'000
Central Government Bodies	7,369	3,745
Other Local Authorities	2,143	1,636
NHS Bodies	552	672
Other entities and individuals	22,051	16,614
Total	<u>32,115</u>	<u>22,667</u>

1.25 BORROWING

The Council's long term borrowing is mainly from the Public Works Loan Board (PWLB). The loans are analysed by maturity with the interest rates ranging between 1.73% and 9.875%.

An analysis of loans by maturity:

	31/03/22	31/03/22	31/03/22	31/03/21	31/03/21	31/03/21
	PWLB	OTHER	TOTAL	PWLB	OTHER	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Maturing withing one year	<u>7,818</u>		<u>7,818</u>	<u>1,084</u>	<u>0</u>	<u>1,084</u>
Long Term Borrowing						
Maturing in 1 - 2 years	1,151	0	1,151	7,818	0	7,818
Maturing in 2 - 5 years	8,718	80	8,798	6,589	0	6,589
Maturing in 5 - 10 years	13,352	556	13,908	10,747	636	11,383
Maturing in 10 - 15 years	16,163	250	16,413	16,780	250	17,030
Maturing in 15 - 20 years	17,138	0	17,138	19,522	0	19,522
Maturing in 20 - 25 years	11,586	0	11,586	8,470	0	8,470
Maturing in 25 - 30 years	3,800	0	3,800	9,800	0	9,800
Maturing in 30 - 35 years	13,500	0	13,500	10,500	0	10,500
Maturing in 35 - 40 years	16,000	0	16,000	19,000	0	19,000
Maturing in 40 - 45 years	0	5,760	5,760	0	0	0
45+ years	0	0	0	0	5,760	5,760
Total Long Term Borrowing	<u>101,408</u>	<u>6,646</u>	<u>108,054</u>	<u>109,226</u>	<u>6,646</u>	<u>115,872</u>

Loan Restructuring

No loan restructuring was carried out during 2021/22.

Welsh Government Grants to be repaid in future years

The Council did not receive any further loans from Welsh Government during 2021/22. From loans received in previous years there remains a balance of £886k across two schemes to be repaid in the future. Although these have been called grants, they have been treated as loans within the Balance Sheet due to the need to pay them back within 5-15 years. These loans are included in the Other columns in the table above.

1.26 OTHER LONG TERM LIABILITIES

	31/03/22	31/03/21
	£'000	£'000
Ysgol Gyfun Penweddig PFI Liability	3,517	3,959
Pension Liability	139,579	160,825
Finance Lease Liability	468	579
MRP writedown adjustment	1,465	1,286
Total	<u>145,029</u>	<u>166,649</u>

1.27 USABLE RESERVES

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement on page 17 and Note 1.8.

1.28 UNUSABLE RESERVES

	31/03/22	31/03/21
	£'000	£'000
Revaluation Reserve	131,592	103,149
Capital Adjustment Account	166,159	157,781
Financial Instruments Adjustment Account	625	637
Pensions Reserve	(139,579)	(160,825)
Deferred Capital Receipts Reserve	3,426	3,022
Accumulated Absences Account	(4,047)	(3,500)
Total Unusable Reserves	<u>158,176</u>	<u>100,264</u>

The following are an analysis of the most significant Unusable Reserves:

Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

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

	2021/22	2020/21
	£'000	£'000
Balance at 1 April	103,149	107,952
Upward revaluation of assets	34,296	2,449
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(2,040)	(3,525)
	<u>32,256</u>	<u>(1,076)</u>
Surplus or Deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	<u>(3,718)</u>	<u>(3,721)</u>
Difference between fair value depreciation and historical cost depreciation	<u>(95)</u>	<u>(6)</u>
Accumulated gains on assets sold or scrapped Amount written off to the Capital Adjustment Account	<u>(3,813)</u>	<u>(3,727)</u>
Balance at 31 March	<u>131,592</u>	<u>103,149</u>

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 Council as finance for the costs of acquisition, construction and enhancement.

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

Note 1.7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2021/22	2020/21
	£'000	£'000
Balance at 1 April	157,781	153,658
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	(11,954)	(11,759)
Revaluation losses on Property, Plant and Equipment	2,008	214
Revenue expenditure funded from capital under statute	(1,082)	(310)
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	(347)	(277)
	<u>(11,375)</u>	<u>(12,132)</u>
Adjusting amounts written out of the Revaluation Reserve	3,813	3,727
Net written out amount of the cost of non-current Assets consumed in the year	<u>(7,562)</u>	<u>(8,405)</u>
Capital financing applied in the year:		
Use of Capital Receipts Reserve to finance new capital expenditure	369	0
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	12,723	9,734
Application of grants to capital financing from the Capital Grants Unapplied Account	1,185	392
Statutory provision for the financing of capital Investment charged against the General Fund	1,518	3,016
Capital expenditure charged against the General Fund	127	96
	<u>15,922</u>	<u>13,238</u>
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	18	(710)
Balance at 31 March	<u>166,159</u>	<u>157,781</u>

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 Council 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 Council 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 Council 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.

	31/03/22	31/03/21
	£'000	£'000
Balance at 1 April	(160,825)	(154,386)
Reversing out IAS19 items	(26,484)	(21,216)
Remeasurements	38,833	6,276
Pension Costs payable	8,897	8,501
Balance at 31 March	<u>(139,579)</u>	<u>(160,825)</u>

Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangement, the Council 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.

	31/03/22	31/03/21
	£'000	£'000
Low Cost Home Ownership Scheme	362	375
WG Houses into Home loans	341	391
HILS/H2H Capital Loans Deferred	332	417
Planning Permissions Commuted	2,049	1,487
Emergency Repair loans	276	287
Other Deferred Capital Receipts	66	65
Balance at 31 March	<u>3,426</u>	<u>3,022</u>

Accumulated Absences Account

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

	2021/22	2020/21
	£'000	£'000
Balance at 1 April	(3,500)	(3,328)
Settlement or cancellation of accrual made at the end of the preceding year	3,500	3,328
Amounts accrued at the end of the current year	<u>(4,047)</u>	<u>(3,500)</u>
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(547)	(172)
Balance at 31 March	<u><u>(4,047)</u></u>	<u><u>(3,500)</u></u>

1.29 CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

	2021/22	2020/21
	£'000	£'000
Interest Paid	(5,095)	(5,735)
Interest Received	213	58

1.30 MEMBERS' ALLOWANCES

The Council paid the following amounts to members of the Council during the year. Details of individual payments, as required by The Local Authorities (Allowances for Members of County and County Borough and National Park Authorities) (Wales) Regulations 2002 are published in the local press.

	2021/22	2020/21
	£'000	£'000
Salaries	826	818
Expenses	<u>0</u>	<u>0</u>
Total	<u><u>826</u></u>	<u><u>818</u></u>

1.31 OFFICERS' REMUNERATION

- The multiple between the median full time equivalent earnings and the Chief Executives' maximum salary is 1:6.1 (2020/21: 1:5.5)
- The average full time equivalent earnings of the Chief Executive is £132,060 (2020/21: £117,866)
- The median full time equivalent earnings of all the Council's employees is £21,695 (2020/21: £21,322)

The remuneration paid to the Council's senior employees (excluding any election fees paid) is as follows:

Senior Officers Emoluments - Salary between £60,000 and £150,000**2021/22**

Post Holder Information (Post Title)	Salary (inc. Fees & Allowances)	Pension Contributions Employers	Total Remuneration Including Pension Contributions
	£	£	£
Chief Executive	132,060	20,865	152,925
Corporate Director	105,647	16,692	122,339
Corporate Lead Officer: Finance & Procurement (S151)	85,190	13,460	98,650
Corporate Lead Officer: Schools	85,190	13,460	98,650
Corporate Lead Officer: Porth Cynnal (1)	82,489	13,033	95,522
Corporate Lead Officer: Customer Contact	78,350	12,379	90,729
Corporate Lead Officer: Democratic Services	78,350	12,379	90,729
Corporate Lead Officer: Economy & Regeneration	78,350	12,379	90,729
Corporate Lead Officer: Highways & Environmental Services	78,350	12,379	90,729
Corporate Lead Officer: Legal & Governance Services	78,350	12,379	90,729
Corporate Lead Officer: Policy & Performance	78,350	12,379	90,729
Corporate Lead Officer: Porth Cymorth Cynnar	78,350	12,379	90,729
Corporate Lead Officer: Porth Gofal (1)	77,383	12,226	89,609
Corporate Lead Officer: People & Organisation (2)	74,519	11,774	86,293
Interim Corporate Director (3)	70,532	11,128	81,660
Corporate Director - Jan '22 onwards (4)	22,299	3,523	25,822

No benefits in kind were paid to senior officers. Any mileage expenses paid were paid at HMRC rate.

- 1) Remuneration includes £735 in respect of the Welsh Government NHS and Social Care Financial Recognition Scheme.
- 2) Remuneration relates to the Interim Corporate Lead Officer: People & Organisation to 13th December 2021. The post of Corporate Lead Officer: People & Organisation was filled on 14th December 2021 by the Interim Corporate Lead Officer: People & Organisation.
- 3) This position was held on an interim basis until the Interim Corporate Director retired on 13th December 2021.
- 4) Following the retirement of the Interim Corporate Director on 13th December 2021, a new Corporate Director was appointed and the post was filled on 10th January 2022.

**Senior Officers Emoluments - Salary between £60,000 and £150,000
2020/21**

Post Holder Information (Post Title)	Salary (inc. Fees & Allowances)	Pension Contributions Employers	Total Remuneration Including Pension Contributions
	£	£	£
Chief Executive	117,866	18,623	136,489
Corporate Director	104,086	16,446	120,532
Corporate Lead Officer: Finance & Procurement (S151)	82,223	12,991	95,214
Corporate Lead Officer: Schools	82,223	12,991	95,214
Corporate Lead Officer: Policy & Performance (1)	77,641	12,267	89,908
Corporate Lead Officer: Customer Contact	77,192	12,196	89,388
Corporate Lead Officer: Economy & Regeneration	77,192	12,196	89,388
Corporate Lead Officer: Porth Cynnal (2)	77,191	12,196	89,387
Corporate Lead Officer: Democratic Services	75,515	11,931	87,446
Corporate Lead Officer: Highways & Environmental Services	75,515	11,931	87,446
Corporate Lead Officer: Legal & Governance Services	75,515	11,931	87,446
Corporate Lead Officer: Porth Cymorth Cynnar	75,515	11,931	87,446
Corporate Lead Officer: Porth Gofal (3) (4)	75,095	11,865	86,960
Corporate Lead Officer: People & Organisation - Apr 20 to Dec 20 (5)	52,982	8,371	61,353
Corporate Director - Apr 20 to May 20 (5)	17,927	2,741	20,668
Interim Corporate Director - Dec 20 onwards (5)	29,031	4,587	33,618
Interim Corporate Lead Officer: People & Organisation - Jan 21 onwards (6)	18,040	2,850	20,890

No benefits in kind or compensation for loss of employment were paid to senior officers. Any mileage expenses paid were paid at HMRC rate.

- 1) Remuneration includes £449 honorarium for additional duties due to the departure of the Statutory Director of Social Services and Corporate Lead Officer: Porth Cynnal on 31st March 2020.
- 2) Remuneration is that of the acting Corporate Lead Officer: Porth Cynnal to 30th June 2020 due to the departure of the Statutory Director of Social Services and Corporate Lead Officer: Porth Cynnal on 31st March 2020. The post of Corporate Lead Officer: Porth Cynnal was filled on 1st July 2020 by the acting Corporate Lead Officer: Porth Cynnal.

- 3) Remuneration includes £1,258 honorarium for additional duties due to the departure of the Statutory Director of Social Services and Corporate Lead Officer: Porth Cynnal on 31st March 2020.
- 4) As part of the ongoing restructure of the social care service, the post of Corporate Lead Officer: Porth Ceredigion was renamed to Corporate Lead Officer: Porth Gofal on 26th November 2020.
- 5) The Corporate Director retired on 31st May 2020. The post of Interim Corporate Director was subsequently created and filled on 14th December 2020 by the Corporate Lead Officer: People & Organisation.
- 6) Following the appointment of the Corporate Lead Officer: People & Organisation to Interim Corporate Director on 14th December 2020, the post of Interim Corporate Lead Officer: People & Organisation was created and filled on 1st January 2021.

These amounts do not include any employer's pension contributions paid. They do however include amounts paid to or receivable by the employee for any compensation for loss of employment (3 employees in 2021/22 and 1 employee in 2020/21).

Remuneration Band	2021/22 No. of Employees	2021/22 No. which Include Termination Payments	2020/21 No. of Employees	2020/21 No. which Include Termination Payments
£60,000 - £64,999	20	0	7	0
£65,000 - £69,999	9	1	6	0
£70,000 - £74,999	4	1	4	0
£75,000 - £79,999	2	1	0	0
£80,000 - £84,999	1	0	2	0
£85,000 - £89,999	3	0	2	1
£90,000 - £94,999	1	0	1	0
£95,000 - £99,999	0	0	1	0
£100,000 - £104,999	1	0	0	0
TOTAL	41	3	23	1

The Council terminated the contracts of a number of employees in 2021/22, incurring liabilities of £250k (£181k in 2020/21). The following payments comprising of statutory and voluntary redundancy costs, pension contributions in respect of added years and pension strain and other ex gratia payments.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total Number of exit packages		Total cost of exit packages in each band	
	2021/22 no.	2020/21 no.	2021/22 no.	2020/21 no.	2021/22 no.	2020/21 no.	2021/22 £'000	2020/21 £'000
£0 - £20,000	0	30	7	9	7	39	44	64
£20,001 - £40,000	0	0	2	2	2	2	66	75
£40,001 - £60,000	0	0	1	1	1	1	41	50
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	1	0	1	0	98	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
Total	0	30	11	12	11	42	249	189
Add: Amounts provided for in Comprehensive Income & Expenditure Statement not included in bandings							1	(8)

Total cost included in the Comprehensive Income & Expenditure Statement	250	181
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1.32 EXTERNAL AUDIT COSTS

The following fees relating to external audit and inspection for the 2021/22 financial year are payable by the Council:

	Proposed Fee 2021/22 £'000	Actual Fee 2020/21 £'000
Financial Audit Work	159	154
Performance Audit Work	104	100
Grant Certification Work	24	24
Other Financial Audit Work:		
Ceredigion Harbour Authority	2	2
	289	280

1.33 RELATED PARTY TRANSACTIONS

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council 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 Council.

Central Government

Central government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits).

Individual revenue grants received from government departments included within gross income in the Surplus or Deficit on the Provision of Services amount to £68,413k for 2021/22.

Members and Officers

The Council has arrangements in place requesting officers and members to identify and disclose related party transactions. There were no related party transactions with officers during the year.

Members of the Council have direct control over the Council's financial and operating policies. The total of members' salaries paid in 2021/22 is shown in Note 1.30. Under the Code of Conduct, Members are required to record in the Register of Members' Interests any financial and other personal interests. 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.

The following transactions related to elected members took place during the year 2021/22:

Related party	Relationship and transaction details	Amount £'000
Strata Florida Trust	One member is a director. Funding provided for the Small Steps project	13
Ceredigion Citizens Advice Bureau	One member is a director. Payments made as part of Warm Homes Fund project	40
Family Centre Tregaron	One member is a trustee. Grant funding and payments for family activities	13
Small World Theatre Ltd.	One member is a director. Payments for provision of performances and children's activities, funding for Youth Mental Health and Wellbeing	20
Total		86

Other Public Bodies

During the year, other transactions with related parties arose as follows:

	Receipts £'000	Payments £'000
Central Government		
Share of NNDR from National Pool	25,064	0
Revenue Support Grant	86,029	0
Capital Grants		
Welsh Government	14,240	0
Mid and West Wales Fire Authority	0	4,061
Dyfed Powys Police	0	8,793
Town/Community Councils within Ceredigion Area	0	1,183

1.34 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 Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	2021/22	2020/21
	£m	£m
Opening Capital Financing Requirement	138.4	141.0
Capital Investment:		
Property, Plant and Equipment	13.6	10.1
Investment Properties	0.4	0.1
Other	0.0	0.1
Revenue Expenditure Funded from Capital under Statute	1.1	0.3
Sources of Finance:		
Capital Receipts	(0.4)	0.0
Government grants and other contributions	(13.9)	(10.1)
Sums set aside from Revenue:		
Direct Revenue Contributions - General Fund	(0.1)	(0.1)
Minimum Revenue Provision	(1.5)	(3.0)
Closing Capital Financing Requirement	<u>137.6</u>	<u>138.4</u>
Explanation of Movements in year		
Increase in underlying need to borrow (supported)	(0.3)	(2.3)
Increase in underlying need to borrow (unsupported)	(0.3)	0.0
Assets acquired under PFI	(0.1)	(0.2)
Assets acquired under finance leases	(0.1)	(0.1)
Increase/(decrease) in Capital Financing Requirement	<u>(0.8)</u>	<u>(2.6)</u>

1.35 LEASES***Council as Lessee:*****Finance Leases**

The Council has acquired various buildings, photocopiers, printers, computers and other equipment under finance lease terms. They were carried in the Balance Sheet at the following values:

	31 March 2022	31 March 2021
	£'000	£'000
Vehicles, plant, furniture and equipment	108	233
Infrastructure	968	995

The Council is committed to making the following payments under these agreements:

	31 March 2022	31 March 2021
	£'000	£'000
Finance Lease Liabilities (NPV on minimum payments):		
- Current	110	126
- Non-current	468	579
Finance costs payable in future years	(77)	(64)
Minimum lease payments	<u>501</u>	<u>641</u>

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

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£'000	£'000	£'000	£'000
Not later than one year	100	131	110	126
Later than one year and not later than five years	77	178	96	194
Later than five years	324	332	372	385
Minimum lease payments	<u>501</u>	<u>641</u>	<u>578</u>	<u>705</u>

Operating Leases

The Council has acquired vans, minibuses, photocopiers, computers and various other equipment under operating lease terms. The Council is committed to making the following payments under these agreements:

	31 March 2022	31 March 2021
	£'000	£'000
Not later than one year	141	120
Later than one year and not later than five years	67	92
Later than five years	0	0
Minimum lease payments	<u>208</u>	<u>212</u>

Council as Lessor:

Operating Leases

The Council has leased out its Corporate Estate properties under operating lease terms.

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

	31 March 2022	Restated 31 March 2021
	£'000	£'000
Not later than one year	629	725
Later than one year and not later than five years	2,179	2,280
Later than five years	25,845	25,852
Minimum lease payments	<u>28,653</u>	<u>28,857</u>

2020/21 restated due to errors identified in 2022.

1.36 PRIVATE FINANCE INITIATIVES AND SIMILAR CONTRACTS

Ysgol Gyfun Penweddig PFI Scheme

2021/22 was the twenty second year of a 30 year PFI contract for the construction, maintenance and operation of Ysgol Gyfun Penweddig in Aberystwyth. The PFI contract agreement covers the following operating specifications:

- Facilities Management – to ensure that the site and buildings are available during school days, office days and for community use at agreed times and periods;
- Building and Engineering Maintenance – to maintain the school buildings, facilities and equipment in good working order;
- Grounds Maintenance – to ensure that the school grounds are kept in a safe, pleasant, functional and operational condition;
- IT Network Maintenance – to maintain the school's main ICT infrastructure and the telephone system;
- Cleaning – to provide a cleaning service that will ensure that the school operates within a clean environment; and
- Catering Service – to provide meals of high nutritional standards delivered in accordance with the needs of the school.

The agreement specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards. The contractor took on the obligation to construct the school and maintain it to a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the school. The building and any plant and equipment installed in them at the end of the contract will be transferred to the Council for nil consideration. The Council has rights under the PFI agreement to terminate the agreement if the Provider defaults as stipulated within the agreement. The Council, in the event of such termination, will be liable to pay compensation to the Provider in accordance with Part II of Schedule 3 of the PFI Agreement.

Property Plant and Equipment

The asset is recognised on the Council's Balance Sheet. Movements in its value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 1.13. The carrying value of Ysgol Gyfun Penweddig is £21,298k.

Payments

The Council makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2022 (excluding any estimation of inflation and availability/performance deductions) are as follows:

<u>Payments due to be made:</u>	Payment for Services £'000	Reimbursement of Capital Exp £'000	Interest £'000	Total £'000
within 1 year	731	442	371	1,544
within 2 to 5 years	2,965	2,022	1,017	6,004
within 6 to 10 years	2,782	1,495	271	4,548
	<u>6,478</u>	<u>3,959</u>	<u>1,659</u>	<u>12,096</u>

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to the contractor for capital expenditure incurred is as follows:

Value of Liabilities at Balance Sheet Date

	2021/22 £'000	2020/21 £'000
Balance at 1 April	4,263	4,568
Repayment of Principal	<u>(304)</u>	<u>(305)</u>
Balance at 31 March	<u>3,959</u>	<u>4,263</u>
Long term	3,517	3,959

1.37 PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Capita. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

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

In 2021/22 the Council paid £6.1m (£5.7m in 2020/21) to the Department for Education and Skills in respect of teachers' pension costs, which represents 23.68% of teachers' pensionable pay for 2021/22 (23.68% of teachers' pensionable pay for 2020/21). In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2021/22, £398,069 (£202,382 in 2020/21) was paid to the Teachers' Pension Fund, either directly or via Carmarthenshire County Council (in respect of the Council's share of the former Dyfed County Council's costs relating to the premature retirement of teachers). Also, the Council made payments of £383,139 in 2021/22 (£380,094 in 2020/21) directly to teachers who have retired prematurely since 1 April 1996. The capitalised value of the above payments is £7.17m and £6.90m respectively.

1.38 DEFINED BENEFIT PENSION SCHEMES**Participation in Pension Schemes**

As part of the terms and conditions of employment of its officers, 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 (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered by Carmarthenshire County Council – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The estimated employer contributions for 2022/23 are £8,777k and this is based on contribution rates set per the 2019 Actuarial Valuation.

Transactions Relating to Post-employment Benefits

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

	2021/22	2020/21
	£'000	£'000
Comprehensive Income and Expenditure Statement:		
Cost of Services:		
- current service cost	23,103	17,516
- past service cost	0	82
- (gain)/loss from settlements/curtailments	97	16
Financing and Investment Income and Expenditure:		
- net interest cost	3,284	3,602
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	26,484	21,216
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement:		
Remeasurement of the net defined benefit liability comprising:		
- Return on plan assets (excluding the amount included in the net interest expense)	(23,896)	(91,229)
- Actuarial gains and losses arising on changes in demographic assumptions	(4,982)	0
- Actuarial gains and losses arising on changes in financial assumptions	(11,629)	95,823
- Experience (gain)/loss	1,674	(10,870)
	<u>(38,833)</u>	<u>(6,276)</u>
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	(12,349)	14,940
Movement in Reserves Statement:		
- reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(26,484)	(21,216)
Actual amount charged against the General Fund Balance for pensions in the year:		
- employers' contributions payable to scheme	<u>8,897</u>	<u>8,501</u>

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the council's obligation in respect of its defined benefit plans is as follows:

	2021/22	2020/21
	£'000	£'000
Present value of the defined benefit obligation	646,303	635,391
Fair value of plan assets	<u>(506,724)</u>	<u>(474,566)</u>
Net liability arising from defined benefit obligation	<u>139,579</u>	<u>160,825</u>

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

	All Benefits		Unfunded Benefits	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Opening fair value of scheme assets	474,566	376,366	0	0
Interest income	9,950	9,011	0	0
Remeasurement gain/(loss):				
- The return on plan assets, excluding the amount included in the net interest expense	23,896	91,229	0	0
Contributions from employer	8,897	8,501	360	384
Contributions from employees into the scheme	3,379	3,210	0	0
Benefits paid	(13,751)	(13,548)	(360)	(384)
Other	(213)	(203)	0	0
Closing fair value of scheme assets	506,724	474,566	0	0

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	All Liabilities		Unfunded Liabilities	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Opening balance at 1 April	635,391	530,752	5,142	5,017
Current service cost	22,890	17,313	0	0
Interest cost	13,234	12,613	104	117
Contributions from scheme participants	3,379	3,210	0	0
Remeasurement (gains) and losses:				
- Experience (gains)/losses	1,674	(10,870)	14	(118)
- Actuarial (gains)/losses arising from changes in financial assumptions	(11,629)	95,823	(55)	510
- Actuarial (gains)/losses arising from changes in demographic assumptions	(4,982)	0	(36)	0
Past service cost	0	82	0	0
Losses/(gains) on curtailment	97	16	0	0
Benefits paid	(13,751)	(13,548)	(360)	(384)
Closing balance at 31 March	646,303	635,391	4,809	5,142

Local Government Pension Scheme assets comprised:

	Quoted (Y/N)	Fair value of scheme assets	
		2021/22 £'000	2020/21 £'000
Equities:			
UK	Y	94,859	101,035
Global	Y	157,591	123,387
US	Y	33,140	51,443
Canada	Y	2,230	2,088
Japan	Y	19,458	15,993
Pacific	N	811	4,888
Emerging Markets	N	39,930	40,528
European ex UK	Y	18,191	12,196
Sub-total equities		366,210	351,558
Bonds:			
UK Government Indexed	Y	6,739	12,339
Other Class 1	Y	40,234	42,711
Sub-total bonds		46,973	55,050
Property:			
Property Funds	N	66,229	52,440
Sub-total property		66,229	52,440
Alternatives			
Class 1	Y	18,698	9,966
Sub-total alternatives		18,698	9,966
Cash			
Cash accounts	Y	8,614	5,552
Sub-total cash		8,614	5,552
Total assets		506,724	474,566
Split of assets between investment categories			
		2021/22	2020/21
Equities		72.27%	74.08%
Bonds		9.27%	11.60%
Property		13.07%	11.05%
Alternatives		3.69%	2.10%
Cash		1.70%	1.17%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years is dependent on assumptions about mortality rates, salary levels, etc. The Local Government Pension Scheme has been estimated by Mercer Limited, an independent firm of actuaries, estimates for the Fund being based on the last actuarial valuation of the scheme as at 31 March 2019. The significant assumptions used by the actuary have been:

	31 March 22	31 March 21
Duration information as at the end of the accounting period:		
Estimated Macaulay duration of liabilities	18 years	18 years
Duration profile used to determine assumptions	Very Mature	Very Mature
Financial assumptions:		
- Rate of CPI Inflation/CARE benefits revaluation	3.30%	2.70%
- Rate of increase in salaries	4.80%	4.20%
- Rate of increase in pensions in payment/deferment	3.40%	2.80%
- Discount rate	2.80%	2.10%
Post retirement mortality assumptions (normal health):		
- Non-retired members	S3PA CMI_2021_[1.75%] (100% males, 91% females)	S3PA CMI_2018_[1.75%] (100% males, 91% females)
- Retired members	S3PA CMI_2021_[1.75%] (94% males, 92% females)	S3PA CMI_2018_[1.75%] (94% males, 92% females)
Life expectancy of a male (female):		
- future pensioner aged 65 in 20 years' time	24.4 (27.1) years	24.7 (27.2) years
- current pensioner aged 65	23 (24.9) years	23.1 (25) years

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table below. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity analysis as at 31 March 2022

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+ 0.1% p.a. discount rate	+ 0.1% p.a. inflation	+ 0.1% p.a. pay growth	1 year increase in life expectancy
	£'000	£'000	£'000	£'000	£'000
Liabilities	646,303	634,878	657,933	647,575	665,427
Assets	(506,724)	(506,724)	(506,724)	(506,724)	(506,724)
Deficit/(Surplus)	139,579	128,154	151,209	140,851	158,703
Projected Service Cost for next year	21,721	21,165	22,301	21,721	22,409
Projected Net Interest Cost for next year	3,785	3,589	4,116	3,826	4,326
	Sensitivity 5				
	+/- 0.1% change in				
	Investment returns				
	+1%	-1%			
	£'000	£'000			
Liabilities	646,303	646,303			
Assets	(511,784)	(501,664)			
Deficit/(Surplus)	134,519	144,639			
Projected Service Cost for next year	21,721	21,721			
Projected Net Interest Cost for next year	3,644	3,927			

Risks associated with the Pension Fund

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

1.39 DISCLOSURE OF NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council's treasury management activities expose it to a variety of financial risks:

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

The COVID-19 pandemic presents additional uncertainty in relation to the financial risks described, particularly credit risk. However, the Council's Treasury Management Strategy minimises the effect of these risks as described in this note.

Treasury Management is carried out by a central Treasury team supported by an external advisor – Link Asset Services. Treasury Management is defined as '*The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of the optimum performance consistent with those risks*'.

The Local Government Act 2003 requires the Council to set out its Treasury Management Strategy, which is approved annually by Full Council. Guidance exists in the form of a CIPFA Treasury Management code of practice. The Council's Treasury Management Strategy sets out the Council's policies for managing its investments and debt and for giving priority to the security and liquidity of those investments.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are not made with banks and financial institutions unless they have a credit rating.

All credit ratings are monitored via a creditworthiness service which provides online information together with weekly credit rating lists provided by Link Asset Services. This utilises credit ratings from all 3 credit rating agencies (Fitch, Moodys and Standards & Poors) and also factors in credit default swaps data where this exists in the markets. The Council is notified electronically every time a change occurs to the rating of an institution that is on the approved list. If a counterparty or investment scheme is down-graded with the result that it no longer meets the Council's minimum credit criteria, the use of that counterparty/investment scheme will be withdrawn with immediate effect.

The credit criteria in respect of financial assets held by the Council as at 31st March 2022 are detailed below:

Financial Asset Category	Criteria	Maximum Individual Investment held as at 31/03/22	Total Investments held as at 31/03/22
Deposits with UK Government Debt Management Office	Not credit rated	£4.0m	£33.0m
Deposits with Banks / Building Societies	Minimum rating: Long Term A- Short Term F1	£8.5m	£22.5m

The Council has an investment schedule which is approved by Full Council as part of the annual Treasury Management Strategy. This list shows:

- the categories of investment that are allowed and who is authorised to invest in each category (e.g. in house officers, external fund managers);
- the minimum credit rating criteria required for each type of investment;

- the maximum value of funds that can be invested with each individual counterparty;
- the maximum value of funds that can be invested for each category of investment;
- the maximum duration allowed for each type of investment;
- the upper limit for investments of greater than 364 days' duration.

This schedule is reviewed regularly and updated in line with latest credit ratings and market conditions.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on experience of default and uncollectability over the last twelve financial years, adjusted to reflect current market conditions.

	<u>Amount at 31/03/22</u>	<u>Historical experience of default</u>	<u>Historical experience adjusted for market conditions as at 31/03/22</u>	<u>Estimated Maximum exposure to default and un- collectability</u>	<u>Estimated maximum exposure at 31/03/22</u>
	<u>£'000</u> A	<u>%</u> B	<u>%</u> C	<u>£'000</u> A x C	<u>£'000</u>
Deposits with Banks and financial institutions	55,485	1.5%	1.5%	832	832

During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Management Strategy report.

Although the full economic impact of the COVID-19 is yet to play out, the financial services sector is facing much uncertainty and challenges. The Council continues to closely monitor the credit ratings of institutions on its approved counterparty list. Any counterparty that is downgraded resulting that it no longer meets the Council's minimum credit criteria, will with immediate effect be withdrawn from the approved counterparty list.

Liquidity and Re-financing Risk

As the Council has ready access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will need to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. To this end the debt maturity profile is a key consideration when undertaking new borrowing or the restructuring of existing borrowing.

The maturity analysis of the Council's external debt as at 31st March 2022 is:

	£'000
Less than one year	7,818
Between 1 and 2 years	1,151
Between 2 and 5 years	8,798
Between 5 and 10 years	13,908
10 years and above	84,197
	<u>115,872</u>

All trade and other payables are due to be paid in less than one year. Bonds held as Long Term Creditors are not included in the maturity analysis table above.

Market Risk

Interest Rate Risk

The Council is exposed to 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 Council. For instance, a rise in interest rates would have the following effects:

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

Borrowings are carried at amortised cost, so nominal gains and losses on fixed rate borrowings would not impact on the Income and Expenditure Account. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure Account and affect the General Fund Balance pound for pound.

The Council has a limited number of strategies for managing interest rate risk given the current low interest rate environment. The main strategy is to manage the core balance and cashflow requirements, making longer investments where surplus funds allow, whilst at the same time recognising the financing requirements within the Council's 3 year capital programme and undertaking new long term borrowing whilst interest rates are still generally at historic lows.

For 2021/22 the Council's investment portfolio (excluding accrued interest) began the year at £29.2m and ended the year at £55.52m. The debt portfolio (excluding accrued interest) began the year at £116.7m and ended the year at £115.6m.

An assessment of the latest interest rate position and future forecasts feeds into the setting of the annual budget. This is also used to monitor and project a budget outturn position regularly during the year. This allows any adverse changes to be taken into account. Interest rate forecasts are received from independent forecasters via the Council's external treasury advisors. This not only influences borrowing strategies but also investment timescales and the overall balance of the investment and borrowing portfolios.

At 31/03/2022, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£'000
Increase in Interest Receivable on variable rate investments	134
Total impact on Income and Expenditure Account	134
Fair Value Impact	£'000
Decrease in fair value of fixed rate borrowings	18,156

The Council also does not have any variable rate borrowing liabilities.

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

Investment returns for 2021/22 have been very low due to historically low interest rates (2021/22: £60k 2020/21: £46k).

Price Risk

The Council no longer uses an external fund manager; therefore the investments it places are currently based on fixed interest rates. The Council is therefore not currently exposed to losses arising from movements in the prices of traded items e.g. shares, gilts, certificates of deposits.

Foreign Exchange Risk

The Council does not have any financial assets or liabilities denominated in foreign currencies and therefore does not have an exposure to loss arising from movements in exchange rates.

1.40 CONTINGENT LIABILITIES

Municipal Mutual Insurance

The former Council's insurers prior to 1996 were Municipal Mutual Insurance (MMI), who ceased writing insurance business on 30 September 1992. In order to ensure an orderly run-off, a Scheme of Arrangement (Scheme) was put in place that became effective on 21 January 1994. The directors of MMI triggered the Scheme on 13 November 2012, after it became clear that a solvent run-off was not able to be achieved. Ernst and Young were appointed as the Scheme administrators and set an initial levy rate of 15%, an amount of £30K, which was paid by the Council in 2013/14. In 2015/16, the Council was notified that the levy rate was being increased to 25% and so a further amount of £20k was paid. The Scheme requires the largest insurance creditors (Scheme Creditors) of MMI to accept partial payment of claims (past as well as future). The maximum amount of clawback that can be made due to any future levies is £174,014 provided that there are no further claims by Ceredigion against the Scheme, which is not expected.

Water Rates Legal Case

The Council transferred its housing stock to Tai Ceredigion in 2009, prior to that water rates were collected on behalf of Dwr Cymru from tenants as part of their rent. In return for this service the Council received a commission. This arrangement has been called in to question in the case *Kim Jones v London Borough of Southwark [2016] EWHC 457*. The court ruled that the defendant was acting as a water supplier and not as an agent of the water supplier in collecting water rates as part of rent. This ruling has potential financial implications in terms of the agency fee and where action has been taken against rent arrears that could be deemed to include water rates.

Human Rights Act (1998)

The Council currently has on-going cases where it is alleged the Council has breached the claimant's human rights under the Human Rights Act (1998). These cases are at the early stages where the exact nature of the allegations being made and the potential liability to the Council have yet to be established.

1.41 JOINT COMMITTEES

Growing Mid Wales Board

The Council and Powys County Council are members of the Growing Mid Wales Board which was established in 2020/21. The Board provides leadership, strategic

decision making, and accountability for the Mid Wales Growth Deal. A separate annual return has been produced for the Board. The only figures relating to Growing Mid Wales which are included in this Statement of Accounts is the Council's contribution towards the Board which is £105,647 for 2021/22 (£44,049 for 2020/21).

1.42 CORPORATE JOINT COMMITTEES

Mid Wales Corporate Joint Committee (MWCJC)

The Council, Powys County Council and Brecon Beacons National Park are members of the MWCJC which was established in 2021/22. The Committee is tasked with the development of regional transport, strategic development plans and improving economic wellbeing. No expenditure was incurred, or income received by the MWCJC in 2021/22.

1.43 POST BALANCE SHEET EVENTS AND AUTHORISATION OF ACCOUNTS FOR ISSUE

There are no post balance sheet events for 2021/22.

The Statement of Accounts is authorised for issue by the Corporate Lead Officer: Finance & Procurement on 26 January 2023.

ANNUAL GOVERNANCE STATEMENT

1 EXECUTIVE SUMMARY

Ceredigion County Council ('the Council') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Council is also committed to improving the social, economic, environmental and cultural wellbeing of its citizens. This commitment is set out in the Council's Corporate Strategy 2017-2022 and describes how the council will meet the challenges ahead and make the most of opportunities. The Council's vision for this period is that the Council *'delivers value for money sustainable bilingual public services that support a strong economy and healthy environment while promoting well-being in our people and our communities'* and is to be achieved by fulfilling the Corporate Priorities, which are:

1. Boosting the Economy;
2. Investing in People's Future;
3. Enabling Individual and Family Resilience; and
4. Promoting Environmental and Community Resilience

To be successful the council must have a solid foundation of good governance and sound financial management. The Council's Local Code of Corporate Governance ensures that we are doing the right things, in the right way, in line with our values. The Local Code is supported by a Governance Assurance Framework that sets out what assurances the Council seeks to obtain, and how this will be done.

A copy of the Council's Local Code of Corporate Governance and Annual Governance Statement is available on the Council's website at <https://www.ceredigion.gov.uk/your-council/councillors-committees/annual-governance-statement/>.

The Council also has a duty under the Local Government (Wales) Measure 2009 to arrange to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council must ensure proper arrangements for the governance of its affairs are in place, facilitating the effective exercise of its functions, and which includes the arrangements for the management of risk. The Local Government and Elections (Wales) Act 2021 is also largely in force and the Council continues to take necessary preparations to ensure compliance of these sections of the Act and compliance with the sections of the Act that are not yet in force.

A Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local Government Framework 2016. The framework is used to review the governance arrangements on an annual basis.

The Well-being of Future Generations (Wales) Act 2015 also introduces new governance arrangements for public services in Wales. Public bodies are required to carry out sustainable development. It places a well-being duty on public bodies to set and publish well-being objectives designed to maximise their contribution to the seven national well-being goals. They are also expected to take all reasonable steps towards achieving their objectives.

Following the review and in accordance with the requirements of the Framework a Local Code of Corporate Governance was initially approved by Council on 29 June 2017 and an updated version was approved by Council on 19 March 2020.

The Local Code of Corporate Governance brings together in one document all the governance and accountability arrangements the Council has in place. The Code is based on best practice guidance set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

The 2022/23 Code has been reviewed further to take account of ongoing changes to governance due to the coronavirus pandemic.

In addition, following a review by Audit Wales of the Council's Planning Service undertaken during the period April to July 2021 (Report issued October 2021), the Council continues to take steps to address the recommendations issued in the Report, which are referenced in the Corporate Governance Achievements for 2021-22 below.

The Council's Governance Framework is based on the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) and the following seven principles:

- A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B: Ensuring openness and comprehensive stakeholder engagement
- C: Defining outcomes in terms of sustainable economic, social and environmental 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 the 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

The Council is required, each year, to produce an Annual Governance Statement ('AGS') (this document), which explains how the Council has complied with the seven core principles and sub-principles contained in its Governance Framework and the Local Code of Corporate Governance, and also meets the requirement of The Accounts and Audit (Wales) Regulations 2014. This AGS gives assurances on compliance for the year ending 31 March 2022 and up to the date of approval of the Statement of Accounts.

The Leader of the Council and Chief Executive both recognise the importance of having a solid foundation of good governance and sound financial management. They pledge their commitment to address the matters highlighted in this AGS, and to further enhance the Council's governance arrangements.

The Leader and Chief Executive confirm they have been advised of the implications of the review by Senior Management and the Audit Committee and are satisfied that the steps outlined in this AGS will address the areas for improvement.

Signed on behalf of **Ceredigion County Council**

Leader of the Council

Chief Executive

Date: 26 January 2023

Date: 26 January 2023

2 Assessment of the effectiveness of key elements of the Governance Framework

The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively.

The Leader of the Council provides clear strategic direction and the Constitution clearly defines the roles of Councillors and Officers. Internal and External Audit, Ethics and Standards Committee and the Audit Committee are committed to ensuring the governance arrangements are effective and robust.

The Council has conducted an annual review of the effectiveness of its governance against the CIPFA/SOLACE Delivering Good Governance

Framework (2016). The review involved a member/officer workshop in which the Council's Governance Framework Document was analysed and reviewed, and included the following Members: the Chair and Vice Chair of the Governance and Audit Committee, and the Chair of Overview and Scrutiny Co-ordinating Committee. In addition, the Monitoring Officer, Corporate Manager - Internal Audit, Audit Manager, Governance Officer, Corporate Lead Officer - Democratic Services, Corporate Manager – Democratic Services, Corporate Lead Officer – People & Organisation and the Corporate Manager – Partnerships, Performance and Public Protection also took part. Following the Workshop, the attendees had a further opportunity to consider the Council's Governance Framework Document and the Corporate Lead Officer Policy, Performance and Public Protection, Corporate Lead Officer Economy & Regeneration, Corporate Manager – Core Finance, Corporate Lead Officer Customer Contact and Governance and Audit Committee Lay Member had an opportunity to consider the Governance Framework Document.

During the workshop each behaviour was introduced and scored against a scoring mechanism, as follows:

- 1/2 Unacceptable Immediate action required
- 3/4 Below satisfactory - urgent Action Required (within 3-6 months)
- 5/6 Satisfactory - Action Required (before end of year 9-12 months)
- 7/8 Acceptable Minor adjustments may be required
- 9/10 Good - overall Governance considered to be good and meets best practice no further action required

Each score used in the Governance Framework Document is a score out of 10 e.g. a score of 7/8 means a score of between 7 and 8 out of a total 10 marks.

The Governance Framework Document was also circulated to other officers, who have governance/management responsibilities within the Council. The review framework is due to be presented to the Governance and Audit Committee in January 2022.

The effectiveness of the governance framework draws on evidence and assurances from:

- Internal and External Audit and Inspection;
- Financial Controls;
- Risk and Performance Management;
- Legal and Ethical Standards;
- Corporate Directors and Other Senior Management, including the S.151 Officer and the Monitoring Officer;
- The Governance and Audit Committee; and
- Overview and Scrutiny Committees.

In addition, the Corporate Manager - Internal Audit undertakes an independent review of the Governance Framework and the method of scoring and evidence, on an annual basis. The review of the 2021/22 Framework was completed in May 2022 and provided 'high' assurance that there was a sound system of scrutiny and robustness in place. This was reported to the Governance and Audit Committee in June 2022.

The Council has drawn together a Local Code for Corporate Governance which sets out the systems and processes, and cultures 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.

The system of internal control is a significant part of that code 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 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.

The Local Code for Corporate Governance is available on the Council's website at <https://www.ceredigion.gov.uk/your-council/councillors-committees/annual-governance-statement/>.

The CIPFA Financial Management code sets the standards of financial management for local authorities. It is designed to support effective practice in financial management and to assist local authorities in demonstrating their budgetary sustainability. The S151 Officer has undertaken a self-assessment review and is satisfied that the Council is compliant with the code.

3 Corporate Governance Achievements for 2021-22

The Local Code for Corporate Governance sets out the Local Authority's commitment to the principles of good governance. The following paragraphs outline the Corporate Governance achievements during 2021-22.

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

- Code of Conduct for Members (updated in 2016) available on the Council's website, intranet site (CeriNet) under Councillor Resources,

and in the Constitution. Also, Members Code of Conduct Flowchart (updated in 2016).

- Code of Conduct for Officers* (currently in the process of being substantially reviewed) available along with all Corporate policies and strategies via Council website/CeriNet.
- Induction and follow-up training on Code of Conduct and ethics provided to all Members.
- Ethics Audit undertaken during 2019. Follow up Internal Audit of Council's arrangements regarding Ethics also in progress (currently in review).
- Ethics/Fraud training provided in collaboration with Council's insurer at Corporate Managers' quarterly workshop 28.5.2021. Slides from presentation are forming a basis for e-learning module for all Staff and Internal Audit ('IA') & Governance Services working with Learning & Development to prepare scenarios for training. Training supported by recent review of Council's Strategy on Counter-Fraud, Corruption & Bribery (to include Anti-Money Laundering). Day to day advice is provided by the Monitoring Officer ('MO') and Scrutiny Support Officer.
- Committee and Members advised by MO and proactive regular advice and reminders sent to Members and Officers as required. Legal and Financial advice/implications is provided on all appropriate reports for decision, Chief Officers provide support and advice to Members and reporting requires financial and legal advice/implications to be included in reports/decisions which are published as appropriate. Items reported to Members for decisions through Cabinet, Council and Committees are subject to legal and financial advice which will be referenced within each report. Also, MO operates an 'open' door policy for Members wishing to receive 'conduct' and 'governance' advice.
- Personal Development Review.
- Individual sign off with regard to compliance.
- Register of Members' interests, available from the Council's Democratic Services, reviewed by MO and published on Council website.
- Declaration of Interest and Hospitality forms for Officers and Members on CeriNet.
- MO circulates reminder re interest/hospitality declarations to Staff quarterly.
- Declarations of interest by Members and Officers at meetings and Minutes for all committees contain Declarations of Interest-Officers and Members.

- Regular reminders through News Updates on CeriNet system, monitoring and review of MO of Chief Officers' declarations annually and advising Chief Officers on need to declare close personal associations with other Officers or Members, including advising Chief Officers at Leadership Group. Chief Officers informed through CeriNet system news update of MO email re declaring interests and Hospitality and reminder to Chief Officers sent.
 - Chief Officers' annual Declarations of Interest and continuing obligations to declare interests. Ongoing review on Chief Officers' business declarations.
 - Update advice on Council Employees' Declarations of Interest and Hospitality published on 16 December 2021 and 20 July 2021 on CeriNet, also re COVID-19 Restrictions Business Fund NDR Grants for businesses (News update published 8.1.2021) and links to the relevant forms and Code of Conduct for Local Government Employees, along with a reminder that any queries or requests for advice should be made to the MO.
 - Declarations of interest by Members and Officers at meetings, an opportunity to make reference to any close personal contacts/roles etc. MO to advise Officers further on the need to declare interests in organisations which actually, or may conflict with Council interests including:
 - Contractors;
 - School Governors;
 - Clerk to Town and Community councils;
 - Members of Town and Community councils; and
 - School Governors.
 - MO to advise Officers further on the need to declare:
 - Directorships; and
 - Other employment
- Including whether conflicting with the Council's interests or not.
- Members required to update Register of Interests in accordance with the Code of Conduct, and in addition, annually, which is opportunity to reference any close personal associates/roles etc. This now includes lay/independent members of the Ethics & Standards Committee and Governance & Audit Committee. Register of Interests booklet published for each Member on Council Website.

- NFI match highlights Staff who are directors of companies that have dealings with the Council – any non-declarations investigated by IA and reported to MO.
- Review is currently being undertaken of the external bodies that have appointed Members, including added value, and also updating of the Constitution.
- Update Dispensations forms for Members completed (2020).
- Professional Qualified Officers and Teachers have to meet their professional body/organisation requirements.
- Members complete a HR training module.
- Training on standards of behaviour is provided to Managers for Staff.
- Employee Handbook is in the process of being reviewed, is available on CeriNet, sets out the expected Employee behaviour and includes the Code of Conduct for Local Government Employees.
- MO circulates to political group leaders updates/decisions from the Adjudication Panel for Wales, whose role is to determine alleged breaches by elected and co-opted members against their authority's statutory code of conduct.
- The main duties of the Ethics & Standards Committee are to improve standards of Member conduct and operation of the Code of Conduct for Members. The Ethics and Standards Committee will have new duties (from May 2022) under the Local Government and Elections (Wales) Act 2021 ('2021 Act'), to include:
 - Monitoring compliance by leaders of political groups on the Council with their duties under S.52A(1) Local Government Act 2000;
 - Advising, training or arranging to train leaders of political groups on the Council about matters relating to their duties under S.52A (1) Local Government Act 2000.
 - The duty to monitor compliance of political group leaders is in relation to standards of conduct, and ensure that this is visible, and consistently demonstrated and evidenced to protect the Council's reputation.
- Ethics and Standards Committee championing ethical compliance to ensure that public have trust and confidence that Members and Officers work to highest ethical and moral standards.
- The Ethics and Standards Committee has been proactive, leading on training sessions and putting procedures in place for dispensation

arrangements. The structure has recently been reviewed to improve efficiency and effectiveness.

- Members' standards and conduct matters considered by the Council's Ethics and Standards Committee. Public meetings held regularly, and chaired by an independent person-determine dispensations, and consider strategic/policy issues and receive updates from Public Service Ombudsman for Wales Casebook & APW cases.
- Annual Ethics & Standards Committee Report reported to Council in October 2021.
- Carmarthen County Council undertook an independent audit of ethics within the Council during 2019. Follow up Internal Audit of Council's arrangements regarding Ethics in progress (currently in review).
- A good working relationship exists with the Welsh Government as a key regulator. Regular dialogue is maintained with representatives from Audit Wales.
- This vision for the Council has been reviewed and endorsed by Cabinet, and the vision sets out a number of long term Strategic Objectives.
- Corporate Strategy (2017-2022) contains the priorities of the Council.
- The Well-being and Improvement Objectives build on the priority areas identified in the Corporate Strategy 2017-2022 and are reviewed annually. These are developed in consultation with the public and Members. Council considered the draft Well-being and Improvement Objectives Annual Report 2020-21 and approved the Well-being Objectives for 2022-23 on 21.10.21, which are published on the Council's website.
- Regular dialogue with Public Services Ombudsman for Wales, and other regulators including Estyn, CIW, ICO and IPCO.
- Council Constitution, which is subject to regular reviews, with ongoing updates as required, including presenting proposed changes to Politically Balanced Cross Party Constitution Working Group, to make recommendations on changes to Constitution to Council. Further revision in 2021 is ongoing, as the Constitution is a live document, to reflect legislative changes and according to need. Council approved amendments on 18.3.21 and 23.9.21. Constitution Cross Party Working Group meets regularly to consider proposals for Constitution updates. Meetings held 15.2.21, 19.4.21, 30.6.21, 10.8.21 and 8.11.21. MO/Governance Officer report to Council to update delegations and Constitution.
- The Council has established a Task and Finish Group (T&F group) to develop actions that will improve the Planning Service including decision making.

- The Terms of Reference of the Development Control Committee (to be renamed 'Development Management Committee') have been revised to clearly state its purpose, role and responsibilities, and how it links to Corporate Priorities.
- An Operational Procedures document for the Development Control Committee/Development Management Committee has been revised. The Operational Procedures define applications that are strategically important and 'major' planning applications.
- The Operational Procedures document addresses the arrangements in respect of local ward members addressing the Committee.
- A Protocol for Good Practice for Councillors at Development Control Committee/Development Management Committee has been produced and included in the Constitution.
- Development Control Committee/Development Management Committee Scheme of Delegations has been revised to allow it to better focus on more strategically important and major applications.
- The Scheme of Delegations contains criteria for applications, which must be referred to the Development Control Committee/Development Management Committee, and those applications that can be delegated to the Corporate Lead Officer.
- A 'cooling-off' group has been established within the Development Control Committee/Development Management Committee Operational Procedures in order to review planning applications, which may, if approved, be a significant departure from policy.
- Decisions made contrary to officer advice and that do not fulfil the criteria of the checklist being developed for the Development Control Committee/Development Management Committee will be annually reviewed as part of the AMR process and reported to the internal audit procedures.
- Consideration is being given to the Data Protection Principles and processing of personal information in the context of Council Committees and all Members.
- Training has been scheduled for all Members (Introduction for Council, including GDPR) following the May 2022 Elections.
- A mandatory E-learning training module, introduced in September 2017, on the Well-Being of Future Generations Act 2015 ('WFGA') must be completed by all Staff (between September 2017 and November 2021 completed by 2,834 employees, of which 343 through Welsh and 2,491 through English). Between April and November 2021, 242 total employees completed the module, 40 through Welsh, 202 through

English (figures include leavers. Reminders issued to Staff who not yet completed module and Leadership Groups receive periodic reports.

- Standards Conference 2018 jointly hosted by Powys & Ceredigion County Council (held on 14 September 2018). A similar conference was to be hosted by North Wales Councils in 2021-postponed due to COVID-19.
- Governance and Audit Committee carry out a benchmarking exercise annually to provide further assurance on the review of the AGS process.
- IA review and report on the process annually. Governance & Audit Committee meets regularly to consider governance and external regulator reports. Chaired by non-executive member.
- Governance and Audit Committee Annual Report reported to Council on 23.9.2021 and approved.
- COVID-19 Governance Structure introduced by the Council, to include temporary delegated powers for the Council's Chief Executive and Leadership Group through use of Urgent Decisions for decisions relating to the Council's COVID-19 response), in accordance with Council's Constitution. The Urgent Decision of the Leader was reviewed regularly, and expired on 31.8.2021.
- Gold Command continues under operational procedures pursuant to Civil Contingencies Act 2004
- Gold Command Record of Decisions published on the Council's website).

Due to the COVID-19 pandemic, decisions have needed to be made by Gold Command for emergency reasons (under the temporary executive function transfer of power in place until 31.8.2021 and for operational procedures under the Civil Contingencies Act 2004 following that date).

- Roadmap produced, which outlines the services the Council does and does not provide, and what the Council's plans are, which is reviewed regularly, for Ceredigion giving overview of services provided in light of COVID-19 Pandemic, current guidance and number of cases in Ceredigion.
- Effective 'Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering)' updated and approved by Council 17.6.21(minutes confirmed 23.9.21).
- Internal Audit Annual Report on Counter Fraud presented to Governance and Audit Committee at year-end.
- Members of Governance and Audit Committee updated on fraud including Internal Audit annual counter fraud report presented to Governance and Audit Committee at year-end.

- Politically Restricted Post Register for Officers maintained and Political Restrictions on Local Government Employees Policy available to employees on CeriNet.
- Whistleblowing Policy available to Employees and Contractors (updated 2018) on CeriNet and is updated as necessary.
- MO is the Corporate Lead Officer ('CLO'), and advises Whistle-blowers, as appropriate.
- A mandatory E-learning training module on Whistleblowing must be completed by all Staff. MO keeps a register of referrals and reports 6-monthly to the Overview and Scrutiny Co-ordinating Committee. Regarding the take up of the Mandatory e-learning Whistleblowing module, between April and November 2021, 237 Staff completed the Module, 42 through Welsh and 195 through English (*these figures include leavers).
- All complaints are dealt with in accordance with the corporate procedures which include informal and formal stages and these are communicated to Staff on a regular basis.
- The complaints system is monitored by the Corporate Complaints and Freedom of Information Manager. Corporate Complaints Policy has been reviewed, new Policy presented to Corporate Resources Overview & Scrutiny Committee 7.7.21 and to Council 23.9.2021, and Revised Concerns and Complaints Policy and Procedures 2021, its implementation and publication approved by Council.
- Improvements are implemented as a result of complaints /recommendations received.
- Council Complaints and Freedom of Information Privacy Notice_
- Annual Complaints Report, including Lessons Learned from complaints, considered by the Governance and Audit Committee and Cabinet prior to approval by Council, presented to Council and noted.
- Minutes for all committees published on the Council's Website. All Committee agendas/minutes contain disclosures of interests.
- Cabinet Decision Notices published on the Council's Website.
- Statutory powers and legal implications included in every decision making Cabinet report.
- Preparation for publication of delegated decisions register ongoing. Gold Command Decision Log (a decision register) published regularly, presented to Gold Command (and approved) and thereafter to Overview and Scrutiny Co-ordinating Committee (20.1.2021, 16.6.21 and 1.12.2021) and published on Council's Website. Regarding other

delegated decisions, Development Control Committee delegated decisions published for each Development Control Committee.

- Register of Contracts published on Council Website.
- The Council is making preparations to comply with the 2021 Act regarding Governance and Audit Committee (Report on changes presented to Governance and Audit Committee 24.2.2021 and 3.6.2021 (to include requirement of Mid Wales Corporate Joint Committee to have Governance and Audit Sub-Committee)), with changes regarding recruitment approved by Council 18.3.2021, as follows:
 - a) the change of name of the Audit Committee to the Governance and Audit Committee, and additional performance and complaints-handling functions effective from 1 April 2021;
 - b) commencement of the recruitment process for independent lay members to the Governance and Audit Committee;
 - c) the proposals for the Shortlisting Selection Panel; and
 - d) the Role Description and Person Specification.
- Necessary changes to Constitution regarding Governance and Audit Committee per 2021 Act approved by Council 23.9.21. Changes made during 2021-2022 include preparations for:
 - terms of reference/remit/composition changes;
 - change of name to 'Governance and Audit Committee';
 - Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act) – recruitment completed, save for Council approval of successful candidates.
 - Committee duty to appoint own Chair and Deputy Chair;
 - Chair must be lay person.
 - Deputy Chair must not be member of Local Authority Executive; and
 - in absence of Chair & Deputy only non-executive Members can chair.
- Report on the size of the Governance and Audit Committee presented to Democratic Services Committee 21.5.2021, which agreed to recommend to Council that the Committee should comprise 6 County Council Members and 3 lay members (9 total). Report on size of Committee presented to Council 17.6.2021 and Council agreed same member composition from 5.5.2022.
- Officers such as Internal Auditors, sign an annual Code of Ethics affirmation.
- Internal Audit Charter approved by Governance & Audit Committee 19 January 2022.
- Training Needs Analysis Questionnaire has been circulated by Council newsletter to Staff requesting opinion on ethical culture of Council & training module planned in response to feedback.

- Training on equality and diversity and recruitment and selection including equal opportunities is mandatory for all Ceredigion County Council Managers.
- Procurement Strategy 2018-2022 approved by Council 19th June 2018 and procurement training also being rolled out to Staff.
- Council Recruitment Policy and DBS Policy.
- Standard Terms and Conditions for all Suppliers of Goods and services include conditions relating to Equality and Diversity and are available on the Council's website.
- In-House software used to retrospectively check for suspected duplicate payments.
- The Council has developed a Modern Slavery Policy (sent to contractors of the Council), Anti-Slavery Annual Statement 2019-2020 and Code of Practice Ethical Employment in Supply Chains.
- MO and Legal Services are available to advise as appropriate, including in advance and at meetings and the Internal Audit Service is available to advise as appropriate.
- MO attends Leadership Group/Cabinet/Council meetings and routinely attends many public meetings, as required, subject to availability. In the absence of the MO, the Deputy MO will attend Cabinet and Council meetings.
- The 2021 Act shall have an effect on corporate bodies, including the Council, and preparations for compliance are ongoing, including through the Cross-Party Constitution Working Group (Members of each political group in attendance), reports to the Governance and Audit Committee and Council, with a Council Action plan having been prepared and updated regularly, and meetings with relevant Officers and CLOs held, as appropriate.
- Job descriptions & person specifications clearly define the roles and responsibilities required of posts and Members' Role descriptions set out their respective responsibilities.
- Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, published 13 April 2016).
- Compliance with CIPFA's Statement on the Role of the Head of Internal Audit in Public Service Organisations (CIPFA, published 9 April 2019) & contribution published in CIPFA's accompanying Putting Principles into Practice document (2019)).

- Terms of reference are included in the Constitution and Governance and Audit Committee Terms of Reference updated according to 2021 Act.
- Reporting to Governance and Audit Committee.
- Financial Regulations and Financial Procedure Rules (Document F Constitution).
- Contract Procedure Rules (Document G in the Council's Constitution).
- Compliance with Specific Codes e.g. Internal Auditors' Public Sector Internal Audit Standards ('PSIAS', March 2017)
- Statutory Officers accountable to the Chief Executive ('CE') and the Council.
- Regular meetings between CE, S.151 Officer & MO, who has direct access to the CE and reports to Council generally and as part of statutory duty. The MO & S.151 Officer are key members of Leadership Group.
- Corporate Manager – Internal Audit ('CMIA') has free & unfettered access to Members and Officers at all levels, and right of access as per Council's Constitution and Internal Audit Charter.
- Effective External Audit, Internal investigations.
- Disciplinary Policy (Nov 2017).
- An Officer in the IA team is an accredited Counter Fraud Technician and Officer(s) of the IA team hold a CIPFA Certificate in Investigative Practices ('CCIP').
- Council complies with Audit Wales's annual National Fraud Initiative requirements, currently co-ordinated by Internal Audit.
- Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc).
- Membership and active participation in professional networks and groups (Tisonline, KHub, etc).
- IA offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained.
- Nominated Council Officers undertake various fraud training to maintain knowledge and expertise.
- Where appropriate, successful prosecutions publicised on Council website (and in local press).
- COVID-19 grant payments audited prior to payment (as easier to stop a payment than recover it).

- Key financial control audits added to audit plan, to check controls, governance & risks whilst staff working from home.
- IA's annual audit plan can address any necessary re-prioritisation of work, allowing IA to be reactive to any changes in risk within the Council.

B. Ensuring openness and comprehensive stakeholder engagement:

- All statutory Annual reports are available on the Council's Website.
- Freedom of Information Act publication scheme, Freedom of Information Policy (March 2018) and Complaints and Freedom of Information Privacy Notice. Regular and timely responses to the press and other enquiries to Management and members as well as comprehensive FOI responses. Review of the FOI Publication scheme in progress.
- Corporate Complaints and Freedom of Information Manager in post.
- A host of service areas are available online including council tax self-service and information.
- The Council's goals and values are set out in the Corporate Strategy 2017-2022. The Well-being and Improvement Objectives are included in the Council's Corporate Strategy 2017-2022 and are reviewed each year. Council considered the draft Well-being and Improvement Objectives Annual Report 2020-21 and approved the Well-being Objectives for 2022-23 on 21.10.21, which are published on the Council's website.
- Council and Cabinet meetings are broadcasted. All Council, Cabinet and Committee meetings open to the public and agendas and papers published on the Council website (with the exception of exempt reports).
- MO and Ethics & Standards generic email addresses created.
- Environmental Information Regulations Policy (March 2018).
- An Overview and Scrutiny Public Engagement Protocol (2018) (Document N Constitution) has been approved by Council and has been used on several occasions. Also, Public Engagement Tool Kit and Engagement with Service Users List.
- Protocol for speaking at the Development Control Committee (Part 4 Document I Constitution).
- In accordance with the requirements of the LGEW Act 2021, arrangements are being made to enable hybrid meetings to be held from May 2022. New equipment is currently being installed in the

Chamber (completion mid-April 2022). The system will allow meetings to be recorded and made available online.

- A Protocol is in place for working relationships between Members and Officers e.g. Officer-Member Protocol) (Part 5 Constitution) and Protocol for access by Cabinet Members to Overview and Scrutiny Committee approved by Council (Part 5 Document M2 Constitution).
- The Protocol of Good Practice has been created in order to support Members of the Development Control Committee (to be renamed Development Management Committee) in ensuring that determination of applications will be based on sound material planning considerations, and not applicants' personal circumstances.
- Integrated Impact Assessment ('IIA') tool and guidance has been approved for implementation.
- IIA tool and guidance to inform effective decision making have been developed and are being implemented with IIA conclusions reported to Council, Cabinet and Overview and Scrutiny. 10 IIAs went to Cabinet over 2021-22 up to 1.12.2021. Committees, which includes consultation.
- Standard templates and guidance for reporting to Council, Cabinet and Overview and Scrutiny Committees are used and all include the IIA results.
- All IIAs for Cabinet are assessed by the Engagement and Equality Officer, including whether effective engagement, involvement and consultation has taken place and informed strategic decision making process.
- Organisational Awareness training available as an optional module of the Corporate Manager Programme, which includes information relating to the decision making process, Wellbeing of Future Generations Act, Equalities, Welsh Language and the use of the IIAs.
- Processes have been introduced to monitor feedback e.g. any consultation/engagement reports are presented to Scrutiny and Cabinet to inform their decision-making.
- Feedback from engagement and how people's views have been taken into account is recorded in the IIAs.
- Council/Cabinet report template updated to include reference to legal implications, staffing implications, property/asset implications and risks.
- Where appropriate, items reported for decisions through Cabinet, Council and Committees are subject to legal and financial advice which will be referenced within each report.

- A calendar of dates of meetings including forward work programmes of the Council, Cabinet and Committees are published on the Council's website.
- Annual reports, Statements of accounts, Improvement progress reports are all published within timescales and are available on the Council's website.
- The Engagement and Consultation Checklist assists with decision making around whether or not to undertake a consultation regarding a proposed change and guidance on dissemination of consultation results is available to Officers.
- A Community Engagement, Consultations and Partnerships Page has been created on CeriNet, which includes links to Community Engagement Policy (11 January 2013), Engagement and Consultation Checklist, Engagement with Service Users and Consultation Decision Making Tool.
- Work is underway to prepare a Community Engagement Policy that will meet the requirements of the 2021 Act, which will also include how the Council will encourage participation in decision-making, although final guidance is awaited from Welsh Government regarding this part of the legislation.
- Participation Standards have been adopted by Council.
- Engagement with Service Users List including stakeholders with whom the authority should engage is in place.
- Summary reports on consultation and engagement activities are reported back to Members and service users.
- Minutes of structured engagement meetings, events and engagement groups with people with protected characteristics.
- A new Draft Engagement Policy has been prepared to take into account the latest engagement methodology, including digital engagement. This will be consulted upon and agreed following the Local Government Elections in 2022.
- A draft new Engagement Strategy for Ceredigion County Council, 'Talking, Listening and Working Together,' has been prepared. This will be consulted upon and agreed following the Local Government Elections in 2022.
- The Council, in collaboration with partners, has carried out significant engagement to produce the Public Service Board's ('PSB') Well-being Assessment and Local Well-being Plan.

- Work has commenced on preparing the next assessment of Local Well-Being that will be published in March 2022.
- Consultations 2020-21.
- Consultations are promoted through Social Media.
- Dissemination of consultation results and reports on completed consultations and engagement exercises are posted on the Council's public consultations webpage in order to provide feedback to the public.
- PSB Terms of Reference available on the Council Website, PSB Project Groups Terms of Reference available and Scrutiny arrangements for the PSB have been put in place.
- A Well-being assessment (PSB) has been carried out that has informed the development of the PSB's Local Well-being Plan, which was published in March 2018.
- Corporate Complaints Policy has been reviewed, new Policy presented to Corporate Resources Overview & Scrutiny Committee 7.7.21 and to Council 23.9.2021, and Revised Concerns and Complaints Policy and Procedures 2021, its implementation and publication approved by Council.
- Social Services Complaints Policy and Procedure has been reviewed.
- Consultation Decision making tool (Consultation Tree and flowchart) for Staff and Members have been developed and includes the use of feedback.
- Further consultation includes:
 - A new Engagement and Equalities post has been created through the restructure of the Policy and Performance service; and
 - All current consultations are available on the Council website.
- Social Media Policy (revised Aug 2018).
- Social media is being used to seek the public's views on matters being considered by Overview and Scrutiny Committees.
- Due to COVID-19, Council has consulted remotely via video conferences and electronic surveys.
- Guidance has been issued on the Ceredigion Council intranet to all Staff to follow with regards to the dissemination of feedback to decision makers. Recent indications are that significant progress is being made in this area by Officers.
- Joint engagement and consultation exercises are held.

- Collaborative projects are running with institutional stakeholders with clear governance arrangements in place.
- Collaboration Standards for New Strategic Projects Guidance and Templates are available.
- Partnerships Include:
 - PSB;
 - West Wales Regional Partnership Board;
 - Community Safety Partnership (reviewed 2019 and subject to Scrutiny);
 - Mid and West Wales Safeguarding Board; and
 - Growing Mid Wales.
- The formal review of partnerships that sit under the PSB has been completed. The new partnership structure has been operational since June 2018 and the partnerships will be reviewed on a periodic basis.
- Regular reporting of partnership meetings and activity to Leadership Group and Cabinet.
- Partnerships such as Growing Mid Wales have been established with governance arrangements. Growing Mid Wales Joint Overview and Scrutiny Committee has been established
- Partnership metrics are subject to internal review, where appropriate.
- A monitoring partnership framework that reports on all key decisions made by existing partnerships is reported to Leadership Group.
- Advice provided to Members and Officers serving on outside bodies.
- Legal Team is actively involved in drafting and reviewing Terms of Reference for Inter Authority Agreements ('IAAs') and formal committees.
- A suite of documents have been developed that relate to strategic collaboration projects that the Authority is considering entering into. The documents include guidance, standards and numerous templates for varying stages of collaboration projects.
- Executive Group Self-assessment carried out.
- All school reorganisation proposals are required to have formally consulted with stakeholders through adhering to the Welsh Government's School Organisation Code.
- Guidelines on Corporate Branding (May 2019).
- Corporate Communications Strategy (2019-2022).

- Effective Community involvement carried out with the well-being assessment work and service users from different backgrounds to inform the new Strategic Equality Plan.
- We have worked in partnership with Local Authorities and Public Services across Mid and West Wales on the review of our Strategic Equality Plans. A joint question set and engagement and consultation framework was produced and as a result, feedback was obtained from people with protected characteristics.
- An annual report on progress made against the Council's Well-being objectives and Corporate priorities is published on the Council Website.
- UNCRC – United Nations Convention on the Rights of the Child have been adopted by the Council.

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

- Corporate Strategy 2017-2022
- The Council's Well-being and Improvement Objectives are included in the Council's Corporate Strategy 2017-2022 and are reviewed each year and reported in the Well-being and Improvement objectives annual report published on the Ceredigion County Council website. Council considered the draft Well-being and Improvement Objectives Annual Report 2020-21 and approved the Well-being Objectives for 2022-23 on 21.10.21, which are published on the Council's website.
- Performance information is outlined in the Council's Well-being and Improvement Objectives Annual report.
- The purpose and the vision of the Council have been determined by Council and is contained in the Corporate Strategy 2017-22. This strategy illustrates how the authority will support and promote the well-being of the citizens of Ceredigion.
- PSB Local Well-being Plan was published in May 2018.
- The Authority has undertaken the following steps towards the implementation of the Well-being of Future Generations (Wales) Act 2015:
 - o Prepared well-being objectives and statement;
 - o Embedded the Well-being Goals and Sustainable; development principal into the business planning process
 - o Developed a new IIA tool and guidance (training has been rolled out for Officers and Members);
 - o Established a Well-being of Future Generations Act group and action plan;

- o The Constitution is continually monitored and reviewed;
- o PSB assessment of Local Well-being published in March 2017;
- o Scrutiny arrangements agreed for PSB;
- o Cabinet Reports, to include the Social/economic/ environmental impact assessment;
- o A mandatory e-learning module on the Act has been developed and promoted to all Council Staff;
- o an Equality, community and Welsh language Impact Assessment must be undertaken on all school restructuring proposals as required under the Welsh Government School Organisation Code; and
- o Members have contributed to The Future Generations Officer Scrutiny Framework in relation to the WFGA
- All Planning arrangements reflect the Golden Thread and make the links to Corporate plans including;
 - o Strategic Plan;
 - o Corporate Performance Management Reporting; and
 - o Well-being Improvement Objectives
- Community and Engagement Policy (11 Jan 2013) is available.
- A Public Engagement Toolkit 2014 has been developed in order to provide a user-friendly resource for Officers when developing and undertaking effective public engagement with their communities, in accordance with the National Principles of Public Engagement.
- Updates on the budget savings and the work of the Development Group are reported to the Cross Party Transformation and Efficiency Consultative Group.
- Budget setting subject to detailed scrutiny by the five Overview and Scrutiny Committees.
- Business planning process includes resource allocation and Business Plans are prepared on an annual basis and are monitored quarterly by a Performance Board, which includes Cabinet members and the Chairs and Vice Chairs of the Overview and Scrutiny Committees and Chair of the Governance and Audit Committee.
- Quarterly performance arrangements provide a challenge protocol to ensure outcomes are delivered.
- Corporate performance management arrangements include quarterly assessment of risks to the achievement of outcomes or service delivery.
- Risk management includes risk logs for;
 - o Business Plans (Level 1); and
 - o Service Plans (Level 2).
- Local performance measures are included in Business and service delivery plans.

- Capital Plans include;
 - o Rights of Way;
 - o Highways;
 - o Annual Budget Plan; and
 - o Transformation.
- The Risk Management Policy and Strategy and the Risk Management Framework was approved by Cabinet on 24 September 2019.
- Risk Management training to be rolled out to Members and Senior Managers.
- Risk management e-learning package has been developed for all other Staff and training took place in 2019, with workshop with insurers arranged for senior Managers.
- Publication of service performance, including costs and value for money data is routinely considered within service reports.
- The appointed Auditor considers the Council's arrangements to secure economy, efficiency and effectiveness. In his letter he has stated that the Council has complied with its responsibilities to the use of its resources.
- The most recent Audit of the Council's Improvement Plan (2020-2021) was issued in November 2020. The report concluded positively that the Council discharged its duties and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- A capital appraisal form is completed for new capital projects, which covers the requirement for the project, and is used to assess value for money and the revenue implications of major projects.
- Medium Term Financial Strategy, which also contains Capital Investment Strategy.
- Wales procurement policy statement is aligned to the Council's Procurement Strategy 2018-2022.
- IIA tool and guidance is available and used to support decision-making.
- All reports and minutes are published in a timely manner and are open for inspection. All meetings are held in public, subject to the consideration of exempt information as defined by the 1972 Local Government Act.
- Pre-decision Scrutiny encouraged where possible.
- The Transformation Programme.
- Engagement and Consultation Checklists are available on CeriNet.
- The Council wide WFGA Group Action Plan.

- Strategic Equality Plan 2020-2024, and Annual Strategic Equality Plan monitoring report 2020-2021 being submitted for approval, and once approved will be published on Council website.
- Welsh Language Standards and Annual Welsh Language Standards monitoring report.
- A mandatory E-learning training module on Welsh Language Awareness must be completed by all Staff.
- Annual Complaints and Compliments Report 2020/21 presented to Corporate Resources Scrutiny Committee 27.10.21 and approved by Council 9/12/21.

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

- The IIA tool and guidance is available and training has been rolled out for Officers and Members.
- Standard reporting templates are used in decision making process.
- Organisational Awareness training available as an optional module of the Corporate Manager Programme, which includes information relating to the decision making process, Wellbeing of Future Generations, Equalities, Welsh Language and the use of the IIAs, Head of Democratic Services and MO (CLO-Legal & Governance) advise as necessary.
- Risk Management Policy, Strategy and Framework (approved by Cabinet 24.9.10) with training programme for Members, Senior Management and Managers, published on CeriNet and available to all Members of Staff.
- Documents amended to reflect additional risks and background information to make informed decisions. Corporate Risk Register reported regularly to Governance and Audit Committee (9.9.2021, 3.6.2021).
- Medium Term Financial Strategy has been regularly updated the current version dated 2021/22 Onwards approved by Council 5.3.2021.
- Consultation decision tree tool includes a guidance section on dissemination of consultation results.
- Finance challenge regarding savings on Council Website.
- Corporate Performance Management arrangements include quarterly:
 - o Corporate Lead Officer Service Report;
 - o Performance Board; and
 - o Executive Panel meetings.

- The Business Planning process for 2021-22 is being implemented with Level 1 Business Plans shared with the Performance and Research Team.
- Performance measures have been identified within each Level 1 Business Plan that have in turn translate into the reporting Dashboard for each service. These measures have been closely scrutinised and have received final sign-off from senior leadership. Services report against these measures as part of the performance management process for the year.
- Business Plans include budget and finance information and form part of the quarterly Corporate Performance Management arrangements.
- A calendar is used to report deadlines and Board/Executive Panel dates are published with reports.
- Corporate Communications Strategy 2019-2022
- The Ceredigion PSB has a Local Well-being Plan that has been developed and delivered jointly with external stakeholders and partners.
- An Assessment of Local Well-being has been undertaken by the PSB that has fed the Local Well-being Plan and the Council Well-being Objectives for future years.
- All major collaboration projects have established governance and management arrangements including risk management.
- All projects considered by Corporate Project Management Panel, which is also attended by IA and is an effective forum for advice/challenge and highlighting risks as Service areas develop projects, including collaboration projects.
- The Corporate Project Management Panel helps ensure projects give early consideration to: the Well Being and Future Generations Act; to other guidance; to finance, procurement, governance and legal arrangements; to HR implications; Health & Safety; and Audit. Improve project arrangements prior to reporting to the Development Group and other authorisation processes.
- Account will be taken of legislative changes e.g. work is ongoing in relation to implementing legislative changes such as LGEW 2021 Act changes and considering/monitoring risks facing each partner when working collaboratively, including shared risks. Meetings are being held and preparation being carried out, for example, regarding the 2021 Act's requirement for Corporate Joint Committees, including potential and shared risks (a CJC group has been established, with the first meeting held on 19th April 2021, to consider the requirement to establish the Mid Wales CJC in accordance with the 2021 Act).

- Corporate Project Management Group has been established to formalise project development and management.
- Ensuring Staff with project management skills are available.
- This helps ensure projects give early consideration to: the Well Being and Future Generations Act; to other guidance; to finance, procurement, governance and legal arrangements; to HR implications; Health & Safety; and Audit. Improve project arrangements prior to reporting to the Development Group and other authorisation processes.
- Helps identify capital requirements for inclusion in future capital programmes.
- Local performance indicators have been established and approved for each service element and included in the service plan and are reported upon regularly.
- Budget Framework.
- Service Accountancy – Budget monitoring.
- Financial Regulations and Financial Procedure Rules (Document F Constitution) along with Budgetary Control Guidance are all up to date. Chief Officer Assurance Statements.
- The internal controls in place are subject to regular review by Internal Audit, in accordance with the annual risk-based audit plan.
- Corporate Strategy 2017-2022.
- Internal Audit Strategy & Plan 2021/2022 approved by Governance & Audit Committee 24 February 2021.
- The corporate savings plan has been through a robust governance process to ensure that all savings link to the desired service outcomes.
- Community Benefits is embedded in our Processes and Policies and has been regularly applied, monitored and reported upon.
- Well-being of Future Generations (Wales) Act is integrated into our processes.

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

- Corporate and line management induction is now in place. Corporate induction and Corporate Manager Development plans were introduced in April 2018. Corporate induction sessions are part of these requirements, all

new Staff must attend an induction session. Senior Managers present within these face-to-face sessions.

- Induction programme is provided for new Members. Ongoing training is provided for Members and arranged for specific issues e.g. Treasury management, also ongoing review of opportunities for skills and refresher training, including Personal Development Review Scheme (information to be used to develop a Members' Training Plan) and new comprehensive induction programme shall be provided post-election (from May 2022) with additional e-learning modules.
- Member development scheme.
- Preparations are being undertaken for (as part of induction programme for Members (from May 2022)) Cabinet Member training, Ethics and Standards Committee (role) training, Political Group Leader Duties training and Governance and Audit Committee (role) training.
- Development/training done as part of person specifications for key finance and legal posts (mandatory qualification, job requirements).
- Personal reviews for Officers and provision of opportunities for ongoing skills and refresher training for Officers.
- CeriNet (the HR intranet and resource to Staff and management) is continually reviewed and improved for effectiveness. Its introduction has improved effectiveness. Induction information is available along with the Staff handbook and Managers Toolkit.
- Learning & Development is now managed via the Ceri system offering opportunities to all Staff, with opportunities also offered to those within a Leadership Role or who are aspiring leaders. E-learning modules are being introduced to ensure training and development is cost effective wherever possible.
- E-learning packages are regularly being developed and rolled out for mandatory and non-mandatory training.
- Strategic Workforce planning toolkit includes the identification of training and learning needs for all service areas.
- Performance Appraisals record training and development needs via the Ceri system.
- Ongoing annual Personal Performance and Development scheme – Performance Reviews link to Corporate and strategic objectives.
- Personal Development Review process in place for Members.
- The Council aims to achieve the standard level for the Wales Charter for Member Support and Development.

- The Corporate Performance Management arrangements provide the forum for performance management's needs and thereafter preparing action plans for delivery of corporate improvements in performance review of Staff. These have been further strengthened with the introduction of annual appraisals for all Staff via the Ceri HR system.
- All Staff can access learning and development events via Ceri self-service. Managers can also book Staff onto relevant events via Managers Self-service.
- Staff development plans linked to appraisals have been strengthened with the introduction of the Performance Management module in Ceri.
- Ceredigion Manager Programme offers personal development including governance arrangements and organisational knowledge.
- Workforce Plan 2017-2022 includes actions for Staff development in key themes.
- Members attend various events, seminars and conferences (see above).
- Utilisation of research and benchmarking exercises.
- The Ceri HR payroll system has ensured that meaningful data on Staff is now available to Managers on a monthly basis in order to monitor costs turnover and absence.
- Effective operation of partnerships which deliver agreed outcomes. Effective Partnerships have been developed in a number of areas and services including:
 - School Improvement;
 - Health & Social care; and
 - Waste.
- Additional partnerships are included in the strategic Collaboration Projects List.
- A Human Resources Strategy is available on the Intranet.
- Strategic workforce planning is undertaken utilising the Strategic workforce planning tool kit and is completed by all service areas. The outcomes of this tool kit informed the workforce plan for 2017-2022. The Workforce Plan 2017-2022 focuses on 4 key themes:
 1. Engagement & Opportunity;
 2. Flexible & Agile Workforce;
 3. Promote a bilingual workforce; and
 4. Leadership & Management Development.
- Updates on progress of the workforce plan are reported to scrutiny.

- The Leadership and Senior Officer structure has defined these roles, including how they integrate with each other.
- Succession planning is undertaken through discussions and actions within service areas and with partners this cannot always be evidenced. This will be further developed through the Strategic workforce planning toolkit.
- Joint meeting of senior Managers ensures that roles, responsibilities and accountabilities are clear.
- Job descriptions clearly define the roles and responsibilities required of posts.
- The Constitution sets out the roles and responsibilities of Members (Part 3.4 Table 4) and senior Officers (part 2 Article 2) and a Scheme of Delegation (The Constitution Part 3.5) exists and clearly sets out responsibilities for Members and Officers.
- The Strategic Planning Toolkit includes an element of succession planning and talent management.
- Protocols are in place for working relationships between Members and Officers (e.g. Officer-Member Protocol).
- Codes of Conduct for Officers and Members are in place.
- Member Officer working groups in place and working effectively.
- Contract Procedure Rules ('CPR') (Part 4 Document G Constitution) and Financial Regulations and accompanying financial procedures (Part 4 Document F Constitution) are reviewed on a regular basis e.g. CPR updated March 2019.
- The Corporate structure of the Council has been established to ensure that the Statutory Officers are able to perform their roles effectively.
- The CE is responsible for reviewing this structure, as necessary.
- Democratic Services Committee resolved on 15.10.21 to agree the revised set of Member Role Descriptions, designed to be used alongside Welsh member Development (Competency) Framework, of Welsh Local Government Association ('WLGA') Framework Member Role Descriptions and Person Specifications, which includes role description of the Leader (Report for information also been prepared for presenting to Governance and Audit Committee 19.1.21).
- Access to courses/information briefings on new legislation.
- Members Workshops arranged, as necessary.
- Engagement with Service Users list and Service User focus groups.
- Community Engagement Policy.

- Scrutiny Public Engagement Protocol (2016) (Document N Constitution)
Council continually consults and engages with local residents, customers and other stakeholders within the county to understand their opinions and views when developing new plans and/or strategies. Feedback is always given due consideration before final versions are agreed.
- Scrutiny self-assessment undertaken annually including survey.
- Attendance records published annually.
- Members are encouraged and supported to complete Annual Reports, which are published on the Council's website.
- Chair of Governance and Audit Committee attends All Wales Governance and Audit Committee Chair's Networking Meetings to develop and compare role within Local Authorities.
- Implementing appropriate Human Resource policies and ensuring that they are working effectively.
- Smoke-Free Workplace Policy and Alcohol and Drug Misuse Policy.
- The Council has introduced a range of resources and options to enhance the health and well-being of Staff e.g. Health and Well-being Strategy 2021-2026 has been introduced to support the improvement in the workforce health and well-being.
- The Council has appointed an Employee Health & Wellbeing Officer to coordinate and promote health and wellbeing within the workforce.
- A Care First employee assistance package has been introduced that offers:
 - Counselling service; and
 - Advice on financial, legal, consumer, eldercare, childcare and employment issues.
- Other support available for Staff includes:
 - Cognitive Behaviour Therapy Interactive health and wellbeing programme;
 - Eyecare scheme;
 - Childcare voucher scheme;
 - Iechyd Da; and
 - Mindfulness training for Staff and Managers.

F. Managing risks and performance through robust internal control and strong financial management:

- Risk Management Policy and Strategy and the Risk Management Framework were approved by Cabinet on 24 September 2019 and Framework continues to be updated. The Council continues to form strategies and plans taking into account the risks caused by the COVID-19 pandemic
- The Corporate Risk Register is considered at all Leadership Group, Corporate Lead Officers, Corporate Performance Management meetings and by the Governance and Audit Committee as a standing item to the Governance and Audit Committee. Updates are reported at each Governance and Audit Committee Meeting to provide ongoing information and assurance that risks continue to be managed. The Committee refers matters to Scrutiny Committees, where appropriate.
- Risk Management is integral to operational business planning Policy and Strategy setting.
- Project and transformation Risks are all logged. The Cross party Transformation and Efficiency Group regularly monitors Transformation Risks and Transformation and Risks are all referred to joint Local Government meetings and Panels.
- All Plans included Risk logs including:
 - The Medium term Financial Plan;
 - Business Plans (level 1); and
 - Service Plans (level 2).
- Business/Service plans are monitored to ensure delivery outcomes are achieved.
- Corporate Risk Management arrangements are audited regularly and the management of risks is included in individual Services service/establishment audit programmes.
- 'Risks' form the basis of Internal Audit's audit programmes of work, as required by the MKI/Pentana audit management software system. Council / Cabinet report template updated to include reference to legal implications, staffing implications, property/asset implications and risks.
- Corporate Performance requires regular updates for Risk.
- The Council revised its Corporate Performance Management arrangements in 2017 to improve monitoring of its business plans and performance indicators, including National Strategic Indicators ('NSI'), PAM and Local Indicators. These are also linked to the Well-being and Improvement Objectives and the Corporate Strategy 2017-2022.

- A Corporate Performance Management Panel meets quarterly. All Corporate Lead Officers report to this Panel and the Dates for reporting are published in the report. The Chairs and Vice Chairs of the Overview and Scrutiny Committees attend with the principle that they can identify areas that require inclusion on their respective Forward Work Programmes.
- Specific Project Risk Monitoring is undertaken and all Risks are allocated to a Corporate Lead Officer (Risk Owner).
- Council considered the draft Well-being and Improvement Objective Annual Report 2020-21 and approved the Well-being Objectives for 2022-23 on 21.10.21 in October 2020 (The Well-Being & Improvement Objectives Annual Report 2020-2021 was also approved by the Council's Overview and Scrutiny Co-ordinating Committee on the 15.9.21, and Cabinet 5.10.21).
- Benchmarking information carried out as part of service re-modelling.
- External & internal assessments by:
 - Audit Wales;
 - Estyn;
 - Care Inspectorate Wales ('CSIW'); Investigatory Powers' Commissioner's Office ('IPCO'); and
 - Information Commissioner's Office ('ICO').
- External assessments, to include Code of Conduct.
- Self-assessment (Governance and Audit Committee) - self-assessment exercise underway for presenting at 10.3.2022 Governance and Audit Committee Meeting.
- Individual Services carry out self-assessment through a performance matrix.
- IA undertake an annual self-assessment and have a 5-yearly independent external assessment / peer review as required by the PSIAS.
- Cost performance (using inputs and outputs).
- Chief Officers provide support and advice to Members. Advice also provided by Chief Financial Officer.
- Reporting requires financial and legal advice/implications to be included in reports/decisions, which are published as appropriate.
- All reports and minutes are published in a timely manner and are open for inspection including.
- Options for recommendations.

- Scrutiny Committees may request reports at any time and Scrutiny Chairs are invited to take issues back to Cabinet
- Governance and Audit Committee refer matters to Scrutiny and receive reports back.
- All meetings are held in public, subject to the consideration of exempt information as defined by the 1972 Local Government Act.
- Agreement on the information that will be needed and timescales
- Scrutiny arrangements are in place that is supported and which provide opportunities to challenge decision making and review the provision of services. The scrutiny function aim is to provide added value to the continuous improvement agenda in their role as “critical friend”. In addition, Overview and Scrutiny Committees also provide opportunities to undertake pre-decision and policy development work, which is a function of scrutiny, which has developed over recent years. The Council’s aim is to scrutinise, where possible, before decisions are made.
- An Overview and Scrutiny Public Engagement Protocol (2016) (Document N Constitution) has been approved by Council and has been used on several occasions.
- Arrangements in place to seek the views of the public which is gathered via social media and shared with Overview and Scrutiny Committees for consideration.
- The Council’s Overview and Scrutiny Co-ordinating Committee will be responsible for taking an overview of the overall effectiveness of the PSB.
- Work undertaken with the Future Generations Office to develop a Scrutiny Framework in relation to the WFGA.
- Reports and also all agendas, minutes, Forward Work programme and Terms of Reference are published on the Council’s website.
- A Corporate Performance Management Board meets each quarter, with Chairs of Scrutiny Committees invited to attend.
- Reporting dates are set at beginning of each year.
- Budget monitoring is regular throughout the year, within services, to Cabinet and to Member Officer working groups e.g. Development Group and CMG and transformation programme savings to the Cross Party Transformation and Efficiency Consultative Group, which Chairs of Overview and Scrutiny Committees are invited to observe alongside Performance Board meetings.
- Financial monitoring is regularly undertaken throughout the Council under a devolved accountancy arrangement and formal reporting is made to

Cabinet. Monitoring is also incorporated in to the quarterly performance management reports.

- Financial implications are a requirement for inclusion in all Cabinet Meeting reports.
- Financial Regulations and Financial Procedure Rules (Document F Constitution) and the Contract Procedure Rules (Document G Constitution) are all up to date. The current Procurement Strategy 2018-2022 was approved in 2018.
- Accounting practices - Codes of Practice are complied with. Prudential Indicators are prepared and reported to Council and monitored throughout the year. Regular budget monitoring takes place throughout the year. IA also reviews controls over income collection and monitoring.
- Updates in relation to Business Continuity and Civil Contingencies arrangements submitted on a regular basis in line with the Corporate Risk Register, Risk CORP04 and Business Continuity and Civil Contingencies Group meet monthly.
- The annual Internal Audit Plan is risk-assessed and takes account of Council aims and objectives, and corporate policies and procedures; to include a review of the Risk Management corporate arrangements, and testing the mitigating controls in place for a sample of risks noted in the Corporate Risk Register.
- Internal Audit Strategy & Annual Plan 2021-2022 approved by Governance and Audit Committee 24 February 2021, & continues to take account of additional risks presented by the pandemic.
- IA's annual audit plan can address any necessary re-prioritisation of work, allowing IA to be reactive to any changes in risk within the Council.
- Internal audit reports issued to Managers highlight the risks of not implementing any IA recommended actions. A follow-up audit is conducted of action plans issued. If CMIA considers that any fundamental risks have not been addressed by a Manager this is reported to Governance and Audit Committee who has the discretion of requesting that Manager to attend & explain reasoning for non-compliance.
- The appointed Auditor considers the Council's arrangements to secure economy, efficiency and effectiveness in his letter he has stated that the Council has complied with its responsibilities to the use of its resources.
- The Council Objectives are aligned to Strategies.
- Regular meetings of the Emergency and Business Continuity Management Group take place to review Corporate and Service Area Emergency and Business Continuity Arrangements and Plans as well as recommendations

arising from past incidents and exercises to evidence risk, identify emerging trends, and document any lessons learnt for follow up.

- Risk evaluation always appears on agendas.
- Regular Quarterly Internal Audit Progress Reports to Governance and Audit Committee for monitoring (e.g. Internal Audit Progress Report for period 1 April 2021 to 30 June 2021 presented to Governance & Audit Committee on 9 September 2021, subsequent periods were reported on 19 January 2022, 10 March 2022 and 6 June 2022).
- Summary of work and audit opinion on assurance provided annually in Internal Audit Annual Report at year-end. IA Annual Report for 2020/21 approved by Governance & Audit Committee 3 June 2021 and the IA Annual Report for 2021/22 approved by Governance & Audit Committee 6 June 2022.
- Follow-up IA reviews to monitor implementation of required actions.
- Internal controls, risk & governance processes are monitored according to the Internal Audit Charter (last version approved by Governance & Audit Committee 19/01/2022) & the Annual Internal Audit Strategy and Plan.
- Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption ('CIPFA', 2014).
- Internal Auditors have procedures in place if fraud discovered.
- An Officer in the IA team is an accredited Counter Fraud Technician.
- Officer(s) of the IA team hold a CIPFA Certificate in Investigative Practices ('CCIP').
- 'Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering)' updated and approved by Council 17 June 2021 (minutes confirmed 23 September 2021) has been written with regard to the Code of Practice & updated to ensure all requirements are included.
- IA undertakes counter fraud work where required (as well as dealing with the discovery of fraud as considered earlier) and presents Counter-Fraud Report to Governance and Audit Committee annually (2021/22 Counter-Fraud Report presented to Governance & Audit Committee on 6 June 2022).
- Council complies with Audit Wales's annual National Fraud Initiative requirements, currently co-ordinated by IA.
- Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc);
- Membership and active participation in professional networks and groups (Tisonline, KHub, etc);

- IA offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained;
- Nominated Council Officers undertake various fraud training to maintain knowledge and expertise;
- Where appropriate, successful prosecutions publicised on Council website (and in local press).
- COVID-19 grant payments audited prior to payment (as easier to stop a payment than recover it);
- Key financial control audits added to audit plan, to check controls, governance & risks whilst staff working from home
- AGS 2020/21 approved by Council on 25 November 2021 with the Statement of Accounts. The AGS contains the CMIA's annual opinion on assurance.
- Up to 31/12/21 the IA function is headed by a CIPFA qualified CMIA, and the CMIA from 1/1/22 onwards is studying to gain an IIA qualification, Both CMIA's have considerable local government experience, and are supported by a team with appropriate knowledge and skills. Regular reporting to Governance and Audit Committee on the activity of IA is undertaken. Robust risk-based forward work programme and business planning is in place.
- IA evaluates and improves the effectiveness of risk management, control & governance processes in accordance with PSIAS, which is self-assessed and reported to Governance and Audit Committee annually along with any improvements required. A peer review is undertaken every 5 years (latest review completed May 2022 by Anglesey County Council).
- IA provides an individual assurance to Managers after each audit review – these are then used to provide an overall corporate level of assurance annually, which feeds in to the AGS.
- A re-structure of IA was implemented in May 2019, and another in November 2020. The service has been fully resources since 1 December 2020.
- A new CMIA will be in place from 1 January 2022, who has considerable experience in IA, has a 6-week window to 'shadow' the existing CMIA, and is supported by a knowledgeable & skilled Audit Manager (see point G3.2 below).
- Two members of the team are currently pursuing the Institute of Internal Auditors' professional training qualification.

- Governance and Audit Committee established that sets its own work plan. Committee is chaired by a Member of the opposition group (until May 2022 when Lay Person shall be Chair, per 2021 Act provisions).
- Ongoing preparation and implementation of changes affecting the Governance and Audit Committee in light of the 2021 Act. The Governance and Audit Committee was informed, in a report on 24.2.2021 Meeting, of the changes to their role regarding self-assessment reports of the Council, and regarding panel performance assessments, as well as the change of name, and changes to the Chair/Vice Chair and composition.
- The Governance and Audit Committee's Terms of Reference were updated on 6 December 2018.
- Update report on 2021 Act presented to Governance and Audit Committee 3.6.2021, to include updating Governance and Audit Committee regarding changes to Constitution affecting Committee including:
 - Recruitment of lay members and the Mid Wales CJC Governance and Audit Sub-Committee; and
 - Regarding the Committee's functions relating to:
 - reviewing and assessing the performance assessment of the Council;
 - considering the Council's draft annual Self-Assessment report;
 - considering any report from the Auditor General and Council's draft response;
 - review of the Council's complaints handling function; and
 - role regarding Panel Performance Assessments (from May 2022).
- Changes made during 2021-2022 include preparations for:
 - terms of reference/remit/composition changes (including recommendations to Council from Cross-Party Constitution Working Group and changes to Constitution approved by Council at its 23.9.2021 Meeting);
 - change of name to 'Governance and Audit Committee';
 - Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act) – recruitment completed (Council approved appointments 9.12.21);
 - Committee duty to appoint own Chair and Deputy Chair;
 - Chair must be lay person –recruitment completed (Council approved appointments 9.12.21) and Chair/Deputy Chair shall be appointed from Lay Members;
 - Deputy Chair must not be member of Local Authority Executive; and

- In absence of Chair & Deputy only non-executive Members can chair.
- Size of Governance and Audit Committee review completed and change of size from May 2022 approved (9).
- The Governance and Audit Committee has an effective Lay Member and Membership of Governance and Audit Committee considered in line with 2021 Act: Lay member recruitment completed, taking into account 2021 Act requirements and termination of term of office of current lay member. Job Direction, Personal specification, and criteria approved by Council 10/12/20.
- Membership details for Governance and Audit Committee and all Scrutiny Committees is available on the Council's website.
- Regular meetings between CMIA and Chair of Governance and Audit Committee, advice given by MO and also regular meetings, as necessary between MO and Chair, and MO, CMIA & Audit Wales.
- Regular Meetings between Governance and Audit Committee Members and external regulator Audit Wales (with and without Officers)
- Training for Members and regular training/updates provided to Governance and Audit Committee.
- Chair of Governance and Audit Committee attends Welsh Governance and Audit Committee Chair network group to develop and compare role within Local Authorities.
- A New ICT and Digital Strategy for 2018-2022 has been approved and all policies are up to date including (all approved in February 2019):
 - Data Protection & GDPR Policy;
 - Information Security Policy; and
 - Records Management Policy.
- Officers are considering the introduction of privacy notices in relation to applications to the Development Control Committee/Development Management Committee.
- Training has been scheduled for Members on their obligations under the GDPR as part of the new Member training and a section on said legislation is now included in the protocol for Members in planning.
- Mandatory E-learning training modules on Data Protection and Information Security must be completed by all Staff.
- Designated Data Protection Officer.
- Corporate Lead Officer Customer Contact is the Senior Information Risk Owner ('SIRO') and has attended appropriate training for that role.

- The following responsible Officers are identified:
 - IT Security Officer ('ITSO'); and
 - Information and Records Management Officer ('IRMO')
- In addition, Corporate Data Protection Group and Emergency & Business Continuity Meeting consider Information security.
- Regular Internal Audit of data protection Registration requirements and procedures following Audit Wales audit have been implemented.
- Ceredigion County Council signed Wales Accord on the Sharing of Personal Information ('WASPI') and therefore uses WASPI framework for Information Sharing Agreements.

***The Accord is a common set of principles and standards under which partner organisations will share personal information. Organisations who adopt the Accord will show their commitment in meeting the agreed conditions, obligations and requirements within the framework.

- In most cases agreements are forwarded to the Data Protection Officer.
 - There is also a public register on WASPI Website.
 - Regular external Assessments e.g. Compliance with Code of Conduct.
 - Internal performance monitoring and evidence.
 - Cross matching data happens across the different services.
 - Performance Indicator values are validated with evidence.
 - Retention Schedule –now published on intranet.
 - The current Medium Term Financial Strategy ('MTFS') was established during the 2013-14 year and fundamentally updated and approved by Council on the 24th February 2016. The Current MTFS is that of 2018/2019 Onwards, but has now been amended to reflect the 2021/2022 provisional revenue settlement and updated to:
 - Reflect the impact of COVID-19
 - Reflect 'Boosting Ceredigion's Economy – A Strategy for Action 2020-35'
 - Amend the transformation savings plan
 - Project forward cost pressures
 - Reflect data changes, regulations, plans, policies and strategies
- and is being presented to Cabinet for approval 23,2,2021 for approval to then be presented to Council on 5.2.2021.
- This now includes a policy framework for setting the budgets annually as well as a three-year plan. The MTFS features as a corporate risk that is updated at least three times a year. The annual budget setting also

included a risk assessment. The Council is responding to the proposal in the 2016 Wales Audit Office (now Audit Wales) Annual Improvement Report, and considering the report in light of the MTFs through ensuring that the Council's financial management arrangements are sufficiently robust to meet the significant challenges ahead.

- A Strategic Plan has been developed and has improved the programme of work necessary to consider service priorities whilst addressing financial constraints.
- An annual budget project plan/timetable is established to ensure that a balanced budget is approved within the statutory period in accordance with the Councils budget framework.
- Regular budget reports are taken to Cabinet and Leadership Group throughout the year and operational budgets are monitored on a monthly basis.
- Quarterly Executive Panel meetings take place if required with Corporate Lead Officers together with the Leader of the Council, the CE, Corporate Lead Officer for Finance and Cabinet Member with Finance responsibility.

G. Implementing Good Practices in transparency, reporting and audit to deliver effective accountability:

- Council's Website.
- Council and Cabinet meetings are broadcasted.
- Standard templates for Cabinet, Scrutiny and Council.
- Compliance to the Welsh language Standards.
- Use of Modern.Gov for publishing agendas and Councillor Information.
- Council preparing for implementation of changes to be introduced by 2021 Act, which include for Council to consult and publish a public participation strategy with the aim of increasing public participation in local democracy, and improving transparency.
- Council compliance with The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020, which allow for remote access for meetings and public access/publishing of documents requirements.
- Work is underway to prepare a Community Engagement Policy that will meet the requirements of the 2021 Act, which will also include how we will encourage participation in decision-making, although final guidance is awaited from Welsh Government regarding this part of the legislation.

- Council Roadmap provides up-to-date information for citizens on services being provided due to COVID-19 pandemic, in order to provide clarity for County residents.
- The Council has been out to tender and awarded the contract for installing equipment in the Council Chamber that will enable hybrid meetings to take place as well as being able to broadcast those meetings. The equipment will be installed over the winter.
- The Council provides alternative ways for citizens to access information if they don't have access to digital services. The Citizen can telephone the Council's Contact Centre or visit its Libraries where public access to computers are available or free 4G Wi-Fi to allow anyone to use their own device.
- Councillors' contact details, attendance records, Committee membership and Declarations of Interests available on the Council's Website.
- Councillors' annual reports available on the Council's Website.
- Overview and Scrutiny Annual Report available on the Council's Website.
- Democratic Services Annual Report available on the Council's Website.
- The County Council's Well-being and Improvement Objectives Annual Report is published on the Ceredigion County website to inform Ceredigion citizens what activities and actions the Council undertakes in support of its Well-being and Improvement Objectives. This also forms part of the Council's self-assessment. A summary plan is also available in public offices for our citizens.
- Annual financial statements are published on the Council's Website.
- Appropriate approvals.
- Corporate Performance Management arrangements.
- Ownership of planning and transformation.
- AGS.
- Council's AGS evidences how it complies with the seven core Governance Framework Principles and sub-principles contained in the Framework and in the Local Code of Corporate Governance, including how it puts in place proper arrangements for the governance of its affairs, facilitates the effective exercise of its functions, and makes arrangements for risk management (the Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local Government Framework 2016). In compliance also with Local Government (Wales) Measure 2009 and The Well-being of Future Generations (Wales) Act 2015.

- Assessment of the framework for corporate governance carried out to ensure compliance e.g. updated to reflect changes necessary because of COVID-19 pandemic. Decision by Council whether AGS approved e.g. updated and approved by Council 25 November 2021 (with accounts).
- Council's Local Code of Corporate Governance demonstrates how it has the necessary corporate governance arrangements in place to perform effectively, and is a public statement that sets out the way the Council will meet that commitment.
- AGS shared with accounts, reviewed and updated with Members and Officers providing a wider engagement process. Members and Officers carry out a review of the AGS annually.
- Financial implications are a requirement for inclusion in all Cabinet Meeting reports. Financial Regulations and Financial Procedure Rules (Document F Constitution), Contract Procedure Rules (Document G Constitution) are all up to date. The current Procurement Strategy 2018-2022 was approved in 2018.
- Accounting practices - Codes of Practice are complied with Prudential Indicators are prepared and reported to Council and monitored throughout the year. Regular budget monitoring takes place throughout the year. IA also reviews controls over income collection and monitoring.
- A good working relationship exists with Welsh Government as key regulator and external regulators, including Audit Wales, Estyn, CIW, Financial Services Authority ('FSA') and Food Standards Agency as key regulators. Regular dialogue is maintained with representatives from Audit Wales.
- Audit Wales Protocol documented and procedures in place to ensure all 'Management Response Forms' from each Audit Wales report addressed and that Service responses are presented to Leadership Group, Governance and Audit Committee and Audit Wales.
- Regarding monitoring of progress of actions/recommendations, Governance Officer is Audit Wales point of contact for outstanding Management Response Forms ('MRFs') for 2019/20 & 2020/21, and ongoing governance-related MRFs/governance matters. Corporate Performance and Improvement Officer is point of contact for performance-related MRFs/performance matters. This system is set out in a Protocol, approved by Leadership Group and presented to Governance and Audit Committee, with updated version (to reflect that the Corporate Performance and Improvement Officer is in post) presented to Governance and Audit Committee 9.9.2021 Meeting.
- Monthly meetings are also being held with Audit Wales to discuss ongoing work and matters to be presented to the Governance and Audit Committee and regular dialogue is maintained with representatives from Audit Wales.

- Recommendations from Audit Wales are taken forward in the Corporate Performance Management arrangements.
- All Audit Wales reports presented to Leadership group and Governance and Audit Committee, which monitors implementation of corrective actions required.
- Monitoring of progress of Actions process being developed.
- Up to 31/12/21 the IA function is headed by a CIPFA qualified CMIA, and the CMIA from 1/1/22 onwards is studying to gain an IIA qualification, Both CMIA's have considerable local government experience, and are supported by a team with appropriate knowledge and skills. Two members of Staff currently studying for the Chartered Institute of Internal Auditors qualification, and two are developing ICT auditing skills.
- IA Officers undergoing audit qualifications to enhance knowledge, skills and competency.
- A re-structure of IA was implemented in May 2019, and another in November 2020. The service has been fully resourced since 1 December 2020.
- A new CMIA will be in place from 1 January 2022, who has considerable experience in IA, has a 6-week window to 'shadow' the existing CMIA, and is supported by a knowledgeable & skilled Audit Manager.
- The role of CMIA has free and unfettered access to the Chair of the Governance & Audit Committee and both meet regularly during the year (and these meetings continue remotely during the COVID-19 pandemic).
- Robust risk-based forward work programme and business planning is in place.
- Regular reporting to Governance & Audit Committee on the activity of IA is undertaken, i.e. quarterly Internal Audit Progress Reports to Governance & Audit Committee for monitoring progress performance and improvement and summary of work and audit opinion on assurance provided annually in Internal Audit Annual Report at year end. Follow-up reviews undertaken to monitor corrective actions are implemented.
- Internal Audit Charter regularly reviewed and approved by Governance & Audit Committee (last version approved by Audit Committee 19/01/2022).
- CMIA provides annual objective opinion on assurance placed on Council's risk management, control and governance processes, based on the individual assurances given to Managers after each audit review, & feeds into the AGS.
- Compliance with PSIAS reported annually to Governance & Audit Committee with resultant improvement plan. Peer review of assessment

every five years (latest review completed May 2022 by Anglesey County Council).

- IA's mission is to enhance & protect organisational value by providing risk-based & objective assurance, advice & insight. This is detailed in the internal Audit Charter, which also states IA's right of access (as per the Council's Financial Regulations/Constitution).
- Recommendations from Audit Wales are taken forward in the Corporate Performance Management arrangements.
- The Council is learning and continually works towards improvement.
- Five-yearly external assessment of IA is undertaken as required by PSIAS.
- The last Internal Audit External Assessment was undertaken in May 2022 by Anglesey County Council and was reported to Audit Committee on the 27 September 2022, along with the resultant improvement Plan.
- IA progress, performance & improvement is reported to Audit Committee quarterly.
- PSB's terms of reference and Well-being Plan, and annual report from PSB.
- The Ceredigion County Council Overview and Scrutiny Co-ordinating Committee is responsible for taking an overview of the overall effectiveness of the Board.
- Partnership and Accountability agreements are established in collaborative projects.

4 Opinion on the level of assurance that the governance arrangements can provide

The Corporate Manager - Internal Audit (CMIA) prepares an Annual Internal Audit Report at year-end, which is usually presented to the Governance and Audit Committee at its June meeting (presented on 6 June 2022). The report sets out the individual and collective outcomes of the audit reviews undertaken during the year, and provides the overall audit opinion of assurance based on this audit work. The assurance provided also takes into account progress in implementing improvements, consideration of the risk register and assurances provided in reports issued by external regulators. The scope of audit work and how the need to constantly reprioritise to ensure sufficient work is undertaken for the assurance is detailed in the report.

The Annual Report at year-end contains the results of the internal audit annual self-assessment of the service, based on CIPFA's LG Application Note's template. This was subject to an external peer review in May 2022, and an

external assessment is planned to be repeated every five years, as required by the Public Sector Internal Audit Standards (PSIAS). The resultant improvement plans from these assessments are included in the quarterly Progress Reports presented to the Governance and Audit Committee and reviewed annually in the Annual Internal Audit Report.

The Improvement Plans identify improvements made and planned against the recommendations arising from the assessments, along with the results of the service's Quality Assurance Improvement Programme as required by the PSIAS to ensure the Governance and Audit Committee is able to monitor the service's progress.

A Report on the Annual Governance Statement 2021-2022 Progress and Current Year Action Plan was provided to the Governance and Audit Committee on 3 June 2021.

The Quarter 1 Internal Audit Progress Report 1/4/2021-30/6/2021 (presented to the Governance and Audit Committee on 9 September 2021 and subsequent periods, reported on 19 January 2022, 10 March 2022 and 6 June 2022) include the actions taken to date to achieve the identified proposed improvements.

The Internal Audit staffing structure has been at full complement during the year 2021-2022.

On 24 February 2021, the CMIA also presented to the Governance and Audit Committee the Internal Audit Strategy and Plan for 2021/22. This is designed to ensure a sufficient area of coverage is undertaken to support the annual opinion on the effectiveness of the systems of governance, risk management and internal control across the Council. The Internal Audit Strategy and Plan for 2021/22 summarised the work areas the Internal Audit Section aimed to concentrate their time on during the year, taking account of the situation due to the pandemic.

The service has been provided on a more reactive basis this year, as with the previous year, due to the various risks introduced from necessary changes in the Council's working practices, such as the issuing of one-off grants, set-up of groups to target specific areas of change, more staff working from home, etc. Internal audit work has been assessed on an on-going basis with regular consideration given to the Council's changing needs and priorities. In addition to this reactive work, assurance for 2021/22 is placed on planned reviews either carried forward or undertaken during the year to assess the annual level of assurance for the Council. All actions taken have been consistent with the guidance note issued by the Internal Audit Standards Advisory Board. In addition, more resources have been dedicated to developing the assurance mapping system to provide additional support to the assurance provided at year-end.

The Council has, for example, had an urgent obligation to award various grants to eligible businesses in the County, and due to potential fraudulent claims,

Internal Audit has continued to review a sample of applications prior to payment (easier to stop payments than recover after), adding value to the Council's operations due to changing circumstances, as supported by Internal Audit Standards Advisory Board guidance notes.

The CMIA concluded in her 2021/22 Annual Report presented to the Governance and Audit Committee on 06/06/2022 that the Council has a satisfactory framework of governance, risk management and internal controls in place to manage the achievement of the organisation's objectives during the year, based on:

- the number, scope and assurances from internal and external sources during the year to 31 March 2022, and
- the acceptance of actions by management (where available),

Due to the on-going effect of the pandemic, it should be noted that, as with the previous year, no schools were reviewed during the year. However, certain checks have been undertaken whilst auditing the EIG and PDG grants.

The Annual Governance Statement will be the subject of review by Audit Wales to ensure that it is consistent with their knowledge and with legislation. In addition, the Internal Audit section undertakes an annual independent review of the Annual Governance Framework and the method of scoring and evidence, as noted in Point 2 above.

The Council's Corporate Lead Officer - Customer Contact acts as the Authority's Senior Information Risk Owner and also has responsibility for Data Protection and ICT Security.

The SIRO Forum traditionally included subject matter experts: E.g. Facilities, Data Protection, IT Security, Head of IT, Legal, HR and some departmental representation. This meets every quarter to discuss information risk and information management issues.

The current key roles and scrutiny of Information Assets are as follows:

- An IT Security Officer ('ITSO') who advises on data security and external advisers and consultants are employed from time to time to test and advise on the Authority's security arrangements;
- An Information and Records Management Officer ('IRMO') advises on legal compliance and ensures that policies and procedures are in place and are being adhered to;
- Corporate Data Protection (known internally as Corporate Data Protection / FOI / EIR Group Meeting) meets quarterly and is chaired by the Head of Service Policy (Deputy HOS ICT&CS); and
- Annual Reports as required to the Council's Governance and Audit Committee.

Additionally:

- ITSO is the Vice-chair of Wales National Public Sector Security Forum (CymruWARP) which meets quarterly.
- IRMO Chairs the Information and Records Management Society Wales/Cymru and arranges events across Wales.
- IRMO is part of the WASPI - Mid and West Wales Quality Assurance Panel.

Following the Governance Framework review, overall governance arrangements are considered to be good on the basis that the majority of scores applied were 9/10.

The introduction of the Local Code for Corporate Governance outlining how the Council is committed to the core principles of the CIPFA/SOLACE delivering Good Governance in Local Government Framework provides guidance to all Members and Officers on the governance agenda.

Regular review of the Local Code of Governance will provide a high level of assurance that the governance arrangements are fit for purpose.

Coronavirus Pandemic

Due to the coronavirus pandemic crisis, all Council offices were closed to the public with effect from 23 March 2020.

In light of the national emergency and urgent situation arising as a result of the pandemic, and in order to protect the Council and the public's interests, in circumstances where the decision is deemed urgent such that any delay would seriously prejudice the Council's or the public's interests, the Council Leader granted temporary delegated powers to the Council's Chief Executive and Leadership Group to make decisions relating to the Council's COVID-19 response.

The decision was made in accordance with part 4 of the Council's Constitution.

The Record of Urgent Decision Notice is available on the Council's website on the Council's page for Governance Structure for decision making during COVID-19 (<https://www.ceredigion.gov.uk/resident/coronavirus-covid-19/governance/>). The decision was reviewed and in October 2020, February 2021, March 2021 and May 2021 the Leader approved revised decisions (also available on the Council's website).

During the period Gold Command Meetings have been held in order to discuss the COVID-19 pandemic and how to effectively deal with the situation. Gold Command continues to meet regularly.

The Gold Command forum was set-up immediately to facilitate operations and provide a robust decision-making process from the outset, holding daily virtual meetings.

The Temporary Executive function transfer of powers expired on 31st August 2021. From 1st September 2021 to date, Gold Command has been making operational decisions under the Civil Contingencies Act 2004.

Audit Wales's COVID-19 Recovery Interim Assurance letter of 19 October 2020 to the Council summarised its interim conclusions based on the ongoing monitoring of the adjustment process regarding the ongoing impact of the pandemic. In the Appendix, Audit Wales refers to, as part of the Council's adapting decision-making arrangements, the Decision Log as being planned for publication on the Council's website and for reporting to the next meeting of the Overview and Scrutiny – Co-ordinating Committee. The Governance and Audit Committee noted the contents of this letter at its meeting on 12 November 2020 and a Report by the Corporate Lead officer – Legal and Governance/Monitoring Officer was presented to the Overview and Scrutiny Co-ordinating Committee on 20 January 2020, which noted the contents of the Report and the contents of the Gold Command COVID-19 Leadership Group Meetings per the Decision Log.

The Decision Log was first published on the Council website on 5 November 2020 (for decisions made up to 30 September 2020). Decisions from 1 October 2020 to 30 November 2021 have also now been published and decisions up to the end of December 2021 are in preparation for publishing.

The Council had a clear vision that every single person, business and service could understand and agree upon in order to ensure Ceredigion succeeded in not only reducing predicted deaths through the first peak but more importantly for any future predicted peaks. This has been actioned in three phases to date:

- Phase 1: Preparedness – Closing down of all non-essential services
- Phase 2: Implementation – Delivering services under lockdown conditions
- Phase 3: Adjustment and long term resilience

Phase 3 provides an adjustment phase from the first two phases to a fourth, recovery phase. To enable this to happen, the adjustment phase must consider three main components that will be critical to dealing with COVID-19 whilst at the same time releasing elements of the lockdown safely and in a controlled and structured manner. The three elements are:

Containment + Isolation + Eradication

As lockdown restrictions are gradually eased and the Welsh Government amends its guidance, the Council is looking at how and when it can

recommence its services or how they will be delivered differently. This is documented in a 'Roadmap' on the Council's website.

It is hoped that the business sectors and community groups will also contribute to this roadmap so that there is clarity for all residents of Ceredigion.

Following an initial immediate suspension of public meetings, Council meetings have been reintroduced via a virtual platform.

Members of the public are able to attend the remote meetings by e-mailing the Democratic Services for registration details. A full list of remote meetings are available on the Council website. These meetings are also available on the Council's Facebook page to view.

5 Issues identified for last year (2021-2022)

The following table records the actions that have been taken during 2021-22 to resolve the issues identified in the Annual Governance Statement for 2020-2021:

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
A1.1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	<p>Monitoring Officer to advise Officers further on the need to declare interests in organisations which actually, or may conflict with Council interests including:</p> <ul style="list-style-type: none"> • Contractors; • School Governors; • Clerk to Town and Community councils; • Members of Town and Community councils; and • School Governors. <p>MO and CLO Democratic Services to continue to undertake review of Members holding directorships, trusteeships, or memberships when appointed onto outside bodies, and committees, Monitoring Officer to consider member feedback and added value and continue to update Code of Conduct for Officers and Members.</p> <p>Monitoring Officer to advise Officers further on the need to declare</p> <ul style="list-style-type: none"> • Directorships; and • Other employment <p>Including Whether conflicting with the Council's interests or not. Monitoring Officer to continue to advise Members further on the need to declare hospitality/gifts.</p> <p>Monitoring Officer to advise Chief Officers</p>	<p>This is an ongoing duty. The Ethics and Standards Committee will have new duties (from May 2022) under the Local Government and Elections (Wales) Act 2021, to include:</p> <ul style="list-style-type: none"> • Monitoring compliance by leaders of political groups on the Council with their duties under S.52A(1) Local Government Act 2000; • Advising, training or arranging to train leaders of political groups on the Council about matters relating to their duties under S.52A (1) Local Government Act 2000. • At the end of each financial year, make an annual report to the Council in respect of that year per 56B Chapter 1 Part 3 Local Government Act 2000. <p>The duty to monitor compliance of political group leaders is in relation to standards of conduct, and one way that the Council will ensure Members behave with integrity and lead a culture where acting in the public interest is visible, and consistently demonstrated to protect the Council's reputation.</p> <p>The Monitoring Officer's advising of Officers relating to declarations of interests is an ongoing action, which is undertaken regularly through News Updates via the Cerinet system. Most recently, an Update on Council Employees' Declarations of Interest and Hospitality was published on 20 July 2021 on the Council's CeriNet Site, including links to the relevant forms and Code of Conduct for Local Government Employees, along with a reminder that any queries or requests for advice</p>	EP/LE	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	<p>further on the need to declare:</p> <ul style="list-style-type: none"> • close personal associations with other Officers or Members, 	<p>should be made to the Monitoring Officer.</p> <p>An update on Employees' Declaration and Registration of Interests, including regarding COVID-19 Restrictions Business Fund NDR Grants for businesses was published on 8 January 2021 on the Council's CeriNet Site.</p> <p>A review is currently being undertaken of the external bodies that have appointed Members, including added value, and also updating of the Constitution.</p> <p>The Code of Conduct for Local Government Employees, and also the Declarations of Interest and Hospitality for Staff are in the process of being substantially reviewed. Regular meetings have been held and input from the Monitoring Officer, Governance Officer, Corporate Lead Officer – People & Organisation and Data Protection Information & Records Management Officer.</p> <p>A draft Data Protection Impact Assessment has also been sent to the Data Protection Officer for consideration in respect of changes proposed to the Code of Conduct and Declarations, with progress updates provided to the Governance and Audit Committee at its 25.11.2021 Meeting (a further progress update to be provided at its 19.1.2022 Meeting).</p> <p>Following completion of the DPIA process, the draft documents shall be sent to and considered by Leadership Group, Trade Unions and Council.</p> <p>Consideration is also being given as to whether Chief Officer Business Interests should be published on the Council's websites, with Meetings held between the MO. Governance</p>		

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		Officer, Data Protection Officer and CLO – People and Organisation.		
A1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions	<p>Leadership Group to be updated on e-Learning with HR reporting to Leadership Group (A mandatory E-learning training module on the Well-Being of Future Generations Act 2015 ('WFGA') must be completed by all Staff).</p> <p>Continue to review Constitution to reflect legislative changes and according to need.</p>	<p>The mandatory e-learning module was introduced in September 2017 and up to November 2021 it has been completed by 2,834 employees. Of these 343 completed the Welsh medium module and 2,491 the English medium module. Between April and November 2021, a total of 242 employees completed the e-learning module, 40 through the medium of Welsh and 202 through the medium of English (figures include leavers). Reminders are issued to staff who have not yet undertaken the module and Leadership Group will receive periodic reports on the completion of mandatory e-learning modules.</p> <p>Reviewing the Constitution to reflect legislative changes and according to need is an ongoing task, as the Constitution is a live document. Proposed amendments to the Constitution were last presented to Council at the 23rd September 2021 Meeting, and prior to this at its 18th March 2021 Meeting. The Council's Cross Party Constitution Working Group are meeting on a regular basis, with meetings held on 15th February 2021, 19th April 2021, 30th June 2021, 10th August 2021 and 8th November 2021, with the next Meeting scheduled for 11th February 2022.</p> <p>Significant amendments to the Constitution have included amendments to comply with the Local Government and Elections (Wales) Act 2021 and work is currently being undertaken to implement changes as recommended by Audit Wales in its 2020-21 Review of Ceredigion County Council's Planning Service (Report issued October 2021).</p> <p>A comparison exercise will be undertaken of the Current</p>	<p>GE</p> <p>EP/HR</p>	<p>March 2022</p> <p>March 2022</p>

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		Constitution against the Model Constitution issued by WLGA.		
A1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	Council making preparations to comply with Local Government and Elections (Wales) Act 2021 regarding Audit Committee (terms of reference, remit and composition to be reviewed): Changes include: - change of name to 'Governance and Audit Committee'; - Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act); - Committee duty to appoint own Chair and Deputy Chair; -Chair must be lay person; -Deputy Chair must not be member of Local Authority Executive; and - in absence of Chair & Deputy only non-executive Members can chair.	Proposed changes to the Constitution to comply with the Local Government and Elections (Wales) Act 2021 requirements were put to the Council's Cross-Party Constitution Working Group on 19 th April 2021, 30 th June 2021 and 10 th August 2021, which made appropriate recommendations to Council. A Report regarding these proposed changes was presented to Council at its 23 rd September 2021 Meeting. Council resolved to agree to the proposed changes. A further Report on changes relating to the Governance and Audit Committee arising from the Local Government and Elections (Wales) Act 2021 was presented to the Council's Governance and Audit Committee at its 3 rd June 2021 Meeting, including updates to the Constitution, and to inform on the requirements for the Mid Wales CJC to have a Governance and Audit Sub-Committee. A report on changes under the Local Government and Elections (Wales) Act 2021 affecting the Committee was also presented to the Committee in the 24 th February 2021 Committee meeting, including the recruitment of lay members to the Committee. These changes and proposals regarding recruitment were then presented to, and approved by, Council on 18 th March 2021. Council noted the contents of the Report, and relevant implementation dates, and approved: a) the change of name of the Audit Committee to the Governance and Audit Committee, and additional performance and complaints-handling functions effective from 1 April 2021; b) commencement of the recruitment process for independent lay members to the Audit Committee; c) the proposals for the Shortlisting Selection Panel; and	EP/AW/HR	March 2022 Changes re Governance and Audit Committee and 2021 Act Complete

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	<ul style="list-style-type: none"> The Complaints / Compliments policy is to be reviewed during 2020- 2021. <p>Ethics / Fraud training to be provided.</p>	<p>decisions work is in progress, however in particular work is currently being undertaken to prepare a Tree Preservation Order (TPO) Register.</p> <p>Regarding the take up of the Mandatory e-learning Whistleblowing module, between April and November 2021, 237 Staff completed the Module, 42 through Welsh and 195 through English (*these figures include leavers)</p> <p>The Corporate Complaints Policy review is complete. The new policy was presented to the Corporate Resources Overview and Scrutiny Committee on the 7th of July and was presented to Council on the 23rd of September. Council resolved to approve the revised Concerns and Complaints Policy and Procedures 2021.</p> <p>The Ethics / Fraud training module is now complete, which was prepared in collaboration with Zurich (Council's insurer). The training was presented by Anthony Connolly from Zurich on 28th May 2021 at the Corporate Managers' quarterly workshop. The slides from the presentation are to be used as a basis for an e-learning module for all staff. The Internal Audit & Governance Services have prepared draft questions and answers for the e-learning module and have provided these to Learning & Development, who shall use them as a basis for the module.</p> <p>This is also supported by the recent review of the Council's Strategy on Counter-Fraud, Corruption and Bribery (to include Anti-Money Laundering). A follow-up internal audit of the Council's arrangements regarding</p>		<p>Complaints / Compliments Policy review complete</p>

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		Ethics is also in progress (currently in review).		
A3.1 Ensuring members and Staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	<ul style="list-style-type: none"> The Local Government and Elections (Wales) Act 2021 shall have an effect on corporate bodies, including the Council, and preparations for compliance are underway. 	As above, compliance with the Local Government and Elections (Wales) Act 2021 requirements is ongoing, including through the Cross-Party Constitution Working Group (Members of each political group in attendance), reports to the Governance and Audit Committee and Council, with a Council Action plan having been prepared and updated regularly, and meetings with relevant Officers and CLOs held, as appropriate.	EP	March 2022
B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	FOI policy and EIR policy both updated. Review of the FOI Publication Scheme is in progress.	A review of the FOI Publication Scheme is scheduled for the coming year.	LE/AW/MNH	March 2022
B3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	Due to the COVID-19 pandemic, decisions currently need to be made by Gold Command for emergency reasons, therefore it is impossible to consult physically in the community at present for many services, and consequently the scoring has been amended to reflect this.	<p>A Community Engagement, Consultations and Partnerships Page has been created on the new Ceri Net site. https://cerinet.ceredigion.gov.uk/our-council/community-engagement-consultation-and-partnerships/#</p> <p>This includes links to our current Community Engagement Policy, Engagement and Consultation Checklist, Engagement with Service Users and a Consultation Decision Making Tool.</p> <p>All Integrated Impact Assessments (IIAs) for Cabinet are now assessed by the Engagement and Equality Officer. This includes whether effective engagement, involvement and consultation has taken place and informed our strategic decision making process.</p> <p>A draft new Engagement Strategy for Ceredigion County Council, 'Talking, Listening and Working Together,' has been prepared. This</p>	AW/LE/MS	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	Community Engagement Policy is under review and will include provisions for how stakeholders are engaged in future.	<p>will be consulted upon and agreed following the Local Government Elections in 2022.</p> <p>Work is underway to prepare a Community Engagement Policy that will meet the requirements of the Local Government and Elections (Wales) Act 2021, which will also include how we will encourage participation in decision-making, although guidance is awaited from Welsh Government regarding this part of the legislation.</p>		
B3.4 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	Further work on monitoring feedback is required and the new Equalities and Engagement post will address this.	<p>Feedback from engagement and how people's views have been taken into account is recorded in the IIAs.</p> <p>Reports on completed consultations and engagement exercises are posted on our public consultations webpage in order to provide feedback to the public. http://www.ceredigion.gov.uk/your-council/consultations/</p> <p>Any consultation / engagement reports are presented to Scrutiny and Cabinet to inform their decision making.</p>	AW/MS	March 2022
C1.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	Publicise service performance including costs and value for money data.	<p>Relevant costs and value for money data is routinely considered within service reports.</p> <p>Costs and value for money data in context of managing service users expectations, is not available to or held by the Performance Service.</p>	AW	March 2022 - Complete
D2.3 Considering and monitoring risks facing each partner when working collaboratively including shared risks	Account will be taken of legislative changes e.g. Local Government and Elections (Wales) Act 2021.	As above, work is ongoing in relation to implementing legislative changes, such as Local Government and Elections (Wales) Act 2021 changes and considering/monitoring risks facing each partner when working collaboratively, including shared risks.	AW/EP	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		<p>Meetings are being held and preparation being carried out, for example, regarding the 2021 Act's requirement for Corporate Joint Committees, including potential and shared risks (a CJC group has been established, with the first meeting held on 19th April 2021, to consider the requirement to establish the Mid-Wales CJC in accordance with the 2021 Act).</p> <p>Appropriate Joint Scrutiny arrangements are in place in relation to the Growing Mid Wales Board. Similarly, the Mid Wales Corporate Joint Committee will have Sub appropriate arrangements in place (Joint Scrutiny, Standards and Governance and Audit Committee) - arrangements in compliance with legislation and its Standing Orders.</p>		
D2.5 Establishing appropriate local performance indicators (as well as relevant statutory or other national performance indicators) as part of the planning process in order to identify how the performance of services and projects is to be measured	Further work is progressing to link Local Performance measures to all level 1 Business plan Objectives.	<p>The Business Planning process for 2021-22 is being implemented with Level 1 Business Plans shared with the Performance and Research Team.</p> <p>Performance measures have been identified within each Level 1 Business Plan that will in turn translate into the reporting Dashboard for each service. These measures have been scrutinised and have received final sign-off from senior leadership. Services will then report against these measures as part of the performance management process for the year.</p>	AW	March 2022
F3.5 Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance	<p>Audit Committee terms of reference, remit and composition to be reviewed in light of Local Government and Elections (Wales) Act 2021. Changes include: - change of name to 'Governance and Audit Committee';</p> <p>-- Membership to be 2/3 Councillors and 1/3 Lay</p>	As above, work is ongoing in relation to changes affecting the Governance and Audit Committee in light of the Local Government and Elections (Wales) Act 2021. The Governance and Audit Committee was informed, in a report at the 24th February 2021 Meeting, of the changes to their role regarding self-assessment reports of the Council, and regarding panel performance assessments, as well as the change	EP/AR/HR	March 2022 - Complete

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
<p>regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon</p>	<p>Persons (as defined in Act); - Committee duty to appoint own Chair and Deputy Chair;</p> <p>-Chair must be lay person;</p> <p>-Deputy Chair must not be member of Local Authority Executive; and</p> <p>- in absence of Chair & Deputy only non-executive Members can chair.</p> <p>Size of Audit Committee review in progress.</p> <p>Lay member recruitment to be undertaken during 2020/21, taking into account any Local Government & Elections (Wales) 2020 Act requirements and termination of term of office of current lay member.</p>	<p>of name, and changes to the Chair/Vice Chair and composition.</p> <p>As above, an update report on the 2021 Act was presented to the Committee in the 3rd June 2021 Meeting, to include updating the Governance and Audit regarding changes to the Constitution affecting the Committee, including:</p> <ul style="list-style-type: none"> - Recruitment of lay members and the Mid-Wales CJC Governance and Audit Sub-Committee; and - Regarding the Committee's functions relating to: <ul style="list-style-type: none"> o reviewing and assessing the performance assessment of the Council; o considering the Council's draft annual Self-Assessment report; o considering any report from the Auditor General and Council's draft response; o review of the Council's complaints handling function; and o role regarding Panel Performance Assessments (from May 2022). <p>The Council has approved (23rd September 2021 Meeting) amendments to the Governance and Audit Committee's terms of reference, further to recommendations by the Cross-Party Constitution Working Group. The Constitution has been duly updated with terms of reference to reflect the Committee's current duties from the 2021 Act, with future duties of the Committee to be inserted in the terms of reference at the appropriate date.</p>		
<p>G1.1 Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended</p>	<p>Council preparing for implementation of changes to be introduced by Local Government and Elections (Wales) Act 2021, which include for Council to consult and publish a public participation strategy with</p>	<p>Work is underway to prepare a Community Engagement Policy that will meet the requirements of the Local Government and Elections (Wales) Act 2021, which will also include how we will encourage participation in decision-making, although guidance is awaited from</p>	<p>LE/AM</p>	<p>March 2022 (– Complete by March 2022)</p>

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
audience and ensuring that they are easy to access and interrogate	the aim of increasing public participation in local democracy, and improving transparency.	<p>Welsh Government regarding this part of the legislation.</p> <p>The Council has been out to tender and awarded the contract for installing equipment in the Council Chamber that will enable hybrid meetings to take place as well as being able to broadcast those meetings. The equipment will be installed over the winter and the system will be in place by March 2022.</p>		
G3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	Monitoring of progress of Actions/recommendations	<p>'Audit Wales Protocol' documented and procedures in place to ensure all 'Management Response Forms' from each AW report addressed and that service responses are presented to LG, GAC and AW.</p> <p>The Governance Officer is the AW point of contact for outstanding Management Response Forms ('MRFs') for 2019/20 and 2020/21, and ongoing governance-related MRFs/governance matters. The Corporate Performance and Improvement Officer is the AW point of contact for performance-related MRFs and performance matters. This system is set out in a Protocol, which has been approved by Leadership Group and presented to the Governance and Audit Committee. An updated version of the Protocol (to reflect that the Corporate Performance and Improvement Officer is in post) was presented to the Governance and Audit Committee at its 9th September 2021 Meeting. The Governance Officer and Corporate Performance and Improvement Officer have also prepared a spreadsheet for current MRFs, as well as historical MRFs (monitored by the Governance Officer) to be presented to the Governance and Audit Committee for monitoring of MRF responses. Monthly meetings are also being held with AW to discuss ongoing work and matters to be presented to</p>	EP/AW/SJ	March 2022

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		the Governance and Audit Committee. These actions are, therefore, ongoing but the appropriate systems/checks have been put in place.		

Note: Any actions not fully completed by the completion date will be carried forward into the 2022-2023 Action Plan.

6 Agreed action plan for matters to be considered during 2022-2023

Following the implementation and review of the CIPFA/SOLACE Delivering good governance in Local Government Framework (2016) the following issues have been identified for resolution during 2022-2023:

Issue	Action	Outcome	Lead Officer	Completion Date
<p>A1.1 Ensuring Members and Officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</p>	<p>MO to continue to advise Members further on the need to declare hospitality/gifts.</p> <p>MO to continue to advise Chief Officers further on the need to declare:</p> <ul style="list-style-type: none"> • close personal associations with other Officers or Members, Ongoing review on Chief Officers business declarations <p>MO and CLO Democratic Services to continue to review Members holding directorships, trusteeships, or memberships when appointed onto outside bodies, and committees, MO to consider member feedback and added value and continue to update Code of Conduct for Officers and Members</p> <p>Update Dispensations forms for Members</p> <p>Appraisals were halted due to COVID-19 Pandemic but have now recommenced (undertaken in May 2021 and continue to be held virtually.)</p> <p>Reviewed Code of Conduct for Officers to be issued once updated & approved.</p>	<p>Further embedding of behaviour with integrity.</p>	<p>EP/LE</p>	<p>March 2023</p>

Issue	Action	Outcome	Lead Officer	Completion Date
	<p>Officers to complete a Mandatory Ethics/Fraud e-training module once completed & approved.</p> <p>Planning/Development Management Committee governance actions/documents established, training to be provided and progress to be reviewed during 2022-2023.</p>			
<p>A1.2 Ensuring Members take the lead in establishing specific standard operating principles or values for the Organisation and its Staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p>	<p>Planning/Development Management Committee governance actions/documents established, training to be provided and progress to be reviewed during 2022-2023.</p>	<p>Further embedment of Standard Operation Principles and values, including their communication.</p>	<p>EP/LE</p>	<p>March 2023</p>
<p>A1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions</p>	<p>Leadership Group to be updated on e-learning with HR reporting to Leadership Group.</p>	<p>Further embedment of Standard Operating principles and leading by example for effective decision-making.</p>	<p>GE</p>	<p>March 2023</p>
<p>A1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to</p>	<p>Delegated decision Decisions Register to be published.</p> <p>Continued monitoring of the Mandatory e-learning take up</p>	<p>Further embedment of Standard Operating principles and communication through publication of documents.</p> <p>Further embedment of Standard Operating principles and leading by example.</p>	<p>EP/ HR</p>	<p>March 2023</p>

Issue	Action	Outcome	Lead Officer	Completion Date
ensure that they are operating effectively	of Whistleblowing module. Currently lower than required. Whistleblowing Policy to be reviewed.	Further embedment of Standard Operating principles.		
A3.1 Ensuring members and Staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Further training to be provided to all Members regarding their responsibilities in relation to Data Protection Principles and privacy notices. Privacy notices for Councillors being developed and to be provided.	Demonstrating strong commitment to rule of law and adherence to relevant laws and regulations	EP/LE	March 2023
B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Completion of review of the FOI Publication Scheme, which is in progress.	Demonstrating commitment to openness.	LE/AW/MN H	March 2023
B3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	<p>Due to the COVID-19 pandemic, decisions have needed to be made by Gold Command for emergency reasons (under the temporary executive function transfer of power in place until 31.8.2021 and for operational procedures under the Civil Contingencies Act 2004 following that date), therefore it has been impossible to consult physically in the community at present for many services, and consequently the scoring has been amended to reflect this.</p> <p>To continue to progress the review of the Community Engagement Policy that will include provisions for how stakeholders are engaged in future.</p>	Improving Community Engagement.	AW	March 2023
D2.3 Considering and monitoring	To continue to take into account legislative changes	Risk management and compliance with legislation to	AW/EP	March 2023

Issue	Action	Outcome	Lead Officer	Completion Date
risks facing each partner when working collaboratively including shared risks	e.g. Local Government and Elections (Wales) Act 2021. To implement legislative changes, such as regarding the Local Government and Elections (Wales) Act 2021 and consider/monitor risks facing each partner when working collaboratively, including shared risks.	demonstrate commitment to rule of law.		
G3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	Monitor progress of actions/recommendations.	Assurances and managing risk	EP/AW/SJ	March 2023

7 Conclusion

The annual governance framework review measured progress against the new CIPFA/SOLACE Delivering Good Governance Framework (2016) and overall governance arrangements were found to be acceptable or good.

The Council has made good progress during the year with recorded achievements against each of the seven core principles.

The development of a Local Code of Corporate Governance bringing together all the local codes and documents together in one document provides assurance that there are clear governance arrangements in place. This enabled the Council to react swiftly to the threats presented by the coronavirus pandemic.

The Council has identified a number of minor issues for resolution during 2022/23 and has set these out in an action plan for completion (as above). The actions taken as a direct result of the pandemic will be recorded, as appropriate.

8 Certification of Annual Governance Statement

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness throughout the 2022/23 year and will monitor their implementation and operation as part of our next annual review. It is acknowledged that the pandemic may hinder some of these steps, which will be addressed and reported accordingly to Council in the 2022/23 AGS.

Minor Joint Committees in Wales

Annual Return for the Year Ended 31 March 2022

Accounting statements 2021-22 for:

Name of body: Ceredigion Harbour Authority (CHA)

	Year ending		Notes and guidance for compilers
	31 March 2021 (£)	31 March 2022 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	0	0	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	39,564	58,593	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	203,194	213,345	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	0	0	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	242,758	271,938	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	0	0	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	7,202	30,706	Income and expenditure accounts only: Enter the value of debts owed to the body.
9. (+) Total cash and investments	-4,977	-22,359	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	2,225	8,347	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	0	0	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	1,264,433	1,206,637	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

Annual Governance Statement

We acknowledge as the members of the Body, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2022, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	<input checked="" type="radio"/>	<input type="radio"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
<p>2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
<p>3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Body to conduct its business or on its finances.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
<p>4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
<p>5. We have carried out an assessment of the risks facing the Body and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
<p>6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
<p>7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Body and, where appropriate, have included them on the accounting statements.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
<p>8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Additional disclosure notes*

The following information is provided to assist the reader to understand the accounting statements and/or the Annual Governance Statement

1.

2.

3.

* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statements and/or the annual governance statement.

Body approval and certification

The Body is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

<p>Certification by the RFO</p> <p>I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Body, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2022.</p>	<p>Approval by the Council/Board/Committee</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Body under minute reference:</p>
<p>RFO signature:</p>	<p>Minute ref:</p>
<p>Name: Duncan Hall</p>	<p>Chair of meeting signature:</p>
<p>Date: 26/01/2023</p>	<p>Name: Ifan Davies</p>
	<p>Date: 26/01/2023</p>

Auditor General for Wales' Audit Certificate and report

I report in respect of my audit of the accounts under section 13 of the Act, whether any matters that come to my attention give cause for concern that relevant legislation and regulatory requirements have not been met. My audit has been conducted in accordance with, guidance issued by the Auditor General for Wales.

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2022 of:

Ceredigion Harbour Authority

Auditor General's report

Audit opinion - Unqualified

On the basis of my review, in my opinion no matters have come to my attention giving cause for concern that in any material respect, the information reported in this Annual Return:

- has not been prepared in accordance with proper practices;
- that relevant legislation and regulatory requirements have not been met;
- is not consistent with the Body's governance arrangements; and
- that the Body does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Other matters arising and recommendations

There are no further matters or recommendations that I wish to draw to the Body's attention.

External auditor's name: **Adrian Crompton**

External auditor's signature:

Date: 30/01/2023

For and on behalf of the Auditor General for Wales

Annual internal audit report to:

Name of body: Ceredigion Harbour Authority (CHA)

The Body's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2022.

The internal audit has been carried out in accordance with the Body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Body.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The account is managed via Cyngor Sir Ceredigion's (CSC) computerised financial ledger, and supported by detailed working papers (spreadsheets).
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Payments are administered in accordance with CSC's Financial Regulations and procurement guidelines.
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The body is subject to the Council's corporate risk management arrangements.
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The budget is set and monitored in accordance with CSC's annual budgetary procedures
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Fees collected as quoted in CSC fees & charges and administered in accordance with CSC income procedures.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	No petty cash imprest accounts issued to Harbourmasters.
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Salaries are administered and paid in accordance with CSC's HR arrangements and Financial Regulations.
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Both registers maintained in keeping with CSC guidelines

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	As per point 4 - budget is set and monitored in accordance with CSC's annual budgetary procedures.
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	As per point 4 – budget is set and monitored in accordance with CSC's annual budgetary procedures.

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
11. Harbours pontoons included in CSC's property insurance schedule.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insurance documents – Property Owners Policy, Property Owners Summary of Cover and Property module.
12. Corporate Risk Register – R019: Climate Change and Coastal Erosion/Flooding.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Risk included to monitor work undertaken to mitigate risk identified. Risk Register standard item on Governance and Audit Committee agenda.
13. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

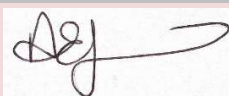
** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

Internal audit confirmation

I/we confirm that as the Body's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2020-21 and 2021-22. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Alex Jenkins, Corporate Manager – Internal Audit

Signature of person who carried out the internal audit:



Date: 07/07/2022

CEREDIGION COUNTY COUNCIL

Report to: Council

Date of meeting: 26 January 2023

Title: Council Tax Reduction Scheme 2023/24

Purpose of the report: To recommend for approval the Council Tax Reduction Scheme (CTRS) for 2023/24 which needs to be adopted by Council by 31st January 2023

For: Decision

**Cabinet Portfolio and
Cabinet Member:** Finance and Procurement
Cllr. Gareth Davies

1. Introduction

On 27 January 2022 the Council adopted the Council Tax Reduction Scheme (CTRS) for 2022/23 in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.

There is a statutory obligation for a report to be presented to full Council on an annual basis, even if there has been no change in the scheme since the previous year. The report recommends continuing to operate the CTRS for the 2023/24 financial year on the same basis as the scheme used for 2022/23.

On 06 December 2022, WG have laid the draft Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2023 and these will be enacted as appropriate following the debate scheduled in the Senedd for 17 January 2023.

2. Background

Since the abolition of Council Tax Benefit in April 2013 the responsibility for arranging Council Tax support to those on low incomes transferred from the Department for Work and Pensions (DWP) to local authorities in England and to the devolved Governments in Scotland and Wales. The Welsh Government (WG) approved two sets of CTRS regulations that prescribe the main features of the scheme to be adopted by all Councils in Wales:

The Default Scheme

<http://www.legislation.gov.uk/wsi/2013/3035/contents/made>

The Prescribed Scheme

<http://www.legislation.gov.uk/wsi/2013/3029/contents/made>

The regulations provide for claimants to receive a reduction of up to 100% of their Council Tax liability in certain circumstances and ensure that each local authority consistently provides support for Welsh council taxpayers.

Although there is a national scheme for Wales, there is limited discretion under the Prescribed Requirements Regulations for Councils to consider 3 specific discretionary elements as outlined below. If the Council does decide to use their discretion and offer more generous local discretions this would further increase the cost of the CTRS.

1. War Disablement Pensions, War Widows' Pensions and War Widowers' Pensions

Presently, regulations provide that the first £10 of a weekly War Disablement Pension, War Widows' Pension and War Widowers' Pension are disregarded. However, councils have discretion to disregard up to 100% of the actual amount above the first £10. Since 1 April 1996, when Council Tax Benefit existed, the Council, in keeping with the majority of Welsh Councils, resolved to disregard 100% of the war pensions above the statutory £10.

Last year, the Council resolved to disregard all of the pensions above the first £10 for calculation purposes. It is estimated that for 2022/23 the disregard of war pensions for CTRS will cost the Council approximately £3.7k.

2. Extended payment period for working age claimants

There is discretion to increase the standard extended payment period of 4 weeks given to people after they return to work, when they have been in receipt of a qualifying benefits for at least 26 weeks.

There is no limit on the maximum period that councils may consider extending the payment period but to extend beyond the standard 4 weeks would have financial implications for the Council. Up to mid-November there have only been 2 extended payments awarded costing £224.

Last year the Council resolved to not extend the payment period beyond the statutory 4 weeks.

3. Backdating late applications

The current regulations allow for the backdating of late claims for a maximum period of up to 3 months.

Councils have the discretion to increase the maximum period of 3 months, however, extending this period would increase the cost of the scheme.

Last year the Council resolved to not extend the backdating period beyond the statutory 3 months.

3. Financial Implications

As at 30 November 2022 there were 5203 CTRS recipients. The majority of the cost of Council Tax Reduction Scheme (CTRS) payments is met by the WG, but there is still a significant requirement for Councils to meet the cost of payments that exceed the WG contribution.

Funding for the Council Tax Reduction Scheme was transferred into the Revenue Support in the 2013/14 financial year, which for Ceredigion equated to £4.733m. Within the 22/23 Final Local Government Settlement, the Standard Spending Assessment for Ceredigion for Council Tax Reduction Scheme costs was £5.126m, rising to £5.197m for the 23/24 Provisional Local Government Settlement.

However, compared with the current 22/23 Budget of just under £6.3m (based on estimated costs), there is therefore over £1.1m of costs that are not being recognised by WG in the Local Government Finance Settlement. This is despite the fact it is largely a nationally controlled scheme with, in practice, very minimal areas of local discretion which currently do not create costs of any significance.

The Council Tax Reduction Scheme budget falls under the Finance & Procurement service budget and is a variable one that is recognised corporately in the budget process. This is mainly because from one year to the next there is a direct correlation with the costs associated with the scheme and the level of Council Tax increase determined by Members each year.

	Has an Integrated Impact Assessment been completed? If, not, please state why	This report does not refer to a Policy or Service change.
Wellbeing of Future Generations:	Summary:	
	Long term:	N/A
	Collaboration:	N/A
	Involvement:	N/A
	Prevention:	N/A
	Integration:	N/A
Recommendation(s):	Council is recommended to:	
	1. Note the making of the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2023;	
	2. Adopt the provisions of the Prescribed Requirement Regulations (2013) as the Council's Council Tax Reduction Scheme for 2023/24, subject to the local discretions that the Council is able to exercise as set out below:	

(i) Continue to apply a 100% disregard beyond the statutory £10 disregard for War Disablement Pensions, War Widows' Pensions and War Widowers' Pensions, for both pensioners and working age claimants.

(ii) Not to increase the extended payment periods for pensioners and working age claimants from the standard 4 weeks currently contained within the Prescribed Scheme.

(iii) Not to increase the backdate period for pensioners and working age claimants from the standard 3 months contained within the Prescribed Scheme.

Reasons for decision: To comply with the Welsh Government requirement to adopt a local Council Tax Reduction Scheme (Prescribed) before 31 January 2023 to operate for the 2023/24 financial year.

Overview and Scrutiny: Not applicable as this is a statutory prescribed scheme that requires full Council approval.

Policy Framework: N/A

Corporate Well-being Objectives: Boosting the Economy, Supporting Businesses and Enabling Employment.

Finance and Procurement implications: Part of the budget setting process.

Finance and Procurement implications: No Procurement implications.

Legal Implications: The Council is obliged to make a CTRS under the Prescribed Requirements Regulations. Although the legislation provides for a default scheme to apply in the absence of the Council making a scheme, the Council is nevertheless under a statutory duty to adopt its own scheme, even if it chooses not to apply any of the discretionary elements.

Staffing implications: None

Property / asset implications: None

Risk(s): A large rise in caseload or increases in CTRS entitlement would create a Cost pressure on the Budget.

Statutory Powers: Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2023.

Background Papers: None

Appendices: None

Corporate Lead Officer: Duncan Hall
Corporate Lead Officer – Finance & Procurement

Reporting Officer: Ann Ireland, Corporate Manager – Revenues and Financial Assessments

Date: 3 January 2023

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CEREDIGION COUNTY COUNCIL

Report to: Council

Date of meeting: 26 January 2023

Title: Report on the Review of the Council's Regulation of Investigatory Powers Act 2000 ('RIPA') Corporate Policy & Procedures Document ('RIPA Policy')

Purpose of the report: Approval of the amended RIPA Corporate Policy and Procedures Document

For: Decision

Cabinet Portfolio and Cabinet Member: Cllr Matthew Vaux, Cabinet Member for Partnerships, Housing, Legal and Governance and Public Protection

Background:

A report on RIPA was last presented to Council on the 23rd of September 2021 (see report at <https://council.ceredigion.gov.uk/documents/s2012/report%20-%20use%20of%20Regulation%20of%20Investigatory%20Powers%20Act%202000%20RIPA.pdf?LLL=0>).

A report on the review of the RIPA Policy and the Investigatory Powers Commissioner's Office Inspection was presented to the Overview and Scrutiny Co-ordinating Committee on the 23rd of November 2022 (see report at <https://council.ceredigion.gov.uk/documents/s3927/Report%20on%20the%20review%20of%20the%20RIPA%20Policy%20and%20the%20Investigatory%20Powers%20Commissioners%20Office%20Inspectio.pdf?LLL=0>).

Review of the RIPA Policy

Paragraph 4.47 of the 'Home Office Covert Surveillance and Property Interference Revised Code of Practice' (2018) states that elected members of a local authority should review the authority's use of RIPA and set the policy once a year. Amendments to the RIPA Policy were most recently approved by Council on the 23rd of September 2021.

Current Position:

The Overview and Scrutiny Co-ordinating Committee noted the amendments of the Draft Amended Corporate RIPA Policy and Procedures document at the meeting of the 23rd of November 2022.

Following this meeting, two amendments have been made to the Procedure for Applying for a Directed Surveillance Authorisation:

- Added ability for Authorising Officers to deputise for each other where the Authorising Officer for the relevant service is unavailable and the delay caused may compromise the investigation.
- Added that the Authorising Officer should consider an application for directed surveillance authorisation within 10 working days of receiving the application.

The Chair of the Overview and Scrutiny Co-ordinating Committee has been consulted on these additions and has indicated approval. These additions are on pages 27 and 28 and marked using tracked changes.

The amended RIPA PART II Directed Surveillance, Covert Human Intelligence Sources and Communications Data Corporate Policy & Procedures Document ('RIPA Policy') is attached at **Appendix 1** with changes shown using tracked changes.

Wellbeing of Future Generations:

Has an Integrated Impact Assessment been completed? If, not, please state why

Summary: This report does not represent a change in policy or strategy.

Long term:

Collaboration:

Involvement:

Prevention:

Integration:

Recommendation(s): That Council resolve to:

1. Approve the changes made to the Council's RIPA PART II Directed Surveillance, Covert Human Intelligence Sources and Communications Data Corporate Policy & Procedures Document ('RIPA Policy') (**Appendix 1**) as presented to the Overview and Scrutiny Co-ordinating committee on 23/11/22; and
2. Approve the addition of the two further amendments set out in this report to the Procedure for Applying for a Directed Surveillance Authorisation to the RIPA Policy (pages 27 and 28 of **Appendix 1**).

Reasons for decision: To ensure that the Council's RIPA Policy remains up to date and that the policy is set once a year in accordance with Paragraph 4.47 of the 'Home Office Covert Surveillance and Property Interference Revised Code of Practice' (2018).

Overview and Scrutiny: and Overview and Scrutiny Co-ordinating Committee 23/11/22
<https://council.ceredigion.gov.uk/documents/s3927/Report%20on%20the%20review%20of%20the%20RIPA%2>

[0Policy%20and%20the%20Investigatory%20Powers%20Commissioners%20Office%20Inspectio.pdf?LLL=0](#))

Policy Framework: RIPA PART II Directed Surveillance, Covert Human Intelligence Sources and Communications Data Corporate Policy & Procedures Document

Corporate Well-being Objectives: N/A

Finance and Procurement implications: None

Legal Implications: Ensuring the RIPA policy remains up to date to comply with codes of practice.

Staffing implications: None

Property / asset implications: None

Risk(s): None

Statutory Powers: Regulation of Investigatory Powers Act 2000 ('RIPA') as amended (<https://www.legislation.gov.uk/ukpga/2000/23/contents>)

Investigatory Powers Act 2016 ('IPA 2016') (<https://www.legislation.gov.uk/ukpga/2016/25/contents>)

RIPA Statutory Codes of Practice (<http://www.legislation.gov.uk/uksi/2010/521/contents/made>)

Background Papers: Overview and Scrutiny Co-ordinating Committee 23/11/22 (see agenda, minutes and reports at <https://council.ceredigion.gov.uk/ieListDocuments.aspx?CId=143&MId=316&Ver=4&LLL=0>).

Appendices: **Appendix 1** - RIPA PART II Directed Surveillance, Covert Human Intelligence Sources and Communications Data Corporate Policy & Procedures Document

Corporate Officer: **Lead** Elin Prysor – CLO Legal and Governance

Reporting Officer: Elin Prysor

Date: 5/1/23

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CYNGOR SIR CEREDIGION
CEREDIGION COUNTY COUNCIL

**REGULATION OF INVESTIGATORY
POWERS ACT 2000 ('RIPA') PART II**

**Directed Surveillance, Covert Human Intelligence
Sources and Communications Data**

CORPORATE POLICY & PROCEDURES DOCUMENT

- **Adopted by Council 5th March 2020**
- **Revised by SRO July 2021**
- **Approved by Council 23rd September 2021**
- **Revised by SRO October 2022**

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CEREDIGION COUNTY COUNCIL COVERT SURVEILLANCE - POLICY STATEMENT

Introduction

1. Ceredigion County Council ('the Council') is committed to building a fair and safe community for all by ensuring the effectiveness of laws designed to protect individuals, businesses, the environment and public resources.
2. The Council recognises that most organisations and individuals appreciate the importance of these laws and abide by them. The Council will use its best endeavours to help them meet their legal obligations without unnecessary expense and bureaucracy.
3. At the same time, the Council has a legal responsibility to ensure that those who seek to flout the law are the subject of firm but fair enforcement action. Before taking such action, the Council may need to undertake covert surveillance of individuals and/or premises to gather evidence of illegal activity.

Procedure

4. All covert surveillance shall be undertaken in accordance with the procedures set out in this document.
5. Ceredigion County Council shall ensure that covert surveillance is only undertaken where it complies fully with all applicable laws; in particular the:
 - The Human Rights Act 1998;
 - The Regulation of Investigatory Powers Act 2000 ('RIPA');
 - Protection of Freedoms Act 2012;
 - The Investigatory Powers Act 2016 ('IPA 2016'); and
 - The Data Protection Act 2018.
6. The Council shall, in addition, have due regard to all secondary legislation (including Regulations and orders), official guidance and codes of practice, particularly those issued by the Home Office, the Office of the Surveillance Commissioners ('OSC'), the Security Camera Commissioner and the Information Commissioner.
7. In particular, the following guiding principles shall form the basis of all covert surveillance activity undertaken by the Council:
 - Covert surveillance shall only be undertaken where it is absolutely necessary to achieve the desired aims;
 - Covert surveillance shall only be undertaken where it is proportionate to do so and in a manner that it is proportionate;
 - Adequate regard shall be had to the rights and freedoms of those who are not the target of the covert surveillance;
 - All authorisations to carry out covert surveillance shall be granted by appropriately trained and designated Authorising Officers; and
 - Covert surveillance (regulated by The Regulation of Investigatory Powers Act 2000 ('RIPA')) shall only be undertaken after obtaining judicial approval.

Training and Review

8. All Council officers undertaking covert surveillance shall be appropriately trained to ensure that they understand their legal and operational obligations. Officers should be competent and confident in the RIPA roles they perform. Refresher training should be provided and undertaken as necessary, to include practical exercises and account taken of any legislative changes. Training should also include guidance on completion of application forms.
9. Regular audits shall be carried out to ensure that Officers are complying with this policy.
10. This policy should be reviewed once a year, to ensure it remains fit for purpose.
11. The operation of the Council's RIPA activity shall be overseen and monitored by the Council's Overview and Scrutiny Co-ordinating Committee, by receiving reports every six months.

Conclusion

12. All citizens will reap the benefits of this Policy, through effective enforcement of criminal and regulatory legislation and the protection that it provides.
13. Adherence to this Policy will minimise intrusion into citizens' lives and will avoid any legal challenge to the Council's covert surveillance activities.
14. Any questions relating to this policy should be addressed to the Corporate Lead Officer-Legal & Governance (Monitoring Officer & Senior Responsible Officer).

Date

PART 1 – INTRODUCTION TO SURVEILLANCE REGULATED BY CHAPTER 2 OF RIPA

The Regulation of Investigatory Powers Act 2000 ('RIPA') regulates covert investigations by a number of bodies, including local authorities. It was introduced to ensure that individuals' rights are protected while also ensuring that law enforcement and security agencies have the powers they need to do their job effectively.

Ceredigion County Council ('the Council') is therefore included within the legislative framework with regard to the authorisation of directed surveillance, the use of covert human intelligence sources and accessing communications data.

Some sections of RIPA have been repealed and replaced by the Investigatory Powers Act 2016 ('IPA 2016'). As well as RIPA itself, several sets of Regulations have been produced along with three Home Office Codes of Practice.

The Council has had regard to the Codes of Practice produced by the Home Office, the procedures and guidance produced by Office of Surveillance Commissioners and Codes of Practice issued by the Information Commissioners in preparing this guidance and each Department should hold copies to which staff can refer.

Objectives of this document

The objective of this document is to ensure that all covert surveillance (as defined by RIPA and associated legislation and guidance) conducted by Council Officers is carried out appropriately and on a lawful basis. This document should be read in conjunction with the Home Office Revised Code of Practice on Covert Surveillance and Property Interference 2018, Covert Human Intelligence Sources, Camera Code of Practice and the Investigatory Powers Commissioner's Office (formerly Office of Surveillance Commissioners) Procedures and Guidance. Schedule 1 (below) lists current legislation and guidance that must be read in conjunction with this document, but this list is not exhaustive.

If the procedures outlined in this Policy are not followed, any evidence acquired as a result of surveillance activities may be susceptible to a human rights challenge. It may therefore not be admissible in Court, and the Council is unlikely to take proceedings based on such evidence. The Council may also be exposed to legal action by individuals who claim that their human rights to privacy and respect for family life will have been abused. See 'Dealing with complaints from the public' below.

Scope of this document

This document explains the Council's statutory responsibility to comply with RIPA, and associated legislation. It provides guidance and sets out the Council's procedures and matters to consider in relation to the following:

- Directed surveillance – see Part 2 below;
- A Covert Human Intelligence Source ('CHIS') – see Part 3 below; and
- Acquisition of Communications Data (through NAFN's SPOC) – see Part 5 below.

Parts 1 - 3 of this Policy only apply where surveillance is covert and directed i.e. where the individual or individuals are not aware at the time of surveillance that surveillance is being carried out. The purpose of these parts are to help officers decide what type of surveillance they are undertaking, whether it is regulated by Chapter 2 of RIPA, confirm the relevant procedures and provide guidance.

Part 4 deals with the keeping of records, data handling, retention safeguards & dealing with complaints and errors.

Separate non-RIPA guidance is also set out (see Part 6 below) below for observations or surveillance which are not carried out covertly.

The Information Commissioner has issued a separate Surveillance Camera Code of Practice 2021 (available at: <https://www.gov.uk/government/publications/update-to-surveillance-camera-code> and https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1035067/Surveillance_Camera_CoP_Accessible_PDF.pdf)

The Office of Surveillance Commissioners (OSC) (now IPCO) issued a separate Procedures & Guidance publication on Oversight arrangements for covert surveillance and property interference conducted by public authorities and to the activities of relevant sources (2016)(available at: <https://ipco-wpmedia-prod-s3.s3.eu-west-2.amazonaws.com/OSC-PROCEDURES-AND-GUIDANCE.pdf>).

The CHIS and the Interception of Communications Codes of Practice were updated in 2022 pursuant to The Investigatory Powers (Covert Human Intelligence Sources and Interception: Codes of Practice) Regulations 2022

Ceredigion County Council's statutory responsibility

The Council has a statutory responsibility to comply with the Human Rights Act 1998, which contains the Articles and Protocols of the European Convention on Human Rights ('ECHR') that are deemed to apply in the UK. Brexit had **no automatic impact** on the Human Rights Act 1998 (HRA 1998), or the incorporation of the European Convention on Human Rights (ECHR) provided for by the HRA 1998.

Section 6 of the Human Rights Act 1998 makes it unlawful for the Council to act in any way that is incompatible with the ECHR.

Article 8 ECHR provides that:

- Everyone has the right to respect for his private and family life, his home and his correspondence; and
- There shall be no interference by a public authority with the exercise of this right except such as is:
 - a) In accordance with the law; and
 - b) Necessary in a democratic society in the interests of public safety, prevention of disorder or crime, protection of health or morals and protection of the rights and freedoms of others.

Therefore, surveillance will breach a person's human rights unless it is authorised under RIPA. RIPA provides the legal framework for lawful interference.

Obtaining authorisation to conduct surveillance in accordance with RIPA helps to protect the Council and its officers from complaints of interference with the rights protected by Article 6 and Article 8(1) ECHR, which is now enshrined in English law through the Human Rights Act 1998. This is to ensure any interference with the private life of citizens will be '*in accordance with the law*'.

Provided activities undertaken are also '*necessary and proportionate*' (see subsequent parts in this document for further details) they will not be in contravention of Human Rights legislation.

Information is considered private information if it includes any information relating to the subject's private or family life or the private or family life of any other person. It would include any aspect of a person's private or personal relationship with others, including family and professional or business relationships. Private information may include personal data, for example, names, telephone numbers and address details.

For example, where two people hold a conversation on the street they may have a reasonable expectation of privacy over the contents of that conversation. However, a directed surveillance authorisation may be required if a public authority's records or listens to the conversation as part of a specific investigation or operation.

Therefore, '*private information*' may be acquired through authorised covert directed surveillance even where a person is in a public place and may have a reduced expectation of privacy.

Furthermore, information relating to the private life of an individual may be obtained when a number of records are analysed together, or where a number of pieces of information are obtained, covertly, for the purpose of making a record about a person or for data processing to generate further information.

The totality of the information may constitute private information even if the individual records do not. For example, enforcement officers may photograph the exterior of business premises for record purposes without the need for a RIPA authorisation. If, however, the officers wished to establish a pattern of occupancy of those premises by any person and took photographs on a number of occasions, that conduct would likely result in the obtaining of private information and thus compliance with RIPA would be required.

The role of Elected Members

The statutory Codes of Practice issued pursuant to RIPA, namely the revised Covert Surveillance and Property Interference Code Practice 2018, states that elected Members should review the Council's use of RIPA and set the Policy at least once a year.

Members should also consider internal reports on the use of RIPA on a regular basis to ensure that it is being used consistently with the Council's policy and that the policy remains fit for purpose.

The role of the Senior Responsible Officer ('SRO')

The statutory Codes of Practice issued pursuant to RIPA, namely the revised Covert Surveillance and Property Interference Code of Practice 2018 considers that councils should appoint an SRO.

Ceredigion County Council's SRO is the Corporate Lead Officer-Legal & Governance/Monitoring Officer. The SRO should be able to advise Officers on the RIPA procedure and be responsible for:

1. The integrity of the process in place within the public authority to authorise directed surveillance, the use of covert human intelligent sources and interference with property or wireless telegraphy;

2. Compliance with Chapter 2 of RIPA and with the relevant codes; and
3. Engagement with the Commissioners and inspectors when they conduct their inspections, and where necessary, overseeing the implementation of any post inspection action plans recommended or approved by a Commissioner.

In addition, the SRO will be responsible for overseeing and co-ordinating:

1. The submission of quarterly reports detailing RIPA activity, to the Overview and Scrutiny Co-ordinating Committee;
2. The annual review by the Overview and Scrutiny Co-ordinating Committee of this Policy;
3. The identification of issues in the oversight process, to enable analysis of issues, evidencing results, and ensuring subsequent feedback into the RIPA training, to ensure these matters are corporately addressed;
4. The formal oversight of the RIPA process within the Council, including identifying individual and corporate training needs, and dissemination of information; and
5. Maintaining online persona/pseudonyms Register including details of services/individuals who can use/sanction them.

The role of the Investigatory Powers Commissioner's Office ('IPCO')

IPCO was previously known as the Office of Surveillance Commissioners (OSC).

The IPA 2016 provides for an Investigatory Powers Commissioner (*'the Commissioner'*), whose remit includes providing comprehensive oversight of the use of the powers to which this code applies, and adherence to the practices and processes described in it.

The IPCO acts as the regulatory body in respect of the Directed Surveillance, Covert Human Intelligence Source aspects of RIPA and Communications Data. This Office conducts inspections of local authorities to ensure they are compliant with RIPA insofar as authorisations for directed surveillance and use of covert human intelligence sources is concerned. The IPCO does not give legal advice, although guidance may be given, when appropriate to request originating from the Senior Responsible Officer of a public authority.

The Annual Report of the IPCO 2020 can be found at: https://ipco-wpmedia-prod-s3.s3.eu-west-2.amazonaws.com/IPCO-Annual-Report-2020_Web-Accessible-version.pdf

Further information about the Investigatory Powers Commissioner, their office and their work may be found at: www.ipco.org.uk.

PO Box 29105
London
SW1V 1ZU

Phone: 0207 389 8900

Email: Info@ipco.org.uk

The role of the Information Commissioners Office ('ICO')

The ICO is the UK's independent authority set up to uphold information rights in the public interest, promoting good practice, openness by public bodies, data privacy for individuals and providing advice on standards. Audits also look at the way organisations handle requests for information under the Freedom of Information Act 2000.

Further information about the Information Commissioner's Office may be found at: ico.org.uk.

Information Commissioner's Office – Wales
2nd Floor, Churchill House
Churchill Way
Cardiff
CF10 2HH

Phone: 0330 414 6421

Email: wales@ico.org.uk

PART 2 – DIRECTED SURVEILLANCE

Chapter 2 of RIPA sets out a regulatory framework for the use of covert investigatory techniques by public authorities to ensure that they are compatible with the ECHR, particularly Article 8 (the right to respect for private and family life).

The first issue for any local authority officer who is considering undertaking covert surveillance is what type of surveillance they are undertaking, and **whether it is something that can be authorised under RIPA.**

Directed Surveillance is one of the two surveillance techniques available to the Council under Part 2 of Chapter 2 of RIPA.

The second available technique is a CHIS, but the third, Intrusive Surveillance, cannot be authorised by the Council.

The **Covert Surveillance and Property Interference Revised Code of Practice 2018** confirms at paragraph 2.2 and 2.3 that:

‘Surveillance, for the purpose of the 2000 Act, includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained

Surveillance is covert if, and only if, it is carried out in a manner calculated to ensure that any persons who are subject to the surveillance are unaware that it is or may be taking place.’

Meaning of ‘Directed Surveillance’

Directed Surveillance is defined in S.26 (2) of RIPA:

‘Subject to subsection (6), surveillance is directed for the purposes of this Part if it is covert but not intrusive and is undertaken –

- (a) for the purposes of a specific investigation or a specific operation;*
- (b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and*
- (c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under this Part to be sought for the carrying out of the surveillance.’*

Typically, local authorities may use Directed Surveillance when investigating benefit fraud, trading standards offences or antisocial behaviour. This may involve covertly filming or following an individual or monitoring their activity in other ways.

Before undertaking any covert surveillance activity, an investigating officer must ask (and have an affirmative answer to) five questions before the activity can be classed as Directed Surveillance:

- Is the surveillance, actually ‘surveillance’ as defined by RIPA?
- Will it be done covertly?
- Is it for a specific investigation or a specific operation?
- Is it likely to result in the obtaining of private information about a person?
- Will it be done, otherwise than in an immediate response to events?

See **Flowchart 1 below** to assess when deciding if surveillance is directed.

Key Points to Note:

- A. **General observations** do not constitute Directed Surveillance. The revised Covert Surveillance and Property Interference Code of Practice 2018 (at Paragraph 3.33) states:

‘The general observation duties of many law enforcement officers and other public authorities do not require authorisation under the 2000 Act, whether covert or overt. Such general observation duties frequently form part of the legislative functions of public authorities, as opposed to the pre-planned surveillance of a specific person or group of people. General observation duties may include monitoring of publicly accessible areas of the internet in circumstances where it is not part of a specific investigation or operation’

- B. Surveillance is only directed if it is **covert**. The revised Covert Surveillance and Property Interference Code of Practice 2018 (at Paragraph 2.3) states (per 26(9)(a) RIPA):

‘Surveillance is covert if, and only if, it is carried out in a manner that is calculated to ensure that persons who are subject to the surveillance are unaware that it is or may be taking place’

This requires investigating officers to consider the manner in which the surveillance is going to be undertaken. If it is done openly, without making any attempt to conceal it or a warning letter is served on the target before the surveillance is done, then it will not be covert.

- C. The definition of **‘private information’** is very wide. The revised Covert Surveillance and Property Interference Revised Code of Practice 2018 states:

‘3.3 The 2000 Act states that private information includes any information relating to a person’s private or family life. Private information should be taken generally to include any aspect of a person’s private or personal relationship with others, including family and professional or business relationships. Information which is non-private may include publicly available information such as books, newspapers, journals, TV and radio broadcasts, newswires, web sites, mapping imagery, academic articles, conference proceedings, business reports, and more. Such information may also include commercially available data where a fee may be charged, and any data which is available on request or made at a meeting to a member of the public. Non-private data will also include the attributes of inanimate objects such as the class to which a cargo ship belongs.

3.4 Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person’s activities in public may still result in the obtaining of private information. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a public authority of that person’s activities for future consideration or analysis. Surveillance of publicly accessible areas of the internet should be treated in a similar way, recognising that there may be an expectation of privacy over information which is on the internet, particularly where accessing information on social media websites’

There is a common misconception that if investigating officers are watching someone covertly in a public place or observing activities in an office or business premises that there is no private information likely to be obtained and so there is no Directed Surveillance. The above sections of the code make it extremely unlikely that a public authority will be able to successfully argue that surveillance will never result in private information being obtained.

- D. Where covert surveillance needs to be done in an **emergency** and there is no time to authorise the activity (i.e. an urgent response to events), the surveillance can still be done but it will not require Directed Surveillance authorisation. Nonetheless, it is important to note that it would be very unlikely that these circumstances would apply to the Council, as, if challenged, the Council would be required to demonstrate that it was an immediate response to events and not reasonably practicable for the authorisation to be sought. This course of action is not recommended and if it is considered that there is an emergency situation, advice from the SRO should be sought immediately.

The revised Covert Surveillance and Property Interference Revised Code of Practice 2018 (at Paragraph 3.32) states:

‘Covert surveillance that is likely to reveal private information about a person but is carried out by way of an immediate response to events such that it is not reasonably practicable to obtain an authorisation under the 2000 Act, would not require a directed surveillance authorisation. The 2000 Act is not intended to prevent law enforcement officers fulfilling their legislative functions. To this end section 26(2)(c) of the 2000 Act provides that surveillance is not directed surveillance when it is carried out by way of an immediate response to events or circumstances the nature of which is such that it is not reasonably practicable for an authorisation to be sought for the carrying out of the surveillance.’

The Covert Surveillance and Property Interference Revised Code of Practice 2018 gives the example of an authorisation under RIPA not being appropriate where police officers conceal themselves to observe suspicious persons that they come across in the course of a routine patrol or monitor social media accounts during a public order incident.

E. Online Covert Activity

The Council’s RIPA Social Media Policy (available at <https://cerinet.ceredigion.gov.uk/documents/policies-and-procedures/>) sets out what the Revised Covert Surveillance and Property Interference Code of Practice states regarding online covert activity, and its relevant advice to assist Officers in understanding when a RIPA authorisation may be required. See the Council’s RIPA Social Media Policy for the Council’s requirements and guidance regarding on-line personas.

The Covert Surveillance and Property Interference Revised Code of Practice 2018 (at Paragraph 3.10) states that:

“The growth of the internet and the extent of the information that is now available online, presents new opportunities for public authorities to view or gather information which may assist them in preventing or detecting crime or carrying out other statutory functions, as well as in understanding and engaging with the public they serve. It is important that public authorities are able to make full and lawful use of this information for their statutory purposes. Much of it can be accessed without the need for RIPA authorisations; use of the internet prior to an investigation should not normally engage privacy considerations. But if the study of an individual’s online

presence becomes persistent, or where material obtained from any check is to be extracted and recorded and may engage privacy considerations, RIPA authorisations may need to be considered. The following guidance is intended to assist public authorities in identifying when such authorisations may be appropriate”.

Paragraphs 3.11 – 3.17 of the Code also contain relevant advice and will assist Officers in understanding when a RIPA authorisation may be required:-

3.11 “The internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered, as set out elsewhere in this code. Where a person acting on behalf of a public authority is intending to engage with others online without disclosing his or her identity, a CHIS authorisation may be needed (paragraphs 4.10 to 4.16 of the Covert Human Intelligence Sources code of practice provide detail on where a CHIS authorisation may be available for online activity).

3.12 In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.

3.13 As set out in paragraph 3.14 below, depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings.

3.14 Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable expectation of privacy in relation to that information.

3.15 Whether a public authority interferes with a person’s private life includes a consideration of the nature of the public authority’s activity in relation to that information. Simple reconnaissance of such sites (i.e. preliminary examination with a view to establishing whether the site or its contents are of interest) is unlikely to interfere with a person’s reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where a public authority is systematically collecting and recording information about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online. See also paragraph 3.6.

Example 1: A police officer undertakes a simple internet search on a name, address or telephone number to find out whether a subject of interest has an online presence. This is unlikely to need an authorisation. However, if having found an individual's social media profile or identity, it is decided to monitor it or extract information from it for retention in a record because it is relevant to an investigation or operation, authorisation should then be considered.

Example 2: A customs officer makes an initial examination of an individual's online profile to establish whether they are of relevance to an investigation. This is unlikely to need an authorisation. However, if during that visit it is intended to extract and record information to establish a profile including information such as identity, pattern of life, habits, intentions or associations, it may be advisable to have in place an authorisation even for that single visit. (As set out in the following paragraph, the purpose of the visit may be relevant as to whether an authorisation should be sought.)

Example 3: A public authority undertakes general monitoring of the internet in circumstances where it is not part of a specific, ongoing investigation or operation to identify themes, trends, possible indicators of criminality or other factors that may influence operational strategies or deployments. This activity does not require RIPA authorisation. However, when this activity leads to the discovery of previously unknown subjects of interest, once it is decided to monitor those individuals as part of an ongoing operation or investigation, authorisation should be considered.

3.16 In order to determine whether a directed surveillance authorisation should be sought for accessing information on a website as part of a covert investigation or operation, it is necessary to look at the intended purpose and scope of the online activity it is proposed to undertake. Factors that should be considered in establishing whether a directed surveillance authorisation is required include:

Whether the investigation or research is directed towards an individual or organisation;

Whether it is likely to result in obtaining private information about a person or group of people (taking account of the guidance at paragraph 3.6 above);

Whether it is likely to involve visiting internet sites to build up an intelligence picture or profile;

Whether the information obtained will be recorded and retained;

Whether the information is likely to provide an observer with a pattern of lifestyle;

Whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life;

Whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s);

Whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.

3.17 Internet searches carried out by a third party on behalf of a public authority, or with the use of a search tool, may still require a directed surveillance authorisation (see paragraph 4.32).

Example: *Researchers within a public authority using automated monitoring tools to search for common terminology used online for illegal purposes will not normally require a directed surveillance authorisation. Similarly, general analysis of data by public authorities either directly or through a third party for predictive purposes (e.g. identifying crime hotspots or analysing trends) is not usually directed surveillance. In such cases, the focus on individuals or groups is likely to be sufficiently cursory that it would not meet the definition of surveillance. But officers should be aware of the possibility that the broad thematic research may evolve, and that authorisation may be appropriate at the point where it begins to focus on specific individuals or groups. If specific names or other identifiers of an individual or group are applied to the search or analysis, an authorisation should be considered.”*

Any systematic, repeated viewing of an individual’s online presence, covertly, and which may engage privacy considerations, requires the consideration of a RIPA authorisation.

In accordance with para 4.16 of the Covert Surveillance and Property Interference Code of Practice, where a public authority intends to access a social media or other online account to which they have been given access with the consent of the owner, the Authority will still need to consider whether the account may contain information about others who have not given their consent and if so the need for a directed surveillance authorisation should be considered.

Where several agencies are working together, only one of them would need to obtain an authorisation for covert activity were that deemed to be necessary and proportionate in the circumstances.

All online surveillance activity should be recorded and periodically scrutinised for oversight purposes. This is to ensure that the Council has the necessary reassurance that the internet is being used in a controlled and well understood manner.

Desktop research activity by staff must be monitored by the relevant Designated Officers, who are required to submit periodic returns of activity levels in relation to covert surveillance on social media.

These returns will be subject to a quality control of returns and dip sample exercise to test the understanding of staff in relation to RIPA considerations.

It is important that officers engaged in investigatory or enforcement areas where RIPA considerations are not so immediately apparent, maintain their levels of knowledge and know whom to approach for guidance.

On-line personas

Where these are permitted to be used corporately, the SRO will maintain a central register of these pseudonyms, profiles/accounts, together with details of the services or individual officers permitted to use/sanction their use.

Covert Surveillance of Social Media & On-line Persona Information

Relevant Council Services are required to:

- record information/data relating to covert social media/on-line surveillance, including on-line personas (* see below)
- identify a Designated Officer
- provide this data to the Designated Officer; and
- the Designated Officer must provide the information to the SRO or the SRO's Representative (Governance Officer) every 4 months.

*The Designated Officer will be required to maintain the following information:

- which media sites/on-line profiles have been visited
- was access to the media site(s)/on-line profile(s) restricted (provide details);
- when were the media site(s)/on-line profile(s) visited;
- by whom (Officer/User);
- on whose request;
- who authorised;
- details of the surveillance e.g. case reference, operation, investigation;
- date of request;
- date of access;
- on which profile/social media account;
- was an on-line persona/false profile/false identity used? If so, which?
- was an official corporate profile used? If so, which?
- how many viewings;
- length of viewing(s);
- for what purpose/rationale was the media site(s)/on-line profile(s) visited;
- Confirmation that the person whose identity is used has explicitly consented in writing, and their protection considered, and details of what is/is not to be done;
- Aim/desired information;
- was the subject aware;
- what data was obtained (including collateral information);
- what was done with any resultant product;
- Details of Social Media relevant to Application;
- Explanation why on-line persona required and alternative methods considered;
- Confirmation as to whether a Risk Assessment has been considered/carried out; and
- Any result, including any risk to Officer (and if not, why not).

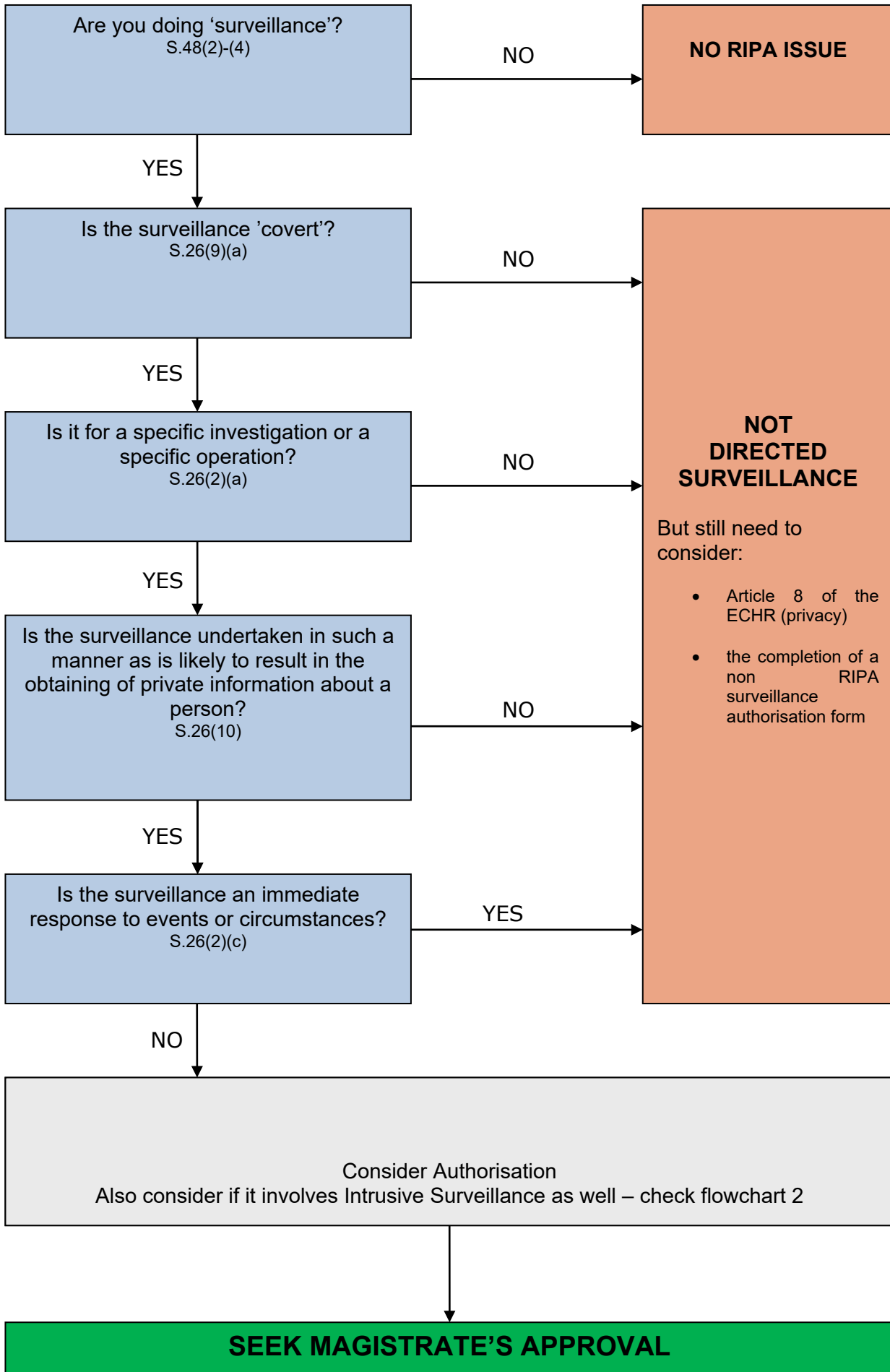
Officers who use such sites must also adhere to the Corporate Social Media policy (2016) (available on the Council's intranet site (CeriNet)).

- *'5.6 During work time employees may only access and view pages from allowed social media sites which are required in their role.*
- *Use of sites must be justifiable and approved by their line manager in advance of accessing such sites.*
- *6.3 Staff in a safeguarding environment must recognise the sensitivity inherent in their roles and before engaging in any social media activity they should consider if their actions could create any potential safeguarding concerns*
- *Ensure that your personal Facebook account does not compromise your professional position you should ensure that your privacy settings are set correctly*
- *Do not use your work contact details as part of your personal profile*

- *Do not use your personal profile in any way for official Council business.*
- *On your personal profile-Do not accept friend requests from members of the public where the primary relationship is through your work.*
- *On your personal profile-Do not accept friend requests from pupils (or their parents) or vulnerable adult service users that you work with.'*

The Council's RIPA Social Media Policy applies to all Council employees and sets out the position of the Council regarding the use of the internet, mobile web browsing and specifically social media websites, when undertaking surveillance, which could include an investigation, in accordance with RIPA. The Council's RIPA Social Media Policy should be read in conjunction with this document.

Flowchart 1 – Are you conducting ‘Directed Surveillance’?



Meaning of 'Intrusive Surveillance'

S.26 (3) RIPA states:

'Subject to subsections (4) to (6), surveillance is intrusive for the purposes of this Part if, and only if, it is covert surveillance that—
(a) is carried out in relation to anything taking place on any residential premises or in any private vehicle; and
(b) involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.'

As the name suggests, this type of surveillance is much more intrusive and so the legislation is framed in a way as to give greater protection to the citizen when it is used. Applications to carry out Intrusive Surveillance can only be made by the senior Authorising Officer of those public authorities listed in or added to S.32(6) of RIPA or by a member or official of those public authorities listed in or added to section 41(I). Local authorities **cannot authorise intrusive surveillance.**

It is still important to understand the definition of Intrusive Surveillance because sometimes over-zealous officers may overstep the mark and end up doing it. The following questions have to be asked:

- Is it Covert Surveillance as defined by RIPA?
- Is it being carried out in relation to anything taking place on any residential premises or in any private vehicle?
- Does it involve the presence of an individual on the premises or in the vehicle? and
- Is it being carried out by means of a surveillance device on the premises or in the vehicle?

See Flowchart 2 to assess if the surveillance is Intrusive.

Key Points to Note:

- A. When doing covert surveillance of premises it can only be 'intrusive' if it is carried out in relation to anything taking place on residential premises. This is defined in S.48(1) RIPA:

'residential premises' means (subject to subsection (7)(b)) so much of any premises as is for the time being occupied or used by any person, however temporarily, for residential purposes or otherwise as living accommodation (including hotel or prison accommodation that is so occupied or used);'

Covert surveillance of business premises will not be regarded as intrusive surveillance, e.g. where an officer is conducting surveillance of a unit on an industrial estate where a food business is suspected of producing counterfeit vodka, or a retail shop suspected of selling tobacco to under 18's, etc.

However, care must be taken where a business is located within a building or vehicle, which is also used as a private dwelling, e.g. a person, suspected of manufacturing counterfeit DVDs from a caravan that is also their private residence. No surveillance (which includes filming or capturing images) of persons and activities within those private living quarters is permitted as this would be considered as intrusive surveillance.

- B. Not all surveillance of vehicles is 'intrusive'; the target has to be a private vehicle as defined in S.48(1):

'private vehicle' means (subject to subsection (7)(a)) any vehicle which is used primarily for the private purposes of the person who owns it or of a person otherwise having the right to use it;'

The vehicle can be owned, borrowed, rented or leased. However (by virtue of S.48 (7) (a)) surveillance is not Intrusive where the target vehicle is a taxi or a chauffeur-driven vehicle such as a public coach service.

- C. For the surveillance to be intrusive rather than directed it has to be undertaken in such a manner as to involve the presence of an individual on the premises or inside the vehicle.

It is extremely unlikely that local authorities would allow their staff to undertake surveillance by getting inside a private vehicle covertly. However, it may be that an officer is stationed inside residential premises to covertly observe anti-social behaviour.

Whilst normally this kind of conduct is the realm of the police, care must be taken. For example, a keen investigator taking covert pictures from outside a house may decide to move to a more covert position or location to obtain clearer images.

- D. Surveillance can still be Intrusive even if the investigating officer is not on or inside the premises or vehicle but is using a surveillance device such a camera, listening device, recorder or even binoculars.

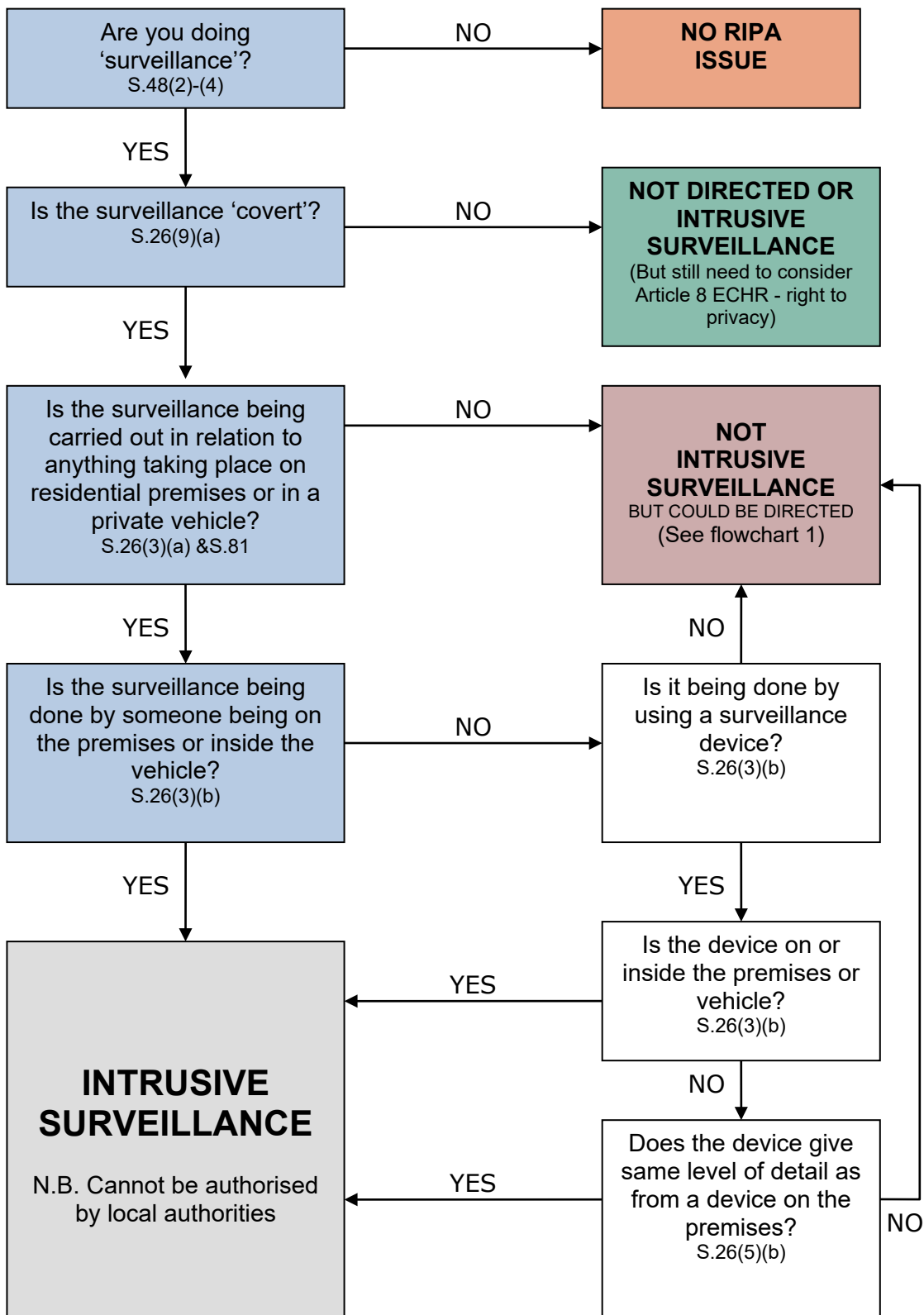
However the words of S.26 (5) should be noted:

'For the purposes of this Part surveillance which –

(a) is carried out by means of a surveillance device in relation to anything taking place on any residential premises or in any private vehicle, but

(b) is carried out without that device being present on the premises or in the vehicle, is not intrusive unless the device is such that it consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle.

Flowchart 2 - Are you doing 'Intrusive Surveillance'?



Limitations on the use of Directed Covert Surveillance

The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012 (SI no. 1500) imposes restrictions on local authorities' use of RIPA (see paragraph 4.44 of the Covert Surveillance and Property Interference Revised Code of Practice 2018).

It restricts AOs in a local authority in England or Wales from authorising the carrying out of directed surveillance unless it is **necessary** for the purpose of preventing or detecting a criminal offence and meets the following conditions:

- That the criminal offence to be prevented or detected is punishable by a maximum term of at least six months' imprisonment or
- Constitutes an offence under sections 146, 147 or 147A of Licensing Act 2003 (sale of alcohol to children) or section 7 of the Children and Young Persons Act 1933 (sale of tobacco to children under 18 years old).

This '*crime threshold*' does not apply to the authorisation of local authority use of CHIS or the acquisition of communications data.

The amendments to the legislation continues to allow the Council to authorise use of directed surveillance but only in more serious cases as long as the other tests are met i.e. that it is '**necessary**' and '**proportionate**' and where prior approval from a Justice of the Peace (Magistrate) has been granted.

It is therefore essential that investigating officers consider the penalty attached to the criminal offence, which they are investigating, **BEFORE** considering whether it may be possible to obtain an authorisation for directed surveillance.

It is important that staff have an awareness of their RIPA responsibilities and the knowledge required to avoid inadvertent drift into activity for which RIPA authorisation would be required. Designated Officers and Corporate Managers should ensure this is maintained and cascade information to relevant staff.

If an AO is in any doubt about authorising any surveillance activity, they should seek advice from the SRO.

Enhanced authorisation levels

Directed surveillance likely or intended to result in the acquisition of knowledge of confidential or privileged material may be authorised only by AOs entitled to grant authorisations in respect of confidential or privileged information. This type of material includes:

- Material subject to legal privilege;
- Confidential personal information;
- Confidential constitution information; and
- Confidential journalistic material and journalists sources.

In the Council, the AO entitled to grant authorisations in respect of confidential or privileged information is the Chief Executive, or (in their absence) the person acting as the Chief Executive (i.e. Corporate Director).

Care must be taken where, through the use of surveillance, it would be possible to acquire knowledge of discussions between a minister of religion and an individual relating to the

latter's spiritual welfare, or where matters of medical or journalistic confidentiality may be involved.

Where such material has been acquired and retained, the Council's SRO must be informed as soon as possible, as the matter should be reported to the IPCO during their next inspection and the material should be made available to the IPCO, if requested.

Note that RIPA does not enable the Council to make any authorisations to carry out intrusive surveillance (for further details, see Part 2 below).

Urgent cases – (Para 4.42 Covert Surveillance and Property Interference Revised Code of Practice 2018)

Paragraph 4.42 of the Covert Surveillance and Property Interference Revised Code of Practice 2018 states that:

*'The Protection of Freedoms Act 2012 amended the 2000 Act to make local authority authorisations subject to judicial approval. The change means that local authorities need to obtain an order approving the grant or renewal of an authorisation from a judicial authority, before it can take effect. In England and Wales an application for such an order must be made to a Justice of the Peace (JP). If the JP is satisfied that the statutory tests have been met and that the use of the technique is necessary and proportionate, he or she will issue an order approving the grant or renewal for the use of the technique as described in the application. The amendment means that **local authorities are no longer able to orally authorise the use of RIPA techniques.** All 37 The senior responsible officer should be a person holding the office, rank or position of an authorising officer within the relevant public authority. **authorisations must be made in writing and require JP approval. The authorisation cannot commence until this has been obtained.'***

This means that Local Authorities are not able to verbally authorise the use of RIPA techniques. All authorisations must be made in writing and require judicial approval. The authorisation cannot commence until this has been obtained. The SRO should be a person holding the office, rank or position of an AO within the relevant public authority.

A case is not normally regarded as urgent unless the time that would elapse would, in the opinion of the AO be likely to endanger life or jeopardise the investigation for which the authorisation was being given.

An authorisation is not to be regarded as urgent where the need for an authorisation has been neglected or is of the AO's or applicant's own making.

PROCEDURE FOR APPLYING FOR A DIRECTED SURVEILLANCE AUTHORISATION

If a Council Officer believes that their intended actions fall under the definition of directed covert surveillance, they will need to apply for a RIPA directed surveillance authorisation.

The 3 key elements of any RIPA authorisation are **necessity, proportionality** and whether there is any risk of **collateral intrusion**.

Before the Authorising Officer authorises the RIPA application, they will need to be sure that the authorisation is **necessary** for the purpose of preventing or detecting crime, that the surveillance is proportionate to the outcome sought, and that any risk of collateral intrusion has been identified and minimised.

The surveillance activity will not be **proportionate** if it is excessive in the circumstances of the case or if the information could be reasonably obtained by other less intrusive means.

In the event that the Authorising Officer for the relevant service is unavailable, any of the other Authorising Officers may consider and if appropriate approve the application in circumstances where the delay caused may compromise the investigation.

Only the Chief Executive has the power to authorise directed surveillance involving the covert filming of any Elected Member, Corporate Director or Corporate Lead Officer.

Where several Agencies are working together, only one of them would need to obtain an authorisation for covert activity.

If during the course of the operation those activities change, there will be a need to apply for a review authorisation.

Role of the Investigating Officer – Applicant

The role of the Applicant is to present the facts of the application for covert surveillance including:

- The crime to be investigated;
- Reason why it is proposed to conduct the Investigation covertly;
- What covert tactics are requested;
- Why the covert tactics requested;
- Who the covert surveillance will be focused on;
- Who else will be affected by it;
- How it is intended to conduct the covert surveillance; and
- Provide facts and evidence.

The Applicant is not required to assert that the actions to be taken are necessary and proportionate- that is the statutory responsibility of the AO.

Completing the Forms

The Council Officer will need to make an application on the relevant form, which can be downloaded from the Home Office website, <https://www.gov.uk/government/collections/ripa-forms--2>

Application forms for directed surveillance will need to contain the following information:

- The action that needs to be authorised;
- If known, the identities of the people who are going to be the subject of the directed surveillance;
- An account of the investigation;
- An explanation of the techniques that you intend to use;
- Confirmation that the action proposed is intended to prevent crime or detect crime;
- An explanation of why the directed surveillance is considered to be proportionate to the outcome it seeks to achieve;
- An explanation of the information which is hoped to be obtained;
- An assessment of the potential for collateral intrusion (i.e., what interference will there be with the privacy of persons other than the subjects of the surveillance);
- Whether any confidential information will be acquired;
- If authorisation is needed urgently, the reasons for the urgency;
- Sequential Unique Reference Number (URN) obtained from the SRO and entered on to the form; and
- The form should specify the type of ‘crime’ involved – application forms should be explicit. General use of word ‘crime’ is not sufficient. Fishing expeditions are not appropriate.

Example forms (with guidance on filling in the forms) are available from the Council’s Intranet Site (CeriNet) at <https://cerinet.ceredigion.gov.uk/documents/forms-and-templates/>).

Flowchart 3 will also assist.

Officers making an application and Authorising Officers should also be aware of, and have regard to:

- **Home Office Covert Surveillance and Property Interference Revised Code of Practice 2018;**
- **OSC Procedures & Guidance Document;**
- **This RIPA Policy;** and
- **ACT NOW Toolkit.**

Note: Standard wording should not be used when completing authorisations. The explanation and information provided on the authorisation should relate to the individual facts of the case and state clearly the objectives of the surveillance.

The Role of the Authorising Officer (‘AO’)

The Authorising Officer should consider an application for directed surveillance authorisation within 10 working days of receiving the application.

Once an authorisation has been granted, the Authorising Officer will consider the duration of the authorisation, renewal of the authorisation and cancellation of the authorisation.

Note: The notices and authorisations do not take effect until a Magistrate has approved the authorisation. See below for the procedure for seeking such approval.

Directed Surveillance authorisations cease to have effect 3 months from the date of approval.

RIPA and the associated Codes require that when the Council undertakes ‘*covert directed surveillance*’, uses a CHIS or access communications data, these activities must only be authorised by an officer with delegated powers when the relevant criteria are satisfied.

The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (SI 2010 N0.521) states that the AOs for a local authority can be a Director, Head of Service, Service Manager or equivalent.

Services may, therefore, currently nominate officers from at least Corporate Lead Officer level, who can authorise these activities either as an AO for the purposes of directed covert surveillance or use of a CHIS.

Pursuant to the Council's corporate restructure, effective from 1st April 2018, and further to Council resolution made on the 21st June 2018, the following officers are authorised to act as AOs:

- **Corporate Lead Officer: People and Organisation;**
- **Corporate Lead Officer: Policy, Performance & Public Protection; and**
- **Corporate Lead Officer: Porth Cynnal.**

Where the surveillance involves the likelihood of obtaining confidential information or the deployment of juveniles or vulnerable people (see below), then the authorisation **must** be sought from the Chief Executive or, in their absence, the acting Chief Executive.

If there is any doubt regarding sufficiency of rank, contact the SRO (Monitoring Officer/CLO – Legal and Governance) for advice.

Care must be taken where, through the use of surveillance, it would be possible to acquire knowledge of discussions between a minister of religion and an individual relating to the latter's spiritual welfare, or where matters of medical or journalistic confidentiality may be involved.

Where such material has been acquired and retained, the SRO must be informed as soon as possible, as the matter should be reported to the IPCO during their next inspection and the material should be made available to the IPCO, if requested.

In authorising any applications for directed surveillance, and in considering any renewals, reviews and cancellations, the Authorising Officer should also consider:

- (a) how long will the data be retained for?; and
- (b) is this compliant with the Council's Information and Records Management Policy and Corporate Retention Schedule?

(see Part 4 below).

Renewals

The Authorising Officer can renew an authorisation before it expires if it is necessary for the authorisation to continue for the purpose it was originally given.

An application for renewal must not be made more than 7 working days before the authorisation is due to expire. This is to ensure that the renewal is necessary.

Authorisations may be renewed more than once provided they continue to meet the criteria.

Applications for renewals must be made on another form which can be downloaded from the Home Office website (example forms (with guidance on how to fill in the forms) are available on the Council's Intranet Site (CeriNet) at

<https://cerinet.ceredigion.gov.uk/documents/forms-and-templates/>), and see Paragraphs 5.16-21 of the Home Office Code of Practice for Directed Surveillance and Property Interference Revised Code of Practice 2018).

Note: Renewals do not take effect until a Magistrate has approved the authorisation.

Reviews

When the authorisation is granted, the AO will determine how often reviews should take place. Reviews will consider whether the authorisation is still needed i.e. whether the surveillance should continue.

Reviews do not require judicial approval and can be conducted internally (see Paragraphs 9.11-13 of the Home Office Code of Practice for Directed Surveillance and Property Interference).

The AO should consider the use of the tactics to date, along with their impact and any product, to ensure that each additional tactic is necessary, whether collateral intrusion can be justified, and whether the cumulative effect of the tactics is proportionate in light of progress.

Any amendments must be explicit, and no tactic may be used prior to it being granted by the AO.

The AO should clearly set out what activity and surveillance equipment is authorised in order that those conducting the surveillance are clear on what has been sanctioned at each stage in the authorisation process.

An audit trail of the review criteria should be kept.

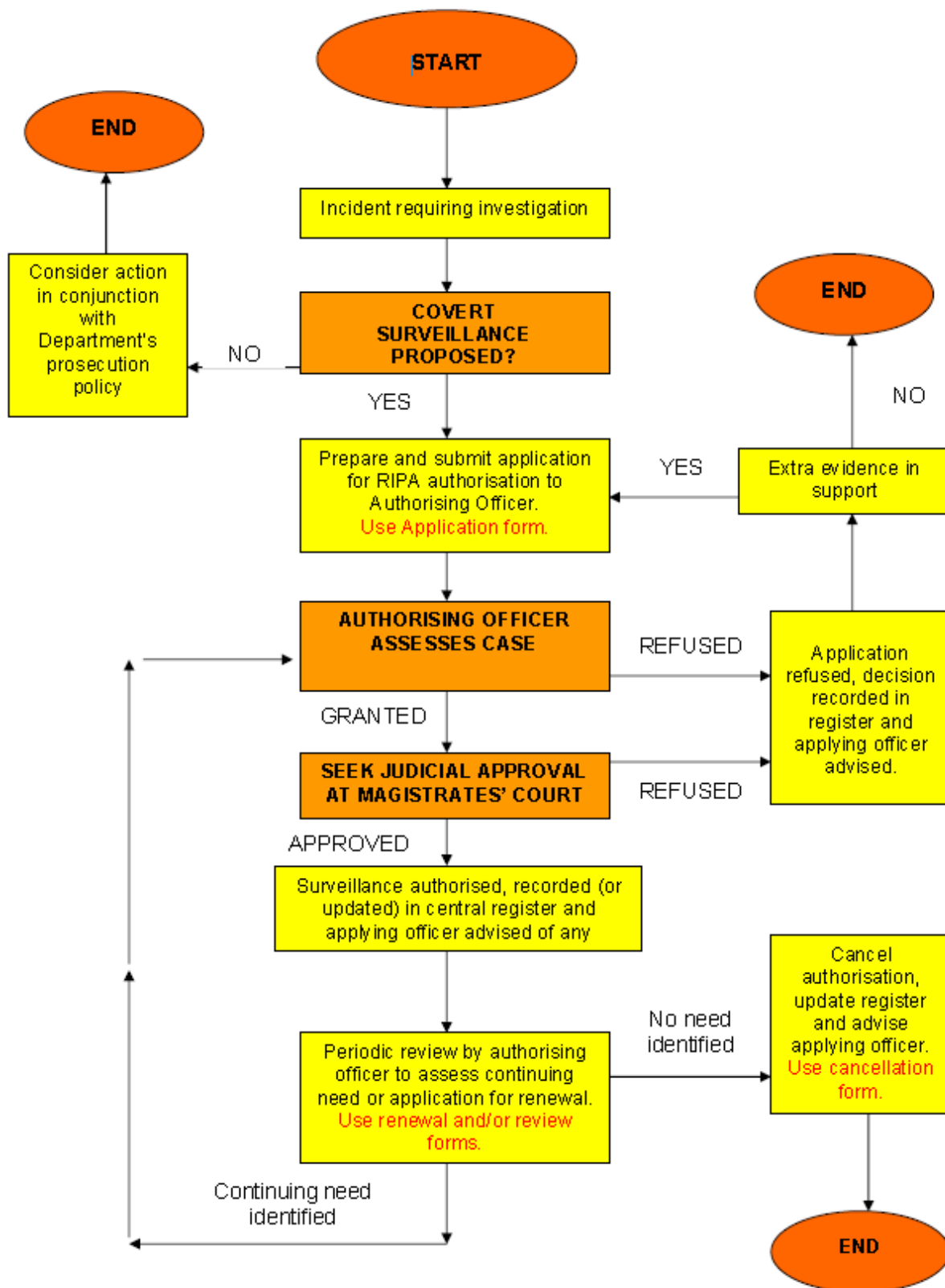
Cancellations

Authorisations will be cancelled when the AO is satisfied the criteria for authorisation is no longer met. To cancel the authorisation, the officer in charge of the investigation should complete a cancellation form (found on the Home Office website and Appendices to this document). This form should then be checked by the officer's manager, and it should then be sent to the AO. The cancellation form must contain the date of cancellation. The form will also require an explanation of reasons for cancellation, the value of the surveillance, and AO's statement (to include directions for management and storage of the product of surveillance).

See Paragraphs 5.22-27 of the Directed Surveillance and Property Interference Revised Code of Practice 2018.

Cancellations do not require judicial approval.

Flowchart 3 – Basic Lifecycle of a Directed Surveillance Authorisation (Similar lifecycle for a CHIS)



Guidance for Authorising Officers on Authorising Directed Surveillance Applications

Section 27 of RIPA provides a defence if covert surveillance is challenged:

*‘(1) Conduct to which this Part applies shall be lawful for all purposes if -
(a) an authorisation under this Part confers an entitlement to engage in that conduct on the person whose conduct it is; and
(b) His conduct is in accordance with the authorisation.’*

To take advantage of this defence, the surveillance needs to be properly authorised. S.28 sets out the criteria for authorising Directed Surveillance, whilst S.29 covers CHIS.

Time Limits

The current time limit for a Directed Surveillance authorisation is 3 months.

A renewal must be authorised prior to the expiry of the original authorisation, but it runs from the expiry date and time of that original authorisation. Authorisations may be renewed more than once if still considered necessary and proportionate and approved by a Magistrate.

An application for renewal must not be made more than 7 working days before the authorisation is due to expire. This is to ensure that the renewal is necessary but local authorities must take account of factors, which may delay the renewal process (e.g. intervening weekends or the availability of the relevant local authority authorising officer and a Magistrate to consider the application).

Authorising Officer’s Considerations

S.28 (2) of RIPA states:

‘A person shall not grant an authorisation for the carrying out of directed surveillance unless he believes –

*(a) that the authorisation is necessary on grounds falling within subsection (3); and
(b) that the authorised surveillance is proportionate to what is sought to be achieved by carrying it out.’*

See **Flowchart 4** to assess whether Directed Surveillance should be authorised.

It is the role of the AO to consider the following factors.

A. Is the surveillance necessary?

The surveillance has to be necessary on one of the grounds set out in S.28 (3). Previously local authorities could authorise Directed Surveillance where it was necessary

‘for the purpose of preventing or detecting crime or of preventing disorder.’

S.28(3)(b))

The Home Office Review, which reported in January 2011, recommended that where local authorities wish to use Directed Surveillance, this should be confined to cases where the offence under investigation is a serious offence.

This recommendation was put into effect by [The Regulation of Investigatory Powers \(Directed Surveillance and Covert Human Intelligence Sources\) \(Amendment\) Order 2012, SI 2012/1500](#) which was made in June 2012 and came into force on 1st November 2012. This amends the [Regulation of Investigatory Powers \(Directed Surveillance and Covert Human Intelligence Sources\) Order 2010, SI 2010/521](#) ('the 2010 Order'), which prescribes which officers, within a public authority, have the power to grant authorisations for the carrying out of Directed Surveillance and the grounds, under Section 28(3), upon which authorisations can be granted.

The Council's AOs may **not** authorise Directed Surveillance unless it is for the purpose of preventing or detecting conduct which constitutes a criminal offence, or is a criminal offence, and it meets the conditions set out in the new Article 7A(3)(a) or (b) of the 2010 Order. Those conditions are that:

- a) The criminal offence which is sought to be prevented or detected is **punishable, whether on summary conviction or on indictment, by a maximum term of at least 6 months of imprisonment,** or
- b) Would constitute an offence under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933. The latter are all offences involving sale of tobacco and alcohol to underage children.

Surveillance being carried out to tackle disorder (e.g. anti-social behaviour) can no longer be authorised as Directed Surveillance, unless the disorder includes criminal offences satisfying the above criteria.

No RIPA authorisation is necessary for:

- Immediate response;
- General observation activities;
- Overt CCTV/APNR systems;
- TV detector vans;
- Overt recording of noise nuisance;
- Interview with members of the public;
- Covert recordings for noise nuisance, when the recording is in decibels or constitutes non-verbal noise, or is of verbal content made at a level which does not exceed that which can be heard with the naked ear (see Covert Surveillance and Property Interference Revised Code of Practice 2018 at para 3.40); nor
- Overt and covert recording of voluntary interviews with members of the public.

The AO should clearly set out what activity and surveillance equipment is authorised in order that those conducting the surveillance are clear as to what has been sanctioned at each stage in the authorisation process. It is recognised that it is not always possible, at the outset of an investigation, to foresee how it will progress. However, this should not be a reason for Applicants to request a wide number of tactics/techniques 'just in case' they are later needed.

The AO may not authorise more than that which can be justified at the time of the authorising decision, and should demonstrate control, and a proper understanding of necessity, collateral intrusion and proportionality, relating to each tactic/technique

requested. AOs must ensure that legal requirements are addressed throughout the life of an authorisation.

B. Is the surveillance proportionate to what is sought to be achieved by carrying it out?

Proportionality means ensuring that the surveillance is the least intrusive method to obtain the required information having considered all reasonable alternatives. This requires consideration of not only whether surveillance is appropriate but also the method to be adopted, the duration and the equipment to be used.

It is necessary to balance the infringement against the benefit. The merit of each case is to be considered.

It is unacceptable to consider whether an authorisation is required based on the description of the surveillance alone. The legal principles must be applied to the particular facts, and is a matter of judgment.

The conduct that it is aimed to prevent/detect must be identified and clearly described, and an explanation provided of why it is necessary to use the covert techniques requested.

The AO may not authorise more that can be justified at the time of their decision and should demonstrate control, and a proper understanding of necessity, collateral intrusion and proportionality, relating to each tactic requested.

The OSC often states in its inspection reports that officers have not properly understood the concept of proportionality or have not demonstrated compliance within the authorisation form. The Covert Surveillance and Property Interference Revised Code of Practice 2018 (Para 4.7) requires four aspects to be addressed in the authorisation form:

1. Balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
2. Explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
3. Considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result; and
4. Evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

The AO should consider the use made of tactics to date, along with their impact and any product to ensure that each additional tactic is necessary, whether collateral intrusion can be justified, and whether the cumulative effect of the tactics is proportionate.

The AO should set out in their own words why they believe the (RIPA) activity is necessary and proportionate. A bare assertion is not sufficient.

C. Can Collateral Intrusion be avoided or minimised?

The AO will need to carefully consider the likelihood of collateral intrusion occurring. This is the risk of intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation. If the risk is significant, measures should be taken, wherever practicable, to avoid or minimise any unnecessary intrusion.

Investigating Officers and AOs will need to ask themselves:

- i. What is the impact on third parties? Is it significant? Can it be justified?
- ii. If it is, what can be done to avoid or minimise it?
- iii. Have the following been considered:
 - o Changing the timing of the surveillance;
 - o Reducing the amount of surveillance;
 - o Changing the method of surveillance;
 - o The nature of the private information likely to be obtained;
 - o The sensitivities of the local community; and
 - o Surveillance operations by other public authorities?

The need to obtain the best evidence to investigate the crime will be paramount at all times.

Next Stage: Once the surveillance has been authorised the next stage is to seek Magistrate's approval (see below).

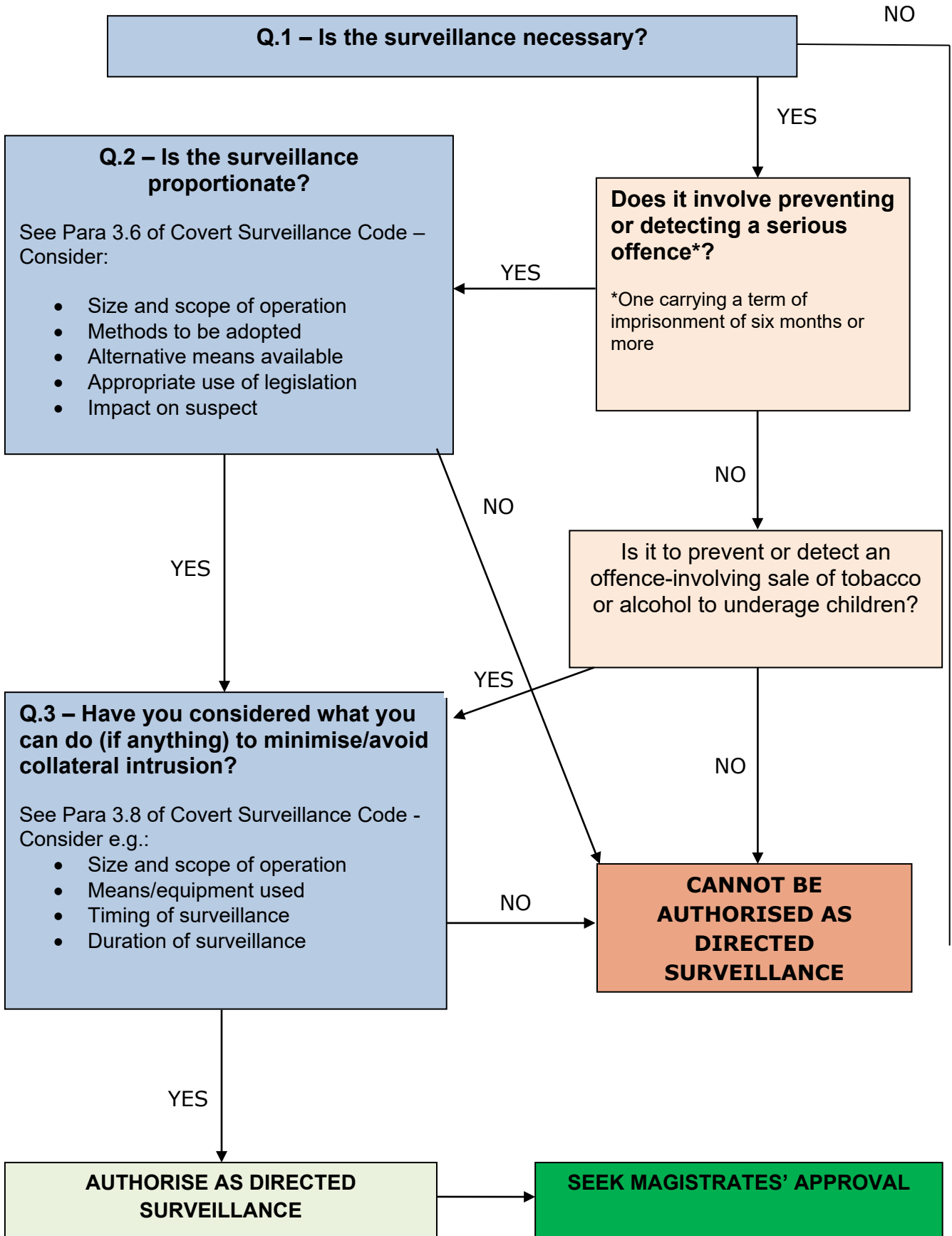
AOs must also, through their relevant Data Controller, ensure compliance with the appropriate data protection requirements under the Data Protection Act 2018 and any relevant internal arrangements produced by the Council relating to the handling and storage of material (see Paragraphs 9.1.4 to 9.2.2 of The Covert Surveillance and Property Interference Revised Code of Practice 2018 and Assurance of Data Handling and Retention Safeguards section below). Within the Council, this is the Data Protection Officer, who will report to the Council's Senior Information Risk Owner ('SIRO').

As set out above (and Part 4 below), in authorising any applications for directed surveillance, the Authorising Officer should also consider:

(a) how long will the data be retained for?; and

(b) is this compliant with the Council's Information and Records Management Policy and Corporate Retention Schedule?

Flowchart 4 - Authorising Directed Surveillance



SEEKING MAGISTRATE'S APPROVAL (JUDICIAL APPROVAL) FOR DIRECTED SURVEILLANCE

Background

Chapter 2 of Part 2 of the Protection of Freedoms Act 2012 (sections 37 and 38) came into force on 1st November 2012. This changed the procedure for the authorisation of Council surveillance under RIPA and approval of a Magistrate is needed for the use of Directed Surveillance.

An approval is also required if an authorisation to use such techniques is being renewed. In each case, the role of the Magistrate is to ensure that the correct procedures have been followed and the relevant factors have been taken account of. There is no requirement for the Magistrate to consider either cancellations or internal reviews.

Home Office Guidance

The Home Office has published guidance on the Magistrate's approval process for both local authorities and the Magistrate's Court:

<http://www.homeoffice.gov.uk/publications/counter-terrorism/ripa-forms/local-authority-ripa-guidance/>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/118174/magistrates-courts-eng-wales.pdf

This guidance is non-statutory but provides advice on how local authorities can best approach these changes in law and the new arrangements that need to be put in place to implement them effectively. It is supplementary to the legislation and to the two statutory Codes of Practice made under RIPA.

See Flowchart 5 for summary of the Magistrates approval process

The Magistrate's Approval Process

1. The first stage will be to apply for an internal authorisation in the usual way. Once this has been granted, the local authority will need to contact the local Magistrates' Court to arrange a hearing.
2. The hearing constitutes legal proceedings. Therefore, local authority officers need to be formally designated to appear before the magistrate, take the oath, present evidence or provide information, as required, to support the application. The Council will need to formally designate officers for this purpose under section 223 of the Local Government Act 1972, to represent the Council within the proceedings.
3. The Home Office suggests that the Investigating Officer will be best suited to fulfil this role but the AO may also want to attend to answer any questions.
4. The local authority will provide the Magistrate with a copy of the original RIPA authorisation. This forms the basis of the application to the Magistrate and should contain all information that is relied upon. In addition, the local authority will provide the Magistrate with two copies of a partially completed judicial application/order form, which is included in the Home Office Guidance (example forms (with guidance on filling in the forms) are available from the Council's Intranet Site (CeriNet) at <https://cerinet.ceredigion.gov.uk/documents/forms-and-templates/>).

5. The hearing will be held in private and heard by a single Magistrate who will read and consider the RIPA authorisation and the judicial application/order form. She/he may have questions to clarify points or require additional reassurance on particular matters. The forms and supporting papers must by themselves make the case. **It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided.**
6. The Magistrate will consider whether they are satisfied that, at the time the authorisation was granted or renewed, there were reasonable grounds for believing that the authorisation was necessary and proportionate. They will also consider whether there continues to be reasonable grounds. In addition the Magistrate must be satisfied that the Authorising Officer was of appropriate designation within the local authority and that the authorisation was made in accordance with any applicable legal restrictions (e.g. meets the Serious Crime Test for Directed Surveillance)
7. The order section of the above mentioned form will be completed by the Magistrate and will be the official record of his/her decision. The Council will need to retain a copy of the form after it has been signed by the Magistrate.

Magistrate's Options

The Magistrate may decide to –

- ***Approve the grant/renewal of the authorisation***

The grant/renewal of the authorisation will then take effect and the Council may proceed to use the surveillance technique mentioned therein.

- ***Refuse to approve the grant/renewal of the authorisation on a technicality***

The RIPA authorisation will not take effect and the Council may not use the surveillance technique in that case. The Council will need to consider the reasons for the refusal. A technical error in the form may be remedied without the need to go through the internal authorisation process again. The Council can then reapply for Magistrate's approval.

- ***Refuse to approve the grant/renewal and quash the authorisation***

A Magistrate may refuse to approve the grant or renewal of an authorisation and decide to quash the original authorisation. This may be because they believe it is not necessary or proportionate. The RIPA authorisation will not take effect and the Council may not use the surveillance technique in that case. The Magistrate must not exercise their power to quash the authorisation unless the local authority has had at least two business days from the date of the refusal in which to prepare and make further representations to the court.

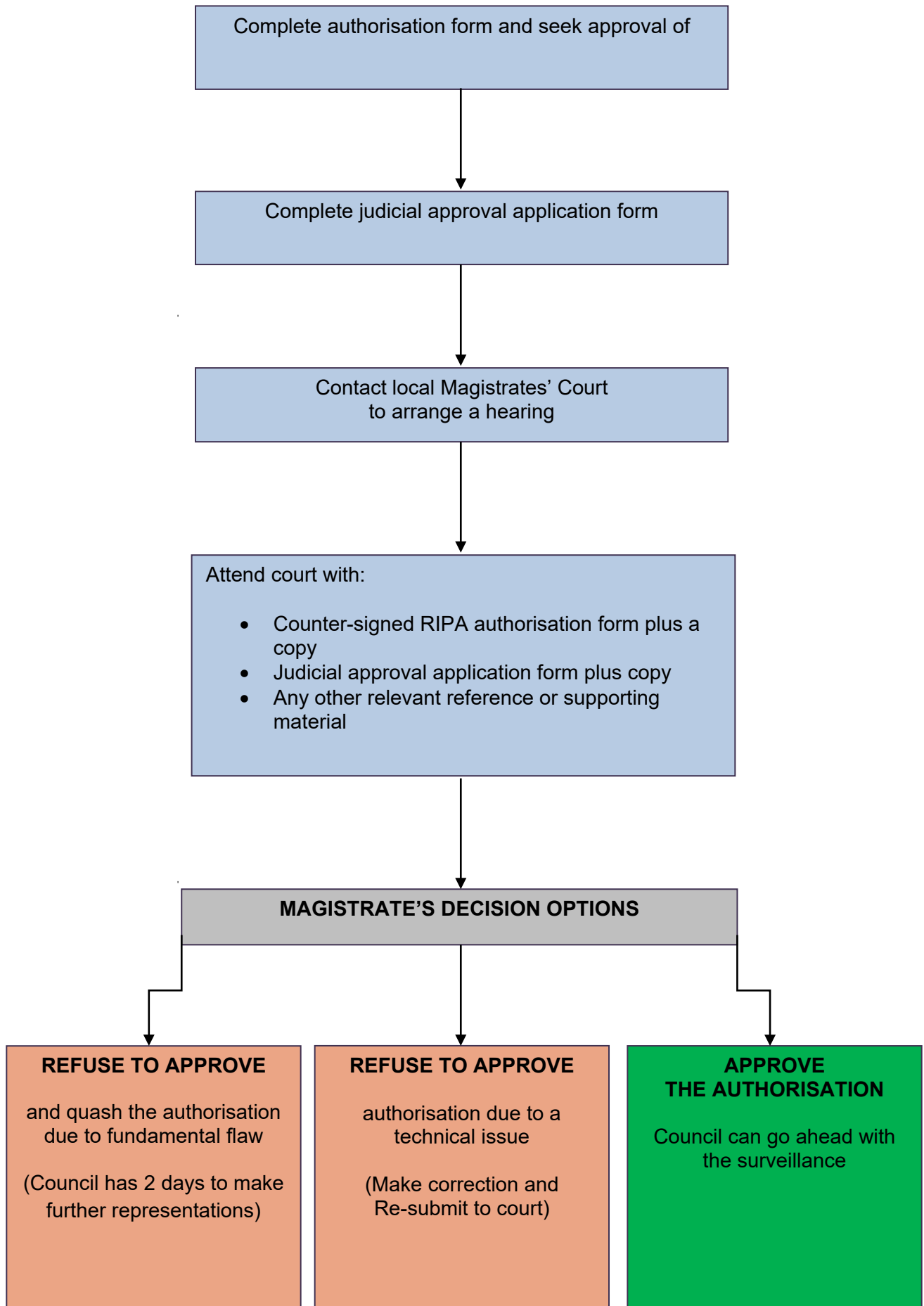
Appeals

There is no complaint route for a judicial decision unless it was made in bad faith. Any complaints should be addressed to the Magistrates' Advisory Committee. Therefore, the Council may only appeal a Magistrate's decision to refuse approval of an authorisation, on a point of law by making an application for Judicial Review in the High Court.

The Investigatory Powers Tribunal ('IPT') will continue to investigate complaints by individuals about the use of RIPA techniques by public bodies, including local authorities. If, following a complaint to them, the IPT finds fault with a RIPA authorisation, it has the power to quash the Magistrate's order, which approved the grant or renewal of the authorisation. It can also award damages if it believes that an individual's human rights have been violated

by the local authority (see Investigatory Powers Tribunal Rules 2018 (SI 2018/1334), which came into force on the 31st December 2018).

Flowchart 5- The Magistrate's Approval Process



PART 3 - Covert Human intelligence Source ('CHIS')

As stated above, Chapter 2 of RIPA sets out a regulatory framework for the use of covert investigatory techniques by public authorities to ensure that they are compatible with the ECHR, particularly Article 8 (the right to respect for private and family life).

The first issue for any Council Officer who is considering undertaking covert surveillance is what type of surveillance they are undertaking, and **whether it is something that can be authorised under RIPA**. A CHIS is one of the two surveillance techniques available to the Council under Part 2 of Chapter 2 of RIPA. The second available technique is Directed Surveillance, but the third, Intrusive Surveillance, cannot be authorised by the Council.

Meaning of a 'CHIS'

A CHIS is defined in S.26(8) of RIPA:

'...a person is a covert human intelligence source if -

- (a) he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c);*
- (b) he covertly uses such a relationship to obtain information or to provide access to any information to another person; or*
- (c) he covertly discloses information obtained by the use of such a relationship, or as a consequence of the existence of such a relationship.'*

To ascertain whether a person is a CHIS three questions must be asked:

1. Is the person establishing or maintaining a personal or other relationship with a person?
2. Is that relationship being used for a covert purpose? and
3. Is the covert purpose facilitating the doing of anything falling within Paragraph (b) or (c) (above)?

Revised Code of Practice 2022

The Draft Revised CHIS Code of Practice 2022 is shown here:

[Covert Human Intelligence Sources Draft Revised Code of Practice 2022](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1112114/Oct_2022_Draft_Revised_CHIS_Code_of_Practice.pdf)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1112114/Oct_2022_Draft_Revised_CHIS_Code_of_Practice.pdf

- Final version to follow

See Flowchart 6 to assess if the surveillance involves a CHIS.

A CHIS is somebody who is concealing or misrepresenting their true identity or purpose in order to covertly gather or provide access to information from the target. Examples of a CHIS include a private investigator pretending to live on a housing estate to gather evidence of drug dealing or an informant who gives information to Trading Standards about illegal business practices in a factory or shop.

Under Age Sales

If the Young Person is briefed to enter into a conversation, which may lead to private 'information being obtained, then authorisation may be required'. If however, the Young Person is told not to communicate, and therefore no private information is obtained, then authorisation is not required.

Key Points to Note:

- A. A public volunteer is not a CHIS. The Home Office Covert Human Intelligence Sources Revised Code of Practice 2018 (at Para 2.18) states:
'In many cases involving human sources, a relationship will not have been established or maintained for a covert purpose. Many sources merely volunteer or provide information that is within their personal knowledge, without being induced, asked, or tasked by a public authority. This means that the source is not a CHIS for the purposes of the 2000 Act and no authorisation under the 2000 Act is required.'
(See Chapter 3 of the Code for further guidance on types of source activity to which authorisations under Part II RIPA may or may not apply)

Care must be taken to ensure that someone who starts as a public volunteer does not end up being a CHIS.

- B. There must be covert use of a relationship to provide access to information or to covertly disclose information. Merely giving a complainant a diary sheet to note comings and goings will not make that person a CHIS.
- C. A test purchaser, in certain circumstances may require authorisation as a CHIS.

The Covert Surveillance and Property Interference Revised Code of Practice 2018 gives the following examples, to assist with the illustration and interpretation of certain provisions, but they are not provisions of the Code and are included only for guidance:

Example 3: Local authority officers attend a car boot sale where it is suspected that counterfeit goods are being sold, but they are not carrying out surveillance of particular individuals and their intention is, through reactive policing, to identify and tackle offenders. Again this is part of the general duties of public authorities and the obtaining of private information is unlikely. A directed surveillance authorisation need not be sought.

Example 4: *Intelligence suggests that a local shopkeeper is openly selling alcohol to underage customers, without any questions being asked. A juvenile is engaged and trained by a public authority and then deployed to act as a juvenile in order to make a purchase of alcohol. In these circumstances any relationship, if established at all, is likely to be so limited in regards to the requirements of the Act that a public authority may conclude that a CHIS authorisation is unnecessary. However, if the test purchaser is wearing recording equipment and is not authorised as a CHIS, or an adult is observing, consideration should be given to granting a directed surveillance authorisation.'*

When considering underage test purchasing activities, investigating officers and Authorising Officer must also have regard to the:

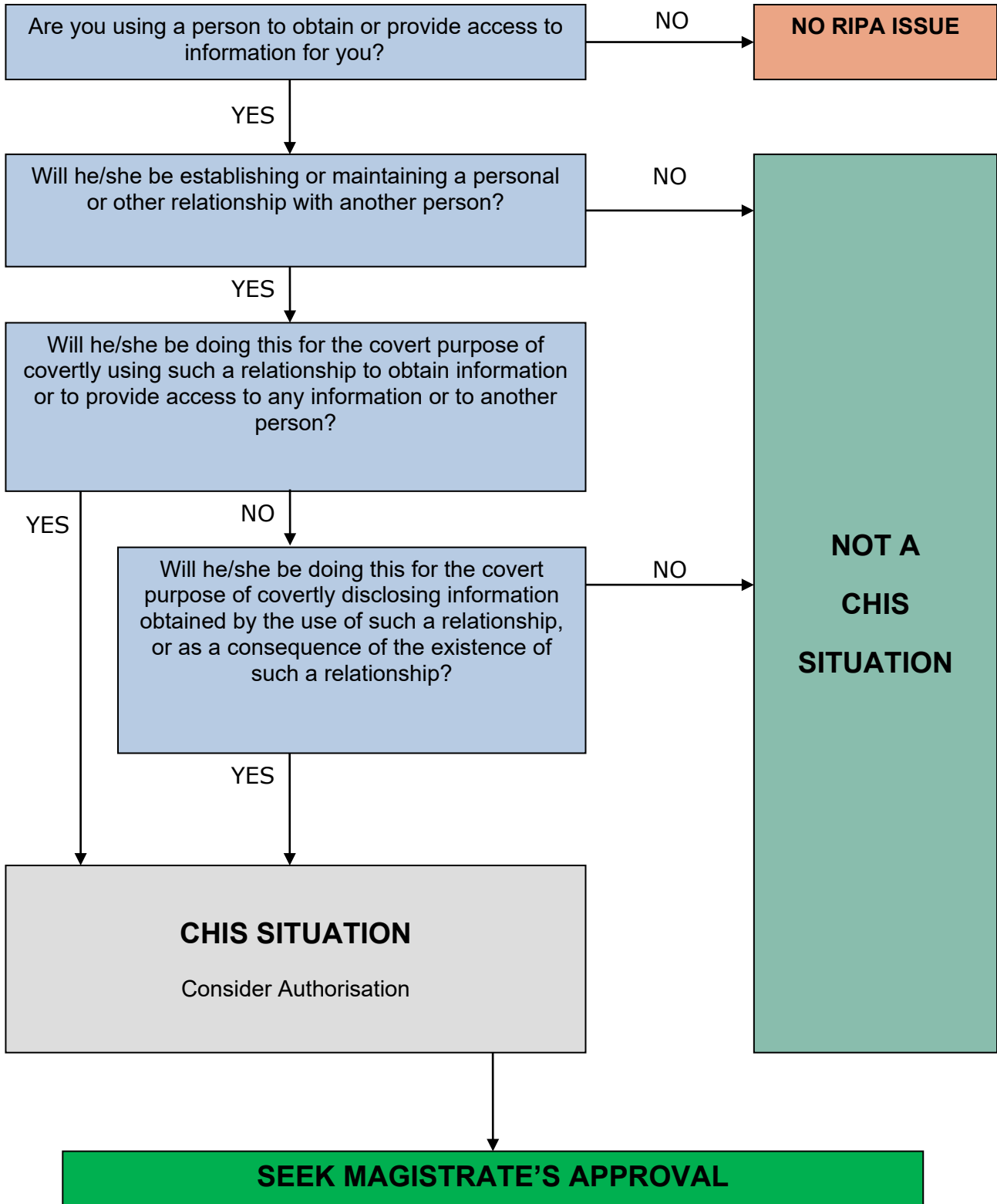
- Age Restricted Products and Services: A Code of Practice for Regulatory Delivery (April 2014) (available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/913507/13-537-code-of-practice-age-restricted-products.pdf)
- Pseudonyms/On-line personas
Where these are permitted to be used corporately, the SRO will maintain a Register of these pseudonyms, together with details of which Services or officers who can use them/sanction their use.

A regular check should then be made by Managers and/or the relevant Corporate Lead Officer of any such usage, including being able to review which media sites

have been visited, when, for what purpose, and what has been done with any resultant product. Relevant Services are required to:

- record information/date relating to covert social media/on-line surveillance;
- identify a Designated Officer in the Service to collate the information;
- provide this information to the Designated Officer; and
- the Designated Officer is to provide the information to the SRO or SRO Representative every 4 months.

Flowchart 6 - Are you deploying a CHIS?



Procedure for obtaining authorisation for a CHIS under RIPA

Due to the statutory requirements that need to be adhered to when using a CHIS, it is unlikely that an investigation could involve the use of a CHIS without a lot of prior planning. Only in exceptional circumstances will Ceredigion County Council consider using CHIS as a surveillance method and assistance may be sought from the Police.

The Protection of Freedoms Act 2012 amended the 2000 Act to make CHIS authorisations by local authorities subject to judicial approval. These changes mean that local authorities need to obtain an order approving the grant or renewal of a CHIS authorisation from a Justice of the Peace before it can take effect.

If any Council Officer intends to use a CHIS, and requires advice and guidance, they should contact the SRO and/or the SRO's Representative **before any steps are taken**.

NB, as above, a public volunteer is not a CHIS.

Use of Juvenile CHIS

Special safeguards apply to the granting of authorisations where the CHIS would be a juvenile (under 18 years of age). Authorisations cannot be granted unless the provisions within The Regulation of Investigatory Powers (Juveniles) Order 2000 (<https://www.legislation.gov.uk/ukxi/2000/2793/contents/made>) are satisfied. Home Office Factsheet Guidance on using a Juvenile CHIS is also available:

<https://www.gov.uk/government/publications/covert-human-intelligence-sources-draft-code-of-practice/juvenile-accessible-version>.

Where the surveillance involves the deployment of juveniles or vulnerable people as a CHIS, then the authorisation must be sought from the Chief Executive

If any Council Officer intends to use a Juvenile CHIS, and requires advice and guidance, they must contact the SRO and/or the SRO's Representative before any steps are taken.

The Covert Human Intelligence Sources (Criminal Conduct) Act 2021 ('the CHIS Act') does not apply to local authorities.

Online Covert Activity – RIPA Social Media Policy

See the Council's RIPA Social Media Policy, which details Paragraph 4.11 of the Covert Human Intelligence Sources Revised Code of Practice 2018 (in relation to a CHIS authorisation), and which must be read in conjunction with this Policy.

Completing the Forms

An application must be made by the Officer on the relevant form, which can be downloaded from the Home Office website, <https://www.gov.uk/government/collections/ripa-forms--2>

Application forms will need to contain the following information:

- Details about the purpose for which the CHIS will be used;
- The identity, where known, to be used by the CHIS;
- Details of what the CHIS will be asked to do;
- Details of the investigation;
- Why the use of a CHIS is considered to be proportionate;

- Explanation of the information it is hoped will be obtained;
- The potential for collateral intrusion (i.e. interference with the privacy of people who are not subjects in the investigation);
- Likelihood of acquiring any confidential information; and
- Sequential Unique Reference Number (URN) obtained from the SRO and entered on to the form.

Officers making a CHIS application and Authorising Officers should also be aware of, and have regard to:

- The relevant Home Office Covert Human Intelligence Sources Code of Practice;
 - Note – The Home Office Covert Human Intelligence Sources Code of Practice is currently in the process of being revised. Officers should request the latest version of this Code from the SRO before making an application.
(<https://www.gov.uk/government/consultations/revised-covert-human-intelligence-source-chis-code-of-practice/regulation-of-investigatory-powers-act-2000-consultation-on-revised-covert-human-intelligence-source-code-of-practice>)
- This RIPA Policy; and the
- OSC Procedures and Guidance documents.

Example forms (with guidance on filling in the forms) are available from the Council's Intranet Site (CeriNet) at <https://cerinet.ceredigion.gov.uk/documents/forms-and-templates/>).

Flowchart 3 will also assist.

Note: As with directed surveillance application forms, standard wording should not be used when completing authorisations.

Before granting an authorisation, the Authorising Officer must be satisfied that the authorisation is necessary for the purpose of preventing and detecting crime. The Authorising Officer must also believe that using a CHIS is proportionate to the outcome sought and that there are adequate procedures in place for maintaining records of the operation. Collateral Intrusion will also need to be considered.

As set out in Part 4 below, in authorising any applications for a CHIS, the Authorising Officer should also consider:

- (a) how long will the data be retained for?; and
- (b) is this compliant with the Council's Information and Records Management Policy and Corporate Retention Schedule?

When using a CHIS, the Authorising Officer and the Officer who makes the application must have regard to section 29(5) of RIPA and also to The Regulation of Investigatory Powers (Source Records) Regulations 2000.

These provisions provide (amongst other things) the following:

- There will at all times be an officer within the Council who will have day to day responsibility for the CHIS;
- There will be another officer within the Council who will have general oversight over the use made of the CHIS;
- That records will document significant information connected with the security and welfare of the CHIS;
- That the tasks given to the CHIS and the uses made of the CHIS are recorded;
- The identity of the CHIS and the identity that is used by the CHIS; and

- That records are kept of all contacts and communications between the CHIS and the Council/ relevant officer at the Council.

The lifecycle of a CHIS authorisation

Once an authorisation has been granted, the Authorising Officer will consider the duration of the authorisation, renewal of the authorisation and cancellation of the authorisation.

Note: The notices and authorisations do not take effect until a Magistrate has approved the authorisation (this does not apply for communications data, which is dealt with by NAFN (see Part 4 below)).

CHIS authorisations cease to have effect 12 months from the date of approval. The duration of a juvenile CHIS authorisation is 1 month.

GUIDANCE FOR AUTHORISING OFFICERS AUTHORISING A CHIS: RULES AND CRITERIA

Section 27 of RIPA provides a defence if covert surveillance is challenged:

- '1) Conduct to which this Part applies shall be lawful for all purposes if -*
- a. an authorisation under this Part confers an entitlement to engage in that conduct on the person whose conduct it is; and*
 - b. his conduct is in accordance with the authorisation.'*

To take advantage of this defence, the surveillance needs to be properly authorised. S.29 sets out the criteria for authorising the use of a CHIS.

See **Flowchart 7** to assess whether to authorise a CHIS.

The Authorising Officer

RIPA and the associated Codes require that when the Council uses a CHIS, these activities must only be authorised by an officer with delegated powers when the relevant criteria are satisfied.

The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (SI 2010 N0.521) states that the AOs for a local authority can be a Director, Head of Service, Service Manager or equivalent.

Services may, therefore, currently nominate officers from at least Corporate Lead Officer level, who can authorise these activities either as an AO for the purposes of directed covert surveillance or use of a CHIS.

Pursuant to the Council's corporate restructure, effective from 1st April 2018, and further to Council resolution made on the 21st June 2018, the following Officers are authorised to act as AOs (the AOs are the same as those appointed to authorise Directed Surveillance applications):

- **Corporate Lead Officer: People and Organisation;**
- **Corporate Lead Officer: Policy, Performance & Public Protection; and**
- **Corporate Lead Officer: Porth Cynnal.**

As above, where the surveillance involves the likelihood of obtaining confidential information or the deployment of juveniles or vulnerable people, then the authorisation **must** be sought from the Chief Executive or, in their absence, the acting Chief Executive.

If there is any doubt regarding sufficiency of rank, contact the SRO or the SRO's Representative for advice.

As above, care must be taken where, through the use of surveillance, it would be possible to acquire knowledge of discussions between a minister of religion and an individual relating to the latter's spiritual welfare, or where matters of medical or journalistic confidentiality may be involved.

Where such material has been acquired and retained, the Council's Senior Responsible Officer for RIPA must be informed as soon as possible, as the matter should be reported to the IPCO during their next inspection and the material should be made available to the IPCO, if requested.

Authorising Officer's Consideration

S.29(2) states:

'A person shall not grant an authorisation for the conduct or the use of a covert human intelligence source unless he believes -

- (a) that the authorisation is necessary on grounds falling within subsection (3);*
- (b) that the authorised conduct or use is proportionate to what is sought to be achieved by that conduct or use; and*
- (c) arrangements exist for the source's case that satisfy—*
 - (i) the requirements of subsection (4A), in the case of a source of a relevant collaborative unit;*
 - (iii) the requirements of subsection (5), in the case of any other source; and that satisfy such other requirements as may be imposed by order made by the Secretary of State'*

Please consult flowchart 7 when deciding whether the deployment of a CHIS should be authorised.

Three matters are important to consider before authorising the deployment of a CHIS:

1. Necessity

The deployment of a CHIS has to be necessary on one of the grounds set out in S.29 (3). Local authorities can only authorise on the one ground; where it is necessary:

'for the purpose of preventing or detecting crime or of preventing disorder.'
(S.29 (3) (b))

The matter being investigated must be an identifiable criminal offence or constitute disorder.

2. Proportionality

Proportionality means ensuring that the deployment of the CHIS is the least intrusive method to obtain the required information having considered all reasonable alternatives.

This requires consideration of not only whether a CHIS is appropriate but also the method to be adopted, the duration and the equipment to be used. The CHIS Code (Para 3.5) requires four aspects to be addressed in the authorisation form:

- Balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- Explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- Considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result; and
- Evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

It is unacceptable to consider whether an authorisation is required based on the description of the surveillance alone. The legal principles must be applied to the particular facts, and is a matter of judgment.

The conduct that it is aimed to prevent/detect must be identified and clearly described, and an explanation provided of why it is necessary to use the covert techniques requested.

3. Security and Welfare Arrangements

CHIS's are often placed in difficult and sometime dangerous situations e.g. an informant on a housing estate in contact with criminal gangs. Appropriate security and welfare arrangements must also be in place in relation to each CHIS. S.29 (5) requires there to be:

- A person who will have day-to-day responsibility for dealing with the CHIS on behalf of that authority, and for his/her security and welfare;
- A person who will have general oversight of the use made of the CHIS. This person must be different to the one above;
- A person who will maintain a record of the use made of the CHIS. This can be any of the above or a separate person; and
- Proper and secure records to be kept about the use made of the CHIS.

Risk Assessment: An authorisation for the conduct or use of a CHIS may not be granted or renewed in any case where the source is under the age of eighteen at the time of the grant or renewal, unless a risk assessment has been carried out. This must be sufficient to demonstrate that:

- The nature and magnitude of any risk of physical injury to the CHIS arising in the course of, or as a result of, carrying out the conduct described in the authorisation has been identified and evaluated;
- The nature and magnitude of any risk of psychological distress to the CHIS arising in the course of, or as a result of, carrying out the conduct described in the authorisation has been identified and evaluated;
- The person granting or renewing the authorisation has considered the risk assessment and has satisfied himself that any risks identified in it are justified and, if they are, that they have been properly explained to and understood by the CHIS; and
- The person granting or renewing the authorisation knows whether the relationship to which the conduct or use would relate is between the CHIS and a relative, guardian

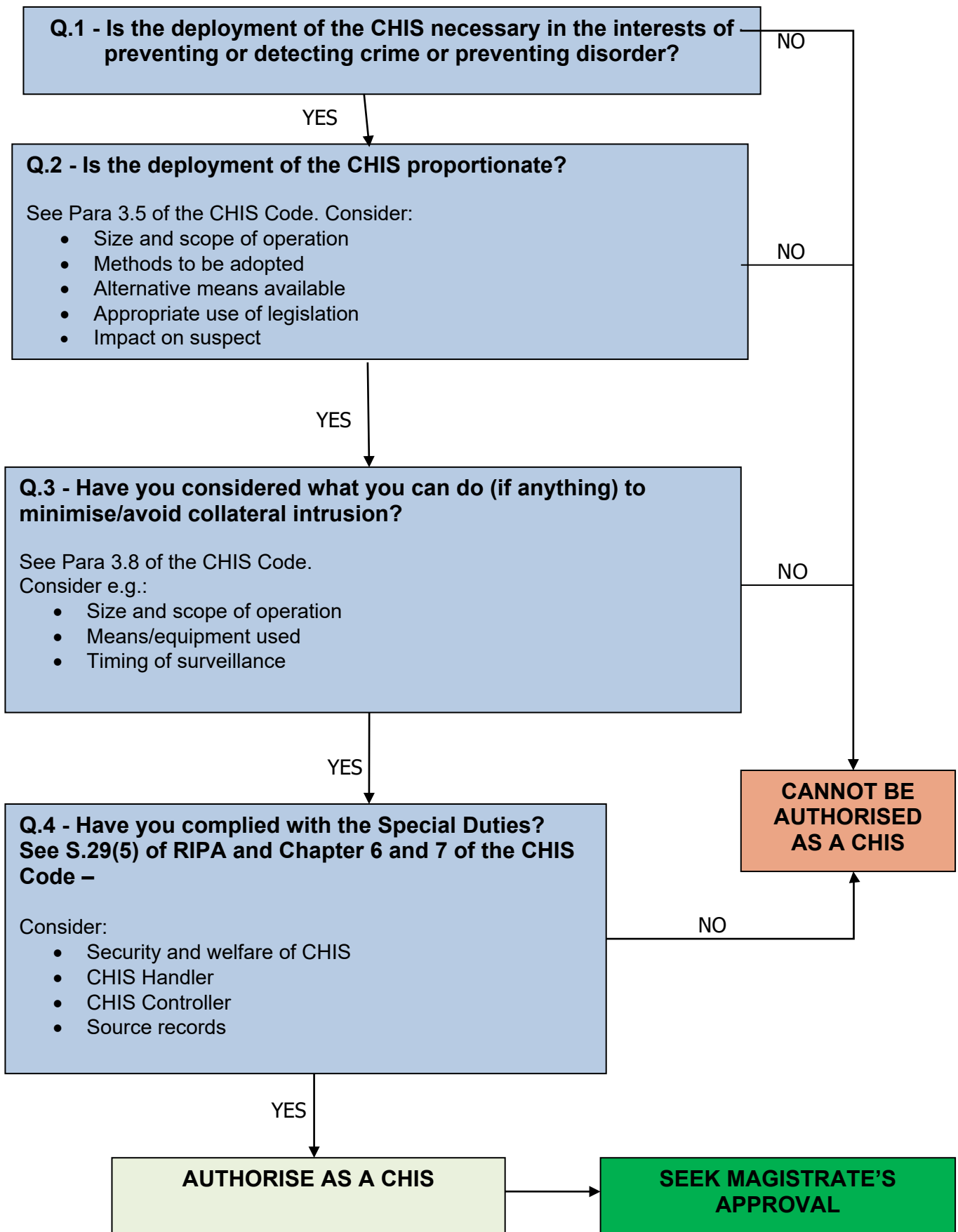
or person who has for the time being assumed responsibility for the CHIS's welfare, and, if it is, has given particular consideration to whether the authorisation is justified in the light of that fact.

As stated above, in authorising any applications for a CHIS, the Authorising Officer should also consider:

- (a) how long will the data be retained for?; and
- (b) is this compliant with the Council's Information and Records Management Policy and Corporate Retention Schedule?

Next Stage: Once the use of a CHIS has been authorised, the next stage is to seek Magistrate's approval (see below).

Flowchart 7 – Authorising a CHIS



SEEKING MAGISTRATE'S APPROVAL FOR A CHIS (JUDICIAL APPROVAL)

Background

Since the 1st of November 2012 and the introduction of Chapter 2 of Part 2 of the Protection of Freedoms Act 2012 (ss37 and 38), local authorities are required to obtain the approval of a Magistrate for the deployment of a CHIS.

An approval is also required to renew an authorisation. In each case, the role of the Magistrate is to ensure that the correct procedures have been followed and the relevant factors have been taken account of. There is no requirement for the Magistrate to consider either cancellations or internal reviews.

Home Office Guidance

The Home Office has published guidance on the Magistrate's approval process both for local authorities and the Magistrate's Court:

<http://www.homeoffice.gov.uk/publications/counter-terrorism/ripa-forms/local-authority-ripa-guidance/>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/118174/magistrates-courts-eng-wales.pdf

This guidance is non-statutory but provides advice on how the Council can best approach these changes in law and the new arrangements that need to be put in place to implement them effectively. It is supplementary to the legislation and to the two statutory Codes of Practice made under RIPA.

The Magistrate's Approval Process (see also Flowchart 8 below)

1. The first stage will be to apply for an internal authorisation in the usual way. Once this has been granted, the Council will need to contact the local Magistrates' Court to arrange a hearing.
2. The hearing constitutes legal proceedings. Therefore, the Council's Officers need to be formally designated to appear before the Magistrate, take the oath, present evidence or provide information, as required, to support the application. The Council will need to formally designate Officers for this purpose under section 223 of the Local Government Act 1972, to represent the Council within the proceedings.
3. The Home Office suggests that the Investigating Officer will be best suited to fulfil this role, but the AO may also want to attend to answer any questions.
4. The Council will provide the Magistrate with a copy of the original RIPA authorisation. This forms the basis of the application to the Magistrate and should contain all information that is relied upon. In addition, the Council will provide the Magistrate with two copies of a partially completed judicial application/order form, which is included in the Home Office Guidance (example forms (with guidance on filling in the forms) are available from the Council's Intranet Site (CeriNet) at <https://cerinet.ceredigion.gov.uk/documents/forms-and-templates/>).
5. The hearing will be held in private and heard by a single Magistrate who will read and consider the RIPA authorisation and the judicial application/order form. The Magistrate may have questions to clarify points or require additional reassurance on

particular matters. The forms and supporting papers must by themselves make the case. **It is not sufficient for the Council to provide oral evidence where this is not reflected or supported in the papers provided.**

6. The Magistrate will consider whether they are satisfied that, at the time the authorisation was granted or renewed, there were reasonable grounds for believing that the authorisation was necessary and proportionate. They will also consider whether there continues to be reasonable grounds. In addition the Magistrate must be satisfied that the Authorising Officer was of appropriate designation within the local authority and that the authorisation was made in accordance with any applicable legal restrictions (e.g. meets the Serious Crime Test for Directed Surveillance).
7. The order section of the above-mentioned form will be completed by the Magistrate and will be the official record of their decision. The Council will need to retain a copy of the form after it has been signed by the Magistrate.

Magistrate's Options

The Magistrate may decide to –

- ***Approve the grant/renewal of the authorisation***

The grant/renewal of the authorisation will then take effect and the Council may proceed to use the surveillance technique mentioned therein.

- ***Refuse to approve the grant/renewal of the authorisation on a technicality***

The RIPA authorisation will not take effect and the Council may not use the surveillance technique in that case. The Council will need to consider the reasons for the refusal. A technical error in the form may be remedied without the need to go through the internal authorisation process again. The Council can then reapply for Magistrate's approval.

- ***Refuse to approve the grant/renewal and quash the authorisation***

A Magistrate may refuse to approve the grant or renewal of an authorisation and decide to quash the original authorisation. This may be because they believe it is not necessary or proportionate. The RIPA authorisation will not take effect and the Council may not use the surveillance technique in that case. The Magistrate must not exercise their power to quash the authorisation unless the Council has had at least two business days from the date of the refusal in which to prepare and make further representations to the Court.

Appeals

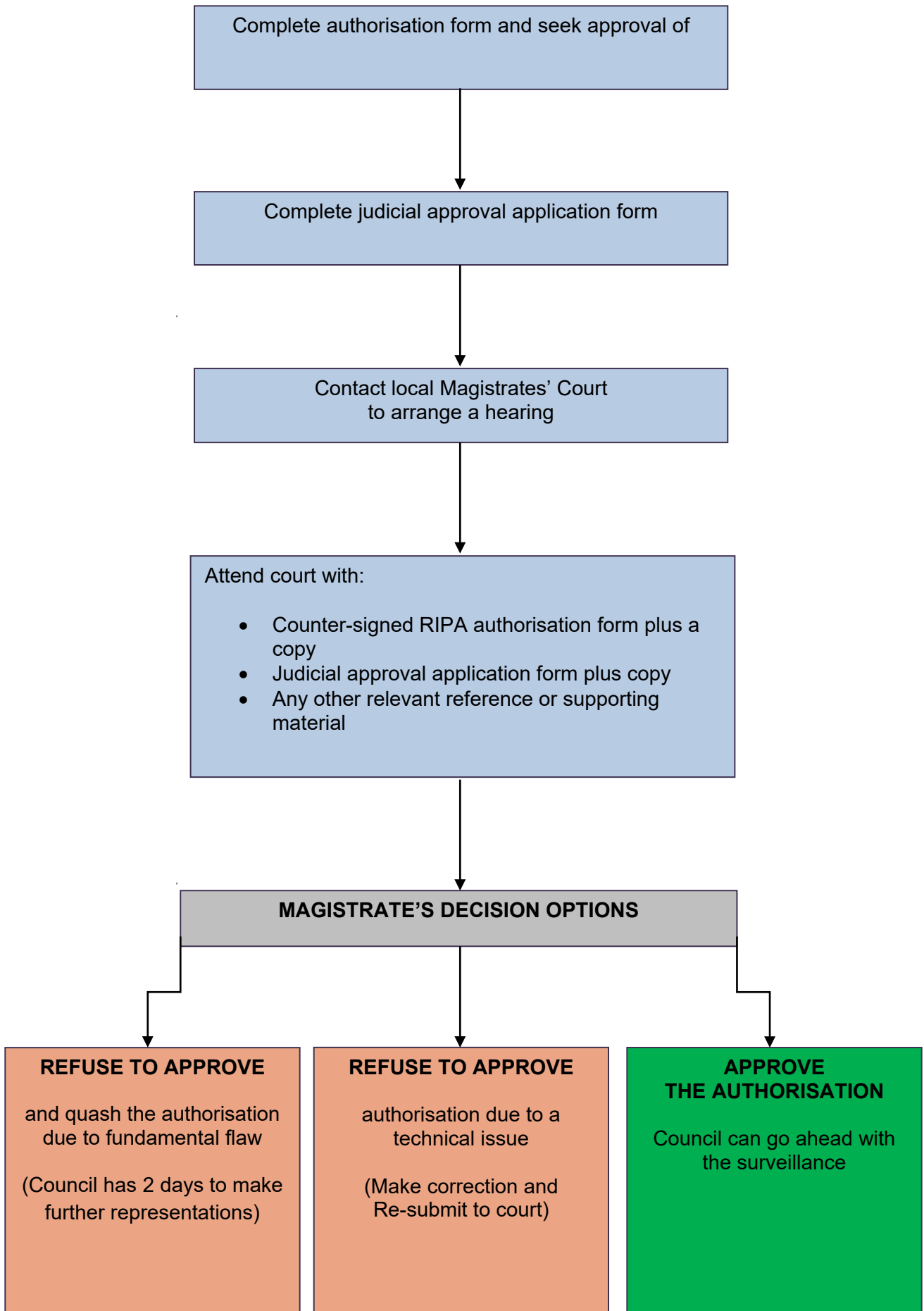
There is no complaint route for a judicial decision unless it was made in bad faith. Any complaints should be addressed to the Magistrates' Advisory Committee.

Therefore, the Council may only appeal a Magistrate's decision to refuse approval of an authorisation, on a point of law by making an application for Judicial Review in the High Court.

The Investigatory Powers Tribunal ('IPT') will continue to investigate complaints by individuals about the use of RIPA techniques by public bodies, including local authorities. If, following a complaint to them, the IPT finds fault with a RIPA authorisation, it has the power to quash the Magistrate's order, which approved the grant or renewal of the authorisation. It can also award damages if it believes that an individual's human rights have been violated

by the Council (see Investigatory Powers Tribunal Rules 2018 (SI 2018/1334), which came into force on the 31st December 2018).

Flowchart 8 - The Magistrate's Approval Process (CHIS)



Time Limits

The current time limits for an authorisation to use a CHIS is 12 months for a CHIS or 1 month if the CHIS is underage.

A renewal must be authorised prior to the expiry of the original authorisation, but it runs from the expiry date and time of that original authorisation. Authorisations may be renewed more than once if still considered necessary and proportionate and approved by a Magistrate.

An application for renewal must not be made more than 7 working days before the authorisation is due to expire. This is to ensure that the renewal is necessary but local authorities must take account of factors, which may delay the renewal process (e.g. intervening weekends or the availability of the relevant local authority authorising officer and a Magistrate to consider the application).

PART 4 RECORDS, DATA HANDLING, RETENTION SAFEGUARDS, ERRORS AND COMPLAINTS

THE CENTRAL REGISTER OF AUTHORISATIONS

A central register record of the following information relating to all authorisations will be held centrally by the SRO, with the Officer retaining a copy, and will be kept for at least 3 years from the ending of each authorisation, and in any event in compliance with the Council's Information and Records Management Policy (2019):

<https://cerinet.ceredigion.gov.uk/media/2725/information-and-records-management-policy-v20.pdf>

and Corporate Retention Policy:

<https://cerinet.ceredigion.gov.uk/media/5276/corporate-retention-schedule.pdf>

Documentation of any instruction to cease surveillance must be retained. A record should be kept detailing the product obtained from the surveillance and whether objectives were achieved. Although the central register will be monitored by the SRO, it is ultimately the AO's responsibility to ensure renewals and cancellations are up to date.

Authorisations will be made available to the IPCO. It will be the responsibility of the SRO or nominated representative to ensure that the register is maintained and overseen.

The records should contain the following information:

- Original authorisation (not copies);
- The type of authorisation – e.g. Directed Surveillance or CHIS;
- The date the authorisation was given;
- The name and rank/grade of the authorising officer;
- The unique (sequential) reference number ('URN') of the investigation or operation;
- The title of the investigation or operation, including a brief description and names of subjects, if known;
- Whether the urgency provisions were used, and if so why;
- The date of any reviews;
- If the authorisation has been renewed, when it was renewed and who authorised the renewal, including the name and rank/grade of the authorising officer;
- Whether the investigation or operation resulted in obtaining confidential information;
- Whether the authorisation was granted by an individual directly involved in the investigation;
- The date the authorisation was cancelled;
- Instruction to cease surveillance;
- Record of product obtained from the surveillance;
- Record of whether objectives achieved;
- Authorisations by Magistrates' Courts include date of Court hearing;
- Name of determining Magistrate, the time and date of the decision;
- Where any application is refused, the grounds for refusal as given by the issuing authority or Judicial Commissioner;
- Record of whether, following a refusal of any application by a Judicial Commissioner, there is an appeal to the Investigatory Powers Commissioner; and
- Where there is such an appeal and the Investigatory Powers Commissioner also refuses the issuing of an application, the grounds for refusal given.

The Covert Surveillance and Property Interference Revised Code of Practice 2018 at Paragraph 8.2 also confirms that the following documentation should also be centrally retrievable for at least three years from the ending of each authorisation:

- A copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the AO;
- A record of the period over which the surveillance has taken place;
- The frequency of reviews prescribed by the AO;
- A record of the result of each review of the authorisation;
- A copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- The date and time when any instruction to cease surveillance was given;
- The date and time when any other instruction was given by the AO; and
- (For local authorities) A copy of the order approving or otherwise the grant or renewal of an authorisation from a Justice of the Peace ('JP').

All Investigating Officers should keep the authorisation within their own service and submit a copy to the SRO.

ASSURANCE OF DATA HANDLING AND RETENTION SAFEGUARDS

The procedures and safeguards to be applied in relation to the handling of any material obtained through Directed Surveillance under the 2000 Act is dealt with in detail in the Covert Surveillance and Property Interference Revised Code of Practice 2018 and Covert Human Intelligence Sources Code of Practice, which should be followed.

Application forms for RIPA Authorisations have been amended to include reference to retention periods, and confirmation that these periods are compliant with the Council's Information and Records Management Policy and Corporate Retention Schedule (example forms (with guidance on filling in the forms) are available from the Council's Intranet Site (CeriNet) at <https://cerinet.ceredigion.gov.uk/documents/forms-and-templates/>)).

Authorisations must be kept for at least 3 years from the ending of each authorisation, and ideally up to five years. All data obtained under the IPA 2016 and RIPA must be clearly labelled and stored on a data pathway with a known retention policy.

The data pathway retention, review and disposal process must be in compliance with:

1. The Council's Information and Records Management Policy (2019):
[https://cerinet.ceredigion.gov.uk/media/2725/information-and-records-management-policy](https://cerinet.ceredigion.gov.uk/media/2725/information-and-records-management-policy;);
2. The Council's Corporate Retention Schedule:
<https://cerinet.ceredigion.gov.uk/media/5276/corporate-retention-schedule.pdf>
3. The Covert Surveillance and Property Interference Revised Code of Practice 2018,
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742041/201800802_CSPI_code.pdf

which states at Paragraph 8.5 - Retention of records:

Records must be available for inspection by the Investigatory Powers Commissioner and retained to allow the Investigatory Powers Tribunal ('IPT'), established under Part IV of the 2000 Act, to carry out its functions. The IPT will consider complaints made up to one year after the conduct to which the complaint relates and, where it is

equitable to do so, may consider complaints made more than one year after the conduct to which the complaint relates (see section 67(5) of the Act), particularly where continuing conduct is alleged. Although records are only required to be retained for at least three years, it is therefore desirable, if possible, to retain records for up to five years.

See also Paragraphs 8.6-8.7 below regarding errors.

4. Retention practices must comply with relevant legal frameworks including:

- RIPA;
- The IPA 2016;
- The Data Protection Act 2018; and
- Article 8(2) of the European Convention on Human Rights.

In authorising any applications relating to Directed Surveillance or a CHIS, AOs should also consider:

(a) how long will the data be retained for?; and

(b) is this compliant with the Council's Information and Records Management Policy and Corporate Retention Schedule?

AOs must also ensure that they fully understand any data pathways used for RIPA or IPA 2016 data.

Example: Directed surveillance data may be simultaneously stored on several data pathways, as follows:

- Pathway 1: CCTV video product is transferred onto a CD and kept in a secure cabinet;
- Pathway 2: a copy of the video is sent via email and stored on a common storage drive;
- Pathway 3: a copy of the video is received via email and saved in an Outlook folder by a legal officer; and
- Pathway 4: a copy of the video is received via email and stored in a password protected evidential casework folder by a legal officer.

Safeguarding processes must also comply with the Covert Surveillance and Property Interference Revised Code of Practice 2018 (available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742041/201800802_CSPI_code.pdf), which states at paragraph 9.3 that Public authorities '*should ensure that their actions when handling information obtained by means of covert surveillance or property interference comply with relevant legal frameworks and this code, so that any interference with privacy is justified in accordance with Article 8(2) of the European Convention on Human Rights. Compliance with these legal frameworks, including data protection requirements, will ensure that the handling of private information so obtained continues to be lawful, justified and strictly controlled, and is subject to robust and effective safeguards.*

The Council must be compliant with data safeguards to establish a high level of confidence that all data obtained is retained lawfully, and to embed and encourage best practice for compliance, and also ensure that the handling of private information so obtained continues to be lawful, justified and strictly controlled, and is subject to robust and effective safeguards. Data must not be retained for longer than necessary or appropriate.

It is the responsibility of each service to securely retain all authorisations within their service and once an investigation is closed, the duplicate records held by the service should be disposed of in an appropriate manner i.e. treated as confidential waste and shredded—

AOs, through their relevant Data Controller, must ensure compliance with the appropriate data protection requirements under the Data Protection Act 1998 and any relevant internal arrangements produced by the Council relating to the handling and storage of material.

Any breaches of data protection requirements should also be reported to the Information Commissioner.

These safeguards will be subject to periodic review to ensure that they remain up-to-date and effective.

The Covert Surveillance and Property Interference Revised Code of Practice 2018 states:

- (at Paragraph 9.5) Safeguards (including privileged or confidential information):
Dissemination, copying and retention of material must be limited to the minimum necessary for authorised purposes. For the purposes of the code, something is necessary for the authorised purposes if the material:
 - *is, or is likely to become, necessary for any of the statutory purposes set out in the 2000, 1997 or 1994 Act in relation to covert surveillance or property interference;*
 - *is necessary for facilitating the carrying out of the functions of public authorities under those Acts;*
 - *is necessary for facilitating the carrying out of any functions of the Commissioner or the Investigatory Powers Tribunal;*
 - *is necessary for the purposes of legal proceedings; or*
 - *is necessary for the performance of the functions of any person by or under any enactment.*

Paragraphs 9.14 to 9.22 of the Covert Surveillance and Property Interference Revised Code of Practice 2018 provide guidance as to the safeguards, which govern the dissemination, copying, storage and destruction of private information obtained through covert surveillance or property interference.

The Council must ensure that there are internal arrangements in force for securing that the requirements of the safeguards referred to in the Covert Surveillance and Property Interference Revised Code of Practice 2018 are satisfied in relation to private information obtained.

Training on Data Handling and Retention Safeguards can be arranged for any Authorising Officers or Officers who may handle such data – please contact the SRO if you would like to undertake any such Training.

Dissemination of information

The number of persons to whom any of the information is disclosed, and the extent of disclosure, should be limited to the minimum necessary for the authorised purpose(s). This obligation applies equally to disclosure to additional persons within the Council, or another public authority, and to disclosure outside the Council, or other public authority. Similarly, only the material that is needed by the recipient must be disclosed e.g. if a summary of the material will suffice, no more than that summary should be disclosed.

This obligation to limit the number of persons to whom any of the information is disclosed, including the extent of the disclosure, to the minimum necessary for the authorised purpose(s) also applies to anyone to whom the material is subsequently disclosed. In some cases, this will be achieved by requiring the latter to obtain permission from the original

authority before disclosing the material further. In others, explicit safeguards should be applied to any secondary recipients.

As confirmed in the Interception of Communications Data section above, regarding material obtained under a warrant or authorisation is disclosed to the authorities of a country or territory outside the UK, the Council must ensure that the material is only handed over to the authorities if it appears to them that any requirements relating to minimising the extent to which material is disclosed, copied, distributed and retained will be observed to the extent that the authorising officer, Judicial Commissioner or Secretary of State considers appropriate.

Where material obtained under a warrant or authorisation is disclosed to the authorities of a country or territory outside the UK, the Council must ensure that the material is only handed over to the authorities if it appears to them that any requirements relating to minimising the extent to which material is disclosed, copied, distributed and retained will be observed to the extent that the authorising officer, Judicial Commissioner or Secretary of State considers appropriate.

Copying

Material obtained through covert surveillance or property interference may only be copied to the extent necessary for the authorised purposes. Copies include not only direct copies of the whole of the material, but also extracts and summaries which identify themselves as the product of covert surveillance or property interference, and any record which refers to the covert surveillance or property interference and the identities of the persons to whom the material relates.

Storage

Material obtained through covert surveillance or property interference, and all copies, extracts and summaries of it, must be handled and stored securely, so as to minimise the risk of loss or theft. It must be held so as to be inaccessible to persons without the required level of security clearance (where applicable). This requirement to store such material securely applies to all those who are responsible for the handling of the material.

The Council must apply the following protective security measures:

- Physical security to protect any storage containers or premises where the information may be stored or accessed;
- IT security to minimise the risk of unauthorised access to IT systems; and
- An appropriate security clearance regime for staff, which is designed to provide assurance that those who have access to this material are reliable and trustworthy.
- Physical security is in place to protect any cameras or recording equipment.
- Appropriate arrangements are in place to ensure that access to recording equipment is approved at an appropriate level, and a log kept of such usage.

Deletion & Destruction

Information obtained through covert surveillance or property interference, and all copies, extracts and summaries, which contain such material, should be scheduled for deletion or destruction and securely destroyed as soon as they are no longer needed for the authorised purpose(s) in accordance with the Corporate Retention Schedule:

<https://cerinet.ceredigion.gov.uk/media/5276/corporate-retention-schedule.pdf>.

The duplicate records held by the service should be disposed of in an appropriate manner i.e. treated as confidential waste and shredded.

If such information is retained, it should be reviewed at appropriate intervals to confirm that the justification for its retention is still valid.

Confidential and Legally Privileged Material

There are also very specific and detailed requirements in relation to particularly sensitive material, much of which is subject to enhanced authorisation regimes, this type of material includes:

- Material subject to legal privilege;
- Confidential personal information;
- Confidential constituent information; and
- Confidential journalistic material and journalists sources.

Surveillance likely or intended to result in the acquisition of knowledge of confidential or privileged material may be authorised only by AOs entitled to grant authorisations in respect of confidential or privileged information and care must be taken where, through the use of surveillance, it would be possible to acquire knowledge of discussions between a minister of religion and an individual relating to the latter's spiritual welfare, or where matters of medical or journalistic confidentiality may be involved.

Where such material has been acquired and retained, the Council's Senior Responsible Officer for RIPA must be informed as soon as possible, as the matter should be reported to the IPCO during their next inspection and the material should be made available to the IPCO, if requested.

Marking

Consideration should be given to appropriate marking of material, such as, for example, a marking of 'CONFIDENTIAL' or 'NOT TO BE DISTRIBUTED WITHOUT WRITTEN PERMISSION' on confidential or sensitive material.

Errors

Careful preparation and checking of authorisations and appropriate technical systems will reduce the scope for making errors.

The SRO will undertake an annual review of errors together with a written record.

See Paragraphs 8.6-8.18 Covert Surveillance & Property Interference Revised Code of Practice 2018:

8.6 This section provides information regarding errors. Proper application of the surveillance provisions provided for in Part II of the 2000 Act and the property interference provision provided for in the 1994 and 1997 Acts, should reduce the scope for making errors. Public authorities will be expected to have thorough procedures in place to comply with these provisions, including for example the careful preparation and checking of warrants and authorisations, reducing the scope for making errors.

8.7 Wherever possible, any technical systems should incorporate functionality to minimise errors.

8.8 An error must be reported if it is a 'relevant error'. Under section 231(9) of the Investigatory Powers Act 2016, a relevant error for the purpose of activity covered by this code is any error by a public authority in complying with any requirements that

are imposed on it by any enactment which are subject to review by a Judicial Commissioner. This would include compliance by public authorities with Part II of the 2000 Act or the property interference provisions of the 1994 and 1997 Acts. Examples of relevant errors occurring would include circumstances where:

- Surveillance or property interference activity has taken place without lawful authorization; or
- There has been a failure to adhere to the safeguards set out in the relevant statutory provisions and Chapter 9 of the Code.

8.9 Errors can have very significant consequences on an affected individual's rights and, in accordance with section 235(6) of the Investigatory Powers Act 2016, all relevant errors made by public authorities must be reported to the Investigatory Powers Commissioner by the public authority that is aware of the error.

8.10 When a relevant error has occurred, the public authority that made the error must notify the Investigatory Powers Commissioner as soon as reasonably practicable, and no later than **ten working** days (or as agreed with the Commissioner) after it has been established by appropriate internal governance processes that a relevant error has occurred. Such internal governance processes are subject to review by the Investigatory Powers Commissioner. Where the full facts of the error cannot be ascertained within that time, an initial notification must be sent with an estimated timescale for the error being reported in full and an explanation of the steps being undertaken to establish the full facts of the error.

8.11 From the point at which the public authority identifies that a relevant error may have occurred, they must take steps to confirm the fact of an error as quickly as it is reasonably practicable to do so. Where it is subsequently confirmed that an error has occurred and that error is notified to the Commissioner, the public authority must also inform the Commissioner of when it was initially identified that an error may have taken place.

8.12 A full report must be sent to the Investigatory Powers Commissioner as soon as reasonably practicable in relation to any relevant error, including details of the error and, where it has not been possible to provide the full report within ten working days (or as agreed with the Commissioner) of establishing the fact of the error, the reasons this is the case. The report should include information on the cause of the error; the amount of surveillance or property interference conducted and material obtained or disclosed; any unintended collateral intrusion; any analysis or action taken; whether any material has been retained or destroyed; and a summary of the steps taken to prevent recurrence.

8.13 The Investigatory Powers Commissioner may issue guidance as necessary, including guidance on the format of error reports. Public authorities must have regard to any guidance on errors issued by the Investigatory Powers Commissioners.

8.14 In addition to the above, errors may arise where a warrant or authorisation has been obtained as a result of the public authority having been provided with information which later proved to be incorrect due to an error on the part of the person providing the information, but on which the public authority relied in good faith. Whilst these actions do not constitute a relevant error on the part of the authority which acted on the information, such occurrences should be brought to the attention of the Investigatory Powers Commissioner. Where reporting such circumstances to the Investigatory Powers Commissioner, the processes outlined at Paragraph 8.10 apply as they apply to the reporting of a relevant error.

Reporting Relevant Errors

From November 2022, Relevant Errors committed by public authorities, in the exercise of their powers and responsibilities under the Investigatory Powers Act 2016, the Regulation of Investigatory Powers Act 2000 and the Police Act 1997, will now need to be reported using the following revised process:

- The Council must report any Relevant Error to the Investigatory Powers Commissioner (IPCO) in accordance with the relevant Code of Practice.
- All reports should be submitted to Errors@ipco.org.uk.
- Upon receipt of a Relevant Error, an automated acknowledgement will be provided.
- Where any further information or action is required as a result of a Relevant Error report, an IPCO Inspector will make contact with the Council.
- The Relevant Error will then be assessed to determine whether the circumstances could have:
 - a) resulted in serious harm or
 - b) call for any urgent changes to national policy or procedures.

If this is the case, an investigation will take place.

- If it is not deemed serious, the Relevant Error will be addressed at the next IPCO inspection.

Relevant Errors will routinely be examined at each of the IPCO inspections.

The Council will be required to provide records and confirmation that any material obtained in consequence of the error, that has no connection or relevance to any investigation or operation undertaken by the Council, has been destroyed.

The Senior Responsible Officer is responsible for oversight of reporting errors to the IPCO, and the identification of both the cause(s) of errors and implementation of processes to minimise repetition.

Examples of common mistakes in RIPA Forms

- Using out of date Home Office forms;
- Not quoting URN;
- Copying wording from old authorisations;
- Failing to give detailed explanations of what the surveillance will involve;
- Failing to sufficiently consider and/or explain the proportionality factors;
- Failing to sufficiently consider and/or explain Collateral Intrusion;
- Failing to sufficiently consider likelihood of obtaining confidential information;
- Failing to send (original) completed forms to the SRO; or
- Failure to request only the tactics known to be available and intended to be used.

Examples of Authorising Officers' Mistakes

- Repetitive narrative and rubber stamping without proper consideration of all the facts set out in the authorisation form;
- Failure to clearly set out what activity and surveillance equipment is authorised;
- Not knowing the capability of the surveillance equipment which is being authorised; E.g. cameras that record continuously, thermal image/infrared capability, cameras activated by motion);
- Failing to demonstrate that less intrusive methods have been adequately considered and why they have been discounted in favour of the tactic selected;

- Failing when cancelling authorisations, to give directions for management and storage of the product of the surveillance;
- No robust and quality assurance procedures;
- Failure to evidence proportionality – that other means have been considered, and that the relevant criteria has been considered; or
- The need for authorisation has to be judged at the time of the authorisation, not with the benefit of hindsight.

Serious Errors

8.15 Section 231 of the 2016 Act states that the IPC must inform a person of any relevant error relating to that person if the Commissioner considers that the error is a serious error and that it is in the public interest for the person concerned to be informed of the error. The Commissioner may not decide that an error is a serious error unless he or she considers that the error has caused significant prejudice or harm to the person concerned. The fact that there has been a breach of a person's Convention rights (within the meaning of the Human Rights Act 1998) is not sufficient by itself for an error to be a serious error.

8.16 In deciding whether it is in the public interest for the person concerned to be informed of the error, the Commissioner must in particular consider:

- national security;
- the prevention or detection of serious crime;
- the economic well-being of the United Kingdom; or
- the continued discharge of the functions of any of the intelligence services.

8.17 Before making their decision, the Commissioner must ask the public authority which has made the error to make submissions on the matters concerned. Public authorities must take all such steps as notified to them by the Investigatory Powers Commissioner to help identify the subject of a serious error. See **Reporting Relevant Errors** above

8.18 When informing a person of a serious error, the Commissioner must inform the person of any rights that the person may have to apply to the Investigatory Powers Tribunal, and provide such details of the error as the Commissioner considers to be necessary for the exercise of those rights.

Further guidance can be found in:

- Para 7.1 – 7.20 of the Covert Human Intelligence Sources Revised Code of Practice 2018 and
- Para 8.6 – 8.18 of the Covert Surveillance and Property Interference Revised Code of Practice 2018.

RAISING A CONCERN

The Investigatory Powers Commissioner (IPCO) recognises the importance of the information gateway which is created in the Investigatory Powers Act 2016.

IPCO has published guidance for those who want to disclose information about the use of investigatory powers:

[2022-08-Disclosing-information-to-IPCO.pdf \(ipco-wpmedia-prod-s3.s3.eu-west-2.amazonaws.com\)](https://www.ipco.gov.uk/media/2022-08-Disclosing-information-to-IPCO.pdf)

The guidance relates to disclosures concerning any matters that fall within the Investigatory Powers Commissioner's oversight.

The Guidance states that, where appropriate, an employer's internal whistleblowing policy should be considered first. This policy can be found here:

<https://cerinet.ceredigion.gov.uk/employees/safeguarding-and-whistleblowing/whistleblowing/>

COMPLAINTS

Any individual who is dissatisfied about the way the Council has or is carrying out surveillance may make a complaint.

The decision as to which procedure should be used lies with the individual concerned.

If a person wishes to complain using the Council's procedures, then the complainant should be made aware of the Council's Corporate Complaints Procedure (see

<https://www.ceredigion.gov.uk/your-council/comments-compliments-and-complaints/corporate-complaints/>

and <https://www.ceredigion.gov.uk/media/1179/complaints-policy-bookletenglish.pdf>)

The complaint will be dealt with in accordance with that procedure.

If a person wishes to complain directly to an independent body or had used the Council's internal procedures and is still dissatisfied, then he/she may complain to the Investigatory Powers Tribunal ('IPT').

The IPT has jurisdiction to investigate and determine complaints against public authority use of investigatory powers. To find out more information about the IPT or make a complaint, then full details of how to do so are available on the IPT website: www.ipt-uk.com.

Complaints can be made in writing to:

The Investigatory Powers Tribunal
PO Box 33220
London
SW1H 9ZQ

* See Part 5 below for complaints regarding Communications Data

Part 5 - Communications Data

The RIPA (Communications Data) Order 2010 (SI 2010 no. 480) came into force on the 6th of April 2010 and confirms the powers contained within Chapter 2 of RIPA provided to Local Authorities by the equivalent 2003 Order.

Chapter 2, in brief, allows a Public Authority, such as the Council, to acquire information defined as 'communications data'. This includes subscriber data and service data but not 'traffic data' as defined by RIPA.

It is the Investigatory Powers Act 2016 ('IPA 2016') that regulates access to Communications data (<https://www.legislation.gov.uk/ukpga/2016/25/>). See also the Communications Data Code of Practice 2018:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/757850/Communications_Data_Code_of_Practice.pdf.

Meaning of 'Communications Data'

Communications data is *'information held by communication service providers (e.g. telecom, internet and postal companies) relating to the communication made by their customers'*. This includes information relating to the use of a communications service but does not include the contents of the communication itself.

A simple example of a successful application for communications data could include, for example, applying for details confirming an email's date and time, but not its content.

The Communications Data Code of Practice 2018 states (at paragraph 2.18) that the term 'communications data' includes the 'who', 'when', 'where', and 'how' of a communication but not the content i.e. what was said or written (the content of a communication is defined in section 261(6) of the IPA 2016 as any element of the communication, or any data attached to or logically associated with the communication, which reveals anything of what might reasonably be considered to be the meaning (if any) of that communication).

The Communications Data Code of Practice 2018 states, in relation to Communications Data, that:

- 2.19 *'It includes the way in which, and by what method, a person or thing communicates with another person or thing. It excludes anything within a communication including text, audio and video that reveals the meaning, other than inferred meaning, of the communication.'*
- 2.20 *It can include the address to which a letter is sent, the time and duration of a communication, the telephone number or email address of the originator and recipient, and the location of the device from which the communication was made. It covers electronic communications including internet access, internet telephony, instant messaging and the use of applications. It also includes postal services.*
- 2.21 *Communications data is generated, held or obtained in the provision, delivery and maintenance of communications services – i.e. postal services or telecommunications services.*
- 2.22 *Communications data in relation to telecommunications operators' services and systems includes data held or obtainable by a telecommunications operator or postal operator or which is available directly from a telecommunication system and comprises four elements.*

Data about an entity to which a telecommunications service is provided and relates to the provision of the service

- 2.23 *This data includes information about any person or entity to whom a service is provided, whether a subscriber or guest user and whether or not they have ever used that service. For example, this may include information about the person associated with an email address even if that email address has not been used since its creation.*
- 2.24 *An entity (see below for further details) can also include devices so this data would cover information about the devices owned by a customer as well as the services provided by the telecommunications operator to which the owner of the devices subscribes. This data may include names and addresses of subscribers.*
- 2.25 *Importantly this data is limited to data held or obtained by the telecommunications operator in relation to the provision of a telecommunications service – it does not include data which may be held about a customer by a telecommunications operator more generally which is not related to the provision of a telecommunications service.*
- 2.26 *For example, for a social networking provider data such as the status of the account, contact details for the customer and the date a person registered with the service would all be communications data as they relate to the use of the service. However, other data held by the provider about a customer which does not relate to the provision of the telecommunications service, including personal information such as political or religious interests included in profile information, is not within scope of the definition of communications data.*

Data comprised in, included as part of, attached to or logically associated with a communication for the purposes of a telecommunication system that facilitates the transmission of that communication

- 2.27 *This data includes any information that is necessary to get a communication from its source to its destination, such as the dialled telephone number or Internet Protocol (IP) address. It includes data which:*
- *identifies the sender or recipient of a communication or their location;*
 - *identifies or selects the apparatus used to transmit the communication;*
 - *comprises signals which activate the apparatus used (or which is to be used) to transmit the communication; and*
 - *identifies data as being part of a communication.*
- 2.28 *This element of the communications data definition also includes data held, or capable of being obtained, by the telecommunications operator which is logically associated with a communication for the purposes of the telecommunication system by which the communication is being, or may be, transmitted. In practice this will often mean any data which is used to route or transmit a communication which the telecommunications operator holds or could obtain, for example from the network.*

Communications Data Code of Practice

- 2.29 *This might include, for example data about domain name system ('DNS') requests which allow communications to be routed across the network. It also*

includes data that facilitates the transmission of future communications (regardless of whether those communications are, in fact, transmitted).

2.30 *Only information falling within this section of the definition of communications data can be obtained directly from a telecommunication system by a public authority.*

Data which relates to the use of a service or system

2.31 *This element includes other information held by a telecommunications operator about the use of the service such as information that the provider holds for billing purposes.*

Data which is about the architecture of a telecommunication system.

2.32 *The definition of communications data additionally includes data held by a telecommunications operator about the architecture of the telecommunication system (sometimes referred to as 'reference data'). This may include the location of cell masts or Wi-Fi hotspots. This information itself does not contain any information relating to specific persons and its acquisition in its own right does not interfere with the privacy of any customers. However, this data is often necessary for the public authority to interpret the data received in relation to specific communications or users of a service.*

2.33 *Part 3 of the Act does not apply to any conduct by a public authority to obtain publicly or commercially available communications data. A communications data authorisation under Part 3 is not mandatory to obtain reference data, such as mobile phone mast locations, from a telecommunications operator as there is no intrusion into an individual's rights. However, some reference data, such as details of Wi-Fi hotspots, may be commercially sensitive and an authorisation can be sought by a public authority seeking to obtain this data from a telecommunications operator where the telecommunications operator requires it.*

Entity and Events Data

2.34 *All communications data held by a telecommunications operator or obtainable from a telecommunication system falls into two categories:*

- *entity data – this data is about entities or links between them and describes or identifies the entity but does not include information about individual events. Entities could be individuals, groups and objects (such as mobile phones or other communications devices);*
- *events data – events data identifies or describes events in relation to a telecommunication system which consist of one or more entities engaging in an activity at a specific point, or points, in time.*

2.35 *The authorisation levels required to access communications data reflect the fact that the set of events data as a whole contains the more intrusive communications data, including information on who has been in communication with whom, a person's location when their mobile device connects to the network and internet connection records. The rank of the designated senior officer that can authorise acquisition of data reflects the differing levels of intrusiveness of the data. For example, in certain circumstances, the police can authorise access to entity data at Inspector level but events data is authorised at Superintendent level.*

Additionally entity data can be obtained in a wider range of crime types than events data.

2.36 There are some circumstances where a telecommunications operator will need to process events data in order to respond to a request for entity data. In such circumstances the level of authorisation required is for the type of data that is to be disclosed, rather than the type of data that is processed e.g. where a public authority wants to know the identity of a person using an IP address at a specific time and date this will be an application for entity data.

2.37 Where a public authority provides events data to a telecommunications operator as part of a request for entity data then the telecommunications operator may disclose that events data in the response to the entity data authorisation. Taking the example above, the telecommunications operator could include the time and date of the communication as part of the response without the need for it to be authorised as an event. This is because the public authority, by providing the events data to the telecommunications operator, has demonstrated they are already aware of the event and only intend to determine the entity involved in that event. By disclosing the events data the telecommunications operator would only be providing the public authority with information they already knew. Such disclosure is likely to occur where the telecommunications operator discloses the full record from their systems.

Entity data

2.38 Entity data covers information about a person or thing, and about links between a telecommunications service, part of a telecommunication system and a person or thing, that identify or describe the person or thing. This means that individual communication devices such as phones, tablets and computers are entities. The links between a person and their phone are therefore entity data but the fact of or information about communications between devices on a network at a specific time and for a specified duration would be events data.

2.39 Examples of entity data include:

- ‘subscriber checks’ such as “who is the subscriber of phone number 01234 567 890?”, “who is the account holder of e-mail account example@example.co.uk?” or “who is entitled to post to web space www.example.co.uk?”;*
- subscribers’ or account holders’ account information, including names and addresses for installation, and billing including payment method(s), details of payments;*
- information about the connection, disconnection and reconnection of services to which the subscriber or account holder is allocated or has subscribed (or may have subscribed) including conference calling, call messaging, call waiting and call barring telecommunications services;*
- information about apparatus or devices used by, or made available to, the subscriber or account holder, including the manufacturer, model, serial numbers and apparatus codes (This includes PUK (Personal Unlocking Key) codes for mobile phones. These are initially set by the handset manufacturer and are required to be disclosed in circumstances where a locked handset has been lawfully seized as evidence in criminal investigations or proceedings); and*
- information about selection of preferential numbers or discount calls.*

- 2.40 Entity data can change over time. So, for example if a person moves house the address held by a telecommunications operator will change. The fact of that is an attribute of the entity (the person) and not a communication event.
- 2.41 Some telecommunications operators may choose to retain user passwords as clear text for business purposes (In many cases a telecommunications operator will actually retain a password hash rather than the password itself. When a user enters the password to use a service it is encrypted and the hash generated is checked against the hash already held by a telecommunications operator meaning the operator never needs to retain the actual password). In this context passwords would constitute entity data. Any information, such as a password, giving access to the content of any stored communications or access to the use of a communications service may only be sought under Part 3 of the Act from a telecommunications operator in the following circumstances:
- where such information is necessary in the interests of national security; or
 - for preventing death, injury or damage to health.
 -
- 2.42 A communications data authorisation cannot authorise a public authority to use a password obtained through that or another communications data authorisation. If a public authority wishes to use a password obtained through a communications data authorisation to access the content of stored communications or any communications service it must, in accordance with section 6
- 2.43 of the Act, ensure that it has appropriate lawful authority.

Events

- 2.44 Events data covers information about time-bound events taking place across a telecommunication system at a time interval. Communications data is limited to communication events describing the transmission of information between two or more entities over a telecommunications service. This will include information which identifies, or appears to identify, any person, apparatus ('Apparatus' is defined in section 263 of the Act to include 'any equipment, machinery or device (whether physical or logical) and any wire or cable') or location to or from which a communication is transmitted. It does not include non-communication events such as a change in address or telephone number for a customer.
- 2.45 Examples of events data include, but are not limited to:
- information tracing the origin or destination of a communication that is, or has been, in transmission (including incoming call records);
 - information identifying the location of apparatus when a communication is, has been or may be made or received (such as the location of a mobile phone);
 - information identifying the sender or recipient (including copy recipients) of a communication from data comprised in or attached to the communication;
 - routing information identifying apparatus through which a communication is or has been transmitted (for example, file transfer logs and e-mail headers – to the extent that content of a communication, such as the subject line of an e-mail, is not disclosed);
 - itemised telephone call records (numbers called) (Itemised bills can include an indication of the cost for receiving communications, for example calls

and messages received by a mobile telephone that has been 'roaming' on another network);

- *itemised internet connection records;*
- *itemised timing and duration of service usage (calls and/or connections);*
- *information about amounts of data downloaded and/or uploaded;*
- *information about the use made of services which the user is allocated or has subscribed to (or may have subscribed to) including conference calling, call messaging, call waiting and call barring telecommunications services.'*

Interception of Communications Data

The recording of telephone calls between two parties when neither party is aware of the recording cannot be undertaken by a local authority.

There may be situations where either the caller or receiver consents to the recording of the telephone conversation and, in such circumstances a warrant is not required. This type of surveillance will require authorisation, either as directed covert surveillance, or, if it is a CHIS making or receiving the telephone conversation (usually an officer working 'undercover'), as a CHIS authorisation.

Where as part of an already authorised directed covert surveillance or CHIS a telephone conversation is to be recorded by the officer or the CHIS then no special or additional authorisation is required.

The recording of telephone conversations for purposes not connected with investigatory powers does not fall within the RIPA legislative framework.

The IPA 2016 sets out general duties in relation to privacy in relation to:

- unlawful interception of communications data and
- unlawful obtaining of communications data.

The Act also abolishes and restricts various general powers to obtain communications data and restricts the circumstances in which equipment interference, and certain requests about the interception of communications, can take place. The Act sets out prohibitions against unlawful interception.

Note that under section 11 IPA 2016, it is an offence for a person in a public authority knowingly or recklessly to obtain communications data from a telecommunications operator or postal operator without lawful authority. An offence is not committed if the person obtaining the data can show that they acted in the reasonable belief that they had lawful authority.

It is not an offence to obtain communications data where this data is publicly or commercially available by a Telecommunications Operator/Postal Operator. In such circumstances the operator's consent provides the lawful authority. However, public authorities should not require, or invite, any operator to disclose communications data by relying on this exemption.

The IPA 2016 does not allow local authorities to intercept communications data. Officers of the Council are only permitted to obtain Communications Data through NAFN's SPOC (see below).

Communications Data authorisations cease to have effect 1 month from the date of approval. An authorised renewal can extend the authorisation for up to an additional month.

Failure to secure proper approval and to comply with the Council's Policy could lead to evidence being excluded by Courts, complaints against the Council, or the commission of criminal offences. The Council is subject to audit and inspection by the Investigatory Powers Commissioner's Office and it is important that we demonstrate compliance with IPA 2016.

Obtaining Communications Data through NAFN's SPOC

It is imperative that the acquisition of Communications Data is properly authorised.

Acquisition of communications data under the IPA 2016 involves four roles:

- (a) Applicant;
- (b) Approved Rank Officer ('ARO')
- (c) Single point of contact ('SPOC');
- (d) Senior Responsible Officer in a Public Authority ('SRO')

Authorising requests for Communications Data is done through the Council's membership of National Antifraud Network ('NAFN'), who act as an accredited SPOC with Telecoms Operators, Postal Operators and Internet Service Providers.

Officers authorised to seek the acquisition of any form of Communications Data (the Applicant) must apply for acquisition via NAFN's central SPOC portal. An Approved Rank Officer must also be aware of the application and NAFN facilitates the approval of the request by the Office for Communications Data Authorisations ('OCDA').

Since the IPA 2016 came into force, it has become the main legislation governing how public authorities including law enforcement agencies, intelligence agencies and local authorities use the investigatory powers available. These powers provide for the lawful acquisition of communications data including the details of who, where, when, how and with whom regarding a communication but not the contents (i.e. what is said).

To use the NAFN secured website, applicants have to individually register on the NAFN website at www.nafn.gov.uk. Once registered, the applicant completes the online application form and it is then submitted electronically to one of the SPOCs at NAFN, who will advise the AO of any need for changes. The relevant forms can also be downloaded from the Home Office website, and a copy can be obtained from the SRO or SRO Representative.

The application to acquire communications data must (per paragraphs 5.4-5.5 of the Communications Data Code of Practice 2018):

- describe the communications data required, specifying, where relevant, any historic or future date(s) and, where appropriate, time period(s);
- specify the purpose for which the data is required, by reference to a statutory purpose under the Act;
- include a unique reference number;
- include the name and the office, rank or position held by the person making the application;

- describe whether the communications data relates to a victim, a witness, a complainant, a suspect, next of kin, vulnerable person or other person relevant to the investigation or operation;
- include the operation name (if applicable) to which the application relates;
- identify and explain the time scale within which the data is required;
- explain why the acquisition of that data is considered necessary and proportionate to what is sought to be achieved by acquiring it (see Communications Data Code of Practice 2018 section on necessity and proportionality, beginning at paragraph 3.3. This also applies to the next two bullets on collateral intrusion and unintended consequences);
- present the case for the authorisation in a fair and balanced way. In particular, all reasonable efforts should be made to take account of information which supports or weakens the case for the authorisation;
- consider and, where appropriate, describe any meaningful collateral intrusion – the extent to which the rights of any individual not under investigation may be infringed and why that intrusion is justified in the circumstances;
- consider and, where appropriate, describe any possible unintended consequences of the application; and
- where data is being sought from a telecommunications operator or postal operator, specify whether the telecommunications operator or postal operator may inform the subject(s) of the fact that an application has been made for their data.
- The application should record subsequently whether it was authorised by an authorising individual and when that decision was made. Applications should be retained by the public authority and be accessible to the SPoC.

The NAFN officer appointed as SPOC, amongst other things, carries out a quality control role and advises on various matters to assist the investigating officer and the Approved Rank Officer in the Council for Communications Data Authorisations, who are required to be the same level of seniority (see 4.11 of the Communications Data Code of Practice 2018) to the Senior Responsible Officer for Communications Data.

The NAFN SPOC advises on whether the application meets the statutory requirements, whether the information being sought can be easily obtained by the Telecoms Operators, Postal operators or Internet Service Providers and whether the application would be cost effective. NAFN's SPOC will also be the contact officer for all liaisons with the Telecoms Operators, Postal Operators or Internet Service Providers.

The following officers currently undertake the role of '**Approved Rank Officers**' to confirm to NAFN that they are aware of the application made on behalf of the Council:

1. Corporate Lead Officer: Policy, Performance & Public Protection;

Alternative substitutes (if Approved Rank Officer 1 above unavailable);

- Corporate Lead Officer: People and Organisation; and
- Corporate Lead Officer: Porth Cynnal.

The Approved Rank Officer will receive notification, when the applicant completes the application, of the submission. Once they have confirmed they are aware of the application, the NAFN SPOC will receive the application and carry out appropriate checks on the application. If any fundamental changes are made to the application, the Approved Rank Officer will be required to confirm their awareness of the amended application. The Approved Rank Officer shall send a copy of the email to the SRO for Communications Data (see below).

Authorising Agency: Office for Communications Data Authorisations ('OCDA')

The IPA 2016 introduced the OCDA, the independent body responsible for the authorisation and assessment of all Data Communications applications under the IPA 2016. The OCDA carries out the following functions:

- Independent assessment of all Data Communications applications.
- Authorisation of any appropriate applications.
- Ensuring accountability of Authorities in the process and safeguarding standards.

Consequently, the acquisition of communications data by local authority Officers no longer requiring judicial approval. The application will be submitted by NAFN to the OCDA who will then assess the application. The NAFN SPOC then uses the authorisation process to obtain the required communications data from the Telecoms Operators/Postal Operators database and that data is posted on the website so that it can only be accessed by the applicant. If NAFN do not have direct access to the database of the relevant Telecoms Operators/Postal Operators their SPOC will send a notice to the Telecoms Operators/Postal Operators in the usual way.

Where the OCDA **authorises** the request, this decision is communicated to NAFN's SPOC (NAFN) and actions are taken to request the data from the relevant telecommunications providers and other agencies holding such communications data to provide the necessary data.

Where the OCDA requires the application to be **revised**, it will be returned via NAFN's SPOC and the Applicant will have 14 calendar days to revise the application and resubmit. Failure to revise the application within the 14 days will result in the application being automatically rejected.

Where the OCDA rejects the application, the Applicant can:

1. Cease to proceed with the application;
2. Re-submit the application with revised justification and/or a revised course of conduct to request the data; or
3. Re-submit the un-amended application and request a review of the decision by the OCDA.

In the case of seeking a review, or affectively appealing against the original determination **the Authority has 7 calendar days to seek the review**. Any appeal must be made by the Council's SRO. The OCDA will provide guidance on this process.

Using the NAFN portal has significant advantages and there is no other means of obtaining communications data, since the Code of Practice requires the Council to use the NAFN SPOC Service.

Both historical and future information may be sought from a provider, subject to limitations.

The Council's Senior Responsible Officer ('SRO') for Communications Data

The Council's **SRO for Communications Data** is the Monitoring Officer/Corporate Lead Officer – Legal & Governance

Any questions regarding Communications Data can be addressed to the SRO for Communications Data, or alternatively care of the **SRO Representative for Communications Data**, who is the Governance Officer.

The Communications Data Code of Practice 2018 (available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/822817/Communications_Data_Code_of_Practice.pdf) confirms at paragraph 4.10 that the Council should have a SRO for Communications Data. The SRO for Communications Data must be of a senior rank, which is at least the same rank as the designated senior officer (for NAFN's purposes, this would be a Council Director, Head of Service, Service Manager or a rank equivalent). Paragraph 4.10 of the Communications Data Code of Practice 2018 also states that the SRO for Communications Data is responsible for:

- (a) the integrity of the process in place within the public authority to acquire communications data;
- (b) engagement with Authorising Officers in the Office for Communications Data Authorisations (where relevant);
- (c) compliance with Part 3 of the IPA 2016 and with the Communications Data Code of Practice 2018, including responsibility for novel or contentious cases (see paragraph 8.45 of the Communications Data Code of Practice 2018);
- (d) oversight of the reporting of errors to the Investigatory Powers Commissioner ('IPC') and the identification of both the cause(s) of errors and the implementation of processes to minimise repetition of errors;
- (e) ensuring the overall quality of applications submitted to Office for Communications Data Authorisations ('OCDA') by the public authority;
- (f) engagement with the IPC's inspectors when they conduct their inspections; and
- (g) where necessary, oversight of the implementation of post-inspection action plans approved by the IPC.

Records kept must be held centrally by the NAFN SPOC and be available for inspection by the Investigatory Powers Commissioner's Office upon request and retained to allow the Investigatory Powers Tribunal ('IPT'), to carry out its functions. The retention of documents service will be provided by NAFN, who shall also provide copies periodically, and as requested, to the SRO for Communications Data (see also paragraphs 24.1 – 24.9 of the Communications Data Code of Practice 2018).

For further information regarding Communications Data acquisition and disclosure, retention and general matters see the Communications Data Code of Practice 2018: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/757850/Communications_Data_Code_of_Practice.pdf.

Communications Data Errors

Where any error occurs, in the giving of a notice or authorisation or as a consequence of any authorised conduct or any conduct undertaken to comply with a notice, a record should

be kept. An error can only occur after the notice has been served on the Telecoms Operators/Postal Operators, so if it is discovered before this point it does not officially count as an error.

See paragraphs 24.17 – 24.37 of the Communications Data Code of Practice 2018.

There are 2 types of errors namely '**Reportable Errors**' and '**Recordable Errors**':

- **Reportable Errors** are ones where communications data is acquired wrongly and in this case a report must be made to the Investigatory Powers Commissioner as soon as reasonably practical and no later than 5 working days (or as agreed with the Commissioner) after it has been established by the appropriate internal governance processes that a relevant error has occurred, as this type of occurrence could have significant consequences for the individual whose details were wrongly disclosed.
- **Recordable Errors** are ones where an error has occurred but has been identified before the communications data has been acquired. The Council must keep a record of these occurrences, but a report does not have to be made to the Commissioner.

Reportable Errors could include:

- A notice being made for a purpose, or for a type of data, which the public authority cannot seek;
- Human error, such as incorrect transposition of information;
- Disclosure of the wrong information by a CSP when complying with a notice; or
- Disclosure or acquisition of data in excess of that required.

Recordable Errors could include:

- A notice which is impossible for a Communications Service Provider to comply with;
- Failure to review information already held, e.g. seeking data already acquired or obtained for the same investigation, or data for which the requirement to obtain it is known to be no longer valid;
- Notices being sent out to the wrong CSP; or
- Notices being sent out to CSPs that were not produced by the Approved Rank Officer who authorised the application.

Where a telephone number has been sent to another Telecommunications Operator or Postal Operator, then this does not constitute an error. Where excess data is disclosed, if the material is not relevant to the investigation it should be destroyed once the report has been made to the Commissioner.

If having reviewed the excess material it is intended to make use of it, the Applicant must make an addendum to the original application to set out the reasons for needing to use this excess data. The SRO for Communications Data will then decide whether it is necessary and proportionate for the excess data to be used in the investigation (see paragraphs 24.38 – 24.42 of the Communications Data Code of Practice 2018).

Any reportable error must be reported to the SRO and to the Commissioner within 5 working days. NAFN reports errors on behalf of the Council and the SRO will be made aware of these for the Council's records and any internal action required. If the report relates to an error made by a Telecoms Operators/Postal Operators, it must still be reported, but NAFN shall inform the Telecoms Operators/Postal Operators to enable them to investigate the cause.

The records kept for recordable errors must include details of the error, explain how the error occurred and provide an indication of the steps that will take place to prevent a reoccurrence. These records must be available for inspection by the Investigatory Powers Commissioner inspectors and must be regularly reviewed by the SRO.

Serious Errors

Regarding a 'Serious Error', which 'caused significant prejudice or harm to the person concerned', this must be reported to the Council's SRO the IPC. The IPC may inform the affected individual subject of the data disclosure, who may make a complaint to the IPT. The IPC must be satisfied that the error is a) a serious error AND b) it is in the public interest for the individual concerned to be informed of the error.

Before deciding if the error is serious or not the IPC will accept submissions from the Council as to whether disclosure is in the public interest e.g. it may not be in the public interest to disclose if to do so would be prejudicial to the 'prevention and detection of crime'.

See paragraphs 25.1 – 25.9 of the Communications Data Code of Practice 2018 for more information on the role of the Investigatory Powers Commissioner and 25.10 – 25.17 for more information regarding the role of the Information Commissioner.

See also paragraphs 25.18 – 25.21 of the Communications Data Code of Practice 2018 for further information regarding Enforcement of integrity, destruction and security standards.

Authorising the Acquisition of Communications Data

Section 81 of the IPA 2016 provides a defence if acquisition and disclosure of communications data is challenged:

81. Lawfulness of conduct authorised by this Part

(1) Conduct is lawful for all purposes if—

- (a) it is conduct in which any person is authorised to engage by an authorisation or required to undertake by virtue of a notice given in pursuance of an authorisation, and*
- (b) the conduct is in accordance with, or in pursuance of, the authorisation or notice.*

Therefore, to take advantage of this defence, the surveillance needs to be properly authorised.

The Test of Necessity and Proportionality

The acquisition of communications data should only be authorised if the Approved Rank Officer is satisfied that:

1. The action is NECESSARY on the following grounds:

- For the prevention or detection of crime or the prevention of disorder and,

2. The surveillance is PROPORTIONATE - The Human Rights Act defines a measure or action as proportionate if it:

- Impairs as little as possible the rights and freedoms (of the individual concerned and of innocent third parties); and
- Is carefully designed to meet the objectives in question is not arbitrary, unfair or based on irrational considerations.

Detecting crime includes establishing by whom, for what purpose, by what means and generally in what circumstances any crime was committed, the gathering of evidence for use in any legal proceedings and the apprehension of the person (or persons) by whom any crime was committed.

An application may contain several requests for various types of data relating to a specific investigation or operation. Consideration should therefore be given as to how this may affect the efficiency of the public authority's processes and the impact of managing disclosure issues before, during and after a criminal trial.

For further guidance, please see the relevant Home Office guidance available from the Home Office website: <https://www.gov.uk/government/collections/ripa-codes>

Time Limits

The application should specify the shortest period for the data that is necessary in order to achieve the objective for which the data is sought.

All notices and authorisations requesting communications data from the service provider will only be valid for 1 month from the date of granted authorisation/notice given (by the OCDA through NAFN's SPOC). A renewal for a period of up to 1 month can be made and a renewed authorisation or notice takes effect upon the expiry of the authorisation or notice it is renewing.

Where the Approved Rank Officer agrees to the renewal, the Approved Rank Officer must have considered the reasons why it is necessary and proportionate to continue, and record the date of the renewal.

Where an authorisation should be cancelled (e.g. no longer necessary or proportionate), NAFN's SPOC must be notified immediately. The SPOC shall cancel the authorised action and take steps to notify the postal or telecommunications service provider without delay.

The Approved Rank Officer

The Approved Rank Officer is the person who is a manager at service level or above within the Council, and their role is to have an awareness of the application made by the Applicant, and confirm this to NAFN's SPOC. They do not authorise or approve the application.

If the Approved Rank Officer having read the application considers the Applicant has met all the requirements for necessity and proportionality then he/she should simply record that fact. A simple note by the Approved Rank Officer should be recorded.

If the Approved Rank Officer does not consider the case for obtaining the data has been met the application should be rejected and referred back to the SPOC and the Applicant.

Similarly, if a Magistrate rejects an application, the application should be rejected and referred back to the SPOC.

If the application is rejected either by the SPOC or the Approved Rank Officer, the SPOC will retain the form and inform the applicant in writing of the reasons for its rejection. The NAFN's SPOC will do so via the website.

If the Approved Rank Officer is recording their considerations within the NAFN database and is attributable to the Approved Rank Officer, a signature is not required.

The Central Register of Authorisations – Communications Data

In respect of communications data, NAFN's SPOC will retain copies of the original of all applications, authorisations, copies of notices and withdrawals of authorisations and cancellation of notices, cross-referenced against each associated document.

Applications, authorisations, copies of notices, and records of the withdrawal and cancellation of authorisations, must be retained in written or electronic form for a minimum of 3 years. A record of the date and, when appropriate, the time each notice or authorisation is granted, renewed or cancelled (see paragraphs 24.1-24.9 of the Communications Data Code of Practice for full details of the level of information that should be retained).

Nothing in this Policy has an affect on similar duties under the Criminal Procedure and Investigations Act 1996, which requires material obtained in the course of an investigation and that may be relevant to the investigation to be recorded, retained and revealed to the prosecutor.

When the NAFN system is being used, the retention of documents service will be provided by NAFN, who shall also provide copies periodically, and as requested, to the SRO for Communications Data, and deal with any requests from inspectors from the ICO.

Nonetheless, the Council's Central Record should also contain a record of:

- Number of applications rejected by Approved Rank Officer;
- Number of notices requiring disclosure of communications data within the meaning of each subsection of Section 21(4);
- Number of authorisations for acquiring of communications data within the meaning of each subsection of Section 21(4); and
- Number of times an urgent notice is given orally.

NAFN are able to provide on request, statistical information about the numbers of notices or authorisations that they have issued on behalf of the Council during a particular time period including any errors that have occurred. The Council's SRO for Communications Data will request such information from NAFN on a quarterly basis.

COMPLAINTS

As set out in paragraph 26.2 of the Communications Data Code of Practice 2018, the Information Commissioner is responsible for the oversight of the security, integrity and destruction of data retained in accordance with the Act. Failure to comply with the provisions of the Communications Data Code of Practice 2018 in these areas may also engage concerns about compliance with data protection and related legislation. Any concerns about compliance with data protection and related legislation should be passed to the Information Commissioner's Office (ICO):

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF
0303 123 1113
www.ico.org.uk

As set out in paragraph 26.3 of the Communications Data Code of Practice 2018, the Investigatory Powers Tribunal (IPT) has jurisdiction to consider and determine complaints regarding public authority use of investigatory powers, including those covered by this code, as well as conduct by or on behalf of any of the intelligence services and is the only appropriate tribunal for human rights claims against the intelligence agencies. Any complaints about the use of powers as described in this code should be directed to the IPT.

Any individual who is dissatisfied about the way the Council has or is carrying out surveillance may make a complaint. The decision as to which procedure should be used lies with the individual concerned.

If a person wishes to complain using the Council's procedures, then the complainant should be made aware of the Council's Corporate Complaints Procedure (see <https://www.ceredigion.gov.uk/your-council/comments-compliments-and-complaints/corporate-complaints/> and <https://www.ceredigion.gov.uk/media/1179/complaints-policy-bookletenglish.pdf>) The complaint will be dealt with in accordance with that procedure.

If a person wishes to complain directly to an independent body or had used the Council's internal procedures and is still dissatisfied, then he/she may complain to the Investigatory Powers Tribunal ('IPT').

The IPT has jurisdiction to investigate and determine complaints against public authority use of investigatory powers. To find out more information about the IPT or make a complaint, then full details of how to do so are available on the IPT website: www.ipt-uk.com.

Complaints can be made in writing to:

The Investigatory Powers Tribunal
PO Box 33220
London
SW1H 9ZQ

By email at info@ipt-uk.com or
By telephone on 0207 035 3711.

* See Part 4 above for complaints regarding Directed Surveillance or a CHIS.

PART 6 - Non-RIPA Surveillance

Meaning of 'non-RIPA Surveillance'

From time to time, the Council may wish to undertake covert surveillance, which is not regulated by RIPA. This is fine, as RIPA is permissive legislation. The procedures and guidance below set out the processes required for NON-RIPA authorisation. The process is intended to reflect that of a RIPA authorisation, save for the judicial approval requirement. More information is contained below outlining the procedures to be followed in respect of Non-RIPA Surveillance, including the completion of an application form.

It is important to have a procedure in place for non-RIPA Surveillance, as mechanisms for activity, which cannot be protected is encouraged. In those circumstances, statutory definitions are met but not under the RIPA grounds. The human rights aspects must still be considered and an authorisation provides a useful audit of decisions and actions.

Investigating officers are required to obtain a Unique Reference Number ('URN') from the SRO prior to submission to an Authorising Officer for non-RIPA Surveillance.

Authorisation under RIPA affords the Council a defence under S.27 of RIPA i.e. the activity is lawful for all purposes, provided an authorisation is in place, and the conduct of the Officers is in accordance with the legislation. However, failure to obtain an authorisation does not make covert surveillance unlawful.

RIPA is a shield not a sword and Section 80 of RIPA contains a general saving for lawful conduct:

'Nothing in any of the provisions of this Act by virtue of which conduct of any description is or may be authorised by any warrant, authorisation or notice, or by virtue of which information may be obtained in any manner, shall be construed –

- (a) as making it unlawful to engage in any conduct of that description which is not otherwise unlawful under this Act and would not be unlawful apart from this Act;*
- (b) as otherwise requiring—*
 - (i) the issue, grant or giving of such a warrant, authorisation or notice, or*
 - (ii) the taking of any step for or towards obtaining the authority of such a warrant, authorisation or notice, before any such conduct of that description is engaged in; or*
- (c) as prejudicing any power to obtain information by any means not involving conduct that may be authorised under this Act.'*

This point was explained more fully by the Investigatory Powers Tribunal in the case of C v The Police (Case No: IPT/03/32/H 14th November 2006):

'Although RIPA provides a framework for obtaining internal authorisations of directed surveillance (and other forms of surveillance), there is no general prohibition in RIPA against conducting directed surveillance without RIPA authorisation. RIPA does not require prior authorisation to be obtained by a public authority in order to carry out surveillance. Lack of authorisation under RIPA does not necessarily mean that the carrying out of directed surveillance is unlawful.'

Why carry out non-RIPA Surveillance?

The Council may wish to do such 'non-RIPA Surveillance' for one of two reasons:

I. Crimes Not Carrying Six Months of Imprisonment

As stated above, the Council's AOs may not authorise Directed Surveillance under RIPA unless it is for the purpose of preventing or detecting a criminal offence, and it meets the condition set out in New Article 7A (3)(a) or (b) of the 2010 Order. Those conditions are that the criminal offence sought to be prevented or detected is punishable, whether on summary conviction or on indictment, by a term of **at least 6 months of imprisonment**, or would constitute an offence under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933 (offences involving sale of tobacco and alcohol to underage children).

However, just because a crime does not meet the six-month test does not mean covert surveillance cannot be undertaken.

This point was made by the Chief Surveillance Commissioner in his [annual report](#) (2010/2011):

'The higher threshold in the proposed legislation will reduce the number of cases in which local authorities have the protection of RIPA when conducting covert surveillance; it will not prevent the use of those tactics in cases where the threshold is not reached but where it may be necessary and proportionate to obtain evidence covertly and there will be no RIPA audit trail. Part I of RIPA makes unauthorised interception unlawful. In contrast, Part II makes authorised surveillance lawful but does not make unauthorised surveillance unlawful.'

II. Employee Surveillance

Most employee surveillance will not be able to be authorised under RIPA.

See the previous decision by the Investigatory Powers Tribunal: C v The Police and the Secretary of State for the Home Department (14th November 2006, No. IPT/03/32/H)

C, a former police sergeant, retired in 2001 having made a claim for a back injury he sustained after tripping on a carpet in a police station. He was awarded damages and an enhanced pension due to the injuries.

In 2002, the police instructed a firm of private detectives to observe C to see if he was doing anything that was inconsistent with his claimed injuries. Video footage showed him mowing the lawn. C sued the police claiming they had carried out directed surveillance without an authorisation. The Tribunal first had to decide if it had jurisdiction to hear the claim. The case turned on the interpretation of the first limb of the definition of directed surveillance i.e. was the surveillance 'for the purposes of a specific investigation or a specific operation?'

The Tribunal ruled that this was not the type of surveillance that RIPA was meant to regulate. It made the distinction between the ordinary functions and the core functions of a public authority:

'The specific core functions and the regulatory powers which go with them are identifiable as distinct from the ordinary functions of public authorities shared by all authorities, such as the employment of staff and the making of contracts. There is no real reason why the performance of the ordinary functions of a public authority should fall within the RIPA regime, which is concerned with the regulation of certain investigatory powers, not with the regulation of employees or of suppliers and service providers.'

The Tribunal also stated that it would not be right to apply RIPA to such surveillance for a number of reasons:

- 1) RIPA does not cover all public authorities, and there was no sense in police employee surveillance being conducted on a different legal footing than, for example, the Treasury, which does not have the same surveillance rights under RIPA.
- 2) The Tribunal has very restrictive rules about evidence, openness and rights of appeal. The effect of these would lead to unfairness for employees of RIPA authorities when challenging their employers' surveillance as compared to those who were employed by non-RIPA authorities.

This case suggests that, even where employee surveillance is being carried out on one of the grounds in section 28(3), the key question is:

Is it for a core function linked to one of the authority's regulatory functions? Within a local authority context, this would include, amongst others, Trading Standards, Environmental Health and Licensing. If it is not being done for one of these purposes, it will not be directed surveillance.

Online covert activity-Internet and Social Networking Sites ('SNS')

See the Council's RIPA Social Media Policy for guidance regarding on-line covert activity regarding the Internet and SNS, which must be read in conjunction with this Policy.

See ***Flowchart 9 –Authorising Non-RIPA Surveillance***

Human Rights Legislation Compliance

Covert surveillance done without a RIPA authorisation will not have the protection of RIPA (i.e. the defence in S.27 of RIPA). However, it will still be able to be undertaken as long as it is done in accordance with the ECHR, which is directly enforceable against public authorities pursuant to the Human Rights Act 1998, as stated above.

Article 8 of the ECHR states:

'Everyone has the right to respect for his private and family life his home and his correspondence.

There shall be no interference by a public authority with the exercise of this right except such as in accordance with the law and is necessary in a democratic society in the interests of public safety, for the protection of public order, health or morals, or for the rights and freedoms of others.'

To satisfy Article 8 ECHR, the covert surveillance must be **both necessary and proportionate**. In deciding whether it is, the same factors need to be considered as when authorising surveillance regulated by RIPA.

Data Protection Legislation Compliance

The Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699) ('the Telecommunications Regulations') permit the Council without further authorisation to lawfully intercept its employees email or telephone communications, and also to monitor their internet access for purposes of prevention or detection of crime, or the detection of unauthorised use of these systems. Regard should be

had to the Council's Internal Information Security Policy (available on the Council's Intranet Site (Cerinet)).

Further advice on these regulations should be sought from the Council's Data Protection Officer and regard should be had to the Council's internal Information Security Policy, and also the 'ICO Quick Guide to the Employment Practice Code' (see https://ico.org.uk/media/for-organisations/documents/1128/quick_guide_to_the_employment_practices_code.pdf).

When doing covert surveillance of employees not regulated by RIPA, the Data Protection Act 2018 ('DPA') will apply, as personal information about living individuals will be being processed e.g. their movements, photographs etc.

The Information Commissioner has published a Data Protection Employment Practices Code of Practice (available at www.ico.gov.uk). This type of surveillance is outside the remit of this document.

In both the above cases, it is important to have a proper audit trail through written records.

Data Protection Employment Practices Code of Practice

The Information Commissioner has published a **Data Protection Employment Practices Code of Practice** (available at: https://ico.org.uk/media/for-organisations/documents/1064/the_employment_practices_code.pdf

(the 'DPEP Code') Part 3 of the DPEP Code covers all types of employee surveillance from video monitoring and vehicle tracking to email and internet surveillance. It gives guidance on how to do employee surveillance in a way that complies with the DPA. Whilst the code is not law, it can be taken into account by the Information Commissioner and the courts in deciding whether the DPA has been complied with.

The DPEP Code states that employee monitoring should take place for a clear justified purpose and employees should be aware that it is taking place.

With regard to covert surveillance, it states that it will be rare for such monitoring to be justified. It should therefore only be used in exceptional circumstances e.g. prevention or detection of crime or serious malpractice.

One of the other main recommendations of the DPEP Code is that senior management should normally authorise any covert monitoring of employees. They should satisfy themselves that there are grounds for suspecting criminal activity or equivalent malpractice. They should carry out an impact assessment and consider whether the surveillance is necessary and proportionate to what is sought to be achieved.

The DPEP Code sets out other rules that local authorities (and others) need to consider when doing covert surveillance of employees:

- Prior to the investigation, clear rules must be set up limiting the disclosure and access to information obtained;
- The number of people involved in a covert monitoring exercise should be limited;
- The surveillance must be strictly targeted at obtaining evidence within a set time frame and it should not continue after the investigation is complete;
- If using audio or video equipment, this should not normally be used in places such as toilets or private offices;

- Information obtained through covert monitoring should only be used for the prevention or detection of criminal activity or serious malpractice; and
- Other information collected in the course of monitoring should be disregarded and, where feasible, deleted unless it reveals information that no employer could reasonably be expected to ignore.

In both the above Non-RIPA cases, it is important to have a proper audit trail through written records. In his annual report (2011/2012), the Chief Surveillance Commissioner (at paragraph 5.22) emphasised this:

'I occasionally encourage the use of similar authorisation mechanisms for activity which cannot be protected by the Acts (for example where covert techniques are used to identify a missing person when no crime is suspected). In these circumstances statutory definitions are met but none of the grounds specified in RIPA section 28(3) or RIP(S)A section 6(3), yet the human rights of the subject of surveillance must be considered. The authorisation process provides a useful audit of decisions and actions.'

Authorising Officers for non-RIPA Surveillance

The Authorising Officers for non-RIPA Surveillance are the same Authorising Officers as authorise RIPA Surveillance i.e.:

- **Corporate Lead Officer: People and Organisation;**
- **Corporate Lead Officer: Policy, Performance & Public Protection; and**
- **Corporate Lead Officer: Porth Cynnal.**

Similar mechanisms for activity which cannot be protected by RIPA legislation is encouraged. In those circumstances, statutory definitions are met, but not under the grounds specified in RIPA. The human rights aspects must still be considered. An authorisation process provides a useful audit of decisions and actions. The process reflects that of directed surveillance, save for the Judicial Approval requirement.

A URN should be sought from the Senior Responsible Officer prior to submission to Authorising Officers, with the original form sent to the SRO for entry in the Central Register upon completion of authorisation process, and a copy retained by the Service.

Non-RIPA Surveillance Authorisation Form

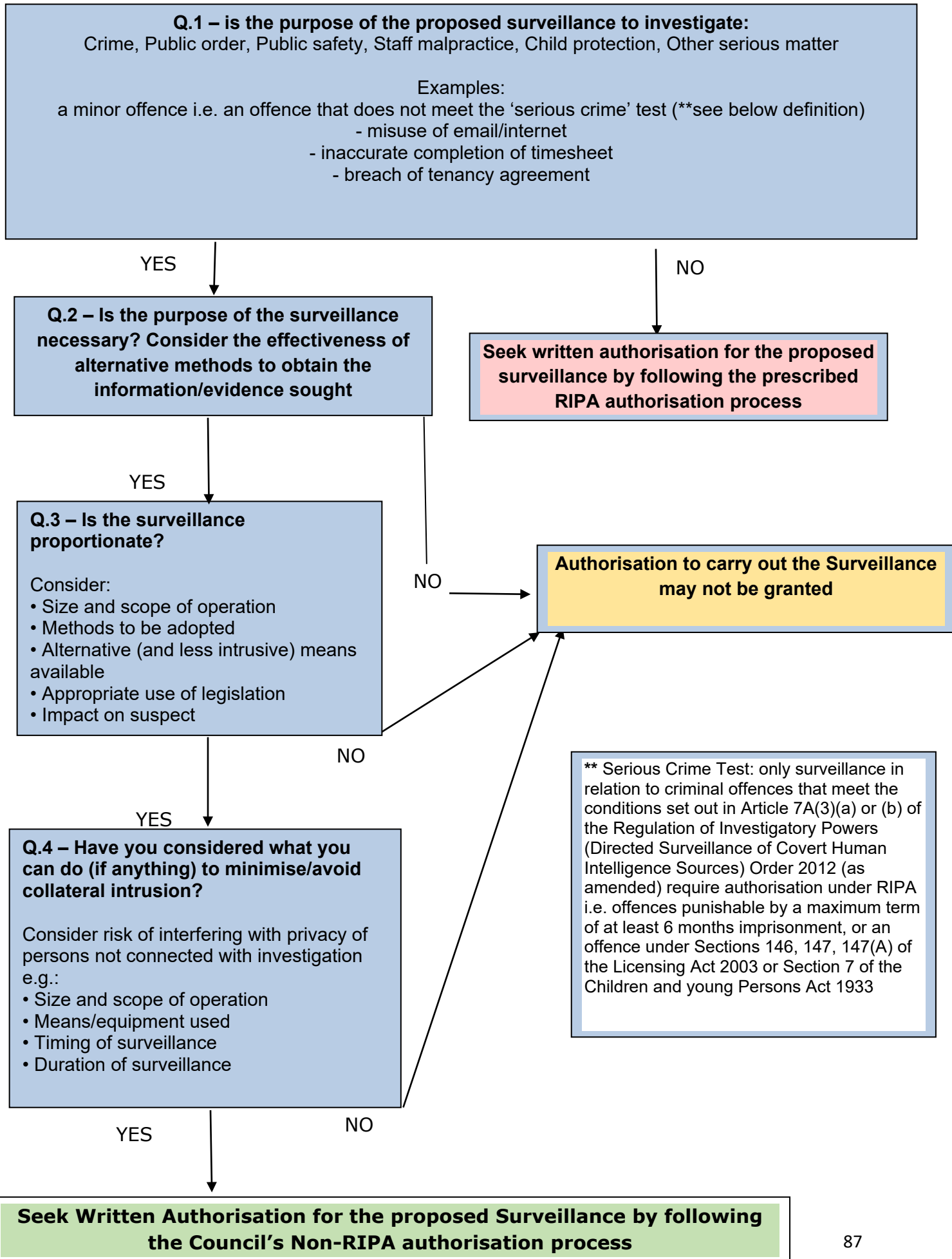
A Non-RIPA authorisation form must be completed, as above, and an example form with guidance is available on the Council's intranet site (CeriNet) at <https://cerinet.ceredigion.gov.uk/documents/forms-and-templates/>.

Lifecycle of a Non-RIPA surveillance authorisation

A Flowchart showing the basic lifecycle of a Non-RIPA surveillance authorisation is shown below. This is identical to the lifecycle for Directed RIPA Surveillance, except that judicial approval is not required.

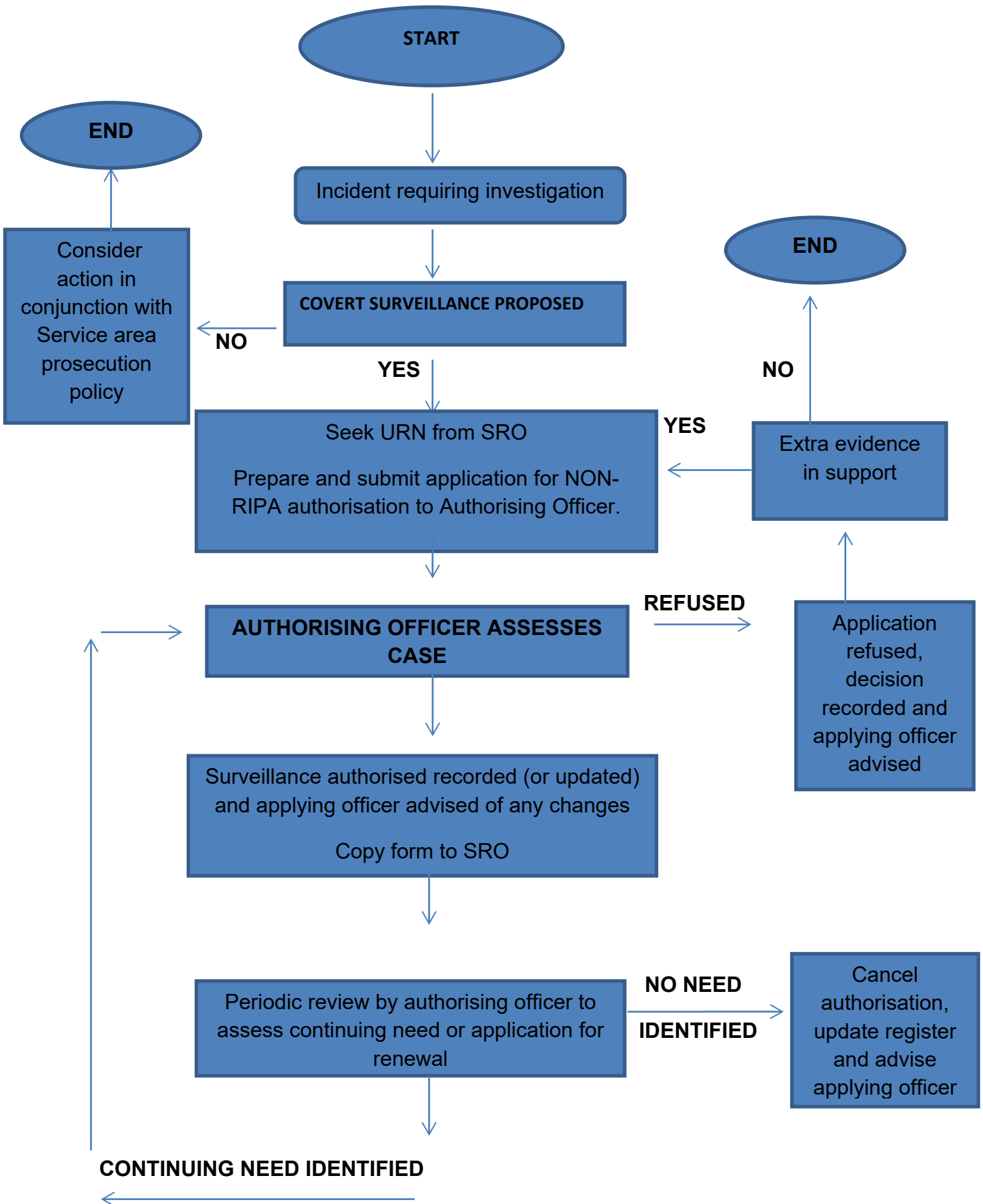
Non-RIPA activity will be reported to the Overview & Coordinating Scrutiny Committee.

Flowchart 9- Authorising Non-RIPA Surveillance



**** Serious Crime Test: only surveillance in relation to criminal offences that meet the conditions set out in Article 7A(3)(a) or (b) of the Regulation of Investigatory Powers (Directed Surveillance of Covert Human Intelligence Sources) Order 2012 (as amended) require authorisation under RIPA i.e. offences punishable by a maximum term of at least 6 months imprisonment, or an offence under Sections 146, 147, 147(A) of the Licensing Act 2003 or Section 7 of the Children and young Persons Act 1933**

Flowchart 10 – Non RIPA Surveillance - Basic Lifecycle of a Directed Surveillance Authorisation



Schedule 1 – Relevant Legislation, Codes of Practice, Policies & Guidance

The Ceredigion County Council RIPA Corporate Policy and Procedures Document should be read in conjunction with all current and relevant legislation, guidance and codes of practice, including (but not limited to) the following:

- The Regulation of Investigatory Powers Act 2000
<http://www.legislation.gov.uk/ukpga/2000/23/contents>
- RIPA Explanatory Notes
<http://www.legislation.gov.uk/ukpga/2000/23/notes/contents>
- RIPA Statutory Codes of Practice:
 - Covert Surveillance and Property Interference Revised Code of Practice 2018
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742041/201800802_CSPI_code.pdf
 - Covert Human Intelligence Sources Revised Code of Practice
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742042/20180802_CHIS_code.pdf
 - Bulk Acquisition of Communications Data Code of Practice:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/715477/Bulk_Communications_Data_Code_of_Practice.pdf
 - Communications Data Code of Practice 2018:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/822817/Communications_Data_Code_of_Practice.pdf
 - Investigation of Protected Electronic Information Revised Code of Practice
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742064/RIPA_Part_III_Code_of_Practice.pdf
 - Equipment interference Code of Practice 2018
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/715479/Equipment_Interference_Code_of_Practice.pdf
 - Covert Human Intelligence Sources Draft Revised Code of Practice 2022
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1112114/Oct_2022_Draft_Revised_CHIS_Code_of_Practice.pdf
(Final version to follow)
 - Interception of Communications Draft Revised Code of Practice 2022
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1112134/Oct_2022_Draft_revised_Interception_of_Comms.pdf
(Final version to follow)
- Investigatory Powers Act 2016 ('IPA 2016')
<https://www.legislation.gov.uk/ukpga/2016/25/contents>
- SI 2010 N0.521 - Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010
<http://www.legislation.gov.uk/uksi/2010/521/contents/made>
- SI 2012 No.1500 (The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012)
<http://www.legislation.gov.uk/uksi/2012/1500/contents/made>
- The Investigator Powers (Covert Human Intelligence Sources and Interception: Code of Practice) Regulations 2022 to follow

- Guidance issued by the Investigatory Powers Commissioner's Office ('IPCO') (formerly the Office of Surveillance Commissioner ('OSC')) (available at: <https://www.ipco.org.uk/>) including OSC Procedures and Guidance Document: <https://ipco-wpmedia-prod-s3.s3.eu-west-2.amazonaws.com/OSC-PROCEDURES-AND-GUIDANCE.pdf>
- Information Commissioner's Office Data Protection Employment Practices Code https://ico.org.uk/media/for-organisations/documents/1064/the_employment_practices_code.pdf
- Home Office Surveillance Camera Code of Practice (2021) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1035067/Surveillance_Camera_CoP_Accessible_PDF.pdf
- The Council's Social Media Policy: <https://ceri.ceredigion.gov.uk/portal/employee-handbook/policies-procedures/social-media-policy/>
- The Council's Information Security Policy; <https://www.ceredigion.gov.uk/your-council/strategies-plans-policies/information-security-policy/>
- The Council's Code of Conduct for Local Government Employees* <https://cerinet.ceredigion.gov.uk/media/1061/codeofconduct-eng.pdf>
- The Council's Data Protection and GDPR Policy <https://cerinet.ceredigion.gov.uk/media/1060/data-protection-and-gdpr-policy.pdf>
- The Council's Email Policy <https://cerinet.ceredigion.gov.uk/media/2440/ceredigion-email-retention-policyv7.pdf>
- The Council's Information and Records Management Policy (available at <https://www.ceredigion.gov.uk/your-council/strategies-plans-policies/information-and-records-management-policy/>)**
- The Council's Policy and Guidelines for Safeguarding Children & Adults at Risk*
- The Council's Social Media Editorial and Administration Policy* <https://cerinet.ceredigion.gov.uk/media/1676/social-media-editorial-and-administration-policy.pdf>
- The Council's Whistleblowing Policy* <https://cerinet.ceredigion.gov.uk/documents/policies-and-procedures/>

CEREDIGION COUNTY COUNCIL

Report to:	Council
Date of meeting:	26th January 2023
Title:	Recruitment of Independent Member to the Ethics and Standards Committee
Purpose of the report:	To ensure appropriate appointments are made to the Ethics and Standards Committee
For:	Decision
Cabinet Portfolio and Cabinet Member:	Councillor Matthew Vaux Cabinet Member for Partnerships, Housing, Legal and Governance and Public Protection

BACKGROUND:

The Ethics and Standards Committee comprises of nine members:

- 5 X independent members and,
- 4 councillors (2 x County councillors, and 2 x Town/Community councillors).

The current Chair, Mrs Caroline White was appointed initially on 30/7/2013 and reappointed on 30/7/2019. The term of office will expire on 29/7/2023. Mrs Caroline White is not now eligible for reappointment.

A recruitment process was undertaken, with interviews held on 12 January 2023. The successful candidate was Gail Storr.

It is proposed that the appointment will be for one term of 6 years, with option to reappoint for a second term of 4 years, up to no more than two consecutive administrative terms inclusive of the current term (up to 10 years- up to 29/7/32)

Council approval will be sought in 2029 if the option to extend for a further term of 4 years is to utilised

Wellbeing of Future Generations:	Has an Integrated Impact Assessment been completed? If, not, please state why Summary: N/A Long term: Collaboration: Involvement: Prevention: Integration:
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Recommendation(s): That Council resolves to approve the appointment of Gail Storr as independent / lay person of the Ethics and Standards Committee with effect from 30 July 2023 up to 27th July 2029.

Reasons for decision:	The recommendations are necessary to ensure that the appropriate appointment is in place, in accordance with the relevant legislation and the Constitution.
Overview and Scrutiny:	N/A
Policy Framework:	N/A
Corporate Well-being Objectives:	Effective Ethics and Standards ensures that the Council can deliver on all Corporate Priorities <ul style="list-style-type: none"> • Boosting the Economy, supporting Business and Enabling Employment • Creating Caring and Healthy Communities • Providing the Best Start in Life and Enabling Learning at All Ages • Creating Sustainable, Green and Well-connected Communities
Finance and Procurement implications:	In accordance with the Independent Remuneration Panel
Legal Implications:	To comply with legislative requirements
Staffing implications:	None
Property / asset implications:	None
Risk(s):	None
Statutory Powers:	Local Government Act 1972 Local Government (Wales) Measure 2011 https://www.legislation.gov.uk/mwa/2011/4/contents Local Government and Elections (Wales) Act 2021 https://www.legislation.gov.uk/asc/2021/1/contents
Background Papers:	None
Appendices:	None
Corporate Lead Officer:	Elin Prysor, Corporate Lead Officer, Legal and Governance
Reporting Officer:	Lisa Evans, Scrutiny and Standards Officer
Date:	12 th January 2023

CEREDIGION COUNTY COUNCIL

Report to: Council

Date of meeting: 26 January 2023

Title: Approval of Teacher Pay Policies 2022/23

Purpose of the report: To approve the model Teachers' Pay Policy and to commend to School Governing Bodies within Ceredigion for adoption.

To gain approval of the Model Unattached Teacher Pay Policy for centrally employed teachers

For: Approval

Cabinet Portfolio and Councillor Wyn Thomas, Cabinet Member for Cabinet Member: Schools, Lifelong Learning and Skills

The fourth School Teachers' Pay and Conditions (Wales) Document (STPC(W)D) was published on 14 November 2022 and confirms the teachers' pay arrangements in Wales for 2022/23. The statutory elements of the STPC(W)D 2022 that are required to be implemented are as follows:

- A 5% uplift has been applied to all statutory scale points and allowances.
- All pay lifts will be payable from 1 September 2022.

In addition to the provision for the pay award, the STPC(W)D 2022 revises the pro-rata principle to allow for a TLR1 or TLR2 (Teaching and Learning Responsibility payment) to be paid in full to a part-time teacher providing that the full duties of the allowance can be undertaken within the recipient's normal hours.

As a result of two extra bank holidays during 2022/2023, due to the Queen's State Funeral in September 2022 and the Coronation of King Charles III in May 2023, teachers must be available to work for 193 days (1252 hours of directed time) during the 2022/23 academic year.

The Model Pay Policy, which applies to school-based teachers, and the Model Unattached Teacher Pay Policy, which applies to centrally employed teachers, reflect these changes and adopt the requirements of the STPC(W)D 2022.

Both Pay Policies have been the subject of consultation with the teaching trade unions on a regional and local basis.

Wellbeing of Future Generations:	Has an Integrated Impact Assessment been completed? If, not, please state why Summary: Long term:	No, set by statutory guidance and legislation.
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Collaboration:
Involvement:
Prevention:
Integration:

Recommendation(s):	To approve: 1. The Model School Pay Policy 2022/23 and to commend to Governing Bodies for adoption within schools in Ceredigion 2.The Model Unattached Teacher Pay Policy 2022/23 for centrally employed teachers
Reasons for decision:	To ensure compliance with the STPC(W)D 2022 and consistency across schools in Ceredigion.
Overview and Scrutiny:	Not considered
Policy Framework:	The School Teachers Pay & Conditions (Wales) Document requires all schools to approve a Pay Policy. The pay policy is an updated version for commending to Governing Bodies that complies with the STPC(W)D 2022
Corporate Well-being Objectives:	<ul style="list-style-type: none">• Boosting the Economy, Supporting Businesses and Enabling Employment• Creating Caring and Healthy Communities• Providing the Best Start in Life and Enabling Learning at All Ages• Creating Sustainable, Green and Well-connected Communities
Finance and Procurement implications:	Delegated budget in schools
Legal Implications:	None
Staffing implications:	None
Property / asset implications:	None
Risk(s):	Risk of non-compliance with School Teachers Pay & Conditions (Wales) Document
Statutory Powers:	School Teachers Pay & Conditions (Wales) Document 2022

Background Papers:

Appendices: Model Teachers' Pay Policy 2022/23
Model Unattached Teachers' Pay Policy 2022/23

Corporate Lead Officer: Geraint Edwards, Corporate Lead Officer – People & Organisation

Reporting Officer: Geraint Edwards

Date: 04/01/2023

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Cyngor Sir CEREDIGION County Council

**Model
Teachers' Pay Policy
2022/2023**



DOCUMENT CONTROL	
Policy Name	Teachers' Pay Policy 2022/23
Service	People and Organisation
Reviewing Officers	HR Officers
CONSULTATION PROCESS	
<p>The following Trade Unions have been consulted in respect of this Policy:</p> <ul style="list-style-type: none">• ASCL• NAHT• NASUWT• NEU• UCAC	

MODEL TEACHERS' PAY POLICY 2022/23

The Governing Body of _____ School
formally adopted this Policy on _____ .

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1. INTRODUCTION

- 1.1. This Pay Policy provides a framework for making decisions on Teachers' pay. It has been developed to comply with the requirements of the School Teachers' Pay and Conditions (Wales) Document (STPC(W)D) and has been subject to consultation with all recognised Teaching Associations.
- 1.2. This pay policy only applies to those directly employed by Local Authorities and does not apply to anyone employed via an agency.

2. STATEMENT OF INTENT

- 2.1. The primary statutory duty of Governing Bodies in Wales, as set out in paragraph 21(2) of the Education Act 2002 is to '...conduct the school with a view to promoting high standards of educational achievement at the school'. This Policy intends to support that statutory duty.
- 2.2. The procedures for determining pay in this School will be consistent with the principles of public life: objectivity, openness and accountability.
- 2.3. The Governing Body will act with integrity, confidentiality, objectivity and honesty in the best interest of the School in relation to the operation of this Policy.
- 2.4. The Governing Body will be open about pay decisions made and actions taken, and will be prepared to explain decisions and actions to the interested persons.
- 2.5. Any future revisions to this policy will comply with the STPC(W)D and will be subject to consultation with relevant parties, including recognised trade unions.

3. EQUALITIES

- 3.1. The School is committed to ensuring equality in everything that we do. The Governing Body will comply with all relevant equalities legislation, including.
 - Employment Relations Act 1999;
 - Equality Act 2010;
 - Employment Rights Act 1996;
 - The Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000;
 - The Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002; and
 - The Agency Workers Regulations 2010
- 3.2. This Policy will be applied consistently to all employees irrespective of age, disability, race, gender (sex), gender reassignment, marriage / civil partnership, pregnancy / maternity, religion, belief and sexual orientation.

3.3. The Governing Body will promote equality in all aspects of school life, particularly in relation to all decisions on the advertising of posts, appointing, promoting and paying staff, training and staff development.

3.4. The Governing Body will ensure that pay processes are transparent and fair. All decisions made will be objectively justified and recorded. Reasonable adjustments will be made on a case by case basis to take account of individuals' circumstances such as long-term absence on the grounds of maternity or ill-health including any Covid related absences.

4. JOB DESCRIPTIONS

4.1. The Headteacher will ensure that each member of staff is provided with a job description in accordance with the School's staffing structure (**see Appendix 10**), as agreed by the Governing Body.

5. APPRAISALS

5.1. The Governing Body will comply with the School Teacher Appraisal (Wales) Regulations 2011 concerning the appraisal of Headteachers and Teachers through the application of the School's Performance Management Policy.

6. GOVERNING BODY'S OBLIGATIONS

6.1. The Governing Body will:

- fulfil its obligations as set out in the STPC(W)D and the Conditions of Service for School Teachers in England and Wales (the 'Burgundy Book');
- establish a Pay Committee and Pay Appeals Committee;
- determine relevant pay decisions, taking account of recommendations from the Headteacher;
- ensure that it makes funds available to support pay decisions, in accordance with this Pay Policy and the School's spending plan;
- ensure that Teachers, via the Headteacher, are informed about pay decisions which affect them, and that records are kept of recommendations and decisions made; and
- monitor, on an annual basis, the outcomes of pay decisions, including the extent to which different groups of Teachers may progress at different rates. The outcome of the review will be shared with school-level trade union representatives.

7. HEADTEACHER'S OBLIGATIONS

7.1. The Headteacher will:

MODEL TEACHERS' PAY POLICY 2022/23

- ensure that appraisers (where not the Headteacher) provide accurate, relevant, complete and timely information about pay recommendations;
- moderate performance assessments and initial pay recommendations to ensure consistency and fairness;
- submit relevant pay recommendations to the Pay Committee and ensure the Pay Committee has relevant information upon which to make pay decisions;
- inform Teachers about the School's Pay Policy and ensure its accessibility;
- notify payroll and/or HR staff within the Local Authority about pay decisions to be implemented; and
- ensure that a report on the operation of the Pay Policy is presented to the Governing Body and the relevant Trade Unions on an annual basis.

8. TEACHERS' OBLIGATIONS

8.1. Teachers will:

- familiarise themselves with the provisions of this Pay Policy, the STPC(W)D, the relevant professional standards and all relevant school employment policies; and
- engage positively with the processes set out in this Policy.

9. DIFFERENTIALS

9.1. Within the framework of the STPC(W)D, appropriate differentials will be created and maintained between posts within the School, recognising accountability and job weight, and the Governing Body's need to recruit and retain sufficient Teachers of the required quality at all levels.

10. SAFEGUARDING

10.1. Where a pay determination leads, or may lead, to the start of a period of safeguarding, the Governing Body will comply with the relevant provisions of the STPC(W)D and will give the required notification as soon as possible and within no later than one month after the determination.

11. CAPABILITY AND PAY PROGRESSION

11.1. Where the Teacher is subject to the formal stages of the School's Capability Procedure, the School's performance management processes will be suspended in relation to the Teacher concerned until the Capability Procedure has been concluded.

11.2. On conclusion of the Capability Procedure, the Teacher will resume performance management processes in accordance with the School's Policy.

11.3. Pay progression will not be permissible in accordance with this Pay Policy while a Teacher is subject to the formal stages of the School's Capability Procedure.

11.4. On conclusion of the Capability Procedure, the Teacher would re-enter the Performance Management cycle.

11.5. Pay progression will not be applied retrospectively in any case of formal capability.

12. PAY DETERMINATION

12.1. The Governing Body has delegated its pay determination powers to the Pay Committee.

12.2. Annual Determination of Pay

12.2.1. All teaching staff salaries, including those of the leadership group, will be reviewed annually to take effect from 1st September. The Governing Body will conclude Teachers' annual appraisals, and assessments of applications to progress to the Upper Pay Scale, by 31st October; the Headteacher's annual appraisals will be concluded by 31st December.

12.2.2. Reviews may take place at other times of the year to reflect, for example, any changes in circumstances, changes in a job description that lead to a change in the basis for calculating an individual's pay.

12.2.3. The Governing Body will apply any future national pay awards as specified by the STPC(W)D.

12.3. Notification of Pay Determination

12.3.1. A written statement will be given to each Teacher setting out the pay and any other financial benefits to which they are entitled following a determination. Where applicable, this will include information about the basis on which it was made. This will be done by 31st October for Teachers, 31st December for Headteachers, or by no later than one month following the determination.

12.4. Appeals Procedure

12.4.1. The Governing Body has an appeals procedure in relation to pay. This is set out in **Appendix 8** of this Pay Policy.

13. HEADTEACHER PAY

13.1. The Governing Body will ensure that the process of determining the remuneration of the Headteacher is fair and transparent.

13.2. The Governing Body will assign a seven-point leadership pay range taken from the Leadership Scale within the STPC(W)D as set out in Appendix 1. This can be reviewed as necessary for the Headteacher based on the school group size and any permanent additional relevant factors as determined within the framework of the STPC(W)D (specifically paragraphs 9.2, 9.3 and 9.4).

- 13.3. Additional factors to be taken into account will include all permanent responsibilities of the post, challenges specific to the role and all other relevant considerations, alongside any factors relating to recruitment and retention.
- 13.4. The Governing Body may re-determine the Headteacher's pay range if it becomes necessary to change the Headteacher group (including where the Headteacher becomes responsible and accountable for more than one school in a federation on a permanent basis). The Headteacher's pay range may also be reviewed at any time if it considers it necessary to reflect a significant change in the responsibilities of the post.
- 13.5. Payments in respect of temporary responsibilities for the Headteacher will not be included in the pay range but will be determined in accordance with the STPC(W)D as explained in **Appendix 6**.
- 13.6. In this School, the Governing Body will apply discretionary reference pay points for leadership pay as indicated in **Appendix 1** and has agreed a seven step pay range of L xxx to L xxx (*details to be inserted here by the school*).
- 13.7. **Pay on Appointment**
- 13.7.1. For new appointments, the Governing Body will determine the leadership pay range to be advertised and will agree the starting pay on appointment, taking account of the full role of the Headteacher and the provisions of the STPC(W)D.
- 13.7.2. The Governing Body will adopt a three-stage process when setting the pay for new Headteacher appointments as set out in **Appendix 6**.
- 13.7.3. The Pay Committee will review the School's Headteacher group and the Headteacher's leadership pay range, as necessary, to ensure fair pay relativities within the School.
- 13.7.4. See **Appendix 6** of this Pay Policy for guidelines on leadership pay ranges and **Appendix 7** for the Annual Review Pay Statement.
- 13.8. **Headteachers responsible and accountable for more than one school on a permanent basis**
- 13.8.1. When a Headteacher is appointed to be permanently responsible and accountable for more than one school, the Governing Body should base the determination of the Headteacher group on the total number of pupil units across all schools, which will give a group size for the federation in accordance with **Appendix 6**.
- 13.8.2. Consideration also needs to be given to the remuneration of other Teachers who, as a result of the Headteacher's role, are taking on additional responsibilities. This will be based on any additional responsibilities attached to the post (not the Teacher), which is recorded. An increase in remuneration should only be agreed where the post accrues extra responsibilities as a result of the Headteacher's enlarged role, it is not automatic.

14. DEPUTY / ASSISTANT HEADTEACHER PAY

- 14.1. In this School, the Governing Body will use the discretionary reference pay points for leadership pay as indicated in **Appendix 1**.
- 14.2. The Governing Body will assign a five-point leadership pay range taken from the Leadership Scale within the STPC(W)D as set out in Appendix 1. This can be reviewed as necessary for Deputy / Assistant Headteacher posts based on the school group size and any permanent additional relevant factors as determined within the framework of the STPC(W)D.
- 14.3. The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts.
- 14.4. In this School, the Deputy Headteacher five-step pay range is L xx to L xxx (*pay details to be inserted here by the school*).
- 14.5. In this School, the Assistant Headteacher five-step pay range is L xx to L xxx (*pay details to be inserted here by the school*).
- 14.6. **Pay on appointment**
- 14.6.1. When a new appointment needs to be made, the Governing Body will determine the leadership pay range for the post to be advertised and will agree the starting pay on appointment.
- 14.6.2. The pay range will be determined in accordance with the STPC(W)D.
- 14.6.3. The Governing Body will adopt the three-stage process when setting the pay for new appointments to the wider leadership team as set out in **Appendix 6**.

15. PAY PROGRESSION FOR LEADERSHIP GROUP MEMBERS

- 15.1. The Governing Body must consider annually whether or not to increase the salary of members of the leadership group who have completed a year of employment since the previous pay determination and, if it determines to do so, to what salary within the relevant pay range determined in accordance with the STPC(W)D.
- 15.2. A person has completed a 'year of employment' if they have completed periods of employment amounting to at least twenty-six weeks in aggregate within the previous school year. For these purposes, a period of employment runs from the beginning of the week in which the employment commences to the end of the week in which the employment is terminated and includes any holiday periods and any periods of absence from work in consequence of sickness or injury, whether the person's service during that period has been full-time, part-time, regular or otherwise.
- 15.3. Pay progression should be on an annual basis from 1st September, with an assumption in favour of progression unless an individual has been notified through formal capability procedures that service was unsatisfactory in respect of that year.

- 15.4. The Governing Body may award an additional point to any Headteacher, Deputy or Assistant Headteacher whose performance in the previous year was excellent, with particular regard to agreed objectives.
- 15.5. A decision may be made not to award progression where the Headteacher, Deputy or Assistant Headteacher is subject to formal capability proceedings.
- 15.6. The Pay Committee will record its decision regarding pay progression on the Annual Pay Review form contained at **Appendix 7**. A copy of this form will be provided to the member of staff.
- 15.7. Where pay progression is granted, the member of staff's salary will increase with effect from 1st September of the current academic year.
- 15.8. Where pay progression is not granted, the rationale for that decision will be recorded on the Annual Pay Review form. The member of staff has the right to appeal against any decision not to grant pay progression. The appeals procedure is set out in **Appendix 8**.

16. CLASSROOM TEACHER PAY

16.1. Pay on Appointment

- 16.1.1. Advertisements for vacant posts in the School will be considered by the Headteacher [and the (*insert details of committee*) where appropriate]. All posts will be advertised either internally or externally, locally or nationally as appropriate.
- 16.1.2. The advertisement will include details of the pay range and any additional payments or allowances applicable to the post.
- 16.1.3. The Governing Body will determine the starting salary of a vacant classroom Teacher post, in accordance with the Main Pay Scale and Upper Pay Scale, detailed at **Appendix 1**.
- 16.1.4. The Governing Body will determine the starting salary of a vacant classroom teacher post. The Governing Body is committed to the principle of pay portability for Teachers who are currently paid in accordance with the provisions of the STPC(W)D or STPCD and will apply the principles set out in paragraph 12.3 of the STPC(W)D in practice when making new appointments.
- 16.1.5. When determining the starting pay for an existing classroom Teacher in a local authority maintained school in Wales, or a local authority maintained school or academy in England, and paid under the STPC(W)D or STPCD, the Governing Body will pay the Teacher on the main pay scale or upper pay scale at a scale point, which at least maintains the Teacher's previous pay entitlement, plus any pay progression, which they would have received had they remained in their previous post.
- 16.1.6. Pay portability will be applied on a "pro rata" basis when a teacher moves to/from a part-time teaching post.

- 16.1.7. In addition, if the successful applicant is a Teacher who has had a break in service, then the Governing Body may determine their scale point based on their previous final salary paid under STPC(W)D or STPCD including any increment that the teacher would have been entitled to be awarded had they remained in their previous post at the time when the change in employment occurred. The Governing Body may take into account any relevant experience gained from a teaching role in another sector in Wales or jurisdiction or a period of employment in a relevant sector outside teaching.
- 16.1.8. Pay portability must span a break in teaching service for health and social reasons such as maternity/paternity, medical or family reasons. In a situation where the new employer proposes to take a different view, the grounds for doing so must be non-discriminatory in relation to equality and other relevant legislation.
- 16.1.9. The Governing Body will not restrict the pay range advertised or starting salary and pay progression prospects available for classroom Teacher posts, other than the minimum of the Main Pay Scale and the maximum of the Upper Pay Scale.
- 16.2. Pay Progression for Existing Main Pay Scale Teachers**
- 16.2.1. The Governing Body must consider annually whether or not to increase the salary of Teachers (excluding NQTs undertaking their induction year) who have completed a year of employment since the previous pay determination and, if it determines to do so, to what salary on the relevant pay scale determined in accordance with the STPC(W)D.
- 16.2.2. Teachers in their induction year will be awarded pay progression on the successful completion of their induction.
- 16.2.3. A person has completed a 'year of employment' if they have completed periods of employment amounting to at least twenty-six weeks in aggregate within the previous school year. For these purposes, a period of employment runs from the beginning of the week in which the employment commences to the end of the week in which the employment is terminated and includes any holiday periods and any periods of absence from work in consequence of sickness or injury, whether the person's service during that period has been full-time, part-time, regular or otherwise.
- 16.2.4. The Governing Body must award a Teacher on scale points M2 to M6 of the Main Pay Scale progression of one point following completion of a year of employment completed as a qualified Teacher during the previous school year, unless the Teacher has been notified through formal capability procedures that service was unsatisfactory in respect of that year.
- 16.2.5. Pay progression should be on an annual basis from 1st September, with an assumption in favour of progression unless an individual has been notified through formal capability procedures that service was unsatisfactory in respect of that year.

- 16.2.6. The Governing Body may award an additional point to any Main Scale Teacher whose performance in the previous school year was excellent, with particular regard to classroom teaching.
- 16.2.7. A decision may be made not to award progression where the Teacher is subject to formal capability proceedings.
- 16.2.8. The Pay Committee will record its decision regarding pay progression on the Annual Teachers' Pay Review Statement contained at **Appendix 2**. A copy of this form will be provided to the Teacher.
- 16.2.9. Where pay progression is granted, the Teacher's salary will be increased with effect from 1st September of the current academic year.
- 16.2.10. Where pay progression is not granted, the rationale for that decision will be recorded on the Annual Teachers' Pay Review Statement. The Teacher has the right to appeal against any decision not to grant pay progression. The appeals procedure is set out in **Appendix 8**.

16.3. Pay Progression for Existing Upper Pay Scale Teachers

- 16.3.1. The Governing Body must consider annually whether or not to increase the salary of Teachers on the upper pay Scale who have completed a year of employment since the previous pay determination and, if it determines to do so, to what salary within the relevant pay range determined in accordance with the STPC(W)D.
- 16.3.2. A person has completed a 'year of employment' if they have completed periods of employment amounting to at least twenty-six weeks in aggregate within the previous school year. For these purposes, a period of employment runs from the beginning of the week in which the employment commences to the end of the week in which the employment is terminated and includes any holiday periods and any periods of absence from work in consequence of sickness or injury, whether the person's service during that period has been full-time, part-time, regular or otherwise.
- 16.3.3. Pay progression on the Upper Pay Scale should be in most cases on a **two-yearly basis**, with an assumption in favour of progression unless an individual has been notified through formal capability procedures that service was unsatisfactory in respect of that period, as prescribed by the School Teachers Appraisal (Wales) Regulations 2011.
- 16.3.4. The Pay Committee will record its decision regarding pay progression on the Annual Teachers' Pay Review Statement contained at **Appendix 2**. A copy of this form will be provided to the Teacher.
- 16.3.5. Where pay progression is granted, the Teacher's salary will be increased with effect from 1st September of the current academic year.
- 16.3.6. Where pay progression is not granted, the rationale for that decision will be recorded on the Annual Teachers' Pay Review Statement. The Teacher has the

right to appeal against any decision not to grant pay progression. The appeals procedure is set out in **Appendix 8**.

17. APPLICATIONS TO BE PAID ON THE UPPER PAY SCALE

17.1. A qualified Teacher may apply once each year to be paid on the Upper Pay Scale in accordance with the STPC(W)D and this School's Pay Policy.

17.2. It is each Teacher's responsibility to decide whether to submit an application.

17.3. In order for the assessment to be robust and transparent, it will be an evidence-based process.

17.4. Personal objectives for the forthcoming appraisal cycle will be set, and agreed where possible, at a level which is sufficient to ensure that the criteria included in the STPC(W)D for progression to the Upper Pay Scale can be met, including that the Teacher is highly competent in all elements of the relevant standards, and their achievements and contribution to the school are substantial and sustained.

17.5. Teachers who have been absent from work for sickness, disability or maternity-related reasons, along with those who are not subject to the Appraisal Regulations 2011 (i.e. a Teacher who is employed on a short term contract of less than one term), may cite written evidence from a suitable and relevant period before the date of application in support of their application.

17.6. Process

17.6.1. The closing date for an application to be submitted by a Teacher to their appraiser is *(school to insert date here - normally prior to the end of the Summer Term i.e. 31st August)*.

17.6.2. Exceptions may be made in some specific circumstances, e.g. those Teachers who are on maternity leave or on sick leave as at the closing date for receipt of applications. In such circumstances, the Teacher may request - at least 2 weeks before the specified closing date - an extension of no more than half a term for the submission of an application.

17.6.3. The process for applications is:

- Teacher to inform appraiser in writing that they wish to be considered for progression to the Upper Pay Scale and that their personal objectives for the forthcoming appraisal period should reflect this request.

Following completion of the relevant appraisal period:

- The appraiser will complete an assessment pro-forma as shown in **Appendix 4**, setting out the appraiser's recommendation in relation to progression to the Upper Pay Scale, following completion of the relevant appraisal period.

- The Headteacher will consider the appraiser's recommendation and will make a recommendation to the Pay Committee.
- The Pay Committee will make a decision about progression to the Upper pay Scale, following receipt of advice from the Headteacher.
- The Teacher will receive written notification of the outcome of their application by 31st October in the relevant year.
- Where the application is unsuccessful, the written notification will set out details of the areas of the Teacher's performance which are not considered to have satisfied the relevant criteria set out in this Policy (see "Assessment" below).
- If requested, oral feedback will be provided by the Headteacher. Oral feedback will normally be given within 10 working days of the date of notification of the outcome of the application. Feedback will be given in a positive manner and will include advice and support about areas for improvement in order for the Teacher to meet the relevant criteria.
- Where the application is successful the teacher will move to step 1 of the Upper Pay Scale on 1st September in the relevant year i.e. following successful completion of objectives set in academic year to 31st August 2020, the teacher will move to UPS1 on 1st September 2020.

17.6.4. Unsuccessful applicants may appeal the decision as outlined in **Appendix 8**.

17.7. **Assessment**

17.7.1. An application will only be successful where the Governing Body is satisfied that all of the requirements of the STPC(W)D have been met, including that:

- the Teacher is highly competent in all elements of the relevant standards; and
- the Teacher's achievements and contribution to an educational setting or settings are substantial and sustained.

17.7.2. For the purposes of this Pay Policy, the Pay Committee will be satisfied that the Teacher has met the Governing Body's expectations for progression to the Upper Pay Scale where the Upper Pay Scale criteria (see **Appendix 3**) have been satisfied as evidenced by a successful appraisal review.

17.7.3. Further information, including details about sources of evidence, is contained in the School's Performance Management Policy.

18. **LEADING PRACTITIONER ROLE**

18.1. The Governing Body may establish Leading Practitioner posts for Teachers whose primary purpose is the modelling and leading improvement of teaching skills.

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- 18.2. Where the Governing Body wishes to establish such posts, it will determine the responsibilities and pay range for these posts. Consultation with relevant staff and trade unions will take place in relation to any such proposed changes to the staffing structure.
- 18.3. The Policy of the Governing Body will be to appoint any new Leading Practitioner Teacher to a 5-point range, as deemed appropriate by the Governing Body.
- 18.4. The pay range for Leading Practitioners will be in accordance with the STPC(W)D, which is currently a minimum of £45,303 per annum and a maximum of £68,870 per annum.
- 18.5. In this School, the Governing Body will use the discretionary reference pay points detailed at **Appendix 1**.
- 18.6. Pay progression for Leading Practitioners will be determined as per the process set out at 16.3.1 to 16.3.4 above.

19. UNQUALIFIED TEACHERS

- 19.1. A Teacher on the unqualified pay scale will be paid an annual salary in accordance with the STPC(W)D. In this School, the Governing Body will use the statutory pay points detailed at **Appendix 1**.
- 19.2. Under the Education (Specified and Registration) (Wales) Regulations 2010 there are specific circumstances when those other than qualified Teachers who are registered with the Education Workforce Council may carry out 'specified work'.
- 19.3. The School will comply with these legal requirements and will only employ unqualified Teachers as specified in these Regulations.
- 19.4. The Governing Body may pay an additional allowance to an unqualified Teacher who meets the criteria as defined in the STPC(W)D.
- 19.5. The Governing Body must award a Teacher on scale points 1 to 6 of the Unqualified Teacher Pay Scale progression of one point following completion of a year of employment completed during the previous school year, unless the Teacher has been notified through the formal capability process that service was unsatisfactory in respect of that year.
- 19.6. A person has completed a 'year of employment' if they have completed periods of employment amounting to at least twenty-six weeks in aggregate within the previous school year. For these purposes, a period of employment runs from the beginning of the week in which the employment commences to the end of the week in which the employment is terminated and includes any holiday periods and any periods of absence from work in consequence of sickness or injury, whether the person's service during that period has been full-time, part-time, regular or otherwise.

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- 19.7. Pay progression on the 6-point Unqualified Teacher Pay Scale should be on an annual basis from 1st September, with an assumption in favour of progression unless an individual has been notified through formal capability procedures that service was unsatisfactory in respect of that year.
- 19.8. The Pay Committee will record its decision regarding pay progression on the Annual Teachers' Pay Review Statement contained at **Appendix 2**. A copy of the form will be provided to the unqualified Teacher.
- 19.9. Where pay progression is granted, the unqualified Teacher's salary will be increased with effect from 1st September of the current academic year.
- 19.9.1. A decision may be made not to award progression where the Teacher is subject to formal capability proceedings.
- 19.10. Where pay progression is not granted, the rationale for that decision will be recorded on the Annual Teachers' Pay Review Statement. The Teacher has the right to appeal against any decision not to grant pay progression. The appeals procedure is set out in **Appendix 8**.
- 19.11. An unqualified Teacher who obtains qualified Teacher status will be paid on the pay scales for qualified Teachers, in accordance with this Pay Policy and STPC(W)D.

20. DISCRETIONARY ALLOWANCES AND PAYMENTS

20.1. Teaching and Learning Responsibility Payments (TLRs)

- 20.1.1. The Governing Body will award TLR1 and TLR2 payments to post holders as indicated in the School's staffing structure (see **Appendix 10**).
- 20.1.2. These payments will be awarded to Teachers who undertake clearly defined and sustained additional responsibility in the context of the School's staffing structure for the purpose of ensuring the continued delivery of high quality teaching and learning and for which the Teacher is made accountable.
- 20.1.3. All job descriptions will be regularly reviewed and will make clear the responsibility or package of responsibilities for which a TLR is awarded.
- 20.1.4. The criteria for awarding a TLR1 and TLR2 payment will be in accordance with the STPC(W)D.
- 20.1.5. The minimum and maximum range for a TLR1 is £8,859 to £14,990 per annum.
- 20.1.6. The minimum and maximum range for a TLR2 is £3,071 to £7,497 per annum.
- 20.1.7. In this School the value of TLRs currently in use is as follows

TLR1 - (details of each TLR1 to be inserted here by school)
TLR2 - (details of each TLR2 to be inserted here by school)

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- 20.1.8. The Governing Body may award a fixed-term TLR3 payment to a Teacher of between £611 and £3,028 per annum for a clearly time-limited school improvement project, or one-off externally driven responsibilities.
- 20.1.9. The duration of the fixed term, and the amount of annual payment will be established at the outset and will be paid on a monthly basis.
- 20.1.10. Where the Governing Body wishes to make TLR3 payments, the proposed responsibilities, level of payment and the duration of payment will be set out clearly following consultation with relevant staff and union representatives.
- 20.1.11. A Teacher in receipt of either a TLR1 or 2 may also hold a concurrent TLR3.
- 20.1.12. No safeguarding will apply in relation to an award of a TLR3.
- 20.1.13. A TLR1 or 2 payment awarded to a part-time Teacher may be determined in accordance with the pro-rata principle and no less than contracted working hours or may be determined to be paid in full, if the teacher undertakes the full duties associated with the allowance. If the allowance is to be paid in full the duties agreed should be capable of being undertaken within the normal hours of the part-time teacher concerned. The appropriate level of allowance payment and duties should be agreed between the individual teacher and the Governing Body.
- 20.1.14. TLR3 allowances are paid in full, regardless of the hours that a part-time Teacher normally works under the contract of employment.

20.2. **Additional Learning Needs (ALN) Allowances**

- 20.2.1. The Governing Body will award ALN allowances in accordance with the criteria and provisions set out in the STPC(W)D.
- 20.2.2. An ALN Allowance of no less than £2,426 per annum, and no more than £4,786 per annum, will be payable to a classroom Teacher in accordance with STPC(W)D.
- 20.2.3. In this School, the ALN values are: (*details of each ALN Allowance / value to be inserted here by school*)
- 20.2.4. In deciding the ALN value, the Governing Body will take into account the structure of the School's ALN provision, whether any mandatory qualifications are required for the post, the qualifications or expertise of the Teacher relevant to the post, and the relative demands of the post.

20.3. **Acting Allowances**

- 20.3.1. Acting allowances are payable to Teachers who are assigned and carry out the duties of Headteacher, Deputy Headteacher or Assistant Headteacher in accordance with the STPC(W)D.
- 20.3.2. The Governing Body will, within a four-week period of the commencement of acting duties, determine whether or not the acting postholder will be paid an allowance.

In the event of a planned and prolonged absence, an acting allowance may be agreed in advance and paid from the first day of absence.

- 20.3.3. Any Teacher who carries out the duties of Headteacher, Deputy Headteacher, or Assistant Headteacher, for a period of four weeks or more, will be paid at an appropriate point of the Headteacher's pay range, Deputy Headteacher pay range or Assistant Headteacher pay range, as determined by the Pay Committee. Payment will be backdated to the commencement of the duties but will normally be paid a month in arrears.
- 20.3.4. Acting allowances may also apply to Teachers covering absent colleagues in receipt of a TLR and / or ALN allowance.
- 20.3.5. Additional allowances may be payable to unqualified teachers in line with SCTP(W)D.

20.4. **Additional Payments**

- 20.4.1. With exception of those on the leadership range the Governing Body may make additional payments to a Teacher, in respect of:
- continuing professional development undertaken outside the school day;
 - activities relating to the provision of initial Teacher training as part of the ordinary conduct of the School;
 - participation in out-of-school hours learning activity agreed between the Teacher and the Headteacher; and
 - additional responsibilities and activities due to, or in respect of, the provisions of services by the Teacher relating to the raising of educational standards to one or more additional schools.

20.5. **Recruitment or Retention Incentive Benefits**

- 20.5.1. The Governing Body can award lump sum payments, periodic payments, or provide other financial assistance, support or benefits for a recruitment or retention incentive. In deciding any such awards, the Governing Body will have regard to the STPC(W)D and specialist HR advice.
- 20.5.2. Headteachers, Deputy Headteachers and Assistant Headteachers may not be awarded such a payment other than as reimbursement of reasonably incurred housing or relocation costs.
- 20.5.3. All other recruitment and retention considerations in relation to a Headteacher, Deputy Headteacher or Assistant Headteacher post will be taken into account when determining the pay range.
- 20.5.4. The reason for the award of any additional payment, the expected duration of any such incentive or benefit, and the review date after which they may be withdrawn will be made clear at the outset, in writing.

20.5.5. The Governing Body will conduct an annual review of all such awards.

21. PART-TIME TEACHERS' PAY AND TIME CALCULATIONS

21.1. Teachers employed on an ongoing basis at the school but who work less than a full working week will be deemed to be part-time.

21.2. Part-time Teachers will be provided with a written statement detailing their working time obligations and the standard mechanism used to determine their pay, subject to the provisions of the statutory pay and working time arrangements and by comparison with the School's timetabled teaching week for a full-time Teacher in an equivalent post. This does not affect the TLR3 payment which is not pro rata for part-time staff. See **Appendix 9** for further information.

22. TEACHERS EMPLOYED ON A SHORT-TERM NOTICE BASIS (SUPPLY)

22.1. Teachers employed on a supply basis will be paid on a daily basis calculated on the assumption that a full working year consists of 193 days (due to additional bank holidays in 2022/23); periods of employment for less than a day being calculated pro rata.

22.2. If the school is using an agency, the school enters into a voluntary supply agency pledge whereby they only procure from agencies identified on the NPS Framework Approved Supply Agencies and commit to a minimum daily rate of M2 ÷ 193 days (due to additional bank holidays in 2022/23). The exception will be that when agencies on the NPS framework are unable to supply a suitably skilled teacher, the school will be able to approach alternative agencies but with a commitment to pay as a minimum, the M2 pay rate. **Please delete where the governing body has not signed up to the voluntary agency pledge.**

2022/23 PAY SCALES

Main Pay Scale:

Point	Value
M2	£28,866
M3	£31,184
M4	£33,587
M5	£36,232
M6	£39,873

Upper Pay Scale:

Point	Value
U1	£41,337
U2	£42,869
U3	£44,450

Leading Practitioner Pay Range:

Point	Value
LP1	£45,303
LP2	£46,438
LP3	£47,597
LP4	£48,996
LP5	£49,996
LP6	£51,250
LP7	£52,631
LP8	£53,843

LP9	£55,188
LP10	£56,607
LP11	£58,075
LP12	£59,414
LP13	£60,898
LP14	£62,417
LP15	£63,970
LP16	£65,671
LP17	£67,178
LP 18	£68,870

Unqualified Teachers Pay Scale:

Point	Value
UNQ1	£19,412
UNQ2	£21,669
UNQ3	£23,926
UNQ4	£26,183
UNQ5	£28,443
UNQ6	£30,700

Leadership Pay Range:

Point	Value
L1	£45,081
L2	£46,209
L3	£47,363
L4	£48,542

L5	£49,751
L6	£51,000
L7	£52,371
L8	£53,581
L9	£54,918
L10	£56,329
L11	£57,790
L12	£59,123
L13	£60,600
L14	£62,111
L15	£63,656
L16	£65,349
L17	£66,849
L18*	£67,851
L18	£68,530
L19	£70,231
L20	£71,971
L21*	£73,022
L21	£73,752
L22	£75,584
L23	£77,455
L24*	£78,590
L24	£79,376
L25	£81,348
L26	£83,361
L27*	£84,541

L27	£85,426
L28	£87,545
L29	£89,714
L30	£91,947
L31*	£93,284
L31	£94,218
L32	£96,560
L33	£98,958
L34	£101,404
L35*	£102,896
L35	£103,925
L36	£106,498
L37	£109,145
L38	£111,846
L39*	£113,437
L39	£114,572
L40	£117,430
L41	£120,364
L42	£123,380
L43	£125,211

* These points and Point L43 are the maximum scale points for the eight Headteacher Group Ranges

ANNUAL TEACHERS' PAY REVIEW STATEMENT

Name:	Employee No.:
School:	Effective Date:

SALARY DETAILS

Salary and Point - Main Pay Scale (MPR2 - MPR6)	£	Point
Salary and Point - Upper Pay Scale (UPS1 – UPS3)	£	Point
Salary and Point - Unqualified Range (UNQ1 - UNQ6)	£	Point
Salary and Leading Practitioner Range	£	Point

ALLOWANCES

Details e.g. temp
(with dates), reason
for allowance

Teaching and Learning Responsibility Payments (See Pay Policy Advice) TLR1 / TLR2 / TLR3	TLR____ £
Recruitment or Retention (See Pay Policy Advice)	£
Additional Learning Needs Allowance (See Pay Policy Advice)	£
Other Allowances - Please specify (See Pay Policy Advice)	£
SAFEGUARDING	£
TOTAL SALARY	£

Pay Committee Meeting on:

Signature of Headteacher / Chair of Committee: Date:

UPPER PAY RANGE PROGRESSION CRITERIA

1. Professional Attributes

- 1.1. Contribute significantly, where appropriate, to implementing workplace policies and practice and to promoting collective responsibility for their implementation.

2. Professional Knowledge and Understanding

- 2.1. Have an extensive knowledge and understanding of how to use and adapt a range of teaching, learning and behaviour management strategies, including how to personalise learning to provide opportunities for all learners to achieve their potential.
- 2.2. Have an extensive knowledge and well-informed understanding of the assessment requirements and arrangements for the subjects/curriculum areas they teach, including those related to public examinations and qualifications.
- 2.3. Have up-to-date knowledge and understanding of the different types of qualifications and specifications and their suitability for meeting learners' needs.
- 2.4. Have a more developed knowledge and understanding of their subjects/curriculum areas and related pedagogy including how learning progresses within them.
- 2.5. Have sufficient depth of knowledge and experience to be able to give advice on the development and wellbeing of children and young people

3. Professional Skills

- 3.1. Be flexible, creative and adept at designing learning sequences within lessons and across lessons that are effective and consistently well-matched to learning objectives and the needs of learners and which integrate recent developments, including those relating to subject/curriculum knowledge.
- 3.2. Have teaching skills which lead to learners achieving well relative to their prior attainment, making progress as good as, or better than, similar learners nationally.
- 3.3. Promote collaboration and work effectively as a team member.
- 3.4. Contribute to the professional development of colleagues through coaching and mentoring, demonstrating effective practice, and providing advice and feedback.

ASSESSMENT OF TEACHER APPLICATION TO PROGRESS TO UPPER PAY RANGE

For Completion by the Teacher's Appraiser

Teacher's Name:	
Post:	

Evidence from most recent appraisal
Please state which appraisal statement is attached:

***Criteria Met**

***Criteria Not Met**

(* Please delete as appropriate)

If criteria have not been met in full, please record details below (and continue overleaf, as necessary) about the areas of the Teacher's performance which do not satisfy the criteria:

Signed _____ (Appraiser)

Date: _____

TO BE SUBMITTED TO THE HEADTEACHER

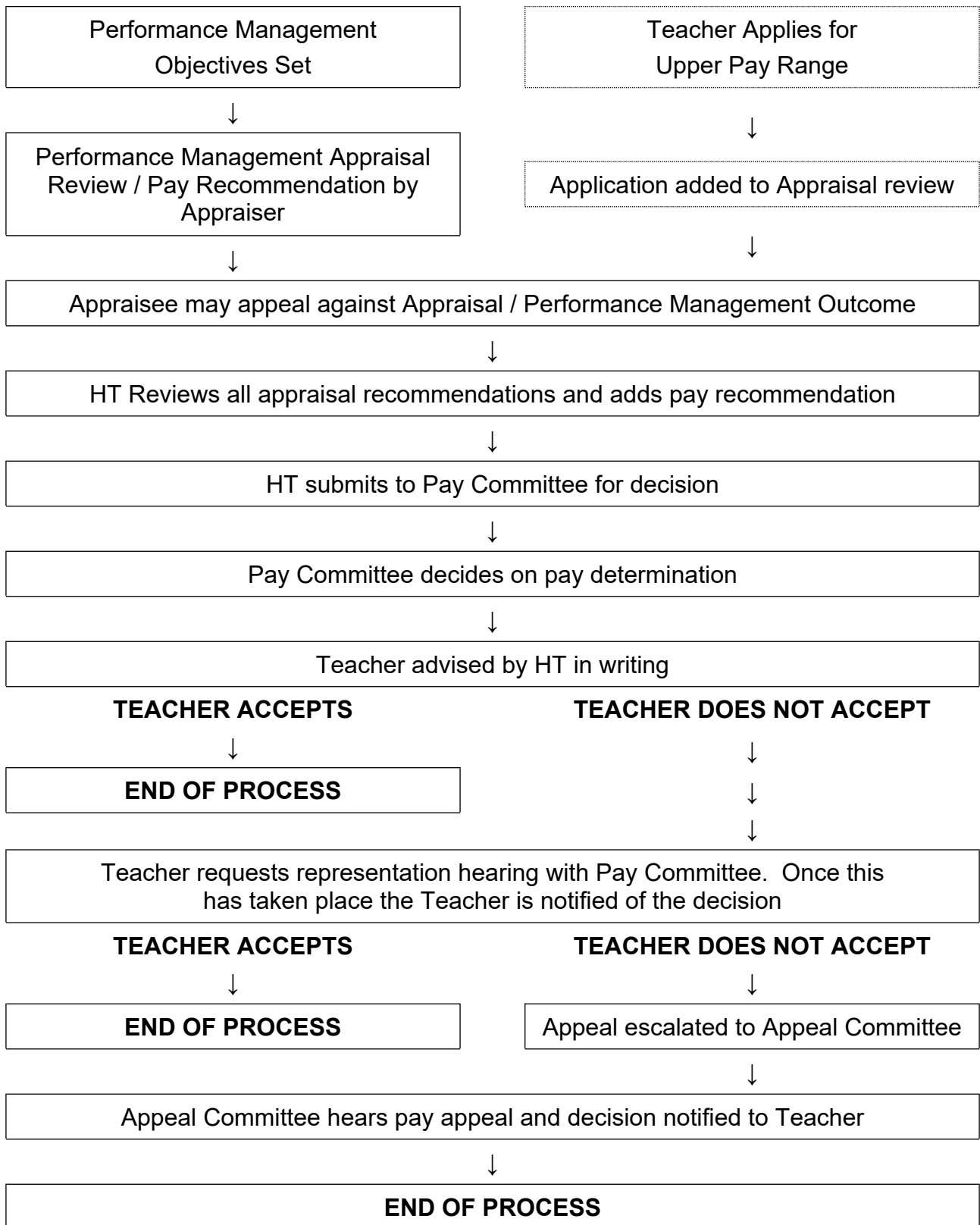
School Use Only

Application Form Received on: _____

Assessment made on: _____

By: _____

**FLOWCHART OF PAY REVIEW PROCESS
(Not including Headteachers)**



LEADERSHIP GROUP SALARIES GUIDANCE

1. Headteacher and Leadership Team (ALL SCHOOLS)

A statutory 43 step Leadership Pay Scale has been reintroduced. Headteachers, Deputy Headteachers and Assistant Headteachers will be paid as determined by the Governing Body. These are set out below:

2. School Groups (ALL SCHOOLS)

There are eight school groups determined from the unit score of the school. The STPC(W)D specifies a maximum and minimum pay value for each group and the indicative pay rates published jointly by the employers and trade unions attach values to individual pay points within those ranges

The Governing Body has established a 7 point pay range for the Headteacher and a 5 point pay range for all other leadership posts.

3. Unit Score of School

a. All Schools (excluding Special Schools)

The unit score is calculated to determine the group of the School, using the formula in the STPC(W)D. **In this Authority*, the LA will recalculate the unit score annually and the results will be applied from 1st January each year.** If a school has reasonable grounds to expect a change in pupil numbers, they should request a recalculation by the Authority at that time.

*** Delete if not appropriate**

Information on how the unit score is calculated:

This is determined by pupil numbers as shown on the most recent STATS 1 (annual school census) return to the Welsh Government.

For each pupil at the foundation phase/ KS1/KS2	7 units
For each pupil in the school at KS3	9 units
For each pupil in the school at KS4	11 units
For each pupil in the school at KS5	13 units

Each pupil with a **statement of special educational needs** shall, if they are in a special class consisting wholly or mainly of such pupils, count three units more than they would otherwise count. If they are not in such a special class count three such units only where the relevant body so determine.

Each pupil who attends for no more than half a day on each day for which they attend the school shall count half as many units as they would otherwise count.

Total Unit Score	School Group
Up to 1,000	1
1,001 - 2,200	2
2,201 - 3,500	3
3,501 - 5,000	4
5,001 - 7,500	5
7,501 - 11,000	6
11,001 - 17,000	7
17,001 and over	8

b. Modified Unit Score (Special Schools Only)

The modified unit score is calculated to determine the group of the school, using the formula in the STPC(W)D. In this Authority the LA will recalculate the unit score annually and the results will be applied from 1st January each year. If a school has reasonable grounds to expect a change in pupil numbers, they should request a recalculation by the Authority at that time.

A special school must be assigned to a Headteacher group in accordance with the following table by reference to its modified total unit score calculated in accordance with sub-sections (i) and (ii) below:

Total Unit Score	School Group
Up to 2,200	2
2,201 - 3,500	3
3,501 - 5,000	4
5,001 - 7,500	5
7,501 - 11,000	6
11,001 - 17,000	7
17,001 and over	8

(i) Information on how the staff-pupil ratio is calculated

The proportion of staff to pupils at the school must be calculated and expressed as a percentage ('the staff-pupil ratio') in accordance with the following formula:

$$\frac{A}{B} \times 100$$

Where A is the number of Teachers and Support Staff weighted as provided at (a) below, and B is the number of pupils at the school weighted as provided at (b) below:

- a) The weighting for a Teacher is two units for each full-time equivalent Teacher, and the weighting for each Support Staff member is one unit for each full-time equivalent individual; and
- b) The weighting for a full-time pupil is one unit and the weighing for a part-time pupil is half a unit.

The staff-pupil ratio modifier must be calculated in accordance with the following table by reference to the staff-pupil ratio determined in accordance with the above:

Staff-Pupil Ratio	Staff-Pupil Ratio Modifier
1 - 20%	1
21 - 35%	2
36 - 50%	3
51 - 65%	4
66 - 80%	5
81% or more	6

NB: 'Support Staff member' means a member of the school staff who is not:

- A Teacher;
- A person employed in connection with the provision of meals;
- A person employed in connection with the security or maintenance of the school premises; or
- A person employed in a residential school to supervise and care for pupils out of school hours.

(ii) Information on how the modified total unit score is calculated

This is determined by pupil numbers as shown on the most recent STATS 1 (annual school census) return to Welsh Government.

The relevant body must determine the school's total unit score in accordance with the number of pupils on the school register calculated as follows:

Key Stage	Units Per Pupil
For each pupil in the Foundation Phase, KS1 and KS2	10
For each pupil in KS3	12
For each pupil in KS4	14
For each pupil in KS5	16

The relevant body must determine the school's modified total unit score by multiplying the school's total unit score determined under this section (i.e. as per the above table) by the staff-pupil ratio modifier calculated under section 3.

NB: Where the Headteacher is appointed as Headteacher of more than one school on a permanent basis, the relevant body of the Headteacher's original school or, under the Collaboration Regulations (5), the collaborating body must calculate the Headteacher group by combining the unit score of all the schools for which the Headteacher is responsible to arrive at a total unit score, which then determines the Headteacher group.

4. New Leadership Appointments / Changes to existing Leadership Pay Structures - Three Stage Process (ALL SCHOOLS)

The Governing Body should follow the three-stage process when setting the pay for **new appointments or revising existing pay structures in respect of headship or the wider leadership team.**

Stage 1 - Defining the role and determining the Headteacher group

Stage 2 - Setting the indicative pay range

Stage 3 - Deciding the starting salary and individual pay range

All decisions and the reasons for them should be well documented at every stage. All pay decisions must be made on objective criteria so that there is no discriminatory effect of any group of Teachers with a particular protected characteristic under the Equality Act 2010.

It is suggested that schools seek advice when calculating and recording leadership pay structure decisions

Stage 1 - Defining the Role and Determining the Headteacher Group

The Governing Body should, at this stage, define the job and identify the broad pay range as a provisional guide to determining appropriate level of pay. The Governing Body will need to define and set out the specific role, responsibilities and accountabilities of the post as well as the skills and relevant competences required.

For Headteacher posts, the Governing Body will assign the School to a Headteacher group (as defined in 3 above) which will determine the appropriate broad pay range as outlined below:

Group Size	Range of Steps	Salary Range (STPC(W)D 2022)
1	L6 - L18*	£ 51,000 - £67,851
2	L8 - L21*	£ 53,581 - £73,022
3	L11 - L24*	£ 57,790 - £ 78,590
4	L14 - L27*	£ 62,111 - £ 84,581
5	L18 - L31*	£ 68,530 - £ 93,284
6	L21 - L35*	£ 73,752 - £ 102,896
7	L24 - L39*	£ 79,376 - £ 113,437
8	L28 - L43	£ 87,545 - £ 125,211

For other leadership group posts, the Governing Body should consider how the role fits within the wider leadership structure of the School. The pay range for a Deputy Headteacher or Assistant Headteacher should only overlap the Headteacher's pay range **in exceptional circumstances**.

Stage 2 - Setting the Indicative Pay Range

At this stage, the Governing Body will need to consider the complexity and challenge of the role in the particular context of the School and make a judgement on pay in light of this.

For Headteacher posts, it is expected that normally the Governing Body will conclude that the total unit score fully captures the complexity of the Headteacher role and that the relevant broad pay range accommodates appropriate levels of reward, in line with the STPC(W)D. The Governing Body will need to consider whether the indicative pay range should start at the minimum of the Headteacher group or whether they wish it to start at a higher level because of the level of challenge of the post.

There may be circumstances, however, in which there are additional factors that suggest the indicative pay range should be higher than would be provided by the basic calculation in Stage 1.

The following represent some examples of additional factors to be considered (this list is not exhaustive):

- The context and challenge arising from pupils' needs e.g. if there is a high level of deprivation in the community (Free School Meal entitlement and/or English as an Additional Language) or there are high numbers of looked after children or children with Additional Learning Needs and this affects the challenge in relation to improving outcomes;
- A high degree of complexity and challenge e.g. accountability for multiple schools or managing across several dispersed sites, which goes significantly beyond that expected of any Headteacher of similar-sized school(s) and is not already reflected in the total unit score used at stage 1;
- Additional accountability not reflected in stage 1, e.g. leading a teaching school alliance; and
- Factors that may impede the school's ability to attract appropriately qualified and experienced leadership candidates e.g. location, language medium, subject area / specialism and/or level of support from the wider leadership team.

The Governing Body may set the indicative pay range with a **maximum of up to 25% above the top of the relevant Headteacher group range**.

Above that limit, external independent advice must be sought and, should the advice suggest a range which exceeds this limit is appropriate, a business case must be made and agreed by the full Governing Body.

The Governing Body should ensure that no **double counting** takes place e.g. of things taken account of in stage 1, such as responsibility for an additional school already reflected in the total unit score; or from using overlapping indicators, such as FSM and the pupil premium.

The Governing Body **SHOULD NOT** increase base pay nor pay an additional allowance for regular local collaboration which is part of the role of all Headteachers.

For other leadership roles the process is broadly the same. The Governing Body will wish to consider how the other leadership roles should be set in accordance with the level set for the Headteacher and to ensure that there is sufficient scope for progression. Consideration should also be given to any teaching posts that carry additional allowances.

At the end of this stage, the Governing Body should decide where in the broad range to position the indicative pay range and set this out clearly when advertising the post. An overall judgement should be made on the position and breadth of range, allowing appropriate scope for progression over time.

There should be a clear audit trail for all decisions made and the reasoning behind them.

It is also expected where possible that the School will undertake a process of benchmarking of salaries before setting the pay range for the Headteacher or other leadership posts.

For those factors which are not expected to persist, such as temporary responsibility for an additional school, these should be reflected through an allowance rather than consolidated into the indicative pay range.

Stage 3 - Deciding the starting salary and Individual Pay Range for new appointments

The first two stages provide the means for determining the appropriate pay range. The third stage is essentially about deciding on the starting salary for the individual who is to be offered the post.

At this stage, the Governing Body will have a preferred candidate for the role and will wish to set the starting salary in the light of candidate-specific factors, such as the extent to which the candidate meets the specific requirements of the post.

It will be important to ensure there is scope for progression over time.

There must be a clear audit trail for any advice given and a full and accurate record of all decisions made and the reasoning behind them.

5. Establishing a Pay Range above the School's Headteacher Group (ALL SCHOOLS)

The expectation is that in most cases the pay range will be within the limits of the Headteacher group. However, in some cases e.g. where there may be significant difficulty in making an appointment or there is a need to incentivise a Headteacher to take on responsibility for a very large school or to lead multiple large schools, it may be appropriate to consider extending the individual pay range.

The Governing Body can, in such cases, decide that the maximum of the pay range may be above the maximum of the Headteacher group, **up to an additional 25%**.

If it is considered that there are exceptional circumstances that warrant an extension beyond that limit, a business case would be required. The Governing Body would need to seek external independent advice from an appropriate person or body who can consider whether it is justifiable to exceed the limit in a particular case.

There must be a clear audit trail for any advice given and a full and accurate record of all decisions made and the reasoning behind them.

6. Temporary Payments for Headteachers (ALL SCHOOLS)

The Governing Body may consider an additional payment to the Headteacher in respect of clearly temporary additional duties and responsibilities or duties that are in addition to the post for which their salary has been determined e.g. where they are providing services to other schools. Including where the Headteacher is appointed as a temporary Headteacher of one or more additional schools not included as a permanent factor in the calculation of the pay range.

7. Salary Protection (ALL SCHOOLS)

If the School is assigned to a lower group, or the Governing Body chooses to reduce the leadership pay range, the member of staff will be entitled to receive a safeguarded sum for a period of up to three years, subject to the STPC(W)D.

HEADTEACHER / DEPUTY HEADTEACHER / ASSISTANT HEADTEACHER
ANNUAL REVIEW FORM
(September 20__)

Name:	Employee No.:
School:	

*** Headteacher:**

School Group: Headteacher Pay Range: £ to £

*** Deputy / Assistant Headteacher:**

Pay Range: £ to £

Salary and Point at August 20__ : £ Point:

Rationale used for Pay Decision:

.....
.....

Revised Salary and Point at August 20__ : £ Point:

Certified by Chair of Governors / Pay Committee:

Certified by Headteacher: Date:

*** Please delete as appropriate**

PAY APPEALS PROCESS

The Governing Body is committed to ensuring that appeals against pay decisions are dealt with quickly, fairly and are consistent with equalities and other relevant legislation, as well as the STPC(W)D.

Teachers, including Headteachers, may appeal any determination in relation to their pay or any other decision taken by the Governing Body (or a Committee or individual acting with delegated authority) that affects their pay.

Reasons for appeal may include the following, which is not an exhaustive list. That the person or Committee making the decision:

- a) incorrectly applied any provision of the STPC(W)D;
- b) failed to have proper regard for statutory guidance;
- c) failed to take proper account of relevant evidence;
- d) took account of irrelevant or inaccurate evidence
- e) was biased; or
- f) otherwise unlawfully discriminated against the Teacher.

For both the representation hearing and the appeal hearing, the Teacher is entitled to be accompanied by a work colleague or trade union representative.

Stage 1 - Informal Discussion (Optional Stage)

A Teacher who is dissatisfied with a pay recommendation has the opportunity to discuss the recommendation with the Headteacher before the recommendation is actioned and confirmation of the pay decision is made by the School.

If, having had an informal discussion with the person making the pay recommendation, or on receipt of the notification of pay determination the Teacher believes that an incorrect recommendation has been made, they may choose to make representation to the Pay Committee of the Governing Body (see Stage 2 below).

Stage 2 - Representation Hearing

1. The Teacher receives written notification of the pay determination and, where applicable, details of the basis on which the decision was made. The Pay Committee will ensure the Teacher is aware of the process for making representation and appealing against the decision, if appropriate.
2. If the Teacher wishes to make representation, they should do so by writing to the Clerk to Governors within 10 school days of receiving the decision. The decision to request a representation hearing rests with the teacher.
3. The Clerk to Governors will arrange for a representation hearing to take place as soon as possible, which will be chaired by the Pay Committee. The Headteacher may be required to attend the hearing to clarify the grounds for the pay recommendation.

4. The Teacher will be provided with between 5 and 10 school days' notice of the representation hearing. The Teacher may attend the hearing in order to present evidence, call witnesses and ask questions of the Pay Committee.
5. The Pay Committee will decide if the original pay determination is to be amended and will write to the Teacher about the outcome within 5 school days of the decision being reached.
6. Where the Teacher continues to be dissatisfied, they may appeal this decision within 10 school days of receiving the Committee's outcome letter by proceeding to Stage 3 of the process.

Stage 3 - Appeal Hearing

1. The Teacher should clearly set out in writing the grounds for appealing the pay decision and send it to the Clerk to Governors within 10 school days of receipt of the written outcome.
2. The Clerk to Governors will arrange for an appeal hearing to take place as soon as possible, but normally within 20 school days of the receipt of the written appeal notification.
3. The Teacher should be provided with between 5 and 10 school days' notice of the hearing.
4. The appeal should be heard by the Pay Appeals Committee comprising of a minimum of three eligible governors who were not involved in the original decision, or where the original Pay Committee comprised of more than three members, a number at least equal to that of the Pay Committee.
5. The Pay Appeals Committee's decision is final.
6. Those required to attend the appeal hearing include:
 - Chair and other Appeal Committee members
 - The Teacher and their representative or work colleague (if the Teacher is accompanied)
 - Witnesses for the employee side (if appropriate)
 - a member of the original Pay Committee who will clarify the reasons for the original decision
 - Witnesses for the management side (if appropriate)
 - Clerk to the hearing
 - HR Adviser to give advice to the Appeal Committee (subject to the provisions of any Service Level Agreement)

A model procedure for formal appeal meetings

Chair introduces everyone and their role in the proceedings.

- The Teacher will present their case including any evidence to be considered and any witnesses they have called;
- Pay Appeals Committee members may ask questions of the Teacher, as may the Pay Committee representative;
- Pay Committee representative will state their case including the evidence on which the decision was based and call any witnesses to support the case, if appropriate
- Pay Appeals Committee members may ask questions of the Pay Committee representative, as may the Teacher;
- Both parties may make a closing statement if they wish (Teacher first, followed by Pay Committee representative). No new evidence can be introduced at this stage;
- Both parties leave the hearing;
- The Pay Appeals Committee may request advice from the HR Adviser (if applicable). Once this has been given, the HR Adviser will leave the hearing but may be recalled for further advice (if applicable);
- The Pay Appeals Committee will consider all the evidence and reach a final decision;
- The Pay Appeals Committee will call the parties back to inform the Teacher of the decision (if awaiting the decision) or instruct the Clerk to write to the Teacher on their behalf with their decision and the reasons for it; and
- The Clerk will notify the Local Authority of change of pay, if appropriate.

PART-TIME TEACHERS' PAY AND TIME CALCULATIONS

A School's Timetabled Teaching Week must be established and a part-time Teacher must be paid a proportion of the STTW.

Each school must establish a STTW week for each Teacher, this refers to school sessions hours that are timetabled for teaching, including PPA but excluding break times, registration and assemblies.

Part-time Teachers will then be paid on actual teaching time excluding registration assemblies and breaks.

For Example:

If the school day, excluding registration and assembly, runs from 9.00am to 12.15pm and again from 1.15pm to 3.30pm with one 15 minute break in the morning session and one 15 minute break in the afternoon session, the STTW for a full-time Teacher would be calculated as 25 hours. If a part-time Teacher were employed for mornings only working 9.00am to 12.15pm every day, their percentage of the timetabled teaching week would be calculated as 15 hours. This is shown below:

	Morning Session (less breaks, registration & assembly)	+	Afternoon Session (less breaks, registration & assembly)	x	No. of Days in Timetable	=	STTW	% of STTW
Full-Time	3 Hours	+	2 Hours	x	5 Days	=	25 Hours	100%
Part-Time	3 Hours			x	5 Days	=	15 Hours	60%

PPA and Management Time must be included when calculating class contact time.

Directed Time - a Headteacher may allocate directed time to part-time Teachers (subject to conditions) as a proportion of a FTE 1252hrs. Part-time Teachers can now be directed to cover breaks, assemblies and registration as part of their directed duties.

Part-time Teachers cannot be required to be available for work (either for teaching or other duties) on days they do not normally work. However, they may attend by mutual agreement with the Headteacher. Any resultant additional hours should be paid at the Teacher's normal salary.

Part-time Teachers may be required to carry out duties, other than teaching pupils, outside school sessions on the day on which the Teacher is normally required to be available for work (whether the Teacher is normally required to be available for work for the whole or part of that day). This can form part of directed time.

SCHOOL STAFFING STRUCTURE

(School to enter details below as applicable at the time of this Pay Policy being adopted by the Governing Body)

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Cyngor Sir CEREDIGION County Council

**Model Unattached
Teachers' Pay Policy
2022/2023**



DOCUMENT CONTROL	
Policy Name	Unattached Teachers' Pay Policy 2022/23
Service	People and Organisation
Reviewing Officers	HR Officers
CONSULTATION PROCESS	
<p>The following Trade Unions have been consulted in respect of this Policy:</p> <ul style="list-style-type: none">• ASCL• NAHT• NASUWT• NEU• UCAC	

MODEL UNATTACHED TEACHERS' PAY POLICY 2022/23

The Governing Body of _____ School
formally adopted this Policy on _____ .

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1. INTRODUCTION

- 1.1. This Pay Policy provides a framework for making decisions on Teachers' pay. It has been developed to comply with the requirements of the School Teachers' Pay and Conditions (Wales) Document (STPC(W)D) and has been subject to consultation with all recognised Teaching Associations.
- 1.2. For the purpose of this policy, unattached Teachers refers to Teachers who do not fall under the control of School's Governing Bodies e.g. Peripatetic Teachers, Athrawon Bro, Centrally Employed Teachers etc.

2. STATEMENT OF INTENT

- 2.1. The primary statutory duty of Governing Bodies in Wales, as set out in paragraph 21(2) of the Education Act 2002 is to '...conduct the school with a view to promoting high standards of educational achievement at the school'. This Policy intends to support that statutory duty.
- 2.2. The procedures for determining pay in this School will be consistent with the principles of public life: objectivity, openness and accountability.
- 2.3. Line Managers will act with integrity, confidentiality, objectivity and honesty in the best interest of the School in relation to the operation of this Policy.
- 2.4. Line Managers will be open about pay decisions made and actions taken, and will be prepared to explain decisions and actions to the interested persons.
- 2.5. Any future revisions to this policy will comply with the STPC(W)D and will be subject to consultation with relevant parties, including recognised trade unions.

3. EQUALITIES

- 3.1. The Local Authority is committed to ensuring equality in everything that we do. The Local Authority will comply with all relevant equalities legislation, including.
- Employment Relations Act 1999;
 - Equality Act 2010;
 - Employment Rights Act 1996;
 - The Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000;
 - The Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002; and
 - The Agency Workers Regulations 2010
- 3.2. This Policy will be applied consistently to all employees irrespective of age, disability, race, gender (sex), gender reassignment, marriage / civil partnership, pregnancy / maternity, religion, belief and sexual orientation.

3.3. The Local Authority will promote equality in all aspects of school life, particularly in relation to all decisions on the advertising of posts, appointing, promoting and paying staff, training and staff development.

3.4. The Local Authority will ensure that pay processes are transparent and fair. All decisions made will be objectively justified and recorded. Reasonable adjustments will be made on a case by case basis to take account of individuals' circumstances such as long-term absence on the grounds of maternity or ill-health including any Covid related absences.

4. JOB DESCRIPTIONS

4.1 The Local Authority will ensure that each member of staff is provided with a job description in accordance with the School's staffing structure (**see Appendix 10**), as agreed by the Governing Body.

5. APPRAISALS

5.1. The Local Authority will comply with the School Teacher Appraisal (Wales) Regulations 2011 concerning the appraisal of Headteachers and Teachers through the application of the School's Performance Management Policy.

6. LOCAL AUTHORITY'S OBLIGATIONS

6.1. The Local Authority will:

- fulfil its obligations as set out in the STPC(W)D and the Conditions of Service for School Teachers in England and Wales (the 'Burgundy Book');
- establish a mechanism for dealing with Pay Decisions and Pay Appeals;
- determine relevant pay decisions, taking account of recommendations from the Line Manager;
- ensure that it makes funds available to support pay decisions, in accordance with this Pay Policy and the School's spending plan;
- ensure that Teachers, via their Line Manager, are informed about pay decisions which affect them, and that records are kept of recommendations and decisions made; and
- monitor, on an annual basis, the outcomes of pay decisions, including the extent to which different groups of Teachers may progress at different rates. The outcome of the review will be shared with school-level trade union representatives.

7. LINE MANAGER'S OBLIGATIONS

7.1. The Line Manager will:

- ensure that appraisers (where not the Line Manager) provide accurate, relevant, complete and timely information about pay recommendations;
- moderate performance assessments and initial pay recommendations to ensure consistency and fairness;
- submit relevant pay recommendations to the appropriate Head of Service / Pay Panel and ensure the Head of Service / Pay Panel has relevant information upon which to make pay decisions;
- inform Teachers about the Local Authority's Pay Policy and ensure its accessibility;
- notify payroll and/or HR staff within the Local Authority about pay decisions to be implemented; and
- ensure that a report on the operation of the Pay Policy is made available for discussion at service area level with the relevant Trade Unions on an annual basis.

8. TEACHERS' OBLIGATIONS

8.1. Teachers will:

- familiarise themselves with the provisions of this Pay Policy, the STPC(W)D, the relevant professional standards and all relevant Local Authority employment policies; and
- engage positively with the processes set out in this Policy.

9. DIFFERENTIALS

9.1. Within the framework of the STPC(W)D, appropriate differentials will be created and maintained between posts within the School, recognising accountability and job weight, and the Local Authority's need to recruit and retain sufficient Teachers of the required quality at all levels.

10. SAFEGUARDING

10.1. Where a pay determination leads, or may lead, to the start of a period of safeguarding, the Local Authority will comply with the relevant provisions of the STPC(W)D and will give the required notification as soon as possible and within no later than one month after the determination.

11. CAPABILITY AND PAY PROGRESSION

- 11.1. Where the Teacher is subject to the formal stages of the Local Authority's Capability Procedure, the School's performance management processes will be suspended in relation to the Teacher concerned until the Capability Procedure has been concluded.
- 11.2. On conclusion of the Capability Procedure, the Teacher will resume performance management processes in accordance with the Local Authority's Policy.
- 11.3. Pay progression will not be permissible in accordance with this Pay Policy while a Teacher is subject to the formal stages of the Local Authority's Capability Procedure.
- 11.4. On conclusion of the Capability Procedure, the Teacher would re-enter the Performance Management cycle.
- 11.5. Pay progression will not be applied retrospectively in any case of formal capability.

12. PAY DETERMINATION

- 12.1. The Governing Body has delegated its pay determination powers to the Pay Committee. The appropriate Head of Service/Pay panel for the service area will make pay decisions. For all Teachers pay the teacher will be advised by the appropriate Line Manager.

12.2. Annual Determination of Pay

- 12.2.1. All teaching staff salaries, including those of the manager, deputy or assistant manager, will be reviewed annually to take effect from 1st September. The Local Authority will conclude Teachers' annual appraisals, and assessments of applications to progress to the Upper Pay Scale, by 31st October; the Manager's annual appraisals will be concluded by 31st December.
- 12.2.2. Reviews may take place at other times of the year to reflect, for example, any changes in circumstances, changes in a job description that lead to a change in the basis for calculating an individual's pay.
- 12.2.3. The Local Authority will apply any future national pay awards as specified by the STPC(W)D.

12.3. Notification of Pay Determination

- 12.3.1. A written statement will be given to each Teacher setting out the pay and any other financial benefits to which they are entitled following a determination. Where applicable, this will include information about the basis on which it was made. This will be done by 31st October for Teachers, 31st December for Managers, or by no later than one month following the determination.

12.4. **Appeals Procedure**

- 12.4.1. The Local Authority has an appeals procedure in relation to pay. This is set out in **Appendix 8** of this Pay Policy.

13. MANAGER'S PAY

- 13.1. The Local Authority will ensure that the process of determining the remuneration of the Manager is fair and transparent.

- 13.2. The Local Authority will assign a seven-point leadership pay range taken from the Leadership Scale within the STPC(W)D as set out in Appendix 1. This can be reviewed as necessary for the Manager based on the school group size and any permanent additional relevant factors as determined within the framework of the STPC(W)D (specifically paragraphs 9.2, 9.3 and 9.4).

- 13.3. Additional factors to be taken into account will include all permanent responsibilities of the post, challenges specific to the role and all other relevant considerations, alongside any factors relating to recruitment and retention.

- 13.4. The Local Authority may re-determine the Manager's pay range if it becomes necessary to change the Manager group (including where the Manager becomes responsible and accountable for more than one school in a federation on a permanent basis). The Manager's pay range may also be reviewed at any time if it considers it necessary to reflect a significant change in the responsibilities of the post.

- 13.5. Payments in respect of temporary responsibilities for the Manager will not be included in the pay range but will be determined in accordance with the STPC(W)D as explained in **Appendix 6**.

- 13.6. The Local Authority will apply discretionary reference pay points for leadership pay as indicated in **Appendix 1** and has agreed a seven step pay range of L xxx to L xxx (*details to be inserted here by the school*).

13.7. **Pay on Appointment**

- 13.7.1. For new appointments, the Local Authority will determine the leadership pay range to be advertised and will agree the starting pay on appointment, taking account of the full role of the Manager and the provisions of the STPC(W)D.

- 13.7.2. The Local Authority will adopt a three-stage process when setting the pay for new Manager appointments as set out in **Appendix 6**.

- 13.7.3. The Local Authority will review the Manager's pay range, as necessary, to ensure fair pay relativities within the Service are / Local Authority

- 13.7.4. See **Appendix 6** of this Pay Policy for guidelines on leadership pay ranges and **Appendix 7** for the Annual Review Pay Statement.

13.8. Manager's responsible and accountable for more than one school on a permanent basis

- 13.8.1. When a Manager is appointed to be permanently responsible and accountable for more than one school, the Local Authority should base the determination of the Headteacher group on the total number of pupil units across all schools, which will give a group size for the federation in accordance with **Appendix 6**.
- 13.8.2. Consideration also needs to be given to the remuneration of other Teachers who, as a result of the Manager's role, are taking on additional responsibilities. This will be based on any additional responsibilities attached to the post (not the Teacher), which is recorded. An increase in remuneration should only be agreed where the post accrues extra responsibilities as a result of the Manager's enlarged role, it is not automatic.

14. DEPUTY/ASSISTANT MANAGER PAY

- 14.1. The Local Authority will use the discretionary reference pay points for leadership pay as indicated in **Appendix 1**.
- 14.2. The Local Authority will assign a five-point leadership pay range taken from the Leadership Scale within the STPC(W)D as set out in Appendix 1. This can be reviewed as necessary for Deputy / Assistant Manager posts based on the school group size and any permanent additional relevant factors as determined within the framework of the STPC(W)D.
- 14.3. The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts.
- 14.4. In this Local Authority, the Deputy Manager five-step pay range is L xx to L xxx (*pay details to be inserted here by the school*).
- 14.5. In this Local Authority, the Assistant Manager five-step pay range is L xx to L xxx (*pay details to be inserted here by the school*).
- 14.6. **Pay on appointment**
- 14.6.1. When a new appointment needs to be made, the Local Authority will determine the leadership pay range for the post to be advertised and will agree the starting pay on appointment.
- 14.6.2. The pay range will be determined in accordance with the STPC(W)D.
- 14.6.3. The Local Authority will adopt the three-stage process when setting the pay for new appointments to the wider leadership team as set out in **Appendix 6**.

15. PAY PROGRESSION FOR LEADERSHIP GROUP MEMBERS

- 15.1. The Local Authority must consider annually whether or not to increase the salary of members of the leadership group who have completed a year of employment since the previous pay determination and, if it determines to do so, to what salary within the relevant pay range determined in accordance with the STPC(W)D.
- 15.2. A person has completed a 'year of employment' if they have completed periods of employment amounting to at least twenty-six weeks in aggregate within the previous school year. For these purposes, a period of employment runs from the beginning of the week in which the employment commences to the end of the week in which the employment is terminated and includes any holiday periods and any periods of absence from work in consequence of sickness or injury, whether the person's service during that period has been full-time, part-time, regular or otherwise.
- 15.3. Pay progression should be on an annual basis from 1st September, with an assumption in favour of progression unless an individual has been notified through formal capability procedures that service was unsatisfactory in respect of that year.
- 15.4. The Local Authority may award an additional point to any Manager, Deputy Manager or Assistant Manager whose performance in the previous year was excellent, with particular regard to agreed objectives.
- 15.5. A decision may be made not to award progression where the Manager, or Assistant Manager is subject to formal capability proceedings.
- 15.6. The Head of Service / Pay Panel will record its decision regarding pay progression on the Annual Pay Review form contained at **Appendix 7**. A copy of this form will be provided to the member of staff.
- 15.7. Where pay progression is granted, the member of staff's salary will increase with effect from 1st September of the current academic year.
- 15.8. Where pay progression is not granted, the rationale for that decision will be recorded on the Annual Pay Review form. The member of staff has the right to appeal against any decision not to grant pay progression. The appeals procedure is set out in **Appendix 8**.

16. CLASSROOM TEACHER PAY

16.1. Pay on Appointment

- 16.1.1. Advertisements for vacant posts in the School will be considered by the Line Manager [and the (*insert details of committee*) where appropriate]. All posts will be advertised either internally or externally, locally or nationally as appropriate.
- 16.1.2. The advertisement will include details of the pay range and any additional payments or allowances applicable to the post.

- 16.1.3. The Local Authority will determine the starting salary of a vacant classroom Teacher post, in accordance with the Main Pay Scale and Upper Pay Scale, detailed at **Appendix 1**.
- 16.1.4. The Local Authority will determine the starting salary of a vacant classroom teacher post. The Local Authority is committed to the principle of pay portability for Teachers who are currently paid in accordance with the provisions of the STPC(W)D or STPCD and will apply the principles set out in paragraph 12.3 of the STPC(W)D in practice when making new appointments.
- 16.1.5. When determining the starting pay for an existing classroom Teacher in a local authority maintained school in Wales, or a local authority maintained school or academy in England, and paid under the STPC(W)D or STPCD, the Local Authority will pay the Teacher on the main pay scale or upper pay scale at a scale point, which at least maintains the Teacher's previous pay entitlement, plus any pay progression, which they would have received had they remained in their previous post.
- 16.1.6. Pay portability will be applied on a "pro rata" basis when a teacher moves to/from a part-time teaching post.
- 16.1.7. In addition, if the successful applicant is a Teacher who has had a break in service, then the Local Authority may determine their scale point based on their previous final salary paid under STPC(W)D or STPCD including any increment that the teacher would have been entitled to be awarded had they remained in their previous post at the time when the change in employment occurred. The Local Authority may take into account any relevant experience gained from a teaching role in another sector in Wales or jurisdiction or a period of employment in a relevant sector outside teaching.
- 16.1.8. Pay portability must span a break in teaching service for health and social reasons such as maternity/paternity, medical or family reasons. In a situation where the new employer proposes to take a different view, the grounds for doing so must be non-discriminatory in relation to equality and other relevant legislation.
- 16.1.9. The Local Authority will not restrict the pay range advertised or starting salary and pay progression prospects available for classroom Teacher posts, other than the minimum of the Main Pay Scale and the maximum of the Upper Pay Scale.
- 16.2. Pay Progression for Existing Main Pay Scale Teachers**
- 16.2.1. The Local Authority must consider annually whether or not to increase the salary of Teachers (excluding NQTs undertaking their induction year) who have completed a year of employment since the previous pay determination and, if it determines to do so, to what salary on the relevant pay scale determined in accordance with the STPC(W)D.
- 16.2.2. Teachers in their induction year will be awarded pay progression on the successful completion of their induction.

- 16.2.3. A person has completed a 'year of employment' if they have completed periods of employment amounting to at least twenty-six weeks in aggregate within the previous school year. For these purposes, a period of employment runs from the beginning of the week in which the employment commences to the end of the week in which the employment is terminated and includes any holiday periods and any periods of absence from work in consequence of sickness or injury, whether the person's service during that period has been full-time, part-time, regular or otherwise.
- 16.2.4. The Local Authority must award a Teacher on scale points M2 to M6 of the Main Pay Scale progression of one point following completion of a year of employment completed as a qualified Teacher during the previous school year, unless the Teacher has been notified through formal capability procedures that service was unsatisfactory in respect of that year.
- 16.2.5. Pay progression should be on an annual basis from 1st September, with an assumption in favour of progression unless an individual has been notified through formal capability procedures that service was unsatisfactory in respect of that year.
- 16.2.6. The Local Authority may award an additional point to any Main Scale Teacher whose performance in the previous school year was excellent, with particular regard to classroom teaching.
- 16.2.7. A decision may be made not to award progression where the Teacher is subject to formal capability proceedings.
- 16.2.8. The Line Manager / Head of Service will record their decision regarding pay progression on the Annual Teachers' Pay Review Statement contained at **Appendix 2**. A copy of this form will be provided to the Teacher.
- 16.2.9. Where pay progression is granted, the Teacher's salary will be increased with effect from 1st September of the current academic year.
- 16.2.10. Where pay progression is not granted, the rationale for that decision will be recorded on the Annual Teachers' Pay Review Statement. The Teacher has the right to appeal against any decision not to grant pay progression. The appeals procedure is set out in **Appendix 8**.

16.3. Pay Progression for Existing Upper Pay Scale Teachers

- 16.3.1. The Local Authority must consider annually whether or not to increase the salary of Teachers on the upper pay Scale who have completed a year of employment since the previous pay determination and, if it determines to do so, to what salary within the relevant pay range determined in accordance with the STPC(W)D.
- 16.3.2. A person has completed a 'year of employment' if they have completed periods of employment amounting to at least twenty-six weeks in aggregate within the previous school year. For these purposes, a period of employment runs from the beginning of the week in which the employment commences to the end of the week in which the employment is terminated and includes any holiday periods and any

periods of absence from work in consequence of sickness or injury, whether the person's service during that period has been full-time, part-time, regular or otherwise.

- 16.3.3. Pay progression on the Upper Pay Scale should be in most cases on a **two-yearly basis**, with an assumption in favour of progression unless an individual has been notified through formal capability procedures that service was unsatisfactory in respect of that period, as prescribed by the School Teachers Appraisal (Wales) Regulations 2011.
- 16.3.4. The Line Manger / Head of Service will record their decision regarding pay progression on the Annual Teachers' Pay Review Statement contained at **Appendix 2**. A copy of this form will be provided to the Teacher.
- 16.3.5. Where pay progression is granted, the Teacher's salary will be increased with effect from 1st September of the current academic year.
- 16.3.6. Where pay progression is not granted, the rationale for that decision will be recorded on the Annual Teachers' Pay Review Statement. The Teacher has the right to appeal against any decision not to grant pay progression. The appeals procedure is set out in **Appendix 8**.

17. APPLICATIONS TO BE PAID ON THE UPPER PAY SCALE

- 17.1. A qualified Teacher may apply once each year to be paid on the Upper Pay Scale in accordance with the STPC(W)D and this School's Pay Policy.
- 17.2. It is each Teacher's responsibility to decide whether to submit an application.
- 17.3. In order for the assessment to be robust and transparent, it will be an evidence-based process.
- 17.4. Personal objectives for the forthcoming appraisal cycle will be set, and agreed where possible, at a level which is sufficient to ensure that the criteria included in the STPC(W)D for progression to the Upper Pay Scale can be met, including that the Teacher is highly competent in all elements of the relevant standards, and their achievements and contribution to the school are substantial and sustained.
- 17.5. Teachers who have been absent from work for sickness, disability or maternity-related reasons, along with those who are not subject to the Appraisal Regulations 2011 (i.e. a Teacher who is employed on a short term contract of less than one term), may cite written evidence from a suitable and relevant period before the date of application in support of their application.
- 17.6. **Process**
 - 17.6.1. The closing date for an application to be submitted by a Teacher to their appraiser is **(LA to insert date here - normally prior to the end of the Summer Term i.e. 31st August)**.

17.6.2. Exceptions may be made in some specific circumstances, e.g. those Teachers who are on maternity leave or on sick leave as at the closing date for receipt of applications. In such circumstances, the Teacher may request - at least 2 weeks before the specified closing date - an extension of no more than half a term for the submission of an application.

17.6.3. The process for applications is:

- Teacher to inform appraiser in writing that they wish to be considered for progression to the Upper Pay Scale and that their personal objectives for the forthcoming appraisal period should reflect this request.

Following completion of the relevant appraisal period:

- The appraiser will complete an assessment pro-forma as shown in **Appendix 4**, setting out the appraiser's recommendation in relation to progression to the Upper Pay Scale, following completion of the relevant appraisal period.
- The Line Manager will consider the appraiser's recommendation and will make a recommendation to the Head of Service / Pay Panel.
- The Head of Service / Pay Panel will make a decision about progression to the Upper pay Scale, following receipt of advice from the Manager.
- The Teacher will receive written notification of the outcome of their application by 31st October in the relevant year.
- Where the application is unsuccessful, the written notification will set out details of the areas of the Teacher's performance which are not considered to have satisfied the relevant criteria set out in this Policy (see "Assessment" below).
- If requested, oral feedback will be provided by the Manager. Oral feedback will normally be given within 10 working days of the date of notification of the outcome of the application. Feedback will be given in a positive manner and will include advice and support about areas for improvement in order for the Teacher to meet the relevant criteria.
- Where the application is successful the teacher will move to step 1 of the Upper Pay Scale on 1st September in the relevant year i.e. following successful completion of objectives set in academic year to 31st August 2020, the teacher will move to UPS1 on 1st September 2020.

17.6.4. Unsuccessful applicants may appeal the decision as outlined in **Appendix 8**.

17.7. **Assessment**

17.7.1. An application will only be successful where the Governing Body is satisfied that all of the requirements of the STPC(W)D have been met, including that:

- the Teacher is highly competent in all elements of the relevant standards; and

- the Teacher's achievements and contribution to an educational setting or settings are substantial and sustained.

17.7.2. For the purposes of this Pay Policy, the Head of Service / Pay Panel will be satisfied that the Teacher has met the Local Authority's expectations for progression to the Upper Pay Scale where the Upper Pay Scale criteria (see **Appendix 3**) have been satisfied as evidenced by a successful appraisal review.

17.7.3. Further information, including details about sources of evidence, is contained in the School's Performance Management Policy.

18. LEADING PRACTITIONER ROLE

18.1. The Local Authority may establish Leading Practitioner posts for Teachers whose primary purpose is the modelling and leading improvement of teaching skills.

18.2. Where the Local Authority wishes to establish such posts, it will determine the responsibilities and pay range for these posts. Consultation with relevant staff and trade unions will take place in relation to any such proposed changes to the staffing structure.

18.3. The Policy of the Local Authority will be to appoint any new Leading Practitioner Teacher to a 5-point range, as deemed appropriate by the Governing Body.

18.4. The pay range for Leading Practitioners will be in accordance with the STPC(W)D, which is currently a minimum of £43,145 per annum and a maximum of £65,590 per annum.

18.5. The Local Authority will use the discretionary reference pay points detailed at **Appendix 1**.

18.6. Pay progression for Leading Practitioners will be determined as per the process set out at 16.3.1 to 16.3.4 above.

19. UNQUALIFIED TEACHERS

19.1. A Teacher on the unqualified pay scale will be paid an annual salary in accordance with the STPC(W)D. In this School, the Governing Body will use the statutory pay points detailed at **Appendix 1**.

19.2. Under the Education (Specified and Registration) (Wales) Regulations 2010 there are specific circumstances when those other than qualified Teachers who are registered with the Education Workforce Council may carry out 'specified work'.

19.3. The Local Authority will comply with these legal requirements and will only employ unqualified Teachers as specified in these Regulations.

MODEL UNATTACHED TEACHERS' PAY POLICY 2022/23

- 19.4. The Local Authority may pay an additional allowance to an unqualified Teacher who meets the criteria as defined in the STPC(W)D.
- 19.5. The Local Authority must award a Teacher on scale points 1 to 6 of the Unqualified Teacher Pay Scale progression of one point following completion of a year of employment completed during the previous school year, unless the Teacher has been notified through the formal capability process that service was unsatisfactory in respect of that year.
- 19.6. A person has completed a 'year of employment' if they have completed periods of employment amounting to at least twenty-six weeks in aggregate within the previous school year. For these purposes, a period of employment runs from the beginning of the week in which the employment commences to the end of the week in which the employment is terminated and includes any holiday periods and any periods of absence from work in consequence of sickness or injury, whether the person's service during that period has been full-time, part-time, regular or otherwise.
- 19.7. Pay progression on the 6-point Unqualified Teacher Pay Scale should be on an annual basis from 1st September, with an assumption in favour of progression unless an individual has been notified through formal capability procedures that service was unsatisfactory in respect of that year.
- 19.8. The Head of Service / Pay Panel will record its decision regarding pay progression on the Annual Teachers' Pay Review Statement contained at **Appendix 2**. A copy of the form will be provided to the unqualified Teacher.
- 19.9. Where pay progression is granted, the unqualified Teacher's salary will be increased with effect from 1st September of the current academic year.
- 19.9.1. A decision may be made not to award progression where the Teacher is subject to formal capability proceedings.
- 19.10. Where pay progression is not granted, the rationale for that decision will be recorded on the Annual Teachers' Pay Review Statement. The Teacher has the right to appeal against any decision not to grant pay progression. The appeals procedure is set out in **Appendix 8**.
- 19.11. An unqualified Teacher who obtains qualified Teacher status will be paid on the pay scales for qualified Teachers, in accordance with this Pay Policy and STPC(W)D.

20. DISCRETIONARY ALLOWANCES AND PAYMENTS

20.1. Teaching and Learning Responsibility Payments (TLRs)

- 20.1.1. The Local Authority will award TLR1 and TLR2 payments to post holders as indicated in the School's staffing structure (see **Appendix 10**).
- 20.1.2. These payments will be awarded to Teachers who undertake clearly defined and sustained additional responsibility in the context of the School's staffing structure

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for the purpose of ensuring the continued delivery of high quality teaching and learning and for which the Teacher is made accountable.

20.1.3. All job descriptions will be regularly reviewed and will make clear the responsibility or package of responsibilities for which a TLR is awarded.

20.1.4. The criteria for awarding a TLR1 and TLR2 payment will be in accordance with the STPC(W)D.

20.1.5. The minimum and maximum range for a TLR1 is £8,859 to £14,990 per annum.

20.1.6. The minimum and maximum range for a TLR2 is £3,071 to £7,497 per annum.

20.1.7. The value of TLRs currently in use is as follows

TLR1 - (details of each TLR1 to be inserted here by school)

TLR2 - (details of each TLR2 to be inserted here by school)

20.1.8. The Local Authority may award a fixed-term TLR3 payment to a Teacher of between £611 and £3,028 per annum for a clearly time-limited school improvement project, or one-off externally driven responsibilities.

20.1.9. The duration of the fixed term, and the amount of annual payment will be established at the outset and will be paid on a monthly basis.

20.1.10. Where the Local Authority wishes to make TLR3 payments, the proposed responsibilities, level of payment and the duration of payment will be set out clearly following consultation with relevant staff and union representatives.

20.1.11. A Teacher in receipt of either a TLR1 or 2 may also hold a concurrent TLR3.

20.1.12. No safeguarding will apply in relation to an award of a TLR3.

20.1.13. A TLR1 or 2 payment awarded to a part-time Teacher may be determined in accordance with the pro-rata principle and no less than contracted working hours or may be determined to be paid in full, if the teacher undertakes the full duties associated with the allowance. If the allowance is to be paid in full the duties agreed should be capable of being undertaken within the normal hours of the part-time teacher concerned. The appropriate level of allowance payment and duties should be agreed between the individual teacher and the Governing Body

20.1.14. TLR3 allowances are paid in full, regardless of the hours that a part-time Teacher normally works under the contract of employment. will be on a pro rata basis but where a TLR3 payment is awarded to a part-time Teacher, the pro rata principle will not apply.

20.2. **Additional Learning Needs (ALN) Allowances**

20.2.1. The Local Authority will award ALN allowances in accordance with the criteria and provisions set out in the STPC(W)D.

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20.2.2. An ALN Allowance of no less than £2,426 per annum, and no more than £4,786 per annum, will be payable to a classroom Teacher in accordance with STPC(W)D.

20.2.3. ALN values are: (*details of each ALN Allowance / value to be inserted here by school*)

20.2.4. In deciding the ALN value, the Local Authority will take into account the structure of the ALN provision, whether any mandatory qualifications are required for the post, the qualifications or expertise of the Teacher relevant to the post, and the relative demands of the post.

20.3. **Acting Allowances**

20.3.1. Acting allowances are payable to Teachers who are assigned and carry out the duties of the Manager, Deputy Manager or Assistant Manager in accordance with the STPC(W)D.

20.3.2. The Local Authority will, within a four-week period of the commencement of acting duties, determine whether or not the acting postholder will be paid an allowance. In the event of a planned and prolonged absence, an acting allowance may be agreed in advance and paid from the first day of absence.

20.3.3. Any Teacher who carries out the duties of Manager, Deputy Manager, or Assistant Manager, for a period of four weeks or more, will be paid at an appropriate point of the Manager's pay range, Deputy Manager pay range or Assistant Manager pay range, as determined by the Head of Service / Pay Panel. Payment will be backdated to the commencement of the duties but will normally be paid a month in arrears.

20.3.4. Acting allowances may also apply to Teachers covering absent colleagues in receipt of a TLR and / or ALN allowance.

20.3.5. Additional allowances may be payable to unqualified teachers in line with SCTP(W)D.

20.4. **Additional Payments**

20.4.1. With exception of those on the leadership range the Local Authority may make additional payments to a Teacher, in respect of:

- continuing professional development undertaken outside the school day;
- activities relating to the provision of initial Teacher training as part of the ordinary conduct of the School;
- participation in out-of-school hours learning activity agreed between the Teacher and the Manager; and
- additional responsibilities and activities due to, or in respect of, the provisions of services by the Teacher relating to the raising of educational standards to one or more additional schools.

20.5. Recruitment or Retention Incentive Benefits

- 20.5.1. The Local Authority can award lump sum payments, periodic payments, or provide other financial assistance, support or benefits for a recruitment or retention incentive. In deciding any such awards, the Local Authority will have regard to the STPC(W)D and specialist HR advice.
- 20.5.2. Managers, Deputy Managers and Assistant Managers may not be awarded such a payment other than as reimbursement of reasonably incurred housing or relocation costs.
- 20.5.3. All other recruitment and retention considerations in relation to a Manager, Deputy Manager or Assistant Manager post will be taken into account when determining the pay range.
- 20.5.4. The reason for the award of any additional payment, the expected duration of any such incentive or benefit, and the review date after which they may be withdrawn will be made clear at the outset, in writing.
- 20.5.5. The Local Authority will conduct an annual review of all such awards.

21. PART-TIME TEACHERS' PAY AND TIME CALCULATIONS

- 21.1. Teachers employed on an ongoing basis at the school but who work less than a full working week will be deemed to be part-time.
- 21.2. Part-time Teachers will be provided with a written statement detailing their working time obligations and the standard mechanism used to determine their pay, subject to the provisions of the statutory pay and working time arrangements and by comparison with the School's timetabled teaching week for a full-time Teacher in an equivalent post. This does not affect the TLR3 payment which is not pro rata for part-time staff. See **Appendix 9** for further information.

22. TEACHERS EMPLOYED ON A SHORT-TERM NOTICE BASIS (SUPPLY)

- 22.1. Teachers employed on a supply basis will be paid on a daily basis calculated on the assumption that a full working year consists of 193 days (due to additional bank holidays in 2022/23); periods of employment for less than a day being calculated pro rata.
- 22.2. If the school is using an agency, the school enters into a voluntary supply agency pledge whereby they only procure from agencies identified on the NPS Framework Approved Supply Agencies and commit to a minimum daily rate of M2 ÷ 193 days (due to additional bank holidays in 2022/23). The exception will be that when agencies on the NPS framework are unable to supply a suitably skilled teacher, the school will be able to approach alternative agencies but with a commitment to pay as a minimum, the M2 pay rate. **Please delete where the governing body has not signed up to the voluntary agency pledge.**

2022/23 PAY SCALES

Main Pay Scale:

Point	Value
M2	£28,866
M3	£31,184
M4	£33,587
M5	£36,232
M6	£39,873

Upper Pay Scale:

Point	Value
U1	£41,337
U2	£42,869
U3	£44,450

Leading Practitioner Pay Range:

Point	Value
LP1	£45,303
LP2	£46,438
LP3	£47,597
LP4	£48,996
LP5	£49,996
LP6	£51,250
LP7	£52,631
LP8	£53,843

LP9	£55,188
LP10	£56,607
LP11	£58,075
LP12	£59,414
LP13	£60,898
LP14	£62,417
LP15	£63,970
LP16	£65,671
LP17	£67,178
LP 18	£68,870

Unqualified Teachers Pay Scale:

Point	Value
UNQ1	£19,412
UNQ2	£21,669
UNQ3	£23,926
UNQ4	£26,183
UNQ5	£28,443
UNQ6	£30,700

Leadership Pay Range:

Point	Value
L1	£45,081
L2	£46,209
L3	£47,363
L4	£48,542

L5	£49,751
L6	£51,000
L7	£52,371
L8	£53,581
L9	£54,918
L10	£56,329
L11	£57,790
L12	£59,123
L13	£60,600
L14	£62,111
L15	£63,656
L16	£65,349
L17	£66,849
L18*	£67,851
L18	£68,530
L19	£70,231
L20	£71,971
L21*	£73,022
L21	£73,752
L22	£75,584
L23	£77,455
L24*	£78,590
L24	£79,376
L25	£81,348
L26	£83,361
L27*	£84,541

L27	£85,426
L28	£87,545
L29	£89,714
L30	£91,947
L31*	£93,284
L31	£94,218
L32	£96,560
L33	£98,958
L34	£101,404
L35*	£102,896
L35	£103,925
L36	£106,498
L37	£109,145
L38	£111,846
L39*	£113,437
L39	£114,572
L40	£117,430
L41	£120,364
L42	£123,380
L43	£125,211

* These points and Point L43 are the maximum scale points for the eight Headteacher Group Ranges

ANNUAL TEACHERS' PAY REVIEW STATEMENT

Name:	Employee No.:
School:	Effective Date:

SALARY DETAILS

Salary and Point - Main Pay Scale (MPR2 - MPR6)	£	Point
Salary and Point - Upper Pay Scale (UPS1 – UPS3)	£	Point
Salary and Point - Unqualified Range (UNQ1 - UNQ6)	£	Point
Salary and Leading Practitioner Range	£	Point

ALLOWANCES

Details e.g. temp
(with dates), reason
for allowance

Teaching and Learning Responsibility Payments (See Pay Policy Advice) TLR1 / TLR2 / TLR3	TLR____ £
Recruitment or Retention (See Pay Policy Advice)	£
Additional Learning Needs Allowance (See Pay Policy Advice)	£
Other Allowances - Please specify (See Pay Policy Advice)	£
SAFEGUARDING	£
TOTAL SALARY	£

Head of Service / Pay Panel Meeting on:

Signature of Line Manager: Date:

UPPER PAY RANGE PROGRESSION CRITERIA

1. Professional Attributes

- 1.1. Contribute significantly, where appropriate, to implementing workplace policies and practice and to promoting collective responsibility for their implementation.

2. Professional Knowledge and Understanding

- 2.1. Have an extensive knowledge and understanding of how to use and adapt a range of teaching, learning and behaviour management strategies, including how to personalise learning to provide opportunities for all learners to achieve their potential.
- 2.2. Have an extensive knowledge and well-informed understanding of the assessment requirements and arrangements for the subjects/curriculum areas they teach, including those related to public examinations and qualifications.
- 2.3. Have up-to-date knowledge and understanding of the different types of qualifications and specifications and their suitability for meeting learners' needs.
- 2.4. Have a more developed knowledge and understanding of their subjects/curriculum areas and related pedagogy including how learning progresses within them.
- 2.5. Have sufficient depth of knowledge and experience to be able to give advice on the development and wellbeing of children and young people

3. Professional Skills

- 3.1. Be flexible, creative and adept at designing learning sequences within lessons and across lessons that are effective and consistently well-matched to learning objectives and the needs of learners and which integrate recent developments, including those relating to subject/curriculum knowledge.
- 3.2. Have teaching skills which lead to learners achieving well relative to their prior attainment, making progress as good as, or better than, similar learners nationally.
- 3.3. Promote collaboration and work effectively as a team member.
- 3.4. Contribute to the professional development of colleagues through coaching and mentoring, demonstrating effective practice, and providing advice and feedback.

ASSESSMENT OF TEACHER APPLICATION TO PROGRESS TO UPPER PAY RANGE

For Completion by the Teacher's Appraiser

Teacher's Name:	
Post:	

Evidence from most recent appraisal Please state which appraisal statement is attached:	
Criteria Met (Please delete as appropriate)	*Criteria Not Met
If criteria have not been met in full, please record details below (and continue overleaf, as necessary) about the areas of the Teacher's performance which do not satisfy the criteria:	

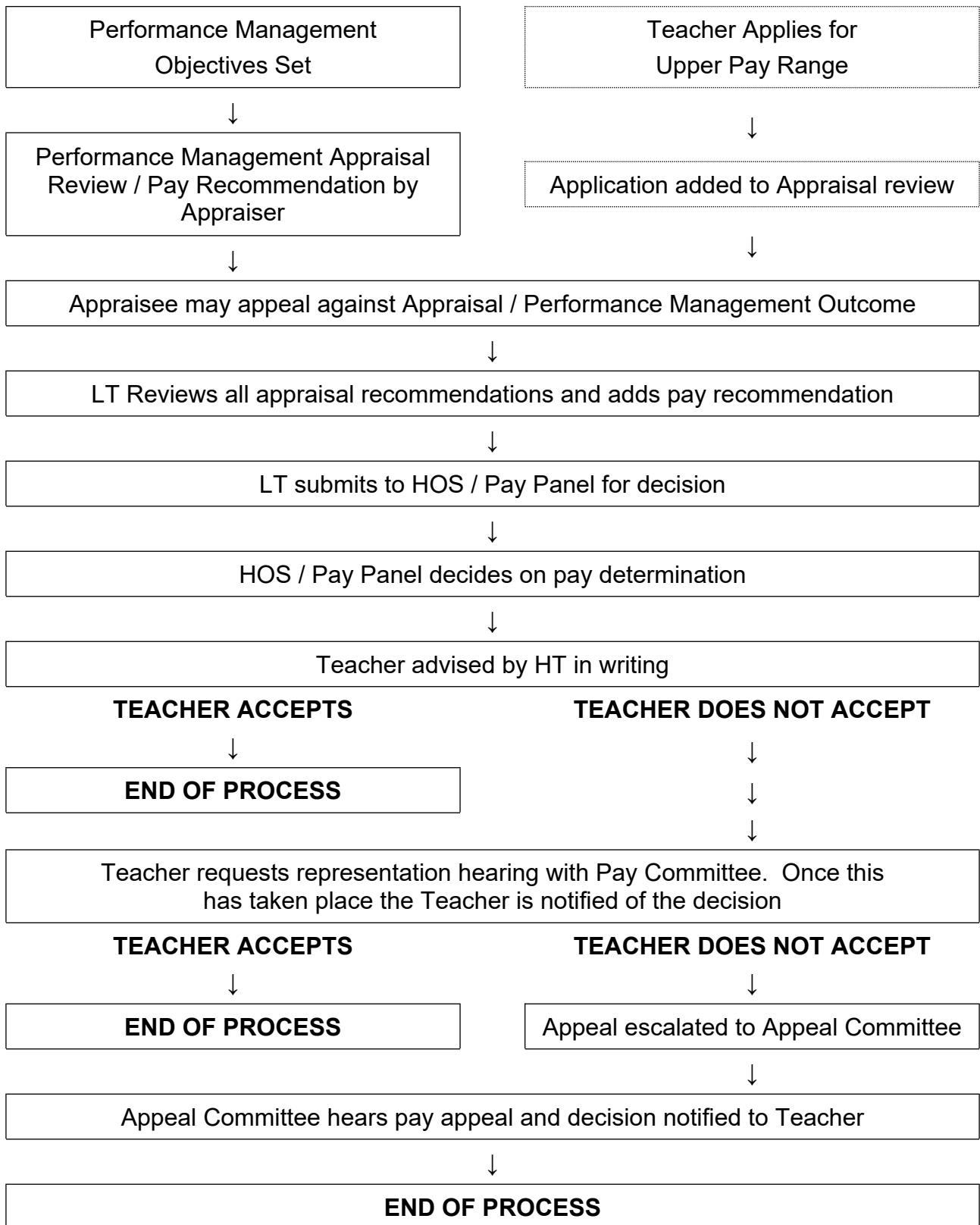
Signed (Appraiser)

Date:

TO BE SUBMITTED TO THE MANAGER

<u>School Use Only</u>
Application Form Received on:
Assessment made on:
By:

**FLOWCHART OF PAY REVIEW PROCESS
(Not including Headteachers)**



LEADERSHIP GROUP SALARIES GUIDANCE

1. Manager and Leadership Team (ALL SCHOOLS)

A statutory 43 step Leadership Pay Scale has been reintroduced. Managers, Deputy Managers and Assistant Managers will be paid as determined by the Local Authority. These are set out below:

2. School Groups (ALL SCHOOLS)

There are eight school groups determined from the unit score of the school. The STPC(W)D specifies a maximum and minimum pay value for each group and the indicative pay rates published jointly by the employers and trade unions attach values to individual pay points within those ranges

The Local Authority has established a 7 point pay range for the Manager and a 5 point pay range for all other leadership posts.

3. Unit Score of School

a. All Schools (excluding Special Schools)

The unit score is calculated to determine the group of the School, using the formula in the STPC(W)D. In this Authority*, the LA will recalculate the unit score annually and the results will be applied from 1st January each year. If a school has reasonable grounds to expect a change in pupil numbers, they should request a recalculation by the Authority at that time.

** Delete if not appropriate*

Information on how the unit score is calculated:

This is determined by pupil numbers as shown on the most recent STATS 1 (annual school census) return to the Welsh Government.

For each pupil at the foundation phase/ KS1/KS2	7 units
For each pupil in the school at KS3	9 units
For each pupil in the school at KS4	11 units
For each pupil in the school at KS5	13 units

Each pupil with a **statement of special educational needs** shall, if they are in a special class consisting wholly or mainly of such pupils, count three units more than they would otherwise count. If they are not in such a special class count three such units only where the relevant body so determine.

Each pupil who attends for no more than half a day on each day for which they attend the school shall count half as many units as they would otherwise count.

Total Unit Score	School Group
Up to 1,000	1
1,001 - 2,200	2
2,201 - 3,500	3
3,501 - 5,000	4
5,001 - 7,500	5
7,501 - 11,000	6
11,001 - 17,000	7
17,001 and over	8

b. Modified Unit Score (Special Schools Only)

The modified unit score is calculated to determine the group of the school, using the formula in the STPC(W)D. In this Authority* the LA will recalculate the unit score annually and the results will be applied from 1st January each year. If a school has reasonable grounds to expect a change in pupil numbers, they should request a recalculation by the Authority at that time.

** Delete if not appropriate*

A special school must be assigned to a Manager group in accordance with the following table by reference to its modified total unit score calculated in accordance with sub-sections (i) and (ii) below:

Total Unit Score	School Group
Up to 2,200	2
2,201 - 3,500	3
3,501 - 5,000	4
5,001 - 7,500	5
7,501 - 11,000	6
11,001 - 17,000	7
17,001 and over	8

(i) Information on how the staff-pupil ratio is calculated

The proportion of staff to pupils at the school must be calculated and expressed as a percentage ('the staff-pupil ratio') in accordance with the following formula:

$$\frac{A}{B} \times 100$$

Where A is the number of Teachers and Support Staff weighted as provided at (a) below, and B is the number of pupils at the school weighted as provided at (b) below:

- a) The weighting for a Teacher is two units for each full-time equivalent Teacher, and the weighting for each Support Staff member is one unit for each full-time equivalent individual; and
- b) The weighting for a full-time pupil is one unit and the weighing for a part-time pupil is half a unit.

The staff-pupil ratio modifier must be calculated in accordance with the following table by reference to the staff-pupil ratio determined in accordance with the above:

Staff-Pupil Ratio	Staff-Pupil Ratio Modifier
1 - 20%	1
21 - 35%	2
36 - 50%	3
51 - 65%	4
66 - 80%	5
81% or more	6

NB: 'Support Staff member' means a member of the school staff who is not:

- A Teacher;
- A person employed in connection with the provision of meals;
- A person employed in connection with the security or maintenance of the school premises; or
- A person employed in a residential school to supervise and care for pupils out of school hours.

(ii) Information on how the modified total unit score is calculated

This is determined by pupil numbers as shown on the most recent STATS 1 (annual school census) return to Welsh Government.

The relevant body must determine the school's total unit score in accordance with the number of pupils on the school register calculated as follows:

Key Stage	Units Per Pupil
For each pupil in the Foundation Phase, KS1 and KS2	10
For each pupil in KS3	12
For each pupil in KS4	14
For each pupil in KS5	16

The relevant body must determine the school's modified total unit score by multiplying the school's total unit score determined under this section (i.e. as per the above table) by the staff-pupil ratio modifier calculated under section 3.

NB: Where the Manager is appointed as Manager of more than one school on a permanent basis, the relevant body of the Manager's original school or, under the Collaboration Regulations (5), the collaborating body must calculate the Manager group by combining the unit score of all the schools for which the Manager is responsible to arrive at a total unit score, which then determines the Manager group.

4. **New Leadership Appointments / Changes to existing Leadership Pay Structures - Three Stage Process (ALL SCHOOLS)**

The Local Authority should follow the three-stage process when setting the pay for **new appointments or revising existing pay structures in respect of headship or the wider leadership team.**

- Stage 1** - Defining the role and determining the Manager group
- Stage 2** - Setting the indicative pay range
- Stage 3** - Deciding the starting salary and individual pay range

All decisions and the reasons for them should be well documented at every stage. All pay decisions must be made on objective criteria so that there is no discriminatory effect of any group of Teachers with a particular protected characteristic under the Equality Act 2010.

It is suggested that schools seek advice when calculating and recording leadership pay structure decisions

Stage 1 - Defining the Role and Determining the Headteacher Group

The Local Authority should, at this stage, define the job and identify the broad pay range as a provisional guide to determining appropriate level of pay. The Local Authority will need to define and set out the specific role, responsibilities and accountabilities of the post as well as the skills and relevant competences required.

For Manager posts, the Local Authority will assign the School to a Manager group (as defined in 3 above) which will determine the appropriate broad pay range as outlined below:

Group Size	Range of Steps	Salary Range (STPC(W)D 2022)
1	L6 - L18*	£ 51,000 - £67,851
2	L8 - L21*	£ 53,581 - £73,022
3	L11 - L24*	£ 57,790 - £ 78,590
4	L14 - L27*	£ 62,111 - £ 84,581
5	L18 - L31*	£ 68,530 - £ 93,284
6	L21 - L35*	£ 73,752 - £ 102,896
7	L24 - L39*	£ 79,376 - £ 113,437
8	L28 - L43	£ 87,545 - £ 125,211

For other leadership group posts, the Local Authority should consider how the role fits within the wider leadership structure of the School. The pay range for a Deputy Manager or Assistant Manager should only overlap the Manager's pay range **in exceptional circumstances**.

Stage 2 - Setting the Indicative Pay Range

At this stage, the Local Authority will need to consider the complexity and challenge of the role in the particular context of the School and make a judgement on pay in light of this.

For Manager posts, it is expected that normally the Local Authority will conclude that the total unit score fully captures the complexity of the Manager role and that the relevant broad pay range accommodates appropriate levels of reward, in line with the STPC(W)D. The Local Authority will need to consider whether the indicative pay range should start at the minimum of the Manager group or whether they wish it to start at a higher level because of the level of challenge of the post.

There may be circumstances, however, in which there are additional factors that suggest the indicative pay range should be higher than would be provided by the basic calculation in Stage 1.

The following represent some examples of additional factors to be considered (this list is not exhaustive):

- The context and challenge arising from pupils' needs e.g. if there is a high level of deprivation in the community (Free School Meal entitlement and/or English as an Additional Language) or there are high numbers of looked after children or children with Additional Learning Needs and this affects the challenge in relation to improving outcomes;
- A high degree of complexity and challenge e.g. accountability for multiple schools or managing across several dispersed sites, which goes significantly beyond that expected of any Headteacher of similar-sized school(s) and is not already reflected in the total unit score used at stage 1;
- Additional accountability not reflected in stage 1, e.g. leading a teaching school alliance; and
- Factors that may impede the school's ability to attract appropriately qualified and experienced leadership candidates e.g. location, language medium, subject area / specialism and/or level of support from the wider leadership team.

The Local Authority may set the indicative pay range with a **maximum of up to 25% above the top of the relevant Headteacher group range**.

Above that limit, external independent advice must be sought and, should the advice suggest a range which exceeds this limit is appropriate, a business case must be made and agreed by the Local Authority.

The Local Authority should ensure that no **double counting** takes place e.g. of things taken account of in stage 1, such as responsibility for an additional school already reflected in the total unit score; or from using overlapping indicators, such as FSM and the pupil premium.

The Local Authority **SHOULD NOT** increase base pay nor pay an additional allowance for regular local collaboration which is part of the role of all Managers.

For other leadership roles the process is broadly the same. The Local Authority will wish to consider how the other leadership roles should be set in accordance with the level set for the Manager and to ensure that there is sufficient scope for progression. Consideration should also be given to any teaching posts that carry additional allowances.

At the end of this stage, the Local Authority should decide where in the broad range to position the indicative pay range and set this out clearly when advertising the post. An overall judgement should be made on the position and breadth of range, allowing appropriate scope for progression over time.

There should be a clear audit trail for all decisions made and the reasoning behind them.

It is also expected where possible that the School will undertake a process of benchmarking of salaries before setting the pay range for the Manager or other leadership posts.

For those factors which are not expected to persist, such as temporary responsibility for an additional school, these should be reflected through an allowance rather than consolidated into the indicative pay range.

Stage 3 - Deciding the starting salary and Individual Pay Range for new appointments

The first two stages provide the means for determining the appropriate pay range. The third stage is essentially about deciding on the starting salary for the individual who is to be offered the post.

At this stage, the Local Authority will have a preferred candidate for the role and will wish to set the starting salary in the light of candidate-specific factors, such as the extent to which the candidate meets the specific requirements of the post.

It will be important to ensure there is scope for progression over time.

There must be a clear audit trail for any advice given and a full and accurate record of all decisions made and the reasoning behind them.

5. Establishing a Pay Range above the School's Manager Group (ALL SCHOOLS)

The expectation is that in most cases the pay range will be within the limits of the Manager group. However, in some cases e.g. where there may be significant difficulty in making an appointment or there is a need to incentivise a Manager to take on responsibility for a very large school or to lead multiple large schools, it may be appropriate to consider extending the individual pay range.

The Local Authority can, in such cases, decide that the maximum of the pay range may be above the maximum of the Headteacher group, **up to an additional 25%**.

If it is considered that there are exceptional circumstances that warrant an extension beyond that limit, a business case would be required. The Local Authority would need to seek external independent advice from an appropriate person or body who can consider whether it is justifiable to exceed the limit in a particular case.

There must be a clear audit trail for any advice given and a full and accurate record of all decisions made and the reasoning behind them.

6. Temporary Payments for Managers (ALL SCHOOLS)

The Local Authority may consider an additional payment to the Manager in respect of clearly temporary additional duties and responsibilities or duties that are in addition to the post for which their salary has been determined e.g. where they are providing services to other schools. Including where the Manager is appointed as a temporary Manager of one or more additional schools not included as a permanent factor in the calculation of the pay range.

7. Salary Protection (ALL SCHOOLS)

If the School is assigned to a lower group, or the Local Authority chooses to reduce the leadership pay range, the member of staff will be entitled to receive a safeguarded sum for a period of up to three years, subject to the STPC(W)D.

MANAGER / DEPUTY MANAGER / ASSISTANT MANAGER
ANNUAL REVIEW FORM
(September 20__)

Name:	Employee No.:
School:	

*** Manager:**

School Group: Headteacher Pay Range: £ to £

*** Deputy / Assistant Manager:**

Pay Range: £ to £

Salary and Point at August 20__ : £ Point:

Rationale used for Pay Decision:

.....
.....

Revised Salary and Point at August 20__ : £ Point:

Certified by Head of Service/ Pay Panel:

Certified by Line Date:

*** Please delete as appropriate**

PAY APPEALS PROCESS

The Local Authority is committed to ensuring that appeals against pay decisions are dealt with quickly, fairly and are consistent with equalities and other relevant legislation, as well as the STPC(W)D.

Teachers, including Managers, may appeal any determination in relation to their pay or any other decision taken by the Local Authority (or a Committee or individual acting with delegated authority) that affects their pay.

Reasons for appeal may include the following, which is not an exhaustive list. That the person or Committee making the decision:

- a) incorrectly applied any provision of the STPC(W)D;
- b) failed to have proper regard for statutory guidance;
- c) failed to take proper account of relevant evidence;
- d) took account of irrelevant or inaccurate evidence
- e) was biased; or
- f) otherwise unlawfully discriminated against the Teacher.

For both the representation hearing and the appeal hearing, the Teacher is entitled to be accompanied by a work colleague or trade union representative.

Stage 1 - Informal Discussion (Optional Stage)

A Teacher who is dissatisfied with a pay recommendation has the opportunity to discuss the recommendation with the Manager before the recommendation is actioned and confirmation of the pay decision is made by the Local Authority .

If, having had an informal discussion with the person making the pay recommendation, or on receipt of the notification of pay determination the Teacher believes that an incorrect recommendation has been made, they may choose to make representation to the Head of Service / Pay Panel (see Stage 2 below).

Stage 2 - Representation Hearing

1. The Teacher receives written notification of the pay determination and, where applicable, details of the basis on which the decision was made. The Head of Service / Pay Panel will ensure the Teacher is aware of the process for making representation and appealing against the decision, if appropriate.
2. If the Teacher wishes to make representation, they should do so by writing to the Head of Service / Pay Panel within 10 school days of receiving the decision. The decision to request a representation hearing rests with the teacher.
3. The Head of Service / Pay Panel will arrange for a representation hearing to take place as soon as possible, which will be chaired by the Head of Service / Pay Panel. The Line Manager may be required to attend the hearing to clarify the grounds for the pay recommendation.

4. The Teacher will be provided with between 5 and 10 school days' notice of the representation hearing. The Teacher may attend the hearing in order to present evidence, call witnesses and ask questions of the Head of Service / Pay Panel.
5. The Head of Service / Pay Panel will decide if the original pay determination is to be amended and will write to the Teacher about the outcome within 5 school days of the decision being reached.
6. Where the Teacher continues to be dissatisfied, they may appeal this decision within 10 working days of receiving the Head of Service / Pay Panel's outcome letter by proceeding to Stage 3 of the process.

Stage 3 - Appeal Hearing

1. The Teacher should clearly set out in writing the grounds for appealing the pay decision and send it to the Line Manager within 10 working days of receipt of the written outcome.
2. The Line Manager will arrange for an appeal hearing to take place as soon as possible, but normally within 20 working days of the receipt of the written appeal notification.
3. The Teacher should be provided with between 5 and 10 working days' notice of the hearing.
4. The appeal should be heard by the Panel. The Panel will comprise of a Head of a Service and a Manager not involved in the original decision.
5. The Pay Appeals Committee's decision is final.
6. Those required to attend the appeal hearing include:
 - Chair and other Appeal Panel members
 - The Teacher and their representative or work colleague (if the Teacher is accompanied)
 - Witnesses for the employee side (if appropriate)
 - The Head of Service / Chair of Pay Panel who will clarify the reasons for the original decision
 - Witnesses for the management side (if appropriate)
 - Clerk to the hearing
 - HR Adviser to give advice to the Appeal Panel (subject to the provisions of any Service Level Agreement)

A model procedure for formal appeal meetings

Chair introduces everyone and their role in the proceedings.

- The Teacher will present their case including any evidence to be considered and any witnesses they have called;
- Appeals Panel members may ask questions of the Teacher, as may the Pay Committee representative;
- Head of Service / Pay Panel representative will state their case including the evidence on which the decision was based and call any witnesses to support the case, if appropriate
- Appeals panel members may ask questions of the Pay Committee representative, as may the Teacher;
- Both parties may make a closing statement if they wish (Teacher first, followed by Head of Service / Pay Panel representative). No new evidence can be introduced at this stage;
- Both parties leave the hearing;
- The Appeals Panel may request advice from the HR Adviser (if applicable). Once this has been given, the HR Adviser will leave the hearing but may be recalled for further advice (if applicable);
- The Appeals Panel will consider all the evidence and reach a final decision;
- The Appeals Panel will call the parties back to inform the Teacher of the decision (if awaiting the decision) or instruct the Clerk to write to the Teacher on their behalf with their decision and the reasons for it; and
- The Clerk will notify the Local Authority of change of pay, if appropriate.

PART-TIME TEACHERS' PAY AND TIME CALCULATIONS

A School's Timetabled Teaching Week must be established and a part-time Teacher must be paid a proportion of the STTW.

Each school must establish a STTW week for each Teacher, this refers to school sessions hours that are timetabled for teaching, including PPA but excluding break times, registration and assemblies.

Part-time Teachers will then be paid on actual teaching time excluding registration assemblies and breaks.

For Example:

If the school day, excluding registration and assembly, runs from 9.00am to 12.15pm and again from 1.15pm to 3.30pm with one 15 minute break in the morning session and one 15 minute break in the afternoon session, the STTW for a full-time Teacher would be calculated as 25 hours. If a part-time Teacher were employed for mornings only working 9.00am to 12.15pm every day, their percentage of the timetabled teaching week would be calculated as 15 hours. This is shown below:

	Morning Session (less breaks, registration & assembly)	+	Afternoon Session (less breaks, registration & assembly)	x	No. of Days in Timetable	=	STTW	% of STTW
Full-Time	3 Hours	+	2 Hours	x	5 Days	=	25 Hours	100%
Part-Time	3 Hours			x	5 Days	=	15 Hours	60%

PPA and Management Time must be included when calculating class contact time.

Directed Time - a Manager may allocate directed time to part-time Teachers (subject to conditions) as a proportion of a FTE 1252hrs. Part-time Teachers can now be directed to cover breaks, assemblies and registration as part of their directed duties.

Part-time Teachers cannot be required to be available for work (either for teaching or other duties) on days they do not normally work. However, they may attend by mutual agreement with the Manager. Any resultant additional hours should be paid at the Teacher's normal salary.

Part-time Teachers may be required to carry out duties, other than teaching pupils, outside school sessions on the day on which the Teacher is normally required to be available for work (whether the Teacher is normally required to be available for work for the whole or part of that day). This can form part of directed time.

SCHOOL STAFFING STRUCTURE

(School to enter details below as applicable at the time of this Pay Policy being adopted by the Local Authority)

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CEREDIGION COUNTY COUNCIL

Report to: Council

Date of meeting: 26 January 2023

Title: Report on the Council's proposed Pay Policy for 2023/24

Purpose of the report: The Council is required, under Section 38 (1) of the Localism Act 2011 to produce and publish a Pay Policy Statement for each financial year.

The proposed Pay Policy for 2023/24 is enclosed for consideration

For: Approval

Cabinet Portfolio and Cabinet Member: Councillor Bryan Davies, Leader of the Council and Cabinet Member for Policy, Performance, Democratic Services and People and Organisation

Introduction

The purpose of this report is to provide for the Council's approval a Pay Policy for 2023/24 in accordance with the requirements of the Localism Act 2011. Pay Policy statements must be prepared and approved by the Council for each financial year and published on the relevant website by 31 March.

Pay policies have been prepared under this Act and considered and approved by Council each year since March 2012. The details of what is required to be in a pay policy statement and its overall purpose have been outlined as part of the initial approval and subsequent changes have been highlighted as appropriate.

In November 2021 Welsh Government issued Statutory Guidance on '*Pay Accountability in Local Government in Wales*' which set out additional content to be included in the annual Pay Policy Statement, such as:

- the role of the chief executive
- a short pen picture of the post holder
- policy and procedures for decision-making concerning senior officer pay
- approval process of exit packages over £100k
- talent management
- off payroll arrangements.

Last year's Pay Policy Statement was the first to be issued in the new format.

In the interest of clarity the 2023/24 pay policy only relates to the remuneration and reward of staff employed on the following terms and conditions:

- National Joint Council for Local Government Services
- Joint National Council for Chief Executives

- Joint National Council for Chief Officers
- Soulbury Committee

Changes

1. The 2022/23 nationally agreed pay awards for NJC staff, Chief Executive and Chief Officers were announced in November 2022 and backdated to 1 April 2022. Note that negotiations have not yet started for 2023/24.
2. NJC Spinal Column Point 1 is to be deleted from 1 April 2023.
3. The national pay award for NJC staff, Chief Executive and Chief Officers has been agreed at £1,925 added to all spinal points.
4. The national pay award for Soulbury Committee has not yet been agreed but will be backdated to 1 September 2022 once announced.
5. With effect from 1 April 2023 an additional day's leave has been added to annual leave entitlement of staff on NJC and Soulbury Committee terms and conditions.

Wellbeing of Future Generations:	<p>Has an Integrated Impact Assessment been completed? If, not, please state why</p> <p>Summary: Long term: Collaboration: Involvement: Prevention: Integration:</p>	<p>No, set by statutory guidance and legislation.</p>
Recommendation(s):	To approve the attached Pay Policy for 2023/24	
Reasons for decision:	Ensure compliance with section 38(1) of the Localism Act 2011	
Overview and Scrutiny:	Not considered	
Policy Framework:	Welsh Government Regulations	
Corporate Well-being Objectives:	The Pay Policy 2023/24 supports the Council in achieving all its Corporate Priorities.	
Finance and Procurement implications:	Part of budget setting for 2023/24	
Legal Implications:	None	
Staffing implications:	None	

Property / asset implications: None

Risk(s): Not approving Pay Policy within timescale will contravene legislation

Statutory Powers: Local Government Finance Act 1972
Localism Act 2011
Local Government (Wales) Measure 2011

Background Papers:

Appendices: Ceredigion County Council Pay Policy 2023/24

Corporate Lead Officer: Geraint Edwards, Corporate Lead Officer – People & Organisation

Reporting Officer: Geraint Edwards

Date: 04/01/2023

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Cyngor Sir CEREDIGION County Council
Pobl a Threfniadaeth | People and Organisation

Pay Policy Statement

2023/2024



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Ceredigion County Council
Pay Policy Statement 2023/2024

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1 INTRODUCTION AND PURPOSE

- 1.1 The purpose of this statement is to provide transparency regarding the Council's approach to setting the pay of its employees (excluding teachers) by identifying the methods by which salaries of all employees are determined. It takes account of the "Pay Accountability in Local Government in Wales" Statutory Guidance issued by the Welsh Government in November 2021.
- 1.2 This Statement covers the period 1 April 2023 to 31 March 2024.

2 LEGISLATIVE FRAMEWORK

- 2.1 This Pay Policy statement sets out the Council's approach to Pay Policy in accordance with the requirements of Section 38 (1) of the Localism Act 2011 which requires English and Welsh Local Authorities to produce and publish a Pay Policy Statement that details:
- a) The Council's policies towards all aspects and elements of the remuneration of Chief Officers
 - b) The approach to the publication of, and access to, information relating to all aspects of the remuneration of Chief Officers
 - c) The Council's policy on the remuneration of its lowest paid employees
 - d) The relationship between the remuneration of its Chief Officers and other employees.
- 2.2 The provisions in the Act do not apply to teaching staff in local authority schools and therefore these are not included in the scope of this document.
- 2.3 Under Section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the Authority thinks fit". In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the following:
- a) Equality Act 2010
 - b) Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000
 - c) Agency Workers Regulations 2010; and, where relevant, the
 - d) Transfer of Undertakings (Protection of Earnings) Regulations
- 2.4 With regard to the Equal Pay requirements contained within the Equality Act, the Council aims to ensure that there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of an equality proofed job evaluation mechanism which directly relates salaries to the requirements, demands and responsibilities of the role. The Council publishes an annual Gender Pay report detailing any gender gap and the action being taken to address gender gap issues.

3 TERMS AND CONDITIONS OF EMPLOYMENT

- 3.1 The Council employs approximately 3,600 employees. The posts they are employed within are covered by a range of terms and conditions drawn from either:

- National Joint Council for Local Government Services
- Joint National Council for Chief Executives
- Joint National Council for Chief Officers
- Soulbury Committee
- Teachers (not within the scope of this statement)

3.2 The following pay scales are provided as Appendices to this policy:

- Appendix A Pay Scale of NJC Employees (NJC)
- Appendix B Chief Officer Pay Scales (JNC)
- Appendix C Soulbury Pay Scales

3.3 A breakdown of staff numbers by pay band and gender is published separately in the Annual Workforce Equality Report.

3.4 **National Pay Awards**

- 3.4.1 For all employee groups, any nationally agreed pay awards, negotiated at a national level by the local government employers in conjunction with the recognised Trade Unions will be applied. The Council will pay these nationally agreed pay awards as and when determined unless Full Council decides otherwise.

3.5 **Job Evaluation**

- 3.5.1 Job evaluation is a systematic way of determining the value/worth of a job in relation to other jobs within an organisation. It aims to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure and pay equity between jobs. In 2012 the Council implemented a Job Evaluation exercise in relation to jobs which are governed by the NJC's terms and conditions of employment.
- 3.5.2 For NJC posts, the Council currently uses the Greater London Provincial Council (GLPC) Job Evaluation Scheme. For Chief Officer posts, the Council currently uses the Local Government Association's Senior Manager - Job Evaluation Scheme.
- 3.5.3 The Council uses the National Joint Council (NJC) nationally negotiated pay spine as the basis for its grading structure with the exception that it has extended the maximum of the grade from spinal column point 44 to 53. This determines the salaries of the majority of the non-teaching workforce. From 1 April 2019 the National Employers for Local Government Services introduced a new pay spine, these changes were agreed with Trade Unions for implementation in April 2019. As part of the 2022/23 pay deal, from 1 April 2023 spinal column point 1 has been permanently deleted from the pay spine. The pay spine is attached at Appendix A.
- 3.5.4 Negotiations for the April 2023 pay award have not yet commenced.
- 3.5.5 The Council seeks to maintain the equality proofed pay and grading structure by subjecting any newly established job or jobs which have significantly changed to a job evaluation assessment. A Joint Job Evaluation Panel, comprising of trained management and trade union representatives will meet as required to consider and determine grading appeals.

3.6 Starting salaries

- 3.6.1 It is the Council's policy that all appointments to jobs with the Council are made at the minimum of the relevant pay grade, although this can be varied where necessary to secure the best available candidate(s).
- 3.6.2 Corporate Lead Officers can authorise a variation of starting salary for all jobs other than those employed on Chief Officer terms and conditions. Full Council will determine the starting salary of the Chief Executive, Corporate Directors and Corporate Lead Officers.

3.7 Other pay-related allowances

- 3.7.1 All other pay related allowances are the subject of either nationally or locally negotiated arrangements and referred to Cabinet and/or Full Council as appropriate (refer to Decision Making for more information).
- 3.7.2 The terms and conditions of employment relating to annual leave, hours of work, overtime payment, weekend working arrangements and sick pay for all employee groups (with the exception of teaching staff) are set out in Appendix D.
- 3.7.3 The National Joint Council for Local Government Services pay agreement for 2022/23 included an additional annual leave day. This additional day is also applied to employees under Soulbury Committee terms and conditions but not to those employed under Chief Officer or Chief Executive terms and conditions.

3.8 Honoraria Payments

- 3.8.1 There may be occasions when an employee is asked to carry out additional duties to those of their substantive post for a period of time. In such circumstances an additional payment may be made in line with the Council's Honorarium Policy. The policy can be found at Appendix E.

3.9 Market Forces Supplement

- 3.9.1 Job evaluation has enabled the Council to set appropriate pay levels based on internal job size relativities within the Council. However, in exceptional circumstances, it may be necessary to take account of the external pay market in order to attract and retain employees with the necessary specific knowledge, skills and experience.
- 3.9.2 The Council has a Market Forces Supplement Scheme to ensure that the requirement for any market pay supplements is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources. The Market Forces Supplement Scheme can be found at Appendix F. It is the Council's policy that any such additional payments are kept to a minimum and reviewed on a regular basis so that they can be withdrawn where no longer considered necessary.
- 3.9.3 The principles underpinning this Market Forces Supplement scheme are applied to all employee groups within the Council. Where it is proposed to apply a market supplement to a Chief Officer post within the Council,

approval must be sought from Full Council. Should the market supplement result in the total pay package exceeding £100,000 approval must be sought from Full Council.

3.10 Local Government Pension Scheme (LGPS)

3.10.1 To help people save more for their retirement, the Government now requires employers to automatically enrol their workers into a workplace pension scheme. Ceredigion County Council participates in the Local Government Pension Scheme. If an employee has a contract of employment for at least 3 months (and is under 75 years of age), they will be automatically enrolled into the LGPS, from the date employment commenced. Opt-out provisions apply.

3.10.2 The table below set out the employee contribution rates, which are defined by statue, and are based on a percentage of pensionable pay depending on full time equivalent salary levels. The Employer contribution rate is set by Actuaries advising the Dyfed Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded.

Band	Whole-time equivalent pay range	Employee contribution rate	50/50 Section	Employer contribution rate
1	Up to £15,000	5.5%	2.75%	15.8%
2	£15,001 - £23,600	5.8%	2.90%	15.8%
3	£23,601 - £38,300	6.5%	3.25%	15.8%
4	£38,301 - £48,500	6.8%	3.40%	15.8%
5	£48,501 - £67,900	8.5%	4.25%	15.8%
6	£67,901 - £96,200	9.9%	4.95%	15.8%
7	£96,201 - £113,400	10.5%	5.25%	15.8%
8	£113,401 - £170,100	11.4%	5.70%	15.8%
9	£170,101 or more	12.5%	6.25%	15.8%

Rates effective as of 1 April 2022

3.10.4 A triennial valuation took place during the year which confirmed that the Fund remains in balance. As a result, the Employer contribution is expected to reduce to 14.6% with effect from 1 April 2023.

3.10.5 Employees who are members of the LGPS (see above) have the opportunity to join the Salary Sacrifice Shared Costs Additional Voluntary Contributions (AVC) Scheme, assisting employees who wish to increase pension benefits at retirement by paying additional voluntary contributions into the Local Government AVC Scheme.

3.11 Other employee benefits

3.11.1 The Council believes that it has a responsibility to help support the health, wellbeing and welfare of its employees in order to ensure that they are able to perform at their best. As part of this approach and in common with other large employers the council provides a small number of non-pay benefits such as eye test vouchers for users of display screen equipment at work, childcare vouchers via a salary sacrifice scheme (following the Government's closure of such schemes, this benefit is now only available for those who joined the scheme prior to October 2018), salary sacrifice car benefit scheme and participation in the Cycle to Work scheme.

4 DECISION MAKING

- 4.1 In accordance with the Constitution of the Council, the Cabinet is responsible for setting policy and procedures in relation to the recruitment, terms and conditions and severance arrangements in relation to employees of the Council.
- 4.2 Under the Local Authorities (Standing Order) (Wales) (Amendment) Regulations 2014 any decision to determine or vary the remuneration of chief officers, or those to be appointed as chief officers, must be made by Full Council.

5 COLLECTIVE BARGAINING ARRANGEMENTS WITH TRADE UNIONS

- 5.1 The Council recognises the following trade unions:

5.1.1 NJC for Local Government Services

- UNISON
- GMB
- UNITE

5.1.2 JNC for Chief Officers

- UNISON
- GMB

5.1.3 Teachers

- NAHT
- NASUWT
- NEU
- UCAC
- ASCL

- 5.2 Recognition is for the purposes of consultation and negotiation on a collective basis in relation to relevant matters, which are not determined by national negotiating bodies, which both parties agree are appropriate / beneficial to be determined by agreement. Negotiations are conducted with the aim of reaching agreement and avoiding disputes. Recognition also relates to representation on an individual trade union member basis.

6 SENIOR PAY REMUNERATION

- 6.1 Chief Executive

6.1.1 The Chief Executive is the senior officer who leads and takes responsibility of the council. The Chief Executive is the statutory appointed Chief Executive Officer pursuant to S56 of the Local Government and Elections (Wales) Act 2021. The Council is a large and complex organisation with a multi-million pound budget. It has a very wide range of functions and has responsibility for the provision of a wide range of essential services, employing some 3,600 staff.

6.1.2 The role of Chief Executive is a full time and permanent position. The post holder is selected on merit, against objective criteria, following public advertisement. The Chief Executive is appointed by Full Council.

- 6.1.3 The Chief Executive works closely with Elected Members to deliver the strategic aims of the Council, including the following priorities:
- Boosting the economy, supporting businesses and enabling employment
 - Creating caring and healthy communities
 - Providing the best start in life and enabling learning at all ages
 - Creating sustainable, green and well-connected communities.
- 6.1.4 The Chief Executive routinely works in the evenings and on weekends as well as the standard Monday to Friday business week. The Chief Executive also heads the 'on call' arrangements particularly to cover emergency planning arrangements.
- 6.1.5 The current Chief Executive, Mr Eifion Evans, has been in post since October 2017 and has worked for the Council for over 30 years. Mr Evans began his career in the County as a teacher in 1991, before becoming a Headteacher in 1997. In 2007 Mr Evans was appointed Assistant Director of Education Services, he became Director of Education and Community Services in 2009 and Strategic Director - Learning and Partnerships in 2013. Immediately prior to his current role Mr Evans held the role of Deputy Chief Executive
- 6.1.6 With effect from 1 April 2023 (pay award pending), the Chief Executive's salary falls within the pay band £125,367 to £133,985 per annum (please see Appendix B for more details).
- 6.1.7 The Council has a statutory duty to appoint a Returning Officer for specified Elections and Referenda and has appointed the Council's Chief Executive to this role. The Returning Officer is personally responsible for a wide range of functions in relation to the conduct of Elections and Referenda and is paid for discharging these functions in accordance with prescribed fees.
- 6.1.8 Details of the Chief Executive's pay, including any additional payments are published in the Statement of Accounts. This document is published separately.
- 6.1.9 Expenses in relation to car mileage, public transport, overnight accommodation and parking etc. are claimed back in accordance with the Council's Travel and Subsistence Policy.
- 6.1.10 The Chief Executive is a member of the Local Government Pension Scheme and details are disclosed in the Statement of Accounts. There have been no increases or enhancements to the pension outside of standard arrangements.
- 6.2 Senior Staff**
- 6.2.1 For the purposes of this statement, senior staff means 'Chief Officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out in the Council's Constitution as:
- **Chief Officers:**
 - Chief Executive
 - Corporate Director (two roles)

- **Deputy Chief Officers** (twelve roles):
 - Corporate Lead Officer – Finance and Procurement (Section 151 Officer) (A2)
 - Corporate Lead Officer – Porth Cynnal (Statutory Director of Social Services) (A2)
 - Corporate Lead Officer – Schools and Culture (Chief Education Officer) (A2)
 - Corporate Lead Officer – Customer Contact (A1)
 - Corporate Lead Officer – Democratic Services (A1)
 - Corporate Lead Officer – Economy and Regeneration (A1)
 - Corporate Lead Officer – Highways and Environmental (A1)
 - Corporate Lead Officer – Legal and Governance (Monitoring Officer) (A1)
 - Corporate Lead Officer – People and Organisation (A1)
 - Corporate Lead Officer – Policy, Performance and Public Protection (A1)
 - Corporate Lead Officer – Porth Cymorth Cynnar (A1)
 - Corporate Lead Officer – Porth Gofal (A1)

6.3 Pay

- 6.3.1 From 1 April 2023, (pay award pending) Corporate Director posts attract a salary within the pay band £100,678 to £107,572 per annum (please see Appendix B for more details).
- 6.3.2 From 1 April 2023, (pay award pending) Corporate Lead Officer A2 posts attract a salary within the pay band of £81,977 to £87,115 per annum (please see Appendix B for more details).
- 6.3.3 From 1 April 2023, (pay award pending) Corporate Lead Officer A1 posts attract a salary within the pay band of £75,165 to £80,275 per annum (please see Appendix B for more details).
- 6.3.4 Details of senior staff pay are published in the Statement of Accounts.

6.4 Recruitment of Chief Officers

- 6.4.1 The Council's Policy and Procedures with regard to recruitment of Chief Officers is contained within the Officer Employment Procedure Rules as set out in Part 4 of the Constitution. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant Council policies in place at the time of recruitment. Any salary package that exceeds the threshold of £100,000 must be approved beforehand by Full Council.

6.5 Additions to Chief Officers' Pay

- 6.5.1 From 1 October 2022 the Council introduced a nationally agreed interim joint protocol which temporarily increased the mileage rate to 50 pence per mile for all staff, including Chief Officers, who use their private vehicle on Council business. The protocol is due to end on 31 March 2023 and if not renewed the mileage rate will revert to a standard mileage rate of 45 pence per mile. The Council also reimburses any other reasonable expenses, incurred by the Chief Officer on behalf of the Council whilst on Council business, on

production of receipts and in accordance with JNC conditions and other local conditions.

- 6.5.2 The Council does not pay the cost of membership of a professional body for any employee with the exception of those undertaking course of study for a professional qualification, and for the duration of the course only.

6.6 Independent Remuneration Panel

- 6.6.1 Section 143A of the Local Government (Wales) Measure 2011 refers to the Independent Remuneration Panel in Wales (“the IRP”) and sets out their functions in relation to salaries of Chief Executives. The IRP may make recommendations about any policy in this Pay Policy Statement which relates to the salary of the Council’s Chief Executive and any proposed change to the salary of the Council’s Chief Executive.
- 6.6.2 The Council will, as required, consult the IRP in relation to any change to the salary of the Chief Executive which is not commensurate with a change of the salaries of the Council’s other staff, and will have regard to any recommendation received from the IRP when deciding whether or not to proceed with making the change.

7 TALENT MANAGEMENT

- 7.1 The Performance Appraisal process, as well as placing an emphasis on performance, seeks to put in place individual learning plans, developing the skills necessary not only for current roles, but with a future focus to support career development and succession planning.
- 7.2 The Council’s Learning and Development team provide a very wide range of in-house and externally provided training and development options, this includes providing employee access to qualifications via a Corporate Qualifications Panel process which supports employee development at every level of the organisation. Workforce succession planning and career progression is also supported through the provision of specific courses for ‘Aspiring Managers’ and ‘Managing for the First Time’. Entry level apprenticeship positions across the authority provide routes into a variety of careers and also offer a means of early talent identification.
- 7.3 Institute of Leadership and Management (ILM) Qualifications have been introduced to support managers and offer a consistent management qualification across the authority. Six cohorts of ILM Level 4 have enabled 28 completions and a further 26 managers are working towards completion. There have also been two cohorts working towards ILM Level 5 qualification, 5 managers have completed the course and 11 are currently working towards completion. To further develop and support talent and career progression, planning is also underway to introduce delivery of the ILM Level 3 during the year.

8 PERFORMANCE RELATED PAY

- 8.1 The Council does not apply any bonuses or performance related pay to its staff.

9 SUPPORT FOR LOWER PAID STAFF

- 9.1 The Council has committed to continuing discussions with Trade Unions with the objective of introducing the Real Living Wage on an affordable and sustainable basis when circumstances allow. The lowest spinal column point on the NJC pay spine, SCP 1, currently equates to £9.50 per hour which is below the National Living Wage Foundation's real living wage rate of £9.90 per hour.

10 PAY RELATIVITIES WITHIN THE COUNCIL

- 10.1 The lowest paid employee is on £20,441 per annum, in accordance with the minimum spinal column point (SCP 2) of the NJC pay spine for Local Government Services employees. This excludes apprentices who are engaged on different arrangements with training being the main feature of the arrangement and it also excludes agency staff.
- 10.2 The highest paid employee is the Chief Executive and the pay band minimum is £125,367 rising to the pay band maximum of £133,985 (pay award pending for 2023/24). The current post holder earns £133,985.
- 10.3 The median salary in the Council is £21,968, based on salaries as at 31 December 2022.
- The multiple between the lowest paid full time equivalent employee and the Chief Executive's maximum salary is **1:6.6**
 - The multiple between the lowest paid employee and the average of the Chief Officers' maximum salary is **1:4.4**
 - The multiple between the median full time equivalent earnings (excluding teachers) and the Chief Executive's maximum salary is **1:6.1**
 - The multiple between the median full time equivalent earnings (excluding teachers) and the average of the Chief Officers' maximum salary is **1:4.1**

11 EXIT POLICY

11.1 Early Retirement, Voluntary Redundancy and Compulsory Redundancy

- 11.1.1 The Council's approach to statutory and discretionary payments on termination of employment of employees, prior to reaching normal retirement age, is set out within its Employers Discretions Policy (Local Government Pensions Scheme) statement, in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. Please refer to Appendix G. This is in respect of a redundancy payment being based on actual weekly earnings (Regulation 5) and an enhanced redundancy payment of up to 45 weeks' pay would be granted (Regulation 6). Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 do not apply as the Authority does not increase the total membership of active members (Regulation 12) or award additional pension (Regulation 13).
- 11.1.2 All Early Retirement and Voluntary Redundancy expressions of interest are subject to a robust business case, seeking to limit discretionary compensation to an affordable limit, as well as considering the costs of any consequential organisational / pay grade changes.

11.1.3 When calculating the value of a severance package, the following payments should be included:

- salary paid in lieu of notice
- lump sum redundancy / severance payment
- cost to the Council of the strain on the pension fund arising from providing early access to an unreduced pension.

11.1.4 Any severance package in respect of early termination of employment that exceeds a threshold of £100,000 must be approved beforehand by Full Council. Members will be advised of any contractual or statutory elements of the severance package, along with the consequences of withholding these from an employment law context.

11.1.5 The Council has operated a Voluntary Redundancy Scheme during the financial year 2022/2023 and the costs relating to employees who exited the Council's employment under this Scheme can be found in the annual Statement of Accounts.

11.2 Chief Officer

11.2.1 Any severance package in respect of termination of employment of a Chief Officer must be approved by Full Council.

11.3 Re-employment

11.3.1 Employees who leave the Council's employment on grounds of early retirement, severance or voluntary redundancy who are employed in Chief Officer roles will not normally be permitted to return to any paid temporary or permanent Ceredigion County Council employment (which includes schools) or be re-engaged as an agency worker or on a consultancy basis. However, in exceptional circumstances, re-employment may be permitted on the basis of a robust business case where approved by the Chief Executive and Cabinet Member for People and Organisation.

11.3.2 Where the re-employment is regarding the post of the Chief Executive or a Chief Officer this decision will require Full Council approval.

11.3.3 All other employees who leave the council's employment on the grounds of early retirement or voluntary redundancy will not be permitted to return to employment with the Council for a period of 2 years following their leaving date. However, again, and in exceptional circumstances, earlier re-employment may be permitted if the "employing" Corporate Lead Officer is able to provide a robust business case for doing so which is acceptable to the relevant Corporate Director and Corporate Lead Officer – People and Organisation.

11.4 Flexible retirement

11.4.1 Employees are permitted to take flexible retirement in accordance with the provisions of the Local Government Pension Scheme and the Council's Flexible Retirement Scheme.

12 OFF PAYROLL ARRANGEMENTS

- 12.1 Where the Council is unable to recruit to a job under a contract of service, or where there is a need for specialist support for a specific project, the Council will, where necessary, consider engaging individuals under a contract for service. These will be sourced through the relevant procurement process under the Council's Contract Procedure Rules, ensuring the Council is able to demonstrate value for money from competition in securing the relevant service.
- 12.2 Where the contract for service is to provide cover for a vacant post, in addition to ensuring adherence to Contract Procedure Rules, decision making in relation to the appointment will be in line with the Council's rules in relation to appointments i.e. Full Council will determine appointments at Chief Officer level and Corporate Lead Officers or those acting under their authority will determine appointments at Corporate Manager level and below.
- 12.3 With effect from April 2017, the UK Government introduced "Intermediaries Legislation", known as IR35, reforming tax rules for off-payroll working in the public sector and the Council has implemented the new rules in line with the legislation.

13 PUBLICATION

- 13.1 Upon approval by the full Council, this statement will be published on the Council's website.
- 13.2 The Council will comply with its requirement under the Accounts and Audit (Wales) (Amendment) Regulations 2010 to include in its Annual Statement of Accounts the required information in relation to those employees where the full-time equivalent pay is at least £60,000 per annum.

PAY SCALES FOR NJC EMPLOYEES

Last Pay Award: 1 April 2022 (shown below)

Next Pay Award Due: 1 April 2023 (pending)

Grade	Job Evaluation Score Band	Scale Point	Annual Salary (FTE)
Grade 2	200 – 294	2	£20,441
Grade 3	295 – 329	3	£20,812
Grade 4	330 – 364	4	£21,189
Grade 5	365 – 399	5	£21,575
		6	£21,968
Grade 6	400 – 434	7	£22,369
		8	£22,777
		9	£23,194
		10	£23,620
Grade 7	435 – 469	12	£24,496
		13	£24,948
		14	£25,409
		15	£25,878
		16	£26,357
Grade 8	470 – 504	18	£27,344
		19	£27,852
		20	£28,371
		21	£28,900
		22	£29,439
Grade 9	505 – 539	24	£31,099
		25	£32,020
		26	£32,909
Grade 10	540 – 579	28	£34,723
		29	£35,411
		30	£36,298

Grade 11	580 – 619	32	£38,296
		33	£39,493
		34	£40,478
Grade 12	620 – 659	35	£41,496
		36	£42,503
		37	£43,516
Grade 13	660 – 699	39	£45,495
		40	£46,549
		41	£47,573
Grade 14	700 – 739	43	£49,590
		44	£50,581
		45	£51,558
Grade 15	740 – 779	47	£53,532
		48	£54,516
		49	£55,501
Grade 16	780 – 1000	51	£57,667
		52	£58,781
		53	£59,918

CHIEF OFFICERS PAY SCALES

Last Pay Award: 1 April 2022 (shown below)

Next Pay Award Due: 1 April 2023 (pending)

CHIEF EXECUTIVE PAY SCALE

Grade	Scale Point	Annual Salary (FTE)
Chief Executive	1	£125,367
	2	£128,241
	3	£131,112
	4	£133,985

CORPORATE DIRECTOR PAY SCALE

Grade	Scale Point	Annual Salary (FTE)
Corporate Director	1	£100,678
	2	£102,977
	3	£105,274
	4	£107,572

CORPORATE LEAD OFFICER PAY SCALE

Grade	Scale Point	Annual Salary (FTE)
A1	1	£75,165
	2	£76,870
	3	£78,573
	4	£80,275
A2	1	£81,977
	2	£83,679
	3	£85,381
	4	£87,115

SOULBURY PAY SCALES

Last Pay Award: 1 September 2021 (shown below)

Next Pay Award Due: 1 September 2022 (pending)

EDUCATIONAL IMPROVEMENT PROFESSIONALS (EIPS)

Scale Point	Annual Salary (FTE)	Scale Point	Annual Salary (FTE)
1	£37,056	26	£68,434
2	£38,383	27	£69,616
3	£39,637	28	£70,815
4	£40,907	29	£72,016
5	£42,168	30	£73,215
6	£43,431	31	£74,404
7	£44,758	32	£75,611
8	£46,035*	33	£76,819
9	£47,522	34	£78,056
10	£48,849	35	£79,291
11	£50,158	36	£80,560
12	£51,425	37	£81,809
13	£52,860**	38	£83,071
14	£54,140	39	£84,316
15	£55,553	40	£85,561
16	£56,831	41	£86,811
17	£58,113	42	£88,061
18	£59,371	43	£89,309
19	£60,668	44	£90,564
20	£61,338***	45	£91,815
21	£62,626	46	£93,069
22	£63,749	47	£94,327
23	£64,985	48	£95,574****
24	£66,094	49	£96,825****
25	£67,278	50	£98,079****

Notes:

Salary scales to consist of not more than four consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit and motivate staff.

- * normal minimum point for EIP undertaking the full range of duties at this level
- ** normal minimum point for senior EIP undertaking the full range of duties at this level
- *** normal minimum point for leading EIP undertaking the full range of duties at this level
- **** extension to range to accommodate structured professional assessments.

EDUCATIONAL PSYCHOLOGISTS - SCALE A

Scale Point	Annual Salary (FTE)
1	£38,865
2	£40,838
3	£42,811
4	£44,782
5	£46,755
6	£48,727
7	£50,584
8	£52,440
9	£54,179*
10	£55,921*
11	£57,544*

Notes:

Salary scales to consist of six consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff.

* Extension to scale to accommodate structured professional assessment points.

SENIOR AND PRINCIPAL EDUCATIONAL PSYCHOLOGISTS SALARY RANGE B

Scale Point	Annual Salary (FTE)
1	£48,727
2	£50,584
3	£52,440*
4	£54,179
5	£55,921

6	£57,544
7	£58,210
8	£59,456
9	£60,690
10	£61,945
11	£63,177
12	£64,431
13	£65,707
14	£66,941**
15	£68,235**
16	£69,514**
17	£70,803**
18	£72,090**

Notes:

Salary scales to consist of not more than four consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff.

* Normal minimum point for the principal educational psychologist undertaking the full range of duties at this level

** Extension to range to accommodate discretionary scale points and structured professional assessments

ASSISTANT EDUCATIONAL PSYCHOLOGISTS

Scale Point	Annual Salary (FTE)
1	£30,694
2	£31,948
3	£33,201
4	£34,448

TRAINEE EDUCATIONAL PSYCHOLOGISTS

Scale Point	Annual Salary (FTE)
1	£24,970
2	£26,798
3	£28,623
4	£30,453
5	£32,279
6	£34,107

ALL EMPLOYEE GROUPS – MAIN CONDITIONS OF SERVICE

ANNUAL LEAVE (pro rata for part time employees)	
<ul style="list-style-type: none"> ➤ Chief Executive ➤ Chief Officers 	33 days per annum 36 days after 10 years' service
<ul style="list-style-type: none"> ➤ National Joint Council (NJC) 	27 days per annum 31 days after 5 years' service 34 days after 10 years' service
<ul style="list-style-type: none"> ➤ Soulbury 	27 days per annum 31 days after 5 years' service 34 days after 10 years' service
HOURS OF WORK	
<ul style="list-style-type: none"> ➤ Chief Executive ➤ Chief Officers 	Minimum of 37 hours per week, together with additional evening, weekend and bank holiday working as required
<ul style="list-style-type: none"> ➤ National Joint Council (NJC) 	Standard working week is 37 hours
<ul style="list-style-type: none"> ➤ Soulbury 	Standard working week is 37 hours
OVERTIME PAYMENTS	
<ul style="list-style-type: none"> ➤ Chief Executive ➤ Chief Officers ➤ Soulbury 	None payable
<ul style="list-style-type: none"> ➤ National Joint Council (NJC) 	Grade 8 and below: time and a half; Grade 9 and above: TOIL or plain time if cannot be taken within 13 weeks.
WEEKEND WORKING PAYMENTS	
<ul style="list-style-type: none"> ➤ Chief Executive ➤ Chief Officers ➤ Soulbury 	None payable
<ul style="list-style-type: none"> ➤ National Joint Council (NJC) 	Grade 8 and below: Saturday – time and a quarter; Sunday – time and a half Grade 9 and above: Saturday & Sunday – plain time

SICK PAY SCHEME

	During 1 st year of service	1 month's full pay; and, after 4 month's service, 2 months' half pay
➤ Chief Executive	During 2 nd year of service	2 months' full pay; 2 months half pay;
➤ Chief Officers	During 3 rd year of service	4 months' full pay; 4 months' half pay
➤ Soulbury	During 4 th & 5 th years of service	5 months' full pay; 5 months' half pay
➤ National Joint Council (NJC)	After 5 years of service	6 months' full pay; 6 months' half pay

HONORARIUM POLICY**1. Policy Statement**

- 1.1 The Council recognises that it may be necessary from time to time to apply an additional payment when an employee is requested to 'act up' into a higher graded post or temporarily undertake additional duties associated with a higher grade.
- 1.2 Where changes to the job are likely to be permanent, the post should be re-evaluated under the Council's Job Evaluation scheme and a formal grade established.
- 1.3 The purpose of this Policy is to ensure that the additional payments are properly considered and implemented on a consistent basis. This policy sets out the criteria that will apply for all posts regardless of the amount of payment involved.

2. Honorarium

- 2.1 An honorarium payment may be made where an employee is requested to undertake some of the duties and/or responsibilities of a higher graded post.
- 2.2 If there is more than one suitable employee, with the appropriate skills and experience to undertake the additional duties and/or responsibilities, then a selection process will need to be followed to determine the best person to undertake those duties and/or responsibilities.
- 2.3 Payment of any allowance or honorarium will only apply to situations of more than one month's duration and backdated to day one.
- 2.4 Any honorarium payment will be for a maximum of 12 months. If there is an expectation that the duration is longer, the post will be re-evaluated using the Council's Job Evaluation scheme.

3. Procedure

- 3.1 Prior to the implementation of the Council's new grading structure, all current honorarium payments will be reviewed as outlined below.
- 3.2 Where an honorarium is in place the basis of which consists of duties that have been incorporated into the job evaluation questionnaire and evaluated the assessed grade will be applicable from the implementation date and the honorarium will cease.
- 3.3 As an additional payment to basic salary the Council is mindful of the Equal Pay position and as such all such payments would be temporary, subject to review and would have to be objectively justified.
- 3.4 A business case must be made by the relevant manager to support the application for an honorarium payment using the "Request for a Honorarium

Payment” form (Appendix 1) and submitted to the departmental Director for approval.

Types of evidence include:

- The reason for the payment, e.g. to cover for long term absence, or to undertake a specific piece of work
- Details of the post affected and the grades of the substantive and potential higher level post
- Whether the extent of the duties are full or partial, if partial then a percentage must be given
- Cost – calculation of the amount per month the employee would be entitled to receive.

3.5 In such cases the full amount or percentage of the difference between the existing salary and the minimum salary of the higher grade should be paid.

3.6 Where longer term situations may apply, e.g. maternity cover, consideration should be given to advertising the post following the Council’s normal recruitment procedure.

3.7 Employees in receipt of a protected salary that undertake acting up duties higher than their evaluated post but less than their protected salary are not entitled to receive an additional payment.

4 Method of payment

4.1 The above payments can be made as a regular monthly amount if the details are known in advance, or they can be made as a retrospective one-off payment at the end of the relevant period.

5 Consultation

5.1 Directors have delegated powers to grant the payment of Honoraria. In order to ensure consistency, Directors must consult with the Head of Corporate Human Resources when considering payments under this scheme and forward a copy of the “Request for a Honorarium Payment” form. The Head of Corporate Human Resources will forward the form to Payroll Section for payment purposes.

MARKET FORCES SUPPLEMENT

1. Policy Statement

- 1.1 Ceredigion County Council is committed to ensuring that all employees receive equal pay for work rated as equivalent.
- 1.2 In so doing the Council recognises that it may be necessary from time to time to apply a market force supplement to the assessed grade of a job. Usually this will be as a result of a skills shortage in the jobs market (local or national) or because the market rate for a particular skill set is higher than that determined by local job evaluation and the pay and grading structure.
- 1.3 It is clear that whilst the process of job evaluation will offer outcomes that satisfy equal pay considerations there are potential difficulties for some posts in terms of recruitment & retention. Although meeting the Equal Pay provisions the rate of pay for certain posts may compare unfavourably with a similar post elsewhere.
- 1.4 Where this is the case, a supplement may be added to the grade of the job. Supplements shall be clearly expressed as such in employment documents. Annual reviews will be applied on the anniversary of the implementation of the supplement. Market force supplements may be withdrawn subject to written notice of not less than 3 months.
- 1.5 The purpose of this Policy is to ensure that the attachment of market supplements to posts are properly considered and implemented on a consistent basis.

2. Objective Justification

- 21 If the pay of a particular job is to be enhanced to reflect market conditions it is necessary to demonstrate that there are 'objectively justified grounds', i.e. that recruitment and retention difficulties exist in relation to the job(s) concerned which would result in actual or foreseeable organisational and/or operational problems.
- 22 Equal Pay considerations should be taken into account and the possibility of an equal pay challenge assessed. The Council will not be able to rely on the fact that the market suggests that certain jobs, usually done by women are paid less than jobs usually done by men because the market rate may itself be based on discriminatory assumptions. The overriding principle of the decision must be based on what the Council needs to pay to get the person needed to fill the vacancy.
- 23 Other considerations when making this decision should also be taken into account such as operational issues and the reputation of the Council which may suffer if key services are not fully staffed.

- 24 In addition there is a need to show that the comparator job is substantially the same in terms of duties and responsibilities and that there are no material differences in the overall reward package i.e. holiday entitlement, sick pay scheme, flexible working arrangements. These are not cash rewards but could account for the lower rate of pay.
- 25 The application/renewal/withdrawal, of a market force supplement is subject to approval of the relevant Head of Service, in consultation with the Group Manager – Human Resources.
- 26 Market force supplements will apply equally to all staff in the particular job (or specialist area). Costs will be met from the relevant service area.

3. Evidence

- 3.1 The business case for such supplements has to provide objective justification with supporting evidence. Anecdotal evidence is not sufficient.

Types of evidence include:

- salary benchmark data, what is the 'going rate' for the job?
- evidence of any recent (unsuccessful) recruitment processes, e.g. How has the post been advertised in the past? Has the correct media been used? What is the response rate to adverts? What is the turnover rate for the post?
- the level and overall cost of the recommended supplements,
- any alternative measures that have been, or could be, considered, e.g. could the post be remodelled to deliver the service required?
- the operational and/or reputational risks
- details of any perceived detrimental impact on service delivery or failure to recruit (or retain) the right calibre of employee(s).
- details of any potential knock on effects and how they might be resolved, e.g. maintenance of pay relativities between posts within a section or work group

4 Payment

- 4.1 Having obtained the necessary pay data, an assessment will be made as to whether a market supplement needs to be applied and, if so, the actual value of the supplement.
- 4.2 Each application is to be dealt with on a case-by-case basis and will require objective justification using the pro forma shown in Appendix I and II, before approval by the relevant Head of Service.
- 4.3 The market supplement will be kept separate from the agreed rate of pay for the post. This must be made clear when undertaking recruitment to vacant posts and also upon the recruitment of successful candidates. Employees need to understand that the market supplement payment can vary year on year or cease completely.

- 4.4 Employees occupying or appointed to posts that attract a market supplement will be given written confirmation detailing the amount of the payment, the arrangements for review and how any subsequent changes will be implemented. A standard letter for this purpose can be found at Appendix III.
- 4.5 Payment will be as an allowance in addition to the monthly salary and (as it is based on incremental points) will be subject to annual cost of living pay awards. As it forms part of an employee's pay it will be pensionable.
- 4.6 Where appropriate, supplements will be paid pro-rata to the hours worked.

5. Calculation of a Market Supplement

- 5.1 All supplements will be calculated as additional increments based on the evidence supplied and will be the nearest increment below the comparator salary. The payment should be set at a level that is considered will alleviate the recruitment & retention/operational difficulties but which is not excessive and can be justified in terms of salary paid to the comparator jobs in the market place.
- 5.2 The purpose, justification and extent of any market supplement must be transparent, and records must be maintained to demonstrate this, so that the Council can respond effectively to any challenge regarding the rationale for such a payment.

6. Timescales

- 6.1 In order to ensure the continued fairness and equity of the pay structure and that the payment is still justified and appropriate, supplements will be subject to annual review.
- 6.2 Following the review a decision should be made by the Head of Service in conjunction with the Job Evaluation Team and the appropriate Trades Union as to whether to withdraw the supplement from the post(s) concerned, retain the supplement at its current value, or adjust the amount to be paid.
- 6.3 Market force supplements may be withdrawn subject to written notice of not less than 3 months.

7. Appeal

- 7.1 An employee may believe that full consideration relating to the application / renewal / withdrawal of a supplement has not been given and may want to appeal this decision.
- 7.2 To appeal, an employee must write to the Chief Executive, setting out the grounds for the appeal within 14 days after receiving written notice of the decision on the entitlement, or variance, to the supplement.

- 7.3 The Chief Executive must arrange a meeting with the employee to discuss the appeal within 14 days of the written appeal letter. The employee has a right to be accompanied at this meeting. After the meeting has been held the Chief Executive will write to the employee within 14 days notifying the employee of the outcome of the appeal.
- 7.4 If it is not possible to respond within that timescale the employee should be given an explanation for the delay and told when a response can be expected, but no longer than a further 14 days.
- 7.5 This acts as written notice of the appeal outcome and constitutes Ceredigion County Council's final decision and is effectively the end of the formal procedure within the workplace.
- 7.6 An employee who fails to attend the appeal meeting without notification should contact the Chief Executive as soon as possible to explain their absence. The Chief Executive should rearrange the meeting at the next mutually convenient time. It is important that reasonable notice of the meeting is given. If the employee fails to attend a meeting more than once and does not provide a reasonable explanation, the application will be treated as having been withdrawn. In such circumstances, the Chief Executive will write to the employee confirming that the application is now considered withdrawn.

8. Right of Accompaniment

- 8.1 Employees have the right to be accompanied by their Trade Union Representative or work colleague at any meetings arranged to discuss the withdrawal of a supplement or subsequent appeal.
- 8.2. If the person accompanying the employee is unable to attend the meeting, the employee should re-arrange the meeting for a date within 7 days of the originally proposed time, ensuring the new time is convenient to all parties; or, consider an alternative individual to accompany the employee to the meeting.



**Local Government (Early Termination of Employment)
(Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)**

Under Regulation 7 of the Discretionary Compensation Regulations, each authority (other than an Admitted Body) is required to formulate and keep under review a policy which applies in respect of exercising their discretion in relation to:

Discretion	Regulation	Policy
To base redundancy/severance payments on an actual weeks' pay where this exceeds the statutory weeks' pay limit.	5	To pay redundancy/severance/compensation based on actual pay
To award lump sum compensation of up to 104 weeks' pay in cases of redundancy/severance, termination of employment on efficiency grounds, or cessation of a joint appointment.	6	<p>Redundancy Release of pension benefits where age 55 attained at date of termination with statutory redundancy weeks uplifted by a factor of 1.5 (i.e. a maximum of 45 weeks). Such compensation to include statutory redundancy pay values. By election, individuals would be able to convert the difference between statutory redundancy and actual compensation awarded to purchase additional pension via GAD provided factors.</p> <p>Efficiency Termination Release of pension benefits only where age 55 attained by date of termination.</p> <p>Severance Where there is a mutual agreement for the release of an individual under the Council's Severance Scheme the Authority will use its discretion under Regulation 5 to give compensation payments based on actual salary. The</p>

		discretionary severance payments will be based on the statutory redundancy ready reckoner with the number of week's entitlement based on age and Service, with a multiplier to be applied of 1.5, and limited to a maximum of 45 weeks. The voluntary severance payment is inclusive of the statutory redundancy payment. Where an individual has reached aged 55 they will also receive release of unreduced pension benefits built up to the date of termination. 2 years continuous qualifying service is required to access these compensation arrangements.
To award compensatory added years to a person aged 50 or over with 5 or more years membership (or notional membership) of the LGPS in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment which occurred after 30th September 2006 and before 1st April 2007 (but only if employment had commenced pre 1st October 2006)	11(2)	Not to apply this discretion