

MONDAY 17TH OCTOBER 2022

**TO: ALL MEMBERS OF THE GOVERNANCE & AUDIT
COMMITTEE**

**I HEREBY SUMMON YOU TO ATTEND A MULTI LOCATION
MEETING OF THE GOVERNANCE & AUDIT COMMITTEE WHICH
WILL BE HELD IN THE CHAMBER, COUNTY HALL,
CARMARTHEN AND REMOTELY AT 10.00 A.M. ON FRIDAY,
21ST OCTOBER, 2022 FOR THE TRANSACTION OF THE
BUSINESS OUTLINED ON THE ATTACHED AGENDA.**

Wendy Walters

CHIEF EXECUTIVE

Democratic Officer:	Julie Owens
Telephone (Direct Line):	01267 224470
E-Mail:	JuOwens@carmarthenshire.gov.uk
This is a multi-location meeting. Committee members can attend in person at the venue detailed above or remotely via the Zoom link which is provided separately.	
The meeting can be viewed on the Authority's website via the following link:- https://carmarthenshire.public-i.tv/core/portal/home	

Wendy Walters Prif Weithredwr, *Chief Executive*,
Neuadd y Sir, Caerfyrddin. SA31 1JP
County Hall, Carmarthen. SA31 1JP

GOVERNANCE AND AUDIT COMMITTEE

MEMBERSHIP:

8 MEMBERS PLUS FOUR LAY PERSONS WITH VOTING RIGHTS

PLAID CYMRU GROUP (4)

- | | | |
|----|------------|----------------|
| 1. | Councillor | Kim Broom |
| 2. | Councillor | Karen Davies |
| 3. | Councillor | Alex Evans |
| 4. | Councillor | Elwyn Williams |

LABOUR GROUP (3)

- | | | |
|----|------------|----------------|
| 1. | Councillor | Lewis Davies |
| 2. | Councillor | Phil Warlow |
| 3. | Councillor | Janet Williams |

INDEPENDENT GROUP (1)

- | | | |
|----|------------|---------------------------|
| 1. | Councillor | Giles Morgan [Vice-Chair] |
|----|------------|---------------------------|

EXTERNAL VOTING LAY MEMBERS

Period of appointment – until the Local Government Elections in May 2027

- | | |
|----|----------------------------|
| 1. | Mrs Julie James |
| 2. | Mr Malcolm MacDonald |
| 3. | Mr David MacGregor [Chair] |
| 4. | Vacancy |

AGENDA

1. APOLOGIES FOR ABSENCE.
2. DECLARATIONS OF PERSONAL INTERESTS.
3. CARMARTHENSHIRE COUNTY COUNCIL STATEMENT OF ACCOUNTS:
 - 3.1 CARMARTHENSHIRE COUNTY COUNCIL - AUDIT OF FINANCIAL STATEMENTS REPORT 5 - 26
 - 3.2 CARMARTHENSHIRE COUNTY COUNCIL - LETTER OF REPRESENTATION TO AUDIT WALES 27 - 34
 - 3.3 AUDIT ENQUIRIES TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT 35 - 56
 - 3.4 CARMARTHENSHIRE COUNTY COUNCIL STATEMENT OF ACCOUNTS 2021-22 57 - 216
4. BURRY PORT HARBOUR FINANCIAL STATEMENT 2021-22. 217 - 228
5. DYFED PENSION FUND STATEMENT OF ACCOUNTS:
 - 5.1 DYFED PENSION FUND - AUDIT OF FINANCIAL STATEMENTS REPORT 229 - 250
 - 5.2 DYFED PENSION FUND - LETTER OF REPRESENTATION TO AUDIT WALES 251 - 256
 - 5.3 AUDIT ENQUIRIES TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT 257 - 278
 - 5.4 DYFED PENSION FUND ANNUAL REPORT AND ACCOUNTS 2021-22 279 - 422
6. FOLLOW UP REVIEW - PLANNING SERVICES CARMARTHENSHIRE COUNTY COUNCIL 423 - 450
7. INTERNAL AUDIT PLAN UPDATE 2022/23. 451 - 460
8. CARMARTHENSHIRE COUNTY COUNCIL'S DRAFT ANNUAL REPORT 2021/22. 461 - 606
9. GOVERNANCE & AUDIT COMMITTEE FORWARD WORK PROGRAMME. 607 - 614
10. MINUTES OF RELEVANT GROUPS TO THE GOVERNANCE & AUDIT COMMITTEE: 615 - 618
 - 10.1 GRANTS PANEL 619 - 622

This page is intentionally left blank

Governance & Audit Committee

21st October 2022

Subject:

Carmarthenshire County Council Audit of Financial Statements report.

Recommendations / key decisions required:

To receive the Audit Wales Audit of Financial Statements report for Carmarthenshire County Council for 2021/22.

Reasons:

The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the position of Carmarthenshire County Council at 31st March 2022.

Relevant scrutiny committee to be consulted:

Not Applicable.

Cabinet Decision Required: No

Council Decision Required: No

CABINET MEMBER PORTFOLIO HOLDER:

Cllr Alun Lenny

Directorate:
Corporate Services

Name of Director:
Chris Moore

Report Author:
Chris Moore

Designations:

Director of Corporate Services

Tel No. 01267 224120

Email Address:

CMoore@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

Governance & Audit Committee

21st October 2022

Subject:

Carmarthenshire County Council Audit of Financial Statements report

The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the position of Carmarthenshire County Council at 31st March 2022. This report summarises the findings from the audit undertaken.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed : **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
None	Yes	None	None	None	None	None

Legal

Compliance with the Accounts and Audit (Wales) Regulations 2014 (as amended 2018)

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee: N/a

2. Local Member(s): N/a

3. Community / Town Council: N/a

4. Relevant Partners: N/a

5. Staff Side Representatives and other Organisations: N/a

**CABINET MEMBER PORTFOLIO
HOLDER(S) AWARE/CONSULTED**
NO

Include any observations here

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Accounts and Audit (Wales) Regulations 2014 (as amended 2018)		Corporate Services Department, County Hall, Carmarthen
Code of Practice on Local Authority Accounting 2021/22		Corporate Services Department, County Hall, Carmarthen

This page is intentionally left blank

Audit of Accounts Report – Carmarthenshire County Council

Audit year: 2021-22

Date issued: October 2022

Document reference: 3189A2022

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.

Audit of Accounts Report

Introduction	4
Impact of COVID-19 on this year's audit	4
Proposed audit opinion	5
Significant issues arising from the audit	6
Appendices	
Appendix 1 – final letter of representation	7
Appendix 2 – proposed audit report	10
Appendix 3 – summary of corrections made	15

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 Director of Corporate Services and his team.
- 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 £7.1 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;
 - our final review of the revised 2021-22 financial statements;
 - Infrastructure assets – there is currently a national review of the accounting treatment and disclosures required for Infrastructure assets. In the absence of any imminent resolution, the Welsh Government is looking to introduce a statutory override of the code for this area. Until this is in place the accounts cannot be certified.
- 7 We will provide a verbal update on these outstanding items at the Audit and Governance Committee at its meeting on 21 October 2022.
- 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.

Impact of COVID-19 on this year's audit

- 9 The COVID-19 pandemic has had a continuing impact on how our audit has been conducted. We summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year's audit

Timetable	<ul style="list-style-type: none">• The statutory deadline for completion of the 2021-22 draft accounts was 31 May 2022. However, due to the ongoing impact of Covid 19, Welsh Government issued guidance allowing flexibility for completing the 2021-22 financial statements.• We received the draft accounts on 26 July 2022.• The statutory deadline for completion of the 2021-22 audited accounts was 30 November 2022.• The Auditor General will sign the Audit Opinion following receipt of the signed approved accounts subject to the resolution of the Infrastructure Asset Issue.
Audit evidence	<p>We received the majority of audit evidence in electronic format and have used various techniques to ensure its validity. Where we have been unable to obtain certain audit evidence due to it not being available electronically, we have devised alternative audit methodologies to obtain sufficient audit evidence. Specifically:</p> <ul style="list-style-type: none">• officers provided electronic working papers in accordance with our agreed working paper schedule;• officers provided audit evidence to the audit team via email; and• officers were available by video conferencing for discussions, and for the sharing of on-screen information/evidence.
Electronic signatures	<p>The current plan is for the Governance and Audit Committee to approve the 2021-22 financial statements at its meeting on 21 October 2022. If still necessary at the time of approval and signing, we will accept electronic signatures. We anticipate that your audit report will be signed electronically.</p>

Proposed audit opinion

- 10 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**.
- 11 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 12 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.
- 13 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

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

Corrected misstatements

- 15 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

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

Appendix 1

Final letter of representation

[Audited body's letterhead]

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

28 July 2022

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 Carmarthenshire 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 Carmarthenshire 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 by the Governance and Audit Committee on 21 October 2022.

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:

Director of Corporate Services

Date:

Signed by:

Chair of the Governance and Audit
Committee

Date:

Appendix 2

Proposed audit report

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

Opinion on financial statements

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

Carmarthenshire County Council's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement and the Housing Revenue Account Income and Expenditure 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 Carmarthenshire 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;
- 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 7, 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 Carmarthenshire 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 Carmarthenshire County Council's framework of authority as well as other legal and regulatory frameworks that Carmarthenshire 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 Carmarthenshire 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 Carmarthenshire 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 Carmarthenshire 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
1 November 2022

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
£2.54 million (£53k effect on the primary statements)	Note 6.9 Property, Plant and Equipment Audit testing identified that an asset for £2.54 million had been incorrectly reclassified from Assets Under Construction to Other Land and Buildings. As the asset was not yet in use, this should have remained in Assets Under Construction at the year end. The financial statements were amended to move the asset back to Assets Under Construction. There was no net effect on the Balance Sheet as a result of this but £53k of depreciation was reversed as a result, which was amended in the I&E and other primary statements.	To ensure the accuracy of the financial statements.
£2.76 million (No overall effect on the primary statements)	Note 6.9 – Capital Commitments The management contract for the Pentre Awel project was not included in the draft financial statements as a Capital Commitment. Note 6.9 was amended to include a Capital Commitment of £2.76 million for this. As this note is a disclosure for information purposes only, there is no impact on the Balance Sheet or Income & Expenditure of the Authority.	To ensure that the financial statements disclose a complete list of future capital commitments.
£1.34 million (No overall effect on the primary statements)	Note 6.16 Short Term Debtors and Note 6.20 Provisions Note 6.20 (Provisions) included £1.34 million of Bad Debt Provisions which should have	To ensure the financial statements accurately reflect the classification of balances.

Value of correction	Nature of correction	Reason for correction
	<p>been netted off Debtor balances in Note 6.16 as per the Code. The financial statements were amended for this.</p> <p>There was no overall impact on the primary statements as a result of this reclassification.</p>	
Various (No overall effect on the primary statements)	<p>Note 6.15 (Inventories)</p> <p>Donated PPE stocks were included in the draft financial statements. However, the Council identified that masks had been included at a cost of 60p rather than 6p. The narrative in Note 6.15 was amended to reflect the amounts distributed to and held for external organisations at year end (distributed was decreased from £2.79million to £2.14 million and held at year end was decreased from £0.706 million to £0.535 million). As this was a disclosure, there was no net effect on the primary statements.</p>	To ensure the accuracy of the financial statements.
£1.6million (No overall effect on the primary statements)	<p>Note 6.19 Short Term Creditors</p> <p>The authority has reclassified the table in Note 6.19 for 2021-22, adding additional lines to disaggregate Dyfed Pension Fund and Trust Funds. However, the figures for Trust Funds have been included in the incorrect years (ie. the 2021-22 figure is shown as the 2020-21 figure and vice versa). For both years, as the 'Other' line is a balancing entry, there is no impact on the total of the note or the Balance Sheet total.</p>	To ensure the financial statements accurately reflect the classification of balances.
£0.513 million	<p>Note 6.20 Provisions and Note 6.22 Earmarked Reserves</p> <p>Note 6.20 (Provisions) included a provision for £0.513 million which should have been included in Note 6.22 Earmarked Reserves. The financial statements were amended to move the balance from provisions to reserves. There was no net effect on the</p>	To ensure the financial statements accurately reflect the classification of balances.

Value of correction	Nature of correction	Reason for correction
	Balance Sheet as a result of this but this did impact the I&E and other primary statements.	
£1.83 million (No overall effect on the primary statements)	<p>Note 6.25 Revaluation Reserve and Note 6.26 Capital Adjustment Account</p> <p>Audit testing identified a difference of £1.83 million between the Revaluation Reserve and the supporting Asset Management System as a result of the incorrect recording of a disposal.</p> <p>Note 6.25 Revaluation Reserve and Note 6.26 Capital Adjustment Account were amended to correct for this, with no overall net effect on Balance Sheet or the other primary statements.</p>	To ensure the accuracy of the financial statements.
£0.7million (No overall effect on the primary statements)	<p>Note 8.6 Capital Expenditure</p> <p>Note 8.6 was amended to reclassify £0.7million of Capital Expenditure which had been included in Dwelling expenditure rather than Other expenditure. There was no overall impact on the total.</p>	To ensure the financial statements accurately reflect the classification of expenditure.
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.



Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

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

Governance & Audit Committee

21st October 2022

Letter of Representation to Audit Wales Carmarthenshire County Council

Recommendations / key decisions required:

To acknowledge the Letter of Representation from the Director of Corporate Services and the Chair of the Governance and Audit Committee to Audit Wales – Carmarthenshire County Council

Reasons:

The Committee's formal acknowledgement of the Director of Corporate Services' response is required by Audit Wales.

Relevant scrutiny committee to be consulted: N/A

Cabinet Decision Required : NO

Council Decision Required : NO

CABINET MEMBER PORTFOLIO HOLDER:-

Cllr. Alun Lenny

Directorate:
Corporate Services

Designation:

Director of Corporate
Services

Tel No: 01267 224120

E Mail Address:

CMoore@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
Governance & Audit Committee
21st October 2022

Letter of Representation to Audit Wales
Carmarthenshire County Council

In line with the Statement on Auditing Standards (SAS440 - Management Representations), Audit Wales require a "Letter of Representation" on an Annual Basis from the Director of Corporate Services.

Audit Wales require that the Committee responsible for approving the Accounts under Regulation 8 of the Accounts and Audit Regulations formally acknowledge the Director of Corporate Services' response.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee – N/A
2. Local Member(s) – N/A
3. Community / Town Council – N/A
4. Relevant Partners – N/A
5. Staff Side Representatives and other Organisations – N/A

CABINET MEMBER PORTFOLIO HOLDER(S)
AWARE/CONSULTED - NO

Include any observations here

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report: THERE ARE NONE.

This page is intentionally left blank

Eich cyf / Your ref:

Gofynner am / Please ask for: Chris Moore

Fy nghyf / My ref:

Llinell Uniongyrchol / Direct Line: 01267 224120

Dyddiad / Date: 21st October 2022

E-bost / E-mail: CMoore@carmarthenshire.gov.uk

Final letter of representation

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

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 Carmarthenshire 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.

Chris Moore FCCA

Cyfarwyddwr y Gwasanaethau Corfforaethol,
Neuadd y Sir, Caerfyrddin, Sir Gaerfyrddin SA31 1JP

Director of Corporate Services,

County Hall, Carmarthen Carmarthenshire SA31 1JP



BUDDSODDWYR | INVESTORS
MEWN POBL | IN PEOPLE

Mae croeso i chi gysylltu â mi yn y Gymraeg neu'r Saesneg

You are welcome to contact me in Welsh or English

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 Carmarthenshire 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 by the Governance and Audit Committee on 21 October 2022.

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:

Director of Corporate Services

Chair of the Governance and Audit
Committee

Date: 21 October 2022

Date: 21 October 2022

This page is intentionally left blank

Governance & Audit Committee

21st October 2022

Audit enquiries to those charged with governance and management

Recommendations / key decisions required:

To approve the responses to the requests made of both management and the Governance & Audit Committee as detailed in the report.

Reasons:

To give Audit Wales assurance on a number of governance areas that impact on their audit of the financial statements.

Relevant scrutiny committee to be consulted: N/A

Cabinet Decision Required: NO

Council Decision Required: NO

CABINET MEMBER PORTFOLIO HOLDER:-

Cllr. Alun Lenny

Directorate:
Corporate Services

Designation:

Director of Corporate
Services

Tel No: 01267 224120

E Mail Addresses:

CMoore@carmarthenshire.gov.uk

Name of Director:
Chris Moore

Report Author:
Chris Moore

EXECUTIVE SUMMARY
Governance & Audit Committee
21st October 2022

Audit enquiries to those charged with governance and management

Audit Wales is required to conduct their financial audit in accordance with the requirements set out in International Standards on Auditing (ISAs). As part of the requirements of the ISAs they are required to formally seek the Authority's documented consideration and understanding on a number of governance areas that impact on the audit of the financial statements. These considerations are relevant to both the Council's management and 'those charged with governance' (the Governance & Audit Committee).

The areas of governance on which they are seeking views:

1. Management processes in relation to:
 - undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
 - identifying and responding to risks of fraud in the organisation;
 - communication to employees of views on business practice and ethical behaviour; and
 - communication to those charged with governance the processes for identifying and responding to fraud.
2. Management's awareness of any actual or alleged instances of fraud.
3. How management gain assurance that all relevant laws and regulations have been complied with.
4. Whether there is any potential litigation or claims that would affect the financial statements.
5. Management processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The information provided informs their understanding of the Council and its business processes and supports their work in providing an audit opinion on the 2021/22 financial statements.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee – N/A
2. Local Member(s) – N/A
3. Community / Town Council – N/A
4. Relevant Partners – N/A
5. Staff Side Representatives and other Organisations – N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED
NO

Include any observations here

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2021/22 accounts closure working papers		County Hall, Carmarthen
Corporate and HR Policies		

This page is intentionally left blank

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Mr Chris Moore
Director of Corporate Services
Carmarthenshire County Council
County Hall
Carmarthen
SA31 1JP

Dear Chris

Carmarthenshire County Council 2021-22

Audit enquiries to those charged with governance and management

As you will be aware I am required to conduct my financial audit in accordance with the requirements set out in International Standards on Auditing (ISAs). As part of the requirements of the ISAs I am writing to you to formally seek your documented consideration and understanding on a number of governance areas that impact on my audit of your financial statements. These considerations are relevant to both the Council's management and 'those charged with governance'

I have set out below the areas of governance on which I am seeking your views.

1. Management processes in relation to:
 - undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
 - identifying and responding to risks of fraud in the organisation;
 - communication to employees of views on business practice and ethical behaviour; and
 - communication to those charged with governance the processes for identifying and responding to fraud.
2. Management's awareness of any actual or alleged instances of fraud.
3. How management gain assurance that all relevant laws and regulations have been complied with.
4. Whether there is any potential litigation or claims that would affect the financial statements.

5. Management processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The information you provide will inform our understanding of the Council and its business processes and support our work in providing an audit opinion on your 2021-22 financial statements.

I have included your responses for 2020-21 in Appendix 1 and would be grateful if you could update these to reflect your current arrangements. Could you please provide this information on behalf of both management and those charged with governance by 31 August 2022. In the meantime, if you have queries, please contact me on 07789397018

Yours sincerely

Richard Harries
Engagement Lead

Appendix A

International Standard for Auditing (UK and Ireland) 240 – The auditor’s responsibilities relating to fraud in an audit of financial statements

Background

Under the ISA, the primary responsibility for preventing and detecting fraud rests with both management and ‘those charged with governance’, which for the Council is the Audit Committee. This includes fraud that could impact on the accuracy of the annual accounts. The ISA requires us, as external auditors, to obtain an understanding of how the Council exercises oversight of management’s processes for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

What is ‘fraud’ in the context of the ISA? The ISA views fraud as either:

- the intentional misappropriation of the Council’s assets (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

What are we required to do?

We have to obtain evidence of how management and those charged with governance are discharging their responsibilities if we are to properly discharge our responsibilities under ISA240. We are therefore making requests from both management and the Audit Committee:

Enquiries of management		
Question	2021-22 Response	2020-21 Response
1) What is management’s assessment of the risk that the financial statements may be materially misstated due to	It is management’s opinion that the risk of material misstatement of the financial	It is management’s opinion that the risk of material misstatement of the financial

<p>fraud and what are the principle reasons?</p>	<p>statements due to fraud are low due to the checks and controls that are in place. The Authority has an adequate and effective control environment in operation. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members</p> <p>The Authority has an Internal Audit team with responsibility for providing ongoing fraud detection and prevention service covers all areas with the exception of "Benefit Fraud", which is a specialist Unit in the Revenues Unit of the Financial Services Division dealing with all Benefit Fraud. The Authority's Anti Fraud and Anti Corruption Strategy has been updated and was approved by the Audit Committee in October 2020 is available on the Authority's Intranet. The Anti Fraud and Anti Corruption Annual report was received and accepted by the Committee in September 2022. Internal Audit aims to provide a pro-active approach to fraud and staff are mindful of the potential for fraud in relation to all systems under review. All Internal Audit</p>	<p>statements due to fraud are low due to the checks and controls that are in place. The Authority has an adequate and effective control environment in operation. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members</p> <p>The Authority has an Internal Audit team with responsibility for providing ongoing fraud detection and prevention service covers all areas with the exception of "Benefit Fraud", which is a specialist Unit in the Revenues Unit of the Financial Services Division dealing with all Benefit Fraud. The Authority's Anti Fraud and Anti Corruption Strategy has been updated and was approved by Audit Committee in October 2020 and is available on the Authority's Intranet. Internal Audit aims to provide a pro-active approach to fraud and staff are mindful of the potential for fraud in relation to all systems under review. All Internal Audit staff have received Fraud awareness training. The Authority participates in the "National Fraud Initiative", where data on Payroll,</p>
--	--	--

	<p>staff have received Fraud awareness training.</p> <p>The Authority participates in the "National Fraud Initiative", where data on Payroll, Creditors, Housing Benefit, Pensions, Insurance Claims, Blue Badges and VAT issues are matched nationally to identify potential individual frauds. The exercise reviewing data nationally across Local Authorities and other Public Sector Organisations was completed during 2021/2022.</p> <p>Undoubtedly one of the most effective methods of preventing or minimising fraud is through ensuring robust systems are in operation, which reduce the opportunity for individuals to defraud the Authority. Internal Audit plan their work using risk assessment principles and taking into account changes in services. The adoption of a three year rolling programme provides assurance of the adequacy of audit coverage and allows the flexibility to deal with changes to systems within the Authority.</p> <p>During Autumn 2020, Fraud and Cyber Awareness training was provided by Dyfed Powys police for CMT, Executive Board Members and some Revenues & Financial Compliance staff. Internal Audit continues to provide training to a range of staff.</p>	<p>Creditors, Housing Benefit, Pensions, Insurance Claims, Blue Badges and VAT issues are matched nationally to identify potential individual frauds. The exercise reviewing data nationally across Local Authorities and other Public Sector Organisations was completed during 2018/2019 and this year's exercise is currently underway.</p> <p>Undoubtedly one of the most effective methods of preventing or minimising fraud is through ensuring robust systems are in operation, which reduce the opportunity for individuals to defraud the Authority. Internal Audit plan their work using risk assessment principles and taking into account changes in services. The adoption of a three year rolling programme provides assurance of the adequacy of audit coverage and allows the flexibility to deal with changes to systems within the Authority.</p> <p>During Autumn 2020, Fraud and Cyber Awareness training was provided by Dyfed Powys police for CMT, Executive Board Members and some Revenues & Financial Compliance staff. Internal Audit continues to provide training to a range of staff.</p> <p>Processes implemented to enable remote working have continued to operate securely and officers have reviewed their</p>
--	--	---

	<p>Processes implemented to enable remote working have continued to operate securely and officers have reviewed their effectiveness following an implementation period.</p> <p>We are aware of a small number of either attempted/perpetrated fraud incidents. These are all of values below trivial and would not lead to misstatement. Further details can be found in the Anti Fraud and Anti Corruption Annual report presented to the Governance and Audit Committee on 30 September 2022.</p>	<p>effectiveness following an implementation period.</p> <p>We are aware of a small number of either attempted/perpetrated fraud incidents. These are all of values below trivial and would not lead to misstatement. Further details can be found in the Anti Fraud and Anti Corruption Annual report presented to the Governance and Audit Committee on 16 July 2021</p>
2) How can management assure the Audit Committee that it has not been inappropriately influenced by external pressures?	<p>There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place. Risk Management and the Control Framework are sound and operated consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members.</p> <p>In September 2020, the Governance and Audit Committee received and approved updated Contract Procedure Rules and Financial Procedure Rules. These were further amended and approved in September 2022.</p>	<p>There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place. Risk Management and the Control Framework are sound and operated consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members.</p> <p>In September 2020, the Governance and Audit Committee received and approved updated Contract Procedure Rules and Financial Procedure Rules.</p> <p>The committee have received separate fraud and accounts training during the year</p>

	<p>The committee have received separate fraud and accounts training during the year as well as sessions conducted by Audit Wales in previous years too.</p>	<p>as well as sessions conducted by the Wales Audit Office in previous years too.</p>
<p>3) Are management aware of any organisational pressure to meet revenue and capital budgets or other financial constraints?</p>	<p>Following a decade of public sector austerity measures, there remains a constant challenge to set, and subsequently meet, revenue and capital budgets. It is a key requirement of the Section 151 Officer to put forward a balanced budget for approval by County Council. Leading up to his Report to County Council, there is effective consultation with Elected Members, Officers and the public to set priorities and cost the implications of any proposals. Public consultation over the last year was adversely impacted by both COVID-19 restrictions combined with the compressed budget timetable owing to the late WG settlement dates. Elected Members, staff and the public have been kept fully abreast of the developments on the financial position of the Authority throughout the budget setting process, and established reporting systems are in place to ensure that budgets are monitored during the year. Decisions have had to be made in respect of prioritisation of services and the inclusion of budget reductions in order to achieve a</p>	<p>Following a decade of public sector austerity measures, there remains a constant challenge to set, and subsequently meet, revenue and capital budgets. It is a key requirement of the Section 151 Officer to put forward a balanced budget for approval by County Council. Leading up to his Report to County Council, there is effective consultation with Elected Members, Officers and the public to set priorities and cost the implications of any proposals. Public consultation over the last year was adversely impacted by both COVID-19 restrictions combined with the compressed budget timetable owing to the late WG settlement dates. Elected Members, staff and the public have been kept fully abreast of the developments on the financial position of the Authority throughout the budget setting process, and established reporting systems are in place to ensure that budgets are monitored during the year. Decisions have had to be made in respect of prioritisation of services and the inclusion of budget reductions in order to achieve a</p>

	<p>balanced budget with an acceptable Council Tax increase.</p> <p>The COVID-19 hardship additional expenditure and income loss claims process set up by WG continued to be available to all local authorities in 2021-22, providing c. £20m of additional support. This mechanism ceased at the end of the financial year, and was mitigated through a £3m contingency budget allocated in the 2022-23 budget.</p>	<p>balanced budget with an acceptable Council Tax increase.</p> <p>The COVID-19 hardship additional expenditure and income loss claims process set up by WG and available to all local authorities has provided a vital financial lifeline, with the combined pressure in 2020-21 far exceeding £30m. Whilst this mechanism remains in place for the remainder of the financial year, with a clear message from WG that any pressures from 2022/23 and beyond must be met from within Local Authority Core budgets.</p>
<p>4) What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<p>Undoubtedly one of the most effective methods of preventing or minimising fraud is through ensuring robust systems are in operation, which reduce the opportunity for individuals to defraud the Authority.</p> <p>The Authority has an Internal Audit team with responsibility for providing ongoing fraud detection and prevention service covers all areas with the exception of "Benefit Fraud", which is a specialist Unit in the Revenues Unit of the Financial Services Division dealing with all Benefit Fraud.</p> <p>Internal Audit aims to provide a pro-active approach to fraud and staff are mindful of</p>	<p>Undoubtedly one of the most effective methods of preventing or minimising fraud is through ensuring robust systems are in operation, which reduce the opportunity for individuals to defraud the Authority.</p> <p>The Authority has an Internal Audit team with responsibility for providing ongoing fraud detection and prevention service covers all areas with the exception of "Benefit Fraud", which is a specialist Unit in the Revenues Unit of the Financial Services Division dealing with all Benefit Fraud.</p> <p>Internal Audit aims to provide a pro-active approach to fraud and staff are mindful of</p>

	the potential for fraud in relation to all systems under review. All Internal Audit staff have received Fraud awareness training.	the potential for fraud in relation to all systems under review. All Internal Audit staff have received Fraud awareness training.
5) How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?	<p>The Authority's updated Anti Fraud and Anti Corruption Strategy was approved by Audit Committee in October 2020.</p> <p>The Authority has a whistleblowing policy and updated its Code of Conduct for Members and Staff in May 2021. Following County Council elections in May 2022, training was held for all members on Code of Conduct, Ethics, Standards, Legal Duties and Responsibilities.</p> <p>All staff are required to make an annual declaration of personal interests and are reminded of the Officers code of Conduct,</p> <p>In September 2020, the Governance and Audit Committee received and approved updated Contract Procedure Rules and Financial Procedure Rules, which were further updated and approved in September 2022. These updates have been communicated to Officers.</p>	<p>The Authority's updated Anti Fraud and Anti Corruption Strategy was approved by Audit Committee in October 2020.</p> <p>The Authority has a whistleblowing policy and updated its Code of Conduct for Members and Staff in May 2021.</p> <p>All staff are required to make an annual declaration of personal interests and are reminded of the Officers code of Conduct,</p> <p>In September 2020, the Governance and Audit Committee received and approved updated Contract Procedure Rules and Financial Procedure Rules. These updates have been communicated to Officers.</p>
6) What arrangements are in place to report about fraud to those charged with governance?	The Annual Report from the designated Head of Audit to Audit Committee provides an opportunity to summarise issues relating	The Annual Report from the designated Head of Audit to Audit Committee provides an opportunity to summarise issues relating

	<p>to fraud or to report any individual cases which have reached a conclusion. Any significant case of fraud concluding during the year could form a separate Agenda Item to appraise the Committee of the facts of the individual case and advise of the control measures either already put in place or to be put in place to minimise the risk of any recurrence.</p> <p>The authority produced an annual Anti-Fraud and Corruption Report covering the financial year 2021-22, which was presented to the Governance and Audit Committee in September 2022. The Authority has a zero tolerance stance to all forms of fraud, corruption and theft, both from within the organisation and from external sources.</p> <p>The Anti-Fraud and Anti-Corruption Report provides a summary of the activities of the Council's Anti-Fraud functions for the financial year.</p>	<p>to fraud or to report any individual cases which have reached a conclusion. Any significant case of fraud concluding during the year could form a separate Agenda Item to appraise the Committee of the facts of the individual case and advise of the control measures either already put in place or to be put in place to minimise the risk of any recurrence.</p> <p>The authority has introduced an annual Anti-Fraud and Corruption Report, which was presented to the Governance and Audit Committee in July 2021. The Authority has a zero tolerance stance to all forms of fraud, corruption and theft, both from within the organisation and from external sources.</p> <p>The Anti-Fraud and Anti-Corruption Report provides a summary of the activities of the Council's Anti-Fraud functions for the financial year.</p>
Enquiries of those charged with governance		
Question	2021-22 Response	2020-21 Response
1) How do those charged with governance, exercise oversight of management's processes for identifying and	The Anti Fraud and Anti Corruption Strategy 2020-2025 approved by Audit Committee in October 2020. The Strategy sets out the	The Anti Fraud and Anti Corruption Strategy 2020-2025 approved by Audit Committee in October 2020. The Strategy sets out the

responding to the risks of fraud within the Council and the internal control that management has established to mitigate those risks?	Framework for detecting and dealing with fraud matters within the Council. Regular Audit Plan updates to Audit Committee, and reports on control issue identified during audits.	Framework for detecting and dealing with fraud matters within the Council. Regular Audit Plan updates to Audit Committee, and reports on control issue identified during audits.
2) Have those charged with governance knowledge of any actual, suspected or alleged fraud since 1 April 2021?	Audit Committee is a public meeting so individual cases of “suspected fraud” cannot be discussed in such a forum. The Chair and Vice Chair of Audit Committee are provided with greater detail and day to day access to the Internal Audit Management Team. Details of suspected fraud would be shared “informally” with the Chair and Vice Chair i.e. outside of the Formal Committee Meeting.	Audit Committee is a public meeting so individual cases of “suspected fraud” cannot be discussed in such a forum. The Chair and Vice Chair of Audit Committee are provided with greater detail and day to day access to the Internal Audit Management Team. Details of suspected fraud would be shared “informally” with the Chair and Vice Chair i.e. outside of the Formal Committee Meeting.
3) Have those charged with governance any suspicion that fraud may be occurring within the organisation?	All Members and employees have a responsibility to report Fraud and Corruption when they become aware of it. Under Financial Procedure Rules any suspected case of fraud or corruption by any officer or member must be reported to the Head of Revenues ^ Financial Compliance. Carmarthenshire County Council has a “Whistleblowing policy”, managed by the Monitoring officer. This policy enables employees to raise concerns and also safeguard their interests in line with the Public Interest Disclosure Act 1998. Staff and the public are able to report suspected Benefit Fraud including Housing and Council Tax Benefit fraud through the dedicated “Fraud Hotline”.	All Members and employees have a responsibility to report Fraud and Corruption when they become aware of it. Under Financial Procedure Rules any suspected case of fraud or corruption by any officer or member must be reported to the Head of Revenues ^ Financial Compliance. Carmarthenshire County Council has a “Whistleblowing policy”, managed by the Monitoring officer. This policy enables employees to raise concerns and also safeguard their interests in line with the Public Interest Disclosure Act 1998. Staff and the public are able to report suspected Benefit Fraud including Housing and Council Tax Benefit fraud through the dedicated “Fraud Hotline”.

4) Are those charged with governance satisfied that internal controls, including segregation of duties, exist and work effectively? If 'yes', please provide details. If 'no' what are the risk areas?	Yes Regular Audit Plan updates to Audit Committee, and proposed coverage for coming financial years. Reports on control issue identified during audits.	Yes Regular Audit Plan updates to Audit Committee, and proposed coverage for coming financial years. Reports on control issue identified during audits.
5) How do you encourage staff to report their concerns about fraud and what concerns about fraud are staff expected to report?	<p>A revised Whistleblowing policy was approved by the Authority's Standards Committee in June 2022. It sets out a working environment where Staff can feel confident to raise any concerns about malpractice within the Council. Malpractice can include fraud, corruption, bribery, dishonesty, financial irregularities, serious maladministration because of deliberate and improper conduct, unethical activities (which may be of a criminal nature) and dangerous acts or omissions which create a risk to health, safety or the environment, criminal offences, or failure to comply with a legal or regulatory obligation.</p> <p>The Whistleblowing Procedure is regularly monitored by a Whistleblowing Group and annual reports regarding whistleblowing are submitted to Standards Committee</p>	<p>An updated Whistleblowing policy was approved by the Authority's Standards Committee in July 2021. It sets out a working environment where Staff can feel confident to raise any concerns about malpractice within the Council. Malpractice can include fraud, corruption, bribery, dishonesty, financial irregularities, serious maladministration because of deliberate and improper conduct, unethical activities (which may be of a criminal nature) and dangerous acts or omissions which create a risk to health, safety or the environment, criminal offences, or failure to comply with a legal or regulatory obligation.</p> <p>The Whistleblowing Procedure is regularly monitored by a Whistleblowing Group and annual reports regarding whistleblowing are submitted to Standards Committee</p>
6) From a fraud and corruption perspective, what are considered by those charged with governance to be high risk posts within the organisation and how are the risks relating to these posts	The Audit Committee rely on both Internal Audit and External Audit to undertake an ongoing comprehensive review of the Authority. Individuals controlling large amounts of money / cash or managing high value or attractive assets will naturally be seen as higher risk albeit controls should be	The Audit Committee rely on both Internal Audit and External Audit to undertake an ongoing comprehensive review of the Authority. Individuals controlling large amounts of money / cash or managing high value or attractive assets will naturally be seen as higher risk albeit controls should be

identified, assessed and managed?	more secure to prevent any abuse. The Internal Audit Plan is compiled using a Risk Based Approach which takes in to account issues such as value, nature of transaction, past problems etc	more secure to prevent any abuse. The Internal Audit Plan is compiled using a Risk Based Approach which takes in to account issues such as value, nature of transaction, past problems etc
7) Are those charged with governance aware of any related party relationships or transactions that could give rise to instances of fraud and how does they mitigate the risks associated with fraud related to related party relationships and transactions?	All Related Party Transactions are disclosed in the statement of Accounts as confirmed in the letter of representation.	All Related Party Transactions are disclosed in the statement of Accounts as confirmed in the letter of representation.
8) Are those charged with governance aware of any entries made in the accounting records of the organisation that it believes or suspects are false or intentionally misleading?·	No – the Letter of representation confirms that the financial statements are free of material misstatements, including omissions	No – the Letter of representation confirms that the financial statements are free of material misstatements, including omissions
9) Are those charged with governance aware of any organisational, or management pressure to meet revenue and capital budgets or other financial constraints?	All Elected Members sit on Full Council and various scrutiny committees and have had the opportunity to participate in virtual members as well. This has kept members abreast of, and consulted upon the financial outlook and budget setting. Public consultation was undertaken as far as was possible during the budget setting and specifically on the budget Savings proposals. In addition the External Voting Member is fully aware of the need to meet	All Elected Members sit on Full Council and various scrutiny committees and have had the opportunity to participate in virtual members as well. This has kept members abreast of, and consulted upon the financial outlook and budget setting. Public consultation was undertaken as far as was possible during the budget setting and specifically on the budget Savings proposals. In addition the External Voting Member is fully aware of the need to meet

	revenue and capital budgets or other constraints.	revenue and capital budgets or other constraints.
--	---	---

International Standard for Auditing (UK and Ireland) 250 – Consideration of laws and regulations in an audit of financial statements

Background

Under the ISA, in the UK and Ireland, the primary responsibility for ensuring that the entity's operations are conducted in accordance with laws and regulations and the responsibility for the prevention and detection of non compliance rests with management and 'those charged with governance', which for the Council is the Audit Committee. The ISA requires us, as external auditors, to obtain an understanding of how the Committee gains assurance that all relevant laws and regulations have been complied with.

What are we required to do?

We have to obtain evidence of how management and those charged with governance are discharging their responsibilities, if we are to properly discharge our responsibilities under ISA 250. We are therefore making requests from both management and the Audit Committee:

Enquiries of management		
Question	2021-22 Response	2020-21 Response
1) How have you gained assurance that all relevant laws and regulations have been complied with?	Code of Practice on Local Authority Accounting 2020/21, LAAP Bulletins reviewed, CIPFA/IPF training Courses. Audit Wales findings, Wales Chief Accountants Working Group, Specialist advice from Treasury Management Advisors. Technical Working group guidance on COVID19 Agency/Principal grant treatment.	Code of Practice on Local Authority Accounting 2020/21, LAAP Bulletins reviewed, CIPFA/IPF training Courses. Audit Wales findings, Wales Chief Accountants Working Group, Specialist advice from Treasury Management Advisors. Technical Working group guidance on COVID19 Agency/Principal grant treatment.
2) Are there any potential litigations or claims that would	Yes – a small number of employment tribunal cases as included in the Contingent	Yes – a small number of employment tribunal cases as included in the Contingent

affect the financial statements?	liability note included in the statement of accounts	liability note included in the statement of accounts
Enquiries of those charged with governance		
Question	2021-22 Response	2020-21 Response
1) Have those charged with governance, exercise oversight of management's processes to ensure that all relevant laws and regulations have been complied with?	Reliance on Internal Audit, Monitoring Officer, Section 151 Officer, Letter of representation and Audit Wales feedback	Reliance on Internal Audit, Monitoring Officer, Section 151 Officer, Letter of representation and Audit Wales feedback
2) Are those charged with governance aware of any non-compliance with relevant laws and regulations?	No	No
3) If there have been instances of non-compliance what are they, and what oversight have those charged with governance had to ensure that action taken by management to address and gaps in control?	No	No

International Standard for Auditing (UK and Ireland) 550 – Related parties

Background

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties. For example:

- Related parties may operate through an extensive and complex range of relationships and structures, with a corresponding increase in the complexity of related party transactions.
- Information systems may be ineffective at identifying or summarising transactions and outstanding balances between an entity and its related parties.
- Related party transactions may not be conducted under normal market terms and conditions; for example, some related party transactions may be conducted with no exchange of consideration.

As related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

Where the applicable financial reporting framework establishes requirements for related parties, the auditor has a responsibility to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework. We are therefore making requests from both management and the Audit Committee:

Enquiries of management		
Question	2021-22 Response	2020-21 Response
1) What controls are in place to identify, authorise, approve, account for and disclose	Enquires made of relevant officers and members for details of any potential related	Enquires made of relevant officers and members for details of any potential related

related party transactions and relationships?	party transactions. Evidence subjected to audit by Audit Wales. Confirmation given in the Letter of Representation that related party relationships and transactions have been appropriately accounted for and disclosed.	party transactions. Evidence subjected to audit by WAO. Confirmation given in the Letter of Representation that related party relationships and transactions have been appropriately accounted for and disclosed.
2) Confirm that you have: <ul style="list-style-type: none"> disclosed to the auditor the identity of the entity's related parties and all the related party relationships and transactions of which you are aware; and appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the framework. 	Confirmation given in the Letter of Representation that related party relationships and transactions have been appropriately accounted for and disclosed	Confirmation given in the Letter of Representation that related party relationships and transactions have been appropriately accounted for and disclosed
Enquiries of those charged with governance		
Question	2021-22 Response	2020-21 Response
1) How do those charged with governance exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	Disclosure made in the statement of Accounts which is approved by the Audit Committee, Letter of Representations and feedback from WAO.	Disclosure made in the statement of Accounts which is approved by the Audit Committee, Letter of Representations and feedback from WAO.

Governance & Audit Committee

21st October 2022

Statement of Accounts 2021/22

Recommendations / key decisions required:

- 1) To approve the Statement of Accounts 2021/22 as currently presented for Carmarthenshire County Council. Additionally, to delegate authority for any subsequent amendments to the Director of Corporate Services and the Chair of Governance and Audit Committee as a result of the unresolved national issue regarding the treatment of Infrastructure Assets (including insertion of the Audit Certificate and final approval of the post Audit Statement of Accounts by the Director of Corporate Services and the Chair of the Committee).
- 2) To retrospectively approve the movements to and from the Earmarked Reserves. In particular the transfers to:
 - Major Development Fund
 - MEP Capital Funding
 - City Deal/Pentre Awel
- 3) To retrospectively approve the creation of the following reserves:
 - Urdd National Eisteddfod
 - Carmarthen Hwb
 - Waste Strategy
 - Decarbonisation
 - Levelling Up Match Funding
 - Inflationary Risks
 - Revenue Support Grant
 - Cost of Living Discretionary Scheme
 - Targeted Regeneration Investment
 - Residential Home Room Refurbishment

Reasons:

The Council is required to approve its 2021/22 accounts by 31st July 2022 to comply with the Accounts and Audit (Wales) Regulations 2014 (as amended 2018).

Due to the ongoing impact of Covid 19, Welsh Government issued guidance allowing flexibility for completing the 2021/22 financial statements. The statutory deadline for completion of the 2021/22 audited accounts was 30 November 2022.

Audit Committee have delegated power to approve the Accounts in line with the Local Government Measure.

Relevant scrutiny committee to be consulted: NA

Cabinet Decision Required	NO
---------------------------	----

Council Decision Required	NO
---------------------------	----

CABINET MEMBER PORTFOLIO HOLDER:-

Cllr. Alun Lenny

Directorate:
Corporate Services

Designation:

Tel No. 01267 224120

Report Author:
Chris Moore

Director of Corporate Services

E Mail Addresses:
CMoore@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
Governance & Audit Committee
21st October 2022

Statement of Accounts 2021/22

In line with the Accounts and Audit (Wales) Regulations 2014 (as amended 2018), the Statement of Accounts is now presented to Audit Committee for approval.

As noted in the earlier agenda item (Audit Wales report) amendments have been made to the accounts, including clarification in some disclosure notes.

For the Council Fund, there has been no change to the balances on general or earmarked reserves for the year, and similarly no change to the Housing Revenue Account balance at year end.

All changes agreed with Audit Wales have been reflected in the Statement of Accounts presented for approval.

In the preparation of these accounts there have been movements to and from earmarked reserves. In particular transfers to:

Major Development Fund: Transfer of £2.421m to support major developments in the future.

MEP Capital Funding: £2.761m set aside in the 2021/22 budget to meet the cost of prudential borrowing to finance the Modernising Education Provision programme.

The City Deal/Pentre Awel Reserve: Transfer £6.439m to meet potential future expenditure/liabilities in respect of the development of Carmarthenshire County Council City deal projects.

Members are therefore asked to retrospectively approve these movements and approve the creation of the Urdd National Eisteddfod Reserve, Carmarthen Hwb, Waste Strategy, Decarbonisation, Levelling Up Match Funding, Inflationary Risks, Revenue Support Grant, Cost of Living Discretionary Scheme, Targeted Regeneration Investment and Residential Home Room Refurbishment reserves.

DETAILED REPORT ATTACHED ?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Chris Moore

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	YES	YES	NONE	NONE	NONE	NONE

2. Legal

Compliance with the Accounts and Audit (Wales) Regulations 2014 (as amended 2018).

3. Finance:

Overall the Authority's Council Fund net expenditure for the year was below the original budget, resulting in a transfer of £1.434m to balances on the Council Fund and a transfer of £2.451m from the Housing Revenue Account balance.

At the balance sheet date, the Council Fund General Balances stood at £13.468m, the Housing Revenue Account £21.895m and the balances held by schools under LMS £15.205m.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Chris Moore

Director of Corporate Services

1.Scrutiny Committee – Not applicable

2.Local Member(s) – Not applicable

3.Community / Town Council – Not applicable

4.Relevant Partners – Not applicable

5.Staff Side Representatives and other Organisations – Not applicable

**CABINET MEMBER PORTFOLIO
HOLDER(S) AWARE/CONSULTED**
NO

Include any observations here

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Accounts and Audit (Wales) Regulations 2014 (as amended 2018)		Corporate Services Department, County Hall, Carmarthen
Code of Practice on Local Authority Accounting 2021/22		Corporate Services Department, County Hall, Carmarthen

This page is intentionally left blank

Statement of Accounts 2021 - 2022



CONTENTS

Section	Page(s)
1 Narrative Report	1 - 6
2 Statement of Responsibilities for the Statement of Accounts	7
3 Annual Governance Statement	8 - 54
4 Auditor General for Wales' Report to the Members of Carmarthenshire County Council (to follow subject to the resolution of the Infrastructure Asset issue)	
5 Financial Statements	55
5.1 Expenditure and Funding Analysis (EFA)	56
5.2 Comprehensive Income and Expenditure Statement (CIES)	57
5.3 Movement in Reserves Statement	58
5.4 Balance Sheet	59
5.5 Cashflow Statement	60
6 Notes to the Accounts	61 - 139
7 Housing Revenue Account (HRA)	140 - 141
8 Notes to the HRA Income and Expenditure Statement	142 - 144
9 Dyfed Welsh Church Fund Account	145
10 Trust Funds	145
11 Social Care/Children's Services - Client and Staff Accounts	146
12 Glossary of Terms	147 - 151

1 NARRATIVE REPORT

The following Statement of Accounts brings together in summary form the financial transactions of the Authority for the year 2021/22.

The Authority's Accounts for the year 2021/22 are set out on the following pages of this report and have been produced in line with the 2021/22 Code of Practice on Local Authority Accounting (the Code).

1.1 The accounts consist of the following financial statements:

Expenditure and Funding Analysis

Comprehensive Income and Expenditure Statement (CIES)

Movement in Reserves Statement

Balance Sheet

Cash Flow Statement

Detail on each of these financial statements can be found in Section 5.

Housing Revenue Account Income and Expenditure Statement and Movement on the Housing Revenue Account Statement

Detail on these financial statements can be found in Sections 7 and 8.

Dyfed Welsh Church Fund and Other Trust Funds

Detail on these Funds can be found in Sections 9 to 11.

The accounts are supported by the Statement of Accounting Policies (Note 6.1 - Notes to the Accounts).

1.2.1 Revenue Budget

The following table shows how the actual spend on services during 2021/22 compared with the budget set for the year.

Service	Working Budget				Actual				Variance For Year
	Expenditure	Income	Net Non Controllable	Net	Expenditure	Income	Net Non Controllable	Net	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	34,981	(14,979)	(5,718)	14,284	36,139	(16,986)	(5,718)	13,435	(850)
Communities	161,133	(65,800)	23,700	119,033	188,458	(95,602)	24,213	117,070	(1,963)
Corporate Services	80,009	(45,883)	(2,732)	31,393	77,872	(44,911)	(2,732)	30,229	(1,164)
Education & Children	197,605	(41,885)	29,964	185,685	226,824	(71,961)	29,964	184,827	(858)
Environment	127,489	(82,374)	21,254	66,369	135,097	(90,492)	21,254	65,859	(510)
Departmental Expenditure	601,217	(250,920)	66,467	416,764	664,390	(319,952)	66,981	411,419	(5,345)
Net Interest & Capital Accounting Adjustments				(2,853)				(3,995)	(1,142)
Pension Reserve Adjustment				(37,322)				(37,322)	0
Accumulated Leave				(1,346)				(1,346)	0
Levies and Contributions:									
Brecon Beacon Nat Parks				152				152	0
Fire Authority				10,737				10,737	0
Net Expenditure				386,132				379,644	(6,487)
Contribution to/(from) General Balances				0				1,434	1,434
To/(from) Earmarked/Departmental Reserves				0				8,452	8,452
Transfer to City Deal/Pentre Awel Reserve				0				2,000	2,000
Net Budget				386,132				391,530	5,399
Revenue Support Grant				(222,063)				(225,743)	(3,680)
Non Domestic Rates				(62,757)				(62,757)	0
Council Tax				(101,365)				(102,626)	(1,261)
WG Council Tax Hardship Grant				0				(458)	(458)
				-53				-53	0

The 2021/22 revenue budget was approved by County Council on 3rd March 2021, when the scale of the COVID19 impact on services remained uncertain. Additional financial support measures are outlined in paragraph 1.2.2 below.

The financial position at year-end, taking all of these additional financial flows into account showed an underspend at department level of £5,345k. This does not include the underspend on schools as this is captured in the LMS reserve movement (see note 6.22).

The Chief Executives Department reported a £850k underspend. There were net underspends on Commercial properties, Industrial Premises, Members pay and travelling, and staffing savings from vacant posts across the department, offset by overspends as a result of a reduction in income from livestock markets and provision markets

The Department for Communities is underspent by £1,963k for the year. There are significant variances in social care services though these are largely resulting from reduced costs where service provision is reduced due to COVID19 restrictions, additional one off grant funding provided during the year combined with ongoing staff vacancies where it has been difficult to recruit. Social Care teams have prioritised the safe delivery of key services, meaning that the department has been unable to progress some of the planned savings' proposals.

The Corporate Services Department reported a £1,164k underspend for the year. There is a £364k underspend on pre LGR pension costs along with a £143k underspend on Rates Relief due to low take up of the scheme. Budget reductions have been incorporated into future years in the Medium Term Financial Plan (MTFP). There are also underspends on salaries due to vacancies across the department, and staff not yet at the top of their pay scale, along with a reduction in bank charges and audit fees.

The Department for Education and Children had an underspend of £858k for the year. This is largely a result of further Welsh Government (WG) grant funding across many service areas, some services were still providing limited provision due to COVID19 restrictions and delays in recruitment.

The Environment Department is reported an underspend of £510k for the financial year, largely due to increased income from internal recharges reflecting increased work completed during the year by the Property division.

These variances, plus the savings on capital financing costs and a higher than estimated collection level on Council Tax, means that the Authority transferred £1,434k to general reserves for the 2021/22 financial year.

HOUSING REVENUE ACCOUNT	Working Budget			Actual			Variance For Year
	Expenditure	Income	Net	Expenditure	Income	Net	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing Revenue Account	50,303	(43,847)	6,456	41,291	(43,742)	(2,451)	(8,907)
Transfers to/(from) HRA balances	0	0	(6,456)	0	0	2,451	8,907

The Housing Revenue Account (HRA) reported an underspend of £8,907 for the year.

The main variances were:

- Underspends on Minor Works £1,311k due to capacity and procurement issues
- Overspend on Voids/Responsive/Other £1,371k mainly due to costs associated with catch up on repairs delayed by COVID19.
- Supervision & Management and Support is projecting an underspend of -£167k mainly due to staff vacancies
- Provision for bad debt not utilised due to limited write-offs and age of existing debt reduces requirement -£543k
- Capital financing charges are -£642k less than budgeted due to reduced borrowing in 2020/21 reducing the MRP requirement as result of 2020/21 end of year position, forecast reduced spend on 2021/22 capital programme and additional grants secured in 2021/22.
- The impact of additional grant funding provided during the year resulted in no borrowing in year and a reduction in the revenue contribution required by -£7,709k to fund our capital programme.

1.2.2 COVID19 Funding

Welsh Government provided an unprecedented scale and range of different financial support measures during the year to Local Authorities, including the following:

- Direct financial recompense to Local Authorities through the Emergency Hardship Fund, either for additional expenditure incurred in the provision of services or for loss

of income from reduced or closed income generating services. These grants are principal in nature.

- Formula based grant funding to Local Authorities for recognised financial strain such as reduced Council Tax collection and one-off grants to support Education catch up activities. These grants are principal in nature.
- Grants or reliefs to third parties, such as isolating citizens or businesses unable to operate due to COVID19 restrictions, where the Authority is deemed to have acted as an agent on behalf of Welsh Government. These grants are agency in nature.

The value of these additional funding streams is highly material and are summarised in the Grant Income Note 6.35.

The authority is deemed to be an agent where it is acting as an intermediary. The authority is principal where it is acting on its own behalf. Where the authority is acting as principal, the transactions are required by the Code to be included in its Comprehensive Income and Expenditure Statement.

1.3 **Reserves**

In the changeable and challenging environment facing Local Government the Authority is committed to maintaining a reasonable level of reserves. At the year-end the general reserves amounted to the following:

	£'000	£'000
Council Fund:		
Held by Schools under Local Management of Schools Regulations (LMS)	15,205	
Generally available for new expenditure	13,468	28,673
Housing Revenue Account		21,895
		<u>50,568</u>

In addition to general reserves the Authority holds earmarked reserves of £139.327m for specific purposes.

1.4 **Borrowing**

No new borrowing was taken from the Public Works Loans Board (PWLb) in 2021/22.

As at the 31st March 2022 the Authority's total borrowing stood at £401m, which was within the Authority's authorised limit of £589m. Further detail is included in Note 6.44 to the Accounts.

The Authority's borrowing procedures and limits are outlined in the Treasury Management Policy and Strategy, which is approved annually.

1.5 **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 debit balance on the Pensions Reserve of £502m therefore shows a substantial shortfall on an accounting basis in the resources the Authority has set aside to meet the benefits earned by past and current employees. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

1.6 Current Economic Climate

The accounting statements are required to reflect the conditions applying at the end of the financial year.

All the assets of the Authority are re-valued on a cyclical basis and in many instances therefore the current valuation (last undertaken in past years) is likely to reflect current market value or a fair reflection thereof. The majority of assets are held for service delivery and therefore any changes in commercial sales market conditions do not affect values in these accounts. Where a full valuation has not been carried out at the balance sheet date, property valuations have been updated to reflect current building indices or market comparators (depending on valuation method).

The accounting statements are required to reflect the conditions applying at the end of the year. Whilst the COVID19 vaccination programme led to a significant easing of restrictions when compared to the prior financial year, the pandemic and the continued public health measures, including in particular self isolation and Test, Trace, Protect, has meant a continuation of the unprecedented level of additional financial support provided to local authorities through the Welsh Government hardship scheme. This has mitigated the overwhelming majority of additional costs and the same is true of reductions in commercial income. However, this scheme came to an end in March 2022, meaning any additional ongoing costs or reduced income will need to be met out of existing resources in future.

As the pandemic eases, multiple sectors, including local government, are experiencing a significantly tighter labour market, which has led to increased staff vacancies and pressure on services. Pent up global demand has raised inflation for commodities including building materials, food and energy, which has been further exacerbated by the war in Ukraine.

Against this backdrop, our overall financial standing has been maintained at a prudent level, with an increase in the level of general balances at the year-end. The Authority also holds earmarked reserves which are held for specific purposes, whether this is to address liabilities now or in the future e.g. insurance reserves or for financing specific capital schemes. The Authority has been able to augment these balances at the year-end to provide additional resources towards recovery activities and risk mitigation.

1.7 Capital

In 2021/22 the Authority spent some £82.7m on capital projects. This expenditure was financed by a combination of borrowing, useable capital receipts, government grants, contributions, reserves and direct revenue financing.

£28.6m was spent on Housing with the areas of spend being as follows:

Public Sector

Refurbishment & redevelopment of housing stock and the purchase of additional housing stock	£26.6m
---	--------

Private Sector

Disability Facility Grants	£1.5m
Other Improvements	£0.5m

The major areas of expenditure on non-housing services were as follows:

	£'m	
Education & Children's Services	13.9	New Schools, Renovations and Improvements to existing Schools & Children & Family Services Projects
Leisure	2.7	Rights of Way, Sports & Leisure, Arts & Culture and Libraries
Infrastructure	16.7	Roads, Bridges, Cycle Paths, Road Safety, Car Parks, Coast & Flood Defence and Recycling
Fleet	0.2	New Vehicles
Economic Development	12.6	Physical Regeneration Projects County Wide, Community Development, Joint Ventures and Swansea Bay City/Regional Deal projects
Social Services	0.4	Care Homes and Learning Disability Developments
Corporate	7.0	Capital Minor Works and ICT Strategy Developments
COVID19 Hospital	0.6	Rainbow Hospitals County Wide

1.8 **Further Information**

Further information about the accounts is available from the Head of Financial Services, Corporate Services Department, County Hall, Carmarthen, SA31 1JP.

2 STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required:

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

The Director of Corporate Services' Responsibilities

The Director of Corporate Services is responsible for the preparation of the Authority's Statement of Accounts, in accordance with proper accounting 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 Director of Corporate Services has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code;
- Kept proper and timely accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification of Accounts

I certify that the Statement of Accounts on pages 55 to 146 gives a true and fair view of the financial position of Carmarthenshire County Council at 31st March 2022 and its income and expenditure for the year ended 31st March 2022.

Chris Moore FCCA
Director of Corporate Services

Dated: 14 October 2022

3 ANNUAL GOVERNANCE STATEMENT

Assurance Executive Summary

The Corporate Governance arrangements of the Council are acceptable.

It is important that a Governance Statement includes an evaluation and conclusion and provides a clear judgement on whether the governance arrangements outlined are fit for purpose.

To enable this judgement the Council's Internal Audit service conducted a review of our arrangements against the adopted standards (see 3.3 below).

Table - Internal Audit Report extract:

Findings of Carmarthenshire County Council Internal Audit review of AGS and Corporate Governance	
Post Review Assurance Level	Description for Assurance Level
Acceptable	Moderate controls, some areas of non-compliance to agreed controls Medium/Low risk of not meeting objectives Medium/Low risk of fraud, negligence, loss, damage to reputation
Internal Audit found no fundamental control issues to be addressed as a high priority.	

The emerging Draft Guidance on Self-Assessment Provisions in Local Government and Elections (Wales) Act 2021 expects the Council to have regard to these principles when considering the effectiveness of its governance arrangements.

3.1 Scope of Responsibility

Carmarthenshire County Council (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must also ensure that public money is safeguarded and properly accounted for and used economically, efficiently and effectively and to secure continuous improvement in this regard.

The Authority is responsible for putting in place proper arrangements for the Governance of its affairs and facilitating the effective exercise of its functions including having appropriate arrangements for the management of risk.

The Authority details how it deals with all aspects of Governance through its Constitution which defines the standards, roles and responsibilities of the Executive, its Members, Committees and its Officers. The Constitution includes a Scheme of Delegation outlining the decision making process, taking into account the relevant legislation.

A **Corporate Governance Group** comprising key Officers and 2 Cabinet Members is in place to inform and monitor progress on issues affecting Governance, including the **Code of Corporate Governance**, approved by Council in June 2012 and updated by the

Governance and Audit Committee in March 2016, and revisited and presented to Governance and Audit Committee in July 2021. The Chair of the Governance and Audit Committee is invited to the Corporate Governance Group meetings in an observer capacity.

The Code of Corporate Governance recognises policies and processes that are consistent with the principles of the CIPFA/SOLACE Framework '**Delivering Good Governance in Local Government**' (Guidance Notes for Welsh Authorities 2016 Edition – Published September 2016). This framework identifies 7 key principles of good governance which complement the Well-being of Future Generations Act requirements.

This Statement explains how the Authority has complied with the various elements of the Governance Framework.

3.2 The Governance Framework

The Council sees Corporate Governance as “doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.” The Governance Framework comprises the systems, processes, cultures and values by which the Authority is directed and controlled and also the way 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 framework and is designed to manage risk to a reasonable level. It aims to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives. It evaluates the likelihood and impact of identified risks being realised and to manage individual risks appropriately. Our duty under the Local Government and Elections Wales Act 2021 is to ensure that governance is effective for ensuring that

- we are using our resources economically, efficiently and effectively.
- our governance is effective for securing the above..

3.3 The Governance Environment

The CIPFA/SOLACE Governance Framework sets out 7 fundamental principles of Corporate Governance. The 'CIPFA Seven' are:

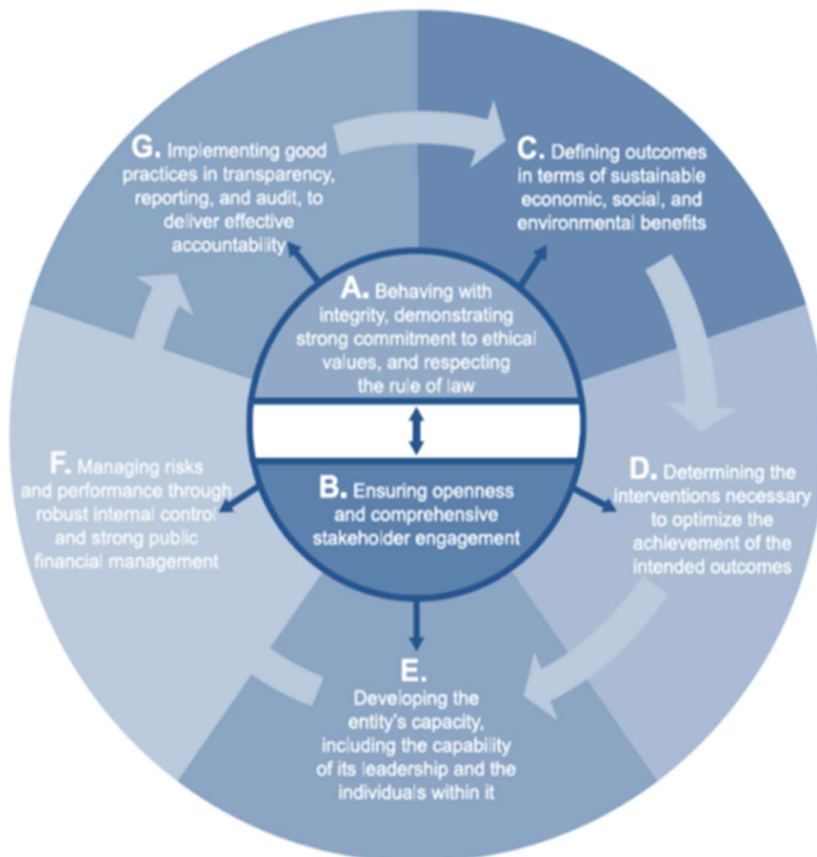
1. **Integrity and Values** - *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.*
2. **Openness and engagement** - *Ensuring openness and comprehensive stakeholder engagement.*
3. **Making a difference** - *Defining outcomes in terms of sustainable economic, social, and environmental benefits.*
4. **Making sure we achieve what we set out to do** - *Determining the interventions necessary to optimise the achievement of the intended outcomes.*
5. **Valuing our people; engaging, leading and supporting** - *Developing capacity and the capability of leadership and individuals.*
6. **Managing risks, performance and finance** - *Managing risks and performance through robust internal control and strong public financial management.*
7. **Good transparency and accountability** - *Implementing good practices in transparency, reporting, and audit to deliver effective accountability.*

Since 2018/19 the Council has had a Well-being Objective on Building a Better Council and Making Better Use of Resources and the steps taken to achieve this objective are sub headed by the above 7 principles.

Sitting behind these principles are 91 behaviours which guide our work.

The Council has created a Well-being Objective on Better governance and use of resources (Well-Being Objective 13) with an action plan for delivery which embeds the above 7 principles thus demonstrating that the Council commits itself to each of these principles.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



The Authority addresses the 7 Fundamental Principles through the following:



3.3.1 Integrity and Values - *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.*

3.3.1.1 Standards Committee

❖ **How we do it**

Standards Committee, chaired by a lay member, oversees standards of members conduct, arranges training for members of the Council and members of Town and Community Councils on the Code of Conduct, and considers applications for dispensations to participate in meetings where members identify personal and prejudicial interests in the business in hand and to receive annual reports on the operation of the council's complaints procedure and the whistle-blowing policy with a view to incorporating references to those matters in the committee's annual report. The Chair of Standards Committee presents an annual report to full Council on the Standards Committee's activities.

This Committee also has oversight of the Whistleblowing Policy and Procedure.

❖ **How well are we doing and how do we know?**

No referrals were made by the Public Services Ombudsman for Wales about the conduct of Carmarthenshire members, either to the Standards Committee nor the Adjudication Panel for Wales during 2021/22.

The lay member chair of the Standards Committee delivered the Committee's annual report to County Council on the 19th January 2022 and had no areas of concern to raise.

❖ What and how can we do better?

From May 2022 onwards new provisions introduced by the Local Government and Elections (Wales) Act 2021 will require Group Leaders to work with the Standards Committee to promote good conduct amongst the members of their Groups.

3.3.1.2 The Constitution

❖ How we do it

The Authority adopted a new form of Constitution in the form promoted by the Welsh Assembly Government upon the modernisation of local government, following the Local Government Act 2000, and this has been kept under constant review since then to ensure that it meets the needs of the Authority and its regulators in terms of transparency of Governance, accountability and decision making.

The Constitution is published on the Council's website and essentially explains the way the Council operates and how it takes decisions. It comprises 8 parts, namely:

1. *Summary & Explanation – a brief overview of the make-up of the Council and its decision making bodies.*
2. *The Articles – a fuller description of the Council and its constituent parts.*
3. *Functions / Delegations - This Part explains which Members are responsible for which decisions, and in particular whether they are decisions which can only be taken by the Council, or only by the Cabinet, and the decisions which have been delegated to officers to take under a Scheme of Delegation.*
4. *Rules of Procedure - including the rules relating to the Conduct of Council and Committee meetings (commonly known as “**Standing Orders**”), rules relating to proceedings of the Cabinet and Scrutiny Committees, rules relating to access to information, **Contract Procedure Rules, Financial Procedure Rules and Officer Employment Rules.***
5. *Codes & Protocols - Amongst the Codes included in this Part is the statutory **Code of Conduct for Members**. In this respect Members’ conduct is strictly governed whether it be in respect of their role as Councillors or as decision makers. In particular Members having a personal and prejudicial interest in any business being transacted at meetings have to declare their interest and withdraw from the meeting (unless they have obtained a dispensation to participate).*
6. *a) Councillors and Co-Opted Members’ Scheme of Allowances - which sets out the respective Job Profiles and Personal Specifications for Members, Cabinet Members, and Chairs and Vice-Chairs of Committees, as well as details of payments which Members are entitled to. In relation to payments to Members as of the 1st April 2012 the Independent Remuneration Panel for Wales, which is the body formed to determine Members’ payments (now called “salaries”), used its new powers to actually prescribe the amounts to be paid as opposed to prescribing maximum payments which could be made. The purpose of this prescription was to make payments more consistent across Wales.
b) Management Structures.*
7. *Names & Addresses of Councillors.*
8. *Bilingual Composition of the Cabinet and Committees.*

The Constitution is a living document and individual amendments are reported to Council for decision on an as and when required basis, following consideration by the Constitutional Review Working Group.

The biggest change the Authority made to its Constitution during 2020/21 was to use the flexibilities granted to local authorities during the COVID19 pandemic to hold its formal meetings wholly online. In line with Legislation the Cabinet Member attend Scrutiny Committee. It is an expectation for Cabinet Members to attend the Scrutiny Committee/s relevant to their portfolios to present reports and answer questions.

❖ **How well are we doing and how do we know?**

At its meeting of the 14th July 2021 The Council committed to becoming a Diverse Council. Its draft Diversity in Democracy Action Plan was endorsed by Council on the 9th March 2022.

❖ **What and how can we do better?**

From May 2022 onwards we will be introducing a hybrid democratic meetings model which will allow members to choose whether to attend meetings physically or attend online.

3.3.1.3 Corporate Governance Group

❖ **How we do it**

As stated in Section 3.1, a Corporate Governance Group has been established to co-ordinate, manage and report on the Governance arrangements of the Authority. The Group comprises:

- Cabinet Member - Resources
- Cabinet Member - Business Manager
- Chair of Governance and Audit Committee (in an observer capacity)
- Director of Corporate Services (s.151 Officer)
- Head of Administration & Law (Monitoring Officer)
- Head of Financial Services
- Head of IT and Corporate Policy
- Corporate Policy Manager
- Assistant Chief Executive (People Management)
- Head of Revenues and Financial Compliance
- People Services Manager
- Nominated substitutes allowable

The Group are responsible for updating the Code of Governance and developing the Annual Governance Statement, for the approval by:

- the Leader
- the Chief Executive
- the Governance and Audit Committee in compliance with the requirements of The Local Government (Wales) Measure 2011

In addition, the Group now oversees the work of the Information Management Group.

Minutes of the Corporate Governance Group are reported to the Governance and Audit Committee.

❖ **How well are we doing and how do we know?**

Co-ordinated approach the drafting of the Annual Governance Statement and challenge of the contents, to ensure it reflects the actual governance position and what

improvements are required. Action plan produced annually, these governance issues monitored through the quarterly Governance Group Meetings.

❖ **What and how can we do better?**

Improve on the timescale for producing the Annual Governance Statement.

3.3.1.4 Monitoring Officer

❖ **How we do it**

The Monitoring Officer (Head of Administration & Law) is responsible for maintaining the Constitution to ensure that it reflects up to date legislative requirements and the Authority's Governance needs and is also responsible for ensuring that the provisions are fully complied with at all levels of the Authority's activities. As Chief Legal Officer supported by the in-house legal team, the Monitoring Officer has access to all meetings of the Authority including the Cabinet and the Authority's Corporate Management Team. The Monitoring Officer is well placed to play a proactive role in supporting Members and Officers in both formal and informal settings to comply with the law and with the Authority's own procedures. As the Head of Service with ultimate responsibility for the Democratic Services Unit, the Monitoring Officer is also responsible for the formal recording and publication of the democratic decision making process.

The Monitoring Officer works closely with the Chief Executive as the Head of Paid Service and the Section 151 Officer in accordance with the provisions of the Local Government and Housing Act 1989 and will report to Council or the Cabinet if they consider that any proposal will give rise to unlawfulness.

There is an All Wales Network of Monitoring Officers which meets on a quarterly basis to discuss topical issues and share best practice, which the Monitoring Officer attends.

❖ **How well are we doing and how do we know?**

The Monitoring Officer did not have to publish any statutory report during the 2021/22 year.

❖ **What and how can we do better?**

The Monitoring Officer did not have to publish any statutory report during the 2021/22 year.

3.3.2 Openness and engagement - *Ensuring openness and comprehensive stakeholder engagement.*

3.3.2.1 Consulting and Engaging with Citizens and Service Users

❖ **How we do it**

The Authority has a well-established method of consulting and engaging with citizens and service users. There are numerous network groups representing a range of interests from the youth forum to the ageing well network as well as fora that we engage to seek the views of those with specified protected characteristics as recognised by The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

The Council publishes all of its on-going consultations on the Council website.

The Authority also makes extensive use of the annual **National Survey for Wales** commissioned by Welsh Government. The results are used to help the Authority in its self-assessment of services and are included in our Annual Report. However, parts of this survey has been affected by the COVID 19 Pandemic and the same level of detail is not as available as in previous years - but we plan to resume full analysis when available.

The Authority has been webcasting all Full Council meetings since May 2013 and Planning Committee since November 2014 and Cabinet meetings from September 2015. Since October 2020 the Council has also been webcasting its virtual Scrutiny Committee meetings.

The Authority normally undertakes extensive consultation on its Budget annually, which includes seminars, Insight events for young people, on-line surveys, social media, and stake holder meetings with Town and Community Councils and Unions. As was the case in 2020/21, this again had to be taken forward in a different way this year as a result of the late announcement of the budget and pandemic restrictions but there were virtual consultation sessions and online survey. The results of the consultations are considered and presented to Cabinet and County Council as part of the Budget Strategy Report.

❖ **How well are we doing and how do we know?**

Evidence suggests that there has been an increase in participation of online consultations. Specifically, when evaluating comparable consultations. For example, the Welsh in Education strategic plan consultation in 2017 received 21 completes whilst in 2021 the consultation received 854. Additionally, a recent Housing and regeneration masterplan received 2522 completed surveys in comparison to 189 in a similar survey run in 2018. The increase in participation is attributed to the closer relationship developed with the Media and Marketing team ensuring that consultations are promoted on social media and corporate website and are sent to all key stakeholders.

❖ **What and how can we do better?**

We are currently in the process of developing an Engagement and consultation plan for the local authority. Specifically, we are looking to develop a system whereby colleagues can submit a consultation request to ensure that all relevant key stakeholders are contacted and to ensure sufficient time is allocated for each consultation. Additionally, we are examining options on improving the consultations page on the corporate website. The page can improve continuous engagement and in addition ensure that consultees can view the results of the consultations they have participated in.

We recognise that there is more that we can do to further develop and improve the way we engage. We will review our current approach and consider further improvements we can make to ensure we broaden our range of stakeholder input and ensure greater engagement from a representative cross-section of our residents and other stakeholders.

3.3.2.2 Dealing with Complaints

❖ **How we do it**

The Authority has a Complaints Policy (adopted in 2021/22) based on an All-Wales model and issued by the Complaints Standards Agency under powers contained within Section 36 of the Public Services Ombudsman (Wales) Act 2019. The procedure for complaints and compliments is outlined and statistics and analysis of the complaints received are reported as part of quarterly performance monitoring.

The Authority has a centralised Complaints Team for most services which ensures compliance with the requirements set out in our Procedure and consistency of approach across the whole Authority. During 2017/18, it was agreed that Adult Social Care Complaints would be managed by the Communities Department.

The Authority investigated and responded to 930 complaints during 2021/22 compared to 673 during 2020/21.

❖ **How well are we doing and how do we know?**

Quarterly reports are provided to the Corporate Management Team with more detailed reports provided to departments monthly in order to monitor trends, identify problem areas and generate service improvement based on customer experience.

❖ **What and how can we do better?**

The Complaints Team is committed to supporting and working with departments to further develop our way of working and handling complaints. Arrangements for greater analysis of complaints trends and patterns are being put in place in order to improve learning from complaints and sharing of knowledge and understanding.

Further work will also be undertaken to support the undertaking of investigations relating to complaints in order to ensure a consistent and thorough response across all Council services.

Officers are currently working on a comprehensive review of the customer service that we as a Council provide and how we can further improve the customer journey. The aim is to enable more contacts to be fully and properly resolved at first point of contact, avoiding passing calls to the 'back office'. We already know that people access information and complete council services via a host of different channels, and we know this is not currently being done consistently. We want to ensure that information and services can be accessed in multiple different ways, regardless of the access point or channel of communication.

3.3.2.3 Public Services Ombudsman for Wales

❖ **How we do it**

The Public Services Ombudsman for Wales considers complaints from Members of the public in relation to Members' conduct and maladministration and has powers to instigate investigations of his or her own initiative. Her Report is published annually.

S.16 Ombudsman's Reports (i.e. Public interest reports) are reported to County Council as required by law.

We provide data on a quarterly basis to the Ombudsman's Complaints Standards Agency, which is an Agency created to drive improvements across Authorities in relation to complaints handling and outcomes.

❖ **How well are we doing and how do we know?**

No Public Interest Reports were issued against the Authority during the 2021/22 year.

No referrals were made for hearings into any complaints about members conduct, either to the Authority's Standards Committee or to the Adjudication Panel for Wales.

❖ What and how can we do better?

The Ombudsman issued revised Guidance during the year on Good Administration and Good Records Management which we will need to cascade to officers.

The PSOW carried out an investigation during the year into homelessness and Carmarthenshire was one of the 3 Authorities chosen for the investigation. Findings from the review will be considered.

3.3.2.4 Ensuring Effective External Communication

❖ How we do it

The Authority's Marketing and Media team promotes the work of the council and supports proactive engagement with members of the public, helping them to access information on council services.

Since the introduction of My Hwb account (for online services and payments), 78,163 residents have signed up for the service. We are adding more services online and reviewing our existing e-forms to ensure that they are easy to use.

The Hwb in Ammanford, Carmarthen and Llanelli offer pre-booked appointments and drop-in advice to an average 8,000 residents per month, as well as providing advice and access to training and employment support. This had to be taken forward in a different way during 2020/21 due to COVID 19 restrictions and the establishments having to be closed. Customers have been able to contact online and telephone and virtual meetings have been held. The increasing use of Social Media has allowed open engagement and conversations with members of the public. In addition to this Social Media is an excellent tool for promoting council services.

The Marketing and Media teamwork with the Cabinet and Departmental Management Teams to plan proactive communications, supporting service areas to engage with the right people, at the right time, in the right way.

❖ How well are we doing and how do we know?

Throughout 2021/22 we have seen an increase in residents and businesses accessing information, support and council services online, the number of visits to our website has increased yet again this year by a further 7%.

The pandemic without a doubt has supported this increase to the website and how we present information bilingually, often at very short notice has been welcomed and complimented by the public. Our digital platforms have been essential in providing accurate, timely information across as broad an audience as possible. Customer services have been able to guide many calls to the website and providing detail through our frequently asked questions feature has improved the consistency and simplicity in how we respond to enquiries.

Accessibility of information is key and we are proud to have this year passed the accessibility standard. It is so important to remember that residents, visitors and businesses are now accessing the website in various ways and interestingly 58.9% access using their mobile device. This is key when considering how to present information to ensure we engage to as a wider audience as possible.

Key stats CCC website 2021 / 2022

- Pageviews: 6,144,228
- Sessions: 3,017,983

Social media, video content and email have been very effective at sharing official updates and driving traffic back to key services.

Key stats for social media, email marketing and video

- 19.3m Twitter reach
- 8.82m Facebook reach
- Published 3,259 posts
- Dealt with 4,055 'inbound' posts, enquiries via comments, written on our wall or sent as a direct message
- 53.3k link clicks
- Facebook – New followers – 1,201.
 - Total followers: 20,451 (circa 13,000 followers 2020/21)
- Twitter – New followers – 372.
 - Total followers 11,151 (in the region of 9,500 followers 2020/21)
- 443,141 emails sent to MyAccount, businesses and 3rd sector. 267,018 unique opens.
- Video – 115,800 views

*All stats are from 31st March 2021 – 31st March 2022. Detailed website reports are available here:

<http://intranet/our-people/marketing-media/digital-communication/website-statistics/>

❖ What and how can we do better?

We need to continue to look at ways in how we can reach our external customers in an easy to understand and consistent manner.

We need to continually promote service change and the work of the council so that residents fully understand what we as a Council deliver.

3.3.3 **Making a difference** - *Defining outcomes in terms of sustainable economic, social, and environmental benefits.*

3.3.3.1 Purpose and Vision

❖ How we do it

The Authority has a firm mechanism for collaboration with key partners and is a statutory member of the Carmarthenshire Public Services Board (PSB). The Well-being of Future Generations Act puts a well-being duty on specified public bodies across Carmarthenshire to act jointly through the PSB. The PSB is tasked with improving the economic, social, environmental and cultural well-being of Carmarthenshire.

www.thecarmarthenshirewewant.wales

- In May 2018 the PSB published a Well-being plan which sets out its local objectives to improving the economic, social, environmental and cultural well-being of the County and the steps it proposes to take to meet them. The PSB has produced Well-being Annual Reports on the progress of this plan.

Preparation for the next PSB Well-being Plan

- One of the requirements of a PSB is to prepare a Local Well-being Plan every five years, using a Well-being Assessment to feed into the planning phase. This PSB has produced a second Assessment at a time when considerations about the current and future well-being of Carmarthenshire has never been so important. The issues presented by COVID-19, climate change, Brexit and changing demographics have highlighted new challenges for individuals and communities and these challenges have not been felt equally. Those who were already experiencing inequalities because of poor health, poverty or because they live in marginalised communities have been hardest hit by the direct and indirect harms of the pandemic and are likely to experience additional disadvantage as we shift to 'recovery.'
- Carmarthenshire PSB has worked collaboratively locally and regionally to produce this assessment. Carmarthenshire, Ceredigion and Pembrokeshire PSB's have worked in partnership to share resources, expertise and capacity in order to reduce the duplication of work. Officers from the three PSBs and Regional Partnership Board (RPB)/West Wales Care Partnership have worked together to develop a consistent methodology and approach which would culminate in three Well-being Assessments (one for each PSB) and a Population Needs Assessment for the RPB.
- Working in this way ensured that the assessments' production was collaborative (between public sector partners and the third sector) in terms of data provision, analysis and interpretation.
- This Well-being Assessment has drawn together local and national data. Responses gathered as part of community engagement sessions are considered alongside analysis of various sources of data and research. Clear themes have been identified in our county, which will allow us to target areas of need when we move from the assessment to planning phase over the course of the next year.
- The Well-being Assessment will be the foundation and evidence on which to prepare our Well-being Plan for the county. The Carmarthenshire PSB has a statutory responsibility to improve the economic, social, environmental and cultural well-being of our county by contributing to the achievement of the seven national Well-being Goals. This includes our work on setting local objectives to maximise our contribution to meeting those goals and demonstrating how we use the Sustainable Development Principle and Five Ways of Working in everything we do. Our Plan will set out the short, medium and long-term actions to be achieved by the PSB over the next five years up to 2028.

Carmarthenshire County Council's Corporate Strategy

- The Well-being Objectives of the Carmarthenshire PSB are not intended to address the core services and provision of the individual partners, rather they are to enhance and add value through collective action. The statutory partners of the PSB (Council, Health Board, Fire & Rescue Service and Natural Resources Wales) each have to publish their own Well-being Objectives.

For 2018/19 we set a New Corporate Strategy that consolidated four plans into one.

- It superseded the 2015-20 Corporate Strategy
- It incorporated our Improvement Objectives as required by the Local Government Measure 2009
- It set our Well-being Objectives as required by the Well-being of Future Generations (Wales) Act 2015. For the first time in Wales, there is a shared vision and set of goals for all public bodies to work towards, our Well-being Objectives are set to maximise our contribution to these

- It included Carmarthenshire County Council's Cabinet key projects and programmes for the next 5 years as set out in *'Moving Forward in Carmarthenshire: the next 5 years'*

We review the strategy and its improvement plans and Well-being Objectives annually and keep the action plans and targets supporting the objectives up to date.

The laws that shape councils' approach to corporate planning are changing. Under the previous performance and governance regime, all councils had improvement duties which required them to set out their improvement objectives, and how they would achieve them, and to publish their plans to improve service delivery. The Local Government and Elections (Wales) Act 2021 is repealing the regime in stages. From 1 April 2021, instead of improvement duties, councils have duties to review, assess and report on how well they are exercising their performance requirements. Under the Act, performance requirements relate to whether councils are exercising their functions effectively; whether they are using resources economically, efficiently and effectively; and whether their governance arrangements are effective.

❖ **How well are we doing and how do we know?**

During 2021-22 working with the PSB our second well-being Assessment has been prepared and we have made a considerable step forward on our previous assessment. The new assessment is due to be published in June 2022.

We met with the Audit Wales and the Future Generations Commissioners Office to discuss the draft assessment and they were very complimentary and made some minor suggestions for further improvement. The PSB received the assessment and were very satisfied with the breadth and readability of the document. This well-being Assessment can be used to inform each partners Corporate Planning development and Well-being Objective setting.

The Corporate Strategy was updated in June 2019 and in April 2021 to make sure that the Well-being Objectives were still relevant.

- The Strategy was well received by Scrutiny Committees and by Cabinet. Departmental and Service Business Plans were aligned to these Well-being Objectives. The steps to achieve each Well-being Objective were outlined and detailed actions and targets set for each step.
- Scrutiny Committees challenged business plans that were set to support the corporate strategy and feedback during the 2021-22 business planning cycle requested further consideration of specific measures and SMART actions to be included in business plans. It was agreed that future business plans would be enhanced, and templates prompt more measures and SMART actions. As a result, a new Engagement and Assurance process was introduced for the 2022-23 business planning cycle (undertaken during October 2021-January 2022) in order to further strengthen the business planning approach and support embedding of self-assessment.
- The actions and targets set out in business plans for each Well-being Objective was monitored and quarterly reported to CMT, Cabinet and scrutiny.

In September 2021, the Audit Wales report - *A Picture of Local Government* reported that Nationally comparable data on recent council performance is variable across service areas.

There is a range of public data showing aspects of performance in local government. However, nationally comparable data does not exist for some service areas. Data for some years is not available, and the data is not available in one place, making it difficult for the public to compare their council's performance with others across Wales. Para 28

Nationally Data Cymru is developing a Self-Assessment Data set as a resource so that we can use comparable performance information to inform self-assessment or help us understand, at a strategic level, how we are performing.

As a Council we already have a lot of data that we report and this needs to be better harnessed and consolidated. We want to make better use of data and we have set up a 'Data Insight' unit to corporately ensure that we become a data driven authority. Furthermore, we are stepping up the use of data within our business planning.

We presently have 13 Well-being Objectives and we will be reviewing these following Local Government elections in May 2022 and publishing a new Corporate Strategy.

❖ What and how can we do better?

- For the PSB's second well-being Assessment (undertaken every five years) we will:-
 - Promote the well-being assessment more with partners and with the Council's elected members and services
 - Ensure it continues to inform our Corporate Strategy and Well-being Objectives formulation
 - Address key findings that apply to the council and play a full part in our partnership response to meeting the needs identified.
- We will review and reinvigorate our Corporate Strategy and Well-being Objectives post Local Government Elections May 2022 making sure that we address identified needs.
- We will focus on the development of Council Service level data to assist with Council quarterly reporting and annual reporting of performance.
- We will make better use of data with our new data insight unit leading this development across the Authority.

3.3.3.2 Well-being of Future Generations Act (Wales) 2015

❖ How we do it

Where change needs to happen in Corporate Governance

The Act identifies..... 'a core set of activities that are common to the corporate governance of public bodies (SPF1 Para 47). Applying the requirements of the Act to these activities is likely to most effectively secure the type of change required'.

1. Corporate & Service Planning
2. Financial Planning
3. Asset Management
4. Workforce Planning
5. Procurement
6. Risk Management
7. Performance Management

Self-assessment is a way of critically, and honestly, reviewing the current position in order to make decisions on how to secure improvement for the future. Self-assessment is more than stating what arrangements are in place, it is about considering how effective these arrangements are and how they can be improved.

The general purpose of the Act, is to ensure that the governance arrangements of public bodies for improving the well-being of Wales, take the needs of future generations into account. The Act is designed to improve the economic, social, environmental, and cultural well-being of Wales, in accordance with sustainable development principles. The law states that:

- i. We must carry out sustainable development, improving the economic, social, environmental, and cultural well-being of Wales. The sustainable development principle is: '*... the public body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.*'
- ii. We must demonstrate 5 ways of working:
 - Long term
 - Integrated
 - Involving
 - Collaborative
 - Preventative
- iii. We must work towards achieving all of the 7 national well-being goals in the Act. Together they provide a shared vision for public bodies to work towards a:
 - prosperous Wales
 - resilient Wales
 - healthier Wales
 - more equal Wales
 - Wales of cohesive communities
 - Wales of vibrant culture and thriving Welsh Language
 - globally responsible Wales

As a public body we must publish our Well-being Objectives that maximise our contribution to these National Well-being Goals.

List of the 2021/22 Well-being Objectives :

1. Help to give every child the best start in life and improve their early life experiences
2. Help children live healthy lifestyles
3. Support and improve progress and achievement and outcomes for all learners
4. Tackle poverty by doing all we can to prevent it, helping people into work and improving the lives of those living in poverty
5. Creating more jobs and growth throughout the county
6. Increase the availability of rented and affordable homes
7. Help people live healthy lives (tackling risky behaviour and obesity)
8. Support community cohesion, resilience and safety
9. Support older people to age well and maintain dignity and independence in their later years
10. Looking after the environment now and for the future
11. Improving the highway and transport infrastructure and connectivity
12. Promoting Welsh Language and Culture
13. Better Governance and Use of Resources

We included our Statutory Well-being Statement in the New Corporate Strategy. This sets out our governance arrangements to support our planned outcomes.

Well-being Statement

1. We feel that our Well-being Objectives contribute significantly to the achievement of the National Well-being Goals. Our Well-being Objectives relate to different aspects of life's course and address well-being in a systematic way.
2. These Well-being Objectives have been selected from considerable consultation feedback and a range of different sources of information on need, performance data and regulatory feedback. In developing action plans to achieve these objectives we will involve people (in all their diversity) with an interest in achieving them.
3. The steps we take to achieve the Well-being Objectives (our action plans) look to ensure that long term, preventative, integrated, collaborative and involvement approaches are fully embraced.
4. Cabinet member has a specific responsibility for the overall Act. In addition, each Cabinet portfolio holder has responsibility for relevant Well-being Objectives.
5. The content of action plans to achieve the Well-being Objectives are adequately resourced and embedded in Service business to achieve these objectives services will 'join-up' and work together, work with partners and fully involve citizens in all their diversity.
6. Our Objectives are long term but our action plans will include milestones that will enable monitoring and assurance of progress.
7. To ensure that our Well-being Objectives are deliverable and that the expectations of the Act are embraced we will adapt financial planning, asset management, risk assessment, performance management and scrutiny arrangements.

❖ How well are we doing and how do we know?

Annual Report on 2020/21

In October 2021 we published an Annual Report on 2020/21. It was produced by the Council because we believe we should provide comprehensive and balanced information to the public about our services, so that they can see how we are performing and the challenges we are facing.

- In November 2021 Audit Wales certified that we had assessed our performance in accordance with the Local Government (Wales) Measure and gave positive feedback.
- The Strategy was well received by Scrutiny Committees and by Cabinet.
- We used a range of information to inform our self-assessment of each Well-being Objective and triangulate evidence to make a judgement on progress.

Corporate Strategy (incorporating Well-being Objectives) 2021/22

For our 13 Well-being Objectives we identified the key steps we will take to achieve them and then via business plans identified key actions and measures for each step.

Number of Steps set out to support the 13 Well-being Objectives	66	
Number of measures	82	360-deliverables monitored on PIMS quarterly
Number of actions	278	

We have been monitoring our progress for each Well-being objective throughout 2021/22 with 87% on target at Q3.

❖ What and how can we do better?

- We need to continue to promote the Well-being of Future Generations Act and the sustainable development principle and when we reset our Corporate Strategy and Well-being Objectives following Local Government elections we will undertake a full promotional campaign and ensure that the organisation fully aligns to the delivery of our plans.
- We will establish clear governance mechanism to drive progress against each Well-being Objective.
- We will further drive the expectations of the Future Generations Act and the sustainable development 5 ways of working principles.
- We need to develop more ownership of our Well-being Objectives and lead roles.
- We will look to identify priority themes and service areas to support delivery of the well-being objectives.

3.3.3.3 Local Government and Elections Wales Act 2021

❖ How we do it

The Local Government and Elections Wales Act 2021 provides for the establishment of a new and reformed legislative framework for local government elections, democracy, governance and performance. It replaces the Local Government Measure 2009. Part 6 of the Act outlines new duties in respect of Performance and Governance of Principal Councils and includes specific duties for the Council:

- Duty to keep performance under review;
- Duty to consult on performance;
- Duty to report on performance – based on self-assessment approach;
 - We must set out conclusions on the extent to which we have met the performance requirements and any actions we plan to take or have taken to increase the extent to which we are meeting these performance requirements.

The performance requirements are the extent to which:

- We are exercising our functions effectively.
- We are using our resources economically, efficiently and effectively.
- Our governance is effective for securing the above.
- Duty to arrange a panel performance assessment.
- Duty to respond to a panel performance assessment report.

❖ How well are we doing and how do we know?

To prepare for the expectations of the new Act we have adjusted business plan templates and increased their emphasis on self-assessment. See more on business planning in section. 3.3.4.1

We have placed a lot more emphasis on self-assessment.

The Chief Executive has given clear messages that open and honest self-assessment of Service performance is required and that data gaps need to be closed.

Self-assessment is a way of critically, and honestly, reviewing the current position in order to make decisions on how to secure improvement for the future. Self-assessment is more than stating what arrangements are in place it is about considering how effective these arrangements are and how they can be improved.

The role of the AGS in self-evaluation

Considering the extent to which the council is meeting the performance requirements is a corporate, organisational assessment rather than an assessment of individual services. For example, it should consider the role of leadership, and the effectiveness of the relationship between the political leadership and senior officers in the council, in ensuring the council is able to respond to the changing environment in which it operates. It is about a council being self-aware, understanding whether it is delivering the right outcomes, and challenging itself to continuously improve how it manages delivery of services and performs as the custodian of the area. Para 2.7 of the Statutory guidance.

Self-assessment is a way of critically, and honestly, reviewing the current position in order to make decisions on how to secure improvement for the future. Self-assessment is more than stating what arrangements are in place it is about considering how effective these arrangements are and how they can be improved (Para 2.6)

- Clearly this AGS document evaluates the Corporate Governance arrangements of the Council and needs to go beyond stating what arrangements were in place to considering how effective these arrangements are. Therefore, we are taking this Approach.

❖ What and how can we do better?

- Newly introduced integrated performance monitoring reports need to be further developed.
- Service Annual Reports need to feed into Corporate quarterly monitoring when available and feed into the Council's Annual Report.
- Key Steering Group performance reporting needs to feed into corporate performance reporting.

3.3.3.4 Leader's Annual Report and Five-Year Plan

❖ How we do it

Following local government elections in May 2017 the previous Leader was re-appointed at the AGM of the 24th May 2017.

The Authority's Administration is a Coalition between Plaid Cymru and the Independents with Plaid holding the Leader's post and the Deputy Leader being from the Independent Group.

In January 2018 the Cabinet approved their 'Moving Forward in Carmarthenshire: the next 5-years' plan. The plan identifies almost 100 priority projects, schemes or services the Cabinet want to deliver over the next 5-years. The Authority's Corporate Strategy incorporates the key projects and programmes within this plan.

❖ What and how can we do better?

With the recent elections and new Leader appointed in the AGM held in May 2022, work will commence with the new administration producing the 5 year plan.

3.3.4 **Making sure we achieve what we set out to do** - *Determining the interventions necessary to optimise the achievement of the intended outcomes.*

3.3.4.1 Managing Performance / Scrutiny Function

❖ How we do it

The Corporate Strategy's Well-being Objectives identify the key steps that will be taken to deliver the objectives. These steps are supported by detailed actions and targets that are identified in Service and Department Business Plans. These actions and targets are monitored on the Council's Performance Information Monitoring System (PIMS). This enables responsible officers to update progress on a quarterly basis that can be monitored and approved by Heads of Service and reviewed at Departmental Management Teams. On a quarterly basis the Corporate Management Team and Cabinet Members examine performance on 'Dashboards'.

Scrutiny committees receive quarterly Performance Management reports as well as the end of year report. Reports are prepared to respond to the specific portfolio areas of each committee. Supplementary and more detailed Performance reports on Sickness absence and wellbeing are reported in Q2 and Q4.

PIMS Dashboards are currently being developed for analysing performance informatics on a range of service areas.

The Authority is a partner in the Public Services Board (PSB) and the Council's Policy and Resources Scrutiny Committee receives an Annual Performance Report from the incumbent Chair of the PSB. Approved minutes from PSB meetings are presented to the Policy and Resources Scrutiny Committee for their consideration and comments are reported back to the PSB.

❖ How well are we doing and how do we know?

During 2021/22 a new Performance Management Framework was introduced.

This framework sets out the Council's approach to monitoring and managing the performance of the Council's services and responds to the performance and governance requirements of the Local Government and Elections (Wales) Act 2021. The aim of this Performance Management Framework is to keep the Council on track and focused on delivery of its key priorities, by providing councillors, managers and staff with the information and tools they need to deliver high-quality and high-performing services which help to achieve good outcomes for residents.

The Framework follows a Plan/Do/Review approach and embraces the word SIMPLER.

New Integrated Quarterly Monitoring Reports

- Previously our monitoring reports tended to monitor the actions and targets we set ourselves in business plans to deliver our Well-being Objectives. We only looked at much wider evidence in our end of year Annual Reporting. This was missing the opportunity of giving a more rounded picture of performance throughout the year.

- Therefore, from Quarter 2 onwards we introduced more integrated performance monitoring reports. These analytical reports built on the information outlined in dashboard reports and added ongoing Member feedback and Task and Finish Scrutiny investigations, Customer feedback (complaints and compliments) Financial, Internal and external audit findings, risk, people management, asset, risk, latest news and other relevant data to build up a more rounded picture of progress.

Detailed Action Plan responses to the Quarterly Report findings are tracked through.

Previous Quarterly Monitoring Reports	New Quarterly Monitoring Reports
Progress on Actions and Measures for each Well-being Objective	Progress on Actions and Measures for each Well-being Objective + Scrutiny Member Task and Finish Review Findings + People Management Issues + Financial Performance + Regulatory Report Findings + Internal Audit Findings + Risk Management + Procurement + Asset Management + TIC + Compliments and Complaints + PSB Needs assessment findings + National Milestones set by Welsh Government + Other PESTLE relevant information + Detailed Action Plan responses to the Quarterly Report findings are tracked through

Business Planning

- Our Departmental Business Plans received some criticism at Scrutiny – and the Environment and Public Protection Committee refused to receive the 2021/22 Environment Departmental Plan and other Departmental Business Plan elements under the remit of this Scrutiny. Departments were required to resubmit strengthened business plans. This demonstrated good Scrutiny but weaknesses in the governance of business planning, lack of performance measures and SMART action planning.

Business Plan improvement for 2021/22

- The new Business Plan templated prompted self-assessment, more performance measures and SMART action planning.
- To further strengthen the development of Departmental business plans we set up an Engagement and Assurance Group consisting of representatives from the Well-being of Future Generations Act seven corporate areas of change with an independent Head of Service joining each session. Going forward, options for independent/external input into this approach will be developed.

Area of Corporate Change	Panel Member	Areas of interest
1. Corporate Planning 2. Performance Management	Head of ICT and Corporate Policy	<ul style="list-style-type: none"> To ensure alignment to Well-being Objectives To ensure the plan addresses any areas for improvement identified in the review section. To ensure regulatory report recommendations are addressed To ensure the Five ways of Working are addressed
3. Financial Planning	Head of Finance	<ul style="list-style-type: none"> To ensure the financial and business planning are aligned To ensure budget efficiency proposals are aligned with business planning/service impacts
4. Workforce Planning	Assistant Chief Executive	<ul style="list-style-type: none"> To ensure consideration of workforce planning is aligned to future business needs To ensure TIC findings are addressed
5. Procurement 6. Risk Management	Head of Revenues and Financial Compliance	<ul style="list-style-type: none"> To ensure alignment with procurement forward work programme To ensure alignment with corporate and service risks To ensure appropriate action against any Internal Audit findings To inform future audit work programme
7. Assets	Head of Regeneration	<ul style="list-style-type: none"> To ensure Asset Management Plans are in Place
8. Corporate Communication	Marketing & Media Manager	<ul style="list-style-type: none"> To ensure customer focus to service provision and development

Business Planning constructive supporting steps were:-

- The Engagement and Assurance group attended each Departments Management Team to discuss the Department Business Plan.
- Following this the Chief Executive met each Director to discuss the Departmental Business Plan.

Departmental Business Plans were also submitted to Scrutiny Committees for discussion.

❖ What and how can we do better?

- We will promote the new Performance Management Framework and continue its development.
- We will continue to develop the new integrated Performance Management quarterly monitoring reports.
- We will submit the new integrated Performance Management quarterly monitoring reports to Scrutiny Committees.
- We will continue to develop the Engagement and Assurance Group role in supporting business planning development across departments and services.
- For 2023/24 Business Plans we will rethink our approach to Departmental and Service Business Planning and bring the process forward. Review of self-assessment arrangements undertaken by Ness Young, supported by WLGA. The findings of the review will inform our future approach.

3.3.5 **Valuing our people: engaging, leading and supporting** - *Developing capacity and the capability of leadership and individuals.*

Following the local government elections in Wales in May 2017 Carmarthenshire County Council had 30 new county councillors, and a comprehensive package of training, development and induction is being provided to them and returning members. Member development and training programme is refreshed on an annual basis.

3.3.5.1 Democratic Services Committee

❖ How we do it

This is a statutory Committee with terms of reference which include promoting and supporting good governance. An important aspect of that aim is secured by the provision of reasonable training and development opportunities for Members and the appointment of the Chair of the Committee as the Member Development Champion.

3.3.5.2 Managing our Workforce

❖ How we do it

Carmarthenshire County Council has some 8,000 employees who each contribute to the achievement of our Corporate Priorities.

Our staff are supported by the People Management Division who maintain a range of Policies and Procedures to ensure that all staff are managed in a fair and consistent way.

Our Staff are encouraged to develop, and this is consistent with our objectives as an organisation that has been accredited with ***Investors in People***.

The management of attendance and supporting the wellbeing of staff is a high priority for the Council. A robust attendance management framework and policy is in place and the Occupational Health function offers wellbeing support and advice with the aim of keeping people in work, providing advice and guidance on healthy living, stress management and mental health in the workplace. This has been particularly important during the COVID19 pandemic where support to staff has been stepped up via wellbeing initiatives and COVID19 specific policies.

Following the implementation of the Single Status Agreement in 2011/12, the Pay and Reward function within People Management Division maintains an overview of the pay and grading structure and provides advice to managers on job evaluation and reward as well as undertaking an equal pay audit every year the most recent of which does not suggest any evidence of discrimination within the pay structures nor the allowances paid. The pay gaps are generally as a result of segregation of the sexes between job types rather than application of the allowances.

In addition, the Council publishes a Pay Policy by April each year, as required under Section 38 of the Localism Act. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding those working in local authority schools). The Pay Policy is agreed by Full Council and is published on the Authority's website. The Council continues to support its lowest paid employees and workers by continuing to pay the Real Living Wage supplement to ensure that our lowest paid receive the equivalent of £9.90 per hour (including fixed allowances).

The COVID19 pandemic has accelerated a move to agile working especially home working and it is intended that this will inform how the Council manages its workforce in the future through new ways of working. In particular, the Council is keen to support the Welsh Government's aim to continue to support 30% of its workforce to work closer to their homes. This will impact on accommodation requirements and contribute to the environmental agenda by reducing the need to travel. The Staff Travel Policy will be reviewed to reflect the move to new ways of working.

Our Whistleblowing Policy is being used by employees to report serious concerns which may be in the public interest, and the procedures and concerns are overseen by Standards Committee. Online learning, promotion of the policy and monitoring of whistleblowing complaints continues to ensure that employees are aware of it. An online induction system will provide this information to new employees more quickly and effectively. This was introduced in early 2020. Most employees now have access to online information so the communication of these types of key policies will become more inclusive as more people use the online intranet.

❖ **How well are we doing and how do we know?**

Investors in People Accreditation

We have been an Investor in People since 2009 and it has been a vital tool to measure the impact of our investment in our people. Our last full review was in 2018, when we achieved the silver award, putting us in the top 40% of all organisations holding the award world-wide. Since then, there has been considerable change across the organisation, and we are in a strong position to build on that achievement.

To maintain the Standard, we are required to undertake a full review every three years. This would have fallen in 2021, however, in view of the pressures of the pandemic it was agreed that this would not be the optimum time to carry out a full assessment. It was therefore agreed with IiP that we would undertake a strategic review in 2021 in preparation for the full review in 2022.

Key Findings

- The most striking aspect of this review was to what extent Carmarthenshire County Council's employees had stepped up to deliver the best possible services throughout the challenges of the pandemic.
- The Council has also made huge strides in its digitisation.

- Part of the Better Ways of Working review includes a comprehensive reflection and reset of learning and development, workforce planning and recruitment.
- Innovative appraisal process.

Audit Wales Review of Workforce Management undertaken early 2022. At the time of writing the draft report had been received and the initial findings stated:

“Overall, we found that:

The Council is improving the strategic planning for its workforce and is taking action to address staff capacity issues in key service areas but recognises that performance monitoring of workforce management needs strengthening.

We reached this conclusion because:

The Council is taking action to improve strategic workforce planning but needs a greater focus on its workforce requirements over the longer-term.

The Council is working to address strategic risks it has identified in relation to workforce capacity, and to strengthen its staff engagement arrangements.

The Council recognises that its corporate arrangements for monitoring performance in relation to its workforce need improving.”

Attendance - CMT / Cabinet / Scrutiny Committee monitors performance on a regular basis. Also, Heads of Service have access to real time data in relation to attendance (developed during the pandemic to track covid absences)

H&S Annual Report – CMT monitoring report

Employee Wellbeing Annual Report - CMT monitoring report

❖ What and how can we do better?

Ensure our workforce is adequately skilled and developed. We will develop a new Transformation strategy; ensure that Learning & Development priorities and programmes are fully aligned with corporate priorities and needs; further develop the Council's Leadership and Management Programme to support key corporate priorities.

Refresh the council's Core Values. Communicate to the workforce the Chief Executive's vision for the Council. Sell the mission for moving forward. (IIP)

Use existing processes and metrics to manage and change expectations and perceptions internally and externally. (IIP)

Further improve our recruitment processes via the introduction of new integrated recruitment IT system. (IIP)

The current People Strategy needs to be reviewed in light of the pandemic to support the organisation to recover. We need to develop a new Workforce Strategy.

Workforce Planning – consider the impact of Covid on our workforce and develop a Strategic Workforce Plan based on departmental and corporate workforce requirements.

Employee experience – we need to evaluate the employee experience and undertake research to develop a Workforce Engagement Strategy that will underpin the new Workforce Strategy, which will include a new staff voice mechanism, and develop an annual reporting structure for monitoring and evaluation purposes.

Attendance: There has been an Increase in the number of days lost due to sickness absence post covid. We need to invest more time in developing proactive preventative solutions such as promoting good health and educating employees on healthy lifestyle

choices. We will also continue to ensure managers are adequately trained to manage attendance robustly.

Strengthen the application of the sustainable development principle to improve the way it plans, delivers, and monitors the management of its workforce.

Strengthen the performance management of its workforce by:

- developing a set of performance and outcome measures that reflect the Council's ambitions for its workforce, and monitor these measures at a corporate level, including reporting to overview and scrutiny committee(s)

Benchmarking performance on workforce management with other organisations. (Audit Wales Review of Workforce Management).

3.3.5.3 Scheme of Delegation to Officers

❖ How we do it

The Scheme of Delegation itemises the decisions which are delegated to officers, whether by the Council or by the Cabinet. In exercising delegated powers Officers must comply both with any statutory requirements and the Council's Policy and Budget Framework, amongst other requirements. Any significant decisions have to be recorded and are subject to the call-in rules. Significant executive decisions by officers are published.

The delegations in the Constitution became very pertinent during the early part of the 2020/21 year when it became impossible to convene formal physical meetings of the Authority due to the implications of the coronavirus pandemic – things such as the fast pace of decisions needing to be taken and the inability to meet the statutory timelines imposed for the convening of formal meetings of members, the rules prohibiting meetings from being wholly virtual, some members needing to shield and making it more difficult to achieve the quorum needed for meetings, and the stay at home message – so the emergency delegations in the Constitution had to be called upon to allow officers to make some critical decisions. This period of emergency delegated decision taking by officers was kept to a minimum, and as soon as the rules relating to the conduct of democratic meetings were temporarily relaxed so as to allow 100% online meetings, the Authority resumed democratic meetings, albeit online. The decisions taken by officers during the brief emergency period were published.

❖ How well are we doing and how do we know?

A report on the decisions taken by senior officers under emergency powers during the early days of the pandemic was taken to the Cabinet as soon as virtual meetings were allowed and all decisions taken were endorsed by the Cabinet.

❖ What and how can we do better?

The Scheme of Delegation is a living document and needs to be kept under review. It was last updated in County Council on the 9th February 2022. Some of the revisions approved by the Council related to planning applications and enforcement and are intended to make more effective use of the Planning Committee's time. Whether this outcome has been achieved will need to be monitored.

3.3.6 Managing risks, performance and finance - *Managing risks and performance through robust internal control and strong public financial management.*

3.3.6.1 Risk Management

❖ How we do it

The Authority has a Risk Management Steering Group which reports directly to Cabinet, Governance and Audit Committee and Chief Officers' Management Team (CMT). The Risk Management Steering Group comprises a Cabinet Member Risk Champion (Cabinet Member for Resources), Departmental Risk Champions and is chaired by the Head of Revenues and Financial Compliance.

The Authority aims to embed good risk management into all its processes including a specific section in Committee Reports for the implications from a Risk Management perspective to be discussed and explained.

Corporate, Service and Project Risks are captured within a Risk Register. We use **“Web Based Risk Register Software”**, which allows Departments to input, access, maintain and manage Service and Project Risks. All Departments have direct inputting access for the Corporate Risk Register.

The Corporate Risk Register is reported and reviewed by the Governance and Audit Committee every six months. A Review of Risk Management Arrangements was carried out by Wales Audit Office during 2018/19, where proposals for improvements were made to strengthen the arrangements in place. An action plan has been completed to implement the improvements.

❖ How well are we doing and how do we know?

A TIC review that concluded in December 2021 noted that 'Although the Covid-19 pandemic initially impacted on the ability to progress the recommendations contained within the WAO Office Review and follow-up Internal Audit Review, a number of key actions have now been implemented and good progress has been made across the action plan in general.

One TIC priority was to ensure that all departments move to direct inputting of risk information as early in 2022 as possible – this has already been actioned.

Risk Workshops held for staff and Governance and Audit Committee throughout the year.

❖ What and how can we do better?

Continue to implement the action plans developed in response to the WAO/Internal Audit Review, with priority to be given to ensuring that the Risk Toolkit is formally adopted and used to inform development sessions for managers at a divisional level and dedicated development sessions for Departmental Risk Champions. Develop a risk appetite statement.

3.3.6.2 Risk Management Steering Group

❖ How we do it

The Risk Management Steering Group examines how Risk Management can be developed and ensure that Risk Management is embedded in decision making throughout

the organisation. The Group meet quarterly and is supported by the work of its Sub Groups i.e. Property & Liability Risks, Motor Fleet Risks, and Contingency Planning Sub Groups.

❖ **How well are we doing and how do we know?**

TIC's December 2021 review concluded that 'The Terms of Reference of the Risk Management Steering Groups and its various sub-groups have recently been reviewed. This will allow the Strategic Group to adopt more of a strategic approach to its consideration of risk management issues, such as undertaking regular reviews of the Corporate Risk Register.'

❖ **What and how can we do better?**

The Steering Group's role in allocating the £250k of risk management funding could be strengthened by introducing clearer criteria for how this funding is prioritised and spent on an annual basis.

3.3.6.3 Scrutiny Committees

❖ **How we do it**

The Scrutiny Function plays a highly valuable role in ensuring performance improvement and challenge. The role of Scrutiny in "Task and Finish Groups" has clearly had a positive influence on policy development.

The Authority has a well-developed system of performance management. Scrutiny Committees receive a Quarter 1 and Quarter 3 report and an Annual Report on performance which includes an update on all Performance Indicators and Key Actions contained within the Corporate Strategy.

Any 3 Council Members have the constitutional power to call-in executive decisions in respect of their own functional responsibilities, whether taken by the Cabinet collectively or by individual Cabinet Members on their own portfolio areas. In order to allow call in to be exercised no decision taken by the Cabinet or Cabinet Members shall take effect until 5 working days after the decision is published and circulated via e-mail to Members.

In line with the formula set out in the Local Government Measure 2011, the Chairs of two out of the Authority's 5 Scrutiny Committees are allocated to the Opposition.

In October 2020 the Authority updated its Scrutiny Procedure Rules so as to change Cabinet Members roles at Scrutiny Committees and to require them to attend the meetings to present reports and answer questions. This change was welcomed by the Cabinet Members.

Again, as a by-product of the pandemic Scrutiny Committee meetings have been webcast since November 2020.

❖ **How well are we doing and how do we know?**

The Chairs and Vice-Chairs of Scrutiny Forum meets on a quarterly basis to discuss and propose improvements to the scrutiny function for consideration by the Authority's Constitutional review Working Group; to put forward items for discussion at the biannual meetings with the Cabinet; and acts as a forum for sharing scrutiny good practice.

During 2021/22 the Forum discussed how virtual meetings and the webcasting of scrutiny meetings had worked. The unanimous consensus was that the arrangements had worked well and that attendance levels had been good.

In response to concerns expressed by the Forum an email was sent to all Directorates regarding the number of scheduled reports being pulled at the eleventh hour and therefore appearing on the agenda as non-submissions. The Forum monitored the submission rates after the sending of the email and noted an improvement.

Webcasting viewing figures for each Scrutiny Committee for the period December 2020 to November 2021 were as follows:

Committee	All Views	Live Views	Archived Views
Community & Regeneration	518	100	418
Education & Children	627	98	529
Environment & Public Protection	716	161	555
Policy & Resources	733	155	578
Social Care & Health	426	85	341

❖ What and how can we do better?

In October/November 2021 Audit Wales undertook a follow up review of the proposals for improvement identified in their Scrutiny Fit for the Future Report 2018 – the outcome of the review is awaited and will be considered when available. Any agreed suggestions for improvement will be implemented.

A review of the Governance arrangements for both Local Authority Trading Companies (LATC) will be carried out with a view to aligning the arrangements and clarifying the roles of Members and Scrutiny Committees in relation to the LATCs.

3.3.6.4 Financial Administration (Section 151 Officer)

❖ How we do it

The Director of Corporate Services is the responsible officer for the administration of the Authority's affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the County Council.

The Chartered Institute of Public Finance and Accountancy (CIPFA) previously published a ***“Statement on the Role of the Chief Financial Officer in Local Government”***. The Statement describes the role and responsibilities of the Chief Financial Officer (CFO) and sets out 5 Key Principles (see below) that define the core activities and behaviours that belong to the role of CFO in public service organisations and the organisational arrangements needed to support them. Carmarthenshire County Council through the appointment of the Director of Corporate Services fully complies with the Statement.

Principle 1 - The CFO in a Local Authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Authority's strategic objectives sustainably and in the public interest.

Principle 2 - The CFO in a Local Authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the Authority's overall financial strategy.

Principle 3 - The CFO in a Local Authority must lead the promotion and delivery by the whole Authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.

Principle 4 - The CFO in a Local Authority must lead and direct a finance function that is resourced to be fit for purpose.

Principle 5 - The CFO in a Local Authority must be professionally qualified and suitably experienced.

The Financial Services Division provides support to Departments and co-ordinates and supports the budget preparation and financial monitoring process.

The Authority operates to a defined set of Financial Procedure Rules and Contract Procedure Rules which are maintained by the Corporate Services Department with any amendments approved by the Governance and Audit Committee.

❖ **How well are we doing and how do we know?**

Internal Audit's overall opinion reported in July 2021 to the Governance and Audit Committee: the Authority has an ACCEPTABLE control environment in operation. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members.

Financial Procedure Rules and Corporate Procurement Rules are regularly reviewed and updated when appropriate. They will be presented to Governance and Audit Committee in July 2022 for changes to be approved.

In September 2021, Audit Wales issued an unqualified audit report in respect of our 2020-21 Statement of Accounts. These included more than £140million of additional Covid related funding from many different grants.

❖ **What and how can we do better?**

The next financial year will see the creation of a new regional Corporate Joint Committee, for which Carmarthenshire will be the lead authority providing the S151 Officer as well as financial support functions. Recognising this new workload, combined with new arrangements within the Mid and West Wales Fire and Rescue service, we will be reducing and then ceasing the S151 service to the Fire Authority during the year.

3.3.6.5 Dyfed Pension Fund Committee

❖ **How we do it**

Carmarthenshire County Council is the statutorily appointed Administering Authority for the Dyfed Pension Fund. The Pension Fund Committee comprises of three County Council Members plus a nominated substitute to act in the absence of a Member. The Pension Fund Committee has the following responsibilities:

- To review the performance of the Dyfed Pension Fund, decide on the strategic direction of all matters relating to the investment of the Fund and monitor all aspects of the investment function.
- To determine on Administering Authority Pension Fund matters.

During 2021/22 the Pension Fund Committee was supported by the Director of Corporate Services and Head of Financial Services, the Financial Services Division and an Independent Investment Adviser. The Director of Corporate Services is the Section 151 Officer.

The Fund's Governance Policy sets out in detail the Governance arrangements of the Fund.

The Local Pensions Board established in 2015/16 under the Public Service Pension Act (PSPA) 2013 has an oversight or scrutiny role and is intended to assist the Administering Authority in securing compliance with regulations and requirements imposed by the Pensions Regulator and the Department for Communities and Local Government. The terms have been reviewed; the updated Terms of Reference were approved by Council in May 2021.

Following HM Government's approval of the Wales Investment Pool in November 2016 and the establishment of the Wales Pension Partnership (WPP) Joint Governance Committee an extensive procurement process was undertaken to appoint a Financial Conduct Authority regulated Third Party Pool Operator to manage the investments of the 8 Welsh Pension Funds. In November 2017 the WPP Joint Governance Committee approved the appointment of Link Asset Services as their Operator.

Carmarthenshire County Council is the Host Authority for the WPP, providing administrative, financial and secretarial support and implementing decisions made by the Joint Governance Committee.

The Authority for 2021/22 has produced a separate Annual Report and Accounts for the Dyfed Pension Fund and therefore further information in respect of governance and activity of both the Fund and the WPP can be found in this document.

❖ **How well are we doing and how do we know?**

There has been a significant increase in the level of engagement related to climate change, which the fund has proactively engaged in with various organisations. The fund has recognised climate related risk within its investment performance and established a responsible investment policy.

❖ **What and how can we do better?**

The Fund's pension committee acknowledged the excellent work on Responsible Investing but it had gone unnoticed so requested that communication on these matters was improved at a local and national level.

3.3.6.6 The City Deal

❖ **How we do it**

On the 29th August 2018 Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the Council of the City and County of Swansea signed an Agreement for the establishment of a Joint Committee for the Swansea Bay City Region. The first meeting of the Joint Committee was held on the 30th August 2018. Carmarthenshire is the Accountable Body for the City Deal function.

The Joint Committee is made up of the Leaders of the four regional Authorities and one non-voting, co-opted member each from the Hywel Dda University Health Board, Swansea Bay University Health Board, Swansea University and the University of Wales Trinity Saint David.

A Joint Scrutiny Committee has also been formed, with the scrutiny function being administered by Neath Port Talbot County Borough Council.

A portfolio of nine programmes and projects has been approved under the Swansea Bay City Deal – three of which are delivered regionally. Under the portfolio Carmarthenshire will deliver two local programmes within its constituent area, Pentre Awel (the Life Science and Well-being development) and Yr Egin (creative and digital cluster), both of which have been approved by both UK and Welsh Government. Further to the locally delivered programmes, Carmarthenshire is the delivery lead for two regional programmes, Skills and Talent Initiative and Digital Infrastructure. These have been approved by both UK and Welsh Government and will be delivered in collaboration with the three other constituent authorities under the Swansea Bay City Deal.

During the financial year, the Welsh Government Integrated Assurance Hub conducted an Office of Government Commerce (OGC) Gateway Review at a City Deal portfolio (Gate 0) level. This will assure successful progression and overall delivery, while supporting the SRO in the successful discharge of their duties. The Review was undertaken by an independent, external team in accordance with the Welsh Government Integrated Assurance Hub Guidelines. Seventeen 'conversations' were held with stakeholders between 19th-21st July 2021 together with a workshop session with the four local authority Leaders.

The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors on which the Joint Committee gains assurance. Internal Audit are required to undertake their work in accordance with the standards as set out in the Public Sector Internal Audit Standards (PSIAS). The PSIAS established in 2013 are the agreed professional standards for Internal Audit in Local Government.

As required by the Standards, the Head of Internal Audit (Pembrokeshire County Council) prepares an annual report for consideration by the Joint Committee. The format of the Annual Report complies with the requirements of the Code of Practice.

❖ **How well are we doing and how do we know?**

The SBCD Portfolio received an Amber-Green Delivery Confidence Assessment (DCA) rating. The summary finding of the Review were made four recommendations, three of which have been achieved as at 31st March 2022.

The internal audit report has determined an audit assurance rating of 'Substantial'; There are none or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur or their impact is not likely to affect the achievement of the SBCD objectives. This report was presented to the Joint Committee within the 2022/23 financial year and was subject to delay in financial year 2021/22 due to the COVID-19 crisis and local elections.

❖ What and how can we do better?

The Welsh Cities and Growth Implementation Board were very complimentary in respect of the progress the Swansea Bay City Deal has made and acknowledged that the Portfolio is in full delivery.

The Conclusions from the reports and reviews noted above will strengthen governance arrangements and support best practise to ensure the successful the delivery of programmes and projects. Recommendations will be reviewed and implemented within portfolio management, governance and control activities and monitored in line with governance arrangements.

3.3.6.7 ERW / Y PARTNERIAETH

❖ How we do it

Carmarthenshire, Swansea and Pembrokeshire are developing a new Partnership Framework that will supersede ERW – Y Partneriaeth, and this framework will deliver the aspirations and objectives that were previously being provided by ERW.

In respect to professional development of the school workforce and the design and development of a new curriculum, Carmarthenshire, Swansea and Pembrokeshire County Councils have agreed a new approach that will supersede the regional consortium ERW. **Partneriaeth** will deliver the aspirations and objectives that were previously being provided by ERW. A new streamlined management and operational staffing structure has been designed and populated and a new legal agreement, business plan and budget agreed. The minimal redundancy costs were met by ERW's surplus budget.

Partneriaeth will be governed by a new Joint Committee in line with a new legal agreement. Regular reports, monitoring the progress of achieving the actions in the business plan, will be presented to the Joint Committee and the Joint Scrutiny Panel, comprising of elected members from the three partner authorities. The budget will be regularly monitored by the Joint Committee and the required statutory reports will be completed as well as a programme of audits undertaken.

❖ How well are we doing and how do we know?

Partneriaeth is currently only sitting in shadow form. However, once established the Risk Register will be reviewed regularly and on an annual basis there will be a Welsh Government Challenge and review session as well as ESTYN thematic studies / reviews as requested by Welsh Government. The quality of professional learning/support will be evaluated by participants and an annual survey conducted to ensure that Partneriaeth meets the needs of our schools.

❖ What and how can we do better?

Outcomes from the reports, reviews and annual survey noted above will identify areas of success and areas to develop. These will be incorporated into subsequent business plans and monitored in line with the governance structure.

3.3.7 **Good transparency and accountability** - *Implementing good practices in transparency, reporting, and audit to deliver effective accountability*

3.3.7.1 Governance and Audit, Standards and Democratic Services Committees

❖ How we do it

The Governance and Audit Committee is a key component of Corporate Governance, providing a source of assurance about the Authority's arrangements for managing risk, maintaining an effective control environment and reporting on financial as well as non-financial performance.

The Standards Committee (which includes a majority of External Members) promotes high standards of conduct for Members as well as maintaining an overview of the Authority's processes for complaints handling and its Whistleblowing Procedure.

The Authority also has a Democratic Services Committee (5 Elected Members) and a statutory designated Head of Democratic Services. The Committee's terms of reference as set by the Authority include securing the provision of reasonable training and development opportunities for Members, appointing a Member Development Champion and promoting and supporting good governance.

The Governance and Audit Committee has received a report on the future changes that affect the committee in accordance with the Local Government and Elections (Wales) Act 2021.

❖ How well are we doing and how do we know?

Governance and Audit Committee meet to agree on their development needs and a training programme agreed.

❖ What and how can we do better?

Once established the Governance and Audit Committee will conduct a self-assessment of their role and responsibilities to ascertain where further improvement is needed

3.3.7.2 Internal Audit

❖ How we do it

The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors on which the Authority gains assurance. Internal Audit is required to undertake their work in accordance with the standards as set out in the **Public Sector Internal Audit Standards (PSIAS)**. The PSIAS established in 2013 are the agreed professional standards for Internal Audit in Local Government.

As required by the Standards, the Head of Internal Audit prepares an Annual report for consideration by the Governance and Audit Committee. The format of the Annual Report complies with the requirements of the Code of Practice.

The overall opinion is that the Authority has an 'Acceptable' control environment in operation. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place, Risk Management and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules and Contract Procedure Rules that provide advice and guidance to all staff and members. Sufficient assurance work has been carried out to form a reasonable conclusion on the adequacy and effectiveness of the Authority's internal control environment. Where

weaknesses have been identified through reviews, Internal Audit have worked with management to agree appropriate corrective actions and a timescale for improvement.

The Authority maintains an effective Internal Audit function. The **Strategic and Annual Audit Plans** are approved by Governance and Audit Committee annually and regular reports are made to the Governance and Audit Committee throughout the year on progress and any significant weaknesses identified.

The Head of Revenues and Financial Compliance in addition to being accountable for the delivery of the Internal Audit Services also has responsibility for the operational management of Revenues and Benefits, as well as Risk and Procurement. To ensure there is no conflict of interest in the audit reviews for the operational areas a protocol has been prepared and was approved by the Governance and Audit Committee in September 2018.

The Public Sector Internal Audit Standard (PSIAS) became effective from 1st April 2013 and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.

The two possible approaches to external assessments outlined in the Standards included either a full external assessment or an internal self-assessment which is validated by an external reviewer. Carmarthenshire County Council elected to adopt the self-assessment approach with an external validation undertaken by a suitable qualified and experienced external assessor with the required level of knowledge of the application of the PSIAS, as agreed with the Welsh Chief Auditors' Group. The purpose of the external assessment is to help improve delivery of the audit service to an organisation. The assessment is designed to be a supportive process that identifies opportunities for development which ultimately help to enhance the value of the audit function to the Authority. The self-assessment and the external assessment concluded that the Internal Audit Service is "Generally Conforming".

In addition to the planned work, the Internal Audit Unit undertakes fraud investigation and proactive fraud detection work.

Action plan responses to Internal Audit reviews are entered into the Council's Performance Information Monitoring System (PIMS) and progress is updated quarterly by responsible officers.

❖ **How well are we doing and how do we know?**

- Strategic and Annual Audit Plans presented to Governance and Audit Committee in the March meetings.
- Quarterly updates are provided on the work carried out and Annual Report is presented every July.
- Actions to deliver recommendations made in 2018 Quality Assessment completed.

❖ **What and how can we do better?**

- Consider any improvements identified through the external assessment of Internal Audit's arrangements.
- Introduction of new performance indicators for 2022/2023 with the aim to assisting the service in becoming more efficient.

3.3.7.3 External Regulators

❖ How we do it

Services are reviewed during the year by external regulators, such as Estyn, CIW and Audit Wales (formerly Wales Audit Office). The subsequent reports are actioned accordingly.

Each year Audit Wales, as External Auditor to the Authority complete work to meet the following duties:

- **Audit of Accounts** Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.
- **Value for money** The Council has to put in place arrangements to get value for money for the resources it uses, and the Auditor General has to be satisfied that it has done this.
- **Continuous improvement** The Council also has to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether the Council is likely to (or has) met these requirements.
- **Sustainable development principle** Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

We also maintain a log of regulatory reports and recommendations. The external regulatory reviews recommendations or proposals for improvement are entered into the Council's Performance Information Monitoring System and progress is reported quarterly on dashboards. An Annual Report is issued to the Governance and Audit Committee.

Audit Wales issued a certificate of compliance for our Annual Report for 2020/21 under the 2009 Measure.

❖ How well are we doing and how do we know?

We track Audit Wales and Care Inspectorate Wales National and Local Regulatory report recommendations and report on them quarterly. We also submit an annual report to the Governance and Audit Committee.

We expect all reports that are going to be reported to the Governance and Audit Committee to go via CMT.

- During the year we have agreed that Estyn national report recommendations will be addressed by the newly created Focus Groups set up to support The future direction of Education Services in Carmarthenshire 2022 – 2032 key themes and high level priorities.

As outlined in Para 3.3.4.1 we have included regulatory report findings in new Integrated Performance Monitoring reports.

❖ What and how can we do better?

- We will produce a protocol/process for dealing with Regulatory Reports to determine what needs to go to CMT/ Cabinet /Scrutiny and Governance and Audit Committee.

- We will produce a report to learn from the intervention and turn around arising from the Audit Wales Planning report findings.

3.3.7.4 Information Assets

❖ How we do it

The Council's Head of ICT & Policy acts as the Authority's **Senior Information Risk Owner**. A Corporate Information Governance Group (CIGG) meets regularly in order to safeguard and secure the Authority's information. Minutes of these meetings are provided for consideration to the Corporate Management Team.

There are various safeguards in place to guard against the loss or release of personalised information. These include relevant policies and procedures which are communicated to staff, encryption of laptops, memory storage media and other devices. The Authority employs:

- A Digital Security Officer 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.
- A Data Protection Officer who advises on legal compliance and ensures that policies and procedures are in place and are being adhered to.

These safeguards are subject to ongoing review and include a combination of technical solutions and training for staff involved in handling personal data on the requirements of the General Data Protection Regulation (GDPR).

❖ How well are we doing and how do we know?

There had been 39 personal data breaches reported this year, which have been discussed at the CIGG.

Details of reported breaches are logged, with a incident report being sent onto the responsible Head of Service for the division along with details and remedial action taken. Two breaches were escalated and reported to the ICO, one by the Council and another by the data subject.

There were 24 breached reported in the previous year with 2 being referred to the ICO, therefore there has been an increase in the number of breaches being reported.

There were 3 cyber incidents reported this year. None of the incidents had caused the loss or destruction of data and it was likely that all three incidents were random and not targeted specifically at the Authority.

❖ What and how can we do better?

It was noted at CIGG that a high number of the reported breaches had involved personal data being emailed to the incorrect email recipient in error.

We will implement warnings to the email system to reduce the human error factor. Breach reports will be added to the PIMS system to increase visibility within each service area.

We will specifically look at high risk service area and look to disable the email auto complete facility which contributes to this type of breach.

We will continue to educate staff highlighting the potential that cyber criminals can steal sensitive information via phishing emails.

3.3.7.5 Review of Effectiveness

❖ How we do it

A review of the effectiveness of our Governance arrangements (including the system of Internal Control) is undertaken regularly by the Corporate Governance Group through its work. That work includes continuous challenge of the governance framework. The AGS is the framework that is used to seek these assurances, through continuous monitoring of actions in the AGS.

The review of effectiveness is informed by managers within the Authority who have responsibility for the development and maintenance of the Governance environment, the Head of Internal Audit's Annual Report and also by comments made by the External Auditors (Audit Wales).

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

- Council
- Leadership / Cabinet
- Cabinet Members
- Scheme of Delegation to Officers
- The Governance and Audit Committee / Scrutiny Committees / Risk Management Steering Group
- Standards Committee
- Internal Audit
- External Audit
- Public Services Ombudsman for Wales

❖ How well are we doing and how do we know?

Internal Audit view for 2021/22 assessed the process and supporting evidence as adequate.

Annual Governance Statement produced timely in line with the closure timetable.

❖ What and how can we do better?

Improve on the completion timetable for the Annual Governance Statement to ensure that it aligns with the earlier closure of accounts timetable, as it is included in the Statement of Accounts.

3.3.7.6 Council

❖ How we do it

The Council meets - online during the period of the pandemic - on a monthly basis and takes decisions on Council functions. Its Agendas are published at least 3 clear days in advance of meetings, and its meetings are open to the public (subject to exemptions) and webcast. Its Minutes are published and are available to the Public. New ways of working group has been established to review the way forward.

As from the 1st September 2019 all the Authority's democratic meetings are paperless.

❖ **How well are we doing and how do we know?**

The enforced move to online meetings did not inhibit the democratic process and the provision of training enabled all members to be able to attend meetings and participate online.

All our meetings are webcast, thus allowing the public to be able to hear and follow proceedings.

❖ **What and how can we do better?**

During 2022/23 we will be introducing hybrid meetings, giving members, and the public, choice as to how they wish to attend meetings.

3.3.7.7 Leadership / Cabinet

❖ **How we do it**

The Cabinet takes decisions on executive functions within the policy and budget framework set by the Council. The Agenda is published at least 3 clear days in advance of its meetings and meetings are held in public (subject to statutory exemptions) and webcast. Its Minutes are published, and its decisions are subject to call in by any 3 Council Members. (ref para 3.3.6.3).

The Authority normally meets with Town and Community Councils twice yearly in a formal Forum. However, due to COVID19 one virtual meeting was held in 2020/21 as part of the budget setting consultation.

3.3.7.8 Cabinet Members

❖ **How we do it**

The Cabinet Members have decision making powers in relation to their own portfolio areas. Their decisions are published and are subject to call in by the relevant Scrutiny Committees (ref para 3.3.6.3).

3.3.7.9 Governance and Audit Committee

❖ **How we do it**

The Governance and Audit Committee meets throughout the year to provide independent assurance to the Authority in relation to the effectiveness of the Internal Control Environment and Risk Management Framework.

The Governance and Audit Committee are also responsible for approving the Authority's Statement of Accounts.

Under the **Local Government Wales Measure 2011** it is mandatory for Local Authorities to have an Audit Committee. The Measure provides that there must be an independent External Voting Member on the Audit Committee.

The changes to the Audit Committee are split and will come into force as follows:

Re-naming of Audit Committees coming into force on the 1st April 2021. This section provides for the re-naming of Audit Committees to 'Governance and Audit Committees' and requires the Committee to undertake additional functions, namely those functions set out in Chapter 1 of Part 6 of the Act and:

- (a) review and assess the authority's ability to handle complaints effectively;
- (b) make reports and recommendations in relation to the authority's ability to handle complaints effectively

Further changes will come into force on the 5th May 2022 which will require one third of the members of the Governance and Audit Committee to be lay persons and for the lay person to be appointed as Committee Chair. Arrangements for the appointment of the lay members by March 2022.

Job Profiles are in place for both the Chair of Governance and Audit Committee and the Members of Governance and Audit Committee. In line with the Local Government Measure 2011, the Chair of the Governance and Audit Committee has been a Member from the Opposition Group but from May 2022 onwards will be one of the lay members, following a change in the law.

❖ **How well are we doing and how do we know?**

Following a recruitment process, recommendations will be made to County Council by the Governance and Audit Committee following the May 2022 election as to appointments to the lay member posts.

❖ **What and how can we do better?**

From May 2022 onwards one third of the Governance and Audit Committee must be lay members which will bring even more independent overview. The Governance and Audit Committee should conduct a self-assessment of its role and responsibilities to ascertain where further improvements are required.

3.4 Corporate Governance during the COVID19 Pandemic

Normally the Council holds physical meetings, including those of the Full Council, the Cabinet, individual Cabinet members and other committees, to make key decisions. Although the Local Government (Wales) Measure 2011 made provision for remote attendance at such meetings at least 30% of members were required to be physically present in person at the meeting. This requirement was relaxed by Regulations in May 2020, when meetings could be held 100% online.

Interim emergency arrangements therefore had to be put in place for decisions to be taken at a fast pace until the relaxations were enacted. On the 18th March 2020 a decision was taken to suspend most democratic meetings in order to protect members and staff and on the 19th March 2020 a decision was taken to close all Council buildings to the public for the same reason. Following the announcement by the Prime Minister of the nationwide 'lockdown' on the 23rd March 2020, all remaining democratic meetings were suspended.

Alongside these developments, on the 12th March 2020 the growing pandemic resulted in the senior officers of the authority adopting the Gold/Silver Command structure under the Civil Contingencies Act 2004.

In the absence of any formal meetings of the Cabinet and Full Council, senior officers have exercised the powers granted to them in Part 3.2 of the Council's Constitution (Scheme of Delegation to Officers) under section 100G Local Government Act 1972 to make such

decisions as are necessary for the functioning of the Council and its response to the pandemic.

These delegated powers are broad in scope and cover day to day operational decision making by the authority. However, the scheme of delegation also provides that the Chief Executive and Directors have the power to make:

“Determination of any urgent matter in the purview of the Council, the Cabinet or any committee where it is impractical to convene a meeting of that body to consider the matter.”

As it was impractical to convene meetings of Full Council and Cabinet due to the ongoing pandemic these powers have been utilised to make any necessary urgent decisions falling outside the normal delegated authority of officers. Records have been kept of urgent decisions made under these powers and following a change in legislation by Welsh Government permitting virtual democratic meetings, these were reported at the virtual meeting of the Cabinet held on 1st June 2020. Remote meetings have continued during the year with the resumption of the Governance and Audit Committee in July 2020 and Scrutiny Committees from November 2020. The Local Government and Elections (Wales) Act 2021 allows remote meetings to continue but also provides for hybrid meetings to be held.

The requirement to work from home during lockdown has been enabled by existing ICT capabilities but has inevitably meant some changes to working practices, control mechanisms and authorisation methods. These have been made with approval of the relevant senior manager or directors and consultation/advice from Internal Audit where appropriate. Internal Auditors were redeployed during the initial lockdown as the team were unable to commence the annual work programme due to the disruption caused by the pandemic. The programme was redesigned to achieve control assurances remotely and recommenced during the summer.

During 2021/22, the Authority continued to claim from the Welsh Government hardship scheme, covering increased costs of delivering core services, provision of new services and income loss from closure of commercial services. Looking ahead, this scheme has now ended, with Local Authorities required to assess and provide for future financial implications from core budgets. The 2022/23 Budget includes an explicit contingency totalling £3.5m.

As restrictions have eased, this has permitted increased office working. The preparation of this statement of accounts has taken place through a combination of face to face reviews mixed with virtual meetings and electronic files and screen sharing technology.

3.5 Governance issues to be addressed

The following additional Governance issues need to be considered and addressed during the next 12 months:

For 2022/23

- Develop recruitment strategy and workforce plan alongside implementation of new recruitment software to ensure recruitment service can be streamlined and maintained.
- Set up governance group to oversee development of Reward and Benefit hub
- Review employment safeguarding framework and develop training programme for recruiting managers.

- Develop an Engagement and Consultation plan for the local authority.
- Further development work on handling complaints and investigating complaints.
- Review the customer service that we as a Council provide and how we can further improve the customer journey.
- Review and reinvigorate our Corporate Strategy and Well-being Objectives.
- Establish clear governance mechanism to drive progress against each Well-being Objective and identify priority themes and service areas to support delivery of the well-being objectives.
- Continue to develop the new integrated Performance Management quarterly monitoring reports.
- Develop a new Transformation strategy; ensure that Learning & Development priorities and programmes are fully aligned with corporate priorities and needs
- Refresh the Council's Core Values. Communicate to the workforce the Chief Executive's vision for the Council.
- Review the Governance arrangements for both Local Authority Trading Companies (LATC) with a view to aligning the arrangements and clarifying the roles of Members and Scrutiny Committees in relation to the LATCs.

We propose over the coming year to take steps to address the above matters to further enhance our Governance arrangements. An Action Plan summarising the above Actions, Responsible Officers and Target Dates is attached in Appendix 2. We are satisfied that these steps will address the need for improvements and will monitor their implementation and operation as part of our next annual review.

Approved

12 October 2022

Leader of Council

Chief Executive

APPENDIX 1

<i>UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS</i>					
SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS		STATUS
AGS 2017/18 No.6	Monitor and evaluate People Strategy Group/Work stream actions relating to AW People Performance Management recommendations.	Assistant Chief Executive – People Management	March 2020	Consolidating learning and moving forward. PSGB Group has met through COVID19, but re-evaluation of way forward needed. IIP – high level review for further accreditation carried out. Steering group is refocusing its objectives	Ongoing IIP meetings held in November / early December. 6 th formers event done. Aiming for gold – workplan to be put in place. Empowerment & wellbeing being two main focus. Reconfigure the group to align with expectations. The interim report received from IIP to CMT in next fortnight. Then to pre-cabinet following that.

UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS					
SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS		STATUS
AGS 2019/20 No.8	Ensure Employment Policies reflect any new legislation such as exit payment cap, reclaiming exit payments etc.	People Services Manager	March 2021	Ongoing – On 12/2/21 the UK Government repealed the exit pay cap provisions. We await new legislation and will update policies accordingly.	2021/22 Exit pay cap legislation was due in December but has not been received – likely now to be 2022. ACAS compliant policies in place. Still awaiting information
AGS 2019/20 No.13	Implement appropriate changes in respect of the governance arrangements of the Local Authority Companies in response to the Governance Review Report.	Corporate Management Team	June 2021	Democratic decision has been taken to put one company into dormancy. Decision has been taken that reports from the other two companies to be presented to Cabinet on 6 monthly basis.	CWM updates commenced - reported recently to CMT in December 2021 – to be next taken to Pre-Cabinet. Delivered. Llesiant will be reporting to Pre-Cabinet by end of the financial year. TIC review being undertaken on Llesiant. Planned work in programme Governance update review to be carried out early 2022.

<i>UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS</i>					
SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS		STATUS
AGS 2020/21 No.1	Review Staff Travel Policy.	People Services Manager	April / May 2021	Draft presented to CMT 16 th September 2021 Principles agreed and consultation now will commence with Trade Union. Following which the policy will go back to CMT and follow through the political process.	Travel policy with Trade Union for consultation until 4 th March for comments Updated Policy presented to CMT 15 th September 2022
AGS 2020/21 No.2	Implement The Local Government and Elections (Wales) Act requirements.	Corporate	May 2022	The elements that have not been implemented to date have a timetable that needs to be met to deliver the Act's requirement / timescale. Elements of performance & governance implemented. Elections – in hand	Ongoing Statutory Guidance not provided yet, some draft guidance issued beginning of February 2022.

**UPDATE ON OUTSTANDING GOVERNANCE ISSUES IDENTIFIED IN
PREVIOUS ANNUAL GOVERNANCE STATEMENTS**

SOURCE	ISSUES	RESPONSIBLE OFFICER	ACTIONS/PROGRESS		STATUS
AGS 2020/21 No. 3	Develop governance arrangement around the better ways of working once plan is in place – for officers.	Chair of Better Ways of Working Strategic Group	2021/22	Facilitated sessions underway for each HoS teams. 3 sub groups in place reporting into Strategic group. Communications plan being drawn up for the project Two pilots on hybrid working in place.	Ongoing Each service is now collating information to determine the practicalities / operational needs/ space allocations collated from all HoS to inform the property strategy. Also work ongoing with other public sector bodies – joint working.
AGS 2020/21 No. 4	Develop governance arrangement around the better ways of working once plan is in place – for Members.	Chair of Better Ways of Working Strategic Group / Head of Legal and Democratic Services	2021/22	The work of the Task and Finish Group has been completed	The Chair of the Democratic Services Committee presented the Task and Finish Group's report to County Council on the 9 th March 2022, and all 5 recommendations were approved. Completed
AGS 2020/21 No.5	Recruit lay members for Governance and Audit Committee.	Head of Legal and Democratic Services / Director of Corporate Services / Head of Revenues & Financial Compliance	2021/22	A recruitment process was conducted during 2021/22	Job Specification drawn up Job advert drafted – both presented to Governance & Audit Committee for approval 17 th December 2021. Shortlisting and Interviews completed. Recommendations on successful applicants for the lay member posts presented and accepted - County Council in May 2022

APPENDIX 2

GOVERNANCE ISSUES ACTION PLAN			
	NEW GOVERNANCE ISSUES IDENTIFIED IN THIS YEAR'S ANNUAL GOVERNANCE STATEMENT		
ISSUE REF	ACTION	RESPONSIBLE OFFICER	TARGET DATE
AGS 2021/22 No.1	Develop recruitment strategy and workforce plan alongside implementation of new recruitment software to ensure recruitment service can be streamlined and maintained.	People Services Manager	March 2023
AGS 2021/22 No.2	Set up governance group to oversee development of Reward and Benefit hub.	People Services Manager	May/June 2022 Now completed
AGS 2021/22 No. 3	Review employment safeguarding framework and develop training programme for recruiting managers.	People Services Manager	March 2023
AGS 2021/22 No.4	Develop an Engagement and Consultation plan for the local authority.	Media and Marketing Manager	March 2023
AGS 2021/22 No.5	Further development work on handling complaints and investigating complaints.	Head of ICT and Policy	March 2023
AGS 2021/22 No.6	Review the customer service that we as a Council provide and how we can further improve the customer journey.	Media and Marketing Manager	March 2023
AGS 2021/22 No.7	Review and reinvigorate our Corporate Strategy and Well-being Objectives.	Head of ICT and Policy	March 2023
AGS 2021/22 No.8	Establish clear governance mechanism to drive progress against each Well-being Objective and identify priority themes and service areas to support delivery of the well-being objectives.	Head of ICT and Policy	March 2023
AGS 2021/22 No.9	Continue to develop the new integrated Performance Management quarterly monitoring reports.	Head of ICT And Policy Head of Financial Services Head of Revenues and Financial Compliance	March 2023

GOVERNANCE ISSUES ACTION PLAN

NEW GOVERNANCE ISSUES IDENTIFIED IN THIS YEAR'S ANNUAL GOVERNANCE STATEMENT			
ISSUE REF	ACTION	RESPONSIBLE OFFICER	TARGET DATE
AGS 2021/22 No.10	Develop a new Transformation strategy; ensure that Learning & Development priorities and programmes are fully aligned with corporate priorities and needs.	Assistant Chief Executive	March 2023
AGS 2021/22 No.11	Refresh the Council's Core Values. Communicate to the workforce the Chief Executive's vision for the Council.	Assistant Chief Executive	March 2023
AGS 2021/22 No.12	Review the Governance arrangements for both Local Authority Trading Companies (LATC) with a view to aligning the arrangements and clarifying the roles of Members and Scrutiny Committees in relation to the LATCs.	Direct of Corporate Services Head of Legal and Administration	March 2023

5 FINANCIAL STATEMENTS

The financial statements comprise the following:

5.1 EXPENDITURE AND FUNDING ANALYSIS (EFA)

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

5.2 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

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

5.3 MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return the accounts to the amounts chargeable to council tax and dwelling rents for the year. The Net Increase/Decrease line shows the statutory Council Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

5.4 BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is that which the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

5.5 CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

5.1 EXPENDITURE AND FUNDING ANALYSIS (EFA)

2021-22	Difference between Council Fund (CF) and Housing Revenue Account (Surplus)/Deficit and Comprehensive Income and Expenditure Statement (CIES) (Surplus)/Deficit		
	Net Expenditure Chargeable to the CF and HRA £'000	Total Adjustments £'000	Net Expenditure in the CIES £'000
Department			
Chief Executive	6,471	7,172	13,643
Education & Children	151,357	24,000	175,357
Corporate Services	18,167	549	18,716
Communities	99,371	15,422	114,793
Environment	52,015	10,862	62,877
Housing Revenue Account	(17,035)	(17,402)	(34,437)
Insurance & Corporate	6,676	(6,006)	670
Net Cost of Services	<u>317,022</u>	<u>34,597</u>	<u>351,619</u>
Other Income & Expenditure	(353,368)	(73,755)	(427,123)
(Surplus)/Deficit before transfers to/(from) earmarked reserves	<u>(36,346)</u>	<u>(39,158)</u>	<u>(75,504)</u>
Transfers to/(from) earmarked reserves	32,461		
(Surplus)/Deficit after transfers to/(from) earmarked reserves	<u>(3,885)</u>		
CF & HRA Balance at 31st March 2021:	(31,478)		
(Surplus)/Deficit	(3,885)		
CF & HRA Balance at 31st March 2022:	<u>(35,363)</u>		
2020-21			(Restated)
Department			
Chief Executive	5,297	8,036	13,333
Education & Children	145,266	23,887	169,153
Corporate Services	19,570	(445)	19,125
Communities	96,761	10,981	107,742
Environment	47,835	7,733	55,568
Housing Revenue Account	(12,664)	(20,280)	(32,944)
Insurance & Corporate	3,048	(2,523)	525
Net Cost of Services	<u>305,113</u>	<u>27,389</u>	<u>332,502</u>
Other Income & Expenditure	(336,573)	(58,762)	(395,335)
(Surplus)/Deficit before transfers to/(from) earmarked reserves	<u>(31,460)</u>	<u>(31,373)</u>	<u>(62,833)</u>
Transfers to/(from) earmarked reserves	32,455		
(Surplus)/Deficit after transfers to/(from) earmarked reserves	<u>995</u>		
CF & HRA Balance at 31st March 2020:	(32,473)		
(Surplus)/Deficit	995		
CF & HRA Balance at 31st March 2021:	<u>(31,478)</u>		

See note 6.5 for Explanation of adjustments between Net expenditure chargeable to the CF and HRA and Net expenditure in the CIES.

2020/21 figures have been restated to reflect changes in Investment Property income. (See note 6.11).

5.2 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

2020-21	2020-21	2020-21		2021-22	2021-22	2021-22
Total Gross Expenditure £'000	Total Gross Income £'000 (Restated)	Total Net Expenditure £'000 (Restated)		Total Gross Expenditure £'000	Total Gross Income £'000	Total Net Expenditure £'000
			Department			
23,780	(10,447)	13,333	Chief Executive	24,394	(10,751)	13,643
221,134	(51,981)	169,153	Education and Children	243,343	(67,986)	175,357
64,153	(45,028)	19,125	Corporate Services	61,999	(43,283)	18,716
198,278	(90,536)	107,742	Communities	210,926	(96,133)	114,793
81,204	(25,636)	55,568	Environment	86,822	(23,945)	62,877
9,850	(42,794)	(32,944)	Housing Revenue Account	9,136	(43,573)	(34,437)
529	(4)	525	Insurance & Corporate	672	(2)	670
598,928	(266,426)	332,502	Net Cost of Services	637,292	(285,673)	351,619
			Precepts and Levies:			
		138	Brecon Beacons National Park			152
		10,400	Mid & West Wales Fire Authority			10,737
		6,641	Community Councils			6,863
		19,283	Dyfed Powys Police Authority			20,509
		(164)	(Gains)/losses on the disposal of non-current assets			(190)
		(187)	(Surpluses)/Deficits on Trading Activities not included in Net Cost of Services		Note 6.6	(319)
		36,111	Other Operating Expenditure			37,752
		17,330	Interest Payable and Similar Charges			16,676
		12,867	Net interest on the net defined benefit liability (asset)			12,090
		(246)	Interest and Investment Income			(304)
		(1,176)	Income and expenditure in relation to investment properties and changes in their fair value		Note 6.11	(618)
		(247)	Other income			(282)
		28,528	Financing and Investment (Income) and Expenditure			27,562
		(215,251)	Revenue Support Grant		Note 6.35	(225,743)
		(4,795)	General Government Grants		Note 6.35	(916)
		(122,830)	Council Tax		Note 6.7	(129,997)
		(58,909)	Net Proceeds of Non-Domestic Rates		Note 6.8	(62,757)
		(58,189)	Capital Grants and Contributions		Note 6.35	(73,024)
		(459,974)	Taxation and Non-specific Grant Income			(492,437)
		(62,833)	(Surplus)/Deficit on Provision of Services			(75,504)
		(13,532)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			(153,696)
		1,691	Remeasurement of the net defined benefit liability/(asset)			(108,880)
		(11,841)	Other Comprehensive (Income) and Expenditure			(262,576)
		(74,674)	Total Comprehensive (Income) and Expenditure			(338,080)

2020/21 figures have been restated to reflect changes in Investment Property income. (See note 6.11).

5.3 MOVEMENT IN RESERVES STATEMENT

	Council Fund Balance £'000	Earmarked Council Fund Reserves £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	TOTAL USABLE RESERVES £'000	Unusable Reserves £'000	TOTAL AUTHORITY RESERVES £'000
Balance at 31 March 2020	(11,221)	(89,616)	(21,252)	(7,912)	(2,914)	(132,915)	(353,366)	(486,281)
Movement in reserves during 2020/21								
(Surplus) or deficit on the provision of services	(26,271)	0	(36,562)	0	0	(62,833)	0	(62,833)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	(11,841)	(11,841)
Total Comprehensive Income and Expenditure	(26,271)	0	(36,562)	0	0	(62,833)	(11,841)	(74,674)
Adjustments between accounting basis and funding basis under regulations(Note 6.4)	(7,031)	0	38,404	70	(12,190)	19,253	(19,253)	0
Net (Increase)/Decrease before Transfers to/from Earmarked Reserves	(33,302)	0	1,842	70	(12,190)	(43,580)	(31,094)	(74,674)
Transfers to/(from) Earmarked Reserves(Note 6.22)	32,489	(32,455)	(34)	0	0	0	0	0
(Increase)/Decrease in Year	(813)	(32,455)	1,808	70	(12,190)	(43,580)	(31,094)	(74,674)
Balance at 31 March 2021	(12,034)	(122,071)	(19,444)	(7,842)	(15,104)	(176,495)	(384,460)	(560,955)
Movement in reserves during 2021/22								
(Surplus) or deficit on the provision of services	(29,492)	0	(46,012)	0	0	(75,504)	0	(75,504)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	(262,576)	(262,576)
Total Comprehensive Income and Expenditure	(29,492)	0	(46,012)	0	0	(75,504)	(262,576)	(338,080)
Adjustments between accounting basis and funding basis under regulations(Note 6.4)	(4,190)	0	43,348	(2,771)	(13,498)	22,889	(22,889)	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(33,682)	0	(2,664)	(2,771)	(13,498)	(52,615)	(285,465)	(338,080)
Transfers to/(from) Earmarked Reserves(Note 6.22)	32,248	(32,461)	213	0	0	0	0	0
(Increase)/Decrease in Year	(1,434)	(32,461)	(2,451)	(2,771)	(13,498)	(52,615)	(285,465)	(338,080)
Balance at 31 March 2022	(13,468)	(154,532)	(21,895)	(10,613)	(28,602)	(229,110)	(669,925)	(899,035)

5.4 BALANCE SHEET

31/03/21		31/03/22	
£'000		£'000	£'000
	Notes		
1,420,327	Property, Plant & Equipment	6.9	1,638,151
2,292	Heritage Assets	6.10	2,432
25,110	Investment Property	6.11	26,770
1,807	Long Term Investments	6.12	1,107
7,529	Long Term Debtors	6.13	4,896
<u>1,457,065</u>	Long Term Assets		<u>1,673,356</u>
25,504	Short Term Investments	6.14	85,525
2,013	Inventories	6.15	2,061
88,310	Short Term Debtors	6.16	105,322
<u>46,911</u>	Cash and Cash Equivalents	6.17	<u>31,319</u>
162,738	Current Assets		224,227
(18,561)	Short Term Borrowing	6.18	(12,793)
(77,161)	Short Term Creditors	6.19	(89,727)
(1,321)	Provisions	6.20	(1,044)
<u>(432)</u>	Donated Inventories Account	6.15	<u>(282)</u>
(97,475)	Current Liabilities		(103,846)
(2,863)	Provisions	6.20	(1,915)
(398,052)	Long Term Borrowing	6.21	(390,681)
<u>(560,458)</u>	Other Long Term Liabilities	6.42	<u>(502,106)</u>
(961,373)	Long Term Liabilities		(894,702)
<u>560,955</u>	Net Assets		<u>899,035</u>
12,034	Council Fund		13,468
19,444	Housing Revenue Account	7.2	21,895
114,805	Earmarked Council Fund Reserves	6.22	139,327
7,266	Council Fund Reserves Held by Schools under LMS	6.22	15,205
7,842	Capital Receipts Reserve	6.23	10,613
<u>15,104</u>	Capital Grants Unapplied	6.24	<u>28,602</u>
176,495	Usable Reserves		229,110
334,778	Revaluation Reserve	6.25	475,815
615,843	Capital Adjustment Account	6.26	703,212
(598)	Financial Instruments Adjustment Account		(521)
332	Deferred Capital Receipts Reserve		332
(560,458)	Pensions Reserve	6.27	(502,106)
<u>(5,437)</u>	Accumulated Absences Account	6.28	<u>(6,807)</u>
384,460	Unusable Reserves		669,925
<u>560,955</u>	Total Reserves		<u>899,035</u>

5.5 CASH FLOW STATEMENT

2020-21 £'000	Reconciliation of Comprehensive Income and Expenditure Statement to Net Revenue Cash Flow	Note	2021-22 £'000
(62,833)	Net (Surplus)/Deficit on the provision of services	5.2	(75,504)
	Adjustments to net surplus or deficit on the provision of services for non-cash movements		
(43,823)	Depreciation		(45,322)
22,111	Impairment & downward valuations		36,443
1,166	Movement in market value of investment properties		256
(31,305)	Pension fund adjustments		(50,528)
(579)	Movement in provisions		1,225
(227)	Carrying amount of non-current assets sold		(2,180)
55	Other non cash movement		101
955	Movements in revenue debtors, creditors, inventories etc.		(7,255)
	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
395	Proceeds from sale of property, plant and equipment, investment property and intangible assets		2,429
58,189	Capital Grants		73,024
(55,896)	Net cash flow from operating activities		(67,311)
	INVESTING ACTIVITIES		
69,535	Purchase of property, plant & equipment, investment property & intangible assets		69,739
1,220,000	Purchase of short term & long term investments		745,500
4,590	Other payments for investing activities		5,793
(399)	Proceeds from the sale of property, plant & equipment, investment property & intangible assets		(2,488)
(1,206,593)	Proceeds from short term & long term investments		(686,148)
(54,993)	Capital grants received		(62,632)
32,140	Net cash flow from investing activities		69,764
	FINANCING ACTIVITIES		
(4,103)	Cash receipts of short-term & long-term borrowing		(2,692)
23,029	Repayments of short-term & long-term borrowing		15,831
18,926	Net cash flow from financing activities		13,139
(4,830)	NET (INCREASE)/DECREASE IN CASH & CASH EQUIVALENTS		15,592
42,081	Cash & cash equivalents at the beginning of reporting period	6.17	46,911
46,911	Cash & cash equivalents at the end of reporting period		31,319
4,830	INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		(15,592)

The cash flows for operating activities include the following items:

2020-21 £'000		2021-22 £'000
17,565	Interest Paid	16,713
(406)	Interest Received	(248)

6 NOTES TO THE ACCOUNTS

6.1 Statement of Accounting Policies

General

The Statement of Accounts summarises the transactions of Carmarthenshire County Council for the 2021/22 financial year and its position at the year ended 31st March 2022.

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and the Service Reporting Code of Practice 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.

Areas within the accounts that do not comply with the above publication have been suitably noted where necessary.

6.1.1 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 Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress 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 payable on borrowings and receivables on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- An exception to this principle is when certain revenue payments are made quarterly (e.g. electricity, gas) where the revenue accounts are charged with four payments.

This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

- Income and expenditure are credited and debited to the relevant service revenue account, unless they properly represent capital receipts or capital expenditure.

6.1.2 **Property, Plant & Equipment**

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

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

Measurement: Assets are initially measured at cost, comprising the purchase price and/or any expenditure that is directly attributable to bringing the asset into working condition for its intended use.

Assets are then carried in the Balance Sheet on the basis recommended by CIPFA and in accordance with The Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards. Assets are classified into the groupings required by the Code of Practice on Local Authority Accounting on the following basis:

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value

Revaluations

With the exception of infrastructure and community assets, revaluations of fixed assets are carried out on the basis of a five-year rolling programme with any material change to asset values being adjusted in the accounts in the year it arises.

Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on a depreciated historic cost basis.

The in-house valuations are carried out by the Authority's Valuers who are Fellows of the Royal Institute of Chartered Surveyors.

Assets acquired under finance leases are capitalised in the Authority's accounts, together with the liability to pay future rentals.

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 an impairment loss previously charged to a service revenue account.

Due to significant increases in build rates/market values it has been necessary to carry out a desktop exercise in 2021/22 to update valuations of DRC assets and HRA dwellings.

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:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals and Assets Held for Sale

When it becomes highly probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services.

Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated

for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and credited to the Capital Receipts Reserve. These can only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow. Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

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 and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

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

Asset	Life (Years)
Council Dwellings	30
Buildings <i>(including Community Assets and Investment Properties)</i>	30
Vehicles Plant & Equipment	1 to 10
Infrastructure	40

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 charged based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Component Accounting

Component accounting is used when a single asset has one or more constituent parts with a significantly different economic life to the main asset. Components within the main asset would therefore be depreciated at different rates.

In order to determine whether there is a material difference in the depreciation charge, the Authority carries out a sensitivity analysis on its largest capital projects. A charge is calculated based on the asset as a whole compared to a charge based on the component parts. The component based charge will be used if there is a material difference between the two calculations.

6.1.3 **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 Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Fair Value Measurement

The Authority measures its investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Measurement will be at highest and best use from the perspective of a market participant.

It is assumed that any fair value measurement of an asset or liability uses the same assumptions that market participants acting in their economic best interest would use and that the transaction takes place in the principal market or failing that in the most advantageous market for the asset or liability.

Appropriate valuation techniques are used for which sufficient data is available. Inputs to the techniques are categorised within the fair value hierarchy that consists of three levels as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are accessible by the Authority at the measurement date.
- Level 2 inputs are quoted prices other than quoted prices within Level 1 that are observable either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

6.1.4 **Heritage Assets**

There are different types of Heritage Assets which have been accounted for as follows.

- **Former Community Assets**

Those heritage assets which were formerly included within community assets have been transferred to the Heritage Assets category. They are recorded at historic cost and include Carmarthen Castle, civic regalia and works of art.

- **Infrastructure Artwork**

These assets were previously included as infrastructure and were either part of a larger capital project or standalone artworks on roundabouts or in town centres. As former infrastructure assets they are recorded at historic cost.

- **Museum Exhibits/Archive Records**

The Authority holds a large collection museum exhibits and archive material which have not been included in the Balance Sheet. Cost information is not readily available for these items and the Authority believes that the benefits of obtaining a valuation for these items would not justify the cost.

6.1.5 **Intangible Assets**

These are assets that do not have a physical substance but will provide future economic benefits to the Authority such as software licences or internally generated assets which have been capitalised.

The Authority does not currently hold any intangible assets. Enhancements are categorised each year and any intangible assets would be identified as part of this annual exercise.

6.1.6 **Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Council Fund balance (MRP or Loans Fund Principal), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

6.1.7 **Revenue Expenditure Funded from Capital under Statute (REFFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement account in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves

Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged in the Statement of Movement on the Council Fund Balance so there is no impact on the level of Council Tax.

6.1.8 **Cash and Cash Equivalents**

Cash Equivalents are investments that are readily convertible to known amounts of cash with no change in value. Cash is withdrawn and deposited depending on a deficit or surplus of cash on the day. All call accounts are classified for this purpose. Cash Equivalents also includes fixed term investments that mature within three months or less from the date of acquisition.

6.1.9 **Government Grants and Contributions**

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

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

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-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 Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

6.1.10 **Leasing**

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.

A review of all leases held by the Authority (both as Lessee and Lessor) has been undertaken. All leases are currently treated as operating leases. However, a finance lease

relating to a property has been identified together with a few small equipment leases that could be reclassified as finance leases. The reclassification adjustments would not materially affect the Authority's financial position, or the reader of the accounts' ability to see the complete economic activities and exposure to risk of the Authority.

The Authority as Lessee – 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.

The Authority as Lessor – operating leases

Where the Authority grants an operating lease over a property, the asset is retained in the Balance Sheet. Rental income is credited to the appropriate service in the Comprehensive Income and Expenditure statement.

6.1.11 Financial Liabilities

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

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

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the Council Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

6.1.12 **Financial Assets**

Loans and Receivables

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

Where the Authority has made loans at less than market rates (soft loans), any material loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the Council Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

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

Under IFRS 9 Financial Instruments, classification of financial assets are now based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

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

6.1.13 Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value, except for donated PPE stock, which has been valued according to costs provided by NHS shared services. The cost of inventories is assigned using the weighted average costing formula.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

6.1.14 Cost of Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

6.1.15 Provisions

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation and are measured on 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 set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

6.1.16 Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority - these reserves are explained in the relevant policies.

6.1.17 **Employee Benefits**

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements 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 following accounting year, being the period in which the employee takes the benefit. 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 occurs.

Termination Benefits

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

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

Post-Employment Benefits

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

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

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Authority.

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

The Dyfed Pension Fund

The Fund is accounted for as a defined benefit scheme.

The liabilities of the Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices.

The assets of the Fund attributable to the Authority are included in the Balance Sheet at their fair value:

- quoted securities – bid price value
- unquoted securities – professional estimate
- unitised securities – bid price value
- 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 result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements 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 the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- contributions paid to the Fund – cash paid as employer's contributions to the fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

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

6.1.18 Interests in Companies and other Entities

The council has material interests in a number of companies that have the nature of subsidiaries that require the preparation of group accounts. Group Accounts have not been prepared, as the consolidation would not materially affect the Authority's financial position, or the reader of the accounts' ability to see the complete economic activities and exposure to risk of the Council.

CWM Environmental

Carmarthenshire County Council is sole shareholder of CWM Environmental. Historically, the company has been operated as an arms length trading company, however from 2018/19, the Authority has chosen to make use of the Teckal Exemption, as more than 80% of the company's activity is transacted with the Authority. Further information is provided at note 6.12 (Long Term Investments) and note 6.36 (Related Party Transactions).

Llesiant Delta Wellbeing Ltd

Carmarthenshire County Council is sole shareholder of Llesiant Delta Wellbeing Ltd. The company was created to transfer and grow the Careline service as agreed by the Council's Cabinet in January 2018. Further information is provided at note 6.12 (Long Term Investments) and note 6.36 (Related Party Transactions).

Egni Sir Gar Cyfyngedig

Carmarthenshire County Council is the registered Custodian Trustee of Egni Sir Gar Cyfyngedig and the Cabinet Member for Resources is Chair of the board. Further information is provided at note 6.12 (Long Term Investments).

Cartrefi Croeso Cyfyngedig

Carmarthenshire County Council is sole shareholder of Cartrefi Croeso. The company was created to develop housing developments on a commercial basis in Carmarthenshire as agreed by the Council's Cabinet. Further information is provided at note 6.12 (Long Term Investments) and note 6.36 (Related Party Transactions). The company is being placed into dormancy.

6.1.19 Jointly Controlled Operations, Jointly Controlled Assets & Other Similar Arrangements

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

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

We have previously identified Education through Regional Working (ERW), Wales Pension Partnership and Swansea Bay City Region that could fall within the above definition for accounting purposes. During the previous year, it came to light that the Authority retains a financial stake in the West Wales Crematorium. Further information is provided at note 6.37 (Jointly Controlled Operations & Other Similar Arrangements).

Other potential arrangements include The Children's Commissioning Consortium Cymru (4 C's) amongst others. For the purposes of the accounts no actual entries have been made for these arrangements other than the direct expenditure and income applicable to each scheme. The adjustments are not material and would not affect the Authority's financial position, or the reader of the accounts' ability to see the complete economic activities and exposure to risk of the Council.

6.1.20 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

6.1.21 VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs, and all VAT paid is recoverable from them.

6.2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 6.1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- Continued uncertainty about future funding of local authorities, particularly given the significant increase in inflation
- Possible changes to future governance arrangements brought about by the introduction of Corporate Joint Committees.
- The future impact on both service delivery and response activity from a resurgence in the COVID19 pandemic, following the cessation of continued financial support from Welsh Government through the Local Authority Hardship fund

However, the Authority has a robust three year budget strategy with efficiency and service rationalisation proposals to deliver a balanced budget and has therefore determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result.

Voluntary Controlled and Voluntary Aided schools are currently excluded from the Authority's balance sheet as although the Authority has liabilities and risks in terms of property costs such as repairs and maintenance, it does not own the schools nor does it have any rights to the future economic benefits inherent in the assets.

6.3 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

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

The only items in the Authority's Balance Sheet for which there is a significant risk of material adjustment in the forthcoming financial year is the Pensions Liability.

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.

6.4 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 Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2021-22	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	(32,405)	(12,917)	0	0	45,322
Revaluation gains/(losses) on Property Plant and Equipment	8,608	27,835	0	0	(36,443)
Movements in the market value of Investment Properties	256	0	0	0	(256)
Capital grants and contributions applied	31,692	21,123	0	0	(52,815)
Revenue expenditure funded from capital under statute	(2,249)	0	0	0	2,249
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	(2,180)	0	0	0	2,180
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	11,858	4,683	0	0	(16,541)
Capital expenditure charged against the Council Fund and HRA balances	8,413	3,624	0	0	(12,037)

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2021-22	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	19,734	475	0	(20,209)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	6,711	(6,711)
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	2,370	0	(2,370)	0	0
Statutory Capital Receipts	59	0	(1,460)		1,401
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	1,059		(1,059)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0	0	0	0	0
Capital Receipts Set Aside	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2021-22	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	77	0	0	0	(77)
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 6.42)	(76,506)	(2,202)	0	0	78,708
Employer's pensions contributions and direct payments to pensioners payable in the year	27,429	751	0	0	(28,180)
Adjustment primarily involving the Accumulated Absences Account:					
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	(1,346)	(24)	0	0	1,370
Total Adjustments	(4,190)	43,348	(2,771)	(13,498)	(22,889)

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2020-21	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	(31,330)	(12,493)	0	0	43,823
Revaluation gains/(losses) on Property Plant and Equipment	(1,376)	23,486	0	0	(22,110)
Movements in the market value of Investment Properties	1,166	0	0	0	(1,166)
Capital grants and contributions applied	31,642	12,229	0	0	(43,871)
Revenue expenditure funded from capital under statute	(4,673)	0	0	0	4,673
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	(221)	(6)	0	0	227
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	10,587	4,717	0	0	(15,304)
Capital expenditure charged against the Council Fund and HRA balances	5,487	9,856	0	0	(15,343)

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2020-21	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	12,856	1,462	0	(14,318)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	2,128	(2,128)
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	326	65	(391)	0	0
Statutory Capital Receipts	5	0	(51)	0	46
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	512	0	(512)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0	0	0	0	0
Capital Receipts Set Aside	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0

	Usable Reserves				
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2020-21	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Financial Instruments					
Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	76	0	0	0	(76)
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 6.42)	(56,897)	(1,578)	0	0	58,475
Employer's pensions contributions and direct payments to pensioners payable in the year	26,474	696	0	0	(27,170)
Adjustment primarily involving the Accumulated Absences					
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	(1,153)	(30)	0	0	1,183
Total Adjustments	(7,031)	38,404	70	(12,190)	(19,253)

6.5 Note to the Expenditure and Funding Analysis**2021-22****Adjustments between Funding and Accounting Basis**

Department	Adjustments for Capital Purposes £'000	Net Changes for Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Chief Executive	2,894	4,154	124	7,172
Education & Children	10,338	12,929	733	24,000
Corporate Services	11	493	45	549
Communities	3,492	11,645	285	15,422
Environment	5,590	5,172	100	10,862
Housing Revenue Account	(18,541)	1,115	24	(17,402)
Insurance & Corporate	(6,006)	0	0	(6,006)
Net Cost of Services	(2,222)	35,508	1,311	34,597
Other Income & Expenditure	(88,757)	15,020	(18)	(73,755)
Difference between CF & HRA (Surplus)/Deficit and CIES (Surplus)/Deficit on Provision of Services	(90,979)	50,528	1,293	(39,158)

2020-21

Department	Adjustments for Capital Purposes £'000	Net Changes for Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Chief Executive	5,785	2,139	112	8,036
Education & Children	17,330	6,035	522	23,887
Corporate Services	(4)	(487)	46	(445)
Communities	4,803	5,937	241	10,981
Environment	4,842	2,751	140	7,733
Housing Revenue Account	(20,848)	538	30	(20,280)
Insurance & Corporate	(2,523)	0	0	(2,523)
Net Cost of Services	9,385	16,913	1,091	27,389
Other Income & Expenditure	(73,169)	14,392	15	(58,762)
Difference between CF & HRA (Surplus)/Deficit and CIES (Surplus)/Deficit on Provision of Services	(63,784)	31,305	1,106	(31,373)

Narrative Explanation**Adjustments for Capital Purposes**

Service lines - adds in depreciation, impairment and revaluation gains and losses and deducts direct revenue funding.

Other Income and Expenditure includes the following:

Other Operating Expenditure - Adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets. Adds/deducts charges to trading operations not included in service lines.

Financing and Investment income and expenditure – deducts the statutory charges for capital financing (MRP) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. There are credits for capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for Pensions Adjustments

Service lines – employer contributions made by the Authority are removed as allowed by statute and replaced with current service costs and past service costs.

Other Income and Expenditure includes the following:

Financing and Investment Income – the net interest on the defined benefit liability is charged to the CIES.

Other Differences

Service lines – adjusts for holiday pay transferred to the accumulated absence reserve.

Financing and Investment Income and Expenditure – adjustments to the General Fund for the timing differences for premiums and discounts.

6.6 Trading Operations

The Authority undertakes the following trading operations that make up the Surpluses/Deficits on Trading Activities in the Comprehensive Income and Expenditure Statement: Property Services, Vehicle Repair & Maintenance, Building Cleaning, Fleet Management and Civil Design.

6.7 Council Tax

Council tax income is derived from charges raised according to the value of residential properties, which have been classified into nine valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by dividing the amount of income required for Carmarthenshire County Council and the Dyfed-Powys Police & Crime Commissioner and Town & Community Councils 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. The Council Tax Base for 2021/22 was 74,425.19 (74,006.63 for 2020/21).

Council Tax bills are based on multipliers for bands A to I. The following table shows the multiplier applicable to each band together with the equivalent number of Band 'D' properties within each band. In addition there is one lower band (A-) designed to offer the appropriate discount in respect of disabled dwellings where legislation allows a reduction in banding to that one below the band in which the property is actually valued.

Band	A-	A	B	C	D	E	F	G	H	I
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
Band D Dwellings	21	5,080	16,268	14,558	13,015	14,722	8,661	3,360	536	113

Analysis of the net proceeds from Council Tax:

	2020-21 £'000	2021-22 £'000
Council Tax Collectable	125,295	130,719
Movement in Impairment Allowance	(2,465)	(722)
Net Proceeds from Council Tax (including Precepts)	122,830	129,997

6.8 National Non Domestic Rates (NNDR)

NNDR is organised on a national basis. 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 who redistribute the sums payable back to local authorities on the basis of a fixed amount per head of population. Local businesses pay rates calculated by multiplying their rateable value by a rate specified by the Welsh Government (53.5p for 2021/22, 53.5p for 2020/21).

The total non-domestic rateable value at 31st March 2022 was £120,370,324 (£120,089,070 at 31st March 2021).

6.9 Property, Plant & Equipment

Movements in 2021-22	Council Dwellings	Other Land & Buildings	Infra-structure	Vehicles Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Book Value 01/04/21	374,626	739,254	328,812	28,422	5,760	23,557	73,034	1,573,465
Additions	16,575	11,287	11,527	2,566	364	4	33,012	75,335
Revaluation Increases Recognised in the Revaluation Reserve	51,931	113,931	0	0	206	742	0	166,810
Revaluation Losses Recognised in the Revaluation Reserve	(582)	(10,034)	0	0	0	(979)	0	(11,595)
Revaluation Increases Recognised in the Provision of Services	36,525	15,603	0	0	0	11	0	52,139
Revaluation Losses Recognised in the Provision of Services	(5,067)	(6,962)	0	0	(1)	(32)	0	(12,062)
Derecognition of Disposals	0	0	(30)	(76)	0	(1,831)	0	(1,937)
Reclassifications: to & from Assets Held for Sale	0	0	0	0	0	(205)	0	(205)
Reclassifications: to & from Investment Properties	0	(127)	0	0	4	(58)	125	(56)
Reclassifications: from Assets Under Construction	1,113	11,156	2,126	0	0	0	(14,536)	(141)
Reclassifications: PPE	230	(560)	(656)	0	738	248	0	0
Write back of Dep'n to the Gross Carrying Amount on Revaluation	(6,801)	(56,057)	14	(5,371)	(66)	(244)	0	(68,525)
Gross Book Value 31/03/22	468,550	817,491	341,793	25,541	7,005	21,213	91,635	1,773,228
Accumulated Depreciation and Impairment at 01/04/21	5,205	(41,198)	(102,529)	(13,786)	(589)	(241)	0	(153,138)
Depreciation Charge	(12,917)	(22,310)	(7,210)	(2,858)	(27)	0	0	(45,322)
Depreciation Written Out to Revaluation Reserve	6,801	56,057	(14)	5,371	66	244	0	68,525
Derecognition of Disposals	0	0	0	28	0	0	0	28
Other Movements in Depreciation and Impairments	(4,793)	(575)	215	1	1	(19)	0	(5,170)
Cumulative Depreciation to 31/03/22	(5,704)	(8,026)	(109,538)	(11,244)	(549)	(16)	0	(135,077)
Net Book Value at 31/03/22	462,846	809,465	232,255	14,297	6,456	21,197	91,635	1,638,151

Movements in 2020-21	Council Dwellings	Other Land & Buildings	Infra-structure	Vehicles Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Book Value 01/04/20	384,528	726,353	315,650	27,189	5,612	19,606	52,598	1,531,536
Additions	16,651	10,040	10,813	3,069	156	1,504	32,557	74,790
Revaluation Increases Recognised in the Revaluation Reserve	17,696	1,815	0	0	0	171	0	19,682
Revaluation Losses Recognised in the Revaluation Reserve	(3,176)	(2,513)	0	0	(4)	(440)	0	(6,133)
Revaluation Increases Recognised in the Provision of Services	48,938	80	0	0	0	8	0	49,026
Revaluation Losses Recognised in the Provision of Services	(25,453)	(1,363)	0	0	(4)	(96)	0	(26,916)
Derecognition of Disposals	(5)	0	0	(1,743)	0	(9)	0	(1,757)
Reclassifications: to & from Assets Held for Sale	0	(139)	0	0	0	(40)	0	(179)
Reclassifications: to & from Investment Properties	0	(817)	0	0	0	12	0	(805)
Reclassifications: from Assets Under Construction	0	9,772	2,349	0	0	0	(12,121)	0
Reclassifications: PPE	0	(2,931)	0	0	0	2,931	0	0
Write back of Dep'n to the Gross Carrying Amount on Revaluation	(64,553)	(1,043)	0	(93)	0	(90)	0	(65,779)
Gross Book Value 31/03/21	374,626	739,254	328,812	28,422	5,760	23,557	73,034	1,573,465
Accumulated Depreciation and Impairment at 01/04/20	(46,855)	(21,202)	(95,518)	(12,605)	(562)	(86)	0	(176,828)
Depreciation Charge	(12,493)	(21,222)	(7,011)	(2,992)	(27)	(78)	0	(43,823)
Depreciation Written Out to Revaluation Reserve	64,553	1,043	0	93	0	90	0	65,779
Derecognition of Disposals	0	0	0	1,718	0	0	0	1,718
Other Movements in Depreciation and Impairments	0	183	0	0	0	(167)	0	16
Cumulative Depreciation to 31/03/21	5,205	(41,198)	(102,529)	(13,786)	(589)	(241)	0	(153,138)
Net Book Value at 31/03/21	379,831	698,056	226,283	14,636	5,171	23,316	73,034	1,420,327

All assets reclassified as Held for Sale were sold during the year.

Statement of Non-Current Assets Carried at Current Value 2021/22

The following statement shows the progress of the Authority's rolling programme for revaluation of fixed assets. The valuations are carried out in-house by the Authority's Valuers who are Fellows of the Royal Institute of Chartered Surveyors. The basis for valuation is set out in the statement of accounting policies.

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant & Equipment £'000	Surplus Assets £'000	TOTAL £'000
Movement in fair value as at:					
Previous Years	336,124	756,331	21,129	34,555	1,148,139
31 March 2018	14,875	50,250	1,553	(7,470)	59,208
31 March 2019	17,062	(27,710)	3,154	(2,105)	(9,599)
31 March 2020	16,467	(52,518)	1,353	(5,374)	(40,072)
31 March 2021	(9,902)	12,901	1,233	3,951	8,183
31 March 2022	93,924	78,237	(2,881)	(2,344)	166,936
Gross Book Value at 31/03/22	468,550	817,491	25,541	21,213	1,332,795

Capital Commitments

As at 31st March 2022 the Council was contractually committed to outstanding capital works which amounted to approximately £27.2 million (£36.3 million as at 31st March 2021).

	£'000
Council Dwellings	5,308
The main contracts include:	
<i>Wauniago House, Carmarthen</i>	<i>1,217</i>
Education and Children	11,822
The main contracts include:	
<i>Ysgol y Castell</i>	<i>2,319</i>
<i>Ysgol Gorslas</i>	<i>2,197</i>
<i>Pembrey School</i>	<i>5,970</i>
Culture, Sport and Tourism	172
Regeneration / Economic Development	9,847
The main contracts include:	
<i>Pendine Attractor Project</i>	<i>2,130</i>
<i>Llandeilo Market Hall</i>	<i>1,652</i>
<i>Former YMCA Building, Llanelli</i>	<i>2,993</i>
<i>Pentre Awel</i>	<i>2,764</i>
Chief Executive	45
Total	27,194

6.10 Heritage Assets

Heritage Assets with a net carrying amount of £2,432k were held as at 31 March 2022 (£2,292k as at 31 March 2021). A public sculpture (£140k) was transferred from Assets Under Construction during 2021/22 (Note 6.9). Further details of the Council's Heritage Assets, classed as Museum Exhibits, can be obtained from the County Museum's Curator at Carmarthenshire County Council.

6.11 Investment Properties

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

	2020-21	2021-22
	£'000	£'000
	(Restated)	
Rental income from Investment Properties (including loss of income funding from Welsh Government) *	(712)	(1,125)
Direct operating expenses arising from Investment Property	453	475
Net (gain)/loss	(259)	(650)
Indirect Expenditure	249	288
Net (Gains)/Losses from Fair Value adjustments	(1,166)	(256)
Income and Expenditure in relation to Investment Properties and changes in their Fair Value	(1,176)	(618)

* 2020/21 figures have been restated to include Machynys Golf and Wildlife & Wetlands Trust rental income.

The following table summarises the movement in the fair value of Investment Properties during the year:

	2020-21	2021-22
	£'000	£'000
Balance at start of year	23,152	25,110
Additions:		
Enhancements	28	1,397
Disposals:	(8)	(16)
Net Gains/(Losses) from fair value adjustments	1,166	256
Revaluation Losses Recognised in the Revaluation Reserve	(17)	(25)
(To)/From Property, Plant and Equipment	789	48
	25,110	26,770

Fair Value Measurement of Investment Properties

Details of the Council's Investment Properties and information about the fair value hierarchy are as follows:

	31st March 2021		31st March 2022	
	Significant unobservable inputs (level 3)	Fair Value	Significant unobservable inputs (level 3)	Fair Value
Recurring Fair Value measurements using:				
Commercial Properties	9,776	9,776	10,146	10,146
Garages	39	39	39	39
Land Assets	15,248	15,248	16,538	16,538
Residential Properties	47	47	47	47
Total	25,110	25,110	26,770	26,770

6.12 Long Term Investments

	31 March 2021	31 March 2022
	£'000	£'000
Cwm Environmental Ltd.	329	329
Egni Sir Gar Cyfyngedig	810	778
Banks and 100% Wholly Owned Subsidiaries	668	0
	1,807	1,107

Whilst CWM Environmental, Llesiant Delta Wellbeing Ltd and Cartrefi Croeso have the nature of subsidiaries which require the preparation of group accounts, Group Accounts have not been prepared as the consolidation would not materially affect the Authority's financial position or the reader of the accounts' ability to see the complete economic activities and exposure to risk of the Council.

CWM Environmental Ltd

CWM Environmental Ltd. is a wholly owned subsidiary company of the Authority. The company has been set up in accordance with the Environmental Protection Act 1990 for the purpose of Waste Disposal.

The company was vested with the Welsh Office on 10 March 1997 and the following represents the Authority's Interest at 31st March 2022:

	£'000
Share Capital	329

The investment has been included in Long Term Investments within the Balance Sheet and the Authority has given no commitment to this company to meet any accumulated deficits or losses.

CWM Environmental Ltd operate two wholly owned subsidiaries with the following shareholding:

Pembrokeshire Recycling Company Ltd	£1.00
Carmarthenshire Recycling Company Ltd	£1.00

Pembrokeshire Recycling Company Ltd and Carmarthenshire Recycling Company Ltd are registered in England and Wales and are dormant.

The Company has produced draft accounts for the year. Detailed below is a summary of the draft trading results for the year and net assets as at 31st March 2022:

	Year ended 31 March 2022
	£'000
Turnover	13,448
Less: Cost of Sales	(10,585)
Gross Profit	2,863
Overheads	(3,953)
Net Profit/(Loss) before taxation	(1,090)
Taxation on loss / profit	0
Retained Profit/(Loss)	(1,090)
Net Assets as at 31 March 2022	3,061

A copy of the Annual Report can be obtained from the Registered Office at the following address:

Head Office,
Nantycaws Recycling Centre
Llanddarog Road,
Carmarthen,
SA32 8BG

Llesiant Delta Wellbeing Ltd

Llesiant Delta Wellbeing Ltd is a wholly owned subsidiary of the Authority. The total value of the share capital is £1. The investment is included in Long Term Investments within the Balance Sheet and the Authority has given no commitment to this company to meet any accumulated deficits or losses.

The company is required to produce audited accounts for the year ended 31st March 2022 which are submitted to Companies House. Detailed below is a summary of the draft trading results for the year and net assets as at 31st March 2022.

	Year ended 31 March 2022
	£'000
Turnover	6,688
Less: Cost of Sales	(5,381)
Gross Profit	1,307
Overheads	(1,021)
Net Profit/(Loss) before taxation	286
Taxation on loss / profit	(54)
Changes in defined pension liabilities	(257)
Retained Profit/(Loss)	(25)
Net Assets/(Liabilities) as at 31 March 2022	(3,424)

Cartrefi Croeso

Cartrefi Croeso is a wholly owned subsidiary of the Authority. The total value of the share capital is £100. The investment is included in Long Term Investments within the Balance Sheet and the Authority has given no commitment to this company to meet any accumulated deficits or losses.

The company is required to produce audited accounts for the year ended 31st March 2022 which are submitted to Companies House. Detailed below is a summary of the draft trading results for the year and net assets as at 31st March 2022.

	Year ended 31 March 2022
	£'000
Turnover	60
Less: Cost of Sales	(23)
Gross Profit	37
Overheads	(37)
Net Profit/(Loss) before taxation	0
Taxation on loss / profit	0
Retained Profit/(Loss)	0
Net Assets/(Liabilities) as at 31 March 2022	2

Egni Sir Gar

Carmarthenshire County Council invested in the solar PV project set up by Egni Sir Gar Cyfyngedig - a community benefit society registered with the Financial Conduct Authority (number 7193). The scheme installed solar PV panels in 2016 on 17 non-domestic buildings

within the Council's portfolio. Carmarthenshire County Council are 100% shareholders of Egni Sir Gar Cyfyngedig.

The society sold shares to fund the capital expenditure and working capital requirements associated with the development, installation and maintenance of the panels. The solar PV panel installation was completed during 2016.

A Share Purchase Agreement was set up between Carmarthenshire County Council and Egni Sir Gâr Cyfyngedig.

There was a 4% capital repayment (ordinary 'B' shares) of £32k made during the year.

	£'000
Ordinary 'A' Shares	100
Ordinary 'B' Shares	678
Total Share Capital	778

Each share has a nominal value of £1.00 each.

6.13 Long Term Debtors

	31 March 2021 £'000	31 March 2022 £'000
Home Improvement Loans Longer than One Year	673	835
Charges against estates of persons in residential homes (Carmarthenshire County Council)	566	357
Charges against estates of persons in residential homes (External Providers)	1,111	1,264
Capital Contribution to the loans of 1st time homebuyers	1,053	1,039
Car Loans	48	37
Loan Scarlets	2,616	0
Loan Towy Community Church	163	145
Loan for Town Centres	243	242
Loan Cartrefi Croeso	2	2
Loan Town and Community Councils	498	498
Loan Cwm Environmental	460	387
Other	96	90
	7,529	4,896

The Welsh Government's initiative Houses into Homes and Home Improvement Loans provides interest free loans to bring back empty properties into use. These payments to landlords will create a recyclable loan fund usable during the term of the scheme.

The County Council, as part of the Development Agreement entered into with Llanelli Rugby Football Club Limited (the club), advanced a sum of £2.4m for a term of 15 years to the club. As the loan is due to be repaid in 2022/23 this has been moved to Short Term Debtors (note 6.16).

A 15 year annuity loan of £270k at a variable interest rate of 2.5% above base rate was entered into with the Towy Community Church in December 2012 to assist in the implementation of the Xcel project. Following a temporary suspension of repayments as a result of the COVID19 pandemic, the repayments resumed during 2021/22.

A 10 year loan of £321k at a fixed interest rate of 3.38% was entered into with CWM Environmental Limited in February 2020 for the purpose of acquiring land adjoining the Nantycaws Site. An additional 5 year loan of £201k at a fixed interest rate of 3.12% was entered into with CWM Environmental Limited in April 2020 for the purpose of constructing a new office building at the Nantycaws site.

Loans to Town and Community Councils are for the replacement of ageing lighting columns with energy efficient LEDs. This is an Invest to save Initiative.

Town Centre loans are to support businesses redevelop empty or underutilised properties within town centres into commercial and/ or residential use.

6.14 Short Term Investments

This represents investments repayable within twelve months and is analysed as follows:

	31 March 2021 £'000	31 March 2022 £'000
Banks and Debt Management Account Deposit Facility	20,504	68,518
Local Authorities	5,000	17,007
	25,504	85,525

6.15 Inventories

	2020-21 £'000	2021-22 £'000
Balance at start of year	1,217	2,013
Purchases	6,676	7,456
Recognised as an expense in the year	(5,872)	(7,403)
Written off balances	(8)	(6)
Other net movements in year	0	1
Balance at year end	2,013	2,061

The 2020/21 and 2021/22 figures above include COVID19 related Personal Protective Equipment (PPE) funded through the WG Hardship Scheme together with donated PPE.

Donated Inventories Account

During the year, the Authority 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:

2020-21		2021-22
£'000		£'000
0	Balance as at 1 April	(432)
(1,413)	Received	(875)
981	Utilised	1,025
(432)	Balance as at 31 March	(282)

The Authority distributed £2.135 million of Personal Protective Equipment and £193k of lateral flow tests in its capacity as agent to external organisations during the year. £535k of Personal Protective Equipment and £183k of lateral flow tests is held on behalf of external organisations as at 31 March 2022.

The figures above do not include lateral flow tests provided directly to schools by Welsh Government, as figures are not available. The provision of these items could be classed as agency.

6.16 Short Term Debtors

	31 March 2021	31 March 2022
	£'000	£'000
HM Revenue & Customs	5,005	5,656
Central Government	41,599	50,512
Police, Fire, National Park and Local Authorities	5,769	5,583
NHS Bodies	7,462	14,742
Council Tax Payers	4,964	4,728
Housing Tenants	1,566	1,781
Other	21,945	22,320
	88,310	105,322

* Included in Other is a loan of £2.62m to Llanelli Rugby Football Club Limited (the club), which is due to be repaid in 2022/23.

6.17 Cash and Cash Equivalents

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

2020-21		2021-22
£'000		£'000
71	Cash held by the Authority	69
(867)	Bank current accounts	(8,922)
	Short-term deposits with banks, money market funds and debt management account deposit facility	
39,707		25,166
8,000	Short-term deposits with Local Authorities	15,006
46,911	Total Cash and Cash Equivalents	31,319

6.18 Short Term Borrowing

This represents borrowing repayable within twelve months and is analysed as follows:

	31 March 2021 £'000	31 March 2022 £'000
Public Works Loan Board	18,367	12,563
Market Loan	63	64
Salix & Invest 2 Save	131	166
	18,561	12,793

6.19 Short Term Creditors

	31 March 2021 £'000	31 March 2022 £'000
HM Revenue & Customs	(4,919)	(5,967)
Central Government	(5,475)	(7,844)
Police, Fire, National Park and Local Authorities	(3,762)	(6,556)
NHS Bodies	(2,254)	(3,647)
Housing Tenants	(651)	(699)
Council Tax Payers	(2,997)	(3,234)
Employee Related	(7,381)	(8,889)
Dyfed Pension Fund	(9,741)	(5,589)
Trust Funds	(4,654)	(6,262)
Other	(35,327)	(41,040)
	(77,161)	(89,727)

* This represents funds held on client's behalf.

6.20 Provisions

The summary below shows the movement in the level of provisions during 2021/22:

	1 April 2021 £'000	Reversal £'000	Addition £'000	Utilisation £'000	31 March 2022 £'000
Corporate Services Department	81	0	0	0	81
Environment Department	229	0	0	(112)	117
Education & Children	159	(159)	40	0	40
Communities Department	1,700	(1,107)	968	(93)	1,468
Losses on Investments	672	(10)	0	(662)	0
Municipal Mutual Insurance (MMI)	134	(7)	0	(10)	117
Landfill Site - Aftercare Provision	510	0	0	(100)	410
Insurance	699	0	27	0	726
	4,184	(1,283)	1,035	(977)	2,959

	Current Liabilities (< 1 year) £'000	Long Term Liabilities (> 1 year) £'000	Total £'000
Balances as at 31 March 2022			
Corporate Services Department	81	0	81
Environment Department	103	14	117
Education & Children	40	0	40
Communities Department	0	1,468	1,468
Losses on Investments	0	0	0
Municipal Mutual Insurance (MMI)	0	117	117
Landfill Site - Aftercare Provision	94	316	410
Insurance	726	0	726
	1,044	1,915	2,959

Purpose of Main Provisions**Corporate Services Department**

Provision for money due to HMRC relating to a prior year payroll adjustment £41k. There is also a provision for overtime relating to the closure of the accounts.

Environment Department

The total includes £14k for remedial works due to subsidence in Crown Park, £69k bad debts – trade waste, £8k for approved asset transfer payments and £26k for a Software Contract entered into for a 3 year period.

Education & Children's Services

Provision of £40k is made for legally committed inter-agency adoption fees to be paid in 2022/23 due to delays in final sign off of adoption cases.

Communities Department

Provision of £1,106k to meet the requirements of UK digital switchover, £319k for the backlog of Statutory Assessments and £44k for legal/barristers costs for prosecutions relating to trading standards & animal health.

Losses on Investments

In October 2008 the Icelandic banking sector defaulted on its obligations. Provision has been made in the accounts for the estimated non-recoverable amounts. The Administrators have confirmed that the dividend received on 19th August 2021 was the final dividend, and no further dividends would be paid. The provision has now been utilised and no further provision is required.

Municipal Mutual Insurance (MMI)

For the policy years before 1992/93, each local authority insured by MMI is exposed to a potential insurance liability relating to the closure of MMI on 30th September 1992. In January 2012 the Directors of MMI triggered the "MMI Scheme of Arrangement" with the levy notice being issued on 1st January 2014. The initial levy was for 15% and was increased to 25% at the end of 2015/16. Whilst there remains a net liability position on MMI's balance sheet the Schemes Administrator continues to monitor the claims position and will advise the scheme creditors if an adjustment to the levy is required. As the matter is on-going, the provision is retained in the accounts.

Landfill Site - Aftercare

Entities that operate landfill sites have a duty to carry out restoration works and undertake appropriate aftercare, including the monitoring and control of gas and leachate production at the sites. This provision recognises the estimated aftercare costs for the Wernddu and Nantycaws closed landfill sites.

Insurance Provision

This provision is for insurance claims that have been registered and are likely to fall on the Authority.

6.21 Long Term Borrowing

Total Outstanding as at	31st March 2021 £'000	31st March 2022 £'000	Maturity Dates
Sources of Borrowing			
Public Works Loan Board	387,609	377,607	2022-2069
Market Loans (Note i)	3,113	3,113	2022-2055
Interest Free Loans (Note ii)	7,330	9,961	2022-2037
	398,052	390,681	

- (i) The FMS Wertmanagement AoR Bank loan is a Lenders Option Borrowers Option (LOBO) loan. It is shown at the Equivalent Interest Rate (EIR). It is a stepped interest rate loan, with a current rate of 4.72 %. The lender has the option to vary the interest rate at each interest payment date. If the lender exercises the option the Authority then has the option as to either accept the new interest rate or repay the loan back to the lender. In the accounts an adjustment has to be made to equalise the difference between the rate charged and the rate paid to show the true cost of the loan over the loan period.

(ii)

Interest Free Loans

Total Outstanding as at	31st March 2021 £'000	31st March 2022 £'000
SALIX	1,975	2,606
Home Improvement Loans Scheme	1,292	1,292
Town Centre Loans	4,063	6,063
	7,330	9,961

Re:fit Cymru is a Welsh Government promoted scheme providing interest free loans via the Salix funding programme for up to 10 years, that aims to accelerate energy efficiency improvement in all public sector buildings in Wales.

The Home Improvement Loan Scheme (HILS) is issued under statute by the Welsh Government. The purpose of the scheme is to provide loans to owner occupiers and the private rented sector to improve properties or to bring empty properties back into use. The term of the funding is until 31st March 2030, with advances to third parties repayable interest free.

The Town Centre Loans (TCL) is issued under statute by the Welsh Government. The purpose of the scheme is to provide loans to reduce the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of the town centres by encouraging more sustainable uses for empty sites and premises, such as residential, leisure and for key services. The term of the funding is until 31st March 2036, with advances to third parties repayable interest free.

6.22 Earmarked Council Fund Reserves

A summary of the earmarked reserves set up by this Authority or its predecessor Authorities is set out below:

	1 April 2020 £'000	Transfers In £'000	Transfers Out £'000	31 March 2021 £'000	Transfers In £'000	Transfers Out £'000	31 March 2022 £'000
Insurance	12,194	1,890	(1,178)	12,906	1,577	(947)	13,536
Major Development Fund	38,324	1,125	(450)	38,999	2,421	(5,757)	35,663
MEP Capital Funding	8,908	2,958	(223)	11,643	2,761	(3,802)	10,602
Development Fund	1,406	617	(1,364)	659	75	0	734
Schools Development Fund	231	75	(25)	281	18	0	299
City Deal/Pentre Awel	2,548	2,500	(263)	4,785	6,439	(556)	10,668
Public Lighting Invest 2 Save	1,301	0	0	1,301	0	0	1,301
Salix Fund	81	34	(84)	31	75	(26)	80
Corporate Retirement Fund	4,300	1,009	(33)	5,276	919	(25)	6,170
Redundancy	793	285	(6)	1,072	216	(30)	1,258
IT Infrastructure	441	0	0	441	0	(108)	333
Financial Management System	317	0	0	317	0	0	317
Parc Dewi Sant/St David's Park	0	1,300	0	1,300	0	(8)	1,292
Joint Ventures	1,307	168	(47)	1,428	184	(73)	1,539
Externally Funded Schemes	2,150	839	(1,074)	1,915	1,633	(680)	2,868
Llanelly House	142	0	0	142	0	0	142
Community Asset Transfer Fund	80	0	(26)	54	0	(5)	49
Fleet Management	1,886	105	(206)	1,785	57	(433)	1,409
Highways Capital Funding	1,123	58	0	1,181	58	0	1,239
Council Tax/Housing Benefit	880	0	0	880	0	0	880
Housing Services Schemes	1,852	1,078	(100)	2,830	476	0	3,306
Work Ready Programme Reserve	537	0	(136)	401	0	(119)	282
Brexit	200	0	0	200	0	0	200
Tour of Britain	350	0	0	350	0	(300)	50
Departmental Reserves	8,091	8,268	(820)	15,539	9,128	(2,529)	22,138
Resetting Services (Post COVID19)	2,000	0	0	2,000	400	0	2,400
COVID19 Hardship Reserve	0	3,933	0	3,933	458	0	4,391
Economic Recovery	0	450	0	450	0	0	450
County Council Election costs	0	350	0	350	0	(61)	289
Nantycaws Recycling Centre	0	1,000	0	1,000	700	0	1,700
Schools HWB Sustainability Scheme	0	676	0	676	794	(719)	751
School Organisation Fund	0	475	0	475	250	0	725
Urdd National Eisteddfod	0	0	0	0	120	0	120
Carmarthen Hwb	0	0	0	0	200	0	200
Waste Strategy	0	0	0	0	1,000	0	1,000
Decarbonisation Reserve	0	0	0	0	500	0	500

	1 April 2020 £'000	Transfers In £'000	Transfers Out £'000	31 March 2021 £'000	Transfers In £'000	Transfers Out £'000	31 March 2022 £'000
Levelling up bid match funding	0	0	0	0	2,500	0	2,500
Inflationary Risks reserve	0	0	0	0	1,537	0	1,537
RSG Reserve	0	0	0	0	3,680	0	3,680
Cost of Living Discretionary Scheme	0	0	0	0	1,871	0	1,871
Targeted Regeneration Investment Reserve	0	0	0	0	71	0	71
Residential Home Room Refurbishment	0	0	0	0	513	0	513
Other	175	31	(1)	205	132	(63)	274
	91,617			114,805			139,327
Held by Schools under LMS	(2,001)	10,089	(822)	7,266	8,363	(424)	15,205
	(2,001)			7,266			15,205

Insurance

Funds have been set aside to meet the cost of claims and other losses that could fall on the Authority.

Major Development Fund

This fund has been created to support major capital development projects in the County and its utilisation is reflected in the 5 year capital programme.

MEP Capital Funding

Sum set aside to meet the cost of prudential borrowing to finance the Modernising Education Provision programme and its utilisation is reflected in the 5 year capital programme.

Development Fund

The aim of this fund is to assist the Authority in its long term planning by allocating resources to projects that, due to lack of funding, could not be carried out within normal budgetary allocations.

City Deal/Pentre Awel

Funding set aside to meet potential future expenditure in respect of the City Deal projects, such as project development costs, borrowing and interest costs and Carmarthenshire's contribution towards the overall city deal operating costs (including the Regional Office) as per the Swansea Bay City Region Joint Agreement.

Public Lighting Invest 2 Save

Reserve set aside to provide additional financial support for the Welsh Government Invest-to-save project of converting streetlamps to dimmable LED lighting. The initiative will deliver a legacy of reduced energy costs and associated carbon taxes achieved through a 3 year programme of converting approximately 12,000 sodium lantern units to lower energy consumption LED units which will incorporate part-night dimming regimes.

Salix Fund

Salix, which is an independent social enterprise that provides funding for proven technologies which are cost effective in saving CO2, have provided the Authority with a grant to allow loans to be made to schools/ departments to fund energy saving schemes. These loans are repaid from the resultant savings and the fund is replenished for other schools/ departments to benefit from the scheme.

Corporate Retirement Fund

This Fund has been set up to support the Authority's redundancy and early retirement policy, enabling the Authority to provide for the actuarial strain on the Pension Fund which arises from any early retirement or redundancy.

Redundancy

This fund has been established by Departments to meet potential redundancy costs that may be incurred at the termination of fixed term contracts for staff at the end of externally funded schemes.

IT Infrastructure

This fund has been established to support the planned replacement of the Authorities servers and IT infrastructure.

Financial Management System

Set up to meet the funding of the significant investment in the provision and development of the Financial Management System.

St David's Park Reserve

This reserve provides funding for necessary investment in Parc Dewi Sant in future years to support the Council's objectives. This includes repurposing some buildings for revised user requirements subject to the securing of new or extended leases.

Joint Ventures

The Authority has entered into various Joint Venture agreements with the Welsh Government. Rental income received in relation to these is set aside to meet future obligations.

Externally Funded Schemes

To provide match funding for ongoing projects or externally funded schemes in future years.

Llanelly House

To meet the agreed funding support to the Llanelly House project, in order to assist with the sustainability of this new facility which is seen as being integral to the long term regeneration plans for the town centre.

Community Assets Transfer Fund

The authority recognised that there are some services or local facilities that could be operated more effectively if run by Community Groups or Community Councils. This fund was established to undertake improvements to facilities or give financial incentives to enable these projects to be taken forward.

Fleet Management

This reserve has been established to equalise the whole of life cost of operating and maintaining Council's vehicles to the service users over agreed durations.

Highways Capital Funding (Local Government Borrowing Initiative LGBI)

The fund has been established to meet the cost of borrowing to finance the Highways capital improvement and maintenance programme

Council Tax/Housing Benefits

This reserve has been earmarked to meet the potential costs falling on Carmarthenshire arising from the annual reductions in the Housing Benefits Administration grant and Welfare reform.

Housing Services Schemes

This reserve has been set up to support Housing projects including Supporting People, bringing empty houses back into use, the Syrian & Afghan Resettlement schemes and the Private Rental Sector leasing scheme.

Work Ready Programme Reserve

Reserve set aside to provide 4 tiers of work placement and training within the Authority as a means of assisting local people, including young people with limited or no employment history to gain qualifications and employment in order to enhance their employment prospects.

BREXIT

This fund has been established to deal with any potential costs associated with Brexit.

Tour of Britain

This fund has been established to deal with costs of hosting the Men's and Women's Tour of Britain over the coming years.

Departmental Reserves

The Authority has a policy which permits allocations to departmental reserves, funded from in year underspends that can be allocated towards specific one off projects/services. This approach encourages prudent use of public money.

Resetting Services (Post COVID19)

Funding set aside to meet any one-off costs of resetting or realigning services during the recovery phase of the COVID19 pandemic

COVID19 Hardship Reserve

Reserve set aside from monies received from Welsh Government at year-end to help deal with the impact of COVID19.

Economic Recovery Reserve

Reserve set aside to aid the development and delivery of the County's economic recovery plan following COVID19.

County Council Election Costs

Reserve set aside to fund the cost of the May 2022 County Council elections.

Nantycaws Recycling Centre

This fund has been established to deal with additional operating costs as a result of a fire at the recycling site in Nantycaws in 2021.

Schools HWB Sustainability Scheme

Reserve set aside to provide planned long term ongoing maintenance and replacement programme for schools IT.

School Organisation Fund

Specific reserve to assist in funding future extraordinary costs incurred from school reorganisations as part of the Modernising Education Programme.

Held by Schools under LMS

This represents the net position of the balances of all schools. While some schools have a surplus balance, others are in deficit. It is recognised that in many cases it will take time to effect the changes necessary to balance individual school budgets, and therefore deficit recovery plans will be agreed on a school by school basis.

Revenue Support Grant Reserve

Specific reserve set up to manage additional funding received from Welsh Government through the Revenue Support Grant at the end of financial year 2021/22

Urdd National Eisteddfod Reserve

Reserve established to assist with costs associated with hosting the Urdd Eisteddfod in Llandoverly.

Levelling Up Match Funding

Reserve established to provide match funding required for future Levelling Up Bids

Inflationary Risks Reserve

Reserve established to respond to inflationary pressures over and above those already budgeted for.

Cost of Living Discretionary Scheme

Welsh Government funding provided for the purposes of developing a local scheme to assist with the cost of living increase in Carmarthenshire.

Targeted Regeneration Investment Reserve

Reserve established to hold surpluses achieved from TRI schemes for the purpose of reinvesting as per agreement with Welsh Government

Decarbonisation Reserve

Funding set aside as part of 2022/23 budget process to accelerate decarbonisation plans.

Waste Strategy Reserve

Funding for one off costs of implementing the waste strategy over the coming years

Carmarthen Hwb

Funding set aside as part of 2022/23 budget process to cover Carmarthen Hwb holding costs pending construction works

Residential Home Room Refurbishment

Reserve established to assist with the refurbishment of Residential Home rooms

6.23 Capital Receipts Reserve

	2020-21 £'000	2021-22 £'000
Opening Balance	7,912	7,842
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	391	2,370
Statutory Capital Receipts	113	1,532
	<u>8,416</u>	<u>11,744</u>
Use of the Capital Receipts Reserve to finance new capital expenditure	(512)	(1,059)
Repayment of Long Term Loan	(62)	(72)
Closing Balance	<u>7,842</u>	<u>10,613</u>

The capital receipts reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts for the repayment of external loans. The major repairs allowance received from the Welsh Government was applied in full during the year. There was no balance carried forward in respect of this grant.

6.24 Capital Grants Unapplied

	2020-21 £'000	2021-22 £'000
Opening Balance	2,914	15,104
Additions	14,318	20,209
	<u>17,232</u>	<u>35,313</u>
Grants and Contributions applied	(2,128)	(6,711)
Closing Balance	<u>15,104</u>	<u>28,602</u>

6.25 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority 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.

2020-21 £'000		2021-22 £'000
331,684	Balance at 1 April	334,778
19,681	Upward revaluation of assets	166,861
	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the	
(6,149)	Provision of Services	(13,166)
	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision	
13,532	of Services	153,695
(10,345)	Difference between fair value depreciation and historical cost depreciation	(10,772)
(93)	Accumulated gains on assets sold or scrapped	(1,886)
(10,438)	Amount written off to the Capital Adjustment Account	(12,658)
334,778	Balance at 31 March	475,815

6.26 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 6.4 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2020-21 £'000		2021-22 £'000
553,740	Balance at 1 April	615,843
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(33,478)	Charges for depreciation and impairment of non-current assets	(34,550)
22,110	Revaluation losses on Property, Plant and Equipment	36,443
(4,673)	Revenue expenditure funded from capital under statute	(2,249)
	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	(2,180)
(227)		(2,180)
537,472		613,307
93	Adjusting amounts written out of the Revaluation Reserve	1,886
537,565	Net written out amount of the cost of non-current assets consumed in the year	615,193
(46)	Additional in Year Movements	(1,401)
512	Use of the Capital Receipts Reserve to finance new capital expenditure	1,059
0	Use of Capital Receipts to finance Cost of Sales	0
43,871	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	52,815
2,128	Application of grants to capital financing from the Capital Grants Unapplied Account	6,712
15,304	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	16,541
15,343	Capital expenditure charged against the General Fund and HRA balances	12,037
614,677		702,956
1,166	Movements in the market value of Investment Properties (debited) or credited to the Comprehensive Income and Expenditure Statement	256
615,843	Balance at 31 March	703,212

6.27 Pensions Reserve

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

2020-21		2021-22
£'000		£'000
(527,462)	Balance at 1 April	(560,458)
(1,691)	Remeasurements of the net defined benefit liability/(asset)	108,880
	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services	
(58,475)	in the Comprehensive Income and Expenditure Statement	(78,708)
	Employer's pensions contributions and direct payments to pensioners payable in the year	
27,170		28,180
<u>(560,458)</u>	Balance at 31 March	<u>(502,106)</u>

6.28 Accumulated Absences Account

This account represents the cost of paid absence entitlement due but not taken at 31st March which is charged to the cost of services in the Comprehensive Income and Expenditure Statement and is reversed out in the Movement of Reserves Statement and charged to this account to comply with statutory requirements.

	2020-21	2021-22
	£'000	£'000
Balance 1st April	(4,254)	(5,437)
Settlement or cancellation of preceding year's accrual	4,254	5,437
Accrual for current year	<u>(5,437)</u>	<u>(6,807)</u>
Balance 31st March	<u>(5,437)</u>	<u>(6,807)</u>

6.29 Expenditure and Income Analysed by Nature

The Authority's expenditure and income is analysed as follows. This is made up of expenditure and income both within and outside of the cost of services in the Comprehensive Income and Expenditure Statement and reconciles to the surplus or deficit on the provision of services.

2020-21		2021-22
£'000		£'000
(Restated)		
	Expenditure	
297,150	Employee Expenses	337,155
289,705	Other Service Expenses	300,972
31,484	Support Service Recharges	31,512
21,712	Depreciation & Similar Charges	8,879
54,409	Interest Payable & Similar Charges	55,504
36,462	Precepts & Levies	38,261
(164)	Gains/Losses on Disposal of Non Current Assets	(190)
730,758	Total Expenditure	772,093
	Income	
(149,212)	Fees, Charges & Other Service Income	(159,218)
(25,761)	Interest and Investment Income	(27,873)
(181,739)	Income from Council Tax & Net Proceeds from Non Domestic Rates	(192,754)
(436,879)	Grants and Contributions	(467,752)
(793,591)	Total Income	(847,597)
(62,833)	(Surplus)/deficit on the provision of services	(75,504)

6.30 Pooled Budgets

The Authority has entered into a pooled budget arrangement with Hywel Dda University Health Board for the provision of an integrated community equipment store. The Authority and the Board have an agreement in place with the partners contributing funds to the agreed budget of £247,653 and £408,940 respectively.

Any additional funding together with any deficit or surplus arising on the pooled budget at the end of each financial year is agreed between partners.

6.31 Members Allowances

The Authority paid the following amounts to Members of the Council during the year:

	2020-21	2021-22
	£	£
Allowances	1,324,393	1,326,568
Expenses	16,897	16,703
Total	1,341,290	1,343,271

Further information on Members Allowances is available on the Authority's website www.carmarthenshire.gov.wales under Councillors Allowances.

6.32 Employee Emoluments

The numbers of employees whose remuneration excluding pension contributions was £60,000 or more were:

Remuneration Band	No. of Employees 2020-21	No. of Employees 2021-22	Left During 2021-22
£60,000 to £64,999	84	76	4
£65,000 to £69,999	35	41	0
£70,000 to £74,999	15	16	1
£75,000 to £79,999	7	16	0
£80,000 to £84,999	5	1	0
£85,000 to £89,999	3	4	0
£90,000 to £94,999	9	2	0
£95,000 to £99,999	12	18	1
£100,000 to £104,999	2	1	0
£105,000 to £109,999	1	1	0
£110,000 to £114,999	3	1	0
£115,000 to £119,999	1	1	0
Total No. of Employees	177	178	6

Remuneration value includes redundancy/termination payments.

Included in the bandings above are seven teachers who are employed by voluntary aided/controlled schools. Three of which are shared between voluntary aided/controlled schools and non-voluntary aided/controlled schools.

The bandings above exclude the senior officers of the Authority's Management Team that are listed in detail in the following tables.

Senior Officers emoluments where salary is £150,000 or more per year

The following table sets out Senior Officers emoluments, together with pension contributions or equivalent payments, where salary is £150,000 or more.

Post		Salary (including fees & allowances) £	Pension contributions £	Expense Allowances £
Mrs S W Walters - Chief Executive & Returning Officer	20/21	151,967	27,810	0
	21/22	156,137	28,227	0

Senior Officers emoluments where salary is between £60,000 & £150,000 per year

Post		Salary (including fees & allowances) £	Pension contributions £
Director of Environment (i)	20/21	131,721	24,105
	21/22	139,857	18,079
Interim Director of Environment (and Head of ICT & Policy) (i)	21/22	101,982	18,663
Interim Director of Environment (and Head of Waste & Environmental Services) (i)	21/22	101,982	18,663
Director of Communities	20/21	144,893	26,515
	21/22	147,802	27,048
Director of Corporate Services	20/21	131,721	24,105
	21/22	133,697	24,467
Director of Education & Children's Services	20/21	131,721	24,105
	21/22	133,697	24,467

Included in the above are redundancy/termination payments. No benefits in kind or bonus payments were made to the officers detailed in Senior Officers emoluments tables. No expense allowances were paid to Senior Officers where the salary is between £60,000 and £150,000 per year.

Senior Officers' salary figures include Returning Officer fees in respect of County Council and Town & Community Council elections.

For the purpose of putting a value on the pension contributions relating to senior officers, the Common Contribution Rate of 18.3% for 2021/22 (18.3% for 2020/21) of pensionable pay has been used. This rate does not allow for the Deficit Recovery which is a liability of the Authority and does not relate specifically to the employee.

- (i) The Director of Environment ceased employment with the Authority in December 2021. The role has since been shared and undertaken by two individuals on an interim basis. Included above are their salaries for both Interim Director and Head of Service roles for the whole year.

The ratio of the Chief Executive's remuneration to the median remuneration in Carmarthenshire County Council was as follows:

	2020/21	2021/22
Chief Executive's remuneration	£151,967	154,247
Median remuneration of all employees	£24,269	£24,688
Ratio of the remuneration of the Chief Executive to the median remuneration of all employees	6.26 : 1	6.25 : 1

6.33 Exit Packages

During 2021/22 the Authority incurred expenditure in terms of redundancy costs paid to leavers together with costs incurred in compensation payments to the Local Government Pension Fund in respect of early access pension costs.

All costs relating to termination benefits have been included as part of service definitions within the Comprehensive Income and Expenditure Statement.

The above costs are detailed in the table below.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21 £	2021/22 £
£0 - £20,000	30	15	10	11	40	26	236,498	204,340
£20,001 - £40,000	2	3	4	5	6	8	190,335	214,652
£40,001 - £60,000	0	1	1	1	1	2	50,000	104,099
£60,001 - £80,000	0	1	0	0	0	1	0	70,000
£80,001 - £100,000	1	0	0	0	1	0	93,701	0
£100,001 - £150,000	0	0	0	1	0	1	0	106,942
Total	33	20	15	18	48	38	570,534	700,033

6.34 Audit Costs

In 2021/22 Carmarthenshire County Council incurred the following fees relating to financial audit and inspection, payable to the Wales Audit Office:

	2020-21 £'000	2021-22 £'000
Financial Audit Services	178	191
Local Government Measure	100	100
Certification of Grant Claims & Returns	29	29
Burry Port Harbour Inspection	1	1
Total	308	321

6.35 Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

	2020-21 £'000	2021-22 £'000
Credited to Services		
Education & Children's Services:		
DCELLS Post 16 & ACL Funding	6,981	7,011
Children and Communities Grant	6,124	5,966
Regional Consortia School Improvement Grant (RCSIG)	6,896	11,370
Pupil Development Grant (PDG)	5,042	5,956
Intermediate Care Fund	1,007	2,404
European Social Fund	632	431
LA Education Grant	3,567	5,700
Youth Support Grant	539	687
Adult Social Services & Housing:		
Supporting People	6,526	7,966
Private Rented Sector Loan Scheme	533	0
Syrian Resettlement Scheme	835	658
Continuing Health Care Grant	812	812
Wanless Grant	508	451
Violence Against Women, Domestic Abuse & Sexual Violence	1,151	643
Intermediate Care Fund	2,126	1,845
General Capital Grant	1,051	952
West Wales Care Partnership Regional Transformation Fund	8,319	6,887
Workforce and Sustainability Grant	2,438	3,024
Transformation Scaling Fund	0	774
Highways & Transport Services:		
Concessionary Fares Subsidy	2,079	2,177
Local Road Maintenance Grant	899	0
Local Transport Services Grant	870	849
Rural Development Plan	212	325
Cultural, Environmental, Regulatory & Planning Services:		
Sustainable Waste Management Grant	1,130	1,492
ERDF	544	573
European Social Fund	652	1,124
Rural Development Plan	663	742
Children and Communities Grant	280	301
Sports Council for Wales	347	531
Storm Callum Grant	135	0
Central Services to the Public:		
Housing Benefit	41,913	38,239
COVID19 Hardship	23,107	20,576
COVID19 Loss of Income	9,704	4,739
COVID19 Business Grant Administration	846	311
COVID19 Council Tax Support Increased Cost	713	0
COVID19 WG Other	974	8,967
COVID19 WG Education & Children's Services Grants	4,533	8,346
COVID19 Other	2,175	2,319
Other Grants - WG funded	6,244	8,914
Other Grants	5,417	3,938
Total	158,524	168,000

	2020-21 £'000	2021-22 £'000
Revenue Support Grant	215,251	225,743
General Government Grants	4,795	916
COVID19 Loss of income re Investment Properties	120	69
Capital Grants and Contributions		
21st Century Schools Grant/School Building Improvement Grant	7,525	5,026
Major Repairs Allowance	10,966	14,185
Transport Grants	13,482	7,863
Highways Improvement Fund	1,498	1,498
General Capital Grant	4,874	9,660
Rural Development Plan	380	604
Intermediate Care Fund	1,980	1,000
ERDF	4,027	1,356
Schools Maintenance Capital Grant	2,995	3,275
Tourism Grant	3,622	745
Levelling Up Fund	0	7,374
Swansea Bay City Region	0	6,957
Other Grants & Contributions	6,840	13,481
Total	58,189	73,024

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

	31 March 2021 £'000	31 March 2022 £'000
Revenue Grants Receipts in Advance		
Communities various	364	334
Environment various	310	604
Education various	2,528	2,105
Chief Executive various	141	1,500
	3,343	4,543

COVID19 Funding

As stated in Note 1.2.2 the value of additional funding streams due to COVID19 is summarised in the following tables:

Principal in Nature

2021/22	Expenditure	Welsh Government Income	Other Public Bodies Income
	£'000	£'000	£'000
Covid - Hardship Claims	20,576	(20,576)	
Covid - Loss of Income		(4,739)	
Business Grant Administration		(310)	
Council Tax Grant		(916)	
Education & Children's Services	8,383	(8,346)	(37)
Social Care Recovery Fund (all departments)	3,935	(3,827)	
Social Care Pressures Fund (all departments)	3,024	(3,024)	
Test Trace Protect (TTP)	2,739		(2,282)
Self Isolation Administration Grant		(245)	
Cost of Living Admin Grant		(315)	
Cost of Living Discretionary Grant		(1,556)	
TOTAL	38,657	(43,854)	(2,319)

Agency in Nature

2021/22	Expenditure	Welsh Government Income
	£'000	£'000
Grants to Businesses	(21)	21
Business Restrictions Grant	(20)	20
Firebreak Grants	(3)	3
Freelance Grants	55	(55)
Self Isolation grant	4,864	(4,864)
Social Care Workforce Payment Scheme (Tranche 2 £735)	5,649	(5,649)
Winter Fuel Support Scheme	1,705	(1,705)
COVID-19 Statutory sick pay enhancement scheme - social care	209	(209)
ERF Business Grant Apr- Jun Discretionary	850	(850)
NDR Business Support Grant Non discretionary	3,212	(3,212)
NDR Business Support Grant discretionary	265	(265)
TOTAL	16,765	(16,765)

6.36 Related Party Transactions

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

Central Government

Central Government has effective control over the general operations of the Authority – 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. housing benefits). Grants received from government departments are set out in Note 6.35.

Mid and West Wales Fire and Rescue Authority

Carmarthenshire County Council's Director of Corporate Services fulfils the Section 151 Officer duties for Mid and West Wales Fire and Rescue Authority under a Service Level Agreement (payable to Carmarthenshire). In addition, the Council provided a number of other financial and ICT support services. Mid and West Wales Fire and Rescue Authority charged a levy of £10.7m (£10.4m in 2020/21) on Carmarthenshire as one of six Unitary County Authorities (See Note 5.2).

A summary of Carmarthenshire County Council's transactions with Mid and West Wales Fire and Rescue Authority is set out below:

	2020-21	2021-22
	£'000	£'000
Income	297	193
	2021	2022
Balances outstanding at 31st March:	£'000	£'000
Debtor	356	95

Dyfed Pension Fund

The Dyfed Pension Fund is administered by Carmarthenshire County Council. The Fund is overseen by a committee, membership of which is drawn from Carmarthenshire County Councillors, advised by an independent advisor. The Director of Corporate Services is also the Responsible Finance Officer of the Dyfed Pension Fund. Similarly, the Council's Monitoring Officer is also the Monitoring Officer of the Pension Fund.

Transactions between the two bodies are detailed in Note 6.42. The Council charged the Pension Fund an amount of £1.1m (£1.2m in 2020/21) in respect of administration and support during 2021/22. Short Term Creditors (Note 6.19) includes an amount of £5.6m owed to the Dyfed Pension Fund at 31st March 2022 (£9.7m at 31st March 2021).

CWM Environmental Limited

CWM Environmental Limited is a wholly owned subsidiary company of Carmarthenshire County Council. Details of investments are included in Note 6.12 under Long Term Investments. Following governance changes as outlined in Note 6.1.18, the Director of Environment was appointed as a company director of CWM Environmental. Furthermore, the Council's interest as shareholder is managed through a Shareholder Board, which comprises members of the Corporate Management Team as well as the Cabinet Member for Environment.

CWM Environmental charged the Council an amount of £11.12m (£10.31m in 2020/21) in respect of waste services 2021/22 including £35.9k for Circular Economy grant funded works. Short Term Creditors (Note 6.19) includes an amount of £1.67m owed to CWM Environmental at 31st March 2022 (£0.75m at 31st March 2021).

Details of a loan between the Authority and CWM Environmental Ltd are included in note 6.13 under Long Term Debtors.

Egni Sir Gar Cyfyngedig

Carmarthenshire County Council is the registered Custodian Trustee of Egni Sir Gar Cyfyngedig and the Cabinet Member for Resources is Chair of the board. Details of investments are included in Note 6.12 under Long Term Investments.

National Botanic Garden of Wales

During 2021/22, the Cabinet Member for Resources continued his role as a trustee of the National Botanic Garden of Wales. The loan was repaid in full during the year. During the year, the Council made payments of £63k for supplies and services received.

Cartrefi Croeso Cyfyngedig

Cartrefi Croeso Cyfyngedig is a housing company wholly owned by Carmarthenshire County Council. In previous years, the company had three directors, appointed by the Chief Executive in consultation with the Leader of the Council. In September 2021, Cabinet agreed to bring in-house all projects under development by the company and implement the legal process for the company to cease trading but be retained as a "dormant" company. This process has now been effected, all directors have now resigned and been replaced by the Council's Head of Housing for administrative purposes only.

During the year Cartrefi Croeso increased the balance of expenditure funded by the council by £4k. The revised balance outstanding to the Council at 31st March was £609k.

Llesiant Delta Wellbeing

Llesiant Delta Wellbeing is a company set up in 2017/18 to expand and grow the Careline service which is wholly owned by Carmarthenshire County Council. The Council exercises shareholder reserved matters through a shareholder governance group, which includes members of the Corporate Management Team, Cabinet Members and other Councillors.

A summary of Carmarthenshire County Council's transactions with Llesiant Delta Wellbeing is set out below:

	2020-21	2021-22
	£'000	£'000
Expenditure	7,903	4,942
Income	865	344
	2021	2022
Balances outstanding at 31st March:	£'000	£'000
Creditor	1,501	567
Debtor	587	104

Expenditure includes payment to Llesiant Delta Wellbeing for the provision of Careline Services to the Council, both for its own citizens and in fulfilment of contractual obligations which the Council has with third party customers, delivery of CONNECT project within Programme 1 of West Wales Care Partnership Transformation Fund as well as the Test, Trace, Protect (TTP) service.

Income includes the agreed cost of support services provided to Llesiant Delta Wellbeing provided by Council employees.

During the year, the company grew its Delta Connect activity which is grant funded via the West Wales Care Partnership hosted by the council.

Members' Interests

The Authority has arrangements in place requesting Members and Officers to identify and disclose related party transactions.

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2021/22 is shown in Note 6.31.

The Authority paid grants totalling £88k to organisations in which sixteen members had an interest. The grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants.

Officers' Interests

Chief Executive

A close family member of the Chief Executive is working with W B Griffiths & Sons. During 2021/22, the Authority spent a total of £601k with the contractor (£49k in 2020/21). As at 31st March 2022 the outstanding creditor balance was £44k (£0k as at 31st March 2021).

6.37 Jointly Controlled Operations & Other Similar Arrangements

Wales Pension Partnership (WPP)

A Wales Investment Pool Operator has been appointed by the Wales Pension Partnership to manage the investments and the reduction of investment management expenses for all eight Wales pension funds. Carmarthenshire County Council is the Host Authority to provide administrative and secretarial support and implement decisions made by the Joint Governance Committee of the Wales Pension Partnership. The Director of Corporate

Services is also the Responsible Finance Officer of the Wales Pension Partnership. Similarly, the Council's Monitoring Officer is also the Monitoring Officer of the Wales Pension Partnership.

The Council charged the Wales Pension Partnership an amount of £147k (£138k in 2020/21) in respect of administration and support during 2021/22.

	WPP
	2021-22
	Total
	£'000
Expenditure	1,078 *
Income	(1,078)
(Surplus)/Deficit for the year	<u>0</u>
Current Assets	501
Current Liabilities	(501)
Total assets less liabilities	<u>0</u>

* Expenditure is shared equally between the eight LGPS Funds. The exception is when an External Advisor provides a service for specific LGPS Funds within the pool, these additional costs are shared equally between the respective Funds. The eight LGPS funds are:

Cardiff & Vale of Glamorgan Pension Fund
 City and County of Swansea Pension Fund
 Clwyd Pension Fund
 Dyfed Pension Fund
 Greater Gwent Pension Fund
 Gwynedd Pension Fund
 Powys Pension Fund
 Rhondda Cynon Taf Pension Fund

Education through Regional Working (ERW)

ERW is an alliance of local authorities in South West and Mid Wales working to improve the standards of education of children and young people within the region. The Authority's share of the Joint Arrangement Income and Expenditure Account and Balance Sheet are shown in the table below:

At the time of publication, the 2021/22 figures are not yet available.

	ERW	
	2020-21	
	Total	CCC Share
	£'000	£'000
Expenditure	557	144
Income	(688)	(178)
Net Pensions Interest	67	17
(Surplus)/Deficit for the year	<u>(64)</u>	<u>(17)</u>
Current Assets	3,430	885
Current Liabilities	(2,708)	(699)
Long Term Liabilities	(613)	(158)
Total assets less liabilities	<u>109</u>	<u>28</u>
Reserves	109	28
Total Financing	<u>109</u>	<u>28</u>

At the meeting of the Joint Committee in March 2021, it was resolved that ERW would be dissolved on 30th November 2021 and a new consortium model be implemented. However, following delays in establishing its successor "Partneriaeth", ERW continued operations for the full financial year.

Swansea Bay City Region (SBCR)

The Swansea Bay City Deal is a £1.3bn investment in 9 major projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

The Swansea Bay City Deal is being led by the four regional local authorities through a Joint Committee Agreement, together with non-voting partners - Swansea Bay and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David.

Detailed below is a draft summary of the Income and Expenditure Account and Balance Sheet for the year ended 31st March 2022:

	SBCR
	2021-22
	Total
	£'000
Expenditure	748
Income	(754)
(Surplus)/Deficit for the year	<u>(6)</u>
Current Assets	58,020
Current Liabilities	(5,455)
Total assets less liabilities	<u>52,565</u>
Reserves	52,565
Total Financing	<u>52,565</u>

As per the Agreement the Council contributes £50k per annum to support the central and administrative functions of the programme.

West Wales Crematorium (Parc Gwyn, Narberth)

During 2020/21, it came to light that the Authority retains a financial stake in the West Wales Crematorium, operated by Pembrokeshire County Council. Based on a believed 14% share, the surplus accrued which is due to Carmarthenshire County Council is estimated at £230k. For the sake of prudence, this value has not been included within the assets recognised on Carmarthenshire's balance sheet.

South West Wales Corporate Joint Committee

The Local Government and Elections (Wales) Act 2021 ("the LGE Act") created the framework for a consistent mechanism for regional collaboration between local government, namely Corporate Joint Committees (CJs).

The South West Wales Corporate Joint committee (SWWCJC) is intended to enable selected functions to be delivered more effectively and strategically at a regional level, making more efficient use of valuable resources. The SWWCJC has functions relating to strategic development planning and regional transport planning. They are also able to do things to promote the economic well-being of their areas. The SWWCJC was formally established on the 13th January 2022.

During the financial year 2021/22 a one-off transitional grant to support works to constitute the CJC was paid by Welsh Government to the City and County of Swansea Council. From this grant Carmarthenshire County Council received £62,500 from the City and County of Swansea Council to support officer time spent in the formalisation of the SWWCJC.

6.38 Capital Expenditure and Capital Financing

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

	2020-21	2021-22
	£'000	£'000
Capital Investment		
Property, Plant and Equipment	74,790	75,335
Investment Properties	28	1,397
Heritage Assets	9	0
Long Term Loans	301	0
Revenue Expenditure Funded from Capital under Statute	9,690	6,008
	84,818	82,740
Sources of Finance		
Capital Receipts	512	1,059
Government grants and other contributions	48,888	56,574
Grants unapplied reserve	2,127	6,711
Sums set aside from revenue	2,227	4,539
Direct revenue contributions	13,116	7,498
Borrowing	17,948	6,359
	84,818	82,740
Opening Capital Financing Requirement	501,378	503,887
Explanation of Movements in Year		
Increase in underlying need to borrow (supported by government financial assistance)	3,198	3,066
Increase in underlying need to borrow (unsupported by government financial assistance)	(689)	(13,320)
Increase/(decrease) in Capital Financing Requirement	2,509	(10,254)
Closing Capital Financing Requirement	503,887	493,633

6.39 Leases**Authority as Lessee***Operating Leases*

The Authority leases in property under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses.

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

	2020-21 £'000	2021-22 £'000
Not later than one year	646	599
Later than one year and not later than five years	2,220	1,889
Later than five years	3,319	2,953
	<u>6,185</u>	<u>5,441</u>

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2020-21 £'000	2021-22 £'000
Minimum Lease payments	1,036	1,005

Authority as Lessor*Operating Leases*

The Authority leases out property under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The income credited to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2020-21 £'000	2021-22 £'000
Not later than one year	1,338	1,452
Later than one year and not later than five years	3,569	3,464
Later than five years	23,595	22,985
	28,502	27,901

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into.

In 2021/22 £4,807 contingent rents were receivable by the Authority (£5,105 in 2020/21).

The Authority also holds various capital assets, principally vehicles, plant and office equipment financed under the terms of operating leases and accounted for as such, the rentals being charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement.

6.40 Impairment Losses

An assessment has been made at the year-end which indicates that there are no instances of impairment to the Authority's assets.

6.41 Pensions Schemes Accounted for as Defined Contribution Schemes

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

The scheme is technically a multi-employer defined benefit scheme. However it is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years.

The Authority is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2021/22 Carmarthenshire County Council paid £15.7m to the Department for Education in respect of teachers' pension costs, which represents 23.68% of teachers and lecturers pensionable pay. The figures for 2020/21 were £15m and 23.68%. There was £1.3m remaining payable at year-end. The contributions due to be paid in the next financial year are estimated to be £15.9m.

In addition, the County Council is responsible for all pension payments relating to added years it has awarded together with the related increases. In 2021/22 these amounted to £0.325m.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the Teachers' scheme. These benefits are fully accrued in the pensions liability described above.

6.42 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments. Liabilities for these payments need to be disclosed at the time employees earn their future entitlement.

The Dyfed Pension Fund (the Fund) is a member of the Local Government Pension Scheme (LGPS). It is administered by Carmarthenshire County Council and is a funded defined benefit scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Dyfed Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Dyfed Pension Fund Panel. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the Committee and are advised by an Independent Investment Adviser and officers of Carmarthenshire County Council.

The principal risks to the Authority 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 and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions relating to Post-employment Benefits

The cost of retirement benefits is recognised in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made 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 Comprehensive Income and Expenditure Statement via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

	2020-21 £'000	2021-22 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current Service Cost	45,495	66,412
Past Service Costs	56	40
Settlements and Curtailments	57	166
Financing and Investment Income and Expenditure		
Net Interest Expense	12,867	12,090
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	58,475	78,708
Other Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets	(250,531)	(65,694)
Experience gain on liabilities	(29,757)	4,638
Actuarial gains and losses arising on changes in demographic assumptions	0	(14,725)
Actuarial gains and losses arising on changes in financial assumptions	281,979	(33,099)
Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	60,166	(30,172)
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for Provision of Services for Post Employment Benefits in the accordance with the code	(58,475)	(78,708)
Actual amount charged against the Council Fund		
Balance for pensions in the year:		
Employers' Contributions payable to Scheme	27,170	28,180

Assets and Liabilities in Relation to Post-employment Benefits**Carmarthenshire County Council**

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

	2020-21	2021-22
	£'000	£'000
Balance as at 1 April	1,031,889	1,304,924
Interest on plan assets	24,745	27,355
Experience gain on assets	250,531	65,694
Administration expenses	(533)	(617)
Settlements	0	0
Employer contributions	27,170	28,180
Contributions by scheme participants	8,658	8,931
Benefits paid	(37,536)	(41,682)
Balance as at 31 March	<u>1,304,924</u>	<u>1,392,785</u>

Reconciliation of Present Value of the Scheme Liabilities:

	2020-21	2021-22
	£'000	£'000
Balance as at 1 April	(1,559,351)	(1,865,382)
Current Service Cost	(45,495)	(66,412)
Interest cost	(37,079)	(38,828)
Contributions by scheme participants	(8,658)	(8,931)
Experience gain on liabilities	29,757	(4,638)
Actuarial gains and losses arising on changes in demographic assumptions	0	14,725
Actuarial gains and losses arising on changes in financial assumptions	(281,979)	33,099
Curtailments	(57)	(166)
Settlements	0	0
Benefits paid	37,536	41,682
Past service costs	(56)	(40)
Balance as at 31 March	<u>(1,865,382)</u>	<u>(1,894,891)</u>
Net Scheme Liabilities	<u>(560,458)</u>	<u>(502,106)</u>

The Dyfed Pension Fund assets comprised:

		Quoted	31 March 2021 £'000	31 March 2022 £'000
Equities	UK	Yes	277,817	260,731
	Global	Yes	339,280	433,156
	Overseas Pooled Funds*	No	0	0
	US	Yes	141,454	91,088
	Canada	Yes	5,742	6,128
	Japan	Yes	43,976	53,483
	Pacific Rim	No	13,441	2,228
	Emerging Markets	No	111,441	109,751
	European ex UK	Yes	33,537	50,001
Bonds	UK Index linked	Yes	33,928	18,524
	UK Corporate	No	0	0
	Global Credit	Yes	117,443	110,587
Property	Property Funds	No	144,194	182,037
Alternatives	SAIF	No	27,403	51,394
Cash	Cash accounts	Yes	15,268	23,677
Total			1,304,924	1,392,785

Scheme History

	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000
Present value of liabilities in the Local Government Pension Scheme	(1,383,009)	(1,527,290)	(1,559,351)	(1,865,382)	(1,894,891)
Fair value of assets in the Local Government Pension Scheme	1,062,305	1,121,653	1,031,889	1,304,924	1,392,785
Surplus/(deficit) in the scheme	(320,704)	(405,637)	(527,462)	(560,458)	(502,106)

The liabilities show the underlying commitments that the Authority has in the long-run to pay post-employment benefits. The total net liability of £502m has a substantial impact on the net worth of the Authority as recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy with the deficit on the Fund made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31st March 2023 is £30.9m.

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 dependent on assumptions about mortality rates, salary levels, returns on investments, future inflation etc. The Fund's assets and liabilities within the Balance Sheet and the current and past service costs included within the Comprehensive Income and Expenditure Statement have been assessed by Mercer Ltd, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 31st March 2019.

The main assumptions used in its calculations are shown below:

	2020-21	2021-22
	%	%
Financial Assumptions:		
Rate of CPI inflation	2.7	3.3
Rate of increase in salaries	4.2	4.8
Rate of increase in pensions	2.8	3.4
Rate for discounting Fund liabilities	2.1	2.8
	2020-21	2021-22
	%	%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	23.1	23.0
Women	25.0	24.9
Longevity at 65 for future pensioners:		
Men	24.7	24.4
Women	27.2	27.1

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable 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.

	Impact on the Defined Benefit	
	Obligation of the Scheme	
	Increase in assumption £'000	Decrease in assumption £'000
Longevity (increase or decrease of 1 year)	56,312	(56,312)
Rate of inflation (increase or decrease by 0.1% p.a.)	34,257	(34,257)
Rate of increase in salaries (increase or decrease by 0.1% p.a.)	4,726	(4,726)
Rate of increase in pensions (increase or decrease by 0.1% p.a.)	34,257	(34,257)
Rate for discounting scheme liabilities (increase or decrease by 0.1% p.a.)	(33,648)	33,648

6.43 **Contingent Liabilities**

The Authority acts as a collection agent on behalf of Dwr Cymru in respect of Housing Revenue Account (HRA) Tenants water and sewerage charges. In return for this service the Authority has received a commission which has been treated as an income stream to the HRA. The treatment of this arrangement has been called in to question due to a Court ruling during 2015/16 (Kim Jones versus London Borough of Southwark) which ruled that Local Authorities collecting water rates via the HRA were doing so as a water supplier and not as an agent of the water supplier. Traditionally this has been viewed as an agency arrangement, but the Court ruling concludes that the Authority concerned was acting as a water supplier, which has significant financial implications for those affected, both in terms of the agency fee and where action has been taken against rent arrears that could be deemed to include water rates. As at 31st March 2022 we have not received any correspondence relating to potential claims. However, to reinforce even further that the Authority is collecting these monies as agents for Dwr Cymru and avoid the possibility of future legal challenges, the Authority has entered into a new agreement with the water supplier which ensures that it is acting as an agent.

Whilst the Authority purchases a range of insurance cover, part of the risk remains with the Authority through the acceptance of "Policy Excesses" and the setting of "Indemnity Limits". On Liability and Property Policies there is a "Stop Loss" which is the aggregate maximum exposure that the Authority could face provided the Indemnity Limit is not breached. The Indemnity Limit is set by the Insurer and is the maximum exposure that they are contracted to cover.

A number of insurance claims have been registered but not yet finalised. Where it is probable that costs will fall on the authority, expenditure has been recognised in the Comprehensive Income and Expenditure Statement and as a movement in the Insurance Provision (see note 6.20). It is possible that the Authority may incur costs relating to other registered claims or to claims that have yet to be submitted. Funds have been set aside in an Insurance Reserve (see note 6.22) for this purpose.

At the year-end there were a small number of employment claims against the authority that were unresolved. It is not possible to reliably estimate either the likelihood or value to the authority. No provision has therefore been made in these financial statements.

In November 2020, there was a court ruling regarding Guaranteed Minimum Pension (GMP) Equalisation. The court ruled that scheme trustees are required to revisit past Cash

Equivalent Transfer Values (CETV's) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement. For public service pension schemes, Government Actuary's Department expect that this ruling will be taken forward on a cross scheme basis and will need legal input. This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETV was equalised. Whilst it is expected to represent a relatively small uplift for a relatively small subset of members, it is not possible to reliably estimate the likely costs. As such, no liability has been recognised in these financial statements.

6.44 **Financial Instruments**

Disclosure Notes for Financial Liabilities, Financial Assets and Risk

Financial Instruments Balances

The borrowings and investments disclosed in the Balance Sheet include the following categories of financial instruments:

	Long Term		Current	
	31 March	31 March	31 March	31 March
	2021	2022	2021	2022
	£'000	£'000	£'000	£'000
Financial liabilities (principal amount)	397,939	390,568	15,899	10,168
Accrued Interest	0	0	2,662	2,625
Other accounting adjustments	113	113	0	0
Financial liabilities at amortised cost				
Total borrowings	398,052	390,681	18,561	12,793
Loans and receivables (principal amount)	524	0	25,504	85,500
Accrued Interest	144	0	0	0
Investments at amortised cost	668	0	25,504	85,500
Equity at Fair Value through other comprehensive income				
Unquoted equity investment at cost	1,139	1,107	0	0
Total investments	1,807	1,107	25,504	85,500

Financial Instruments Gains/Losses

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

	Financial Liabilities		Financial Assets		Totals	
	Liabilities measured at amortised cost		Loans and Receivables at amortised cost			
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	(17,330)	(16,676)	0	0	(17,330)	(16,676)
Impairment losses	0	0	0	0	0	0
Interest payable and similar charges	(17,330)	(16,676)	0	0	(17,330)	(16,676)
Interest Income	0	0	246	304	246	304
Interest and investment income	0	0	246	304	246	304
Net gain/(loss) for the year	(17,330)	(16,676)	246	304	(17,084)	(16,372)

Employee Car Loans

The authority makes loans for car purchase to employees in the authority who are in posts that require them to drive regularly on the authority's business. Interest is charged at 1% above base rate on the loans.

Employee Car Loans	31 March 2021	31 March 2022
	£'000	£'000
Opening Balance	57	48
New Loans	22	17
Loans repaid	(31)	(28)
Closing Balance	48	37

Fair value of Assets and Liabilities carried at Amortised Cost

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

- For loans from the Public Works Loans Board (PWLB) and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;

- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the principal outstanding or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31 March 2021		31 March 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
PWLB Debt	405,976	633,395	390,171	561,998
Non - PWLB debt	10,637	12,763	13,304	13,915
Total Financial Liabilities	416,613	646,158	403,475	575,913

The fair value is greater than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

	31 March 2021		31 March 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Money market loans < 1year	25,505	25,505	85,525	85,525
Money market loans > 1year	668	668	0	0
Total investments	26,173	26,173	85,525	85,525
Trade Debtors	24,266	24,266	26,329	26,329
Total Loans and Receivables	50,439	50,439	111,854	111,854

The fair values for financial liabilities have been determined by reference to the Public Works Loans Board (PWLB) redemption rules and prevailing PWLB redemption rates as at each balance sheet date, and include accrued interest. The fair values for non-PWLB debt have also been calculated using the same procedures and interest rates and this provides a sound approximation for fair value for these instruments.

The fair values for loans and receivables have been determined by reference to similar practices, as above, which provide a reasonable approximation for the fair value of a financial instrument, and include accrued interest. The comparator market rates prevailing have been taken from indicative investment rates at each balance sheet date. In practice rates will be determined by the size of the transaction and the counterparty, but it is impractical to use these figures, and the difference is likely to be immaterial.

The fair value of Public Works Loan Board (PWLB) loans of £561.998m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the additional interest that the Authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates, the PWLB redemption interest rates.

However, the Authority 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 Authority 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, the PWLB Certainty rates. If a value is calculated on this basis, the carrying amount of £390.170m would be valued at £483.769m.

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values.

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

Fair Value of Financial Assets

Some of the Authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial assets measured at fair value

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	31 March 2021	31 March 2022
Fair Value through Other Comprehensive Income				
Equity shareholding in CWM Environmental Ltd	Level 3	At cost	329	329
Equity shareholding in Egni Sir Gar Cyfyngedig	Level 3	At cost	810	778
Total			1,139	1,107

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value.

Recurring fair value measurements using:	31 March 2021		31 March 2022	
	Other significant observable		Other significant observable	
	inputs (Level 2)	Total	inputs (Level 2)	Total
	£'000	£'000	£'000	£'000
Financial Liabilities				
Financial liabilities held at amortised cost:				
PWLB	633,395	633,395	561,998	561,998
NON PWLB	12,763	12,763	13,915	13,915
Total	646,158	646,158	575,913	575,913
Financial assets				
Loans and Receivables	26,173	26,173	85,525	85,525
Total	26,173	26,173	85,525	85,525

Disclosure of Nature and Extent of Risk Arising from Financial Instruments

Key Risks

The Authority's activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk - the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The Authority's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework set out in the *Local Government Act 2003* and the associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the Revised editions of the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice.
- by the adoption of a Treasury Policy Statement and treasury management clauses;

- by approving annually in advance prudential indicators for the following three years limiting:
 - The Authority's overall borrowing;
 - Its maximum and minimum exposures to fixed and variable rates;
 - Its maximum and minimum exposures of the maturity structure of its debt;
 - Its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

These are required to be reported and approved at or before the Authority's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual Treasury Management Policy and Strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported quarterly to Members. These policies are implemented by the Treasury and Pension Investments Section.

The annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 3rd March 2021 and is available on the Authority website. The Authority stayed within the Authorised Limit and Operational Boundary during the year.

The Authority maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

Credit Risk

Investments

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. This risk is minimised through the Annual Investment Strategy (which forms part of the Authority's Treasury Management Policy and Strategy Report), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Ratings Services. The Treasury Management Policy and Strategy report also imposes a maximum amount and time to be invested with a financial institution located within each category. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.

The annual Treasury Management Strategy sets out the Counterparty list and limits. Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in line with parameters set by the council.

The Authority's maximum exposure to credit risk in relation to its investments in banks and building societies of £51k cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on experience of default.

	Amount at 31 March 2022 £'000	Historical Experience of default %	Estimated maximum exposure to default £'000
<u>Deposits with banks and financial institutions</u>			
AAA rated counterparties	25,000	0.04	10.0
AA rated counterparties	89,000	0.02	17.8
A rated counterparties	46,500	0.05	23.3
Trade debtors	26,329	3.50	921.5
	186,829		972.6

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any other losses from non-performance by any of its counterparties in relation to deposits and bonds.

Trade Debtors

The trade debtors figure of £26.329m shown above includes £14.107m which is past its due date for payment. The past due amount can be analysed by age as follows:

	31st March 2021 £'000	31st March 2022 £'000
Less than three months	1,811	1,754
Three to six months	1,354	1,027
Six months to one year	2,451	2,525
More than one year	8,147	8,801
	13,763	14,107

The Council initiates a legal charge on property where, for instance, clients require the assistance of social services but cannot afford to pay immediately. The total collateral as at 31st March 2022 was £1.615m.

Liquidity Risk

The Authority has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and whilst the PWLB provides access to longer term funds, it also acts as a lender of last resort to councils (although it will not provide funding to a council whose actions are unlawful). The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Authority manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury management policy and strategy), as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available when it is needed.

Refinancing and Maturity Risk

The Authority maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Authority relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved Treasury Management Policy and Strategy addresses the main risks and the Treasury Management Team addresses the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is shown below together with the maximum and minimum exposures.

	2020-21			2021-22		
	Approved Maximum Limit	Approved Minimum Limit	31st March 2021 £'000	Approved Maximum Limit	Approved Minimum Limit	31st March 2022 £'000
	%	%		%	%	
Less than one year	15	0	18,561	15	0	13,793
Between one and two years	15	0	11,209	15	0	7,290
Between two and five years	50	0	27,199	50	0	27,841
Between five and ten years	50	0	38,723	50	0	36,616
More than ten years	50	0	320,921	50	0	317,935
			416,613			403,475

The maturity analysis of financial assets is as follows:

	2020-21 £'000	2021-22 £'000
Less than one year	25,505	85,525
Greater than one year	668	0
	26,173	85,525

All trade and other payables are due to be paid in less than one year and trade debtors of £26.329m are not shown in the table above.

Market Risk

Interest rate risk - The Authority is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Income and Expenditure Account will rise;
- borrowings at fixed rates – the fair value of the borrowing liability will fall (no impact on revenue balances);
- investments at variable rates – the interest income credited to the Income and Expenditure Account will rise; and
- investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure Account and effect the Council Fund Balance, subject to influences from Government grants. Movements in the fair value of fixed rate investments will be reflected in the Movements in Reserves Statement, unless the investments have been designated as Fair Value through the Income and Expenditure Account.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Policy and Strategy Report and the 5 year Capital Programme Report draws together the Authority's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure.

The risk of interest rate loss is partially mitigated by Government grant payable on financing costs.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	(590)
Increase in Government grant receivable for financing costs	184
Impact on Surplus or Deficit on the Provision of Services	(406)
Share of overall impact debited to the HRA*	398
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	(8)
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(84,608)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Note – Fair value of Assets and Liabilities carried at Amortised Cost

Price risk - The Authority, excluding the pension fund, does not invest in equity shares. It therefore has no exposure to loss arising from movements in price.

Foreign exchange risk - The Authority has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

6.45 Accounting Standards that have been issued but have not yet been adopted.

At the balance sheet date, there are no relevant standards or amendments to existing standards that have been published but not yet been adopted by the Code that will have any impact on the financial statements. However, the following detail on IFRS 16 – Leases has been provided for information purposes:

This Standard 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 IFRS16 for local government has been deferred again by CIPFA/LASAAC until 1st April 2024.

7 HOUSING REVENUE ACCOUNT (HRA)**7.1 HRA Income and Expenditure Statement**

2020-21 £'000	Note	2021-22 £'000
Expenditure		
3,072		4,262
2,864		4,108
4,057		4,427
8,537		9,647
1,400		1,428
727		660
514		1
(10,993)	8.7	(14,918)
0		0
38		38
<u>10,216</u>		<u>9,653</u>
Total Expenditure		
Income		
(40,865)	8.1	(41,739)
(126)		(121)
(29)		(28)
(760)	8.2	(814)
(550)		(506)
(775)		(845)
(350)	8.5	(340)
<u>(43,455)</u>		<u>(44,393)</u>
Total Income		
Net cost of HRA Services as included in the Comprehensive Income & Expenditure Statement		
(33,239)		(34,740)
295		303
(32,944)		(34,437)
HRA Share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
(60)		0
9,826		9,705
(37)		(18)
344		336
(13,691)		(21,598)
<u>(36,562)</u>		<u>(46,012)</u>
(Surplus) or Deficit for the year on HRA Services		

7.2 Movement on the HRA Statement

The overall objectives for Movement on the HRA Statement and the general principles for its construction are the same as those generally for the Movement in Reserves Statement, into which it is consolidated. The statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

2020-21 £'000	Note	2021-22 £'000	2021-22 £'000
(21,252)	Balance on the HRA at the end of the previous year		(19,444)
(36,562)	(Surplus) or deficit for the year on the HRA Income and Expenditure Account	(46,012)	
38,404	Adjustments between accounting basis and funding basis under statute	7.3	43,348
1,842	Net Increase or (decrease) before transfers to or from reserves		(2,664)
(34)	Transfers (to) or from reserves	7.4	213
1,808	(Increase) or decrease in year on the HRA		(2,451)
(19,444)	Balance on the HRA at the end of the current year		(21,895)

7.3 Adjustments between accounting basis and funding basis under statute

2020-21		2021-22
£'000		£'000
(30)	Transfers to / (from) Accumulated Absences Account	(24)
59	Gain or loss on sale of HRA noncurrent assets	0
(882)	HRA share of contributions to or from the Pensions Reserve	(1,451)
9,856	Capital expenditure funded by the HRA	3,624
29,401	Transfer to / from the Capital Adjustment Account	41,199
38,404		43,348

7.4 Transfers to or (from) Earmarked Reserves

2020-21			2021-22		
£'000	£'000	£'000	£'000	£'000	£'000
Trfs from	Trfs to	Net	Trfs from	Trfs to	Net
208	(242)	(34)	(12)	225	213
208	(242)	(34)	(12)	225	213

8 NOTES TO THE HRA INCOME AND EXPENDITURE STATEMENT**Introduction**

The Housing Revenue Account (HRA) is a record of revenue expenditure and income relating to an authority's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. Consequently, the HRA is a statutory account, ringfenced from the rest of the Council Fund, so that rents cannot be subsidised from council tax (or vice versa).

8.1 Gross Rent Income

This is the total rent income due for the year after allowance is made for voids etc. For 2021/22 this totalled £41.7m (£40.9m for 2020/21). At the 31st March 2022 4.07% of lettable properties were vacant (4.34% at 31st March 2021). Average rents were £91.35 a week in 2021/22 (£89.56 in 2020/21).

8.2 Charges for Services & Facilities

This represents the income of the Authority from charges for services and facilities etc in connection with the provision of houses and other property within the account.

8.3 Housing Stock

The Council was responsible for managing on average 9,152 dwellings during 2021/22 (9,151 in 2020/21). The stock at 31st March was as follows:

	2020-21	2021-22
Houses	5,007	5,044
Flats / Maisonettes / Bedsits	1,949	1,951
Bungalows	2,183	2,169
	9,139	9,164

The change in stock can be summarised as follows:

	2020-21	2021-22
Opening Stock as at 1 April	9,162	9,139
Sales	0	0
Demolitions/Deactivated	(40)	(19)
New Building/Acquisitions/Conversions	17	44
Closing Stock as at 31 March	9,139	9,164

8.4 Rent Arrears

	As at 31 March 2021 £'000	As at 31 March 2022 £'000
Arrears	2,668	2,267
Arrears as a percentage of Gross Rent Income	6.26%	5.22%

There is a 0.9% year on year decrease of current tenants rent arrears as a percentage of gross collectable rent debit. Performance is outside margins of what is considered good

practice level (2%) at 3%. There is a 0.12% year on year decrease in former tenants rent arrears as a percentage of gross collectable rent debit. This is 0.32% increase after allowing for the £301k write-offs.

Provision for Bad Debts at 31st March 2022 was £1,082,489 for rent (£1,185,640 inclusive of water rates). The comparative figures for 2020/21 are £1,105,394 for rent (£1,210,727 inclusive of water rates).

8.5 Commission

The Authority collects water rates on behalf of Dwr Cymru Welsh Water and receives commission on the monies due. In 2021/22 this amounted to £340k (£350k in 2020/21) net of void loss on properties. The value of water rates was £3.4m in 2021/22 (£3.4m in 2020/21).

8.6 Capital Expenditure

Capital Expenditure in 2021/22 on HRA land and dwellings totalled £26.558m (£26.048m in 2020/21).

	2020-21 £'000	2021-22 £'000
Funded by :		
Major Repairs Allowance	6,228	6,225
Borrowing	2,998	0
Capital Receipts - Sales of Dwellings/Land	65	0
External Funding	6,893	16,383
Section 106 Income	8	326
Direct Revenue Financing	9,856	3,624
	26,048	26,558
Spent on:		
Dwellings	25,888	25,655
Land	0	0
Other	160	903
	26,048	26,558

8.7 Depreciation

Depreciation and Impairment losses have been debited to the Income and Expenditure Statement in accordance with the general provisions of the Code and reversed out in the Movement on the HRA Balance. The depreciation charge has then been replaced with the HRA Minimum Revenue Provision via a credit from the Capital Adjustment Account to avoid having an effect on rent levels.

HRA dwellings are revalued on a 5 year cycle, which was last undertaken on the 1st April 2020. An exercise was undertaken as at the 31st March 2022 to review whether the carrying amount was materially different from the current value at the year end. It was confirmed that the average increase based on comparable sales evidence across the County since the last detailed revaluation was in line with the Land Registry Index. The Land Registry percentage increase of 18% for Carmarthenshire has therefore been applied to the Existing Use Value.

Depreciation and Impairment Losses:

	2020-21	2021-22
	£'000	£'000
Depreciation on dwellings	12,493	12,917
Revaluation losses & impairments	(23,486)	(27,835)
	<u>(10,993)</u>	<u>(14,918)</u>

Revaluation losses and impairments were incurred on:

	2020-21	2021-22
	£'000	£'000
Dwellings	(23,999)	(29,446)
Land	(26)	12
Other	539	1,599
	<u>(23,486)</u>	<u>(27,835)</u>

9 DYFED WELSH CHURCH FUND ACCOUNT

The Dyfed Welsh Church Fund is a scheme that mainly awards grants towards the costs of maintaining places of worship. However, registered charities which benefit residents may apply for help towards running costs, or the cost of a specific project or purchasing a piece of equipment. Besides nationally recognised charities, the Fund supports local charities responsible for providing recreational facilities or other services which are of benefit to the Community.

At Local Government Reorganisation 1996 the fund was split among the new Unitary Authorities with the amount available to each new authority being calculated on the following agreed percentages:

Carmarthenshire County Council	41%
Ceredigion County Council	25%
Pembrokeshire County Council	34%

It was agreed that Carmarthenshire County Council would take responsibility for administering the investment portfolio.

Carmarthenshire's balance of the fund as at 31st March 2022 was £2.021m (£1.929m as at 31st March 2021).

10 TRUST FUNDS 2021/22

The Authority operates trust funds for Education Services, Cultural Services and Social Services. These represent total net assets of £823k as at 31st March 2022 (£775k as at 31st March 2021).

11 SOCIAL CARE / CHILDREN'S SERVICES – SAFEKEEPING, SAFE CUSTODY, AMENITY FUNDS & STAFF BENEFIT ACCOUNTS**11.1 Residents Safekeeping**

People in residential homes are allowed a personal allowance payable to them each week. If the resident does not wish to spend all of this allowance in any given week, the balance is paid into the Residents Safekeeping account. The balance as at 31st March 2022 was £540,424 (£539,841 as at 31st March 2021) and this reflects the amount of personal allowances held by the Authority on behalf of its residents.

11.2 Safe Custody Accounts

The Communities Department maintains individual Safe Custody accounts for service users living in the community who are unable to deal with their financial affairs due to their mental incapacity. The Director of Communities is appointee with The Department of Work and Pensions for each of these service users. The balance as at 31st March 2022 was £1,377,581 (£1,267,328 as at 31st March 2021) and this reflects the amount of money held by the Authority on behalf of its service users.

11.3 Amenity Funds & Staff Benefit Accounts

Amenity funds represent funds held on behalf of establishments such as day centres, residential homes and children's centres/playgroups. Payments are for items purchased for the benefit of residents and clients of these establishments and the income is generated from donations and gifts etc from families of clients and bequests from the estates of deceased clients.

Staff Benefit Accounts represent funds held on behalf of staff working within particular establishments. Income is derived from donations received from families of clients and bequests from the estate of deceased clients. Payments are for items that benefit all staff working in a particular establishment.

The balance on these accounts at 31st March 2022 was £120,372 (£117,168 at 31st March 2021).

11.4 Managed Accounts – Direct payments

Direct Payments allow service users to receive cash payments from the local authority instead of care services. This can allow the service user more flexibility and control of their support package. Accounts are managed by a team in the Communities Department providing support services and advice to recipients of direct payments including managed banking, and payroll services for the Personal Assistants providing care.

The balance on 31st March 2022 was £3,220,154 on behalf of service users. The balance on 31st March 2021 was £1,775,642.

12 GLOSSARY OF TERMS

The following section attempts to explain the meaning of some of those technical terms that are used in the Statements. The section is split into General and those terms relating to the Pension Fund Accounts.

General

Accrual

An accrual is a sum shown in our accounts to cover income or expenditure for the accounting period that was not paid at the date of the balance sheet.

Assets Held for Sale

These are assets which are no longer being used to provide a service and are being actively marketed with the likelihood of sale being highly probable within 1 year.

Audit

An audit is an independent examination of our activities.

Balance

The surplus or deficit on any account at any point in time.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the end of the financial year.

Bid Price

The price that a third party would pay the scheme in an arm's length transaction for the investment.

Billing Authority

A local authority responsible for collecting the council tax and non-domestic rates.

Budget

A budget is a spending plan, usually for the following financial year.

Capital Expenditure

Capital expenditure is spending on non-current assets such as Property, Plant and Equipment, Investment Properties and Heritage Assets. This would include the purchase or construction of new assets, together with subsequent expenditure on major maintenance or development work.

Capital Receipt

These are the sales proceeds from the disposal of land and buildings which are restricted in their use by statute. They can only be used to fund new capital expenditure or set aside to finance historic capital expenditure.

Council Fund

The main revenue fund of the local authority. Day to day spending on services is met from this fund.

Council Tax

The main source of local taxation to local authorities. Council tax is levied on households within its area by the Billing Authority and the proceeds are used to meet the Billing Authority's council tax requirement and to pay the precepting authorities.

Creditor

A creditor is someone to whom money is owed at the end of the financial year for work done, goods received or services rendered.

Current Assets

These are short-term assets that are available for the Authority to use in the following accounting year.

Current Liabilities

These are short-term liabilities that are due for payment by the Authority in the following accounting year.

Debtor

A debtor is someone who owes money to the Authority at the end of the financial year.

Depreciation

Depreciation is a method of allocating the cost of Property Plant and Equipment assets over their useful lives.

Direct Revenue Financing

Resources provided from an authority's revenue budget to finance the cost of capital projects.

Earmarked Reserves

These are reserves that have been set aside for a specific purpose.

Fees And Charges

Income raised by charging users of services for the facilities, e.g. charges for the use of leisure facilities, car parking, the collection of trade refuse etc.

Financial Year

This is the accounting period. For local authorities it starts on 1 April and finishes on 31st March in the following year.

Finance Leases

A means by which capital items are bought. (When the Authority uses finance leases it takes on most of the risks (and rewards) of owning the assets.)

Gross Expenditure

The total cost of providing the council's services before taking into account income, such as fees and charges for services etc.

Heritage Assets

Heritage Assets are defined as those that are held and maintained principally for their contribution to knowledge and culture.

Housing Benefit

An allowance to persons on low income (or none) to meet in whole or part their rent. Benefit is allowed or paid by local authorities but central government refunds part of the costs of the benefits and of the running costs of the service to local authorities. Benefit paid to the Authority's own tenants is known as 'rent rebate' and that paid to private sector tenants as 'rent allowance'.

Housing Revenue Account (HRA)

This account contains all our housing income and expenditure.

IFRS

International Financial Reporting Standard.

IFRIC

International Financial Reporting Interpretations Committee.

The above two are accounting standards which provide a guideline for financial accounting.

Investment Properties

These are properties that are being held solely to earn rentals or for capital appreciation or both, rather than for the provision of services

Liability

A liability is an amount due and payable at some time in the future.

Minimum Revenue Provision (MRP)

This is the amount the Authority has to set aside to repay loans.

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge occupiers of business premises pay to finance part of local Authority spending. The NNDR is set by Government and is a percentage of the rateable values. The percentage is the same throughout Wales. The total collected is split among individual authorities in proportion to their adult populations.

Net Realisable Value

The selling price of the asset reduced by the relevant costs of selling it.

Operating Leases

A means by which capital items are bought.

These are leases where risks (and rewards) of ownership of the asset remain with the owner.

Pensions Assets/Liabilities (Notes to the Movement in Net Pension Liabilities)

The Current Service Costs - the value of the increase in liabilities for active members as a result of their service increasing by one year (i.e. from the start of the year to the end of the year), less any employee contributions.

Employer Contributions - The employer contributions are the amounts actually paid by the employer during the year. They include any amounts paid in respect of early retirement strains and any recharges in respect of compulsory added years benefits.

Past Service Costs - Past service costs arise when the employer makes a commitment to provide a higher level of benefit than previously promised, for example the creation of a pension benefit for a spouse where such a benefit did not previously exist or a grant of early retirement with added-on years of service.

Interest Costs - The interest cost is based on the discount rate and the present value of the scheme liabilities at the beginning of the period. Another way of viewing the "interest on liabilities" is the unwinding of 1 year's discounting in relation to the liabilities.

Interest on Pension Assets – This is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.

Remeasurements (assets) – This is the return on plan assets net of administration expenses and interest income. It replaces actuarial gains and losses on assets. For the LGPS, any change as a result of reviewing an employer's allocation of assets as at an actuarial valuation will also be included within remeasurements.

Remeasurements (liabilities) – Remeasurements (liabilities) can be sub-divided into 'Changes in actuarial assumptions' and 'Experience (gains) losses on liabilities'. 'Changes in actuarial assumptions' is not shown as its own separate entry but instead the changes in demographic and financial assumptions are shown separately.

Gains or Losses on Settlements or Curtailment - Where under the scheme rules the employees have the option to retire early or transfer out of the scheme, the resulting settlements and curtailments are allowed for in the normal demographic assumptions made by the actuary and any gains and losses arising are actuarial gains and losses. Losses arising on a settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which the employer becomes demonstrably committed to the transaction and recognised in the profit and loss account covering that date. Gains arising on a settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which all parties whose consent is required are irrevocably committed to the transaction and recognised in the profit and loss account covering that date.

Pension Fund

The fund maintained to meet pension payments on the retirement of participants.

Precepting Authorities

Those authorities which are not billing authorities, i.e. do not collect the council tax and non-domestic rates. For Carmarthenshire County Council the precepting authorities are Dyfed Powys Police and the Town & Community Councils.

Precepts

This is the amount that the Authority levy/pay to a Non-Billing Authority (for example a Community Council) so that it can cover its expenses (after allowing for its income).

Property, Plant and Equipment

These are assets with a physical substance that are held for use in the production or supply of goods and services, for rental to others (as part of a service) or for administrative purposes. Any asset included in this category is expected to be used for more than one financial year.

Provision

Provisions are amounts set aside for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

Prudential Code

The Prudential Code is a professional code of practice to support local authorities in making capital investment decisions.

Public Works Loan Board (PWLB)

This is a Government agency that provides longer-term loans to local authorities. It charges interest rates only slightly higher than those at which the Government itself can borrow.

Reserve

Reserves are amounts set aside that do not fall within the definition of provisions and include general reserves (or 'balances') which every Authority must maintain as a matter of prudence.

Revenue Account

This is an account that records our day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Revenue Support Grant

The main grant paid by Welsh Government to support the local authority budget.

Securities

These are investments such as stocks, shares and bonds.

SeRCoP

Service Reporting Code of Practice - establishes proper practices with regard to consistent financial reporting for services – all local authorities in the United Kingdom are expected to adopt its mandatory requirements and detailed recommendations. It is also expected that CIPFA members will comply with all the discretionary requirements of SeRCoP as it defines best practice in terms of financial reporting.

Inventories

Inventories are raw materials purchased for day-to-day use. The value of those items not used at the end of the financial year is shown within current assets in the balance sheet.

Subjective Analysis

An analysis of income and expenditure according to type. Such expenditure headings include employee, premises and transport expenses. Income includes government grants and fees and charges.

Variance

The difference between actual expenditure and budget - expressed in cash or percentage terms.

Wales Audit Office (Audit Wales)

An independent body lead by the Auditor General for Wales who is responsible for the appointment of external auditors to local authorities.

This page is intentionally left blank

Governance and Audit Committee 21st October 2022

Subject: Burry Port Harbour Financial Statement 2021-22

Purpose: To present the audited Accounting Statement for 2021-22

Recommendations / key decisions required:

To receive and approve the audited Accounting Statement for Burry Port Harbour Authority for 2021-22.

Reasons:

The Council is required to approve the 2021-22 post-audited accounts of the Harbour Authority, to comply with the Accounts and Audit (Wales) Regulations 2014.

The Audit Committee have delegated powers to approve the Accounts in line with the Local Government Measure.

Relevant scrutiny committee to be consulted NA

Cabinet Decision Required NA

Council Decision Required NA

CABINET MEMBER PORTFOLIO HOLDER:- Cllr A Lenny

Directorate: Corporate Services

Name of Head of Service:
Randal Hemingway

Report Author: Randal Hemingway

Designations:

Head of Financial Services

Tel: 01267 224886

Email addresses:
RHemingway@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
Governance and Audit Committee
21st October 2022

Burry Port Harbour Financial Statement 2021-22

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

Carmarthenshire County Council has been given a range of statutory powers and duties for the purposes of improving, maintaining and managing the Burry Port harbour through the Burry Port Harbour Revision Order 2000.

In accordance with the Harbours Act 1964, statutory harbour authorities are required to prepare annual statement of accounts relating to the harbour activities. In compliance with the Accounts and Audit (Wales) Regulations 2014, these accounts are in the form of a separate annual income and expenditure account and statement of balances.

From 1st April 2018, the Authority granted a long-term lease to The Marine & Property Group Ltd, who took over the running and management of Burry Port Harbour and consequently the activity on the statement is much reduced.

The net cost of the harbour activities in 2021-22 was £687k, (2020-21 £803k), and all activities are fully funded by Carmarthenshire County Council. Fixed assets held at 31st March 2022 total £900k. The decrease in costs year on year of £116k consists of a decrease in capital works expenditure of £69k, together with a £47k increase in income.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **R Hemingway**

Head of Financial Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	YES	YES	NONE	NONE	NONE	NONE

Legal

Compliance with the Accounts and Audit (Wales) Regulations 2014

Finance

The net cost of the Harbour activities in 2021-22 was £687k, which has been fully funded by Carmarthenshire County Council. Fixed assets held at 31st March 2022 total £900k.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: R Hemingway

Head of Financial Services

1. Scrutiny Committee Not applicable

2. Local Member(s) Not applicable

3. Community / Town Council Not applicable

4. Relevant Partners Not applicable

5. Staff Side Representatives and other Organisations Not applicable

CABINET PORTFOLIO HOLDER(S)
AWARE/CONSULTED: No

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Accounts and Audit (Wales) Regulations 2014		Corporate Services Department, County Hall, Carmarthen.

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Mr Chris Moore
Director of Corporate Services
Carmarthenshire County Council County Hall
Carmarthen
SA31 1JP

Reference: RH/JB

Date issued: 10 October 2022

Dear Chris,

Burry Port Harbour 2021-22 Annual Return

In accordance with the requirements of Section 12 and Section 14 of the Public Audit (Wales) Act 2004 I am giving my report on the Burry Port Harbour Annual Return for the year ended 31 March 2022.

I have undertaken our work in accordance with the specified procedures issued by the Auditor General for Wales. In summary these procedures require us to consider whether the annual statement of accounts:

- has been prepared on a reasonable basis (for example, the figures agree to the underlying records upon which they have been prepared and are consistent with transactions recorded in the statutory accounts of the constituent local authorities for the same reporting period); and
- casts correctly.

Audit report on the annual return relating to Burry Port Harbour for the period ending 31 March 2022:

Subject to the following two actions being completed satisfactorily we will be able to certify the annual return and issue our notice of completion of the audit.

- Approval of the 2021-22 annual return by the Governance and Audit Committee which is due to be done at its meeting on 21 October 2022.

- On 31 October 2022, local government electors may exercise their rights under sections 30 and 31 of Public Audit (Wales) Act 2004 to question the Auditor General about or make objections to the joint committee's accounts for the year ended 31 March 2022. Should any issues arise from this process we would need to consider these before being able to certify the joint committee's annual return.

Once these actions are completed to our satisfaction, we will be able to confirm the following:

'On the basis of our review and in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.'

Other matters

We have no other matters we need to bring to your attention.

Yours sincerely



Richard Harries

for and on behalf of Adrian Crompton, Auditor General for Wales

Minor Joint Committees in Wales

Annual Return for the Year Ended 31 March 2022

Accounting statements 2021-22 for:

Name of body: Burry Port Harbour Authority

	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	802,707	687,023	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	2,000	48,881	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	616	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	799,448	730,877	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	4,643	5,027	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	88,696	135,688	Income and expenditure accounts only: Enter the value of debts owed to the body.
9. (+) Total cash and investments	(87,836)	(134,283)	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	860	1,405	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	925,450	900,600	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 Committee, 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*		
1. We have put in place arrangements for: <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
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	<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
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 Committee to conduct its business or on its finances.	<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
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.	<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
5. We have carried out an assessment of the risks facing the Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<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
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.	<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
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 Committee and, where appropriate, have included them on the accounting statements.	<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
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	<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.

Committee approval and certification

The Committee 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.


Certification by the RFO

I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2022.

RFO signature:

Name:

Date:


C. MOORE
5/08/2022

Approval by the Council/Board/Committee

I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:

Minute ref:

Chair of meeting signature:

Name:

Date:

Annual internal audit report to:

Name of body: Burry Port Harbour Authority

The Committee'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 Committee'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 Committee.

	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"/>	BPH Authority was a service within Carmarthenshire CC, however from 1/4/2018 Burry Port Harbour was leased to Burry Port Marina LTD and The Marine & Property Group Limited.
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"/>	Testing of individual transactions concluded that all payments tested were accounted for in the correct period and were supported by documentation.
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"/>	As a service within Carmarthenshire CC, BPH Authority prepared and monitored business plans and included identified risks within the Authority's risk register. As from 1/4/2018 the Harbour has been leased to Burry Port Marina LTD.
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"/>	There is a budget monitoring process within Carmarthenshire CC in relation to the BPH LA Accounts.
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"/>	The authority has not received a copy of the Burry Port Marina LTD audited accounts for 2021/22 and therefore an estimate of £36k has been entered in the statement.
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"/>	There is no petty cash advance in relation to Burry Port Harbour.
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"/>	Burry Port harbour has been leased to Burry Port Marina Ltd, therefore there are no employees employed at the

	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**	
					Harbour by Carmarthenshire County Council.
8. Asset and investment registers were complete, accurate, and properly maintained.	6	0	0	0	<p>Burry Port harbour has been leased to Burry Port Marina Ltd. There is no specific investment programme for BPH Authority.</p> <p>The Harbour is included on the Authority's Asset Manager system.</p>

	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"/>	BPH Authority was a service within CCC. A review of the bank reconciliations for CCC was undertaken and procedures were found to be satisfactory. The Harbour has now been leased to Burry Port Marina LTD.
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"/>	Accounting Statements are prepared in line with the 2014 Code of Practice of Local Authority Accounting.

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:

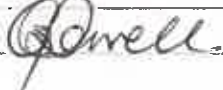
	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
11. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
12. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
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 Committee'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: Caroline Powell
Signature of person who carried out the internal audit: 
Date: 22/8/2022

**EXECUTIVE SUMMARY
GOVERNANCE & AUDIT COMMITTEE
21 OCTOBER 2022**

DYFED PENSION FUND AUDIT OF FINANCIAL STATEMENTS REPORT
--

The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the position of Dyfed Pension Fund at 31 March 2022. This report summarises the findings from the audit undertaken.

DETAILED REPORT ATTACHED?	YES
----------------------------------	------------

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: C Moore

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**CABINET MEMBER PORTFOLIO
HOLDER AWARE/CONSULTED**

Yes

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Audit of Accounts Report – Dyfed Pension Fund

Audit year: 2021-22

Date issued: October 2022

Document reference: 3190A2022

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.

Audit of Accounts Report

Introduction	4
Impact of COVID-19 on this year's audit	4
Proposed audit opinion	5
Significant issues arising from the audit	6
Appendices	
Appendix 1 – final letter of representation	7
Appendix 2 – proposed audit report	10
Appendix 3 – summary of corrections made	15

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 Director of Corporate Services and his team.
- 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 £32.3 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:
 - Key Management Personnel Disclosures – £1,000
 - Related Party disclosures – £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 Audit and Governance Committee at its meeting on 21 October 2022.
- 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.

Impact of COVID-19 on this year's audit

- 9 The COVID-19 pandemic has had a continuing impact on how our audit has been conducted. We summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

Timetable	<ul style="list-style-type: none">• We received the draft accounts on 9 August 2022.• The statutory deadline for completion of the 2021-22 audited accounts was 30 November 2022.• The Auditor General will sign the Audit Opinion on 1 November 2022 following receipt of the signed approved accounts.
Audit evidence	<p>We received the majority of audit evidence in electronic format and have used various techniques to ensure its validity. Where we have been unable to obtain certain audit evidence due to it not being available electronically, we have devised alternative audit methodologies to obtain sufficient audit evidence. Specifically:</p> <ul style="list-style-type: none">• officers provided electronic working papers in accordance with our agreed working paper schedule;• officers provided audit evidence to the audit team via email; and• officers were available by video conferencing for discussions, and for the sharing of on-screen information/evidence.
Electronic signatures	<p>The current plan is for the Governance and Audit Committee to approve the 2021-22 financial statements at its meeting on 21 October 2022. If still necessary at the time of approval and signing, we will accept electronic signatures. We anticipate that your audit report will be signed electronically.</p>

Proposed audit opinion

- 10 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**.
- 11 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 12 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.
- 13 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

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

Corrected misstatements

- 15 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

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

Appendix 1

Final letter of representation

[Audited body's letterhead]

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

28 July 2022

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Dyfed Pension Fund 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 Dyfed Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; 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 by the Governance and Audit Committee on 21 October 2022.

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:

Director of Corporate Services

Date:

Signed by:

Chair of the Governance and Audit Committee

Date:

Appendix 2

Proposed audit report

The independent auditor's report of the Auditor General for Wales to the members of Carmarthenshire County Council as administering authority for Dyfed Pension Fund

Opinion on financial statements

I have audited the financial statements of Dyfed Pension Fund for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004. Dyfed Pension Fund's financial statements comprise the fund account, the net assets 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 Dyfed Pension Fund as at 31 March 2022 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year; 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 pension fund 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 pension fund'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. The Responsible Financial Officer is responsible for the other information contained within the annual statement of accounts. 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 annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and the annual report has been prepared in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the annual report.

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 pages 61-62, 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 pension fund'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 pension fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Dyfed Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals.
- obtaining an understanding of Dyfed Pension Fund's framework of authority as well as other legal and regulatory frameworks that Dyfed Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Dyfed Pension Fund.

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 pension committee; 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 Dyfed Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. 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 Dyfed Pension Fund 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
1 November 2022

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
Reclassification of Balance of £1.8 million (No overall effect on the primary statements)	Note 11.2 The draft financial statements combined investment income due and tax reclaims due onto a single line. These have been disaggregated in the revised financial statements, with a closing balance of £1.798 million for investment income due and £0.057 million for tax reclaims due. There is no impact on the total fair value shown in the note, or the primary statements	To provide greater accuracy on the classification of movements in investment value.
Inclusion of Comparative Figures (No overall effect on the primary statements)	Notes 12, 13.6 and 21 The financial statements were amended to include comparative figures for Notes 12, 13.6 and 21.	To ensure that the financial statements comply with the relevant standards and to provide sufficient information for the reader of the accounts.
Explanation of delays to Prudential Figures	Note 17 Figures for Prudential have not yet been received for 2020-21 or 2021-22 for Note 17 (Additional Voluntary Contributions). Narrative has been added to Note 17 to clarify this, and to confirm that the value of £6,276k is as at 31/03/2020.	To ensure that users of the financial statements are provided with sufficient information to understand the disclosures.

Value of correction	Nature of correction	Reason for correction
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.



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

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

GOVERNANCE & AUDIT COMMITTEE 21 OCTOBER 2022

DYFED PENSION FUND		
LETTER OF REPRESENTATION TO AUDIT WALES		
Purpose: The Committee's formal acknowledgement of the Director of Corporate Services' response is required by Audit Wales.		
Recommendations / key decisions required: To acknowledge the Letter of Representation from the Director of Corporate Services and the Chair of the Governance & Audit Committee to Audit Wales – Dyfed Pension Fund.		
Reasons: The Committee's formal acknowledgement of the Director of Corporate Services' response is required by Audit Wales.		
Relevant scrutiny committee to be consulted NA		
Cabinet Decision Required		NO
Council Decision Required		NO
CABINET MEMBER PORTFOLIO HOLDER:- Cllr. Alun Lenny		
Directorate: Corporate Services Name of Head of Service: Chris Moore Report Author: Chris Moore	Designations: Director of Corporate Services, Carmarthenshire County Council	Tel: 01267 224120 Email address: CMoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
GOVERNANCE & AUDIT COMMITTEE
21 OCTOBER 2022**

DYFED PENSION FUND LETTER OF REPRESENTATION TO AUDIT WALES

In line with the Statement on Auditing Standards (SAS440 - Management Representations), Audit Wales require a "Letter of Representation" on an Annual Basis from the Director of Corporate Services.

Audit Wales require that the Committee responsible for approving the Accounts under Regulation 8 of the Accounts and Audit Regulations formally acknowledge the Director of Corporate Services' response.

DETAILED REPORT ATTACHED?	YES
----------------------------------	------------

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: C Moore

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**CABINET MEMBER PORTFOLIO
HOLDER AWARE/CONSULTED**

Yes

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Eich cyf / Your ref:

Gofynner am / Please ask for: Chris Moore

Fy nghyf / My ref:

Llinell Uniongyrchol / Direct Line: 01267 224120

Dyddiad / Date: 21st October 2022

E-bost / E-mail: CMoore@carmarthenshire.gov.uk

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

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Dyfed Pension Fund 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;

Chris Moore FCCA

Cyfarwyddwr y Gwasanaethau Corfforaethol,
Neuadd y Sir, Caerfyrddin, Sir Gaerfyrddin SA31 1JP

Director of Corporate Services,
County Hall, Carmarthen Carmarthenshire SA31 1JP



BUDDSODDWYR | INVESTORS
MEWN POBL | IN PEOPLE

Mae croeso i chi gysylltu â mi yn y Gymraeg neu'r Saesneg

You are welcome to contact me in Welsh or English

- our knowledge of fraud or suspected fraud that we are aware of and that affects Dyfed Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; 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 by the Governance and Audit Committee on 21 October 2022.

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:

Director of Corporate Services

Chair of the Governance and Audit Committee

Date:

Date:

GOVERNANCE & AUDIT COMMITTEE 21 OCTOBER 2022

AUDIT ENQUIRIES TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT		
Purpose: To give Audit Wales assurance on a number of governance areas that impact on their audit of the financial statements.		
Recommendations / key decisions required: To approve the responses to the requests made of both management and the Governance & Audit Committee as detailed in the report.		
Reasons: To give Audit Wales assurance on a number of governance areas that impact on their audit of the Dyfed Pension Fund financial statements.		
Relevant scrutiny committee to be consulted NA		
Cabinet Decision Required		NO
Council Decision Required		NO
CABINET MEMBER PORTFOLIO HOLDER:- Cllr. Alun Lenny		
Directorate: Corporate Services Name of Head of Service: Chris Moore Report Author: Chris Moore	Designations: Director of Corporate Services, Carmarthenshire County Council	Tel: 01267 224120 Email address: CMoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
GOVERNANCE & AUDIT COMMITTEE
21 OCTOBER 2022**

**AUDIT ENQUIRIES TO THOSE CHARGED WITH
GOVERNANCE AND MANAGEMENT**

Audit Wales is required to conduct their financial audit in accordance with the requirements set out in International Standards on Auditing (ISAs). As part of the requirements of the ISAs they are required to formally seek the Authority's documented consideration and understanding on a number of governance areas that impact on the audit of the financial statements. These considerations are relevant to both the Council's management and 'those charged with governance' (the Governance & Audit Committee).

The areas of governance on which they are seeking views:

1. Management processes in relation to:

- undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
- identifying and responding to risks of fraud in the organisation;
- communication to employees of views on business practice and ethical behaviour; and
- communication to those charged with governance the processes for identifying and responding to fraud.

2. Management's awareness of any actual or alleged instances of fraud.

3. How management gain assurance that all relevant laws and regulations have been complied with.

4. Whether there is any potential litigation or claims that would affect the financial statements.

5. Management processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The information provided informs their understanding of the Dyfed Pension Fund and its business processes and supports their work in providing an audit opinion on the 2021-2022 financial statements.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: C Moore

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**CABINET MEMBER PORTFOLIO
HOLDER AWARE/CONSULTED**

Yes

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

info@audit.wales / post@archwilio.cymru

www.audit.wales / www.archwilio.cymru

Mr Chris Moore
Director of Corporate Services
Carmarthenshire County Council
County Hall
Carmarthen
SA31 1JP

Dear Chris

Dyfed Pension Fund 2021-22

Audit enquiries to those charged with governance and management

As you will be aware I am required to conduct my financial audit in accordance with the requirements set out in International Standards on Auditing (ISAs). As part of the requirements of the ISAs I am writing to you to formally seek your documented consideration and understanding on a number of governance areas that impact on my audit of your financial statements. These considerations are relevant to both management and 'those charged with governance'. I have set out below the areas of governance on which I am seeking your views.

1. Management processes in relation to:

- undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
- identifying and responding to risks of fraud in the organisation;
- communication to employees of views on business practice and ethical behaviour; and
- communication to those charged with governance of the processes for identifying and responding to fraud.

2. Management's awareness of any actual or alleged instances of fraud.

3. How management gain assurance that all relevant laws and regulations have been complied with.

4. Whether there is any potential litigation or claims that would affect the financial statements.

5. Management processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The information you provide will inform our understanding of the Pension Fund's arrangements and business processes and support our work in providing an audit opinion on their 2021-22 financial statements.

I have included your responses for 2020-21 in Appendix 1 and would be grateful if you could these to reflect your current arrangements. Could you please provide this information on behalf of both management and those charged with governance by 24 September 2022. In the meantime, if you have queries, please contact me on 07970 737478.

Yours sincerely

Jason Blewitt
Audit Manager

Appendix A

International Standard for Auditing (UK and Ireland) 240 – The auditor's responsibilities relating to fraud in an audit of financial statements

Background

Under the ISA, the primary responsibility for preventing and detecting fraud rests with both management and 'those charged with governance'. This includes fraud that could impact on the accuracy of the annual accounts. The ISA requires us, as external auditors, to obtain an understanding of how the Pension Fund exercises oversight of management's processes for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

What is 'fraud' in the context of the ISA?

The ISA views fraud as either:

- the intentional misappropriation of assets (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

What are we required to do?

We have to obtain evidence of how management and those charged with governance are discharging their responsibilities if we are to properly discharge our responsibilities under ISA240. We are therefore making requests from both management and those charged with governance:

Enquiries of management		
Question	2021-22 Response	2020-21 Response
1) What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principle reasons?	<p>It is management's opinion that the risk of material misstatement of the financial statements due to fraud are low due to the checks and controls that are in place.</p> <p>The Authority has an adequate and effective control environment in operation. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place.</p> <p>Risk Management and the Control Framework are sound and operated consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members. The Authority has an Internal Audit team with responsibility for providing ongoing fraud detection and prevention service covers all areas with the exception of "Benefit Fraud", which is a specialist Unit in the Revenues Unit of the Financial Services Division dealing with all Benefit Fraud.</p> <p>The Authority's Anti Fraud and Anti Corruption Strategy has been updated and was approved by Audit Committee in October 2020 and is available on the Authority's Intranet. The Anti Fraud and Anti Corruption Annual report was received and accepted by the Governance & Audit Committee in September 2022. Internal Audit aims to provide a pro-active approach to fraud and staff are mindful of the potential for fraud in relation to all systems under review. All</p>	<p>It is management's opinion that the risk of material misstatement of the financial statements due to fraud are low due to the checks and controls that are in place.</p> <p>The Authority has an adequate and effective control environment in operation. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place.</p> <p>Risk Management and the Control Framework are sound and operated consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members. The Authority has an Internal Audit team with responsibility for providing ongoing fraud detection and prevention service covers all areas with the exception of "Benefit Fraud", which is a specialist Unit in the Revenues Unit of the Financial Services Division dealing with all Benefit Fraud.</p> <p>The Authority's Anti Fraud and Anti Corruption Strategy has been updated and was approved by Audit Committee in October 2020 and is available on the Authority's Intranet. Internal Audit aims to provide a pro-active approach to fraud and staff are mindful of the potential for fraud in relation to all systems under review. All Internal Audit staff have received Fraud awareness training.</p>

	<p>Internal Audit staff have received Fraud awareness training.</p> <p>The Authority participates in the "National Fraud Initiative", where data on Payroll, Creditors, Housing Benefit, Pensions, Insurance Claims, Blue Badges and VAT issues are matched nationally to identify potential individual frauds. The exercise reviewing data nationally across Local Authorities and other Public Sector Organisations was completed during 2021/2022.</p> <p>Undoubtedly one of the most effective methods of preventing or minimising fraud is through ensuring robust systems are in operation, which reduce the opportunity for individuals to defraud the Authority. Internal Audit plan their work using risk assessment principles and taking into account changes in services. The adoption of a three year rolling programme provides assurance of the adequacy of audit coverage and allows the flexibility to deal with changes to systems within the Authority.</p> <p>During Autumn 2020, Fraud and Cyber Awareness training was provided by Dyfed Powys police for CMT, Executive Board Members and some Revenues & Financial Compliance staff. Internal Audit continues to provide training to a range of staff.</p> <p>Processes implemented to enable remote working have continued to operate securely and officers have reviewed their effectiveness following an implementation period.</p>	<p>The Authority participates in the "National Fraud Initiative", where data on Payroll, Creditors, Housing Benefit, Pensions, Insurance Claims, Blue Badges and VAT issues are matched nationally to identify potential individual frauds. The exercise reviewing data nationally across Local Authorities and other Public Sector Organisations was completed during 2018/2019 and this year's exercise is currently underway.</p> <p>Undoubtedly one of the most effective methods of preventing or minimising fraud is through ensuring robust systems are in operation, which reduce the opportunity for individuals to defraud the Authority. Internal Audit plan their work using risk assessment principles and taking into account changes in services. The adoption of a three year rolling programme provides assurance of the adequacy of audit coverage and allows the flexibility to deal with changes to systems within the Authority.</p> <p>During Autumn 2020, Fraud and Cyber Awareness training was provided by Dyfed Powys police for CMT, Executive Board Members and some Revenues & Financial Compliance staff. Internal Audit continues to provide training to a range of staff.</p> <p>Processes implemented to enable remote working have continued to operate securely and officers have reviewed their effectiveness following an implementation period.</p>
--	--	---

	<p>We are aware of a small number of either attempted/perpetrated fraud incidents. These are all of values below trivial and would not lead to misstatement. Further details can be found in the Anti Fraud and Anti Corruption Annual report presented to the Governance and Audit Committee on 30 September 2022.</p>	<p>We are aware of a small number of either attempted/perpetrated fraud incidents. These are all of values below trivial and would not lead to misstatement. Further details can be found in the Anti Fraud and Anti Corruption Annual report presented to the Governance and Audit Committee on 16 July 2021.</p>
<p>2) How can management assure those charged with governance that it has not been inappropriately influenced by external pressures?</p>	<p>There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place. Risk Management and the Control Framework are sound and operated consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members.</p> <p>In September 2020, the Governance and Audit Committee received and approved updated Contract Procedure Rules and Financial Procedure Rules. These were further amended and approved in September 2022.</p>	<p>There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place. Risk Management and the Control Framework are sound and operated consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules that provide advice and guidance to all staff and members.</p> <p>In September 2020, the Governance and Audit Committee received and approved updated Contract Procedure Rules and Financial Procedure Rules.</p>
<p>3) Are management aware of any organisational pressure to meet revenue and capital budgets or other financial constraints?</p>	<p>The global economy continues to be volatile and challenging which impacts on the market value of the pension fund.</p> <p>Three-year valuations are undertaken to ensure that the fund's liabilities and assets are scrutinised, and any remedial timely action is undertaken when reviewing contributions.</p>	<p>The global economy continues to be volatile and challenging which impacts on the market value of the pension fund.</p> <p>Three-year valuations are undertaken to ensure that the fund's liabilities and assets are scrutinised, and any remedial timely action is undertaken when reviewing contributions.</p>

<p>4) What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<p>Undoubtedly one of the most effective methods of preventing or minimising fraud is through ensuring robust systems are in operation, which reduce the opportunity for individuals to defraud the Authority.</p> <p>The Authority has an Internal Audit team with responsibility for providing ongoing fraud detection and prevention service covers all areas with the exception of “Benefit Fraud”, which is a specialist Unit in the Revenues Unit of the Financial Services Division dealing with all Benefit Fraud.</p> <p>Internal Audit aims to provide a pro-active approach to fraud and staff are mindful of the potential for fraud in relation to all systems under review. All Internal Audit staff have received Fraud awareness training.</p>	<p>Undoubtedly one of the most effective methods of preventing or minimising fraud is through ensuring robust systems are in operation, which reduce the opportunity for individuals to defraud the Authority.</p> <p>The Authority has an Internal Audit team with responsibility for providing ongoing fraud detection and prevention service covers all areas with the exception of “Benefit Fraud”, which is a specialist Unit in the Revenues Unit of the Financial Services Division dealing with all Benefit Fraud.</p> <p>Internal Audit aims to provide a pro-active approach to fraud and staff are mindful of the potential for fraud in relation to all systems under review. All Internal Audit staff have received Fraud awareness training.</p>
<p>5) How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?</p>	<p>The Authority’s updated Anti Fraud and Anti Corruption Strategy was approved by Audit Committee in October 2020.</p> <p>The Authority has a whistleblowing policy and updated its Code of Conduct for Members and Staff in May 2021. Following County Council elections in May 2022, training was held for all members on Code of Conduct, Ethics, Standards, Legal Duties and Responsibilities.</p> <p>All staff are required to make an annual declaration of personal interests and are reminded of the Officers code of Conduct.</p>	<p>The Authority’s updated Anti Fraud and Anti Corruption Strategy was approved by Audit Committee in October 2020.</p> <p>The Authority has a whistleblowing policy and updated its Code of Conduct for Members and Staff in May 2021.</p> <p>All staff are required to make an annual declaration of personal interests and are reminded of the Officers code of Conduct.</p>

	<p>In September 2020, the Governance and Audit Committee received and approved updated Contract Procedure Rules and Financial Procedure Rules, which were further updated and approved in September 2022. These updates have been communicated to Officers.</p>	<p>In September 2020, the Governance and Audit Committee received and approved updated Contract Procedure Rules and Financial Procedure Rules. These updates have been communicated to Officers.</p>
<p>6) What arrangements are in place to report about fraud to those charged with governance?</p>	<p>The Annual Report from the designated Head of Audit to Audit Committee provides an opportunity to summarise issues relating to fraud or to report any individual cases which have reached a conclusion. Any significant case of fraud concluding during the year could form a separate Agenda Item to appraise the Committee of the facts of the individual case and advise of the control measures either already put in place or to be put in place to minimise the risk of any recurrence.</p> <p>The authority produced an annual Anti-Fraud and Corruption Report covering the financial year 2021-22, which was presented to the Governance and Audit Committee in September 2022. The Authority has a zero tolerance stance to all forms of fraud, corruption and theft, both from within the organisation and from external sources.</p> <p>The Anti-Fraud and Anti-Corruption Report provides a summary of the activities of the Council's Anti-Fraud functions for the financial year.</p>	<p>The Annual Report from the designated Head of Audit to Audit Committee provides an opportunity to summarise issues relating to fraud or to report any individual cases which have reached a conclusion. Any significant case of fraud concluding during the year could form a separate Agenda Item to appraise the Committee of the facts of the individual case and advise of the control measures either already put in place or to be put in place to minimise the risk of any recurrence.</p> <p>The authority has introduced an annual Anti-Fraud and Corruption Report, which was presented to the Governance and Audit Committee in July 2021. The Authority has a zero tolerance stance to all forms of fraud, corruption and theft, both from within the organisation and from external sources.</p> <p>The Anti-Fraud and Anti-Corruption Report provides a summary of the activities of the Council's Anti-Fraud functions for the financial year.</p>

Enquiries of those charged with governance		
Question	2021-22 Response	2020-21 Response
1) How do those charged with governance, exercise oversight of management's processes for identifying and responding to the risks of fraud within the Pension Fund and the internal control that management has established to mitigate those risks?	The Anti Fraud and Anti Corruption Strategy 2020-2025 approved by Audit Committee in October 2020. The Strategy sets out the Framework for detecting and dealing with fraud matters within the Council. Regular Audit Plan updates to Audit Committee, and reports on control issue identified during audits.	The Anti Fraud and Anti Corruption Strategy 2020-2025 approved by Audit Committee in October 2020. The Strategy sets out the Framework for detecting and dealing with fraud matters within the Council. Regular Audit Plan updates to Audit Committee, and reports on control issue identified during audits.
2) Have those charged with governance knowledge of any actual, suspected or alleged fraud since 1 April 2019?	Audit Committee is a public meeting so individual cases of "suspected fraud" cannot be discussed in such a forum. The Chair and Vice Chair of Audit Committee are provided with greater detail and day to day access to the Internal Audit Management Team. Details of suspected fraud would be shared "informally" with the Chair and Vice Chair i.e. outside of the Formal Committee Meeting.	Audit Committee is a public meeting so individual cases of "suspected fraud" cannot be discussed in such a forum. The Chair and Vice Chair of Audit Committee are provided with greater detail and day to day access to the Internal Audit Management Team. Details of suspected fraud would be shared "informally" with the Chair and Vice Chair i.e. outside of the Formal Committee Meeting.
3) Have those charged with governance any suspicion that fraud may be occurring within the organisation?	All Members and employees have a responsibility to report Fraud and Corruption when they become aware of it. Under Financial Procedure Rules any suspected case of fraud or corruption by any officer or member must be reported to the Head of Revenues & Financial Compliance.	All Members and employees have a responsibility to report Fraud and Corruption when they become aware of it. Under Financial Procedure Rules any suspected case of fraud or corruption by any officer or member must be reported to the Head of Audit, Risk and Procurement.

	<p>Carmarthenshire County Council has a “Whistleblowing policy”, managed by the Monitoring Officer. This policy enables employees to raise concerns and also safeguard their interests in line with the Public Interest Disclosure Act 1998.</p> <p>Staff and the public are able to report suspected Benefit Fraud including Housing and Council Tax Benefit fraud through the dedicated “Fraud Hotline”.</p>	<p>Carmarthenshire County Council has a “Whistleblowing policy”, managed by the Monitoring officer. This policy enables employees to raise concerns and also safeguard their interests in line with the Public Interest Disclosure Act 1998.</p> <p>Staff and the public are able to report suspected Benefit Fraud including Housing and Council Tax Benefit fraud through the dedicated “Fraud Hotline”.</p>
4) Are those charged with governance satisfied that internal controls, including segregation of duties, exist and work effectively? If ‘yes’, please provide details. If ‘no’ what are the risk areas?	<p>Yes</p> <p>Regular Audit Plan updates to Audit Committee, and proposed coverage for coming financial years. Reports on control issue identified during audits.</p>	<p>Yes</p> <p>Regular Audit Plan updates to Audit Committee, and proposed coverage for coming financial years. Reports on control issue identified during audits.</p>
5) How do you encourage staff to report their concerns about fraud and what concerns about fraud are staff expected to report?	<p>A revised Whistleblowing policy was approved by the Authority’s Standards Committee in June 2022. It sets out a working environment where Staff can feel confident to raise any concerns about malpractice within the Council. Malpractice can include fraud, corruption, bribery, dishonesty, financial irregularities, serious maladministration because of deliberate and improper conduct, unethical activities (which may be of a criminal nature) and dangerous acts or omissions which create a risk to health, safety or the environment, criminal offences, or failure to comply with a legal or regulatory obligation.</p>	<p>An updated Whistleblowing policy was approved by the Authority’s Standards Committee in July 2021. It sets out a working environment where Staff can feel confident to raise any concerns about malpractice within the Council. Malpractice can include fraud, corruption, bribery, dishonesty, financial irregularities, serious maladministration because of deliberate and improper conduct, unethical activities (which may be of a criminal nature) and dangerous acts or omissions which create a risk to health, safety or the environment, criminal offences, or failure to comply with a legal or regulatory obligation.</p>

	The Whistleblowing Procedure is regularly monitored by a Whistleblowing Group and annual reports regarding whistleblowing are submitted to Standards Committee	The Whistleblowing Procedure is regularly monitored by a Whistleblowing Group and annual reports regarding whistleblowing are submitted to Standards Committee
6) From a fraud and corruption perspective, what are considered by those charged with governance to be high risk posts within the organisation and how are the risks relating to these posts identified, assessed and managed?	<p>The Audit Committee rely on both Internal Audit and External Audit to undertake an ongoing comprehensive review of the Authority. Individuals controlling large amounts of money / cash or managing high value or attractive assets will naturally be seen as higher risk albeit controls should be more secure to prevent any abuse. The Internal Audit Plan is compiled using a Risk Based Approach which takes in to account issues such as value, nature of transaction, past problems etc.</p> <p>The Pensions Administration section has an audit trail of all transactions via the workflow system in addition to the daily journals which record each key suppression. Staff members are restricted on access level by the software 'check pointing' facility. The pension fund participates in the NFI and additionally undertakes monthly mortality screening of pensioners and an annual screening of deferred members. The section has annual payroll and system audits by Carmarthenshire's audit team.</p> <p>Any fraud identified would immediately be reported to the Head of Financial Services and the Pension Board.</p>	<p>The Audit Committee rely on both Internal Audit and External Audit to undertake an ongoing comprehensive review of the Authority. Individuals controlling large amounts of money / cash or managing high value or attractive assets will naturally be seen as higher risk albeit controls should be more secure to prevent any abuse. The Internal Audit Plan is compiled using a Risk Based Approach which takes in to account issues such as value, nature of transaction, past problems etc.</p> <p>The Pensions Administration section has an audit trail of all transactions via the workflow system in addition to the daily journals which record each key suppression. Staff members are restricted on access level by the software 'check pointing' facility. The pension fund participates in the NFI and additionally undertakes monthly mortality screening of pensioners and an annual screening of deferred members. The section has annual payroll and system audits by Carmarthenshire's audit team.</p> <p>Any fraud identified would immediately be reported to the Head of Financial Services and the Pension Board.</p>
7) Are those charged with governance aware of any related party	All Related Party Transactions are disclosed in the statement of Accounts as confirmed in the letter of representation.	All Related Party Transactions are disclosed in the statement of Accounts as confirmed in the letter of representation.

relationships or transactions that could give rise to instances of fraud and how does they mitigate the risks associated with fraud related to related party relationships and transactions?		
8) Are those charged with governance aware of any entries made in the accounting records of the organisation that it believes or suspects are false or intentionally misleading?·	No – the Letter of representation confirms that the financial statements are free of material misstatements, including omissions.	No – the Letter of representation confirms that the financial statements are free of material misstatements, including omissions.
9) Are those charged with governance aware of any organisational, or management pressure to meet revenue and capital budgets or other financial constraints?	Three Elected Members sit on the pension committee and are kept informed quarterly on the global financial outlook and the performance/value of the pension fund.	Three Elected Members sit on the pension committee and are kept informed quarterly on the global financial outlook and the performance/value of the pension fund.

International Standard for Auditing (UK and Ireland) 250 – Consideration of laws and regulations in an audit of financial statements

Background

Under the ISA, in the UK and Ireland, the primary responsibility for ensuring that the entity's operations are conducted in accordance with laws and regulations and the responsibility for the prevention and detection of non-compliance rests with both management and 'those charged with governance'. The ISA requires us, as external auditors, to obtain an understanding of how they gain assurance that all relevant laws and regulations have been complied with.

What are we required to do?

We have to obtain evidence of how management and those charged with governance are discharging their responsibilities, if we are to properly discharge our responsibilities under ISA 250. We are therefore making requests from both management those charged with governance.

Enquiries of management		
Question	2021-22 Response	2020-21 Response
1) How have you gained assurance that all relevant laws and regulations have been complied with?	Local Government Pension Scheme training courses and conferences run by the Local Government Chronicle and Pensions and Lifetime Savings Association. Regulatory documents from the Department for Levelling Up, Housing & Communities. Audit Wales findings.	Local Government Pension Scheme training courses and conferences run by the Local Government Chronicle and Pensions and Lifetime Savings Association. Regulatory documents from the Ministry of Housing, Communities & Local Government. Audit Wales findings.
2) Are there any potential litigations or claims that would affect the financial statements?	No – covered in the letter of representation. Enquiries are made of the Assistant Chief Executive (HR) and the Monitoring Officer at year end, and again pre-publication of the statement to identify any potential post balance sheet date events. All known actual or possible litigation and claims whose effects should be	No – covered in the letter of representation. Enquiries are made of the Assistant Chief Executive (HR) and the Monitoring Officer at year end, and again pre-publication of the statement to identify any potential post balance sheet date events. All known actual or possible litigation and claims whose effects should be considered when

	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.	preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
Enquiries of those charged with governance		
Question	2021-22 Response	2020-21 Response
1) How do those charged with governance, exercise oversight of management's processes to ensure that all relevant laws and regulations have been complied with?	Reliance on Internal Audit, Monitoring Officer, Section 151 Officer, Letter of representation and Audit Wales feedback	Reliance on Internal Audit, Monitoring Officer, Section 151 Officer, Letter of representation and Audit Wales feedback
2) Are those charged with governance aware of any non-compliance with relevant laws and regulations?	No	No
3) If there have been instances of non-compliance what are they, and what oversight have those charged with governance had to ensure that action taken by management to address and gaps in control?	No	No

International Standard for Auditing (UK and Ireland) 550 – Related parties

Background

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties. For example:

- Related parties may operate through an extensive and complex range of relationships and structures, with a corresponding increase in the complexity of related party transactions.
- Information systems may be ineffective at identifying or summarising transactions and outstanding balances between an entity and its related parties.
- Related party transactions may not be conducted under normal market terms and conditions; for example, some related party transactions may be conducted with no exchange of consideration.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

Where the applicable financial reporting framework establishes requirements for related parties, the auditor has a responsibility to perform audit procedures to identify, assess and respond to the risks of material misstatement arising

from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework. We are therefore making requests from both management and those charged with governance:

Enquiries of management		
Question	2021-22 Response	2020-21 Response
1) What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?	Enquires made of relevant officers and members for details of any potential related party transactions. Evidence subjected to audit by Audit Wales. Confirmation given in the Letter of Representation that related party relationships and transactions have been appropriately accounted for and disclosed.	Enquires made of relevant officers and members for details of any potential related party transactions. Evidence subjected to audit by Audit Wales. Confirmation given in the Letter of Representation that related party relationships and transactions have been appropriately accounted for and disclosed.
2) Confirm that you have: <ul style="list-style-type: none"> disclosed to the auditor the identity of the entity's related parties and all the related party relationships and transactions of which you are aware; and appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the framework. 	Confirmation given in the Letter of Representation that related party relationships and transactions have been appropriately accounted for and disclosed.	Confirmation given in the Letter of Representation that related party relationships and transactions have been appropriately accounted for and disclosed.

Enquiries of those charged with governance		
Question	2021-22 Response	2020-21 Response
1) How do those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transaction sand relationships?	Disclosure made in the statement of Accounts which is approved by the Audit Committee, Letter of Representations and feedback from Audit Wales.	Disclosure made in the statement of Accounts which is approved by the Audit Committee, Letter of Representations and feedback from Audit Wales.

This page is intentionally left blank

**EXECUTIVE SUMMARY
GOVERNANCE & AUDIT COMMITTEE
21 OCTOBER 2022**

DYFED PENSION FUND ANNUAL REPORT AND ACCOUNTS 2021-2022
--

In line with the Accounts and Audit (Wales) Regulations 2014, the Dyfed Pension Fund Annual Report and Accounts is now presented to the Governance and Audit Committee for approval.

DETAILED REPORT ATTACHED?	YES
----------------------------------	------------

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: C Moore

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**CABINET MEMBER PORTFOLIO
HOLDER AWARE/CONSULTED**

Yes

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE



DYFED PENSION FUND

Annual Report & Accounts 2021-2022

Administered by:



Contents

Chairman's Foreword	3
Introduction	5
Section 1 - Management & Financial Performance Reports.....	7
Fund Management & Advisers.....	7
Risk Management	8
Financial Performance	9
Section 2 - Investment Policy & Performance Reports	10
Fund Investments.....	10
BlackRock.....	14
Schroders.....	18
Partners Group	22
Wales Pension Partnership.....	24
PIRC.....	29
Independent Investment Adviser.....	33
Section 3 - Fund Administration Report	36
Section 4 - Actuarial Report.....	47
Section 5 - Governance	49
Pension Board Annual Report.....	49
Governance Policy Statement	52
Governance Compliance Statement.....	56
Section 6 - Statement of Accounts	61
Section 7 - Funding Strategy Statement.....	103
Section 8 - Investment Strategy Statement.....	117
Section 9 – Responsible Investment Policy.....	128
Section 10 - Communications Policy Statement	132
Section 11 - Glossary	137
Contacting the Fund.....	139

Chairman's Foreword

Welcome to this year's Dyfed Pension Fund Annual Report and Accounts.

2021-2022 started so well with rapid economic recovery as the COVID-19 restrictions eased and as the fiscal and monetary stimulus put in place during the pandemic took effect. Towards the end of the year though the world economy suffered a "triple whammy", if you like, with rising inflation (which I predicted during last year), increasing interest rates and the terrible war in Ukraine. These issues have had and continue to have a profound effect on our work and personal lives.

During the year the pension committee approved a further equity restructure, the Fund's Responsible Investment (RI) Policy, the Wales Pension Partnership (WPP) 2022-2025 Business Plan and received regular progress updates on pensions administration projects.

The equity restructure resulted in an additional £30m to the BlackRock UK Strategic Alternative Income Fund (SAIF) taking the total allocation to this fund to £150m (5% of the Fund) and an additional £60m to our property managers Schrodgers making the total allocation with them £400m (13% of the Fund). This ensures that the investments are back in line with the Fund's strategic asset allocation. Going forward SAIF is expected to deliver a cash yield of some 3.5% and a total return of 4-4.5% and Schrodgers will deliver estimated additional cash flows of £2.8m per annum. This rationalisation also results in a further reduction in the Fund's carbon intensity and just as importantly some inflation protection which is even more essential now given that inflation is rising steeply.

The Fund is a long-term investor aiming to deliver a sustainable pension fund for all stakeholders and has a fiduciary duty to act in the best, long-term, interests of the Fund's employers and scheme members. Responsible Investment is a fundamental part of the Fund's overarching investment strategy as set out in the Investment Strategy Statement. That is, to maximise returns subject to an acceptable level of risk whilst increasing certainty of cost for employers and minimising the long-term cost of the scheme. The pension committee believes that consideration of Environmental, Social and Corporate Governance (ESG) factors are fundamental to this, particularly where they are likely to impact on the overarching investment objective. The RI Policy sets out the Fund's investment beliefs and is shown in Section 9.

The WPP investment pool is making good progress and is demonstrating a clear commitment to pooling and the value it can deliver. The Dyfed Pension Fund had 38% invested in the WPP at year-end and a further 39% in the jointly procured BlackRock pooled funds. WPP's work plan sets out the key priorities and objectives over the next three years for governance, ongoing sub-fund development, operator services, investments and reporting, communication and training and resources, budget and fees. As a member of the Joint Governance Committee (JGC) I am proud of the work that has been undertaken to date and am excited by the prospect of the Fund investing in the Sustainable Equity sub-fund which will launch in 2022-2023. The training that is provided by the WPP, and its partners, to pension committee and pension board members is well presented, informative and second to none. WPP's extensive [website](#) is worth a look!

It is important to remember that the Pensions Administration team not only administers the Local Government Scheme and its provisions but also, by agreement, similar services to the Chief Constable and Chief Fire Officers administering the Police and Firefighter's Pension Schemes for Dyfed Powys Police, Mid & West Wales Fire and Rescue Service and North Wales Fire and Rescue Service respectively. The projects that are currently being undertaken by the team include regulatory work such as McCloud/Sargeant and pensions dashboards, further development work to on board employers onto I-connect in order that data can be transferred electronically and GMP Reconciliation where over 99% of the records held have been reconciled. I am also pleased to inform you that the team has outperformed the benchmark in all categories and compared to the All-Wales average has a lower administration cost per scheme member at £27.62. Further detail in these areas can be found in Section 3.

With the membership of the Fund increasing by 2.4% (1,235) during the year, the total workflow (retirements, starters, transfers and leavers) continuing at a high level and the pandemic still necessitating hybrid working, the team have continued to pay our pensioners on time and engaged effectively with employers throughout the year.

And finally, the triennial valuation is upon us once again! Senior officers have been working with our actuary, Mercer, on initial calculations as at 31 March 2022. The results are due out in the Autumn and I have been reliably informed that we will once again have a high funding level which is good news for all our stakeholders.

I would like to thank my fellow pension committee members for their continued support and dedication to the role and the senior managers and officers in the Administration and Investment teams for maintaining a high-quality service for all our stakeholders and ensuring that the Dyfed Pension Fund goes from strength to strength.

Councillor Elwyn Williams

Chair of the Dyfed Pension Fund Committee



Introduction

As the Chair mentioned in his Foreword it has been another eventful year for the Fund.

How has this affected investment returns?

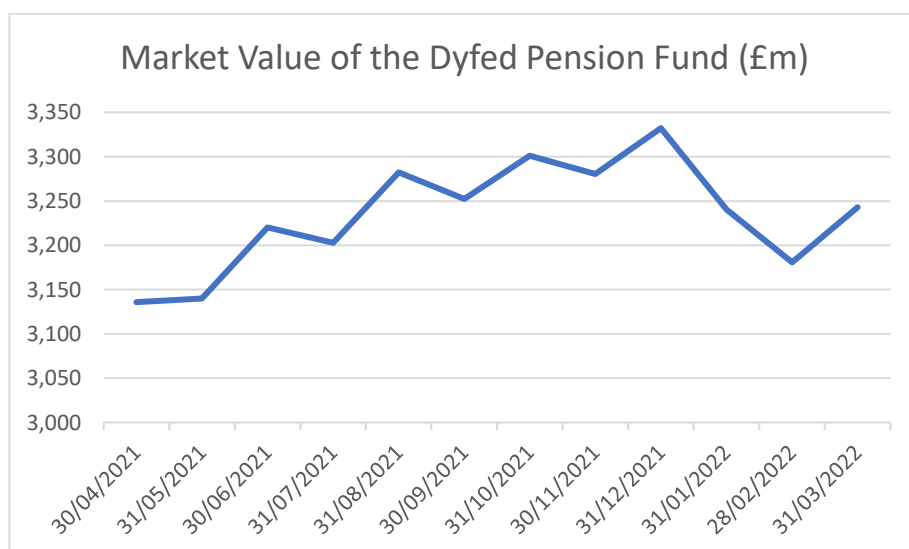
The Fund produced an overall return of 6.2% during the year, underperforming the average LGPS fund return of 8.6%. This was largely as a result of the Fund's relatively high level of equities and low investment in alternative assets, such as, private equity, hedge funds and private debt. Asset class returns can be seen in the table below:

One year performance to 31/03/22

Asset Class	Return (%)	LA Universe (%)	Out/(Under) Performance (%)	Ranking
Equities	5.50	7.60	(2.10)	76
Bond/Credit	(2.70)	(0.30)	(2.40)	73
Alternatives	8.70	19.00	(10.30)	84
Property	17.20	17.90	(0.70)	58
Overall	6.20	8.60	(2.40)	69

Over the long term the asset allocation has benefitted the Fund returning 8.2% p.a. over the 3 years since the March 2019 actuarial valuation, 7.1% p.a. over the last 5 years and 9.4% over the last 10 years, putting it well ahead of the median LGPS Fund and indeed ranking it in the top quartile. More information can be found in Section 2.

The market value of the Fund fluctuated during the year and recovered in March 2022 following the slump in January and February 2022. I expect the value to continue to fluctuate in 2022-23 due to the reasons we have already highlighted in this report.



With reference to the actuarial valuation mentioned above the triennial exercise as at 31 March 2022 has commenced. The purpose of the actuarial valuation is to determine:

- The expected cost of providing the benefits built up by members at the valuation date (the “liabilities”) and compare this against the funds held by the Fund (the “assets”).
- The contributions needed to cover the cost of the benefits that active members will build up in the future and other costs incurred in running the Fund (the ‘Primary Contribution Rate’).
- An appropriate plan for making up the shortfall if the Fund has less assets than liabilities. This plan will cover the amounts which will need to be paid (the ‘Secondary Contribution Rate’) and the timeframe over which they will be paid (‘the Recovery Period’).

Early indications from Mercer, our actuary, is that the Fund is again well funded. Increasing inflation and the rise in interest rates will be factored into the assumptions that are used to calculate the funding level and employer contribution rates. The full employer results will be available at the Fund’s Annual Consultative Meeting in Autumn 2022.

We continue to make good progress on the responsible investment front. The Chair has already mentioned our Responsible Investment (RI) Policy and also the pension committee were presented with an RI update during the year. The main points were:

- Continued active engagement on a variety of issues, via our Wales Pension partnership (WPP) stewardship partner, Robeco
- Met with and continued constructive engagement with Divest Dyfed and Friends of the Earth groups
- Worked with WPP to set up a Sustainable Equity sub-fund. This will be launched during 2022
- Initiated discussions with BlackRock on a lower carbon / zero fossil fuel variant of their ACS Low Carbon Fund which the Fund is already invested in
- Commenced discussions with WPP on local investments within Wales

As you can see this is all very promising and continues our lower carbon journey.

I would like to thank the Chair for his kind words again this year. Global events, whether it be the pandemic or the Ukraine war, affect our working and personal lives and it is important that we continue to work together to ensure that our teams’ wellbeing is at the forefront of our minds.

Thank you all for your continued dedication to your roles in Administration and Investment and for your support to all the Dyfed Pension Fund’s stakeholders.

Chris Moore

**Director of Corporate Services
Carmarthenshire County Council**



Section 1 - Management & Financial Performance Reports

Fund Management & Advisers

The Dyfed Pension Fund is administered by Carmarthenshire County Council (the administering authority) and under the Council's constitution the Dyfed Pension Fund Committee has overall strategic responsibility for managing the Fund. The Fund's Governance Policy sets out the roles and responsibilities of the Committee.

During 2021-22 the Committee members were:

- Councillor Elwyn Williams - Chairman of the Committee
- Councillor Derek Cundy - Committee Member
- Councillor Jim Jones - Committee Member
- Councillor Dai Thomas - Substitute Committee Member

The following officers from Carmarthenshire County Council also attended Committee meetings and/or acted as advisers:

- Mr Chris Moore, FCCA - Director of Corporate Services
- Mr Randal Hemingway, CPFA - Head of Financial Services
- Mr Anthony Parnell, FCCA - Treasury and Pension Investments Manager
- Mr Kevin Gerard, MIPPM - Pensions Manager

The Dyfed Pension Fund Committee has adopted the Code of Practice on Public Sector Pensions Finance Knowledge and Skills. The Code sets out the knowledge and skills needed for those involved with pension scheme governance as recommended by Lord Hutton in his report on public sector pensions.

The Committee and officers attended various training courses, seminars and conferences on administration and investment matters. These were provided by the investment managers, consultants, officers, national and local government associations. The meeting attendance and training events for each Committee member are shown below:

Meeting attendance and training events 2021-22	Cllr Elwyn Williams	Cllr Deryk Cundy	Cllr Jim Jones	Cllr Dai Thomas
Voting rights	✓	✓	✓	
2021-22 Meeting attendance:				
Committee Meeting 16 June 2021	✓	✓	✓	
ACM 7 October 2021	✓	✓		✓
Committee Meeting 8 October 2021	✓	✓		✓
Committee Meeting 3 December 2021	✓	✓	✓	
Committee Meeting 29 March 2022	✓	✓	✓	

2021-22 Training events:				
Briefing Session (Schroders) May 2021	✓	✓		✓
Briefing Session (BlackRock) June 2021	✓	✓	✓	
Business Meeting (LAPFF) July 2021	✓			
Investment Summit (LGC) September 2021	✓			✓
AGM & Business Meeting (LAPFF) October 2021	✓			
Fundamentals Training (LGPC)				✓
Annual Conference (LAPFF) December 2021		✓		

In addition to the training above, the Wales Pension Partnership held a number of training sessions during 2021-22 which were available to all Committee members.

The Fund's Independent Investment Adviser: Mr Adrian Brown (MJ Hudson Investment Advisers) - Advises the Committee on all aspects of investment management at quarterly meetings and ad hoc meetings as necessary

Investment Managers: BlackRock, Schroders, Partners Group, Wales Pension Partnership

Legal Advisers: Eversheds

Performance Measurement

Company: Local Authority Pension Performance Analytics (PIRC)

Fund Actuary: Mercer

Custodian: Northern Trust

Bankers: Barclays Bank Plc

AVC Providers: Prudential, Standard Life and UTMOST

External Auditor: Auditor General for Wales

Risk Management

Carmarthenshire County Council, the Administering Authority to the Dyfed Pension Fund, recognises the importance of effective risk management. Risk management is the process by which the council systematically identifies and addresses the risks associated with its activities.

Risk management is a key part of Carmarthenshire County Council's corporate governance arrangements and the council has a formal risk management strategy which is regularly reviewed and developed in response to changes within the council and the external environment.

As required by the risk management strategy the Fund uses the risk register tool to identify, prioritise, manage and monitor risks associated with the Dyfed Pension Fund. This register can be found on the Dyfed Pension Fund's website.

The Funding Strategy Statement (FSS) (Section 7) and the Investment Strategy Statement (ISS)(Section 8) explain the Fund's key risks and how they are identified, mitigated, managed and reviewed. Investment advice is received from Mr Adrian Brown, the Independent Investment Adviser, and the Dyfed Pension Fund Committee meet and review fund manager performance and activity at least quarterly.

Financial Performance

Income & Expenditure

The table below shows actual income and expenditure for 2021-22 against budget:

	Actual 2020-21 £'000	Budget 2021-22 £'000	Actual 2021-22 £'000	Variance 2021-22 £'000
Income				
Employee Contributions	21,599	22,121	22,847	726
Employer Contributions	62,455	66,893	66,168	(725)
Transfers In	3,196	3,000	4,196	1,196
Investment Income	32,187	15,798	32,138	16,340
Total Income	119,437	107,812	125,349	17,537
Expenditure				
Benefits Payable	(89,783)	(92,363)	(92,402)	(39)
Transfers Out	(3,595)	(3,120)	(3,534)	(414)
Management Expenses	(1,883)	(1,938)	(1,976)	(38)
Investment Management Expenses	(13,303)	(10,391)	(12,435)	(2,044)
Total Expenditure	(108,564)	(107,812)	(110,347)	(2,535)
Changes in the Market Value of Investments	654,254	-	178,055	-
Net Increase/(Decrease) in the fund	665,127	-	193,057	-

Section 2 - Investment Policy & Performance Reports

Fund Investments

Investment Policy

The Fund sets out a broad statement of the principles it has employed in establishing its investment and funding strategy in the Investment Strategy Statement (ISS) (Section 8). The ISS also sets out the Fund's policies in respect of responsible investment and other environmental or social issues.

The Investment Policy and the approach to the management of risk for the Fund as a whole and in respect of the investment managers is outlined in the ISS. The ISS has been developed alongside the Fund's funding strategy on an integrated basis taking into account the risks inherent in the Fund. The ISS document can be found on our [website](#).

Responsible Investment (RI) Policy

The Fund is a long-term investor aiming to deliver a sustainable pension fund for all stakeholders and has a fiduciary duty to act in the best, long-term, interests of the Fund's employers and scheme members.

Responsible Investment is a fundamental part of the Fund's overarching investment strategy as set out in the Investment Strategy Statement. That is, to maximise returns subject to an acceptable level of risk whilst increasing certainty of cost for employers and minimising the long-term cost of the scheme. The Fund believes that consideration of Environmental, Social and Corporate Governance (ESG) factors are fundamental to this, particularly where they are likely to impact on the overarching investment objective.

The Responsible Investment Policy can be found in Section 9 of this report or on the [website](#).

Membership of Pension Fund Institutions

The Fund subscribes to and is a member of Pension and Lifetime Savings Association (PLSA), Local Authority Pension Fund Forum (LAPFF), CIPFA Pension's Network, LGA Scheme Advisory Board (SAB) and LGA Local Government Pension Committee (LGPC).

Voting

Managers are instructed to vote the Fund's shares in companies in line with the Fund's Voting Policy and the PLSA voting guidelines. These guidelines set out principles that should be followed when voting.

Manager changes

There were no manager changes during the year, however there was a transition:

The Fund divested an element of its BlackRock ILG and BlackRock regional equity portfolios to increase its allocation to BlackRock's UK SAIF and Schroders property portfolios by £30m and £60m, respectively.

Asset Allocation

Mandate	Approach	Manager	Benchmark (%)	Actual (%)
Equities		Allocation	65.00	72.56
Global	Active	Wales Pension Partnership		30.51
Japanese	Active	BlackRock		3.39
Other Regional	Passive	BlackRock		28.64
ACS Low Carbon	Passive	BlackRock		10.02
Fixed Interest		Allocation	10.00	8.62
Index Linked Gilts	Passive	BlackRock		0.97
Fixed Interest Bonds	Active	Wales Pension Partnership		7.65
Property		Allocation	15.00	14.26
Property	Active	Schroders		12.83
Property	Active	Partners Group		1.43
Infrastructure		Allocation	5.00	0.00
Infrastructure				0.00
Alternatives		Allocation	5.00	3.73
SAIF	Active	BlackRock		3.73
Cash		Allocation	0.00	0.83
Cash	Active	Various		0.83
Total			100.00	100.00

The table above shows that the Fund's actual allocation to equities is more than the benchmark. The Pension Committee are reviewing the allocations with a view of rebalancing the investments in line with the benchmarks once infrastructure investments are available.

The table below shows the change in fund value from the beginning of the year to the end of the year and is broken down by asset class. The value of the Fund increased by 6.4% from 2020-21 to 2021-22:

	Value as at 31/03/21	Value as at 31/03/22
	£'000	£'000
UK Equities	518,105	570,137
Global & Overseas Equities	1,769,008	1,778,321
Index Linked Gilts	61,172	31,515
Fixed Interest Bonds	258,679	247,621
Property	338,043	461,700
Alternatives (SAIF)	84,314	120,559
Cash	11,376	24,969
Accrued Income	547	1,855
Total	3,041,244	3,236,677

Investment Performance

Total Fund performance was below the LA Universe average over the one and three year periods, equal to the average over the 5 year period and above the average over the ten year period.

Periods to 31/03/22	Return (%)	LA Universe (%)	Out/(Under) Performance (%)	Ranking
1 year	6.20	8.60	(2.40)	69
3 years*	8.20	8.30	(0.10)	64
5 years*	7.10	7.10	0.00	44
10 years*	9.40	8.90	0.50	20

*Annualised Returns

Individual Managers' Performance

The following tables show the performance of each manager for the year ending 31 March 2022.

Partners Group

The performance of investments in private property is measured by Internal Rate of Return (IRR), a figure that will be volatile until the Fund reaches maturity. The current portfolio IRR is 7%. As a time-weighted return based on cash flows it is not a meaningful performance measurement until all capital contributed and earnings has been returned to the investor. Until then the IRR will peak and dip based on the timing of cash inflows and outflows. The portfolio of investments continue to meet Partners Group's expectations in terms of performance.

The table illustrates the cash flows as at 31 March 2022. The valuation of the property portfolio is above the original cost of investment:

Portfolio investments	
Committed	£99.53m
Commitment level - directs	23.78%
Commitment level - secondaries	31.87%
Commitment level - primaries	46.96%
Invested	£80.82m
Investment level	81.20%

Partners Group Red Dragon, L.P.	
Commitments	£97.00m
Capital contributions	£66.26m
Capital contributions (in % of commitments)	68.31%
Unfunded commitments	£30.74m
Distributions	£42.00m
Net asset value	£46.33m

Schroders

The fund underperformed the benchmark over the one, three and five year periods by -2.00%, -1.00% and -0.30% respectively.

Performance to 31/03/22	Return (%)	Benchmark (%)	Out/(Under) Performance
1 year	21.10	23.10	(2.00)
3 years*	7.00	8.00	(1.00)
5 years*	7.50	7.80	(0.30)

*Annualised Returns

BlackRock

The manager outperformed the benchmark over the one, three and five year periods by 1.30%, 1.57% and 1.38% respectively.

Performance to 31/03/22	Return (%)	Benchmark (%)	Out/(Under) Performance
1 year	7.61	6.31	1.30
3 years*	8.84	7.27	1.57
5 years*	7.09	5.71	1.38

*Annualised Returns

Wales Pension Partnership

Global Growth Fund

The Fund underperformed the benchmark over the one year period by -9.81%. The Fund has also underperformed the benchmark since its inception in February 2019 by -1.31%.

Performance to 31/03/22	Net Return (%)	Benchmark (%)	Out/(Under) Performance
1 year	2.61	12.42	(9.81)
Inception to Date	12.31	13.62	(1.31)

Global Credit Fund

The Fund outperformed the benchmark over the one year period by 0.81%. The Fund has also outperformed the benchmark since its inception in August 2020 by 1.19%.

Performance to 31/03/22	Net Return (%)	Benchmark (%)	Out/(Under) Performance
1 year	(4.29)	(5.10)	0.81
Inception to Date	(2.74)	(3.93)	1.19

BlackRock

Strategic Alternative Income Fund

2021 was a challenging year overall with heightened uncertainty due to the lingering effects of the pandemic. The Secure Alternative Income Fund (“SAIF”, “the Fund”) has continued to deliver resilience, weathering the pandemic, and providing security of income to our investors through a difficult time. SAIF’s flexible, multi-asset approach, supported by BlackRock’s broad and differentiated access across secure income markets, has enabled its investors to capitalise on attractive opportunities throughout various market regimes since the Fund’s inception in 2017.

SAIF’s highly diversified approach to investing spans cash flow types and duration, in addition to strategies and sectors. We continue to believe that a flexible and balanced approach allows us to better capture relative value through the investment cycle while being more aptly suited to partially absorb the impact of higher rates and inflation.

Quarter over quarter, as of Q4’21, the Fund’s NAV per share increased by 1.3%. Year over year, as of Q4’21, NAV per share increased by 2.3%. SAIF’s trailing 12-month distributed net yield experienced by second close investors (including Dyfed) for the 2021 calendar year was 4.1%.

The Fund’s cash flows continue to have an estimated weighted average life in excess of 10 years and a tenor of c.10-15 years, c.84% of investments are UK based and c.41% are explicitly linked to UK inflation. SAIF is invested in five asset classes, spanning more than 20 sectors and has made selective use of its flexibility to invest in non-Sterling opportunities that are additive, differentiated, and offer attractive risk-adjusted returns. As of 31 December 2021, SAIF has made 175 investments on a look-through basis across 52 direct investments and two fund investments.

Deployment

During 2021, SAIF made around 15 investments, including funding existing commitments to several investments. Examples include Project Left 2.0, a secondary acquisition of £108m worth of units in the Renewable Income UK Fund (RIUK). Given the market for operational wind and solar projects became highly competitive in recent years, SAIF executed Project Left 2.0 in Q3’21, showcasing its flexible approach to investing in inflation- linked, subsidy-backed renewable power assets in the UK via the secondary market, thus achieving better risk-adjusted returns than direct investment in operational assets. Another example of SAIF’s flexibility and focus on relative value is Project Aura, which provided debt financing to a registered social housing provider as it acquired an operational portfolio of c.2.8k properties in the UK. This opportunity generates an attractive risk-adjusted return by investing in housing through infrastructure debt (rather than through owning the real estate itself) while also catering to the essential needs of communities.

As of May 2022, Dyfed’s commitment to the second close (£120m) is 100% deployed and the more recent commitment to the fifth close (£30m) is 19% deployed, well ahead of straight-line deployment expectations. The investment pipeline remains strong with a healthy set of opportunities spanning multiple asset classes, sectors, and parts of the capital structure.

Outlook

We ended 2021 with a more positive outlook on Covid-19, however, optimism for an economic restart in 2022 was dampened by concerns around inflation and the Russian invasion of Ukraine. To clarify, the Fund does not have any direct exposure to Russia, Ukraine, and Belarus. We are closely monitoring inflation, the increases in rates, and the impact of these on the outlook for growth. We believe the Fund will benefit from inflation linkage, given c.70% of SAIF's exposure is explicitly (via contractual terms) or implicitly (via floating rate notes) linked to inflation. Should the economy slow down, we believe the Fund has a well-diversified portfolio of defensive assets that have stood the test of the pandemic and is well positioned to continue to deliver resilience, income security, and durability.

Environmental, Social and Governance (ESG)

At BlackRock, we have always focused on helping our clients try to reach their long-term investment goals through resilient and well-constructed portfolios. Our investment conviction is that ESG-integrated portfolios can provide better risk-adjusted returns to investors over the long term, and that ESG-related data provides an increasingly important set of tools to identify unpriced risks and opportunities within portfolios. ESG is integrated across our active portfolios in both public and private markets. In index portfolios where the objective is to replicate a predetermined market benchmark, we engage with investee companies on ESG issues to enhance long-term value for our clients.

Responsible Investment

Proxy voting at BlackRock is centralised within the Investment Stewardship team of over 65 specialists. As a fiduciary to our clients, our firm is built to support the long-term value of assets our clients are invested in. From BlackRock's perspective, sound management of business-relevant sustainability issues can contribute to a company's sustainable long-term financial performance. Incorporating these considerations into the investment research, portfolio construction, and stewardship process can enhance long-term risk-adjusted returns for our clients.

Voting is the most broad-based form of engagement we have with companies, providing a channel for feedback to the board and management about investor perceptions of their performance and governance practices.

BlackRock votes annually at more than 17,000 shareholder meetings, taking a case-by-case approach to the items put to a shareholder vote. Our analysis is informed by our internally developed proxy voting guidelines, our pre-vote engagements, research, and the situational factors at a particular company. We aim to vote at all shareholder meetings of companies in which our clients are invested. In cases where there are significant obstacles to voting, such as share blocking or requirements for a power of attorney, we will review the resolutions to assess the extent of the restrictions on voting against the potential benefits.

Low Carbon Investment Stewardship Example

Dyfed Pension Fund is an investor in BlackRock's ACS World Low Carbon Equity Tracker Fund which tracks the MSCI World Low Carbon Target Reduced Fossil Fuel Select Index. The index aims to address two dimensions of carbon exposure – carbon emissions and fossil fuel reserves. The index is designed to achieve a target level of predicted tracking error while minimizing the carbon exposure and excluding companies with exposure to Fossil Fuels.

Annual to 31 March 2022, BlackRock's Low Carbon Fund had 914 companies within the portfolio. Over the period, there were 1,011 company engagements and, of that, 554 individual companies were engaged. Regionally, this transpires to 44% of engagements occurring within the Americas, 39% within EMEA and 18% in APAC. In terms of voting statistics, BlackRock voted on 95.9% of the 1,103 votable meetings and 92.6% of the 14,957 proposals (management and shareholder).

Fund Returns 1 April 2021 to 31 March 2022

Returns %	12 Months to 31-Mar-22	
	Account (%)	Index (%)
Aquila UK Equity Index Fund	13.08	13.03
Aquila Life European Equity Index Fund ex UK	6.84	6.28
Ascent Life Japanese Equity Fund	0.29	-2.42
iShares Emerging Market Index Sub Fund	-11.52	-11.37
ACS World Low Carbon Equity Tracker Fund	14.36	15.74
Total Fund	7.61	6.31
Index Linked Gilt Portfolio	4.85	4.85
Total Fund including UK Index Linked Gilts	7.55	-

Source: BlackRock 2022.

BlackRock Performance

Over the last year, Dyfed Pension Fund's Main Portfolio returned 7.61% for the period compared to a composite index return of 6.31%, thereby outperforming the index by 1.3%. The passively managed funds tracked the indices they are managed against.

On the active side, the Japanese Equities outperformed the benchmark by 2.71%.

Gavin Lewis, Managing Director

Schroders

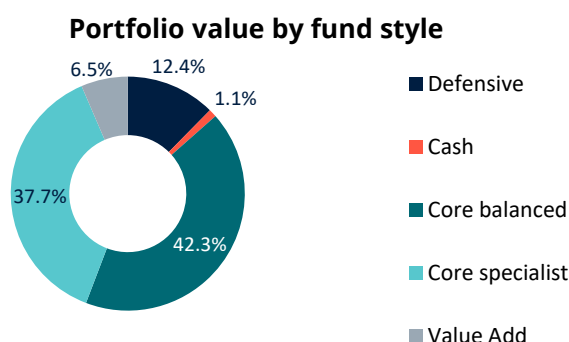
Background

Schroders was appointed to manage a pan-European portfolio of indirect investments in March 2010. As at 31st March 2022 the value of the property portfolio stood at circa £428 million. At the financial year end, 98.9% by value was invested in the UK and 1.1% by value was held in cash (all of which was committed). There are nominal residual holdings in Continental Europe, following the wind-down of most of the underlying funds.

The portfolio strategy has evolved over the last 11 years, from largely investing in balanced real estate funds (i.e. funds that invest in retail, office and industrial properties) to increasingly investing in sector specialist vehicles. This gives Dyfed access to best in class specialist managers and has given Dyfed exposure to emerging niche strategies such as retirement living and social supported housing. The strategy has also evolved to incorporate ESG into all aspects of the investment process, including the selection and monitoring of funds and reporting to clients.

The look-through sector structure of the UK portfolio is broadly in line with the Schroders House View i.e. underweight to retail compared to the benchmark and overweight to industrials, regional offices and non-mainstream 'alternative' sectors. The main divergence with the House View is Dyfed's underweight position to central London offices and retail warehouses. We are looking to reduce the underweight to the latter via a trade in units in a specialist retail warehouse fund and we can access central London offices via our investment in Future Workplace Property Unit Trust.

By fund style, approximately 42.3% of the portfolio by value is invested in UK core balanced strategies, whilst the portfolio has substantially increased exposure to core specialist strategies (now 37.7%) over the past five years. 12.4% of the portfolio is now invested in defensive strategies that provide downside protection and 6.5% of the portfolio is invested in value add strategies, which are forecast to be highly accretive to overall portfolio returns over the next three years.



Note: Chart includes cash held with client

Environmental Social and Governance

The Schroders Capital Real Estate Solutions (SCRES) Sustainability Policy covers the activities we undertake as part of our due diligence process to understand the Environmental, Social and Governance (ESG) credentials of all of the funds on our Investment Platform. We commit to proactively engaging with managers and encourage them to be transparent and open with investors in demonstrating how they incorporate sustainability considerations and risks into their investment processes. The policy sets out our ESG requirements for managers as well as our commitments to clients. Throughout the course of this year we will be collecting data through surveys, case studies and interviews to ensure that the funds we invest in deliver the sustainability initiatives we set out in our policy. A copy of the full policy is available on request.

The Task Force for Climate-Related Financial Disclosure (TCFD)

The Task Force for Climate-Related Financial Disclosure (TCFD) aims to mainstream reporting on climate-related risks and opportunities in organisations' annual financial filings. The TCFD framework is applicable to all sectors including real estate. The recommendations are structured around four sections: Governance, Strategy, Risk Management, and Metrics and Targets. Schroders publicly supported the TCFD's recommendations in 2017 along with over 100 other corporates. There are now over 1,000 supporters.

Schroders has set out a Climate Transition Action Plan which can be accessed by clicking [here](#). We have a responsibility to manage the capital our clients entrust to us and to protect it from risks that climate change poses to support investment performance for the longer term. Our understanding of the future potential impacts and risks from climate change is constantly evolving. Therefore we are seeking to further embed the forward-looking identification and assessment of climate related issues into our research process. This will support the monitoring of emerging risks and identify possible enhancements to core components of our investment process, such as our risk assessment and management framework.

Schroders Net Zero 2050 Commitment

Schroder Real Estate Capital has committed to achieving Net Zero Carbon by 2050. Our Pathway to Net Zero Carbon can be accessed by clicking [here](#). Our Net Zero Pathway builds on our existing programme to improve the sustainability credentials of our assets and supports the increased emphasis for reducing emissions to limit global warming to 1.5°C, as set out in the 2015 Paris Agreement. The Pathway will evolve over time as Schroder Real Estate and the wider industry develops its understanding of how to address the carbon impact of real estate activities and as regulatory initiatives develop. SCRES's approach to Net Zero requires active engagement with third party managers to encourage and influence their approach. We are in the process of ensuring these managers establish Net Zero Carbon Pathways that include setting interim targets. We will monitor their progress to assess that they are on track to achieve Net Zero emissions by 2050. In our Sustainability Policy we have made a pledge that we will only make new investments in funds that have published Net Zero Pathways. We require all existing fund investments to have established Net Zero Pathways by end 2022.

Carbon Footprint

The table below presents an updated carbon footprint based on Dyfed's portfolio composition as at end March 2022. We calculate the portfolio's carbon footprint by multiplying the percentage ownership of each fund by the respective fund's carbon emission output in tonnes as reported by the manager. The output of each fund is summed to create an emissions total for Dyfed's portfolio. The carbon footprint is then presented in terms of how many tonnes of carbon dioxide is emitted at portfolio level alongside a scope I, II and III emissions breakdown. We are continuing to challenge the Manager's of the underlying holdings to provide increased transparency in the reporting of carbon which will help us to develop this proprietary analysis.

Dyfed Portfolio Value 31 March 2022		Emissions Estimated	
% of portfolio where emissions have been reported	48.20%	% of portfolio covered via extrapolation	90.30%
£ of portfolio where emissions have been reported	£206,399,482	£ of portfolio where emissions have been reported	£387,044,049
Scope 1 GHG emissions (tonnes)	223.16	Scope 1 GHG emissions (tonnes)	375.6
Scope 2 GHG emissions (tonnes)	431.39	Scope 1 GHG emissions (tonnes)	731.17
Scope 3 GHG emissions (tonnes)	753.53	Scope 1 GHG emissions (tonnes)	1322.26
Total GHG emissions (tonnes)	1408.1	Total GHG emissions (tonnes)	2429.02
Total GHG emissions per £m	6.8	Total GHG emissions per £m	6.3
Emissions not reported			
% of Dyfed portfolio not covered	9.70%		
£ of portfolio where emissions have not been reported	£41,345,898		

Performance

The strong performance that we saw from UK commercial real estate in 2021 continued into the first quarter of 2022, despite the wider macro-economic uncertainty. Absolute returns from real estate have been very strong, with the Dyfed Pension Fund delivering a total return of 21.1% (net of fees) in the twelve months to end Q1 2022. Returns were below the benchmark over the quarter (-0.5%). Relative returns have been weak over twelve months (-2.0%), reflecting the dilution from the defensive allocation within the portfolio and commitments to value add strategies, both of which will enhance returns in a period of weaker returns from real estate. Returns are below benchmark over three years (-1.0% per annum), five years (-0.3% per annum) but remain in-line with the benchmark over ten years. Whilst we see volatility in returns between quarters, we would like to remind investors that real estate is a long-term investment.

UK Property Outlook

The UK real estate market made a strong start to 2022, maintaining the pattern seen in 2021. Total returns in the first four months of this year were 7.4% and industrial continued to be the best performing sector, thanks to superior rental value growth compared with retail and office. While it is possible that this strong performance will continue through the second half of 2022, we think it more likely that the total returns will weaken as economic growth slows. Although higher inflation should feed through to rents, other things being equal, the slowdown in economic growth could cut demand for space. Moreover, real estate yields are sensitive to bond yields and finance costs and the jump in 10 year bond yields to 2.5% means that the gap between bond and real estate yields is now at its narrowest since 2009.

In theory the assets which are most exposed to rising interest rates are those with relatively fixed, or insecure income streams. This includes shops, shopping centres, business hotels, offices in secondary locations and in general, any building with poor energy efficiency. The sharp increase in construction costs (>15%) and tightening in bank loan terms is also likely to lead to a fall in the prices of land and re-development projects. Conversely, the assets and sectors which will probably be most defensive over the next 12 months are those with good prospects for income growth over the long-term. These include multi-let industrials, offices with strong energy efficiency and well-being credentials, retail warehouses and certain niche sectors such as life sciences and self storage.

Portfolio Strategy

The strategy in 2021 was to make sales in less differentiated balanced funds with weaker performance prospects and invest into an unconstrained, value add fund to take advantage of any mis-pricing in the market. The cost of repositioning the portfolio was dilutive to relative returns in 2021 given the very strong returns from real estate, but this strategy is forecast to be highly accretive to the portfolio over the next three years.

There is significant embedded performance in the portfolio, with UK Retirement Living Fund, Social Supported Housing Fund and Schroders Special Situations Fund forecast to deliver significant alpha over the next three years. All three strategies have been dilutive during their acquisition phase, but will start to deliver strong returns as developments are completed, business plans are executed and assets sold. The portfolio includes several holdings that offer downside protection, such as convenience retail and real estate debt, that enhance the forward looking risk adjusted returns of the portfolio and will provide resilience in a period of anticipated lower returns from the wider real estate market. We have identified some strategies, including self-storage, hotels and selected residential strategies, that will help to enhance the risk adjusted returns of the portfolio and we aim to make selected allocations to these strategies in 2022.

Patrick Bone, Fund Manager

Partners Group

Overview

Partners Group Red Dragon LP invests in a wide range of European real estate opportunities which are accessed via primary, secondary, and direct investments. As of 31 March 2022, the portfolio comprised 8 direct investments, 15 secondary transactions and 13 primary commitments. The portfolio is in value creation and realisation mode and is actively making distributions.

Exit activity

Over the previous 12 months, the portfolio has received GBP 6.3 million in distributions. In the first quarter of 2022, GBP 1.8 million distributions were received from 2 primary funds in the portfolio. Firstly, NREP Nordic Strategies Fund II fully realised its logistics portfolio, and secondly, the Spanish Mixed-use Portfolio (Forte) exited 2 underlying assets located in Barcelona.

New investments

In May 2021, the portfolio invested capital in a leading provider of premium quality modular education buildings in the Nordics. In July 2021, the programme committed capital to a Spanish mixed used residential portfolio.

Portfolio development

Over the previous 12 months, an additional GBP 2 million was contributed to investments. At 31 March 2022 the portfolio NAV is GBP 46.3 million, an increase of GBP 7.8 million. Over the time period, Partners Group Red Dragon's net investment multiple increased from 1.26x to 1.33x.

Partners Group's prudent underwriting and active management continues to support the value in its portfolio investments, while continuously evaluating divestment opportunities.

Real Estate Market

During the first quarter of 2022, global real estate transaction volume grew 33% year on year. The strong start to the year, was tempered by the geopolitical consequences of the Russia-Ukraine conflict. We are in a period of economic volatility with significant inflationary pressures.

In Europe, improved office pricing was mainly driven by increased investment activity stemming mostly from large single-asset transactions. In addition, a more attractive pricing for newer office buildings denotes a shift toward assets that have appealing amenities to a broad range of tenants. Meanwhile, the UK industrial market continued to enjoy favourable pricing buoyed by robust demand and positive rent growth.

ESG in Real Estate at Partners Group

Achieving net zero

Partners Group are committed to working towards net zero carbon emissions across the entire organization and managing the Red Dragon portfolio towards the Paris Agreement goal of achieving net zero by 2050. Partners Group has further committed to reducing the carbon emission intensity of the portfolio by 50% by 2035. Partners Group's Climate Change Strategy outlines the firm's approach towards achieving these goals. The strategy aligns with the Task Force on Climate-related Financial Disclosures' (TCFD) recommended disclosures.

Partners Group assesses ESG within real estate on an asset-by-asset basis, recognising that we will have a part to play in improving the asset throughout our ownership process whether this is direct or through a third-party real estate manager.

ESG risk considerations

All investments are subject to ESG due diligence, which includes dedicated climate-related due diligence. These requirements are set according to the climate sensitivity of the property type, in line with the climate-related factors identified by the Sustainability Accounting Standards Board (SASB).

An additional risk that Partners Group considers is that of an asset becoming "stranded". This occurs when an older asset fails to adhere to changing regulations or becomes vulnerable in the face of environmental factors. Assets such as offices and residential buildings are increasingly vulnerable to changes in regulation such as minimum energy efficiency requirements, given the pace of change observed in the current market.

ESG: transformational investing in real estate

Partners Group focuses on transformational investing. Within real estate, our vision for transformation goes beyond the hardware upgrades and encompasses environmentally conscious and people-oriented building modernization. We view this as an opportunity to make meaningful contributions to global ESG efforts; our end products are not only sustainable but also promote the wellbeing and connectivity of end users.

Robert Evans, Client Solutions

Wales Pension Partnership

The WPP was established in 2017 with the objective to deliver:

- economies of scale
- strong governance and decision making
- reduced costs and excellent value for money, and
- an improved capacity and capability to invest in infrastructure

The WPP is one of the eight Local Government Pension pools nationally and is a collaboration of the eight LGPS funds in Wales including Cardiff and the Vale of Glamorgan, Clwyd, Dyfed, Greater Gwent (Torfaen), Gwynedd, Powys, Rhondda Cynon Taf and Swansea.

Pooling progress to date

The WPP aims to deliver investment solutions that allow the Constituent Authorities to implement their own investment strategies with material cost savings while continuing to deliver investment performance to their stakeholders. The WPP have made significant progress towards delivering on this objective. The launching of WPPs first three active equity sub-funds in 2019-20, five fixed income sub-funds in 2020-21 and the Emerging Markets equity sub-fund in 2021-22, alongside the Constituent Authorities existing passive investments, has meant that that the WPP has now pooled 72% of assets.

As at 31 March 2022, the total assets of the eight Constituent Authorities was £23.1bn, £16.6bn of which is managed by the pool, see breakdown below:

Asset Class	Managed by	Launch Date	31 March 2022 £000	%
Global Growth Equity Fund	Link Fund Solutions	February 2019	3,303,494	14.3
Global Opportunities Equity Fund	Russell Investments	February 2019	3,387,940	14.7
UK Opportunities Equity Fund	Russell Investments	September 2019	730,278	3.2
Emerging Markets Equity Fund	Russell Investments	October 2021	464,615	2.0
Global Credit Fund	Russell Investments	July 2020	757,659	3.3
Global Government Bond Fund	Russell Investments	July 2020	507,273	2.2
UK Credit Fund	Link Fund Solutions	July 2020	574,224	2.5
Multi-Asset Credit Fund	Russell Investments	July 2020	723,184	3.1
Absolute Return Bond Fund	Russell Investments	September 2020	509,605	2.2
Passive Investments	BlackRock	March 2016	5,599,927	24.2
Investments not yet pooled			6,534,711	28.3
Total Investments across all 8 Pension Funds			23,092,910	100

The Dyfed Pension Fund's element of the table above are detailed below:

	31 March 2022 £000	%
Global Growth Equity Fund	987,519	30.51
Global Credit Fund	247,621	7.65
Passive Investments (BlackRock)	1,251,344	38.66
Investments not yet pooled	750,193	23.18
Total Investment Assets	3,236,677	100

Pooling costs

Carmarthenshire County Council, as the Host Authority for the Wales Pension Partnership is responsible for providing administrative and secretarial support and liaising day to day with the Operator on behalf of all of the LGPS funds in Wales. The WPP budget is included in the WPP Business Plan and approved annually by all eight Constituent Authorities.

The Host Authority and External Advisor costs, the running costs are funded equally (unless specific projects have been agreed for individual Funds) by all eight of the Constituent Authorities and recharged on an annual basis. The amount recharged to the Dyfed Pension Fund for the financial year ending 31 March 2022 was £135k. In addition to the running costs, there are also transition costs associated with the transition of assets into the pool.

2020-21 £000	WPP pooling costs	2021-22 £000
19	Host Authority Costs	20
69	External Advisor Costs	115
1,312	Transition Costs	0
1,400	Total	135

Ongoing Investment Management Costs

The table below discloses the investment management costs split between those held by the WPP (including the passive equities) and those held outside of the WPP:

	Asset Pool				Non-Asset Pool				Fund Total	
	Direct £000s	Indirect £000s	Total £000s	bps	Direct £000s	Indirect £000s	Total £000s	bps	£000s	bps
Management Fees	149	3,888	4,037	16	1,823	1,164	2,987	40	7,024	56
Asset pool shared costs	135	0	135	1	0	0	0	0	135	1
Transaction costs	0	1,866	1,866	7	0	3,283	3,283	44	5,149	51
Custody	0	184	184	1	39	0	39	1	223	2
Other	0	39	39	1	0	0	0	0	39	1
Total	284	5,977	6,261	26	1,862	4,447	6,309	85	12,570	111

Asset Allocation and Performance

Asset Category	Opening Value		Closing Value		Performance (1 year)	Index
	£000s	%	£000s	%	%	%
Pooled Assets						
UK Passive	518,289	17.0	570,137	17.6	13.03	13.03
Canadian Passive	15,352	0.5	0	0.0	-	-
European Passive	79,420	2.6	85,436	2.6	6.84	6.46
Pacific Basin Passive	32,241	1.1	0	0.0	-	-
EM Passive	267,934	8.8	271,323	8.4	(7.25)	(6.58)
ACS World Low Carbon*	305,992	10.0	324,448	10.0	16.05	15.39
Equities Active	962,408	31.6	987,519	30.5	2.61	12.42
Fixed Income Active	258,679	8.5	247,621	7.7	(4.27)	(5.10)
Pooled Assets	2,440,315	80.1	2,486,484	76.8		

Assets not yet pooled						
Property	338,043	11.0	461,700	14.3	18.35	23.14
Alternatives	84,314	3.0	120,559	3.7	8.73	(4.58)
Active Equities	105,477	3.5	109,595	3.4	0.29	(2.32)
Cash	11,923	0.4	26,824	0.8	0.21	N/A
Index Linked	61,172	2.0	31,515	1.0	4.85	4.85
Non-Pooled Assets	600,929	19.9	750,193	23.2		
Total Assets	3,041,244	100	3,236,677	100		

Underlying Manager Fees

Reference is made under section 11.6 of the Statement of Accounts that underlying manager fees for the Global Credit Fund are not included within the investment manager fees of the Fund. During 2021-22 these underlying manager fees were £179,467.72 (2020-21: £107,906.05).

Objectives 2022-23

Following the launch of a number of sub-funds to date, progress will continue to be made with significant rationalisation of the existing range of mandates. The operator / allocators will be developing and launching a further series of sub-funds which will collectively reflect the strategic asset allocation needs of the eight constituent funds and facilitate a significant move of the assets to be pooled.

In establishing the WPP pool, the prime focus has been on pooling the most liquid assets, namely equities and fixed income. In July 2021, the Joint Governance Committee appointed bfinance as WPP's Allocator Advisors and they will assist the WPP with the identification of Private Markets Allocators for the Private Market Asset Classes.

A transition timetable has been provided below:

Investment Portfolio	Timeline for Launch / Implementation
Sustainable Equities	Launch due by the end of 2022
Private Debt / Infrastructure	Launch due before the end of 2022/23
Private Equity	Launch scheduled for early 2023/24

During 2021-22, the WPP published its first annual Stewardship Report and has been accepted as a signatory to the 2020 UK Stewardship Code. During 2022/23 the WPP hopes to enhance its approach as a responsible investor further with the establishment of an engagement framework, enhancing reporting in accordance with the requirements of the UK Stewardship Code and the Taskforce on Climate-Related Financial disclosure (TCFD) and to continue reviewing existing sub-fund mandates to ensure compatibility with WPP's Responsible Investment and Climate Risk Beliefs.

There will also be a focus on the review and development of additional WPP policies, as well as the provision of timely and relevant training facilitated by the pool for the benefit of its wider stakeholder groups.

Securities Lending

Securities lending commenced in March 2020. Revenue is split on a 85:15 basis between WPP and Northern Trust with all costs for running the securities lending programme taken from Northern Trust's share of the fee split. A minimum of 5% of the nominal quantity of each individual equity holding is held back and a maximum of 25% of total AUM is on loan at any one time. Total revenue of LF Wales Revenue during 2021/22 was £1,296,016 (gross) / £1,101,659 (net) with £430,743,792 out on loan as at 31 March 2022.

More detailed information can be found in WPP's Annual Return which is published on the WPP website - <https://www.walespensionpartnership.org/>

PIRC

2021-22 Performance

- Last year the average Fund returned 8.6%, with 50% of Funds delivering a return between 6% and 10%.
- Developed equities performed well until the first Quarter of 2022 when the Ukraine war and fear of resulting inflation weighed heavily and markets fell. Over the twelve months however, developed markets were positive. Emerging markets, battered by a strong US Dollar and the continuing impact of COVID were the worst performing of all asset classes.
- Bond markets delivered negative results for the year, only inflation linked and private debt making it onto positive territory.
- Strong results were delivered from alternative assets. Private equity once again delivering outstanding returns. Property too continued to do well, returning almost 18%.

Asset Allocation

- Over the year there was further disinvestment from Equities into 'diversifying' assets.
- Within Equities there was a continuation of the move started the previous year into 'climate aware' investments.
- Most portfolio changes through the year reflected the ongoing move into Pool sub-funds.

Latest Year Asset Allocation

% Average Allocation	End March 2021	End March 2022	Change
Equities	56	52	-4
Bonds	17	18	1
Cash	3	2	-1
Alternatives	14	17	3
Diversified Growth	2	2	0
Property	8	9	1

Universe Longer Term Results

- Long term performance of the LGPS remains strong. The average funds delivered a positive return in all bar six of the last 30 years and delivered an annualised performance of over 8% p.a.
- Equities have driven the strong long term performance.
- Alternatives have performed strongly due in a large part to the excellent returns from private equity.

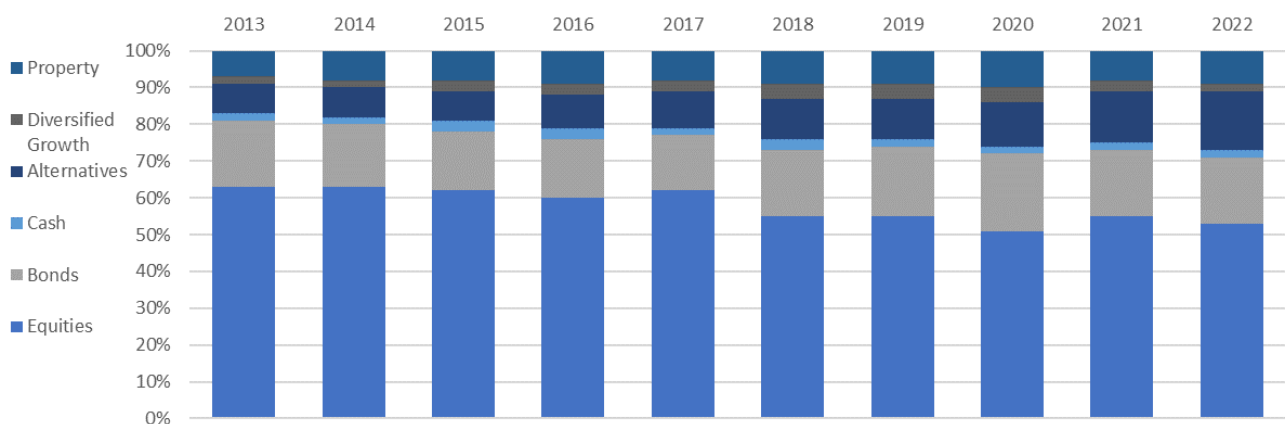
Long Term Asset Returns (% p.a.)

	3 Years (%)	5 Years (%)	10 Years (%)	20 Years (%)	30 Years (%)
Total	6.4	5.8	7.7	6.7	8.1
Equities	10.3	8.4	10.6	8.1	9.2
Bonds	2.6	2.5	4.7	5.7	6.9
Cash	0.5	0.4	0.9	2.3	2.8
Diversified Growth	5.1	3.5			
Alternatives	11.0	9.8	10.1	7.5	
Property	6.3	6.8	8.6	7.1	8.2

Asset Allocations

- Equities remain the largest allocation within most fund's assets. 80% of this allocation is now invested overseas.
- Alternatives have increased over the decade. Private equity makes up a half of this allocation and represents around 8% of the average fund. In accordance with the 2016 government pooling criteria infrastructure exposure continues to increase and now constitutes 6% of the average Fund assets.

% Asset Allocation – Last Ten Years

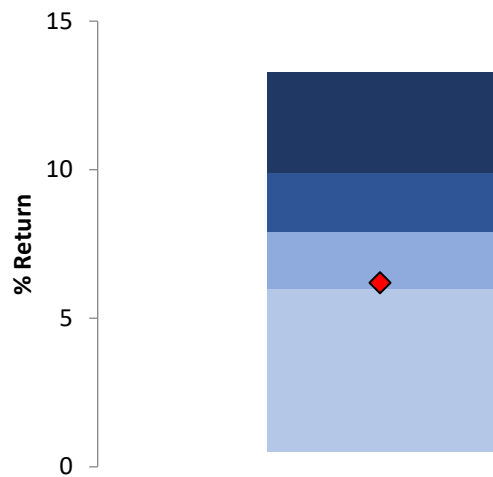


Dyfed Pension Fund Performance

Latest Year Performance

- In the latest year the Dyfed Fund return of 6.2% was below the average of 8.6%.

Fund Performance Within Universe Range of Results

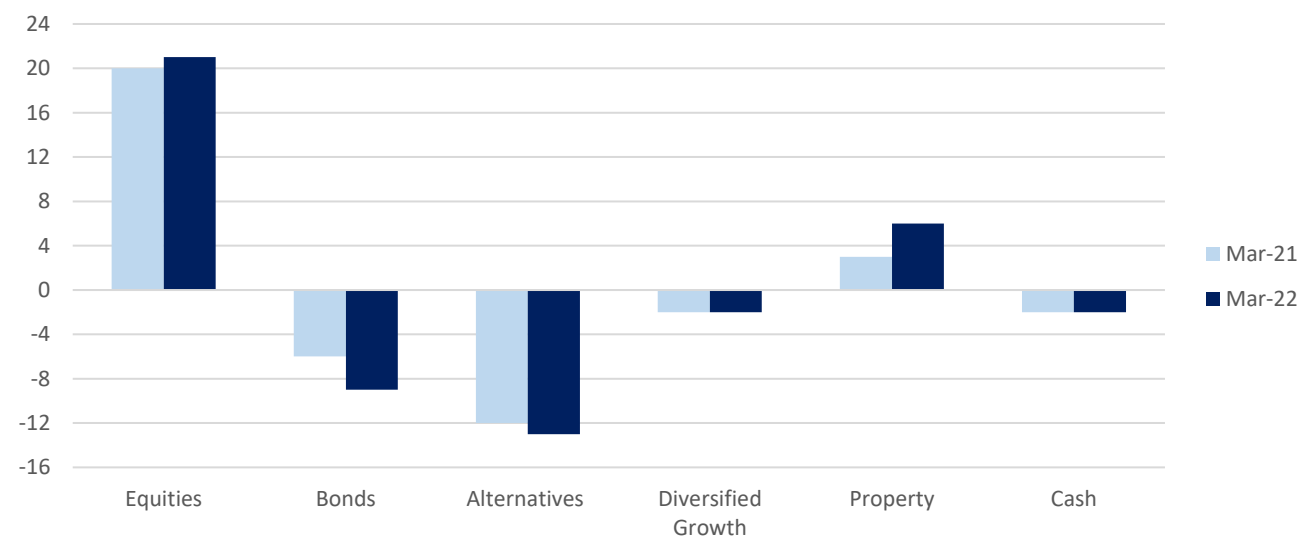


The figure shows the Fund return within the range of results achieved by the LGPS Universe in the latest year. The returns are divided into quarters (quartiles) and the fund is shown as a red diamond.

Fund Asset Allocation

- The Fund is structured quite differently from the average.
- The key difference is the relatively high level of equities and low investment in alternatives.
- Last year these differences reduced the relative performance by close to 3%.

Asset Allocation Relative to Universe Average

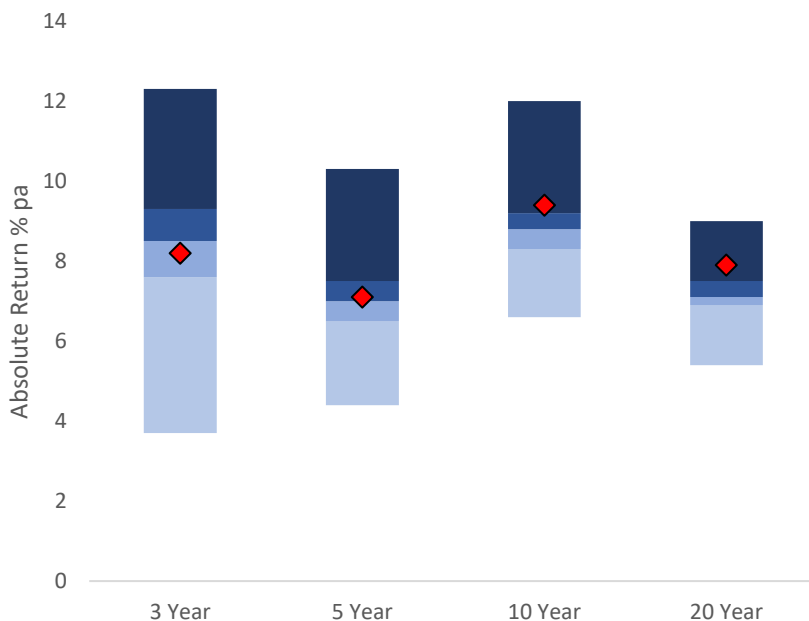


The chart shows the Fund's relative % weightings at asset class level at 31st March 2021 and 2022.

Fund Longer Term Results

- The latest year result has brought down the three year performance to below average.
- Longer term results are still strong largely due to the strong returns delivered by the active equity managers.

Longer Term Returns and Rankings



	3 Year	5 Year	10 Year	20 Year
Fund	8.2	7.1	9.4	7.9
Universe Average	8.3	7.1	8.9	7.3
Ranking	(64)	(44)	(20)	(6)
CPI Inflation	3.0	2.7	2.1	2.1

Fund Risk and Reward

- Within investments there is always a trade-off between risk and return. Normally the higher a return that is being looked for the more volatility the Fund must expect.
- Over the last five years the Fund has been rewarded for the additional volatility that it has experienced.
- Over the longer term the Fund produced a better than average return but experienced a slightly higher than average level of volatility.

Karen Thrumble, Local Authority Pension Performance Analytics (PIRC)

Independent Investment Adviser

While we have continued to “live in interesting times”, I am pleased to report that the past year, has proved to be another year of good investment returns for the Dyfed Pension Fund. Asset prices continued to recover through 2021, though many have corrected in 2022 to date, resulting in returns for our 2021-22 financial year, which are significantly ahead of that required by the actuarial valuation. So I’m happy to report, that the Fund remains in robust good health, and has also made further progress in its journey towards investing for a more sustainable future.

So let’s take a look back at the 2021-22 year.

It has very much been a “year of two halves”, the first, broadly up to the end of 2021, was characterised by rapid economic recovery as the COVID pandemic restrictions receded, and as the fiscal and monetary stimulus put in place during the pandemic took effect. The second half, which has continued through 2022 year to date, characterised by increased concern that inflation is NOT transitory, Central Banks tightening monetary policy (including increasing interest rates, increasing the risk of recession) and, of course, the terrible spectacle of the war in Ukraine, which has increased geopolitical risk for markets and the real economy alike.

2021 saw continued economic recovery from the effects of the pandemic, and GDP grew strongly, by some 5.5% in the US, and 6.6% in the UK. Consumers, particularly in the US, started to spend the significant savings built up during the pandemic through spending restrictions and Government support, while labour markets remained tight (i.e. low unemployment). The Emerging Markets were slightly less buoyant, as they faced the headwinds of a rising US dollar (making repayment of USD debts more expensive) and continued trade tensions (from US-China to Brexit). But as I flagged last year, the biggest change over the year was the increasing inflation expectations, as these supply restrictions met increased demand : where consensus expected inflation to peak below 5% at the beginning of the year, we have seen UK and US monthly inflation figures reach 9% and 8% respectively (although underlying “core” inflation is lower at around 6%). Markets also now expect inflation to be more persistent.

Central banks across the developed world started to tighten monetary policy in Q4 of 2021 (by stopping “quantitative easing” and/or increasing interest rates), resulting in 10 year bond rates rising to their highest levels in many years (nearly 2% in the UK and nearly 3% in US. Together with the Russian invasion of Ukraine and renewed COVID lock-downs in China (both of which add to the inflationary supply constraints, and slowing growth), this has had a negative impact on economies and markets. In Q1 2022, real growth slowed to just +0.3% in US and stagnated in the UK, while forecasts for global growth in 2022 have been trimmed to around 3%. While the current robust consumer balance sheets and low unemployment support continued economic growth, it is clear the risk of recession is increased, as central banks may have to raise interest rates further, in order to fight inflation.

So how has this impacted financial markets in the year to March 2022?

Global stock markets, nonetheless, had a decent year, returning 12.4%, with the UK this year doing slightly better at 13.0%, its higher yielding, cheaper, more cyclical mix of companies have performed better in 2022, than the high growth, US technology dominated winners of the last couple of years. Emerging Markets, on the other hand, had a difficult year, returning -6.6%, not least because of Russia being cut off from the world's financial markets following its invasion of Ukraine (your Fund has written off the value of its Russian holdings, but these represented less than 0.5% of assets before the invasion). Food inflation, a strengthening US dollar and the resurgence of COVID in China in Q1, also contributed to the woes of Emerging Markets, but they nonetheless give the Fund exposure to very different economies. Bond markets also suffered, as interest rates around the world started to rise in the second half of the year, with the UK corporate bond index falling -5.2%, although your index-linked bonds, which benefit from rising inflation, offset some of this, returning 4.9% over the year. UK property markets also had a very strong year, returning 23.1%, as they bounced back from the COVID restrictions. This variation underlines the importance of having an asset allocation, as your Fund does, which is well diversified geographically and across asset classes, especially when the economic outlook is uncertain.

Against this backdrop, I am pleased to say the Dyfed Pension Fund is expected to have maintained its strong funding position during the 2021-22 year. It produced an overall return of 6.2% during the year and has returned 8.2% p.a. over the 3 years since our March 2019 actuarial valuation. This is in line with its composite benchmark index, and comfortably ahead of the 4.1% p.a. required by the actuarial valuation. This means that the Fund is expected to be more than fully funded (i.e. sufficient assets to pay future pensions, given current contribution rates) at March 2022, which, as you may be aware, is the date for the new actuarial valuation, currently underway. This performance has been echoed over the long term, with your Fund returning 7.1% p.a. over the last 5 years and 9.4% over the last 10 years, putting it well ahead of the median LGPS Fund (8.8% p.a.) and indeed ranking it in the top quartile. This strong performance was largely driven by the Fund's significant allocation to equities, as well as its material allocation to property.

Your committee has been focussed on ensuring the Fund can deliver long term, sustainable returns, and I would like to highlight two areas, where it has made material changes from an investment perspective.

Managing overall investment risk exposure. The Fund's performance has been helped by its significant exposure to equities. The Committee decided to take some profits in its equity holdings, reallocating some of the assets to the UK property portfolio and increasing the allocation to the BlackRock SAIF. Both of these investments help to diversify (reduce) the market risk in equities, and both also offer a strong yield, contributing to the income available to meet the increasing cash demands of the Fund, as it matures.

Further progress in climate risk control. Managing exposure to climate risk in your portfolio is not only aligned with our objectives as a society, but also makes good investment sense. Your Committee has worked on a number of fronts during the year, to ensure the Fund's alignment:

Governance : As well as continuing to prepare for the Task Force for Climate-related Financial Disclosure (TCFD) reporting obligations, the Fund published its own responsible investment policy (as distinct from WPP's). It has also engaged directly with other climate stakeholders and publishes a quarterly news update on its website. Finally it has continued to ensure its managers engage actively with underlying investee companies, using its voting powers where necessary, and the WPP has signed the new UK Stewardship Code.

Investments : In addition to the transition described above, which reduced exposure to some of the more carbon intensive regional equity holdings, the WPP Global growth fund transitioned to the Baillie Gifford Global Alpha Paris-Aligned Fund in December 2021. This not only reduced the carbon-intensity of this part of the fund significantly, but also commits the manager to deliver ongoing reductions in carbon intensity, at least as great as the 7% p.a. required by the Paris Agreement.

Measurement : The Fund has committed to reducing its Carbon-intensity in line with the 7% p.a. required by the Paris Agreement. Together, the two asset allocation changes described above resulted in a reduction of the Fund's Equity holding's overall Carbon intensity of 7%, although the strong performance of some of the more carbon-intensive investments in the second half of the year means that the weighted average Carbon intensity of the Fund's equities changed little over the year. In addition, your Committee is investigating options for more robust and independent measuring service, with the aiming to include all the Fund's assets.

In conclusion, the Dyfed Pension Fund has maintained its strong position, with a solid funding level and an investment strategy which not only takes advantage of the good covenants of our employers, keeping employer contributions at today's reasonable levels, but also takes care to ensure the Fund invests in a sustainable manner, for the benefit of all stakeholders.

Adrian Brown, Independent Investment Advisor

Section 3 - Fund Administration Report

Introduction

The Pension Fund is governed by Regulations issued by the Department for Levelling Up, Housing and Communities (DLUHC). Under the provisions of the Local Government Pension Scheme (Local Government Reorganisation in Wales) Regulations 1995, the administering authority function was transferred to Carmarthenshire County Council. While employee contributions and benefits payable are set by Regulation, employer contributions are actuarially assessed at each valuation and areas of discretion are subject to local policies determined by each participating Fund Employer.

The scheme changed from being a final salary scheme to a Career Average Revalued Earnings (CARE) scheme on 1st April 2014. If you were an active member of the 2008 Scheme as at 31 March 2014, you will have automatically transferred to the LGPS 2014 on 1 April 2014.

The main provisions of the LGPS 2014 scheme are

- **Benefit Accrual** - From 1 April 2014, you will have a pension account per employment, which will be credited annually with the amount of pension that you have built up from 1 April to 31 March each year. This is based on your actual pensionable pay from 1 April to 31 March and a 1/49th accrual rate. Your pension account will then be re-valued each April in line with the Consumer Price Index (CPI). Your membership up to 31 March 2014 will be protected and continue to be calculated on a final salary basis when you retire with reference to your pensionable pay upon retirement and under the 2008 definition of pensionable pay.
- **Tax free Lump Sum** - individuals may convert an element of pension into an additional tax free cash lump sum, on the basis of £12 for each £1 of pension. Benefits accrued up to and including 31st March 2008 will automatically provide a Tax Free Cash Lump Sum at retirement.
- **50/50 Option** - you have the option to pay half your normal contribution, to receive half the level of pension in return during this period. However, you will retain full ill health and death cover during this time.
- **Normal Pension Age (NPA)** - your NPA will be linked to your State Pension Age (SPA), therefore any future changes in your SPA will impact on your NPA.
- **Enhanced pension** if you retire on the grounds of ill-health.
- **Death in Service** - a Tax Free Cash Lump Sum of three times the annual salary payable to the estate. In addition, Spouse's, Civil Partners and Dependent's benefits are payable.
- A cohabiting partner's pension may also be payable if certain conditions are met.
- **Death after retirement** - Spouse's Pension, Dependents Pensions and in certain circumstances a Lump Sum Death Grant.
- **Transfer of Pension Rights** to either a new employer's approved scheme or to an approved personal pension plan.
- Employees who leave with more than 2 years service (or less than 2 years service where a transfer payment has been received) are entitled to a Preserved Inflation Proofed Pension payable at Normal Retirement Age.
- Additional pension contributions may be paid to increase pension benefits.

Pensions Increase

Pensions are reviewed annually each April under the Pensions Increase Act as prescribed by Social Security legislation in line with the upgrading of various state benefits and is determined by the percentage increase in the Consumer Price Index (CPI) to the preceding September.

This year, pensions were increased by 3.1% from 11th April 2022 and represents the increase in the consumer price index for the 12 month period to the 30th September 2021. Pensions increase is normally applied to pensioners who are age 55 or over, or have retired at any age on ill-health grounds or are in receipt of a spouse's or child's pension. A pensioner who retired during the financial year will have a proportionate increase applied.

Local Government Pensioner pay dates for 2022/23 are as follows:

29 April 2022	31 May 2022	30 June 2022
29 July 2022	31 August 2022	30 September 2022
31 October 2022	30 November 2022	23 December 2022
31 January 2023	28 February 2023	31 March 2023

National Fraud Initiative

The Pension Fund continues to participate within the anti-fraud initiative organised by the Wales Audit Office where data provision includes Employee and Pensioner Payroll and Occupational Pension details. Such information is compared with other public body data which helps ensure:

- The best use of public funds
- No pension is paid to a person who has deceased, and
- Occupational Pension and employment income is declared by Housing Benefit, Universal Credit and Council Tax Reduction Scheme claimants.

Legislative update

Cohabiting Partners' benefits - Scheme regulations provide that a survivor's pension will automatically be payable to a cohabiting partner without the need for the scheme member to have completed a form nominating them to receive a survivor's pension. In order to qualify, the following regulatory conditions must apply to you and your partner:

- Individual A is able to marry, or form a civil partnership with B,
- A and B are living together as if they were husband and wife or as if they were civil partners,
- Neither A nor B is living with a third person as if they were husband or wife or as if they were civil partners, and
- Either B is financially dependent on A or A and B are financially inter-dependent.

Further information and qualifying criteria can be obtained by either contacting the pensions section or via the website. It is understood that the Government intend to make further changes to survivor benefits to ensure equality requirements are met.

Employee Contribution Rates

The LGPS2014 amended the method of assessing your contribution rate from 'full time equivalent' pensionable pay to your '**actual** pensionable pay'. Pensions contributions will now also be payable on overtime. Responsibility for determining a member's earnings and contribution rate, including notification requirements, falls on the Employer. Where a member holds more than one post with an Employer, a separate assessment will be undertaken for each post held.

The earnings bands and contribution rates applicable from April 2022 are as follows:

Contribution table 2022/23			
Band	Actual pensionable pay for an employment	Contribution rate for that employment	
		Main section	50/50 section
1	Up to £15,000	5.50%	2.75%
2	£15,001 to £23,600	5.80%	2.90%
3	£23,601 to £38,300	6.50%	3.25%
4	£38,301 to £48,500	6.80%	3.40%
5	£48,501 to £67,900	8.50%	4.25%
6	£67,901 to £96,200	9.90%	4.95%
7	£96,201 to £113,400	10.50%	5.25%
8	£113,401 to £170,100	11.40%	5.70%
9	£170,101 or more	12.50%	6.25%

Statutory Underpin protections

Protections are in place if you are nearing retirement to ensure that you will get a pension at least equal to that which you would have received in the scheme had it not changed on 1 April 2014. This protection is known as the 'underpin'.

The underpin applies to you if you were:

- paying into the Scheme on 31 March 2012 and,
- you were within 10 years of your Normal Pension Age on 1 April 2012,
- you haven't had a disqualifying break in service of more than 5 years,
- you've not drawn any benefits in the LGPS before Normal Pension Age and
- you leave with an immediate entitlement to benefits.

The Pensions Section will automatically carry out the underpin calculation when you leave the Scheme. Recalculation of pension benefits as a result of the 'McCloud' Judgement will be undertaken once regulations have been amended.

The Rule of 85

The rule of 85 protects some or all of your benefits from the normal early payment reduction. To have rule of 85 protection you must have been a member of the LGPS on 30 September 2006. The rule of 85 is satisfied if your age at the date when you draw your pension plus your Scheme membership (each in whole years) adds up to 85 years or more.

If you have rule of 85 protection this will continue to apply from April 2014. The only occasion where this protection does not automatically apply is if you choose to voluntarily draw your pension on or **after age 55 and before age 60 without** your employer's permission.

For a more detailed understanding of your own position you should log in to 'My Pension Online' or contact the pension section directly.

Tax Changes

From April 2021, the Lifetime Allowance (LTA) for tax-privileged pensions saving remained at £1,073,100 and will continue at this level until 2025/2026. This is the total value of all pension benefits you are able to build without triggering an excess benefits tax charge. Upon retirement you are required to declare all non LGPS pension benefits in payment, or due to come into payment, so that your LTA can be assessed. Further information on how these changes may impact upon you is detailed on the HMRC website. Please note that pensions staff cannot give financial or personal taxation advice.

You will recall from April 2014 the Annual Allowance limit reduced to £40,000 and this limit continues. To calculate the value of any annual increase in the LGPS you need to work out the difference in the total value of any accrued pension benefits between two 'pension input periods', usually April to March. This is done by multiplying the value of the increase in pension by 16 and adding the increased value of any lump sum and AVC fund. Your 2022 Annual Benefit Statement will contain further information regarding the impact of the annual allowance on your pension accrual in the LGPS. The outcome of this calculation must then be added to any increases in pension entitlement that may arise from any other pension arrangement an individual may have to ascertain whether the annual limit has been breached.

Councillor Pensions

The LGPS 2014 has not impacted on the provisions for elected member pensions as their arrangement continues:

- on a career average revalued earning basis
- with contribution rates at 6%
- benefits accruing on a 1/80ths basis for Pensions and a 3/80ths for tax free lump sum.

Publications

Communications Policy Statement

The Dyfed Pension Fund strives to provide a high quality and consistent service to our customers in the most efficient and effective manner possible, particularly in an ever changing pensions environment. There are 5 distinct groups with whom the fund needs to communicate:

- Scheme Members
- Prospective Scheme Members
- Scheme Employers
- Other Bodies
- Fund Staff

The policy document sets out the mechanisms which are used to meet those communication needs and is subject to periodic review. The Dyfed Pension Fund aims to use the most appropriate communication method for the audiences receiving the information. This may involve using more than one method of communication as considered appropriate and meet all regulatory requirements regarding provision of Scheme and related information. This has been further enhanced with the introduction of 'My Pension Online' for active, deferred and pensioner members of the scheme. This is an internet based application that enables members to securely access and update their pension information online via the Fund's website. By developing its e-communication, the Fund aims to improve its service delivery as well as reducing printing & postage costs and its carbon footprint.

Administration Strategy

In accordance with the Local Government Pension Scheme Regulations the Pension Fund has prepared an Administration Strategy. The objective of the strategy is to clearly define the roles and responsibilities of the Dyfed Pension Fund and the participating employers under the Regulations.

Scheme Administration Statistics

Number of Employers

A full schedule of employers (as at 31st March 2022) who either participate or have a relationship with the Dyfed Pension Fund is attached to the Statement of Accounts later in this report. The table below summaries the number of Scheduled and Admitted employers.

	Active	Ceased	Total
Scheduled	23	17	40
Admitted	31	25	56
Total	54	42	96

Scheme Membership

The table below illustrates the increase in scheme membership over the last 3 years.

Volume of members within the fund for last 3 years

	31/03/2020	31/03/2021	31/03/2022
Active	18,564	18,700	18,643
Deferred	15,900	15,881	16,214
Pensioner	14,059	14,626	15,342
Undecided Leaver	2,259	2,293	2,536
	50,782	51,500	52,735

The table below shows the fund has performed against its benchmark:

CIPFA Process	Benchmark	% Complete Within Legal Target
Deaths – Initial letter acknowledgement death	95%	100.00%
Deaths – Letter notifying amount of dependant's benefit	95%	96.40%
Deferment – calculate and notify deferred benefits	95%	96.30%
Divorce quote – Letter detailing cash equivalent value and other benefits	95%	100.00%
Divorce settlement – Letter detailing implementation of cash equivalent value and application of pension sharing order	95%	100.00%
Joiners – Send notification of joining the LGPS to scheme member	95%	98.90%
Refund – Process and pay a refund	95%	99.00%
Retirements – Letter notifying actual retirement benefits	95%	97.10%
Retirements – Letter notifying estimate of retirement benefits	95%	99.80%
Retirements – process and pay lump sum retirement grant	95%	99.40%
Transfers in – Letter detailing transfer in quote	95%	97.00%
Transfers out – Letter detailing transfer out quote	95%	96.20%

Analysis of leavers during 2021-2022

Category	2021-2022
Refund of contributions	388
Transfers to other schemes	44
Death in Service	15
Ill health Retirements	56
Early / Normal Retirement	243
Redundancy Efficiency Retirements	35
Flexible Retirements	14
Late Retirements	111
Opt outs	157
Preserved Benefits	884
Other leavers*	1,569
Number of deferred members re-entering the scheme	169
Total	3,685

*The majority of these cases are in respect of members deemed to be 'Next Day Transfers'.

Completed and Outstanding LGPS Cases	2021-2022
Number of Completed cases	23,662
Number of Outstanding cases	2,431

Data Quality Scores and Data Improvement Plan

The Fund's initial Data Quality review took place in December 2017 and a Data Improvement Plan was subsequently created. The improvement plan primarily aims to address the key issues identified in the Fund's Data Quality review and demonstrates the appropriate steps the Fund is taking to tackle the issues raised in the review and how it will improve the data held.

A Data Quality review is undertaken annually. The improvement plan has been revised and addresses the key issues identified in the Fund's Data Quality review which took place in December 2021.

The data quality review undertaken in December 2021 again split the assessment of data held between two data categories:

- Common Data
- Scheme Specific Data

Tests were undertaken on the data held by the Fund on its Scheme members to identify whether data is present and accurate.

The Common Data items are specific in the Pensions Regulators guidance however, the Scheme Specific data items are not prescriptive but is generally data key to running the Scheme and meeting legal obligations. The Pensions Regulator does not set the data items for the Scheme Specific data as it is deemed to be identifiable and relevant to each individual Pension Scheme. However, illustrative examples of the data required to running a Pension Scheme has been published by the Pensions Regulator and these examples were taken into consideration when identifying the Scheme Specific data to be checked. Below is a table with the LGPS Data Quality scores which are reported to the Pensions Regulator.

LGPS Data area	Common data	Scheme specific data	Aim
December 2021 data score	99.20%	99.20%	100%
December 2020 data score	99.10%	99.20%	100%
December 2019 data score	98.30%	98.10%	100%
December 2018 data score	96.50%	95.80%	100%
December 2017 data score	94.50%	85.30%	100%

Administration Cost per member (SF3 costs table)

The table below compares the administration cost per scheme member with that of the All Wales average from the SF3 return.

Year	Dyfed Pension Fund Cost per member	All Wales Average
2020-21	£27.62	£30.91
2019-20	£26.36	£32.04
2018-19	£25.14	£30.04
2017-18	£22.71	£27.46
2016-17	£20.73	£28.10
2015-16	£27.45	£28.28
2014-15	£21.66	£28.36
2013-14	£20.94	£30.20

The Administration Team

In addition to the primary role of administering the Local Government Scheme and its provisions, the Pension Section provides, by agreement, similar services to the Chief Constable and Chief Fire Officers administering the Police and Fire-fighter's Pension Schemes for Dyfed Powys Police, Mid & West Wales Fire and Rescue Service, North Wales Fire and Rescue Service respectively.

The pension's team has 33 permanent FTE staff to administer the above pension schemes. During the year to 31st March 2022, the following staff turnover occurred; 3 staff left the team and 2 staff joined the team.

The permanent members of staff dedicated to the LGPS is 22.2 FTE. As at 31st March 2022, there were 52,735 LGPS members of the Dyfed Pension Fund which equates to 2,375 scheme members per pensions administration team member. The average number of cases completed per team member during the year was 1,116.

Your Pension Section:

In addition to implementing legislative changes by set timescales. Your Pension Section additionally:

- Notified employers of their reassessed contribution rates applicable from 1st April 2021 as a result of the Actuarial Valuation exercise.
- Increased the number of registered 'My Pension On-line' users by actively encouraging scheme member take up during telephone calls. This internet based application enables you to securely access and update your own pension record(s). The initiative is designed to provide statutory information and improve service delivery whilst also reducing printing & postage costs and the funds carbon footprint.
- Ensured employers formulate, publish and keep under review a policy statement in respect of their discretions under the LGPS 2014.
- Continued with their internal staff training programme. Alongside its training for participating Fund Employers, this investment is viewed as key for the effective delivery of pension administration services in an ever changing regulation environment and increasing stakeholder expectations.
- Continued with the production and issue of Annual Benefit Statements (ABS) for Deferred (individuals who have left the Scheme with a future entitlement to pension benefits) and Active (contributing) Scheme members. The ABS production was undertaken on an all Wales Pension Funds basis, improving both cost and consistency with the Dyfed Pension Fund taking the lead.
- Continued with the 'Life Certificate' exercise aimed at pension payments paid by cheque in addition to also undertaking monthly mortality checks on UK based pensioners.
- Continued to utilise Western Union in order to undertake mortality checks on overseas pensioners.
- Continued with the production of a more detailed and personalised update for each pensioner outlining the increase in pensions arising from annual pension increase awards.
- Participated in the Audit Commission's - National Fraud Initiative exercise as outlined above.
- Continued to engage with colleague LGPS Fund authorities in Wales to examine available partnership opportunities and share best practice in Scheme administration.
- Ensured model fund data was received by the Government Actuary's Department.
- Through the IAS19 exercise ensured that each employer who had to comply with these pension accounting requirements received their results and disclosure needs by their required account closure timescales.
- Continued with the GMP Reconciliation exercise which had to be undertaken in respect of all scheme members to ensure HMRC do not have incorrect information on their records. However, HMRC continue to have outstanding data queries which have yet to be returned to the Dyfed Pension Fund.
- Implemented i-connect for additional employers to facilitate the direct transfer of data from employer payroll systems directly into the pensions system.

- Undertook a Data Quality exercise for the Local Government, Police and Firefighter Pension Scheme in accordance with The Pensions Regulator's Code of Practice 14 requirements and reported findings to both the Pension Committee and The Pensions Regulator. A Data Improvement Plan was created to address issues identified.

Looking Forward

The pensions section anticipates yet another busy year, as in addition to their core functions, your Pension Section intends to:

- Ensure that the scheme Actuary is provided with clean and accurate data by set timescales for the 2022 Fund Valuation.
- Increase the number of registered 'My Pension On-line' users by actively encouraging scheme member take up during telephone calls.
- Respond to consultations on scheme arrangements and implement changed structures as a result of amending legislation.
- Continue to liaise with all scheme employers to ensure appropriate processes and procedures are in place in order to comply with auto enrolment requirements.
- Continue to undertake data validation and integrity checks for data which is issued by HMRC in respect of the GMP Reconciliation exercise in order that the correct state benefits are recorded and paid.
- Continue to work with all scheme employers to ensure that clean and accurate data is consistently provided.
- Undertake a data quality exercise in accordance with The Pensions Regulator's Code of Practice 14 requirements and report findings to both the Pension Committee and The Pensions Regulator. Update and review the Data Improvement Plan.
- Implement i-connect for further employers which facilitates the direct transfer of data from employer payroll systems directly into the pensions system.
- Following the amendment of LGPS Regulations as a result of the 'McCloud' Judgement, commence work on recalculation of all benefits.

The inherent complexities and retrospective protections that apply to the Local Government, Police and Fire schemes remain and it is anticipated these will further increase due to the application of the McCloud Judgement.

I would like to take the opportunity to record my sincere thanks to all staff involved in Scheme Administration not only for the work done over the last year but also for their enthusiasm to embrace change and meet ever changing regulatory and stakeholder requirements.

My Pension On-line

What will My Pension On-line allow me to do?

Whether you're an active, deferred or pensioner member of the Scheme, you will be able to view and update your basic details, access relevant forms and receive all publications immediately, including your annual benefit statement, newsletters and factsheets. If you're an active member, you will be able to perform benefit calculations at your convenience, so that you can actively plan for your retirement.

If you're a pensioner, you will be able to view your pension details, submit any change of bank or building society account details or change of address, view your payment history and tax code, your payment dates, payment advice slips, P60 statements and pension increase statements.

How do I register for My Pension On-line?

It couldn't be easier, all you need to do is contact the Dyfed Pension Fund by either telephoning **01267 224909** or by e-mailing: **pensions@carmarthenshire.gov.uk**

to request an activation key. Your activation key will be emailed to you or it can also be sent to your home address and you will be required to log in to the 'My Pension Online' area via the Fund website:

www.dyfedpensionfund.org.uk

You will be asked to enter your surname, National Insurance number, date of birth and activation key and then prompted to set up your own username, password and security questions.

Section 4 - Actuarial Report

It only seems like a few sleeps ago that the LGPS finished its last round of valuations. Yet here we are again and the next three-yearly valuation of the Fund will be carried out with an effective date of 31 March 2022, with new contribution rates for major employers coming into effect from 1 April 2023.

Same old, same old you might say....

Well, this time more than ever, quite a bit has happened in the intervening period and in those rhetorical “few sleeps”, we approach the valuation under the following backdrop:

- The world dealing with the outbreak of global pandemic and adapting to control its longer term direct impacts on society
- The secondary pressures of the pandemic on the health service and the possible impacts on health from reduced business as usual services for a significant period
- The outbreak of conflict between Ukraine and Russia acting as the catalyst in exacerbating existing supply chain problems
- Squeeze on the labour market with seemingly more jobs in the economy than people
- Responsible Investment (RI) and Environmental, Social and Governance (ESG) moving higher up on the agenda for investors as society increasingly recognises the moral obligation to future generations
- Increased concerns over climate change and its impact across wider society, beyond investments
- Inflation at its highest rate for 40 years

When combined, all of the factors above impact on the LGPS benefit promises which are linked to inflation and salary inflation, the expected future real investment returns above inflation which impact the assets and life expectancy which determines how long the benefit payments will be paid for.

Previous recent valuations have been carried out under more benign conditions and this is certainly the most challenging backdrop I have seen in a good few valuation cycles.

It is still early days and the detailed valuation work has yet to be carried out in earnest. However, amongst the gloomy backdrop above, the early indications are that there is more positive news when it comes to funding levels and for the most part we are unlikely to see a need for material contribution increases. Although the combined impact of the factors above is highly dependent on an employer's profile and we may see a few exceptions to the rule, but the Fund will work closely with such employers.

The fact that the Fund is currently in such a robust position is testament to the Fund officers, who have always taken a prudent and long term view of funding to help manage volatility and investment managers who have helped generate returns on assets. This included an early recognition of McCloud costs at the 2019 valuation and careful management of material costs such as those arising on ill-health grounds. The Fund also continues to be at the vanguard of RI/ESG in its action to reduce investment in fossil fuels.

As part of the valuation, we will continue to work with the Administering Authority and officers to highlight the risks of defined benefit funding and consider life expectancy, inflation and climate change scenarios so that all stakeholders can continue to have an informed view on these matters. This will help all connected with the Fund continue to understand the triennial balancing act of managing the Fund's solvency whilst aiming for contribution affordability and stability.

Clive Lewis, Actuary, Mercer

Section 5 - Governance

Pension Board Annual Report

This report sets out the work carried out by the Dyfed Pension Board during the financial year 2021-22 to discharge its role, in support of Carmarthenshire County Council, in managing the Dyfed Pension Fund. As with all other activity across the country, the work of the Board during the year was affected by the Covid pandemic. As part of the arrangements introduced by Carmarthenshire County Council the Board could not meet in person, but did so virtually in an online format.

To recap the Board was set up with effect from April 2015 under new arrangements for the governance of Local Authority Pension Funds. The purpose of the Board to assist Carmarthenshire County Council (as the scheme manager) in the management of the Local Authority Pension Scheme (LGPS), and to provide oversight and challenge. The terms of reference for the Board are available on the Fund website.

The Board is comprised of 3 employee and 3 employer representatives together with an Independent Chair. This is in line with the regulations requiring equal employee and employer representation. Details of the members of the Board are shown in the Appendix to this report. The Board is not a decision making body and can only provide advice and comment on the management of the Dyfed Pension Fund. For this arrangement to be successful it is important that the Board carries out its responsibilities in a positive and constructive way. In my capacity as Chair I have regular contact with officers at Carmarthenshire County Council to ensure that the Board addresses the issues necessary to discharge its responsibilities. Councillor Williams as Pension Committee Chair is also invited to attend each Pension Board meeting.

The year was notable for the continued impact of the Covid pandemic and the disruption this had on the life of everyone in the country. As a consequence, the Board held virtual meetings on 4 occasions during 2021-22: in April, July and November 2021 and in January 2022. In line with the arrangements put in place by Carmarthenshire County Council, these virtual online meetings were arranged so that the work of the Board and governance of the Fund could continue.

The cycle of Board meetings follows the timetable for the Pensions Committee and helps strengthen the overall governance of the Fund. The Board continues to focus on the key issues affecting the Fund and its beneficiaries and agrees a forward work plan at the start of the year to ensure that it is best placed to support the Council in the delivery of the LGPS in Dyfed. As part of its oversight and scrutiny role the Board has regular updates at each meeting on:

- a review of the budget and associated financial monitoring;
- to consider any breaches in service delivery;
- regular monitoring and review of the risk register;
- monitoring and review of the performance of the pensions administration service including examining workflow statistics;
- to consider a report from the Independent Adviser on investment performance and asset allocation issues;
- updates on the performance and developments in the Wales Pension Partnership (WPP);
- Review and discussion of the decisions of the Pensions Committee;

- a review of the training and development programme for Members of the Pension Committee and Pension Board.

There have been full agendas for each Board meeting. In addition to the agenda items considered at each meeting, the Board also discussed other issues during the year including:

- The development of an annual work plan for the Board;
- Review of the Pension Fund annual accounts and external audit report;
- Consideration of the Fund's Governance Policy and Compliance Statement;
- Consideration of the Fund's Investment Strategy and Funding Strategy Statements;
- Consideration of developments affecting the LGPS including progress with the Wales Pension Partnership;
- Consideration and discussion on the Fund's proposals for a Restructure of the Equity portfolio;
- Briefing and discussion on the Fund's Carbon Footprint and action proposed to reduce the impact in the future;
- Internal Audit and risk management issues affecting the Fund.

In this way the Board continues to discharge its oversight and scrutiny role.

There was one change in membership of the Board during the year with Gwyn Jones standing down from his position as Employee Representative. On behalf of the Board, I would like to thank Gwyn for his support and valuable contributions at our meetings particularly on budget and monitoring issues. Despite the disruption caused by the Covid pandemic the virtual meetings were well attended at 75%, compared with 93% in the previous year. Detailed attendance of Board Members is set out in the Appendix to this report.

At the end of March 2022, the Dyfed Pension Fund had total assets of £3.2 billion and a membership of 52,735 comprising pensioners, deferred pensioners and current contributors. Pension Fund investment and administration is becoming ever more complex so training and development for Members of the Pensions Committee and Board is an essential support to good governance.

In previous reports I have commented on the importance of a structured programme of training and development for individual members and the Board collectively to discharge their responsibilities. One consequence of the Covid pandemic has been the wider use of virtual online training sessions. These have certain advantages in being easier to access with no travel involved; can be distributed widely and cover a range of topical issues. The Wales Pension Partnership has continued to run regular online training sessions for all Committee and Board Members across the 8 Welsh funds. In my view this initiative should continue.

With this in mind, members of the Board have attended various training sessions over the past year. The training undertaken by Board members is recorded by Carmarthenshire County Council and presented at each Board meeting for review and consideration of future events. Examples from the past year included:

- Four training sessions on asset classes presented by Blackrock and Schroders who manage part of the Fund's investment portfolio;
- Several seminars attended by Board members on an individual basis with updates on current issues affecting the LGPS;

- Two training sessions run by the WPP.

Regular training sessions will continue to be arranged and incorporated as part of Board meetings. Training and development remains an area of attention for the Pensions Regulator as part of their role in promoting high standards of corporate governance in Pension Funds. Virtual meetings and training sessions have worked well over the past year, so this pattern of virtual and hybrid meetings should continue in the future.

Together with Pension Board Chairs from the other Welsh Funds, I represent the Board at a 6 monthly briefings on progress in the Wales Pension Partnership. Presentations from the host authority (Carmarthenshire County Council) and their partners Link and Russell Investments provides an opportunity for Board Chairs to ask questions and scrutinise progress on investment pooling in Wales. This new forum helps to build good working relationships between Boards and the host authority and Pool and strengthens overall governance of the Welsh pension funds.

The majority of the Fund's assets are now managed through the Wales Pension Partnership and BlackRock's jointly procured passive index funds and the Pension Board are updated on developments at each meeting. Out of total assets of £3.2bn, £2.5bn (76%) is now managed on this basis. Going forward this percentage will increase and more assets are transferred into the WPP. We will continue to monitor this process and work alongside the Council in delivering the best outcome for the Fund and its beneficiaries.

Members of the Dyfed Pension Board 2021-22

- John Jones - Independent Chair
- Cllr Gareth Lloyd - Employer Member Representative
- Mike Rogers - Pensioner Member Representative
- Paul Ashley-Jones - Employer Member Representative
- Gwyn Jones - Employee Representative (to January 2022)
- Cllr Philip Hughes - Employer Representative
- Tommy Bowler - Trade Union Representative

Board Member Attendance 2021-22

	16 April 2021	20 July 2021	9 November 2021	25 January 2022
John Jones	✓	✓	✓	✓
Mike Rogers	x	✓	x	x
Cllr. Philip Hughes	✓	✓	✓	✓
Gwyn Jones	✓	x	✓	N/A
Tommy Bowler	✓	✓	✓	✓
Cllr. Gareth Lloyd	✓	✓	✓	✓
Paul Ashley-Jones	✓	x	✓	x

John Jones, Independent Chair of the Pension Board

Governance Policy Statement

Introduction

The Dyfed Pension Fund is administered by Carmarthenshire County Council (the administering authority). All Local Government Pension Scheme (LGPS) Funds in England and Wales are required to publish a Governance Policy, under Regulation 73A of the LGPS 1997 Regulations. This regulation is superseded by Regulation 31 of the LGPS (Administration) Regulations 2008 and the 2013 Regulations. Additionally, one of the key requirements in the Public Service Pensions Act (PSPA) 2013 is for each Administering Authority in the LGPS to create a local Pension Board.

This policy has been prepared by the administering authority in consultation with appropriate interested persons.

Purpose of the Governance Policy

The regulations on governance policy requires an administering authority, after consultation with such persons as they consider appropriate, to prepare, maintain, publish and keep under review a written statement setting out:

- whether it delegates its function, or part of its function, in relation to maintaining a pension fund to a committee, sub-committee or officer of the authority, if it does so:
 - the frequency of any committee or sub-committee meetings
 - the terms, structure and operational procedures of the delegation
 - whether such a committee or sub-committee includes representatives of employing authorities (including non-scheme employers) or scheme members, and if so, whether those representatives have voting rights
- the extent to which a delegation, or absence of a delegation, complies with guidance given by the Secretary of State and, to the extent it does not so comply, the reasons for not complying.

Governance of the Dyfed Pension Fund

Within Carmarthenshire County Council's constitution, a pension committee must be set up for the Dyfed Pension Fund to:

- decide on all the policy matters and strategic direction relating to the investments of the Pension Fund
- review and monitor the investment performance of the Fund
- review and determine on all Pension Fund Valuation matters of the fund
- determine on Administering Pension Fund Authority policy and strategic matters

Operational matters of both the Investments and Administration Functions are delegated to the Director of Corporate Services.

Powers delegated to the Head of Financial Services for Pensions Administration, in accordance with The Local Government Pension Scheme Regulations 1997 or subsequent amending legislation, are:

- to collect employee and employer contributions from participating employers
- to make payments in respect of scheme benefits
- to collect and make pension transfer payments as elected by scheme members

- to determine non policy related discretions as an Employing / Administering Pension Authority
- to undertake Stage 1 determinations on disputes arising from the Local Government Pensions Scheme or related legislation
- to update and maintain the Fund's website www.dyfedpensionfund.org.uk
- the maintenance and update of membership records
- the calculation and authorisation of benefit payments
- the provision of membership data for actuarial valuation purposes
- the preparation and maintenance of the Communication Policy Statement and the Pensions Administration Strategy Statement.

The Head of Financial Services will accept for admission into the Dyfed Pension Fund employees of authorities and bodies as prescribed in Regulations, subject to an approved Admission Agreement, and subject to any necessary indemnities as appropriate.

The Pension Committee

Terms of Reference

- To exercise the County Council's responsibility for the management of the Dyfed Pension Fund, including the management of the administration of the benefits and strategic management of Fund assets
- To meet at least quarterly, or otherwise as necessary
- To produce an Annual Report by 30 September each year on the state of the Fund and on the investment activities during the year
- To have overall responsibility for investment policy and monitor overall performance
- To review governance arrangements and the effective use of its advisers to ensure good decision-making
- To receive regular reports on Scheme administration to ensure that best practice standards are satisfied and met and to satisfy itself that and justify to all stakeholders, including Fund Employers that the Fund is being run on an effective basis
- To appoint Investment Managers to discharge functions relating to the management of the Fund's investments
- To appoint the Fund's custodian, performance measurement adviser, actuary, independent adviser and AVC provider
- To approve a Funding Strategy Statement and Investment Strategy Statement

Membership

The Committee comprises of:

- three members (one acting as Chair) plus a nominated substitute to act in the absence of a member. Each member of the committee has voting rights and each committee member and the substitute are nominated by Carmarthenshire County Council, the Administering Authority, from its elected membership. At least three members must attend each committee meeting
- at least two Carmarthenshire County Council officers from the Director of Corporate Services, Head of Financial Services, Treasury and Pension Investments Manager and Pensions Manager.
- the independent investment adviser.

The Director of Corporate Services, as Treasurer of the Dyfed Pension Fund, will also maintain all necessary accounts and records in relation to the Fund.

The Treasury and Pension Investments Manager and officers in the Treasury and Pension Investments team support the Director of Corporate Services and Head of Financial Services in the responsibility for the monitoring and review of the investments of the Fund including:

- preparation and maintenance of the accounts of the Dyfed Pension Fund including preparation of the Dyfed Pension Fund Annual Report
- preparation and distribution of the annual Dyfed Pension Fund Newsletter
- servicing the Committee meetings
- regular dialogue with the Fund's advisers, investment managers and custodian
- monitoring and reconciliation of investment manager and custodian records
- preparation and maintenance of the Fund's Investment Strategy Statement, Funding Strategy Statement, Governance Policy and compliance with the Myners review
- monitoring the activity and performance of the Fund's investment managers including compliance with policy and performance objectives
- interpretation of new legislation and research in respect of the investments and accounts of the Fund
- monitoring the corporate governance activity of the Fund including attendance at the Local Authority Pension Fund Forum (LAPFF)
- arrangement and provision of appropriate training for committee members

Committee Meetings

The Pension Committee meets four times a year. All meetings are held in Carmarthenshire, or virtually using online facilities where appropriate.

An agenda, minutes from the previous meeting and written reports are sent to each Committee member by the Democratic Services Unit before each meeting. During the Committee meeting the Committee members receive reports presented by Officers of Carmarthenshire County Council, the Independent Investment Adviser and any other person the Committee invites to speak at the meeting. Committee decisions are formally minuted by the Democratic Services Unit.

During the year, meetings are held with the Directors of Finance of the three County Councils, where Fund performance and other items dealt with at the Committee meetings are discussed. Issues raised at this meeting that the Committee need to be made aware of are reported back to the following Committee meeting for discussion.

The Annual Consultative Meeting (ACM)

The Dyfed Pension Fund is committed to the widest inclusion of all stakeholders in respect of consultation and communication arrangements. Any major policy changes are put to consultation with all participating employers, Trade Union representatives and retired member representatives before a decision is made.

An Annual Consultative Meeting (ACM) is held in Carmarthenshire. The ACM is open to all participating employers, retired member representatives and Trade Union representatives. Interested bodies are notified of the ACM in advance. The Chair of the Pension Committee, the Director of Corporate Services, the Head of Financial Services, the Fund Advisers and Investment Managers attend the ACM.

Pension Board

The Board has an oversight/assisting role not a decision making role. It assists the Administering Authority (Carmarthenshire County Council) in securing compliance with regulations and requirements imposed by the Pensions Regulator and the Department for Levelling Up, Housing & Communities (DLUHC) and ensuring effective and efficient governance and administration of the Fund.

There must be equal numbers of scheme member representatives and employer representatives on the Board. The Dyfed Pension Fund Board has 3 scheme member and 3 employer representatives and an independent member who is also the Chair of the Board.

Governance Compliance Statement

DLUHC is committed to ensure that all LGPS committees operate consistently at best practice standards. Therefore, in addition to the regulatory requirement to produce this Governance Policy, the LGPS regulations 1997 were further amended on 30 June 2007 to require administering authorities to report the extent of compliance to a set of best practice principles to be published by DLUHC, and where an authority has chosen not to comply, to state the reasons why.

This Governance Policy will be reviewed at least triennially or more frequently if appropriate.

Governance Compliance Statement

The purpose of the guidance is:

- To provide best practice principles against which compliance can be measured
- To provide guidance on how the compliance statement should be completed

The guidance sets out the best practice principles in relation to the following governance areas:

- Structure
- Representation
- Selection
- Voting
- Training, facility time and expenses
- Meetings (frequency / quorum)
- Access
- Scope
- Publicity

Best Practice Principle A: Structure

The guidance acknowledges that not all administering authorities are structured in the same way. It is not the intention to level out these differences but to ensure that structures reflect the following principles:

- The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council
- Representatives of participating LGPS employers, admitted bodies and scheme members (including pensioners and deferreds) are members of either the main or secondary committee (established to underpin the work of the main committee)
- Where a secondary committee or panel has been established the structure ensures effective communication across both levels
- Where a secondary committee or panel has been established at least one seat on the main committee is allocated for a member from the secondary committee or Committee

Compliance Statement: Not Fully Compliant

Justification:

The Dyfed Pension Fund Committee exists and meets four times a year. The Committee has three members and a substitute, officers (all from Carmarthenshire County Council) and an independent investment adviser. Other scheme employers, admitted bodies and scheme members do not attend Committee but they are all invited to the annual ACM where all Committee members and advisers report and are available to answer questions. Carmarthenshire County Council officers meet with officers of the other 2 major employers (Pembrokeshire County Council and Ceredigion County Council) during the year where Committee minutes are made available. This system is supported by all parties and has worked very well as evidenced by the fact that timely decisions are made, and investment performance is above the actuarial assumption over the long-term.

There is no secondary committee for the Dyfed Pension Fund.

Best Practice Principle B: Representation

The number of stakeholders affected by the local management of the pension scheme and governance of pension funds is vast and it is accepted that it would be impractical to expect individual committee structures to encompass every group or sector that has an interest in the decisions that fall to be made under the scheme's regulations.

- That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:
 - employing authorities (including non-scheme employers, e.g. admitted bodies as well as scheduled bodies)
 - scheme members (including deferred and pensioner scheme members)
 - independent professional observers and expert advisors (on an ad-hoc basis)
- That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights

Compliance Statement: Not Fully Compliant**Justification:**

The Committee has representatives from Carmarthenshire County Council and the independent investment adviser. Other scheme employers, admitted bodies and scheme members do not attend Committee but they are all invited to the annual ACM where all Committee members and advisers report and are available to answer questions. Carmarthenshire County Council officers meet with officers of the other 2 major employers (Pembrokeshire County Council and Ceredigion County Council) during the year where Committee minutes are made available. There is no secondary committee for the Dyfed Pension Fund.

Best Practice Principle C: Selection

It is important to emphasise that it is not part of the fund authority's remit to administer the selection process for lay members sitting on main or secondary committees or to ensure their attendance at meetings, unless they wish to do so. Their role is to determine what sectors or groups are to be invited to sit on LGPS committees or panels and to make places available.

Effective representation is a two way process involving the fund authorities providing the opportunity and the representative bodies initiating and taking forward the selection process under the general oversight of fund authority.

That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.

Compliance Statement: Fully Compliant

Justification:

The Dyfed Pension Fund's Governance Policy lists the delegated functions the Committee is to perform. If membership of the committee changes, the new member/members are informed of their status, role and function they are required to perform.

Best Practice Principle D: Voting

The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.

Compliance Statement: Fully Compliant

Justification:

All Committee members can vote. Carmarthenshire County Council is the Administering Authority and all functions are delegated to the Committee.

Best Practice Principle E: Training, facility time and expenses

In 2001, the Government accepted the ten investment principles recommended by Paul Myners in his report, "Institutional Investment in the UK". The first of those principles, "Effective Decision Making", called for decisions to be made only by persons or organisations with the skills, information and resources necessary to take them effectively. Furthermore, where trustees - or in the case of the LGPS, members of formal committees - take investment decisions, that they have sufficient expertise to be able to evaluate critically any advice they take.

- That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process
- That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum

Compliance Statement: Fully Compliant

Justification:

The Committee have regular training sessions run by the Fund Managers, the Actuary, the Consultant and officers. New Committee members attend intense training sessions on commencement of their committee duties, including the LGPC pension training session.

Best Practice Principle F: Meetings (frequency / quorum)

An administering authority's main committee or committees meet at least quarterly.

An administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.

Administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.

Compliance Statement: Fully Compliant**Justification:**

The Dyfed Pension Fund Committee meets quarterly. The Annual Consultative Meeting is held annually where other scheme employers, admitted bodies and scheme members are invited.

Best Practice Principle G: Access

That subject to any rules in the council's constitution, all members of main and secondary committee or committees have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.

Compliance Statement: Fully Compliant**Justification:**

All papers are circulated in advance to all members of the Committee, including the Committee's independent investment adviser.

Best Practice Principle H: Scope

That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.

Compliance Statement: Fully Compliant**Justification:**

The Committee receives and votes, on an ad-hoc basis, any major administration issues that affect the Fund. The officer managing the administration of the Fund provides regular training and updates for Committee members.

Best Practice Principle I: Publicity

That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.

Compliance Statement: Fully Compliant

Justification:

The Dyfed Pension Fund Governance Policy is reviewed annually. A Newsletter and Annual Report are produced annually. All published material (including the Governance Policy) are on the Dyfed Pension Fund website.

Summary

Best Practice Principle	Fully Compliant	Not Fully Compliant	Explanation for Non-Compliance
Structure		✓	The DPF structure is supported by all parties and has worked very well
Representation		✓	Regular meetings and discussion with other major stakeholders occur and an annual consultative meeting is held
Selection	✓		
Voting	✓		
Training, facility time and expenses	✓		
Meetings (frequency/quorum)	✓		
Access	✓		
Scope	✓		
Publicity	✓		

Section 6 - Statement of Accounts

Narrative Report

The Dyfed Pension Fund accounts are set out on the following pages and provide information about the financial position, performance and financial adaptability of the Fund for the year 2021-22. They show the results of the stewardship of management, that is, the accountability of management for the resources entrusted to it, and of the disposition of its assets at the period end.

The accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22 (the “Code”), which is based upon International Financial Reporting Standards (IFRS), as amended for the public sector. Reference is also made to the Financial Reports of Pension Schemes – A Statement of Recommended Practice published by the Pensions Research Accountants Group (PRAG) where it is felt that these disclosures provide more sufficient detail.

The main accounts and reports contained within this Statement of Accounts are as follows:

- The Fund Account
- The Net Assets Statement
- The Statement by the Consulting Actuary

Statement of Responsibilities for the Statement of Accounts

The Authority’s Responsibilities

The Authority is required:

- To make arrangements for the proper administration of the pension fund’s affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Director of Corporate Services;
- To manage the pension fund affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- To approve the Statement of Accounts

The Director of Corporate Services’ Responsibilities

The Director of Corporate Services is responsible for the preparation of the Authority’s Statement of Accounts, in accordance with proper accounting 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 Director of Corporate Services has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Kept proper and timely accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities; and
- Complied with the Code

Certification of Accounts

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Dyfed Pension Fund at 31 March 2022 and its income and expenditure for the year ended 31 March 2022.

Chris Moore FCCA
Director of Corporate Services

Dated:

Audit Committee Approval

Approval of Dyfed Pension Fund Statement of Accounts post audit

Chair of Audit Committee

Dated:

Fund Account for the Year Ended 31 March 2022

2020-21 £'000		Note	2021-22 £'000
	Dealings with members, employers and others directly involved in the Fund		
	Contributions		
	Employer		
63,914	Normal		68,144
5,104	Augmentation		5,397
(6,563)	Past Service Deficit/(Surplus)		(7,373)
	Member		
21,339	Normal		22,519
260	Additional voluntary		328
3,196	Transfers in from other pension funds	6	4,196
<u>87,250</u>			<u>93,211</u>
	Benefits payable		
(75,109)	Pensions payable		(77,001)
	Commutation and lump sum retirement benefits		(14,174)
(11,727)	Lump sum death benefits		(1,227)
(2,947)	Payments to and on account of leavers	7	(3,534)
(3,595)			(95,936)
<u>(93,378)</u>			<u>(95,936)</u>
(6,128)	Net Additions (Withdrawals) from dealings with Members		(2,725)
	Management Expenses	8	(14,411)
<u>(15,186)</u>			<u>(14,411)</u>
(21,314)	Net Additions (Withdrawals) including fund management expenses		(17,136)
	Returns on Investments		
32,187	Investment Income	9	32,138
0	Other Income		0
(51)	Taxes on Income (Irrecoverable Withholding Tax)	10	(2)
	Changes in the market value of investments		
186,742	Unrealised	11.2	122,786
467,512	Realised	11.3	55,269
686,390	Net Return on Investments		210,191
	Net Increase (Decrease) in the net assets available for benefits during the year		193,055
2,384,473	Opening Net Assets of Scheme		3,049,549
<u>3,049,549</u>	Closing Net Assets of Scheme		<u>3,242,604</u>

Net Assets Statement for the year ended 31 March 2022

31/03/21 £'000		<u>Note</u>	31/03/22 £'000
3,029,868	Investment Assets		3,211,708
11,376	Cash deposits		24,969
0	Investment liabilities		0
<hr/> 3,041,244		11.1	<hr/> 3,236,677
12,723	Current assets	15	9,323
(4,418)	Current liabilities	16	(3,396)
<hr/> 8,305	Net Current Assets/(Liabilities)		<hr/> 5,927
<hr/> 3,049,549	Total Net Assets		<hr/> 3,242,604

Reconciliation of the movement in Fund Net Assets

2020-21 £'000		2021-22 £'000
2,384,473	Opening Net Assets	3,049,549
10,822	Net New Money Invested	15,000
654,254	Profit and losses on disposal of investments and changes in the market value of investments	178,055
<hr/> 3,049,549	Closing Net Assets of Fund	<hr/> 3,242,604

Notes to the Dyfed Pension Fund Accounts for the year ended 31 March 2022

1 Description of the Fund

The Dyfed Pension Fund (the Fund) is part of the Local Government Pension Scheme and the administering authority (the Authority) is Carmarthenshire County Council.

1.1 General

The Fund is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- the LGPS Scheme Regulations 2013 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by Carmarthenshire County Council to provide pensions and other benefits for pensionable employees of Carmarthenshire County Council, Pembrokeshire County Council, Ceredigion County Council and a range of other scheduled and admission bodies within the former Dyfed geographical area. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The Fund is overseen by the Dyfed Pension Fund Committee (the Committee).

1.2 Membership

Members of the LGPS are automatically enrolled and are free to choose whether to remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Dyfed Pension Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admission bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admission bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There are 70 employer organisations within the Dyfed Pension Fund as at 31 March 2022 and these are detailed in Note 20. The membership details of these organisations are summarised below:

31/03/21		31/03/22
18,700	Number of active contributors in the Fund	18,643
14,626	Number of pensioners	15,342
15,881	Number of deferred pensioners	16,214
2,293	Number of undecided leavers	2,536
51,500	Total membership	52,735
47	Number of employers with active members	49

These figures reflect the recorded position as at 31 March 2022 but are always subject to some movement post year end for notifications from employing bodies received after this date.

1.3 Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2022. Employee contributions are matched by employers' contributions which are set based on the triennial actuarial funding valuation as at 31 March 2019. Currently, employer contribution rates range from 9.5% to 46.2% of pensionable pay as detailed in Note 20.

1.4 Benefits

Pension benefits under the LGPS are based on final pensionable pay and length of pensionable service, summarised below:

	Service pre 1 April 2008	Service 31 March 2008 - 31 March 2014
Pension	Each year is worth 1/80 x final pensionable salary.	Each year is worth 1/60 x final pensionable salary.
Lump Sum	Automatic lump sum of 3 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1st April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is uprated annually in line with the Consumer Price Index.

There are a range of other benefits provided under the scheme including early retirement, ill-health pensions and death benefits. For more details, please refer to the Dyfed Pension Fund website – www.dyfedpensionfund.org.uk

2 **Basis of preparation**

The Statement of Accounts summarises the Fund's transactions for the 2021-2022 financial year and its position at year end as at 31 March 2022. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-2022 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions

and benefits which fall after the end of the financial year. The actuarial present value of promised retirement benefits is disclosed in the Statement by the Consulting Actuary.

3 Summary of significant accounting policies

Fund Account – revenue recognition

3.1 Contributions

Normal contributions, both from members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the fund actuary in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

3.2 Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations.

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In.

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

3.3 Investment income

3.3.1 Interest income

Interest income is recognised in the fund as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

Income includes the amortisation of any discount or premium, transaction costs (where material) or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

3.3.2 Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

3.3.3 Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

3.3.4 Movement in the net market value of investments

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

3.4 Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

3.5 Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

As Carmarthenshire County Council is the administering Authority, VAT is recoverable on all Fund Activities. The Accounts are shown exclusive of VAT.

3.6 Management Expenses

The Code does not require any breakdown of pension fund administrative expenses. However, in the interests of greater transparency, the fund discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses 2016.

All administrative expenses are accounted for on an accruals basis. All staff costs of the pensions administration team are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to the Fund in accordance with Authority policy.

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the fund.

All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

An element of one of the Investment Managers' fees is performance related. The performance related fee was £0.26m in 2021-2022 (2020-2021: Fee was £0.66m).

Where an investment manager's fee note has not been received by the year end date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the Fund Account. In 2021-2022, no fees are based on such estimates (2020-2021: £0).

The costs of the Authority's pension investments team are charged direct to the fund and a proportion of the Authority's costs representing management time spent by officers on investment management is also charged to the fund. The Authority charged the Pension Fund an amount of £1.1m (£1.2m in 2020-21) in respect of administration and support during 2021-22.

Net assets statement

3.7 Financial assets

Financial assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

The values of investments as shown in the net assets statement have been determined as follows:

3.7.1 Market-quoted investments

The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.

3.7.2 Fixed interest securities

Fixed interest securities are recorded at net market value.

3.7.3 Unquoted investments

Investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the investment manager.

3.7.4 Limited partnerships

Fair value is based on the net asset value ascertained from periodic valuations by those controlling the partnership.

3.7.5 Pooled investment vehicles

Pooled investment vehicles are valued at closing bid price if available. If this is not available then these investments will be valued at the closing single price. In the case of accumulation funds, the change in market value will also include income which is reinvested in the Fund.

3.8 Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market

exchange rates are used to value cash balances held in foreign currency bank accounts, market value of overseas investments and purchases and sales outstanding at the end of the reporting period.

3.9 Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

The Fund has had its own bank accounts, which deal with the transactions of the Fund, since 1 April 2011, in accordance with section 6 of the Local Government Pension Scheme (Management and Investment of Pension Funds) Regulations 2009.

Cash balances held by the Fund are invested on a short term basis on the London Money Market by Carmarthenshire County Council until it is required to meet its liabilities or to transfer surplus cash to the investment managers for reinvestment.

3.10 Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net asset statement on the date the Fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

3.11 Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS19 and relevant actuarial standards.

As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a reference in the accompanying actuarial report.

3.12 Additional voluntary contributions (AVC)

Occupational Pension Schemes are required by Statute to provide in-house AVC arrangements. The Fund has joint providers: Prudential, Standard Life and UTMOST (previously Equitable Life), where a range of investment options are available.

It is for individual scheme members to determine how much they contribute (subject to HM Revenue & Customs limits) and the investment components or its mix.

AVC's are invested separately from the assets of the Fund and are not included in the accounts in accordance with section 4(2)(b) of the Local Government Pension Scheme (Management and Investment of Pension Funds) Regulations 2009 (SI 2009/3093) but are disclosed as a note only - Note 17.

4 Critical judgements in applying accounting policies

4.1 Fund liability

The Fund's liability is calculated every three years by the appointed actuary. The methodology used is in line with accepted guidelines and in accordance with IAS 19. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 22. This estimate is subject to significant variances based on changes to the underlying assumptions.

4.2 Unquoted Property investments – Partners Group Red Dragon Limited Partnership

In assessing the fair value of non-traded financial instruments, the Limited Partnership uses a variety of market and income methods such as time of last financing, earnings and multiple analysis, discounted cash flow method and third party valuation and makes assumptions that are based on market conditions and expected market participant assumptions existing at the end of each reporting period. Other information used in determining the fair value of non-traded financial instruments include latest financial reports, subsequent cash flows and internally performed monitoring of triggering events (such as exits and IPOs) as well as pricing movements in comparable investments together with techniques such as option pricing models and estimated discounted value of future cash flows. These practices are in line with widely used international industry guidelines. The value of the Partners Group Red Dragon Limited Partnership as at 31st March 2022 was £46.3m (31st March 2021: £38.5m).

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 Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the net assets statement at 31st March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting	The effects on the net pensions liability of changes in individual assumptions can be measured. However, the assumptions interact in complex ways.

	actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	
Property – Limited Partnership investments	The Limited Partnership property investments are valued in line with widely used industry guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total Limited Partnership property investments are £46.3m. There is a risk that this investment may be under or overstated in the accounts.
Alternatives – Strategic Alternative Income Fund (SAIF)	The SAIF investments are valued in line with widely used industry guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total SAIF investment is £121m. There is a risk that this investment may be under or overstated in the accounts.

6 Transfers in from other pension funds

2020-21 £'000		2021-22 £'000
0	Group transfers in from other schemes and scheme mergers	0
3,196	Individual transfers in from other schemes	4,196
3,196		4,196

7 Payments to and on account of Leavers

2020-21 £'000		2021-22 £'000
(153)	Refunds to members leaving service	(203)
1	Payments for members joining state scheme	3
0	Group transfers	0
(3,443)	Individual transfers	(3,334)
(3,595)		(3,534)

8 Management Expenses

2020-21 £'000		2021-22 £'000
(1,354)	Administrative costs	(1,409)
(13,303)	Investment management expenses	(12,435)
(529)	Oversight and governance costs	(567)
<u>(15,186)</u>		<u>(14,411)</u>

2021-22 Audit fees of £31,465 are included within Oversight and governance costs. (2020-21 £28,266)

8.1 Investment Management Expenses

2021-22	£'000	£'000	£'000	£'000
	Total	Management Fees	Performance Related Fees	Transaction Costs
Pooled Investments	7,787	5,604	262	1,921
Pooled Property Investments	4,609	1,380	0	3,229
	12,396	6,984	262	5,150
Custody Fees	39			
Total	<u>12,435</u>			

2020-21	£'000	£'000	£'000	£'000
	Total	Management Fees	Performance Related Fees	Transaction Costs
Pooled Investments	8,958	4,477	660	3,821
Pooled Property Investments	4,297	1,456	0	2,841
	13,255	5,933	660	6,662
Custody Fees	48			
Total	<u>13,303</u>			

9 Investment Income

2020-21 £'000		2021-22 £'000
23,898	Income from pooled investments	20,076
8,265	Income from pooled property investments	12,076
24	Interest on cash deposits	(14)
<u>32,187</u>		<u>32,138</u>

10 Taxation

2020-21		2021-22
£'000		£'000
(51)	Withholding tax - equities	(2)
(51)		(2)

11 Investments

11.1 Net investment assets

Fair value 31/03/2021 £'000		Fair value 31/03/2022 £'000
	<u>Investment assets</u>	
	Pooled Investments	
518,289	UK Equities	570,137
962,408	Global Equities	987,519
15,352	Canadian Equities	0
79,420	European Equities	85,436
105,477	Japanese Equities	109,595
32,241	Pacific Basin Equities	0
267,934	Emerging Markets Equities	271,323
	ACS World Low Carbon Equity Tracker	
305,992	Fund	324,448
258,679	Fixed Income	247,621
61,172	Index Linked	31,515
84,314	Alternatives	120,559
2,691,278		2,748,153
	Other Investments	
338,043	Pooled Property Investments	461,700
338,043		461,700
11,376	Cash deposits	24,969
547	Investment income due	1,855
0	Amounts receivable for sales	0
11,923		26,824
3,041,244	Total investment assets	3,236,677
	<u>Investment liabilities</u>	
0	Amounts payable for purchases	0
0	Total investment liabilities	0
3,041,244	Net investment assets	3,236,677

11.2 Reconciliation of movements in investments

During the year, investments purchased totalled £219m whilst sales totalled £151m. Purchase and sales costs are included in the purchase price and sales proceeds of the investment.

	Fair Value 31/03/2021 £'000	Purchases £'000	Sales £'000	Fees included in NAV £'000	Cash movement £'000	Change in unrealised gains/(losses) £'000	Fair Value 31/03/2022 £'000
Pooled investments	2,691,278	126,369	(122,483)	(6,474)	0	59,463	2,748,153
Pooled property investments	338,043	93,102	(28,818)	(3,950)	0	63,323	461,700
	3,029,321	219,471	(151,301)	(10,424)	0	122,786	3,209,853
Other investment balances							
Cash deposits	11,376	0	0	0	13,593	0	24,969
Amount receivable for sales investments	0	0	0	0	0	0	0
Investment income due	477	0	0	0	1,321	0	1,798
Tax reclaims due	70	0	0	0	(13)	0	57
Amounts payable for purchases investments	0	0	0	0	0	0	0
	3,041,244	219,471	(151,301)	(10,424)	14,901	122,786	3,236,677

	Fair value 31/03/2020 £'000	Purchases £'000	Sales £'000	Fees included in NAV £'000	Cash movement £'000	Change in unrealised gains/(losses) £'000	Fair value 31/03/2021 £'000
Pooled investments	2,045,678	1,625,482	(1,161,308)	(6,896)	0	188,322	2,691,278
Pooled property investments	319,669	38,558	(15,002)	(3,603)	0	(1,579)	338,043
	2,365,347	1,664,040	(1,176,310)	(10,499)	0	186,743	3,029,321
Other investment balances							
Cash deposits	12,215	0	0	0	(839)	0	11,376
Amount receivable for sales investments	0	0	0	0	0	0	0
Investment income due*	0	0	0	0	477	0	477
Tax reclaims due*	57	0	0	0	13	0	70
Amounts payable for purchase investments	0	0	0	0	0	0	0
	2,377,619	1,664,040	(1,176,310)	(10,499)	(349)	186,743	3,041,244

*2020-21 values restated to show the investment income and tax reclaims due separately

11.3 Realised gains and losses

2020-21		2021-22
£'000		£'000
465,490	Pooled investments	53,587
2,022	Pooled property investments	1,682
467,512		55,269

11.4 Geographical analysis of investments

Fair value		Fair value
31/03/21		31/03/22
£'000	Geographical analysis	£'000
1,122,806	UK	1,325,649
299,887	Europe (excl UK)	288,453
886,212	North America	964,677
182,072	Japan	180,612
78,773	Pacific Rim	45,484
342,427	Emerging Markets	318,344
51,981	International pooled funds	53,781
	EMEA (Europe, Middle East & Africa)	
77,086		59,677
3,041,244		3,236,677

11.5 Fund manager analysis

Market value				Market value
31/03/21				31/03/22
£'000	%	Fund manager analysis	%	£'000
Investments managed by the Wales Pension Partnership				
1,221,087	40.1	Wales Pension Partnership	38.2	1,235,140
1,221,087	40.1		38.2	1,235,140
Investments managed outside of the Wales Pension Partnership				
1,479,752	48.7	BlackRock	46.8	1,514,713
301,920	9.9	Schroders	13.6	440,490
38,485	1.3	Partners Group	1.4	46,334
1,820,157	59.9		61.8	2,001,537
3,041,244	100		100.0	3,236,677

11.6 Wales Pension Partnership (WPP)

Included in Management Expenses (Table 8) is the cost of our involvement in the Wales Pension Partnership (WPP) collective Investment Pooling arrangement. The Oversight and Governance costs are the annual running costs of the pool which includes the Host Authority costs and other External Advisor costs. These costs are funded equally by all eight of the local authority Pension Funds in Wales. The Investment Management Expenses are fees payable to Link Fund Solutions (the WPP operator) and include fund manager fees (which also includes the operator fee and other associated costs), transaction costs and custody fees. These costs are based on each Fund's percentage share of WPP pooled assets and are deducted from the Net Asset Value (NAV). The underlying manager fees for the Global Credit Fund are not included in this table. The underlying manager fees for the Global Credit Fund are not included in this table, these fees are disclosed in the Dyfed Pension Fund Annual Report. Further details on the WPP can be found in the Annual Report.

Wales Pension Partnership costs included in the Dyfed Pension Fund accounts for 2021-22 are below:

Wales Pension Partnership		
31/03/21		31/03/22
£'000		£'000
	WPP oversight and governance costs	
88	Running Costs	135
	WPP Investment Management expenses	
2,928	Fund Manager fees	3,926
281	Transaction costs	227
147	Custody Fees	184
3,444		4,472

12 **Concentration of Investments**

The following investments represent more than 5% of the Fund's total net assets as at 31st March 2021 and 31 March 2022:

	Value as at 31 March 2022 £'000	Proportion of Investment Portfolio %
Wales Pension Partnership Global Growth Fund	987,519	30.51
BlackRock Aquila Life UK Equity Index Fund	570,136	17.61
BlackRock ACS World Low Carbon Tracker Fund	324,448	10.02
BlackRock iShares Emerging Markets Index Fund	271,323	8.38
Wales Pension Partnership Global Credit Fund	247,621	7.65

	Value as at 31 March 2021 £'000	Proportion of Investment Portfolio %
Wales Pension Partnership Global Growth Fund	962,408	31.63
BlackRock Aquila Life UK Equity Index Fund	518,105	17.03
BlackRock ACS World Low Carbon Tracker Fund	305,992	10.06
Wales Pension Partnership Global Credit Fund	258,679	8.50
BlackRock iShares Emerging Markets Index Fund	252,653	8.30

13 Financial Instruments

13.1 Classification of financial instruments

Accounting policies describe how different asset classes are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities (excluding cash) by category and net assets statement heading.

2020-21					2021-22			
Designated at fair value through profit and loss £'000	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Total £'000		Designated at fair value through profit and loss £'000	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Total £'000
				Financial assets				
2,691,278	0	0	2,691,278	Pooled investments	2,748,153	0	0	2,748,153
338,043	0	0	338,043	Pooled property investments	461,700	0	0	461,700
0	20,174	0	20,174	Cash	0	29,447	0	29,447
547	0	0	547	Other investment balances	1,855	0	0	1,855
0	3,925	0	3,925	Debtors	0	4,845	0	4,845
3,029,868	24,099	0	3,053,967		3,211,708	34,292	0	3,246,000
				Financial liabilities				
0	0	0	0	Other investment balances	0	0	0	0
0	0	(4,418)	(4,418)	Creditors	0	0	(3,396)	(3,396)
0	0	(4,418)	(4,418)		0	0	(3,396)	(3,396)
3,029,868	24,099	(4,418)	3,049,549	Total	3,211,708	34,292	(3,396)	3,242,604

13.2 Net gains and losses on financial instruments

2020-21 £'000		2021-22 £'000
	Financial assets	
654,254	Fair value through profit and loss	178,055
654,254	Total financial assets	178,055
	Financial liabilities	
0	Total financial liabilities	0
654,254	Total	178,055

13.3 Fair value of financial instruments and liabilities

Carrying value 31/03/21 £'000	Fair value 31/03/21 £'000		Carrying value 31/03/22 £'000	Fair value 31/03/22 £'000
		Financial assets		
2,483,219	3,029,868	Fair value through profit and loss	2,552,697	3,211,708
24,099	24,099	Loans and receivables	34,292	34,292
2,507,318	3,053,967	Total financial assets	2,586,989	3,246,000
		Financial liabilities		
0	0	Fair value through profit and loss	0	0
(4,418)	(4,418)	Financial liabilities at amortised cost	(3,396)	(3,396)
(4,418)	(4,418)	Total financial liabilities	(3,396)	(3,396)
2,502,900	3,049,549	Total	2,583,593	3,242,604

13.4 Valuation of financial instruments carried at fair value

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed interest securities, quoted index linked securities and certain unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include limited partnerships, where fair value is ascertained from periodic valuations provided by those controlling the partnership. Assurance over the valuation is gained from the independent audit of the partnership.

13.5 Fair value – Basis of valuation

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Cash and Cash Equivalents	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Pooled property investments:	Level 1	Unit trust. Uses the bid market price on the final day of the accounting period.	Not required	Not required
Pooled investments: equity funds	Level 2	The 'NAV' (net asset value) calculation is based on the market value of the underlying assets	Evaluated price feeds	Not required
Pooled investments: fixed income funds	Level 2	The NAV calculation is based on the market value of the underlying fixed income securities	Evaluated price feeds	Not required
Pooled property funds	Level 3	Fair value is ascertained from periodic valuations provided by those controlling the partnership	Unobservable inputs-price depends on information not publicly available	Valuations could be affected by changes to expected cashflows or by differences between audited

				and unaudited accounts
Pooled investments: alternatives	Level 3	Fair value is ascertained from periodic valuations provided by asset's fund manager	Unobservable inputs-the fund is exposed to security and other assets that will not have readily assessable market values	Valuations may rely on internal and external pricing models. May also be affected by changes in accounting standard, policies or practices

The following table provides an analysis of the financial assets and liabilities of the Fund grouped into levels 1 to 3, based on the value at which the fair value is observable.

	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Fair values at 31 March 2022				
Financial assets				
Financial assets at fair value through profit and loss	2,123	2,627,595	581,990	3,211,708
Loans and receivables	34,292	0	0	34,292
Total financial assets	36,415	2,627,595	581,990	3,246,000
Financial liabilities				
Financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities at amortised cost	(3,396)	0	0	(3,396)
Total financial liabilities	(3,396)	0	0	(3,396)
Net financial assets	33,019	2,627,595	581,990	3,242,604

	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Fair values at 31 March 2021				
Financial assets				
Financial assets at fair value through profit and loss	10,005	2,606,964	412,899	3,029,868
Loans and receivables	24,099	0	0	24,099
Total financial assets	34,104	2,606,964	412,899	3,053,967
Financial liabilities				
Financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities at amortised cost	(4,418)	0	0	(4,418)
Total financial liabilities	(4,418)	0	0	(4,418)
Net financial assets	29,686	2,606,964	412,899	3,049,549

13.6 Reconciliation of fair value measurements within level 3

2021-22 Asset Type	Market Value 1 April 2021 £'000	Purchases £'000	Sales £'000	Unrealised Gains / (Losses) £'000	Realised Gains / (Losses) £'000	Market Value 31 March 2022 £'000
Alternatives	84,314	34,132	0	2,113	0	120,559
Property	328,585	93,102	(19,524)	57,097	2,171	461,431
Total	412,899	127,234	(19,524)	59,210	2,171	581,990

2020-21 Asset Type	Market Value 1 April 2020 £'000	Purchases £'000	Sales £'000	Unrealised Gains / (Losses) £'000	Realised Gains / (Losses) £'000	Market Value 31 March 2021 £'000
Alternatives	53,199	32,669	0	(1,554)	0	84,314
Property	319,402	22,095	(7,575)	(7,351)	2,015	328,585
Total	372,601	54,764	(7,575)	(8,905)	2,015	412,899

13.7 Transfers between levels 1 and 2

There were no transfers between levels 1 and 2 investments during 2021-22.

14 Nature and extent of risks arising from financial instruments

14.1 Risk and risk management

The Fund has developed a formal risk assessment process and maintains a risk register which is updated annually. This ensures that risks are identified appropriately and are assessed and managed effectively. For more details, and to view the Risk Register, please refer to the Fund's website - www.dyfedpensionfund.org.uk

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Authority manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Committee. Risk management policies are established to identify and analyse the risks faced by the Authority's pensions operations. Policies are reviewed regularly to reflect changes in activity and market conditions.

14.2 Market Risk

Market risk is the risk of loss from fluctuations in equity prices and interest and foreign exchange rates. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Committee and its independent investment adviser undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in three ways:

- The exposure of the Fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels
- Specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments
- By investing in a diverse portfolio in terms of managers and investments and again by the actuary only anticipating a long-term return on a relatively prudent basis to reduce risk of under-performing

14.3 Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign

exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

LGPS defined benefit pensions are not linked to stock market performance and are set out in statute. Although short term investment values may vary, the LGPS as a long-term investor is securely managed to address any longer term impacts.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the Committee to ensure it is within limits specified in the Fund's investment strategy.

14.4 Other price risk – sensitivity analysis

Potential price changes are determined based on the observed historical volatility of asset class returns. The potential volatilities shown below, are consistent with a one standard deviation movement in the change in value of the assets over the latest three years:

Asset Type	Potential market movements (+/-)
Equity	14.40%
Bonds	6.50%
Alternatives	6.70%
Property	3.70%
Cash	1.10%

Had the market price of the Fund increased/decreased in line with the above, the change in the net assets available to pay benefits would have been as follows:

Asset Type	Value as at 31 March 2022 £'000	Change %	Value on Increase £'000	Value on Decrease £'000
Cash	24,969	1.10%	25,244	24,694
Investment portfolio assets:				
UK Equities	570,137	14.40%	652,237	488,037
Overseas Equities	790,802	14.40%	904,677	676,926
Global Pooled Equities inc UK	987,519	14.40%	1,129,721	845,316
Alternatives	120,559	6.70%	128,636	112,481
Bonds	279,136	6.50%	297,280	260,992
Property	461,700	3.70%	478,782	444,617
Sales receivable	0	0.00%	0	0
Purchases payable	0	0.00%	0	0
Income receivables	1,855	0.00%	1,855	1,855
Total Assets	3,236,677		3,618,432	2,854,918

Asset Type	Value as at 31 March 2021 £'000	Change %	Value on Increase £'000	Value on Decrease £'000
Cash	11,376	0.80%	11,467	11,285
Investment portfolio assets:				
UK Equities	518,289	15.30%	597,587	438,991
Overseas Equities	806,416	15.30%	929,797	683,034
Global Pooled Equities inc UK	962,408	15.30%	1,109,657	815,160
Alternatives	84,314	3.80%	87,518	81,110
Bonds	319,851	6.30%	340,001	299,700
Property	338,043	2.20%	345,480	330,606
Sales receivable	0	0.00%	0	0
Purchases payable	0	0.00%	0	0
Income receivables	547	0.00%	547	547
Total Assets	3,041,244		3,422,054	2,660,433

14.4.1 Sensitivity of assets valued at level 3

Asset Type	Value as at 31 March 2022 £'000	Change %	Value on Increase £'000	Value on Decrease £'000
Alternatives	120,559	6.70%	128,637	112,482
Pooled Property	461,431	3.70%	478,504	444,358
Total Level 3 Assets	581,990		607,141	556,840

14.5 Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Committee in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates against the relevant benchmarks.

The actuary, as part of their triennial valuation and dictated by the Funding Strategy Statement, will only anticipate long-term return on a relatively prudent basis to reduce risk of under-performing. Progress is analysed at three yearly valuations for all employers.

The Fund's direct exposure to interest rate movements as at 31 March 2021 and 31 March 2022 are set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

31/03/21	Asset type	31/03/22
£'000		£'000
11,376	Cash and cash equivalents	24,969
8,798	Cash held at CCC	4,478
319,851	Bonds	279,137
340,025	Total	308,584

14.6 Interest rate risk sensitivity analysis

Interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates:

Asset type	Value as at 31/03/22 £'000	Change in year in the net assets available to pay benefits	
		+1%	-1%
		£'000	£'000
Cash and cash equivalents	24,969	250	(250)
Cash held at CCC	4,478	45	(45)
Bonds	279,137	2,791	(2,791)
Total change in available assets	308,584	3,086	(3,086)

Asset type	Value as at 31/03/21 £'000	Change in year in the net assets available to pay benefits	
		+1%	-1%
		£'000	£'000
Cash and cash equivalents	11,376	114	(114)
Cash held at CCC	8,798	88	(88)
Bonds	319,851	3,199	(3,199)
Total change in available assets	340,025	3,401	(3,401)

14.7 Discount Rate

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.

14.8 Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£ GBP Sterling). The Fund holds both monetary and non-monetary assets denominated in currencies other than £ GBP Sterling.

The Fund's currency rate risk is routinely monitored by the Committee in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2021 and as at 31 March 2022:

Fair value 31/03/21 £'000	Asset type	Fair value 31/03/22 £'000
1,878,163	Overseas pooled investments	1,876,457
40,276	Overseas pooled property investments	34,572
0	Cash	0
1,918,439	Total overseas assets	1,911,029

14.9 Currency risk sensitivity analysis

The aggregate currency risk within the Fund as at 31 March 2022 was 6.1% (2020-21: 6.8%).

This analysis assumes that all other variables, in particular interest rates, remain constant.

A 6.1% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Asset type	Fair value 31/03/22 £'000	Change in year in the net assets available to pay benefits	
		+6.1% £'000	-6.1% £'000
Overseas pooled investments	1,876,457	114,464	(114,464)
Overseas pooled property investments	34,572	2,109	(2,109)
Cash	0	0	0
Total change in available assets	1,911,029	116,573	(116,573)

Asset type	Fair value 31/03/21 £'000	Change in year in the net assets available to pay benefits	
		+6.8% £'000	-6.8% £'000
Overseas pooled investments	1,878,163	127,715	(127,715)
Overseas pooled property investments	40,276	2,739	(2,739)
Cash	0	0	0
Total change in available assets	1,918,439	130,454	(130,454)

14.10 Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the value of the Fund's financial assets and liabilities.

In essence the Fund's entire investment portfolio is exposed to some form of credit risk. However the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Employers in the Fund are not currently assessed for their creditworthiness or individual credit limits set. There is risk of being unable to collect contributions from employers with no contributing members (e.g. risk associated with employers with a small number of declining contributing members) so Carmarthenshire County Council monitors membership movements on an annual basis.

New employers to the Fund have to agree to the provision of a bond to prevent the risk of future financial loss to the Fund in the event of not being able to meet its pension liability on cessation. Carmarthenshire County Council currently guarantees to meet any future liabilities falling on the Fund as a result of cessation. This is done to ensure that actuarial recovery periods and amounts are kept at a manageable level for smaller employers.

No collateral is held as security on financial assets. Carmarthenshire County Council does not generally allow credit to employers.

All investments held by investment managers are held in the name of the Dyfed Pension Fund at the custodian – Northern Trust, so if the investment manager fails the Fund's investments are not classed amongst the manager's assets.

Any cash held is in the Carmarthenshire County Council accounts and is invested in line with Carmarthenshire County Council's approved credit rated counterparty list.

14.11 Liquidity risk

This refers to the possibility that the Fund might not have sufficient funds available to meet its commitments to make payments.

Carmarthenshire County Council has a comprehensive cash flow management system that seeks to ensure that cash is available when needed.

The amount held in the Fund's bank accounts meet the normal liquidity needs of the Fund and any surplus cash is invested. The Fund's actuaries establish what contributions should be paid in order that all future liabilities can be met.

The investments of the Fund are mainly of a liquid nature. Although any forced liquidation of the investments may be subject to a financial loss.

15 **Current assets**

31/03/21		31/03/22
£'000		£'000
	Contributions due from employer	
1,784	- Employer	2,291
1,771	- Employee	2,188
8,798	Cash Balances	4,478
370	Debtors	366
12,723		9,323

15.1 Analysis of Current Assets

31/03/21		31/03/22
£'000		£'000
11,462	Local authorities	7,796
1	NHS bodies	0
1,260	Other entities and individuals	1,527
12,723		9,323

16 **Current liabilities**

31/03/21		31/03/22
£'000		£'000
(2,975)	Unpaid benefits	(1,493)
(1,443)	Creditors	(1,903)
(4,418)		(3,396)

16.1 Analysis of Current liabilities

31/03/21		31/03/22
£'000		£'000
(680)	HMRC	(763)
(367)	Public corporations and trading funds	(336)
(3,371)	Other entities and individuals	(2,297)
<u>(4,418)</u>		<u>(3,396)</u>

17 **Additional Voluntary Contributions (AVC)**

Occupational Pension Schemes are required by Statute to provide in-house AVC arrangements. The Fund has joint providers: Prudential, Standard Life and UTMOST (previously Equitable Life), where a range of investment options are available.

It is for individual Scheme members to determine how much they contribute (subject to HMRC limits) and the investment components or its mix.

The contributions made to separately invested AVC schemes and the value of these investments as at the balance sheet date are shown below:

AVC Provider	Value as at 31/03/21 £ '000	Contributions £ '000	Expenditure £ '000	Change in Market Value £ '000	Value as at 31/03/22 £ '000
Prudential*	6,276	0	0	0	6,276
UTMOST	431	5	(15)	14	435
Standard Life	3,007	406	(615)	151	2,949
Total	9,714	411	(630)	165	9,660

* The Fund has not received Prudential's statement of accounts for either 2020-21 or 2021-22. £6,276k was the value as at 31 March 2020.

18 **Funding arrangements**

In line with Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contributions rates for the forthcoming triennial period. The valuation that these financial statements are based on took place as at 31 March 2019.

For more details, and to view the Funding Strategy Statement (FSS), please refer to the Fund's website – www.dyfedpensionfund.org.uk

19 **Related Party Transactions**

The Fund is administered by Carmarthenshire County Council (the Authority), consequently there is a strong relationship between the Authority and the Fund. In addition, the Authority's Governance and Audit Committee is responsible for the approval of the Fund's Annual Report and Accounts.

The Authority incurred costs of £1.145 million (2020-2021: £1.154 million) in relation to the administration of the Fund and was subsequently reimbursed by the Fund.

The Authority is also the single largest employer of members in the Fund and contributed £37.524 million to the Fund in 2021-2022 (2020-2021: £36.295 million).

The Fund holds part of its cash balance with the Authority in order to meet its day to day expenditure. This cash is invested on the Money Markets by the Authority's Treasury Management section. During the year to 31 March 2022, the Fund had an average investment balance of £14.93 million (2020-2021: £26.18 million) earning interest of £11,261 (2020-2021: £47,300).

19.1 Governance

Pension Committee

There are three members and one substitute member of the Pension Committee. During 2021-22 these were Councillor Elwyn Williams (active member), Councillor Deryk Cundy (active member), Councillor Jim Jones (active member) and the substitute was Councillor Dai Thomas (active member).

The Director of Corporate Services, Mr Chris Moore, who has the role of Section 151 Officer for the Authority, played a key role in the financial management of the Fund and is also an active member of the Fund.

The Committee members and the Senior Officers that advise the Committee are required to declare their interest at each meeting. The Committee members and Director of Corporate Services accrue their benefits in line with the regulations encompassing councillors and employees of the employing bodies of the Fund.

Pension Board

A Pension Board was approved by County Council on the 11th February 2015 effective from 1st April 2015 in line with the Public Service Pension Act 2013. It consists of three employer representatives, three member representatives and an independent chair.

For more details, and to view the Governance Policy, please refer to the Fund's website – www.dyfedpensionfund.org.uk

19.2 Key Management Personnel

The key management personnel of the fund is the Section 151 Officer. Total remuneration payable to key management personnel is set out below:

31/03/21		31/03/22
£'000		£'000
15	Short-term benefits	15
4	Post-employment benefits	4
19		19

20 Employing bodies contribution rates, contributions receivable and benefits payable

2020-21					2021-22			
Contri- bution rate %	Deficit/ (Surplus) Contri- bution £'000	Contri- butions £'000	Benefits payable £'000		Contri- bution rate %	Deficit/ (Surplus) Contri- bution £'000	Contri- butions £'000	Benefits payable £'000
				Scheduled bodies				
19.9	(2,594)	38,888	38,134	Carmarthenshire County Council	19.9	(2,695)	40,217	40,757
19.8	(1,988)	21,868	19,803	Pembrokeshire County Council	19.8	(2,066)	23,604	19,311
20.1	(2,149)	13,838	12,884	Ceredigion County Council	20.1	(2,232)	14,605	12,802
				Office for the Police & Crime				
17.8	(6)	6,287	3,116	Commissioner for Dyfed-Powys	17.8	(7)	6,681	3,405
18.1	(188)	1,667	1,511	Mid & West Wales Fire Authority	18.1	(195)	1,752	2,005
16.2	0	276	291	Coleg Ceredigion	19.7	0	311	400
16.1	122	1,619	1,143	Coleg Sir Gar	20.0	0	2,020	1,214
				Pembrokeshire Coast National				
15.8	(90)	717	879	Park Authority	19.9	(287)	876	826
15.0	90	1,208	385	Pembrokeshire College	18.6	28	1,529	460
	(6,803)	86,368	78,146			(7,454)	91,595	81,180
				Designated (Resolution) bodies				
23.0	0	13	13	Aberystwyth Town Council	25.6	(4)	15	17
0.0	0	0	0	Aberaeron Town Council	0.0	0	0	0
17.9	18	69	112	Carmarthen Town Council	22.4	(25)	97	96
21.6	0	37	0	Cwmamman Town Council	20.9	1	45	0
21.7	0	16	0	Llanedi Community Council	24.1	0	21	0
24.0	1	6	4	Gorslas Community Council	28.8	(0)	7	4
-	0	12	43	Haverfordwest Town Council	-	0	12	37
27.6	10	15	12	Kidwelly Town Council	27.6	8	19	12
				Llanbadarn Fawr Community				
20.7	0	2	1	Council	25.9	0	3	1
0.0	0	0	1	Llanarthne Community Council	19.4	0	1	1
15.9	6	219	241	Llanelli Rural Council	19.9	(53)	269	250
19.1	8	64	111	Llanelli Town Council	20.3	15	75	100
15.9	0	8	0	Llangennech Community Council	22.9	3	15	0
19.5	5	54	17	Llannon Community Council	25.8	6	41	30
				Pembrey & Burry Port Town				
19.6	(2)	68	66	Council	17.3	(12)	59	19
16.3	(2)	11	12	Tenby Town Council	22.5	(6)	14	11
16.6	1	14	0	Pembroke Town Council	19.6	2	17	0
13.5	1	11	0	Pembroke Dock Town Council	22.7	2	16	0
	46	619	633			(63)	726	578

2020-21				2021-22				
Contri- bution rate %	Deficit Contri- bution £'000	Contri- butions £'000	Benefits payable £'000		Contri- bution rate %	Deficit Contri- bution £'000	Contri- butions £'000	Benefits payable £'000
				Admission bodies				
				Community Admission Body (CAB)				
17.9	12	46	31	Ceredigion Association of Voluntary Org.	21.1	8	46	31
15.1	(22)	992	1,177	Careers Wales	19.9	0	1,209	1,292
17.0	11	31	35	Carmarthenshire Association of Voluntary Services	22.9	3	42	36
27.6	0	2	14	Carmarthenshire Federation of Young Farmers Clubs	0.0	0	2	14
15.9	2	12	42	Iaith Cyf	20.2	0	15	42
23.3	5	3	16	Leonard Cheshire Disability	26.9	2	3	16
0.0	0	0	39	Llanelli Burial Board	0.0	0	0	39
11.7	11	68	11	Menter Bro Dinefwr	16.7	13	88	38
10.5	31	32	33	Menter Cwm Gwendraeth	17.6	14	47	62
10.8	1	62	0	Menter Gorllewin Sir Gar	13.3	2	79	0
7.4	(2)	12	10	Menter Iaith Castell-Nedd Port Talbot	9.5	0	15	10
19.3	0	1	10	Narberth & District Community & Sports Association	22.8	0	5	10
20.1	1	58	100	Pembrokeshire Association of Voluntary Services	22.7	0	62	62
13.7	5	93	68	PLANED	19.2	0	101	34
15.8	(6)	402	188	Tai Ceredigion/Barcud	21.4	0	316	280
18.4	77	540	587	University of Wales-Trinity St David	22.0	0	622	559
22.3	90	11	229	Aberystwyth University	25.1	92	8	210
14.7	(25)	368	473	Books Council of Wales	19.7	0	414	453
14.8	6	25	61	West Wales Action for Mental Health	21.2	0	24	44
15.8	(4)	19	75	Valuation Tribunal Wales	15.3	0	17	58
14.2	1	1	0	Swim Narberth	0.0	0	0	0
	194	2,778	3,199			134	3,115	3,290
				Transferee Admission Body (TAB)				
19.3	0	18	64	Pobl Group	22.8	0	18	46
0.0	0	0	14	DANFO	0.0	0	0	14
15.3	0	627	24	Llesiant Delta Wellbeing	17.3	10	822	198
0.0	0	3	77	Human Support Group (HSG)	0.0	0	0	78
23.6	0	26	5	Compass Contract Services Ltd	0.0	0	0	1
22.2	0	9	0	Burry Port Marina Ltd	22.2	0	12	0
0.0	0	0	0	Adapt Business Services	46.2	0	9	0
23.4	0	5	0	Visit Pembrokeshire	23.4	0	16	0
	0	688	184			10	877	337

				Bodies with no pensionable employees				
0.0	0	6	7	DVLA	0.0	0	6	7
0.0	0	24	13	Cardigan Swimming Pool	0.0	0	0	13
0.0	0	64	110	PRISM	0.0	0	0	74
0.0	0	53	325	Dyfed Powys Magistrates Courts	0.0	0	53	325
0.0	0	1	7	Carmarthen Family Centre	0.0	0	1	7
0.0	0	2	4	Milford Haven Town Council	0.0	0	2	4
0.0	0	0	2	Mencap	0.0	0	0	2
0.0	0	0	7,112	Dyfed County Council	0.0	0	0	6,530
0.0	0	0	2	Dyfed AVS	0.0	0	0	2
0.0	0	7	8	NHS	0.0	0	7	8
0.0	0	4	16	Welsh Water	0.0	0	4	16
0.0	0	0	7	Cwm Environmental	0.0	0	0	8
0.0	0	0	6	Cartrefi Cymru	0.0	0	0	19
0.0	0	2	2	Rent Officer Service	0.0	0	2	2
	0	163	7,621			0	75	7,017
(6,563)	90,616	89,783	Total		(7,373)	96,388	92,402	

22 Actuarial Statement

This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013.

An actuarial valuation of the Dyfed Pension Fund was carried out as at 31 March 2019 to determine the contribution rates with effect from 1 April 2020 to 31 March 2023.

On the basis of the assumptions adopted, the Fund's assets of £2,576 million represented 105% of the Fund's past service liabilities of £2,444 million (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £132 million.

Assets (£m)	2,576
Liabilities (£m)	2,444
Surplus (£m)	132
Funding Level (%)	105

The valuation also showed that a Primary contribution rate of 18.3% of pensionable pay per annum was required from employers. The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the FSS is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus it may be appropriate to offset some of this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

The FSS sets out the process for determining the recovery plan in respect of each employer. At the last actuarial valuation the average recovery period adopted was 14 years, and the total initial recovery payment (the "Secondary rate" for 2020-2023) was an offset of approximately £3m per annum on average in £ terms (which allows for the contribution plans which have been set for individual employers under the provisions of the FSS), although this varies year on year.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated 31 March 2020.

In practice, each individual employer's position is assessed separately and the contributions required are set out in the report. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS). Any different approaches adopted, e.g. with regard to the implementation of contribution increases and deficit recovery periods, are as determined through the FSS consultation process.

The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary rate of contribution were as follows:

	For past service liabilities (Solvency Funding Target)	For future service liabilities (Primary rate of contribution)
Rate of return on investments (discount rate)	4.1% per annum	4.65% per annum
Rate of pay increases (long term)	3.9% per annum	3.9% per annum
Rate of increases in pensions in payment (in excess of GMP)	2.4% per annum	2.4% per annum

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2022. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2023.

The McCloud Judgment

The “McCloud judgment” refers to a legal challenge in relation to historic benefit changes for all public sector schemes being age discriminatory. The Government has accepted that remedies are required for all public sector pension schemes and a consultation was issued in July 2020 including a proposed remedy for the LGPS. The key feature of the proposed remedy was to extend the final salary underpin to a wider group of members for service up to 31 March 2022. This applies to all members who were active on or before 31 March 2012 and who either remain active or left service after 1 April 2014.

In line with guidance issued by the LGPS Scheme Advisory Board, the above funding level and Primary contribution rate do not include an allowance for the estimated cost of the McCloud judgment. However, at the overall Fund level we estimate that the cost of the judgment could have been an increase in past service liabilities of broadly £28 million and an increase in the Primary Contribution rate of 1.1% of Pensionable Pay per annum. Provision for these costs has been included within the secondary rate for all employers as at the last valuation (and also within the whole Fund average Secondary rate of £3 million per annum offset shown above).

Impact of Covid 19 / Ukraine

The valuation results and employer contributions above were assessed as at 31 March 2019. Since 2020 there has been significant volatility and uncertainty in markets around the world in relation to the COVID-19 pandemic and more recently the situation in Ukraine and cost of living crisis. This potentially has far-reaching consequences in terms of funding and risk, which will

need to be kept under review and will be considered further as part of the 2022 valuations currently ongoing. We believe that it is important to take stock of the situation as opposed to make immediate decisions in what is an unprecedented set of events. Contributions will be reviewed and updated as part of the 2022 valuation. In addition the Administering Authority has the power to review contributions between valuations where there is a material change in employer covenant or liabilities, in line with the new regulations on contribution flexibilities introduced in September 2020. The position will be kept under review by the Administering Authority who will monitor the development of the situation and keep all stakeholders informed of any potential implications so that the outcome can be managed effectively.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes.

To assess the value of the benefits on this basis, we have used the following financial assumptions as at 31 March 2022 (the 31 March 2021 assumptions are included for comparison):

	31 March 2021	31 March 2022
Rate of return on investments (discount rate)	2.1% per annum	2.8% per annum
Rate of CPI Inflation / CARE benefit revaluation	2.7% per annum	3.3% per annum
Rate of pay increases	4.2% per annum	4.8% per annum
Rate of increases in pensions in payment (in excess of GMP) / Deferred revaluation	2.8% per annum	3.4% per annum

The demographic assumptions are the same as those used for funding purposes, but we have used the most recent CMI future improvement tables (CMI 2021). Full details of these assumptions are set out in the formal report on the actuarial valuation dated March 2020.

During the year corporate bond yields increased, resulting in a higher discount rate being used for IAS26 purposes at the year-end than at the beginning of the year (2.8% p.a. vs 2.1% p.a.). This on its own would have led to a significantly lower value placed on the liabilities but it was predominately offset by an increase in the expected long-term rate of CPI inflation during the year, from 2.7% p.a. to 3.3% p.a.

The value of the Fund's promised retirement benefits for the purposes of IAS 26 as at 31 March 2021 was estimated as £4,155 million including the potential impact of the McCloud Judgment.

Interest over the year increased the liabilities by c£87 million, and allowing for net benefits accrued/paid over the period also increased the liabilities by c£93 million (this includes any

increase in liabilities arising as a result of early retirements/augmentations). There was also a decrease in liabilities of £101 million due to “actuarial gains” (i.e. the effects of the changes in the actuarial assumptions used, referred to above, offset to a small extent by the fact that the 2022 pension increase award was more than assumed).

The net effect of all the above is that the estimated total value of the Fund’s promised retirement benefits as at 31 March 2022 is therefore £4,234 million. This is the liability figure on the prescribed IAS26 basis only and is not used for funding purposes nor for the setting of contribution rates.

GMP Indexation

The public service schemes were previously required to provide full CPI pension increases on GMP benefits for members who reach State Pension Age between 6 April 2016 and 5 April 2021. The UK Government has recently confirmed that it will extend this to include members reaching State Pension Age from 6 April 2021 onwards. This will give rise to, a further cost to the LGPS and its employers, and an estimation of this cost was included within the IAS26 liabilities calculated last year and is again included in the overall liability figure above.

Clive Lewis

Fellow of the Institute and
Faculty of Actuaries

Laura Evans

Fellow of the Institute and
Faculty of Actuaries

Mercer Limited

July 2022

Independent Auditor's Report

The independent auditor's report of the Auditor General for Wales to the members of Carmarthenshire County Council as administering authority for Dyfed Pension Fund

Opinion on financial statements

I have audited the financial statements of Dyfed Pension Fund for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004. Dyfed Pension Fund's financial statements comprise the fund account, the net assets 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 Dyfed Pension Fund as at 31 March 2022 and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year; 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 pension fund 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 pension fund'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. The Responsible Financial Officer is responsible for the other information contained within the annual statement of accounts. 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 annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and the annual report has been prepared in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the annual report.

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 pages 61-62, 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 pension fund'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 pension fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Dyfed Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or noncompliance 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 Dyfed Pension Fund's framework of authority as well as other legal and regulatory frameworks that Dyfed Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Dyfed Pension Fund.

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 pension committee; 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 Dyfed Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. 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 Dyfed Pension Fund 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
Date

24 Cathedral Road
Cardiff
CF11 9LJ

The maintenance and integrity of Dyfed Pension Fund website is their responsibility; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Section 7 - Funding Strategy Statement

The full Funding Strategy Statement including the appendices can be found on the [website](#).

Introduction

The Local Government Pension Scheme Regulations 2013 (“the 2013 Regulations”) and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (“the 2014 Transitional Regulations”) and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (all as amended) (collectively, “the Regulations”) provide the statutory framework from which the Administering Authority is required to prepare a Funding Strategy Statement (FSS). The key requirements for preparing the FSS can be summarised as follows:

- After consultation with all relevant interested parties involved with the Dyfed Pension Fund the Administering Authority will prepare and publish its funding strategy;
- In preparing the FSS, the Administering Authority must have regard to:
 - the guidance issued by CIPFA for this purpose; and
 - the Investment Strategy Statement (ISS) for the Scheme published under Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (as amended);
- The FSS must be revised and published whenever there is a material change in either the policy set out in the FSS or the ISS.

Benefits

The benefits provided by the Dyfed Pension Fund are specified in the governing legislation contained in the Regulations referred to above. Benefits payable under the Dyfed Pension Fund are guaranteed by statute and thereby the pensions promise is secure for members. The FSS addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time facilitating scrutiny and accountability through improved transparency and disclosure.

The Fund is a defined benefit arrangement with principally final salary related benefits from contributing members up to 1 April 2014 and Career Averaged Revalued Earnings (“CARE”) benefits earned thereafter. There is also a “50:50 Scheme Option”, where members can elect to accrue 50% of the full scheme benefits in relation to the member only and pay 50% of the normal member contribution.

Employer Contributions

The required levels of employee contributions are specified in the Regulations. Employer contributions are determined in accordance with the Regulations (which require that an actuarial valuation is completed every three years by the Fund Actuary, including a rates and adjustments certificate specifying the “primary” and “secondary” rate of the employer’s contribution).

Primary Rate

The “Primary rate” for an employer is the contribution rate required to meet the cost of the future accrual of benefits, ignoring any past service surplus or deficit, but allowing for any employer-specific circumstances, such as its membership profile, the funding strategy adopted for that employer, the actuarial method used and/or the employer’s covenant.

The Primary rate for the whole fund is the weighted average (by payroll) of the individual employers’ Primary rates.

Secondary Rate

The “Secondary rate” is an adjustment to the Primary rate to reflect any past service deficit or surplus, to arrive at the rate each employer is required to pay. The Secondary rate may be expressed as a percentage adjustment to the Primary rate, and/or a cash adjustment in each of the three years beginning 1 April in the year following that in which the valuation date falls. The Secondary rate is specified in the rates and adjustments certificate.

For any employer, the rate they are actually required to pay is the sum of the Primary and Secondary rates.

Secondary rates for the whole fund in each of the three years shall also be disclosed. These will be the calculated weighted average based on the whole fund payroll in respect of percentage rates and the total amount in respect of cash adjustments.

Purpose of the FSS in Policy Terms

Funding is the making of advance provision to meet the cost of accruing benefit promises. Decisions taken regarding the approach to funding will therefore determine the rate or pace at which this advance provision is made. Although the Regulations specify the fundamental principles on which funding contributions should be assessed, implementation of the funding strategy is the responsibility of the Administering Authority, acting on the professional advice provided by the Fund Actuary.

The Administering Authority’s long term objective is for the Fund to achieve a 100% solvency level over a reasonable time period and maintain sufficient assets in order for it to pay all benefits arising as they fall due.

The purpose of this Funding Strategy Statement is therefore:

- to establish a clear and transparent fund-specific strategy which will identify how employers’ pension liabilities are best met going forward by taking a prudent longer-term view of funding those liabilities;
- to establish contributions at a level to “secure the solvency” of the pension fund and the “long term cost efficiency”,
- to have regard to the desirability of maintaining as nearly constant a primary rate of contribution as possible.

The intention is for this strategy to be both cohesive and comprehensive for the Fund as a whole, recognising that there will be conflicting objectives which need to be balanced and reconciled. Whilst the position of individual employers must be reflected in the statement, it must remain a single strategy for the Administering Authority to implement and maintain.

Aims and Purpose of the Fund

The aims of the fund are to:

- manage employers' liabilities effectively and ensure that sufficient resources (i.e. liquid assets) are available to meet all liabilities as they fall due
- enable employer contribution rates to be kept at a reasonable and affordable cost to the taxpayers, scheduled, designating and admitted bodies, while achieving and maintaining fund solvency and long term cost efficiency, which should be assessed in light of the profile of the Fund now and in the future due to sector changes
- maximise the returns from investments within reasonable risk parameters taking into account the above aims.

The purpose of the fund is to:

- receive monies in respect of contributions, transfer values and investment income, and
- pay out monies in respect of scheme benefits, transfer values, costs, charges and expenses as defined in the Regulations.

Responsibilities of the key parties

The efficient and effective management of the pension fund can only be achieved if all parties exercise their statutory duties and responsibilities conscientiously and diligently. The key parties for the purposes of the FSS are the Administering Authority (and, in particular the Pensions Committee), the individual employers and the Fund Actuary and details of their roles are set out below. Other parties required to play their part in the fund management process are bankers, custodians, investment managers, auditors and legal, investment and governance advisors, along with the Local Pensions Board created under the Public Service Pensions Act 2013.

Key parties to the FSS

The Administering Authority should:

- operate the pension fund
- collect employer and employee contributions, investment income and other amounts due to the pension fund as stipulated in the Regulations
- pay from the pension fund the relevant entitlements as stipulated in the Regulations
- invest surplus monies in accordance with the Regulations
- ensure that cash is available to meet liabilities as and when they fall due
- take measures as set out in the Regulations to safeguard the fund against the consequences of employer default
- manage the valuation process in consultation with the Fund Actuary
- prepare and maintain a FSS and an ISS, both after proper consultation with interested parties, and

- monitor all aspects of the Fund's performance and funding, amending the FSS/ISS as necessary
- effectively manage any potential conflicts of interest arising from its dual role as both fund administrator and a scheme employer, and
- establish, support and monitor a Local Pension Board (LPB) as required by the Public Service Pensions Act 2013, the Regulations and the Pensions Regulator's relevant Code of Practice.

The **Individual Employer** should:

- deduct contributions from employees' pay correctly after determining the appropriate employee contribution rate (in accordance with the Regulations), unless they are a Deferred Employer
- pay all contributions, including their own as determined by the Fund Actuary, promptly by the due date
- develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework
- make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits, early retirement strain, and
- have regard to the Pensions Regulator's focus on data quality and comply with any requirement set by the Administering Authority in this context, and
- notify the Administering Authority promptly of any changes to membership which may affect future funding.
- Understand the pension impacts of any changes to their organisational structure and service delivery model
- Understand that the quality of the data provided to the Fund will directly impact on the assessment of the liabilities and contributions. In particular, any deficiencies in the data would normally result in the employer higher contributions than otherwise would be the case if the data was high of quality

The **Fund Actuary** should:

- prepare valuations including the setting of employers' contribution rates at a level to ensure fund solvency after agreeing assumptions with the Administering Authority and having regard to their FSS and the Regulations
- prepare advice and calculations in connection with bulk transfers and individual benefit-related matters such as pension strain costs, ill health retirement costs etc
- provide advice and valuations on the termination of admission agreements
- provide advice to the Administering Authority on bonds and other forms of security against the financial effect on the Fund of employer default
- assist the Administering Authority in assessing whether employer contributions need to be revised between valuations as required by the Regulations
- advise on funding strategy, the preparation of the FSS and the inter-relationship between the FSS and the ISS, and
- ensure the Administering Authority is aware of any professional guidance or other professional requirements which may be of relevance to the Fund Actuary's role in advising the Fund.

The **Fund's Investment Manager(s)** should:

- invest funds given in accordance with the ISS and the Investment Management Agreement (IMA)
- meet investment performance targets and risk constraints, and
- comply with all the legislative, commercial and mandate requirements.

Solvency Funding Target

Securing the “solvency” and “long term cost efficiency” is a regulatory requirement. To meet these requirements, the Administering Authority’s long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the “funding target”) assessed on an ongoing past service basis including allowance for projected final pay where appropriate. In the long term, an employer’s total contribution rate would ultimately revert to its Primary rate of contribution.

Solvency and Long-Term Efficiency

Each employer’s contributions are set at such a level to achieve full solvency in a reasonable timeframe. Solvency is defined as a level where the Fund’s liabilities i.e. benefit payments can be reasonably met as they arise.

Employer contributions are also set in order to achieve long term cost efficiency. Long term cost-efficiency implies that contributions must not be set at a level that is likely to give rise to additional costs in the future. For example, deferring costs to the future would be likely to result in those costs being greater overall than if they were provided for at the appropriate time.

When formulating the funding strategy, the Administering Authority has taken into account these key objectives and also considered the implications of the requirements under Section 13(4)(c) of the Public Service Pensions Act 2013. As part of these requirements the Government Actuary’s Department (GAD) must, following an actuarial valuation, report on whether the rate of employer contributions to the Fund is set at an appropriate level to ensure the “solvency” of the pension fund and “long term cost efficiency” of the Scheme so far as relating to the Fund.

Determination of the Solvency Funding Target and Deficit Recovery Plan

The principal method and assumptions to be used in the calculation of the funding target are set out in Appendix A. The Employer Deficit Recovery Plans are set out in Appendix B.

Underlying these assumptions are the following two tenets:

- that the Fund is expected to continue for the foreseeable future; and
- favourable investment performance can play a valuable role in achieving adequate funding over the longer term.

This allows the Fund to take a longer term view when assessing the contribution requirements for certain employers.

In considering this the Administering Authority, based on the advice of the Fund Actuary, will consider if this results in a reasonable likelihood that the funding plan will be successful

potentially taking into account any changes in funding after the valuation date up to the finalisation of the valuation by 31 March 2020 at the latest.

As part of each valuation separate employer contribution rates are assessed by the Fund Actuary for each participating employer or group of employers. These rates are assessed taking into account the experience and circumstances of each employer, following a principle of no cross-subsidy between the distinct employers and employer groups in the Fund.

The Administering Authority, following consultation with the participating employers, has adopted the following objectives for setting the individual employer contribution rates arising from the 2019 actuarial valuation:

Individual employer contributions will be expressed and certified as two separate elements:

- the **Primary** rate: a percentage of pensionable payroll in respect of the cost of the future accrual of benefits
- the **Secondary** rate: a schedule of lump sum monetary amounts over 2020/23 in respect of an employer's surplus or deficit

For any employer, the total contributions they are actually required to pay in any one year is the sum of the Primary and Secondary rates (subject to an overall minimum of zero). Both elements are subject to further review from April 2023 based on the results of the 2022 actuarial valuation.

Recovery Plan

It is the Fund's objective that any funding deficit is eliminated as quickly as the participating employers can reasonably afford based on the Administering Authority's view of the employer's covenant and risk to the Fund.

Recovery periods will be set by the Fund on a consistent basis across employer categories where possible and communicated as part of the discussions with employers. This will determine the minimum contribution requirement and employers will be free to select any shorter deficit recovery period and higher contributions if they wish, including the option of prepaying the deficit contributions in one lump sum either on an annual basis or a one-off payment. This will be reflected in the monetary amount requested via a reduction in overall deficit contributions payable. The Administering Authority does retain ultimate discretion in applying these principles for individual employers on grounds of affordability and covenant strength.

The key principles when considering deficit recovery are as follows:

- The Fund does not believe it appropriate for monetary contribution reductions to apply compared to the existing funding plan (allowing for indexation of deficit contributions where applicable) where deficits remain unless there is a compelling reason to do so.
- Certain employers may follow a bespoke investment and funding strategy pertaining to their own circumstances determined by their risk and maturity characteristics. This will be documented separately.
- As a general rule the deficit recovery period will reduce by at least 3 years for employers at this valuation when compared to the preceding valuation. This is to target full solvency over a similar (or shorter) time horizon. Employers will have the freedom to adopt a

recovery plan on the basis of a shorter period if they so wish. Subject to affordability considerations and other factors, a bespoke period may be applied in respect of particular employers where the Administering Authority considers this to be warranted (see Recovery Plan in Appendix B). Application of these principles has resulted in the target recovery period of 11 years being adopted across Fund employers.

- Subject to affordability and other considerations, the end point of individual employer recovery plans is expected to be maintained at this valuation, which means that recovery periods will normally be three years shorter than at the 2016 actuarial valuation. The target recovery period for employers at this valuation is therefore 11 years (3 years less than the corresponding target of 14 years from the previous valuation). In practice, individual employer circumstances could cause their recovery period to be different from this.
- Over and above this, the Fund is now giving more recognition to the potential liabilities in the event that an employer will exit the Fund at some point. With this in mind, closed employers will normally have their contributions underpinned at existing levels. In addition, any employer in surplus on the ongoing actuarial valuation assumptions will not normally be allowed to use that surplus to offset its future contribution requirements to the Fund. These restrictions will not apply if the body has a surplus on its termination basis: in this event a surplus on the termination basis may be used to offset future contribution requirements.
- In order to allow employers time to adjust their budgets, contributions for 2020/21 will normally be maintained at their existing levels, other than for the major scheduled bodies, before moving to the new rates in 2021/22. Where there is a material increase in contributions required at this valuation, in certain circumstances the Fund may agree to the increase being phased in over the period to 2022/23. Employers should be aware that any stepping or deferral of increases may affect the contribution requirements arising at future valuations.

Ceasing Participation in the Fund

On the cessation of an employer's participation in the Fund, in accordance with the Regulations, the Fund Actuary will be asked to make a termination assessment.

The policy for employers who have a **guarantor** participating in the Fund is as follows:

The residual assets and liabilities and hence any surplus or deficit will transfer back to the guarantor. This is subject to agreement from all interested parties who will need to consider any separate contractual agreements that have been put in place between the exiting employer and the guarantor.

Otherwise, in the event of a deficit, the Fund will seek to recover this from the exiting employer in the first instance. However, if this is not possible, then to maintain a consistent approach between treatment of surplus and deficit, the Fund will then seek to recover the deficit from the guarantor via an additional cash payment, unless otherwise agreed with the Administering Authority. In the event of a surplus the Administering Authority will have regard to the provisions of The Local Government Pension Scheme (Amendment) Regulations 2020 in determining the amount of any exit credit payable, and any such amount determined will be paid to the exiting employer within 6 months of cessation or such longer period as may be agreed in the individual case.

If requested, the Administering Authority will provide details of the information considered as part of the determination. A determination notice will be provided alongside the termination assessment from the Actuary. The notice will cover the following information and process steps:

1. Details of the employers involved in the process (e.g. the exiting employer and guarantor).
2. Details of the admission agreement, commercial contracts and any amendments to the terms that have been made available to the Administering Authority and considered as part of the decision making process. The underlying principle will be that if an employer is responsible for a deficit, they will be eligible for any surplus. This is subject to the information provided and any risk sharing arrangements in place.
3. The final termination certification of the exit credit by the Actuary.
4. The Administering Authority's determination based on the information provided.
5. Details of the appeals process in the event that a party disagrees with the determination and wishes to make representations to the Administering Authority.

The policy for employers who **do not** have a **guarantor** participating in the Fund is:

- In the case of a surplus, the Fund pays the exit credit to the exiting employer following completion of the termination process (within 6 months of cessation or such longer period as may be agreed in the individual case).
- In the case of a deficit, the Fund would require the exiting employer to pay the termination deficit to the Fund as a lump sum cash payment (unless agreed otherwise by the Administering Authority at their sole discretion) following completion of the termination process.
- The Administering Authority can vary the treatment on a case by case basis at its sole discretion if circumstances warrant it based on the advice of the Actuary. The termination policy is set out in Appendix C.

In all cases the Administering Authority reserves the right to apply a different approach at its sole discretion, taking into account the risk associated with an employer in proportion to the Fund as a whole. Any employer affected will be notified separately.

At the discretion of the Administering Authority, repayment plans over an agreed period or a Deferred Debt Agreement may be agreed subject to the Fund's policy in relation to flexibilities in recovering exit payments.

Further detail is available in the Termination Policy in Appendix C.

Funding for Non-ill Health Early Retirement Costs

Employers are required to meet all costs of early retirement strain by immediate capital payments into the Fund, or in certain circumstances by agreement with the Fund, through instalments over a period not exceeding 3 years or if less the remaining period of the body's membership of the Fund.

Funding for Ill Health Early Retirement Costs

Should a member retire on ill health grounds, this will normally result in a funding strain for that employer (i.e. increased liability). The size of any funding strain will depend on how the cost of that ill health retirement compares with the expected cost built in the actuarial assumptions for that employer. The actual cost will also depend on the level of any benefit enhancements awarded (which depend on the circumstances of the ill health retirement) and also how early the benefits are brought into payment. Because the cost of an individual ill-health retirement can be substantial in relation to an employer's contribution requirements, the Fund has introduced a "captive" whereby the costs of ill health retirements (other than for the five major scheduled employers) will be spread across a wider employer base. The treatment of any ill-health retirement strain cost emerging will therefore vary depending on the type of employer:

- For those employers who participate in the ill-health captive, any ill-health retirement strain cost emerging will be met by a contribution from the captive fund as part of the subsequent actuarial valuation (or termination assessment if sooner). No additional contributions will be due immediately from the employer although an adjustment to the "premium" payable may emerge following the subsequent actuarial valuation, depending on the overall experience of the captive fund.
- For those employers who do not participate in the ill-health captive, the "primary rate" payable over 2020/23 will include an allowance for ill-health retirement costs (alongside any allowance made for voluntary early retirements). Where ill-health retirement strain costs exceed an employer's allowance over the inter-valuation period (or should an employer not have an allowance within their "primary rate"), the excess strain costs will be included in the employer's deficit (and subsequent deficit contributions) at the 2022 valuation.

Link to Investment Policy and the Investment Strategy Statement (ISS)

The results of the 2019 valuation show the liabilities to be 105% covered by the current assets (104% if the estimated effects of the McCloud judgment were to be allowed for), so there is a small surplus of existing assets over the past service liabilities.

In assessing the value of the Fund's liabilities in the valuation, allowance has been made for growth asset out-performance as described below, taking into account the investment strategy adopted by the Fund, as set out in the ISS.

It is not possible to construct a portfolio of investments which produces a stream of income exactly matching the expected liability outgo. However, it is normally possible to construct a portfolio which represents the "minimum risk" investment position which would deliver a very high certainty of real returns above assumed CPI inflation. Such a portfolio would typically, in normal circumstances, consist of a mixture of long-term index-linked, fixed interest gilts and possible swaps.

Investment of the Fund's assets in line with this portfolio would minimise fluctuations in the Fund's funding position between successive actuarial valuations.

If, at the valuation date, the Fund had been invested in this portfolio, then in carrying out this valuation it would not be appropriate to make any allowance for growth assets out-performance nor any adjustment to market implied inflation assumption due to supply/demand distortions in the bond markets. This would result in real return versus CPI inflation of negative 0.9% per

annum at the valuation date. On this basis of assessment, the assessed value of the Fund's liabilities at the valuation would have been significantly higher, resulting in a funding level of 65%.

Departure from a minimum risk investment strategy, in particular to include growth assets such as equities, gives a better prospect that the assets will, over time, deliver returns in excess of CPI inflation and reduce the contribution requirements. The target solvency position of having sufficient assets to meet the Fund's pension obligations might in practice therefore be achieved by a range of combinations of funding plan, investment strategy and investment performance.

The current strategy is shown below:

	Benchmark (%)	Range (%)
US Equities	8.0	3.0 - 13.0
Japanese Equities	4.0	0.0 - 9.0
Other Regional Equities	33.0	28.0 - 38.0
Global Equities	20.0	15.0 - 25.0
Fixed Income	10.0	5.0 - 15.0
Pan European Property	15.0	10.0 - 20.0
Infrastructure	5.0	3.5 - 6.5
Alternatives	5.0	3.5 - 6.5
Total	100.0	

Based on the investment strategy in the ISS and the Actuary's assessment of the return expectations for each asset class, the overall best estimate average expected return is 2.7% per annum in excess of CPI inflation as at the valuation date. For the purposes of setting funding strategy however, the Administering Authority believes that it is appropriate to take a margin for prudence on these return expectations, and this is expected under the Regulations and guidance.

Identification of Risks and Counter-Measures

The funding of defined benefits is by its nature uncertain. Funding of the Scheme is based on both financial and demographic assumptions. These assumptions are specified in the actuarial valuation report. When actual experience is not in line with the assumptions adopted a surplus or shortfall will emerge at the next actuarial assessment and will require a subsequent contribution adjustment to bring the funding back into line with the target.

The Administering Authority has been advised by the Fund Actuary that the greatest risk to the funding level is the investment risk inherent in the predominantly equity based strategy, so that actual asset out-performance between successive valuations could diverge significantly from that assumed in the long term. The Actuary's formal valuation report includes a quantification of some of the major risk factors.

Financial

The financial risks are as follows:-

- Investment markets fail to perform in line with expectations
- Market outlook moves at variance with assumptions
- Investment Fund Managers fail to achieve performance targets over the longer term
- Asset re-allocations in volatile markets may lock in past losses
- Pay and price inflation significantly more or less than anticipated
- Future underperformance arising as a result of participating in the All-Wales pool.
- An employer ceasing to exist without prior notification, resulting in a large exit credit requirement from the Fund impacting on cashflow requirements.

Any increase in employer contribution rates (as a result of these risks), may in turn impact on the service delivery of that employer and their financial position.

In practice the extent to which these risks can be reduced is limited. However, the Fund's asset allocation is kept under constant review and the performance of the investment managers is regularly monitored.

Demographic

The demographic risks are as follows:-

- Future changes in life expectancy (longevity) cannot be predicted with any certainty
- Potential strains from ill health retirements, over and above what is allowed for in the valuation assumptions
- Unanticipated acceleration of the maturing of the Fund resulting in materially negative cashflows and shortening of liability durations

Increasing longevity is something which government policies, both national and local, are designed to promote. It does, however, result in a greater liability for pension funds.

Ill health retirements can be costly for employers, particularly small employers where one or two costly ill health retirements can take them well above the "average" implied by the valuation assumptions. Increasingly we are seeing employers mitigate the number of ill health retirements by employing HR / occupational health preventative measures. These in conjunction with ensuring the regulatory procedures in place to ensure that ill-health retirements are properly controlled, can help control exposure to this demographic risk. As described above, for smaller employers the Fund has also implemented an internal "captive" approach to spreading the cost of ill-health retirements across a wider employer base. Apart from the regulatory procedures in place to ensure that ill-health retirements are properly controlled, **employing bodies should be doing everything in their power to minimise the number of ill-health retirements.** Early retirements for reasons of redundancy and efficiency do not affect the solvency of the Fund because they are the subject of a direct charge.

With regards to increasing maturity (e.g. due to further cuts in workforce and/or restrictions on new employees accessing the Fund), the Administering Authority regularly monitors the position in terms of cashflow requirements and considers the impact on the investment strategy.

Insurance of Certain Benefits

The contributions for any employer may be varied as agreed by the Fund Actuary and Administering Authority to reflect any changes in contribution requirements as a result of any benefit costs being insured with a third party or internally within the Fund.

Regulatory

The key regulatory risks are as follows:-

- Changes to Regulations, e.g. changes to the benefits package, retirement age, potential new entrants to scheme,
- Changes to national pension requirements and/or HMRC Rules

Membership of the Local Government Pension Scheme is open to all local government staff and should be encouraged as a valuable part of the contract of employment. However, increasing membership does result in higher employer monetary costs.

Governance

The Fund has done as much as it believes it reasonably can to enable employing bodies and scheme members (via their trades unions) to make their views known to the Fund and to participate in the decision-making process.

Governance risks are as follows:-

- The quality of membership data deteriorates materially due to breakdown in processes for updating the information resulting in liabilities being under or overstated
- Administering Authority unaware of structural changes in employer's membership (e.g. large fall in employee numbers, large number of retirements) with the result that contribution rates are set at too low a level
- Administering Authority not advised of an employer closing to new entrants, something which would normally require an increase in contribution rates
- An employer ceasing to exist with insufficient funding or adequacy of a bond
- Changes to senior Fund Officers and the Panel membership.

For these risks to be minimised much depends on information being supplied to the Administering Authority by the employing bodies. Arrangements are strictly controlled and monitored, but in most cases the employer, rather than the Fund as a whole, bears the risk.

Monitoring and Review

The Administering Authority has taken advice from the Fund Actuary in preparing this Statement, and has consulted with the employers participating in the Fund.

A full review of this Statement will occur no less frequently than every three years, to coincide with completion of a full actuarial valuation. Any review will take account of the current economic conditions and will also reflect any legislative changes.

The Administering Authority will monitor the progress of the funding strategy between full actuarial valuations. If considered appropriate, the funding strategy will be reviewed (other than as part of the triennial valuation process), for example, if there:

- has been a significant change in market conditions, and/or deviation in the progress of the funding strategy
- have been significant changes to the Scheme membership, or LGPS benefits e.g. resolution of the McCloud remedy
- have been changes to the circumstances of any of the employing authorities to such an extent that they impact on or warrant a change in the funding strategy
- have been any significant special contributions paid into the Fund
- has been a change in Regulations or Guidance which materially impacts on the policies within the funding strategy.

When monitoring the funding strategy, if the Administering Authority considers that any action is required, the relevant employing authorities will be contacted. In the case of an employer who may exit the Fund, there is statutory provision for rates to be amended between valuations and this will be considered in conjunction with the employer affected and any associated guarantor of the employer's liabilities (if relevant).

Review of Contributions

In line with the Regulations, the Administering Authority has the ability to review employer contributions between valuations. The Administering Authority and employers now have the following flexibilities:

1. The Administering Authority may review the contributions of an employer where there has been a significant change to the liabilities of an employer.
2. The Administering Authority may review the contributions of an employer where there has been a significant change in the employer's covenant.
3. An employer may request a review of contributions from the Administering Authority if they feel that either point 1 or point 2 applies to them.

Consideration will be given to any risk sharing arrangements (e.g. cap and collar arrangements) when reviewing contribution rates. Further information is set out within the policy in Appendix E.

The McCloud Judgement

The cost management process was set up by HMT, with an additional strand set up by the Scheme Advisory Board (for the LGPS). The aim of this was to control costs for employers and taxpayers via adjustments to benefits and/or employee contributions.

As part of this, it was agreed that employers should bear the costs/risks of external factors such as the discount rate, investment returns and inflation changes, whereas employees should bear the costs/risks of other factors such as wage growth, life expectancy changes, ill health retirement experience and commutation of pension.

The outcomes of the cost management process were expected to be implemented from 1 April 2019, based on data from the 2016 valuations for the LGPS. This has now been put on hold

due to age discrimination cases brought in respect of the firefighters and judges schemes, relating to protections provided when the public sector schemes were changed (which was on 1 April 2014 for the LGPS and 1 April 2015 for other Schemes).

The Government have confirmed that this judgment will result in a remedy being required for the LGPS. The Scheme Advisory Board issued guidance which sets out how the McCloud case should be allowed for within the 2019 valuation.

Therefore, the Fund has considered its policy in relation to costs that could emerge from the McCloud judgment in line with the guidance from the Scheme Advisory Board in conjunction with the Actuary. Whilst the remedy is not known and may not be known for some time, for the purpose of this valuation, when considering the appropriate contribution provision, we have assumed that the judgment would have the effect of removing the current age criteria applied to the underpin implemented in 2014 for the LGPS. This underpin therefore would apply to all active members as at 1 April 2012. The relevant estimated costs have been quantified and included within the contribution requirements quoted as part of the 2019 actuarial valuation for individual employers. For whole fund reporting purposes, in line with guidance issued by the LGPS Scheme Advisory Board, the McCloud costs have not been included within the disclosed funding level or primary contribution rate. The effects have, however, been separately quantified and are set out in the actuarial valuation report.

Section 8 - Investment Strategy Statement

This is the Investment Strategy Statement (the “Statement”) of Dyfed Pension Fund (the “Fund”) as required by regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the “Regulations”).

The regulations require administering authorities to formulate and to publish a statement of its investment strategy, in accordance with guidance issued from time to time by the Secretary of State.

The ISS is an important governance tool for the Fund. The document sets out the current investment strategy of the Fund, provides transparency in relation to how the Fund’s investments are managed, acts as a high level risk register, and has been designed to be informative for all stakeholders. This document replaces the Fund’s Statement of Investment Principles.

In preparing this Statement, the Fund has consulted with such persons as it considers appropriate and the document will be updated based on any factors that the Fund considers material to its liabilities, finances or attitude to risk.

This statement will be reviewed at least triennially or more frequently if appropriate.

Investment Objectives and Beliefs

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death before or after retirement for their dependants, in accordance with LGPS Regulations.

The Funding Strategy and Investment Strategy are intrinsically linked and together aim to deliver stable contribution rates for employers and a reduced reliance on employer contributions over time.

The investment objective is therefore to maximise returns subject to an acceptable level of risk (including climate and other ESG risks) whilst increasing certainty of cost for employers, and minimising the long term cost of the scheme. Having a thorough understanding of the risks facing the Fund is crucial and these are covered later in this statement.

The Fund’s investment beliefs which help to inform the investment strategy are as follows:

- Funding, investment strategy and contribution rates are linked
- The strategic asset allocation is the key factor in determining the risk and return profile of the Fund’s investments
- Effective governance structures, which promote decisiveness, efficiency and accountability, can add value to the Fund
- Investing over the long term provides opportunities to improve returns and allows the Fund to take some risks (eg. volatility, illiquidity) which might not otherwise be acceptable
- Diversification across and within asset classes can help to mitigate against adverse market conditions and assist the Fund to produce a smoother return profile due to returns coming from a range of different sources
- Managing risk is a multi-dimensional and complex task but the overriding principle is to take the appropriate level of risk, to achieve the Fund’s objectives

- Environmental, Social and Governance are important factors for the sustainability of investment returns and risks over the long term. Climate change (UN SDG 13), in particular, has the potential materially to impact the returns and risk profile of various assets. The committee believes that adjusting its investment allocations and engagement with investee companies can both help to achieve its responsible investment goals
- Stewardship is an important responsibility and one which can be delegated. Engaging with investee companies is an important part of this, and is likely to be more effective than divestment in improving desired outcomes
- Value for money from investments is important, not just absolute costs. Asset pooling will help reduce costs whilst providing more choice of investments and will therefore be additive to Fund returns
- Active management can add value to returns over the long term

Investment Strategy

Asset Classes

Translating the Fund's investment and funding objectives into a single suitable investment strategy is challenging. The key objectives often conflict. For example, minimising the long term cost of the scheme is best achieved by investing in higher returning assets e.g. equities. However, equities are also very volatile (i.e. go up and down fairly frequently in fairly large moves), which conflicts with the objective to have stable contribution rates.

Additionally, the employers in the Fund have different underlying characteristics and long term funding objectives.

It is the Pension Committee's (the "Committee") policy to regularly monitor, in consultation with the actuary, the likely position regarding the solvency ratio in order that the risk of deterioration of the solvency ratio below 100% is minimised. The Committee may consider amending the Investment Strategy should they be advised at some future stage that this would be the only acceptable route to avoid under funding.

The Committee, following an asset liability study, has set a benchmark mix of asset types and ranges within which the investment managers may operate with discretion. This is shown in Appendix A. The Committee believes that this mix of assets will fulfil the assumptions within the valuation undertaken as at 31 March 2019, as well as taking account of the liability profile of the Fund. This mix will also help to control the risks outlined below.

A review of the strategic asset allocation is undertaken every three years following the actuarial valuation and provides the assurance that the investment strategy is aligned to the long term funding plan. This review utilises both qualitative and quantitative analysis, and covers;

- The required level of return that will mean the Fund can meet its future benefit obligations as they fall due
- The level of risk that the Fund can tolerate in absolute terms, and in relation to its funding level
- An analysis of the order of magnitude of the various risks facing the Fund is established in order that a priority order for mitigation can be determined
- The desire for diversification across asset class, region, sector, and type of security

Managers

The Committee has appointed a number of investment managers all of whom are authorised under the Financial Services and Markets Act 2000 to undertake investment business.

The Committee, after seeking appropriate investment advice, has agreed specific benchmarks with each manager so that, in aggregate, they are consistent with the overall asset allocation for the Fund. The managers will hold a mix of investments which reflects their views relative to their respective benchmarks. Within each major market and asset class, the managers will maintain diversified portfolios through direct investment or pooled vehicles. The manager of the passive funds in which the Fund invests holds a mix of investments within each pooled fund that reflects that of their respective benchmark indices.

Risk Measurement and Management

The Fund assesses risks both qualitatively and quantitatively, with the starting point being the investment strategy review which is undertaken every three years. The Fund's approach to risk is informed by the Committee, its professional advisors and officers of the Fund.

The key risks that the Fund is exposed to can be grouped under the following headings: asset; funding; operational and governance. These risks are identified, measured, monitored and managed on an active basis with the responsibility for oversight from the Treasury & Pension Investments Manager.

These risks are summarised as follows:

Asset Risks

- Concentration – The risk that significant allocation to any single asset class and its underperformance relative to expectation would result in difficulties in achieving funding objectives. Concentration may be mitigated by holding different strategies within an asset class.
- Illiquidity – The risk that the Fund cannot meet its liabilities because it has insufficient liquid assets.
- Manager underperformance – The failure by the fund managers to achieve the rate of investment return assumed in setting their mandates.

To manage asset risks the Committee provides a practical constraint on fund investments deviating greatly from the intended approach by setting itself diversification guidelines and by investing in a range of investment mandates each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, constrain risk within the Committee's expected parameters. By investing across a range of assets, including quoted equities and bonds, the Committee has recognised the need for some access to liquidity in the short term. In appointing several investment managers, the Committee has considered the risk of underperformance by any single investment manager.

Funding Risks

- Financial mismatch - The risk that Fund assets fail to grow in line with the developing cost of meeting Fund liabilities and the risk that unexpected inflation increases the pension and benefit payments and the Fund assets do not grow fast enough to meet the increased cost.
- Changing demographics – The risk that longevity improves and other demographic factors change increasing the cost of Fund benefits.
- Systemic risk – The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial “contagion”, resulting in an increase in the cost of meeting Fund liabilities.
- Legislation/regulatory - changes in legislation or regulations governing the treatment of pension fund liabilities can have a material impact on funding ratio.

The Committee measures and manages financial mismatch in two ways. It has set a strategic asset allocation benchmark for the Fund and assesses risk relative to that benchmark by monitoring the Fund’s asset allocation and investment returns relative to the benchmark. It also assesses risk relative to liabilities by monitoring the delivery of benchmark returns relative to liabilities.

The asset allocation is rebalanced on a regular basis to ensure that it does not stray outside the ranges for any sustained period.

The Committee keeps under review mortality and other demographic assumptions which could influence the cost of the benefits. These assumptions are considered formally at the triennial valuation.

The Committee seeks to mitigate systemic risk through a diversified portfolio but it is not possible to make specific provision for all possible eventualities that may arise.

Operational Risks

- Transition risk – The risk of incurring unexpected costs in relation to the transition of assets among managers. The Committee takes professional advice in relation to the monitoring and oversight of any transitions.
- Custody risk – The risk of losing economic rights to Fund assets, when held in custody or when being traded.
- Credit default – The possibility of default of a counterparty in meeting its obligations.
- Physical climate change risk – the risk that the operations of the Fund or its sponsor entities may be impacted by flood, fire or temperature events.

The Committee monitors and manages risks in these areas through a process of regular scrutiny of its providers and audit of the operations they conduct for the Fund.

Governance Risk

Good governance is an essential part of the Fund’s investment strategy and the Fund therefore identifies poor governance as a potential risk that can have a detrimental effect on the funding level and the deficit/surplus. The Fund ensures that its decision making process is robust and transparent and this is documented in the Governance Compliance Statement which is published on the Fund’s website.

Environmental, Social and Governance Risks

The Fund's investment strategy includes its own approach on Responsible Investment. Non-compliance would expose the Fund to financial and reputational risk. The Fund believes that effective management of financially material Responsible Investment risks should support the Fund's requirement to protect returns over the long term. The Fund will seek to further integrate Responsible Investment factors into the investment process across all relevant asset classes.

Approach to Asset Pooling

The Fund joined the Wales Pension Partnership (WPP) in 2016 with the understanding that the pooled investments will benefit from lower investment costs, greater investment capability and access to a more diverse range of asset classes. The implementation of the Fund's investment strategy by an FCA regulated provider leads to improved governance, transparency and reporting giving the Fund assurance that its investment strategy is being implemented effectively.

The key criteria for assessment of the WPP solutions is as follows:

- That the WPP enables access to an appropriate solution that meets the objectives and benchmark criteria set by the Fund
- That there is a clear financial benefit to the Fund in investing in the solution offered by the WPP, should a change of provider be necessary.

To date WPP has launched the following sub-funds which the Fund is invested in:

- Global Equities – Global Growth Fund.
- Fixed Income – Global Credit Fund.

At the time of preparing this statement the Fund had also jointly procured a single passive equity manager for the Wales funds as set out below. These funds currently sit outside of the WPP however the monitoring arrangements will still be carried out collectively on behalf of the WPP.

Asset class	Manager	% of Fund assets	Benchmark and performance objective
Passive Equity including Low Carbon Fund	BlackRock	35-40	FTSE All-Share and FTSE All-World Indices Benchmark Return MSCI World Low Carbon Target Reduced Fossil Fuel Select Index

The Fund intends to invest the majority of its remaining assets into the WPP once opportunities arise but will maintain some cash balances at the Fund. Investment strategy will be retained by the Fund with advice from all relevant professional advisors.

Structure and governance arrangements of the WPP

The WPP has appointed a third party operator authorised by the FCA (Link Fund Solutions) to provide a series of investment sub-funds in which the assets of the participating funds will be invested.

A Joint Governance Committee (JGC) has been formally established to oversee the operator. The JGC comprises of the eight Chairs of the committees of the participating funds. This arrangement provides accountability for the operator back to individual administering authorities.

It operates on the basis of 'One Fund, One Vote', though the intention is that any decisions are reached by consensus wherever possible.

The JGC is in regular discussions with the operator as to the specific sub-funds which should be set up within the WPP, both at the outset and on an ongoing basis.

Officers from each constituent authority attend JGC meetings (in a non-voting capacity). The officers advise the JGC on the establishment and monitoring of the various sub-funds as well as liaison directly with the operator on any day-to-day investment matters. The members of the JGC report back to their respective individual funds' pension committees who are responsible for satisfying themselves as to the effectiveness of the pooling arrangements overall and the operation of the JGC.

The Pension Board seeks reassurance on aspects of the management of the Fund's investments and external scrutiny. Formal due diligence of the operator and depositary is carried out by the FCA in their role as regulator.

The operator is responsible for selecting and contracting with investment managers for each of the sub-funds as well as appointing other service providers such as depositary asset servicer as necessary. Listed bonds and equities are invested through the UK based Authorised Contractual Scheme (ACS) in order to benefit from the tax transparent nature of the vehicle. It may be that alternative vehicles are more appropriate for some other asset classes. As well as considering the options with the operator, we also take external advice on the final proposed approach from a tax efficiency and legal compliance basis.

Under the structure the depositary holds legal title to the assets of the WPP. The operator is responsible for managing and operating the investments of the WPP, including entering into the legal contracts with the investment managers.

The operator provides and operates a range of investment vehicles to allow collective investment by the participating funds. The operator is responsible for selecting and contracting with investment managers for the management of the underlying assets. They are also responsible for the administration of the vehicles in terms of unit pricing, valuation, handling cash flows in and out of the various sub-funds, trade processing and reporting on performance. They are also responsible for due diligence from an audit, legal and tax perspective for the respective sub-funds and for electing a depositary to the WPP.

WPP have appointed Hymans Robertson as oversight adviser, Burges Salmon as legal adviser and Robeco UK as voting and engagement provider.

Responsible Investment and the extent to which non-financial factors will be taken into account in the selection, retention and realisation of investments

The Fund is a long term investor aiming to deliver a sustainable pension fund for all stakeholders.

Carmarthenshire County Council as the administering authority of the Fund has a fiduciary duty to act in the best, long-term, interests of the Fund's employers and scheme members.

Responsible Investment (RI) is a fundamental part of the Fund's overarching investment strategy as set out in this Investment Strategy Statement. That is, to maximise returns subject to an acceptable level of risk whilst increasing certainty of cost for employers and minimising the long term cost of the scheme. The Fund believes that consideration of Environmental, Social and Corporate Governance ("ESG") factors are fundamental to this, particularly where they are likely to impact on the overarching investment objective.

The Fund's approach aims to ensure that consideration of ESG factors is embedded in the investment process, utilising the various tools available to manage ESG risks and to harness opportunities presented by ESG factors.

The Fund's core principles of responsible investment are:

1. We will apply long-term thinking to deliver long-term sustainable returns. from well-governed assets.
2. We will use an evidence-based long term investment appraisal to inform decision-making in the implementation of RI principles.
3. We will consider the costs of RI decisions consistent with our fiduciary duties.

To date, the Fund's approach to social investments has largely been to delegate this to their underlying investment managers, and WPP in particular as part of their overall ESG duties. The Fund's managers report on this matter as part of the Fund's annual ESG review.

The Committee recognises that the Fund is not able to exclude investments in order to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries, other than where formal legal sanctions, embargoes and restrictions have been put in place by the Government.

Climate Change

The Fund recognises the importance in addressing the financial risks associated with climate change through its investment strategy, and believes that:

- Climate change presents a systemic risk to the overall stability of every economy and country, with the potential to impact on the members, employers, and all of the holdings in the Fund's investment portfolio.
- Considering the impacts of climate change is not only the legal or fiduciary duty of the Fund but is also consistent with the long term nature of the Fund. The Fund's investments need to be sustainable to be in the best interests of all key stakeholders. To this end, the Fund is committed to transition its investments towards net zero GHG emissions over the medium term. The Pension Fund will regularly report on progress, including establishing intermediate targets.
- Engagement is the best approach to enabling the change required to address the Climate Emergency. However selective risk-based divestment is appropriate to facilitate the move to a low carbon economy.
- As well as creating risk, it also presents opportunities to make selective investments that achieve the required returns, whilst at the same time make a positive social and environmental impact, such as environmental infrastructure and clean energy and energy efficiency products and services.

The Fund also takes account of WPP's Responsible Investment and Climate Risk policies.

The exercise of rights (including voting rights) attaching to investments

Voting rights

The Committee has delegated the exercise of voting rights to the investment manager(s) on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the Fund's managers have produced written guidelines of their process and practice in this regard. The managers are strongly encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies under Regulation 7(2)(f).

Stewardship

The Committee has agreed in principle that the Fund becomes a signatory to the Stewardship Code as published by the Financial Reporting Council. They also expect both the WPP and any directly appointed fund managers to also comply with the Stewardship Code.

The Fund believes in collective engagement and is a member of the Local Authority Pension Fund Forum (LAPFF), through which it collectively exercises a voice across a range of corporate governance issues.

Myners Principles

Although not specifically referenced in the Regulations, the Fund continues to assess its own compliance with the Myners Principles of Good Investment Governance. A statement that sets out an assessment of compliance is presented at Appendix B.

Advice taken

In creating this statement, the Fund has taken advice from its Officers, its Independent Investment Advisor and its Actuary.

	Benchmark (%)	Range (%)
Equities	65.0	55.0 – 75.0
Fixed Income	10.0	5.0 – 15.0
Property	15.0	10.0 – 20.0
Infrastructure	5.0	3.5 – 6.5
Alternatives	5.0	3.5 – 6.5
Total	100.0	

Myners 6 Principles and Compliance Checklist

1 Effective Decision-Making

Define who takes investment decisions.

Consider whether members have sufficient skills.

Determine whether appropriate training is being provided.

Assess whether in-house staffing support is sufficient.

Establish an investment committee with suitable terms of reference.

Draw up a business plan.

Priority is given to strategic asset allocation decisions

All asset classes permitted within the regulations have been considered.

Asset allocation is compatible with liabilities and diversification requirement.

Separate contracts in place for actuarial services and investment advice.

Terms of reference specified.

Specify role of S151 officer in relation to advisers.

Tender procedures followed without cost constraint factor.

Overall Principle 1

Included in ISS

Training - LGC members seminar, LAPFF and PLSA conferences, investment manager and WPP training days, Employer Organisation training days. Training plan in place.

Training - LGC members seminar, LAPFF and PLSA conferences, investment manager and WPP training days, Employer Organisation training days. Training plan in place.

Suitably qualified and trained staff. Training plan in place.

Pension Committee established with terms of reference agreed

A business plan is published annually. An Actuarial Valuation Report, Investment Strategy Review, Funding Strategy Statement and Investment Strategy Statement are updated and produced every three years.

Asset / liability study undertaken to determine asset allocation after full discussions.

All major asset classes have been considered and managers appointed accordingly. Other alternative asset classes continue to be considered.

Asset / liability study undertaken to determine asset allocation after full discussions.

Separate contracts currently in place.

Clear specifications issued.

Section 151 officer role clear in constitution.

Tendering for third party service providers will follow local procurement rules.

Fully compliant

2 Clear Objectives

Set overall investment objective specific only to the Fund's liabilities.

Customised benchmark following asset - liability study.

Determine parameters for employer contributions.

Clear objectives outlined in ISS

Specify attitude to risk and limits.

Clearly outlined in ISS

Identify performance expectations and timing of evaluation.

Clearly outlined in ISS

Peer group benchmark in use for comparison purposes only.

In Place.

Written mandate included in management contract containing elements specified.

Contract has been updated, ISS is clear on these issues

Constraints on the types of investment are in line with regulations.

In Place.

Reasons stated if soft commissions permitted.

None used.

Overall Principle 2

Fully compliant

3 Risk & Liabilities

In setting and reviewing the investment strategy account should be taken of the form and structure of liabilities.

Full asset liability study is undertaken following the triennial valuation and prior to setting and reviewing the investment strategy.

The implications for the local taxpayers, the strength of the covenant for participating employers, the risk of their default and longevity risk should also be taken into account.

Included in asset liability study and investment strategy.

Overall Principle 3

Fully compliant

4 Performance Assessment

Consider whether index benchmarks selected are appropriate.

Consideration given, and performance measured against both benchmark and market indices

Limits on divergence from index are relevant.

Fully considered and in ISS.

Active or passive management considered

Fully considered and in ISS.

Targets and risk controls reflect performance expectations

Fully considered and in ISS.

Formal structure for regular monitoring in operation

Fund returns regularly reported by independent organisation

Arrangements in place to assess procedures and decisions of members.

Audit and valuation reports. Best Value regime.

Similar arrangements established for advisers and managers.

Overall Principle 4

Regular monitoring/review undertaken by Committee and officers of managers and advisers.

Fully compliant

5 Responsible Ownership

Incorporate US Principles on activism into mandates.

Engage external voting agencies if appropriate

Review manager strategies

Establish means to measure effectiveness.

Overall Principle 5

Custodian reports on corporate actions taken.

Strong Corporate Governance policy in place through investment manager.

Own policy is in operation.

Regular reporting in place.

Fully compliant

6 Transparency and Reporting

ISS updated as specified.

Consultation undertaken on amendments.

Changes notified to stakeholders.

Publish changes to ISS and its availability.

Identify monitoring information to report.

Inform scheme members of key monitoring data & compliance with principles.

Overall Principle 6

In place and included in the Annual Report.

In place and consultation each year.

In place and included in the Annual Report.

In place and included in the Annual Report.

In place, included in ISS and reports presented at prescribed intervals.

In place and included in ISS.

Fully compliant

Section 9 – Responsible Investment Policy

Introduction

Carmarthenshire County Council is the Administering Authority for the Dyfed Pension Fund (the Fund). The Fund administers the Local Government Pension Scheme (LGPS) on behalf of around 51,500 members and 69 employers.

The Pension Committee is the decision-making body for the Fund, advised by Fund officers in their role as scheme administrators and the Independent Investment Adviser.

The day-to-day management of the Fund's investments are delegated to Investment Managers. Regular meetings are held with these Managers, where performance and governance issues including responsible investment topics are discussed.

Responsible Investment

The Fund is a long-term investor aiming to deliver a sustainable pension fund for all stakeholders and has a fiduciary duty to act in the best, long-term, interests of the Fund's employers and scheme members.

Responsible Investment is a fundamental part of the Fund's overarching investment strategy as set out in the Investment Strategy Statement. That is, to maximise returns subject to an acceptable level of risk whilst increasing certainty of cost for employers and minimising the long-term cost of the scheme. The Fund believes that consideration of Environmental, Social and Corporate Governance ("ESG") factors are fundamental to this, particularly where they are likely to impact on the overarching investment objective.

The Fund's approach aims to ensure that consideration of ESG factors is embedded in the investment process, utilising the various tools available to manage ESG risks and to harness opportunities presented by ESG factors.

The Fund's core principles of responsible investment are:

1. To apply long-term thinking to deliver long-term sustainable returns. from well-governed assets.
2. To use an evidence-based long term investment appraisal to inform decision-making in the implementation of Responsible Investment principles.
3. To consider the costs of Responsible Investment decisions consistent with our fiduciary duties.

To date, the Fund's approach to Responsible Investment has largely been to delegate this to its underlying investment managers and WPP, in particular, as part of their overall ESG duties.

Investment Beliefs

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death before or after retirement for their dependants, in accordance with LGPS Regulations.

The investment objective is therefore to maximise returns subject to an acceptable level of risk (including climate and other ESG risks) whilst increasing certainty of cost for employers and minimising the long term cost of the scheme. Having a thorough understanding of the risks facing the Fund is crucial and these are covered later in this Policy.

The Fund's investment beliefs which help to inform the investment strategy are as follows:

- Funding, investment strategy and contribution rates are linked
- The strategic asset allocation is the key factor in determining the risk and return profile of the Fund's investments
- Effective governance structures, which promote decisiveness, efficiency and accountability, can add value to the Fund.
- Investing over the long term provides opportunities to improve returns and allows the Fund to take some risks (e.g. volatility, illiquidity) which might not otherwise be acceptable.
- Diversification across and within asset classes can help to mitigate against adverse market conditions and assist the Fund to produce a smoother return profile due to returns coming from a range of different sources.
- Managing risk is a multi-dimensional and complex task but the overriding principle is to take the appropriate level of risk, to achieve the Fund's objectives
- ESG factors are important drivers of investment returns and risks over the long term. Climate change (UN SDG 13), in particular, has the potential materially to impact the returns and risk profile of various assets. The committee believes that both adjusting its investment allocations and engagement with investee companies can help to achieve its responsible investment goals.
- Stewardship is an important responsibility and one which can be delegated. Engaging with investee companies is an important part of this and is likely to be more effective than divestment in improving desired outcomes.
- Value for money from investments is important, not just absolute costs. Asset pooling can help reduce costs whilst providing more choice of investments and will therefore be additive to Fund returns
- Active management can add value to returns over the long term.

Environmental, Social and Governance Risks

The Fund's investment strategy includes its own approach on Responsible Investment. Non-compliance would expose the Fund to financial and reputational risk. The Fund believes that effective management of financially material Responsible Investment risks should support the Fund's requirement to protect returns over the long term. The Fund will seek to further integrate Responsible Investment factors into the investment process across all relevant asset classes.

Role of the Pension Board

The Local Pension Board ('the Board') is established in accordance with the Public Service Pensions Act 2013.

The role and purpose of the Board is to:

- Secure compliance with the regulations, and other legislation relating to the governance and administration of the Scheme as prescribed by the Pensions Regulator and Department for Levelling Up, Housing and Communities (DLUHC)
- Ensure effective and efficient governance and administration of the Scheme.

The Board provides oversight of compliance and governance matters, including Responsible Investment, and can make recommendations to the Pension Committee accordingly. The members of the Board do not have the right to vote on Fund decisions but can input positively and support improvements in overall service delivery.

Stock Lending

The Committee believes that stock lending can be an effective way to generate additional revenue in accordance with its investment strategy. However, the Committee also recognises that stock lending should not be used to the detriment of being a responsible investor. It is recognised that stock lending may inhibit the full application of a voting policy as votes may not be cast on stock on loan and so there is a balance to be achieved as a result.

The Committee has agreed to stock lending activity being undertaken on the WPP's actively managed pooled fund investments. However, within the WPP's stock lending policy is an explicit requirement not to lend 100% of holdings in any single stock so that the WPP, in collaboration with its Constituent Authorities and advisors, can express views and take a policy stance on any topic it deems worthy through its right to vote.

The Committee, via the WPP, will continue to monitor the impact of this policy stance and revise its stance if required. The Fund, via the WPP, also retains the right to recall stock, if required, as part of its stock lending arrangements.

Engagement

The Committee believes that engagement with investee companies can help to achieve its responsible investment goals. Additionally, the Committee encourages the Fund's asset managers to engage with the companies they invest in, where they believe that value can be added, or risk can be reduced.

The Wales Pension Partnership is a signatory to the UK Stewardship Code 2020 and is an affiliate member of Pensions for Purpose. It has appointed Robeco as its voting and engagement manager, to ensure a proactive approach to engagement with WPP's investee companies, as well as effective use of its voting power as a shareholder.

In addition, the Fund believes in collective engagement and is a member of the LAPFF, through which it exercises a voice across a range of ESG topics.

The Fund also engages with groups such as Divest Dyfed and Friends of the Earth Wales on a regular basis where there is an exchange of views and informed discussions take place.

In addition, the Fund engages with its members via the annual newsletter, Annual Consultative Meeting and a dedicated website.

Climate Change

The Fund recognises the importance in addressing the financial risks associated with climate change through its Investment Strategy Statement, and believes that:

- Climate change presents a systemic risk to the overall stability of every economy and country, with the potential to impact on the members, employers, and all of the holdings in the Fund's investment portfolio.
- Considering the impacts of climate change is not only the legal or fiduciary duty of the Fund but is also consistent with the long-term nature of the Fund. The Fund's investments need to be sustainable to be in the best interests of all key stakeholders. To this end, the Fund is committed to transition its investments towards net zero GHG emissions over the medium term. The Fund will regularly report on progress, including establishing intermediate targets, one of which is reducing the carbon intensity of the Fund's equities by at least the Paris aligned target of 7% per annum.
- Engagement is the best approach to enabling the change required to address the Climate Emergency. However selective risk-based disinvestment is appropriate to facilitate the move to a low carbon economy.
- As well as creating risk, it also presents opportunities to make selective investments that achieve the required returns, whilst at the same time make a positive social and environmental impact, such as environmental infrastructure and clean energy and energy efficiency products and services.

The Fund also takes account of WPP's Responsible Investment and Climate Risk Policies.

Human Rights

Societal expectations of companies with regard to human rights are increasing, as are legal and regulatory obligations. There is an increasing expectation on companies to ensure that they protect human rights in line with international, legal and regulatory obligations on a global scale. The Committee recognises its role in supporting this principle and to urge improvement in company practice through its Voting & Engagement activity where this is warranted.

The Committee recognises that it has an obligation to respect human rights as outlined within the UN Guiding Principles on Business and Humans Rights (UNGP's) and to encourage good practice which protects against violation and exploitation. This extends to expecting compliance with normative standards and relevant legislation.

Stewardship activity around human rights is pursued both through the Fund's membership of LAPFF and via the engagement activity undertaken by WPP's Voting and Engagement provider, where the latter has specific focus on engagement themes tied to human rights issues over a three-year time horizon.

The Committee expects these efforts to result in greater transparency in order to drive real world improvements.

Section 10 - Communications Policy Statement

The Dyfed Pension Fund strives to provide a high quality and consistent service to our customers in the most efficient and effective manner possible in an ever changing pensions environment.

The Fund aims to use the most appropriate communication medium for the audiences receiving the information, which may involve using more than one method of communication.

It ensures that all regulatory requirements concerning the provision of Scheme information is continuously met and assessed.

There are **5 distinct groups** with whom the Fund needs to communicate.

Scheme Members

Fund Website

The Fund has established an extensive website which sets out Scheme provisions in a simple and concise manner. Information updates and news items are quickly added to notify members of any Scheme developments. Electronic copies of Fund literature, policies and reports are also readily available to download.

My Pension Online (MPO)

An integrated web portal via the Dyfed Pension Fund website, which allows members to view and update their pension details securely online. Members are able to perform accurate benefit calculations, update their death grant expression of wish and contact details, as well as view their annual benefit statement.

Annual Report and Accounts

An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members via the My Pension Online service and the website. Hard copies are also available upon request.

Annual Newsletter(s)

The Fund issues an annual newsletter to all active members, covering current pension topics within the Local Government Pension Scheme (LGPS) and the pensions industry in general. The newsletter is also issued to all pensioners, providing notification on pension matters and other matters of interest. Specific single topic newsletters are also published and distributed to members on an ad hoc basis.

Annual Benefit Statements (ABS)

Statements are uploaded automatically to a member's My Pension Online account, or sent directly to their home address if they have chosen not to register and have a hard copy request by 31st August. The active statement sets out the current value of benefits (as at 31st March), a projection to Normal Pension Age, the current value of death benefits. The deferred statement on the other hand shows the up rated value of benefits. Supplementary notes of guidance are provided with each statement.

Bilingual Scheme Literature

An extensive range of Scheme literature is produced by the Dyfed Pension Fund and is supplied to employing bodies and Scheme members directly. This Scheme literature forms part of the data held on the Fund's website.

Statutory Notification

In compliance with Scheme Regulations, members are notified when any change occurs to their pension record, thereby affecting their pension benefits.

Online Seminars

Frequently held to raise member awareness and understanding towards general Scheme provisions. These sessions are currently delivered online (via Teams or Zoom) because of COVID-19 restrictions.

General Presentations & Courses

The Fund can deliver standard or tailored presentations on a wide range of LGPS related subjects. These sessions are currently delivered online (via Teams or Zoom) because of COVID-19 restrictions.

Pension Surgeries

Pension surgeries are available for groups of Scheme members by request, or for individual members on a surgery basis. Meetings can be arranged with the dedicated Communication & Training Officer and held online (via Teams or Zoom) because of COVID-19 restrictions.

Pre-Retirement Courses

The Fund's dedicated Communication & Training Officer is available to deliver online pre-retirement courses during the COVID-19 period to inform members who are near retirement about their entitlement and Local Government procedures.

Correspondence

The Fund utilises both surface mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice. The My Pension Online service also acts as another electronic medium.

Payment Advice / P60

Pensioners are issued with payment advice slips every April and thereafter when a variance of £5 or more occurs, unless they have chosen to utilise the My Pension Online service. P60 notifications are also issued annually in May, providing a breakdown of the annual amounts paid.

Pension Increase Statements

An annual statement is issued to all pensioners pending any increase in the appropriate cost of living index. These are issued electronically to those that have registered to the My Pension Online service.

Existence Validation (Life Certificate Exercise)

The Fund undertakes an annual exercise to establish the continued existence of pensioners in receipt of monthly pension payments via cheque and those living overseas.

Prospective Scheme Members

Scheme Booklet

All prospective Scheme members are provided with a Scheme booklet upon appointment.

Corporate Induction Seminars

The dedicated Communication & Training Officer will deliver a segment at any online employer corporate induction seminar, in order to present to prospective Scheme members the benefits of joining the Scheme. A one-to-one online meeting will also be offered to resolve any individual queries.

Non-Joiner Campaigns

The Fund will request formal notification of non-joiners from Scheme employers. The information will be used to market the Scheme to specific groups, with dedicated literature and campaigns being formulated in conjunction with Scheme employers from time to time.

Online Seminars

As well as being a valuable aid for pensioners and current scheme members, online seminars are used to target specific non-members. This ensures that members receive the information required to make an informed choice towards their pension provision.

Website

The Fund's website contains a specific section for [non-joiners](#). It highlights the benefits of planning for retirement and what's provided by the Scheme so again an informed choice can be made.

Trade Unions

The Fund will endeavour to work with the relevant Trade Unions to ensure the Scheme is understood by all interested parties. Training days for branch officers will be provided upon request, and efforts will be made to ensure that all pension related issues are communicated effectively with the Trade Unions.

Scheme Employers

Annual Consultative Meeting (ACM)

A meeting is held annually for all Scheme employers, at which detailed investment, financial and administrative reports are presented by Officers and Fund Managers. Other speakers may also be invited to discuss certain issues connected to the Pensions Industry.

Periodic Meetings

Periodically meetings are arranged for employers. Specifically this has been used as a means of communicating major strategic issues, significant legislation changes and end of year / triennial valuation matters. These meetings are currently held online because of COVID-19 restrictions.

Email Updates

Regulatory and administrative updates are frequently issued to all employers via email.

Training

Bespoke sessions can be delivered by the dedicated Communication & Training Officer to resolve any administrative training issues identified by the employer, or the Fund. These sessions are currently held online (via Teams or Zoom) because of COVID-19 restrictions.

Website

The Fund website has a dedicated [Employer section](#) that provides all employers with the guidance needed to effectively discharge their administrative responsibilities. Various publications are also available to download.

Online Submission of Data

Each employer is encouraged to submit a monthly data return via the i-Connect administration portal, with the relevant training and support being provided by the Fund's administration team.

Access to Pensions Administration System

Each employer has the opportunity to access the pension records of their current members to cross reference and check data.

Administration Strategy

Published in compliance with Scheme Regulations, the [Administration Strategy](#) defines the responsibilities of both the Fund and all Scheme employers in the administration of the Scheme. The strategy clearly sets out the level of performance expected from the Dyfed Pension Fund and all employers, as well as the consequence of not meeting statutory deadlines.

Fund Staff

Induction

All new members of staff undergo an induction program and are issued with an induction schedule. A periodic appraisal programme is also exercised to review and monitor employee performance and development.

Meetings

Departmental and Section meetings are held on a regular basis. Items arising from such meetings are escalated through to Senior Managers and Chief Officers. Any relevant matters are cascaded to all staff.

Training & Support

The Fund seeks to continually improve the capacity of staff to communicate effectively and to understand the importance of high-quality communication. Both general and pensions specific training is provided by the dedicated Communications & Training Officer and by the Local Government Pensions Committee (LGPC) as part of the Fund's commitment to continual improvement. Staff are also encouraged to undertake relevant professional qualifications (as provided by the Chartered Institute of Payroll Professionals (CIPP)).

Seminars

Fund Officers regularly attend seminars and conferences held by associated bodies to obtain regulatory information and to further their knowledge and understanding. This information is later cascaded to all staff so that service delivery is improved.

Other Bodies

Other Pension Funds

The Fund works continuously to engage with other Pension Funds in Wales to evaluate specific partnership arrangements. The Fund is currently the lead authority within the All Wales Pension Funds Communication Working Group and also forms part of the Welsh Pension Funds Pensions Officer Group and [Wales Pension Partnership](#).

Trade Unions

Details of the Local Government Pension Scheme (LGPS) are brought to the attention of their members by local representatives. They also assist in negotiations under TUPE transfers in order to ensure, whenever possible, continued access to the Scheme.

National Information Forum

These meetings provide an opportunity to discuss issues of common interest and share best practice. The Department for Levelling Up, Housing & Communities (DLUHC) and the Local Government Pensions Committee (LGPC) are represented at each meeting.

Seminars

Fund Officers regularly participate at seminars and conferences held by LGPS related bodies.

Section 11 - Glossary

Active Management – A mark through either Asset Allocation, Market Timing or Stock Selection (or a combination of these). Directly contrasted with Passive Management.

Actuary – An independent consultant who advises on the viability of the Fund. Every three years the actuary reviews the assets and liabilities of the Fund and reports to the County Council as administering authority on the financial position and the recommended employers' contribution rates. This is known as the actuarial valuation.

Asset Class – A specific area/type of investment e.g. UK Equities, overseas Equities, Fixed Income, Cash.

Benchmark Return – The benchmark return is the return that would be achieved if the Fund Manager had not deviated from the weightings of each asset class given to them by the Pension Committee and had achieved returns in each of these asset classes consistent with the average return of all Local Authority Funds for that class. The Benchmark weightings of asset classes is outlined within the Investment Strategy Statement.

Corporate Governance – Issues relating to the way in which a company ensures that it is attaching maximum importance to the interests of its shareholders and how shareholders can influence management.

Equities – Ordinary shares in UK and overseas companies traded on a recognised stock exchange. Shareholders have an interest in the profits of the company and are normally entitled to vote at shareholders' meetings.

Fixed Interest Securities – Investments in mainly government stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a stated future date, but which can be traded on the Stock Exchange in the meantime.

Fund Manager – A person or company to whom the Investment of the whole or part of the assets of a fund is delegated by the Trustees.

Investment – An asset acquired for the purpose of producing income and Capital Gain for its owner.

Independent Investment Adviser – A professionally qualified individual or company whose main livelihood is derived from providing objective, impartial Investment advice to companies, pension funds or individuals, for a stated fee.

Market Indicators – (i) The movement in stock market are monitored continuously by means of an Index made up of the current prices of a representative sample of stock. (ii) Change in the rates at which currencies can be exchanged.

Market Value – The price at which an investment can be sold at a given date.

Out performance/Under performance – The difference in Returns gained by a particular fund against an 'Average' Fund or an Index over a specified time period i.e. a Target for a fund may be out performance of a Benchmark over a 3-year period.

Passive Management – (also called Indexation/Index Tracking) A style of Investment Management which aims to construct a Portfolio in such a way as to provide the same Return as that of a chosen Index i.e. Stocks are purchased to be as representative as possible of the makeup of the Index. Contrasts with Active Management.

Performance – A measure, usually expressed in percentage terms, of how well a fund has done over a particular time period – either in absolute terms or as measured against the ‘Average’ Fund or a particular Benchmark.

Performance Measurement – A service designed to help investors evaluate the performance of their investments. This usually involves the comparison of a fund’s performance with a selected Benchmark and/or with a Universe of similar funds. The main Performance Measurement Companies are Northern Trust, which the Dyfed Pension Fund uses, and PIRC.

Portfolio – A collective term for all the investments held in a fund, market or sector.

Preserved Benefits – The pension benefits payable from normal retirement age to a member of the Fund who has ceased to contribute as a result of leaving employment or opting out of the Pension scheme before normal retirement age.

Return – The total gain from holding an investment over a given period, including income and increase (decrease) in market value.

Risk – Generally taken to mean the Variability of Returns. Investments with greater risk must usually promise higher returns than more ‘stable’ investments before investors will buy them.

Transfer Value – Payments made between funds when contributors leave service with one employer and decide to take the value of their contributions to their new fund.

Unrealised Increase/(Decrease) in Market Value – The increase/(decrease) in market value, since the purchase date, of those investments held at the year end.

Contacting the Fund

Chris Moore

Director of Corporate Services

CMoore@carmarthenshire.gov.uk

Fund Investments

Anthony Parnell

Treasury & Pension Investments Manager

AParnell@carmarthenshire.gov.uk

Martin Owens

Pension Investment Officer

MSOwens@carmarthenshire.gov.uk

Jason Williams

Assistant Accountant

JasWilliams@carmarthenshire.gov.uk

Tina Leigh

Accounting Technician

TLeigh@carmarthenshire.gov.uk

Fund Administration

Kevin Gerard

Pensions Manager

KGerard@carmarthenshire.gov.uk

Martin Morgan

Deputy Pensions Manager

MMorgan@carmarthenshire.gov.uk

Alternatively, for any queries regarding **Member Benefits**, please email pensions@carmarthenshire.gov.uk or telephone:

Surname A – G 01267 224937

Surname H – O 01267 224687

Surname P – Z 01267 224048

This page is intentionally left blank

Governance & Audit Committee 21 October 2022

Follow up review: Planning Services – Carmarthenshire County Council		
Recommendations / key decisions required: To note the follow up review undertaken by Audit Wales on the progress made by Carmarthenshire County Council in response to Audit Wales' July 2021 report, Review of Planning services.		
Reasons: Audit Wales have finalised their 12 month review on the progress made by Carmarthenshire County Council in response to their recommendation report on Planning services in Carmarthenshire (July 2021).		
Relevant scrutiny committee to be consulted: N/A		
Cabinet Decision Required: N/A Council Decision Required: N/A		
CABINET MEMBER PORTFOLIO HOLDER: Cllr. Ann Davies		
Directorate: Environment Name of Head of Service: Rhodri Griffiths, Head of Place and Sustainability. Report Authors: Rhodri Griffiths	Designations: Head of Place and Sustainability	Tel No: 07815 470094 E Mail Address: rdgriffiths@carmarthenshire.gov.uk

Executive Summary

Governance & Audit Committee

21 October 2022

Audit Wales: Follow up review of Planning Services – Carmarthenshire County Council

In July 2022, Audit Wales published the report Review of Planning Services. The report's overall findings were that,

'significant and long-standing performance issues in the planning service need to be urgently addressed to help support delivery of the Council's ambitions'.

The report included 17 recommendations for the Council to address. The intervention board set up to respond to the recommendations identified a subset of 49 actions to be taken forward and an action plan for delivery. In the intervening 15 months exceptional reporting on progress against the delivery of the action plan has been provided to Cabinet, Governance & Audit Committee and senior management to provide assurance of progress made in mitigating the recommendations.

Audit Wales have followed the progress against the action plan over the intervening 15 month period and produced a follow up report. The reports summary findings set out ;

" The Council is to be commended for the swift, decisive action it took in response to the findings of our 2021 report, and for the way it has driven improvements in its planning service.

The constructive way in which the Council received our report and acted on the recommendations is a particularly positive example of a Council demonstrating its commitment to driving improvement in service delivery.

The Council has learnt lessons from the review that it has also applied more widely, particularly in relation to performance management.

Overall, we found that, the Council has successfully addressed all our recommendations and has responded at pace to deliver significant improvements in its planning service."

At the end of the financial year 2021/2022 annual Planning performance standards set by the Welsh Government have been exceeded for the first time;

PAM/018 Percentage of all planning applications determined in time. Cumulative 12-month figure - **80.4%** (WG target 80%)

PAM/019 Percentage of planning appeals dismissed. Cumulative 12-month figure - **75%** (WG target 70%)

Quarter 1 and 2 performance standards for 2022 indicate that progress has further improved to outperform the standards set by the Welsh Government.

Audit Wales propose to publish the report on their website on 21 October.

DETAILED REPORT ATTACHED?

YES

Audit Wales follow up report



IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Rhodri Griffiths Head of Place and Sustainability

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NO	YES	YES	NO	YES	YES	NO

Legal

Amendment to the Scheme of Delegation and the Planning Protocols were agreed by the Council as part of the proposals that will assist with improving performance of the Planning Division in February 2022. The council approved the Enforcement Statement in March 2022.

Finance

There are financial implications with actions taken to address the recommendations of the Audit Wales report. These are being managed within current budget. Financial implications identified relating to the undetermined planning application that were outside of the allocated 8-week time currently stand at £372k down from £755k in 2021.

Risk Management

Risk has been identified from not addressing the Recommendations within the Audit Wales report and the Corporate Risk Register has been updated to articulate these Risks. Risk profiles have been downgraded from substantial /probable to moderate/ possible as a result of the progression of actions taken to address the recommendations.

Staffing

There have been staffing implications relating to the implementation of the actions to address the Audit Wales recommendation. Staff have been appointed into funded vacant posts in the last 6 months amounting to approximately 30% of the service's total workforce. The division is currently going through a structural review to regularise the temporary re-organisation put in place to respond to the recommendations, provide future opportunity for the development and progression of staff and in light of the department's new Sustainability responsibilities. Recruiting of experienced professional staff remains challenging across the whole planning sector, however the department has been successful in attracting new experienced professional staff in enforcement and ecology. Staff well-being is critical to maintain service improvement and everything is being done to support staff as the department reshapes its service.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below.

Signed: Rhodri Griffiths, Head of Place and Sustainability

1. Scrutiny Committee: Not Applicable

2. Local Member(s): Not applicable

3. Community / Town Council: Not Applicable

4. Relevant Partners: Not Applicable

5. Staff Side Representatives and other Organisations: Not Applicable

**CABINET PORTFOLIO HOLDER(S)
AWARE/CONSULTED:**

Yes

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

There are none

Follow-up Review: Planning Services – Carmarthenshire County Council

Audit year: 2022- 23

Date issued: October 2022

Document reference: 3181A2022

This document has been prepared for the internal use of Carmarthenshire County Council as part of work performed in accordance with Section 17 of the Public Audit (Wales) Act 2004, and Section 15 of the Well-being of Future Generations Act (Wales) 2015.

No responsibility is taken by the Auditor General or the staff of Audit Wales in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

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 Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at info.officer@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.

This document is also available in Welsh.

Contents

The Council has successfully addressed all our recommendations and has responded at pace to deliver significant improvements in its planning service.

Summary report

Summary	4
---------	---

Detailed report

Recommendation 1 – findings	11
Recommendation 2 – findings	11
Recommendation 3 – findings	12
Recommendation 4 – findings	13
Recommendation 5 – findings	14
Recommendation 6 – findings	14
Recommendation 7 – findings	15
Recommendation 8 – findings	15
Recommendation 9 – findings	15
Recommendation 10 – findings	16
Recommendation 11 – findings	16
Recommendation 12 – findings	17
Recommendation 13 – findings	18
Recommendation 14 – findings	18
Recommendation 15 – findings	19
Recommendation 16 – findings	19
Recommendation 17 – findings	20

Summary report

Summary

What we reviewed and why

- 1 In July 2021 we published our report [Review of Planning Services](#)¹. Our overall finding in that review was that, 'significant and long-standing performance issues in the planning service need to be urgently addressed to help support delivery of the Council's ambitions'. Our report included 17 recommendations for the Council to address. The follow up work that we have undertaken is important to gain assurance that the Council is taking action to address those recommendations.
- 2 Since we issued the report we have been following the Council's progress. We have undertaken this work through regular catch-up meetings with the Council, document reviews and observing Governance and Audit Committee meetings. We also interviewed key Council officers during July – September 2022.

What we found

- 3 The Council is to be commended for the swift, decisive action it took in response to the findings of our 2021 report, and for the way it has driven improvements in its planning service. The constructive way in which the Council received our report and acted on the recommendations is a particularly positive example of a Council demonstrating its commitment to driving improvement in service delivery. The Council has learnt lessons from the review that it has also applied more widely, particularly in relation to performance management.
- 4 A summary of our findings is included at **Exhibit 1**. Overall, we found that, **the Council has successfully addressed all our recommendations and has responded at pace to deliver significant improvements in its planning service.**

¹ Auditor General for Wales, **Review of Planning Services – Carmarthenshire County Council**, Audit Wales, July 2021

Exhibit 1: recommendations and summary of findings

The table below sets out a summary of our findings against each recommendation issued in our 2021 report.

Recommendations and Findings Summary

Recommendation 1 - Strategic impact

The Council should align its planning service to its corporate ambitions to ensure:

- it can respond effectively to deal with its regeneration ambitions and can deliver them at pace; and
- that the planning service is effectively contributing to and collaborating with other services to deliver on the corporate agenda.

Finding – recommendation met

The Council's planning service is now focussed on helping the Council to deliver on its corporate agenda. It has a clearer strategic approach to major projects and a clearer focus on prioritising projects that deliver jobs and growth to support the Council's economic recovery plan.

Recommendation 2 - Strategic impact

The Council should review the role and outcomes it expects from its planning service as part of its strategic groups, to ensure the service is effectively integrated and delivering the required outcomes.

Finding – recommendation met

The Council has identified the relevant strategic groups that the planning service needs to be part of. The Council now has a clearer understanding of the strategic role of planning, and what is expected from the service as part of these groups.

Recommendation 3: Service delivery – development management

The Council should develop a plan and timeline to deal with its planning application backlog, in particular the historic backlog.

Finding – recommendation met

The Council moved quickly to take a number of actions which have led to a significant improvement in its planning application backlog. In terms of its historic backlog, in March 2021 the Council had 118 applications waiting to be determined that were over 5 years old and by August 2022, the Council had reduced this to 15 applications.

Recommendations and Findings Summary

Recommendation 4: Service delivery – development management

The Council should review its planning data collection arrangements to ensure they are being done correctly and reported accurately.

Finding – recommendation met

The Council is now collecting the planning performance data correctly, in line with national guidance, and reporting it accurately. The Council has expanded its use of Arcus (its digital planning platform) to capture activity and report more effectively on its performance. By the end of 2021-22 financial year, for the first time, the Council exceeded the Welsh Government target of 80% for the percentage of all planning applications determined in time (PAM/018) by achieving 80.4%.

Recommendation 5: Service delivery – development management

The Council should address the financial risks associated with the continued overspend in its planning service and the potential fee reimbursement associated with non-determination of applications.

Finding – recommendation met

The Council's planning service has addressed its overspend position. The risk of the reimbursement of fees for non-determination of applications continues to decline as the backlog of overdue applications reduces.

Recommendation 6: Service delivery – planning enforcement

The Council should: develop a plan and timeline to deal with its planning enforcement backlog, in particular the historic backlog.

Finding – recommendation met

The Council has taken action to address this recommendation which has led to service improvement. It has identified its outstanding enforcement cases and given them a priority rating, and it reports that there was nearly a 400% increase in cases closed in 2021-22 compared to 2020-21. However, planning enforcement remains a challenge for the Council and the backlog of cases to be dealt with remains high.

Recommendation 7: Service delivery – planning enforcement

The Council should review the resources and capacity within its planning enforcement service to address the accruing caseload.

Recommendations and Findings Summary

Finding – recommendation met

The Council has reviewed the resources in its planning enforcement service and restructured the service to improve capacity and recruited additional staff. The Council has been able to reverse the accruing caseload position.

Recommendation 8: Service delivery – planning enforcement

The Council should ensure that other related Council services are able to accommodate any increases in planning enforcement action.

Finding – recommendation met

The Council is taking a more corporate approach to planning enforcement matters and strengthening the dialogue between departments in this area.

Recommendation 9: Service delivery – planning enforcement

The Council should ensure that any changes to its enforcement policy are assessed for impact and consulted on, to ensure all consequences are considered.

Finding – recommendation met

The Council has developed a new Planning Enforcement Statement which it consulted on both internally and externally prior to its adoption.

Recommendation 10: Risk management

The Council should review its corporate risk register to ensure that the planning risks, related to development management and planning enforcement are comprehensively defined and have clear mitigating actions.

Finding – recommendation met

The Council has reviewed its corporate risk register and defined a number of corporate risks related to planning. The mitigating actions that the Council has identified are having a positive impact on reducing the risk levels it has assessed for these areas.

Recommendation 11: Risk management

The Council should assure itself that its corporate arrangements for risk management are effective.

Recommendations and Findings Summary

Finding – recommendation met

The Council has taken positive action to assure itself that its corporate arrangements for risk management are effective. The Council has improved its approach to risk management which now has a much higher profile at a strategic level.

Recommendation 12: Responding to review findings

The Council should ensure that in responding to findings of all reviews into the effectiveness of its planning service that it:

- prioritises the actions;
- regularly evaluates the impact of the changes that it is making; and
- regularly reports progress to senior officers and Members to ensure transparent and timely oversight and monitoring, and that any corrective action is taken.

Finding – recommendation met

The Council responded at pace to the findings of our report and evaluated the impact of the changes it was taking, reporting regularly and transparently to senior officers and Members on its progress.

Recommendation 13: Performance management

The Council should ensure that the data available under the new planning performance management system (Arcus) is designed, maximised, and presented for analysis at relevant meetings.

Finding – recommendation met

The Council is now using the Arcus system more fully and has developed relevant dashboards of performance information to enhance its oversight and management of the planning service.

Recommendation 14: Performance management

The Council should: ensure that it presents a consolidated range of planning performance information to senior officers and Members to provide them with a fuller picture of service performance. This should include:

- performance data;
- financial data;
- complaints information; and
- risk management information.

Recommendations and Findings Summary

Finding – recommendation met

The Council has significantly enhanced the range of planning performance information that it is using to assess its performance and is presenting this information to senior officers and Members.

Recommendation 15: Performance management

The Council should better benchmark, collaborate and share learning with other Local Planning Authorities to maximise opportunities to identify and implement good practice.

Finding – recommendation met

The Council is better benchmarking, collaborating and sharing learning with other Local Planning Authorities.

Recommendation 16: Service user perspective

The Council should better consider and apply the perspective of its service users in designing and delivering its planning services to continuously improve the service in a sustainable way. This should include:

- understanding the current position regarding trends in complaints and customer feedback, and taking action to address any issues;
- setting out clear standards that service users can expect;
- improving engagement and ongoing communication with customers; and
- establishing an improved mechanism for gathering, evaluating, and applying customer feedback.

Finding – recommendation met

The Council has improved its accessibility and communication with users of the planning service, including establishing a centralised 'Planning Hwb' to deal with service user requests and enquiries.

Recommendation 17: Well-Being of Future Generations

The Council should take the opportunity in any changes to the planning service to consider how it might act more closely in accordance with the sustainable development principle in contributing to the delivery of the Council's well-being objectives.

Finding – recommendation met

The Council is more actively applying the sustainable development principle and the five ways of working in both its corporate approach and in how it has set out to address the recommendations in our report on the planning service.

Next Steps

- 5 The Council has demonstrated that it has successfully addressed our recommendations, however, it appreciates that it has further work to do in key areas and that it needs to sustain the improvements already made. We will continue to monitor the Council's performance in this service area as part of our ongoing assurance and risk work.

Detailed report

The Council has successfully addressed all our recommendations and has responded at pace to deliver significant improvements in its planning service

- 6 In our July 2021 report, Review of Planning Services, we included 17 recommendations for the Council to address. In this follow-up review we have focused on assessing the progress made by the Council against each of our recommendations.

Recommendation 1 – Strategic impact

The Council should align its planning service to its corporate ambitions to ensure:

- it can respond effectively to deal with its regeneration ambitions and can deliver them at pace; and
- that the planning service is effectively contributing to and collaborating with other services to deliver on the corporate agenda

Finding: recommendation met

- 7 The Council's planning service is now focussed on helping the Council to deliver on its corporate agenda. It has a clearer strategic approach to major projects and a clearer focus on prioritising projects that deliver jobs and growth to support the Council's economic recovery plan.
- 8 The service has been restructured to support its more strategic approach, including a revised head of service role, with an expanded remit and amended job title of Head of Place and Sustainability.
- 9 The Council has established a Corporate Major Projects Group comprising council officers representing the range of services involved in development proposals, eg planning, regeneration, highways and legal services.
- 10 The Council has also developed a protocol covering applications for major development projects setting out how it will engage with applicants/developers to provide a quality and efficient planning process.

Recommendation 2 – Strategic impact

The Council should review the role and outcomes it expects from its planning service as part of its strategic groups, to ensure the service is effectively integrated and delivering the required outcomes

Finding: recommendation met

- 11 **The Council has identified the relevant strategic groups that the planning service needs to be part of. The Council now has a clearer understanding of the strategic role of planning, and what is expected from the service as part of these groups.**
- 12 The Council has decided the appropriate level of representation on those strategic groups (ie head of service, senior officer, officer). Feedback and actions arising from these groups is now clearly being cascaded through the Council's departmental senior management team to relevant officers across the planning department to ensure outcomes are delivered.

Recommendation 3: Service delivery – development management **The Council should develop a plan and timeline to deal with its planning application backlog, in particular the historic backlog**

Finding: recommendation met

- 13 **The Council moved quickly to take a number of actions which have led to a significant improvement in its planning application backlog. In terms of its historic backlog, in March 2021 the Council had 118 applications waiting to be determined that were over 5 years old and by August 2022, the Council had reduced this to 15 applications.**
- 14 The actions the Council took to help address its planning application backlog include:
 - actively addressing the historic backlog cases (disposing of cases from pre-June 2015 and actively working through applications over 5 years old to identify a way forward);
 - better use of the planning services' software (Arcus) to provide enhanced information;
 - introducing performance and case management processes;
 - reviewing officer capacity to address backlog applications;
 - establishing an active backlog per team/officer;
 - improved oversight of and support to the external consultants that were temporarily employed to help with the planning application backlog;
 - co-locating key staff involved in the determination of planning applications in the same office to improve communication;
 - establishing a 'Planning Hwb' to act as a single point of contact for service users for development management and enforcement queries (customer contact staff in the Hwb are able to deal with a number of the queries which frees up time for planning and enforcement officers to focus on other tasks);
 - reviewing the scheme of delegation; and

- establishing an agreed procedure for use of extension of time letters.
- 15 The outcome of the actions that the Council has taken is a significant improvement in the planning application backlog. In our initial report the planning application backlog stood at 847 (at 15 March 2021). The Council report as at 8 June 2022, 1721 additional applications had been received and 547 applications were waiting to be determined (of which 220 remain within the 8 week target).

Recommendation 4: Service delivery – development management
The Council should review its planning data collection arrangements to ensure they are being done correctly and reported accurately

Finding: recommendation met

- 16 **The Council is now collecting the planning performance data correctly, in line with national guidance², and reporting it accurately. The Council has expanded its use of Arcus (its digital planning platform) to capture activity and report more effectively on its performance. By the end of the 2021-22 financial year, for the first time, the Council had exceeded the Welsh Government target of 80% for the percentage of all planning applications determined in time (PAM/018) by achieving 80.4%.**
- 17 At the time of our initial report in 2021 we were, 'concerned that the Council may not be collecting its planning performance data correctly in line with national guidance. This could have significant consequences as the Council may be misreporting its performance data related to the time taken to determine planning applications, and performance may potentially be worse than currently recorded and reported'. Even with this potential misreporting the Council's performance was below the Welsh Government's target (the Council's performance for 2018-19³ was 72.6% placing it as the lowest performing planning authority in Wales for this indicator).
- 18 The Council has redressed this position and at the end of the financial year 2021-2022 the planning performance standard set by the Welsh Government for the percentage of all planning applications determined in time (PAM/018) was 80.4%, against a Welsh Government target of 80%. We are unable to report on the how the Council is performing in comparison to other planning authorities in Wales for the period 2021-22 as the latest published information available from Welsh Government is for 2018-19. The Council is reporting a further improvement in performance this year for PAM/018 achieving 91.3% as at 8 June 2022.

² Welsh Local Government Association - Data Cymru, **Public Accountability Measures (PAMs) 2019-20, Guidance for local authorities**

³ Welsh Government, **All Wales Planning Annual Performance Report 2018-19** (this is the latest available national report from Welsh Government)

Recommendation 5: Service delivery – development management

The Council should address the financial risks associated with the continued overspend in its planning service and the potential fee reimbursement associated with non-determination of applications

Finding: recommendation met

- 19 **The Council's planning service has addressed its overspend position.**
- 20 The underspend of £359,00 in the planning services budget in 2021-22 was achieved through: a review of expenditure, vacancy management and an increase in fee income from a rise in the number of applications received. The Council does not expect to have this level of underspend in future years.
- 21 **The risk of the reimbursement of fees for non-determination of applications continues to decline as the backlog of overdue applications reduces.**
- 22 Risks to the financial position for the planning service remain, particularly through the costs associated with potentially more active enforcement action.

Recommendation 6: Service delivery – planning enforcement

The Council should develop a plan and timeline to deal with its planning enforcement backlog, in particular the historic backlog

Finding: recommendation met

- 23 **The Council has taken action to address this recommendation which has led to service improvement. It has identified its outstanding enforcement cases and given them a priority rating, and it reports that there was nearly a 400% increase in cases closed in 2021-22 compared to 2020-21. However, planning enforcement remains a challenge for the Council and the backlog of cases to be dealt with remains high.**
- 24 The Council has developed and approved a Serious Cases Planning Enforcement Protocol and made the Head of Place and Sustainability the decision maker for all such cases. Proformas and templates have also been developed to support this work.
- 25 The outcome of the action that the Council is taking is that the position on enforcement cases has improved. However, the drive to resolve and close down longstanding historic cases has impacted negatively on the performance against the 'cases closed within the target time' performance measure, which for 2021-22 was 36% within the target time, compared to 50% within the target time in 2020-21. The 2022-23 quarter one performance indicates that the percentage of cases closed on target has improved to 55%.

Recommendation 7: Service delivery – planning enforcement

The Council should review the resources and capacity within its planning enforcement service to address the accruing caseload

Finding: recommendation met

- 26 **The Council has reviewed the resources in its planning enforcement service and restructured the service to improve capacity and recruited additional staff. The Council has been able to reverse the accruing caseload position.**
- 27 Challenges remain around the recruitment and retention of staff in both development control and planning enforcement, and this is one experienced across other councils in Wales. The Council has undertaken a restructure of the service to improve capacity and has developed new assistant and technician roles, so that it is able to bring staff into the service area at a lower level and then potentially move them up as they become more experienced.
- 28 The Council has been able to reverse the accruing caseload position. In our initial report there were 761 planning enforcement cases identified as waiting to be dealt with (at 15 March 2021). As at June 2022, the Council reported that the total number of enforcement cases in determination was down to 467. The Council report that it has been able to close nearly 1000 cases within the last 12 month period.

Recommendation 8: Service delivery – planning enforcement

The Council should ensure that other related Council services are able to accommodate any increases in planning enforcement action

Finding: recommendation met

- 29 **The Council is taking a more corporate approach to planning enforcement matters and strengthening the dialogue between departments in this area.**
- 30 Enforcement officers from other departments have assisted with outstanding planning enforcement cases and additional external legal support has been brought in to support the identification and proposed action on the some of the high risk cases.

Recommendation 9: Service delivery – planning enforcement

The Council should ensure that any changes to its enforcement policy are assessed for impact and consulted on, to ensure all consequences are considered

Finding: recommendation met

- 31 **The Council has developed a new Planning Enforcement Statement which it consulted on both internally and externally prior to its adoption.**
- 32 The Council's Planning Enforcement Statement is a clear and comprehensive document setting out the relevant process to be followed, the powers the Council has, and how it will generally apply them. The Statement makes it clear what the Council will and won't do, and sets clear service standards for what the public can expect, as well as performance measures that it will use to assess its performance in this area.

Recommendation 10: Risk management

The Council should review its corporate risk register to ensure that the planning risks, related to development management and planning enforcement are comprehensively defined and have clear mitigating actions

Finding: recommendation met

- 33 **The Council has reviewed its corporate risk register and defined a number of corporate risks related to planning,** including:
- failure to address significant performance issues in development management;
 - failure to determine or secure extension of time for planning applications which are outside the determination date;
 - failure in determination of major planning applications; and
 - failure to implement Audit Wales' review recommendations into the Authority's planning service.
- 34 **The mitigating actions that the Council has identified are having a positive impact on reducing the risk levels it has assessed for these areas.** The Council has reduced three of the four risk ratings from significant or high to a medium risk. The risk relating to the failure to determine or secure extension of time letters remains at a high risk rating.

Recommendation 11: Risk management

The Council should assure itself that its corporate arrangements for risk management are effective

Finding: recommendation met

- 35 **The Council has taken positive action to assure itself that its corporate arrangements for risk management are effective. The Council has improved**

its approach to risk management which now has a much higher profile at a strategic level.

- 36 The Council's Corporate Risk Register (CRR) is more detailed and is discussed quarterly at Corporate Management Team and now goes formally to Cabinet. The Chief Executive also asked the Council's Transformation and Innovation Team (TIC) to undertake a review of the effectiveness of the Council's corporate risk arrangements, including an evaluation of progress made in implementing the recommendations made in the Wales Audit Office (WAO) '[Review of Risk Management Arrangements](#)'⁴ reported in July 2019. The TIC report's findings (December 2021) were that, 'although the Covid-19 pandemic initially impacted on the ability to progress the recommendations contained within the WAO Office Review and follow-up Internal Audit Review, a number of key actions have now been implemented and good progress has been made across the action plan in general.' The report also identifies areas where further action is needed, which demonstrates the Council's desire to continue to make improvements, to further strengthen its risk management arrangements.

Recommendation 12: Responding to review findings

The Council should ensure that in responding to findings of all reviews into the effectiveness of its planning service that it:

- **prioritises the actions;**
- **regularly evaluates the impact of the changes that it is making; and**
- **regularly reports progress to senior officers and Members to ensure transparent and timely oversight and monitoring, and that any corrective action is taken.**

Finding: recommendation met

- 37 **The Council responded at pace to the findings of our Audit Wales report and evaluated the impact of the changes it was taking, reporting regularly and transparently to senior officers and Members on its progress.**
- 38 The Council immediately established a 'Planning Services Intervention Board', chaired by the Chief Executive, to start work on addressing the key issues. The use of such an approach was a first for the Council and officers reported that it worked very well in: gaining corporate oversight and buy in, helping to drive improvements, and communicating on the detail of the progress being made to both Members and officers.

⁴ Auditor General for Wales, **Review of Risk Management Arrangements – Carmarthenshire County Council**, Wales Audit Office, July 2019

- 39 Over the period June 2021-July 2022 eight detailed progress reports were presented to the Intervention Board and to Pre-Cabinet, and three progress reports were presented at the Council's Governance and Audit Committee. Planning Committee Members were also kept updated on the progress being made.

Recommendation 13: Performance management

The Council should ensure that the data available under the new planning performance management system (Arcus) is designed, maximised, and presented for analysis at relevant meetings

Finding: recommendation met

- 40 The Council is now using the Arcus system more fully and has developed relevant dashboards of performance information to enhance its oversight and management of the planning service.
- 41 These dashboard reports are being used by both officers and Members to further drive improvement. The Council's establishment of its 'Planning Hwb' as the single point of contact for service users and Members has greatly enhanced the quality of the data that the service holds on customer contacts and on planning performance.

Recommendation 14: Performance management

The Council should ensure that it presents a consolidated range of planning performance information to senior officers and Members to provide them with a fuller picture of service performance. This should include:

- **performance data;**
- **financial data;**
- **complaints information; and**
- **risk management information.**

Finding: recommendation met

- 42 The Council has significantly enhanced the range of planning performance information that it is using to assess its performance and is presenting this information to senior officers and Members.
- 43 Members of the Planning Committee now receive a quarterly performance report containing a suite of performance measure including those that are reported nationally to Welsh Government as well as series of local indicators. The indicators reflect and include a range of areas of the planning service including: determination of planning applications, enforcement, pre-applications and appeals. Whilst

financial information⁵, complaints and risk management information are not part of this new performance report to the Planning Committee these areas are reported on separately to Members.

- 44 At a corporate level the Council has learnt lessons from the Audit Wales' review into the planning service and has enhanced its corporate performance monitoring arrangements. Corporate Management Team now have dedicated sessions to look at performance matters and these sessions pull together a range of data to more fully understand and assess performance including information related to risk management, complaints and financial position.

Recommendation 15: Performance management

The Council should better benchmark, collaborate and share learning with other Local Planning Authorities to maximise opportunities to identify and implement good practice

Finding: recommendation met

- 45 **The Council is better benchmarking, collaborating and sharing learning with other Local Planning Authorities.**
- 46 The Council is actively engaging in regional and national planning groups where best practice is discussed and shared, including: Planning Officer Society for Wales (POSW), all Wales and regional planning policy groups, regional Development Management Group, POSW Minerals and Waste Group, South West Wales Strategic Development Plan Group. The Council is also linking in with the City Deal through the land use regional co-ordinating role to share good practice and is developing regional links and shared approaches through the establishment of the Corporate Joint Committee and its relevant topic subgroup.

Recommendation 16: Service user perspective

The Council should better consider and apply the perspective of its service users in designing and delivering its planning services to continuously improve the service in a sustainable way. This should include:

- **understanding the current position regarding trends in complaints and customer feedback, and taking action to address any issues;**

⁵ The report does include the financial costs awarded in relation to appeals on applications refused contrary to officer recommendation and subsequently approved at appeal.

- **setting out clear standards that service users can expect;**
- **improving engagement and ongoing communication with customers; and**
- **establishing an improved mechanism for gathering, evaluating, and applying customer feedback.**

Finding: recommendation met

- 47 **The Council has improved its accessibility and communication with users of the planning service, including establishing a centralised ‘Planning Hwb’ to deal with service user requests and enquiries.**
- 48 In response to our findings the Council took an early decision to establish a ‘Planning Hwb’. This provided a single point of contact for all customer and Member enquiries. This has proved to be very beneficial to the Council in giving proper oversight of the volume and nature of enquiries, and in being able to track service user experience in terms of response times and outcomes. The Council has found enormous benefit in having this single point of contact to understanding the business need and customer experience and is looking at how a similar model might be applied in other service areas.
- 49 The enforcement service has produced an enforcement statement which sets clear service standards for what the public can expect. The development management service is also working on a customer charter but the Council has decided that it would be positive to have a customer charter that is wider in scope and sets out what services users can expect from the Council overall. Once the corporate customer charter has been developed planning services will produce its own charter that fits with the new corporate one. The Place and Sustainability Business Plan 2022-25 also sets out other actions that are taking place to improve the service user experience including: enhancing webpage content and improving engagement and communication with agents, developers, and communities.

Recommendation 17: Well-Being of Future Generations

The Council should take the opportunity in any changes to the planning service to consider how it might act more closely in accordance with the sustainable development principle in contributing to the delivery of the Council’s well-being objectives

Finding: recommendation met

- 50 **The Council is more actively applying the sustainable development principle and the five ways of working in both its corporate approach and in how it has set out to address the recommendations in our report on the planning service.**

- 51 The Council in its business planning template shows consideration of the five ways of working identified in the Well-Being of Future Generations guidance. As part of the business planning process the service has to:
- self-assess itself against each of the ways of working;
 - identify the actions it is taking to support that way of working; and
 - specify what planned improvements it intends to take to strengthen its arrangements over the coming year.
- 52 The planning service is now less siloed in its approach and is integrating better with other services in helping to deliver the Council's well-being objectives.



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

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

Governance & Audit Committee 21 October 2022

Subject and Purpose: Internal Audit Plan Update 2022/23		
Recommendations / key decisions required: To receive the report.		
Reasons: Regular progress report to be presented to each Governance & Audit Committee meeting.		
Relevant scrutiny committee to be consulted: N/A		
Cabinet Decision Required: N/A Council Decision Required: N/A		
CABINET MEMBER PORTFOLIO HOLDER: Cllr A Lenny		
Directorate: Corporate Services Name of Head of Service: Helen Pugh Report Author: Caroline Powell	Designation: Head of Revenues and Financial Compliance Principal Auditor	Tel No.: 01267 246223 E Mail Address: HLPugh@carmarthenshire.gov.uk CaPowell@carmarthenshire.gov.uk

Governance & Audit Committee

21 October 2022

Internal Audit Plan Update 2022/23

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

To provide Members with progress of the Internal Audit Plan. The following Reports are attached:

REPORT A: Internal Audit Plan Progress Report for 2022/23

REPORT B: Summary of Completed Final Reports Relating to Key Financial Systems

A Summary of Final Reports for the Key Systems completed during the last Quarter is attached.

1.	Pensions Payroll
----	------------------

DETAILED REPORT ATTACHED?	YES
---------------------------	-----

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: H L Pugh – Head of Revenues and Financial Compliance

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

Finance

Reviews carried out to ensure systems in place comply with the Authority's Financial Procedure Rules.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: H L Pugh – Head of Revenues and Financial Compliance

1. Scrutiny Committee: Not Applicable
2. Local Member(s): Not Applicable
3. Community / Town Council: Not Applicable
4. Relevant Partners: Not Applicable
5. Staff Side Representatives and other Organisations: Not Applicable

CABINET PORTFOLIO HOLDER(S)
AWARE/CONSULTED: Yes

Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report:

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Internal Audit Plan 2022/23	AC 11-03-22	Agenda for Governance & Audit Committee on Friday, 11th March, 2022, 10.00 am

This page is intentionally left blank

INTERNAL AUDIT PLAN 2022/23											
2022/23		Plan Completion to Date:		33.0%							
Job No	Departments	Days Planned	Pre-Audit Meeting	Terms of Reference Issued	Commenced	Field Work Complete	Draft Report Issued	Complete / Final Report Issued	Actual Days	Assurance Rating / Engagement Type	
	Fundamentals										
1122001	Capital Accounting including Fixed Asset Register	20									
1122002	Cash & Bank	15									
1122003	Creditor Payments	30									
1122004	Debtors System	20	*	*	*	*					
1122005	Housing Benefits	20	*	*	*	*					
1122006	Payroll System	30									
1122007	Pensions Payroll System	20	*	*	*	*	*	*	18	High	
1122008	VAT	15	*	*	*						
	Corporate Governance Assurance										
2122001	Annual Governance Statement/Corporate Governance Arrangements	20									
2122002	Regulatory Recommendations	10									
2122003	Data Protection	20									
2122004	Welsh Language Standards	20	*	*	*						
2122005	Freedom of Information	20	*	*	*						
2122006	Risk Management Arrangements	10	*								
	COVID-19										
3122001	COVID-19 Duplication Checks and Payments	40	*	/	*						
3122002	COVID-19 Systems and Processes	20	*	/	*						
3122003	COVID-19 Working Groups	10	*	/	*						
	Corporate Review Work										
4122001	CCC Companies	30									
4122002	Contract Management	20	*	*	*						
4122003	Procurement	20	*	*	*	*					
4122004	Safeguarding - Adults	10	*	*	*						
4122005	Safeguarding - Children	10	*	*	*						
4122006	Staffing Matters	20	*	*	*						
	Counter Fraud										
5122001	Fraud Prevention, Detection and Investigation	40	*	/	*						
5122002	Proactive Fraud Testing	20	*	/	*						
	Grants & Certification										
6122001	Burry Port Harbour	10	*	/	*	*	/	*	12	Accounts Return	
6122002	Children & Communities Grant	25	*	/	*	*	*	*	16	Certification	
6122003	RCSIG - Regional Consortia Support Improvement Grant (EIG) - EOY	15	*	*	*						
6122004	RCSIG - Regional Consortia Support Improvement Grant (EIG) - Q3	15									
6122005	Enable Grant	10	*	/	*	*	*				
6122006	Housing Support Grant - Homelessness	12	*	/	*	*					

6122007	Housing Support Grant - Rent Smart Wales	10	*	/	*	*					
6122008	Housing Support Grant - Supporting People	13	*	/	*	*					
6122009	Local Authority Education Grant	20									
6122010	Other Grants (where assurance is required for sign-off)	20									
6122011	Wales Pension Partnership	5	*	/	*	*	/	*	4	Accounts Return	
6122012	Post 16 Grant	10									
6122013	Pupil Deprivation Grant - EOY	15	*	*	*						
6122014	Pupil Deprivation Grant - Q3	15									
6122015	Trust Funds - Arbour Stephens	5	*	*	*	*	/	*	5	Certification	
6122016	Trust Funds - Dyfed Welsh Church Fund	5	*	*	*	*	/	*	9	Certification	
6122017	Trust Funds - Minnie Morgan	5	*	*	*	*	/	*	4	Certification	
6122018	Trust Funds - Oriol Myrddin	5	*	*	*	*					
6122019	Regional Development Coordinator Grant	5	*	/	*	*	/	*	3	Certification	
	Chief Executive's Department (not incl IT)										
7122001	Departmental Income	15	*	*	*						
7122002	Local Government & Elections Act	10									
7122003	Net Zero Carbon	20									
7122004	Regeneration & Economic Development: CRF	10									
7122005	Regeneration & Economic Development	10									
7122006	PMP: Workforce Planning	20									
	Chief Executive's Department: IT										
7222001	Cyber Security	15									
7222002	Disaster Recovery and Business Continuity	15	*	*	*						
	Communities										
7322001	Departmental Income	15	*	*	*						
7322002	Disabled Facilities Grants (DFGs)	15	*	*	*						
7322003	Disrepair Claims	15	*	*	*						
7322004	Leisure: Health, Fitness & Dryside portfolio	20	*								
7322005	Social Care (Assignment to be agreed)	20	*								
	Corporate Services										
7422001	Departmental Income	15	*	*	*						
7422002	Corporate Credit Card	15	*	*	*						
	Education & Children										
7522001	Departmental Income	15	*	*	*						
7522002	Youth Support Service Pre-paid Cards	15	*								
7522003	Schools Expenditure	30	*	*	*	*					
7522004	Schools (incl School Questionnaires)	20	*	*	*						
7522004	School Visits 1	10	*	*	*	*	*				
7522004	School Visits 2	10	*	*	*						
7522005	Welfare Cards	10									
	Environment										

7622001	Departmental Income	15	*	*	*						
7622002	Fleet Management	10	*								
7622003	Waste	15	*	*	*						
7622004	Planning: Development Management	20	*								
7622005	Property	10									
7622005	Property - Consultancy	5	*	*	*						
7622006	Asset Management	15	*	*	*	*					
	Additonal										
8122001	Departmental Advisory Work	40	*	/	*						
8222001	Various Departmental Working Groups	40	*	/	*						

This page is intentionally left blank

DEPARTMENT	AUDIT REVIEW	FINAL REPORT ISSUED
Corporate Services	Pensions Payroll	15 September 2022

BACKGROUND

The Pension's Section within the Corporate Services Department is responsible for the payment of pensions to members of the Dyfed Pension Fund. The Dyfed Pension Fund is one of a number of funds making up the Local Government Pension Scheme (LGPS). Carmarthenshire County Council is the statutorily appointed Administering Authority for the Dyfed Pension Fund. It administers the benefits and invests the assets of the Fund. Carmarthenshire County Council also acts as the administrator for the Police and Fire Pension Schemes for Dyfed Powys Police Authority, Mid & West Wales Fire and Rescue Service, and North Wales Fire and Rescue Service.

SCOPE

A review of the Pensions Payroll system was undertaken to ascertain the extent to which:

- There are adequate, documented, procedures in place which are complied with;
- Effective controls exist over payments made to Pensioners;
- Exception reports are generated and reviewed with queries dealt with appropriately;
- Access to standing data processing and programmes is restricted to appropriate personnel and amendments are properly authorised;
- The payroll system is regularly reconciled to the main accounting system.

SUMMARY OF RECOMMENDATIONS

The audit findings and recommendations are detailed in the attached Action Plan.

A summary of these recommendations by priority is outlined below:

Priority	3*	2*	1*	Total
Number of Recommendations	0	0	2	2

ASSURANCE RATING

The post review assurance level for systems relating to Pensions Payroll is categorised as: **HIGH.**

Internal Audit review of the Pensions Payroll 2022/23

Action Plan

Ref	Summary of Issue Identified	Recommendation	Priority Level	Planned Action Responsible Officer / Target Date	Updated Position
1	Internal Audit manually recalculated Pensions Increase values for a sample of ten pensioners in receipt of a pension payment, which included pensioners entitled to a Guaranteed Minimum Pension. Whilst nine of the sample were found to be accurate, an error was identified in relation to one pensioner, resulting in a monthly underpayment of £45.92. Internal Audit was advised that, during Pensions Payroll sample checks of the calculations, the error had been identified, however, had failed to be adjusted due to human error.	All adjustments, following the identification of an error, should be countersigned as a check that the adjustments have been actioned appropriately and promptly. The error identified should be adjusted as soon as possible.	*	All adjustments will be countersigned in future. Identified case has been adjusted. Deputy Pensions Manager September 2022	Complete. All future adjustments to be countersigned and the identified case has been adjusted.
2	A review of exception reports identified that a number of exceptions recur each month. Internal Audit was advised that these are 'reducing balance' exceptions which occur due to the parameters set for the exception report being unable to accommodate such transaction types. Currently, once these exceptions appear on the exception report they will continue to appear until the relevant pensioners cease to be paid. It is noted that all exceptions identified are manually reviewed each month and recorded as 'known exceptions'.	The parameters of the exception report should be reviewed and updated to ensure that only true exceptions are highlighted each month which require review.	*	This is a standard report from the software system which we have utilised. A report has been created in our Insights program which only identifies exceptions in a specific month. We are currently testing the report. Deputy Pensions Manager September 2022	Testing is being undertaken again this month as an additional parameter needs to be incorporated into the report. Both reports will continue to be run concurrently until we are satisfied that we have captured all information correctly.

21/10/2022

CARMARTHENSHIRE COUNTY COUNCIL'S DRAFT ANNUAL REPORT FOR 2021/22

Recommendations / key decisions required:

1. To consider the content of the draft Council Annual Report for the period 2021/22.

Reasons:

- Under the Well-being of Future Generations (Wales) Act 2015 we are required to publish an Annual Report on our Well-being Objectives.
- Under the Local Government and Elections Act (Wales) 2021 we have a duty to report on performance, based, on a self-assessment approach.
- This report aims to meet both these requirements in one document.

Relevant scrutiny committee to be consulted:

Corporate, Performance and Resources	19.10.22
Governance and Audit Cttee.	21.10.22
Communities, Homes and Regen	16.11.22
Place, Sustainability and Climate Change	24.11.22
Health and Social Services	29.11.22
Education Young People & Welsh Language	01.12.22

Cabinet Decision Required	YES
Council Decision Required	YES

CABINET MEMBER PORTFOLIO HOLDER:

Cabinet Member for Organisation and Workforce - Cllr Philip Hughes

<p>Directorate</p> <p>Chief Executive's</p> <p>Noelwyn Daniel</p> <p>Report Author</p> <p>Gwyneth Ayers & Robert James</p>	<p>Designations:</p> <p>Interim Director of Environment & Head of ICT & Corporate Policy</p> <p>Corporate Policy, Performance & Partnership Manager</p> <p>Strategic Performance Manager</p>	<p>Tel Nos./ E Mail Addresses:</p> <p>NDaniel@carmarthenshire.gov.uk</p> <p>GAyers@carmarthenshire.gov.uk</p> <p>RNJames@carmarthenshire.gov.uk</p>
---	--	--

EXECUTIVE SUMMARY
Governance and Audit Committee
21/10/2022

**CARMARTHENSHIRE COUNTY COUNCIL'S
DRAFT ANNUAL REPORT FOR 2021/22**

BRIEF SUMMARY OF PURPOSE OF REPORT

- The Annual Report starts with an overview of our COVID-19 response and outlines some key impacts, challenges and learning.
- The Annual Report then looks in turn at each of our 13 Well-being Objectives and assesses the progress and adaptations that have been made during this difficult year.
- Appendices
 1. a) Statutory Requirements
b) How our Well-being Objectives contribute to the national Well-being Goals
 2. Success measures for our Well-being Objectives
 3. National Survey for Wales 2021/22 – Carmarthenshire results
 4. Regulatory reports issued during 2021/22
 5. The extent to which we meet 'performance requirements'
 - a. Departmental analysis
 - b. The Council's response to the COVID-19 pandemic-unplanned transformation
 - c. Consultation on 'performance requirements'
- Under the Well-being of Future Generations (Wales) Act 2015 we are required to publish an Annual Report on our Well-being Objectives.
- Under the Local Government and Elections Act (Wales) 2021 we have a duty to report on performance-based on a self-assessment approach.

The Local Government and Elections (Wales) Act 2021 requires that a Council must produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements. The performance requirements are the extent to which:

 - *we are exercising our functions effectively.*
 - *we are using our resources economically, efficiently and effectively.*
 - *our governance is effective for securing the above.*
- We also have a duty to consult on our Performance Assessment (See Appendix 5C)
- This report aims to meet both these requirements in one document.

DETAILED REPORT ATTACHED?

Yes

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Noelwyn Daniel, Interim Director of Environment & Head of ICT & Corporate Policy

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	NONE	NONE	NONE	NONE

1. Policy, Crime & Disorder and Equalities

Well-being of Future Generations (Wales) Act 2015

To comply with the Well-being of Future Generations (WbFG) Act 2015, we must (in carrying out sustainable development):	
<ul style="list-style-type: none"> Set and publish well-being objectives Take all reasonable steps to meet those objectives Publish a statement about well-being objectives 	Corporate Strategy update published – June 2019, and further updated in May 2021.
<ul style="list-style-type: none"> Publish an annual report of progress 	This will be accomplished by the enclosed Annual Report

Only when a public body can demonstrate it has taken into account the sustainable development principle in the setting, taking steps and meeting of its well-being objectives will it be compliant with the Act. Public bodies may take other matters into account when making their decisions, but in order to comply with the Act they must take into account the 5 ways of working.

1. Long term
2. Integrated
3. Involving
4. Collaborative
5. Preventative

Under the Local Government and Elections Act (Wales) 2021

The **Local Government and Elections Wales Act 2021** provides for the establishment of a new and reformed legislative framework for local government elections, democracy, governance and performance. It replaces the Local Government Measure 2009.

The Local Government and Elections (Wales) Act 2021 requires that a Council must produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements

The performance requirements are the extent to which:

- we are exercising our functions effectively.
- we are using our resources economically, efficiently and effectively.
our governance is effective for securing the above.

2. Legal

The requirement to publish a forward-looking Improvement Plan by the end of June and an Annual Report by the end of October no longer applies.

- *The Local Government and Elections (Wales) Act 2021 (“the Act”) replaces the current improvement duty for councils set out in the Local Government (Wales) Measure 2009* para 1.2

Statutory guidance on the Local Government and Elections (Wales) act 2021

The new Act sets a duty to report on performance through self-assessment. It provides that a council must produce a self-assessment report in respect of each financial year. The report should be made as soon as reasonably practicable after the financial year to which it relates. However, it is for the council to determine when exactly to do this to best align with its own corporate arrangements. Para 2.28.

The Well-being of Future Generations (Wales) Act 2015 requires that Annual Reports must be published as soon as possible, but no later than 31 March.

It is up to Carmarthenshire County Council when it publishes its Annual Report on 2021/22 so long as it is before 31 March 2023. Though it should be as soon as reasonably practicable.

The requirement to produce a self-assessment report is one for the full council or its executive (as a council may determine). Councils will be required to involve a wide range of stakeholders and local people in its self-assessment. In addition, involving members from controlling and opposition groups.

Scrutiny committees are a key part of offering constructive challenge to how a council is performing and how it organises itself in the delivery of sustainable services.

‘Scrutiny committees, as well as internal audit, will be a key part of a council’s self-assessment, and the council should determine and agree how best to involve their scrutiny committees in the self-assessment process itself, not just in considering the outcomes of any self-assessment’.

The self-assessment report must be published within four weeks of it being finalised and approved in accordance with the council’s agreed processes

This is the first year that we are reporting under the duties of Local Government and Elections (Wales) Act 2021.

Involving the council’s governance and audit committee

Para 2.40 The council must make a draft of its self-assessment report available to its governance and audit committee. The committee must review the draft report and may make recommendations for changes to the conclusions or action the council intends to take.

Para 2.41 If the council does not make a change recommended by the governance and audit committee, it must set out in the final self-assessment report the recommendation and the reasons why the council did not make the change.

Extract from Statutory Guidance paras 2.40+2.41

[Part 6 of the Act outlines new duties in respect of Performance and Governance of Principal Councils](#)

3. Finance

Well-being Objective 13b Making Better use of Resources covers financial matters.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

1. Local Member(s)- N/A
2. Community / Town Council – N/A
3. Relevant Partners – N/A
4. Staff Side Representatives and other Organisations

All Departments have been consulted and have had the opportunity to provide comments on their performance and progress.

As part of the duty to consult on performance a mini-residents survey, staff survey, Trade Unions survey and business survey has been conducted. The summary findings are presented as part of this final annual report (See Appendix 5c) and further detailed reports and action plans will be prepared in response to the findings.

Signed: Noelwyn Daniel, Interim Director of Environment & Head of ICT & Corporate Policy

CABINET PORTFOLIO HOLDER(S) AWARE/CONSULTED YES	Cllr. Philip Hughes as Cabinet Member with responsibility for performance management has the overall lead for the report however it references the work of all Cabinet portfolio holders
---	--

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

Title of Document	Locations that the papers are available for public inspection
Well-being of Future Generations (Wales) Act 2015.	https://gov.wales/well-being-of-future-generations-wales
Local Government and Elections (Wales) Act 2021.	Part 6 of the Act outlines new duties in respect of Performance and Governance of Principal Councils

This page is intentionally left blank

Moving Forward in Carmarthenshire

ANNUAL REPORT for 2021/2022

on the Council's Corporate Strategy 2018-2023

'Life is for living, let's start, live and age well in a healthy, safe and prosperous environment'

October 2022



Welcome from the Leader of the Council to our Annual Report for 2021-2022

In writing this introduction I have taken the opportunity to review our year and to look back over our performance and achievements over the last few years. As the new Leader of Carmarthenshire County Council, I appreciate that I have solid foundations to continue to build on, but these past few years have been very challenging, and at the time of writing there are significant challenges ahead. For me, 2021/2022 is the year that marks the tail end of the pandemic and the beginning of the cost-of-living crisis. Despite the challenges, we made great strides in many areas including recovery and regeneration, we made plans for our children's future education, built more homes, and continued to work towards becoming a net zero carbon local authority by 2030.

Early in the pandemic we understood that alongside facing the day-to-day challenges, we needed to put in place a recovery plan. We saw opportunities and found new ambitions that could secure our future development and growth. We presented a comprehensive recovery plan to get Carmarthenshire back on its journey of growth, and set out priorities for supporting businesses, people, and communities. We have continued to work on that plan and during the year we have seen other opportunities for growth. Key to the plan is supporting the county's foundational economy and supporting local people to grow skills and talent in targeted areas so that there is a strong and resilient local workforce. Going forward it is more important than ever that we are able to help ourselves and support local businesses.

We have continued to look at town centre recovery plans for Ammanford, Llanelli and Carmarthen as well as our ten towns initiative, continuing to drive forward an agenda for change for each of the identified towns and their wider communities.

This year, we launched an ambitious ten-year strategy outlining our future vision for education. The plan sets out the council's aspirations for learners and staff for the next 10 years. The strategy aims to build on the good work that has been carried out to date to deliver consistently excellent outcomes for all learners.

We found out in Autumn 2021 that the Tywi Valley Cycle Path project had been awarded £16.7million as part of the UK Government's new Levelling Up fund. We have been campaigning to get the path underway for quite a few years and it is great to see another ambition being developed. The Tywi Valley Path project will create a 20km off-road walking and cycling route linking Carmarthen to Llandeilo, running alongside the River Tywi through stunning scenery which takes in castles, country parks and historical estates as well as attractions including the National Botanic Gardens of Wales and Aberglasney Gardens.

Another of our projects which received funding through the levelling up fund was the creation of Carmarthen Hwb. This project brings the former Debenhams store back to life as a central hub that will pull together a range of key public services under one roof, providing convenient access and a space for people to relax and enjoy. Still in the early stages of development, the exciting venture could feature a state-of-the-art leisure, culture and exhibition space alongside health and educational facilities, tourist information, customer services and more.

As I mentioned earlier, we have been able to grow despite the challenges of the pandemic but now we face the challenges of the cost-of-living crisis. We are facing uncertain times and I am not in any doubt that the next few years will be difficult, but we have built strong foundations and as always, we will look to pull together and find a way forward.



We welcome constructive comments on our strategies and services. Feedback from customers and service users is essential in identifying opportunities for improvement and we hope that if you have any comments or suggestions that you believe would help that you will share them with us. Please contact us at **Corporate Performance Management**, Carmarthenshire County Council, County Hall, Carmarthen SA31 1JP or email at performance@carmarthenshire.gov.uk

Contents

	Page
COVID-19 and Recovery	4
Introduction	8

Carmarthenshire's Well-being Objectives

Start Well	1. Help to give every child the best start in life and improve their early life experiences	19
	2. Help children live healthy lifestyles	26
	3. Support and improve progress, achievement, and outcomes for all learners	31
Live Well	4. Tackle poverty by doing all we can to prevent it, help people into work and improve the lives of those living in poverty	39
	5. Create more jobs and growth throughout the county	45
	6. Increase the availability of rented and affordable homes	52
	7. Help people live healthy lives (tackling risky behaviour and obesity)	55
Age Well	8. Support community cohesion, resilience, and safety	61
	9. Support older people to age well and maintain dignity and independence in their later years	66
In A Healthy, Safe & Prosperous Environment	10. Look after the environment now and for the future	72
	11. Improve the highway and transport infrastructure and connectivity	79
	12. Promote Welsh Language and Culture	83
	13. Better Governance and Use of Resources	88
Appendices		99

COVID-19 AND RECOVERY

*Life is for living, let's start, live and age well
in a healthy, safe and prosperous environment*

START WELL



CHILDREN AND SCHOOLS

The last twelve months, due to COVID-19, have continued to be challenging for all services. However, we continued working through the recovery phase as one Education and Children's Services team, to ensure that our children and young people were successfully supported to access their education and all the services they required.

The Department coordinated plans to sustain schools and learners through lockdowns via an amended national curriculum. The programme emanated early on, following vital multi-disciplinary input from across departmental teams, focussing on the wellbeing of learners and re-engagement in learning.

All schools have utilised their delegated Recruit, Recover and Raise standards grant funding to support learners. School leaders have discussed the focus and impact of this funding with their Educational Support Adviser, focussing on the additional support and provision they are able to provide for learners and their families, including those who are most vulnerable, utilising this grant.

We have continued to ensure that schools are COVID-19 safe environments including supporting School Leaders with updating Risk Assessments, ensuring adherence to changing Health and Safety guidance. We have also continued to provide enhanced cleaning and provided additional resource such as air filters as required.

Whilst children's services continued throughout lockdown to ensure the safeguarding of children and young people, the work adapted in accordance with social distancing arrangements. This year has been even more challenging due to COVID-19, placing significant pressures on families and leading to an increase in demand for our services. The number of Contacts to the department has increased to 11,379 as compared to 9,498 last year. This increase coupled with staff absence due to COVID-19 and sickness, COVID-19 restrictions and recruitment difficulties have all been additional challenges placing increased pressures on childcare teams. However, despite this, workers have been inventive in finding meaningful and innovative ways of carrying out direct work with children and families and services have continued to perform well. 90.2% of all new assessments have been completed within statutory timescales.

The Inclusion Team has continued to deliver all service areas throughout the COVID-19 period. Methods of delivery have been modified following consultation with families, schools, Education and Child Psychologist Service and Health ensuring all best endeavours are undertaken to continue to deliver statutory processes and support services.

New on-line application processes have been introduced for both Free School Meals and Pupil Development Grant Access which provides a far better service to our residents. The continuation of Free School Meal payments has been challenging.

LIVE WELL



ECONOMY

Carmarthenshire's economy has been significantly impacted by the COVID-19 pandemic and Brexit. To gain an informed understanding of the position in Carmarthenshire, we engaged with over 1,000 businesses to gather evidence on the impact of the pandemic on our businesses, unemployment and our rural and primary town economies. This assisted us to put in place a clear [Economic Recovery Plan](#) (we were first in Wales to do so) with an immediate priority focus on protecting jobs and supporting our small and medium enterprises (SMEs) to upscale.

Businesses have done well to 'bounce back' – restrictions imposed on businesses created a range of operational challenges which hampered income generation and productivity. Consumer demand and changing consumer spending practices were a significant concern but financial interventions and support provided by the Council have assisted businesses to operate and diversify in a post-lockdown economy which was

complemented by a campaign to think and buy local through the '100% Sir Gâr' initiative.

What have we delivered?	
<i>More than 1,100 jobs have already been created and over 700 jobs safeguarded.</i>	<i>We have delivered over £66 million COVID-19 Business Recovery Funds on behalf of the Welsh Government</i>
<i>We have awarded contracts to local businesses, providing skilled work opportunities in the local economy and safeguarding jobs.</i>	<i>We have successfully delivered six jobs' fairs in each of the primary towns, to support sectors experiencing acute recruitment challenges.</i>
<i>We have engaged with well over 3,200 local businesses and provided just under 900 people with training support.</i>	

We will also continue to address the longer-term challenges that constrain growth in Carmarthenshire including low productivity and wages, skills deficits, too few businesses scaling up and the need for investment in modern business infrastructure and premises. *We will support Carmarthenshire's economy to recover as quickly as possible to become one that is more productive than before, more equal, greener and with more sustainable communities.*

AGE WELL



SOCIAL CARE

From a social care perspective, managing the challenges that the pandemic has created has become very much business as usual over the last year. The success of the vaccination programme and the associated very high level of take up by vulnerable adults and social care staff has meant that the impact of community transmission has been very different. With the exception of one isolated incident in the summer, clusters of cases in care homes have become more routine to manage and whilst COVID-19 has still contributed to staff absence, they have returned to work much quicker on the basis that more often than not they are well enough to return to the work at the end of the isolation period. COVID-19 has therefore become something for us to manage on a proactive basis, rather than constantly needing to respond to emergency and different issues on a reactive basis. As a consequence of the above, we have had the opportunity to focus more on our core business and look at how

we develop and shape our services so that they are fit for the future.

Our biggest challenge however has come from the significant recruitment and retention issues we are experiencing both in terms of a qualified social work and non-qualified social care workforce. There are insufficient qualified social workers and non-qualified care staff in the job market to fill all of the vacancies in the county, and we are competing with neighbouring public sector agencies and independent sector

providers in the same limited workforce pool. This position is echoed nationally, and as a consequence, we have had insufficient social workers available to assess all those who need assessments as quickly as we might like as well as support vulnerable people. In addition, we have had insufficient workforce available to provide all of the care that is needed. People are therefore having to wait longer for assessment than we would like, and we are having to prioritise those most in need of support. This means that there is a significant risk that people are not getting the help they need as quickly as they need it, and we are having to effectively manage that risk to keep people safe.

HEALTHY, SAFE AND PROSPEROUS ENVIRONMENT



During lockdown people rediscovered the environment. More than ever before we have realised that our natural environment is vital for our well-being. More people used footpaths and cycleways.

As a consequence of lockdown there was an improvement in Air Quality during the year because of the reduction of road vehicle movements. The main pollutant of concern for Carmarthenshire is Nitrogen Dioxide (NO₂). Waste and recycling collections were crucial to public and environmental health during the COVID-19 crisis, and waste workers were deemed 'key workers' by the Government and continued to carry out essential services during the epidemic. The full range of waste collection services at the kerbside continued throughout the pandemic, despite some of the logistical and resource challenges brought about by COVID-19 at times; this was testimony to the commitment and determination of all the teams involved in

ensuring these important services continued. This was clearly appreciated by our residents.

We have seen an increased challenge with retaining and recruiting staff in several service areas across the department especially where certain expertise is required and this reflects the position Nationally. There are clearly opportunities arising from lessons learnt during the pandemic for us to look at re-shaping our service delivery models and ensure we continue to drive forward digital transformation to meet the increasing demands of the public.

GOVERNANCE



As a result of the COVID-19 pandemic, and new rules relaxing the requirements around the way meetings are held, Carmarthenshire's Democratic Process has changed significantly since June 2020 with all meetings currently being held virtually. This is the same for officers who are office based. As we move into 2022/23, and as COVID-19 rules allow, we anticipate moving to hybrid meetings, whereby some members will attend meetings physically and others remotely, with the public also being able to attend physically or remotely. We already have the systems in place ready for that move.

Information Technology

The Council's decision, before the pandemic, to spend £1.9m of investment in agile working initiatives, including providing staff with the right equipment to allow them to work in a more agile and flexible way, together with improvements to the resilience of the IT network, has helped support an almost seamless move to homeworking. Having the right equipment in place meant that staff could be operational from home immediately with no disruption to customers.

The use of technology, and especially the use of Microsoft Teams, has been a vital component of the Council's response to the pandemic, and is helping to support the adoption of a far more dynamic and productive way of working. It has facilitated improved communication and team working at a local, regional, and national level. It has increased productivity, reduced the amount of travel and therefore carbon emissions and increased flexibility access to information and learning.

Agile and Hybrid working, is more productive and will reduce our accommodation costs and the amount of time we spend travelling and commuting and this will go a long way in supporting our aim in becoming carbon neutral. To support our high streets and help increase footfall we are reviewing how we use our town centre buildings and plan to create spaces that our staff can use to do their work and meet with colleagues. All public sector organisations are facing similar challenges. We want to work with our public sector partners to share the facilities we all have. This approach will allow us to increase the accommodation options available to our staff whilst reducing the buildings we run ourselves. This will provide us with an opportunity to achieve better value for money from our existing or new town centre facilities. Welsh Government is encouraging an increase in multi-located working and has set a long-term ambition for 30% of the Welsh workforce to work at or closer to home. This ambition is intended to help reduce congestion and cut carbon emission.

We currently have over 40 transactional services available to the public online developed over the past 5 years and over the previous Digital Transformation Strategy 2018-2021. Over the past two years in particular, we have had to rapidly and quickly implement and develop solutions in response to the pandemic, cost of living and Ukraine. We have an ongoing programme to introduce more on-line services.

Workforce

COVID-19 continued to present challenges for our workforce during 2021. However, our employees continued to step up to deliver the best possible services, with almost a thousand employees prepared to retrain and step in and help their colleagues, doing very different jobs in a positive and highly supportive manner. Feedback from Carmarthenshire's residents has been extremely positive.

2022 will see the lifting of all restrictions and our workforce will start to see a return to a "new" normal way of working having learnt much from the pandemic. Our Transformation programme will support our workforce and continue to look at ways to improve services by reducing waste, saving money whilst at the same time helping our staff to work in smarter ways.

Staff saw changes in their personal and working lives during the pandemic and we want to use that learning to make sure we build on what has worked well, and address any challenges they might have faced, to improve their working lives.



We also want to make sure that all staff have the skills and support needed to do their jobs. This is about all our staff, whether working out of an office or working in our communities, the aim is to make working lives better.

The health and well-being of our staff continues to be a key priority for us. To support the financial well-being of our workforce, particularly as the cost-of-living crisis hit, we launched a new Staff Rewards scheme during 2021 that gives all our staff access to hundreds of offers and discounts with national and local retailers. We will continue to develop initiatives that prioritise the health and well-being of our workforce. We will also need to develop a new workforce strategy that addresses the recruitment and retention of staff in key areas as well as support the development of skills required to work in a post covid world.

INTRODUCTION TO OUR ANNUAL REPORT

This Annual Report is produced by the Council because we believe we should provide comprehensive and balanced information to the public about our services, so that they can see how we are performing and the challenges we are facing. It is also a statutory duty under the Local Government and Elections Act (Wales) 2021 and the Well-being of Future Generations Act 2015 (*See Appendix 1*).

This annual report and self-assessment addresses two legal duties:

 Well-being of Future Generations Act (Wales) 2015		Local Government and Elections Act (Wales) 2021 	
Requirement	How we meet our statutory obligations		Requirement
Demonstrate the extent to which well-being objectives are contributing to the achievement of the well-being goals	This will be outlined in the Annual Report for each Well-being Objective and outlined in Appendix 1b	Addressed in the enclosed progress report for each Well-being Objective. Starting with an assessment judgement and backed by success measure evidence and progress made, triangulating evidence to support the assessment. Identifying in case studies 'Is anyone better off'	The Act requires each council in Wales to keep under review, through self-assessment, the extent to which it is meeting the 3 ' <u>performance requirements</u> ', that is the extent to which: <ol style="list-style-type: none"> 1. It is exercising its functions effectively 2. It is using its resources economically, efficiently, and effectively 3. Its governance is effective for securing the above
Take all reasonable steps to meet their well-being objectives	We set out steps for each Well-being Objective (WBO) with targets and actions. Progress on these commitments is provided in each WBO		
Demonstrate well-being objectives are consistent with the sustainable development principle	We include a Case Study within each Well-being Objective		
		Our Annual Governance Statement will support this	Conclusions as to the extent to which the performance requirements were met during that financial year
		See summary judgements for each Well-being objective	
	Each Well-being Objective concludes with an Action Plan		Any actions to be taken, or that have already been taken, to increase the extent to which performance requirements will be met

Our Approach to self-assessment is via our Well-being Objectives

Using well-being objectives to frame the self-assessment enables the Council to integrate the reporting requirements of both the Local Government & Elections (Wales) Act and the Well-being of Future Generations (Wales) Act into a single report.

This approach provides the context within which we exercise our functions, use resources, and ensure governance is effective:

- It ensures the self-assessment is strategic, focusing on the organisation, rather than individual services and on the extent to which the Council is achieving its well-being objectives and intended outcomes.
- It allows us to reflect at a strategic level on how all our functions (including corporate activities) are contributing to the achievement of our well-being objectives, how we are operating and what action we need to take to improve further and continue to provide effective services now and for the long-term.
- Using well-being objectives as the overarching framework encourages a more holistic view of Council performance, recognising that many services 'join-up' and contribute to one or more wellbeing objective.
- We continue to manage individual service performance via Divisional and Departmental Business Plans.

Managing Performance in Carmarthenshire County Council

Our Performance Management Framework is based on a Plan/Do/Review cycle and we have strengthened it to enhance self-assessment and will develop it further to reflect the expectations of the Act and statutory guidance.

Our Performance Management Framework - 'Wedding Cake'



Improvements made during 2021/22

See *Appendix 1b* to see how our Well-being Objectives are contributing to the National Goals

We strengthened our quarterly monitoring of our Corporate Strategy with dedicated senior officer performance meetings and more integrated performance information on resources and performance

① See Well-being Objective 13 on *Better Governance and Use of Resources*.

We have also set up a *Data Insight* team to strengthen informed decision making.

To ensure our functions are effective we introduced new Engagement and Assurance Peer sessions to ensure effective support, challenge and assessment of business plans to help provide corporate oversight were introduced.

Recognise/Grow/Together

Individual officers identify how they contribute to the above and have a voice.

Governance

We have also revamped our approach to the Annual Governance Statement. In previous years we outlined what arrangements were in place but for 2021/22 we considered how well are these arrangements doing, how do we know and how can we improve?

Annual Governance Statement

GOVERNANCE ISSUES ACTION PLAN			
ISSUE REF	NEW GOVERNANCE ISSUES IDENTIFIED IN THIS YEAR'S ANNUAL GOVERNANCE STATEMENT		
	ACTION	RESPONSIBLE OFFICER	TARGET DATE
AGS 2021/22 No.1	Develop recruitment strategy and workforce plan alongside implementation of new recruitment software to ensure recruitment service can be streamlined and maintained.	People Services Manager	March 2023
AGS 2021/22 No.2	Set up governance group to oversee development of Reward and Benefit hub	People Services Manager	May/June 2022
AGS 2021/22 No. 3	Review employment safeguarding framework and develop training programme for recruiting managers	People Services Manager	March 2023

Working with Partners

Swansea Bay City Deal

The Swansea Bay City Deal is an unprecedented investment of up to £1.3 billion across a portfolio of nine headline projects and programmes delivering a total of 35 individual projects throughout the counties of Swansea, Carmarthenshire, Neath Port Talbot and Pembrokeshire.

Aligned to three themes of economic acceleration, energy and smart manufacturing, and life science and well-being, the financial year began with five of the nine business cases being approved by the Welsh Government and the UK Government - Yr Egin, Swansea City & Waterfront Digital District, Pembroke Dock Marine, Pentre Awel and Digital Infrastructure. Within nine months, the remaining four business cases were all approved – Homes as Power Stations, Supporting Innovation and Low Carbon Growth, Skills & Talent and Campuses. This represented a significant milestone for the City Deal in December 2021, with the entire portfolio reaching delivery stage, the First of the Welsh City and Growth Deals to achieve this milestone.

Progress has also been made in other areas over the year. Work has commenced on five projects and a further three have completed contractual engagements. The three regional programmes are also gathering pace with pilot schemes and funding opportunities being announced.

With the portfolio in full delivery, this has put the City Deal in a very strong position to be able to deliver the estimated £1.3 billion of investment by 2033 and create over 9000 jobs. This will provide opportunities for many existing and new regional businesses, as well as residents across the region

PARTNERIAETH

PARTNERIAETH was established following the abolition of ERW, as a regional service to support schools. This was done in partnership with Swansea and Pembrokeshire Councils. A new Joint Committee was established, and a Legal Agreement was developed to manage the work of the new entity. Core staff have been restructured to create a team of officers to support and complement school improvement activities in the three counties. A Chief Officer and Senior Management Team have been appointed to lead on partnership working and to work to meet the specific needs of the partners and the Welsh Government. Work continues to strengthen governance, monitoring and holding PARTNERIAETH to account for its contribution to school improvement in the region.

South West Wales Corporate Joint Committee (CJC)

The South West Wales Corporate Joint Committee (CJC) has been established as a regional corporate body by Welsh Ministers. Membership consists of the Executive leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea Councils, along with a member of the Brecon Beacons National Park Authority and a member of the Pembrokeshire Coast National Park Authority. The CJC will lead on 'Place' based policy interventions covering the South West Wales spatial region in the areas of the Strategic Development Plan, Regional Transport Plan and Economic well-being.

Carmarthenshire Public Services Board's (PSB)

The Carmarthenshire Public Services Board's (PSB) Well-being Assessment for Carmarthenshire was completed during the year. Collaboration took place with regional colleagues in Ceredigion and Pembrokeshire and the Regional Partnership Board throughout the year, particularly in the engagement and data analysis stages. A regional survey was developed which was live from early August to early October. The survey was available online with printed forms also available and an easy read version. It was available in other languages such as Polish, Romanian, and Arabic. [The Carmarthenshire We Want](#)

Several engagement events took place during the consultation period. A Regional Data Group was established to take a collaborative approach to the collection and analysis of local, regional, and national data to share expertise and avoid duplication. Following the engagement and data analysis stages, the draft Well-being Assessment was developed, and approved at the PSB meeting in November. The draft Assessment went out to public consultation from early December to mid-January. All feedback was considered and the PSB approved a final amended version and supporting documentation including community profiles, a Consultation and Involvement report, Data Source document and Environment and Climate Change analysis on 8 March. The final Well-being Assessment and supporting documentation will be published in May/June 2022. The PSB will now work towards publishing it's refreshed Well-being Plan by May 2023.

Consultation undertaken by the Council

The Council has a well-established method of consulting and engaging with citizens and service users. There are numerous network groups representing a range of interests from the youth forum to the ageing well network as well as fora that we engage to seek the views of those with specified protected characteristics as recognised by The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

Welsh in Education Strategic plan (WESP): The WESP consultation received over 854 responses which is a considerable increase in comparison to the last time WESP was consulted on in 2017.

A484 Sandy Road Corridor Improvements: We have consulted on a series of improvement options for the A484 Sandy Road Corridor which had been identified and assessed in line with Welsh Transport Appraisal Guidance (WelTAG). In total, 334 local residents and key stakeholders participated in the consultation.

Carmarthenshire's Future Waste Collection Strategy: We consulted with residents of Carmarthenshire to gather views on proposals for the future of household recycling collections. In total, 4,034 residents participated in the engagement which will guide our recycling strategy in future.

Page 477

Housing and Regeneration Masterplan: The purpose of this consultation was to ensure that we understand the needs, views and priorities of the public and our key stakeholders and reflect these requirements in the new Housing and Regeneration Masterplan. In total, 2,522 residents completed the consultation.

Carmarthenshire Equestrian Strategy Questionnaire: We made a commitment in the Carmarthenshire Rights of Way Improvement Plan to develop an Equestrian Strategy for the County. To inform and shape the strategy we consulted with the public, groups, clubs, organisations, local businesses and elected members on current equestrian provision in the County. The consultation generated a lot of interest from both equestrians and non-equestrians which resulted in 502 participants taking part. The information collected has helped us build a picture of equestrian demand and need in the County and to seize opportunities for equestrian development according to that need.

Carmarthenshire Assessment of Well-being: Working with the Public Services Board, we conducted an Assessment of Local Well-being. We wanted to find out about the well-being of local people and communities, at present and for the future. In total, 609 residents participated in the consultation.

Gambling Policy Review 2021: This consultation provided an opportunity for residents and key stakeholders to contribute to the review of Carmarthenshire's Gambling policy. In total, 72 responses were received which will now be utilised to maintain an effective licensing system for Carmarthenshire.

Evidence suggests that there has been an increase in participation of online consultations. Specifically, when evaluating comparable consultations. For example, the Welsh in Education strategic plan consultation in 2017 received 21 completes whilst in 2021 the consultation received 854. Additionally, a recent Housing and regeneration masterplan received 2522 completed surveys in comparison to 189 in a similar survey run in 2018. The increase in participation is attributed to the closer relationship developed with the Media and Marketing team ensuring that consultations are promoted on social media and corporate website and are sent to all key stakeholders.

Equality and Diversity

Strategic Equality Plans (SEPs) are important documents that set out how public bodies will consider the needs of groups with protected characteristics, as outlined in the Equality Act 2010. This is intended to ensure that all individuals receive just and equitable treatment in respect of service delivery and strategy/policy formulation.

During the year, we have continued to develop our Integrated Impact Assessment process, which ensures due regard and diligence when the Authority makes key decisions. This process includes our responsibilities in terms of the **Equality Act 2010** and the **Socio-economic Duty**, which came into force on 31 March 2021. The key aim of the Socio-Economic Duty is to encourage better decision making and ultimately deliver better outcomes for those who are socio-economically disadvantaged.

The duty should be used to ensure that reducing inequalities of outcome now and for future generations is a central factor in decision-making. Organisations should consider current inequalities and future trends when deciding how they can have the most impact. And organisations must be guided by the voices of socio-economically disadvantaged people in doing this.

Welsh Language (also, please see *Well-being Objective 12*)

We are continuing to implement the **Welsh Language Standards** across the Council with regular dialogue with the Welsh Language Commissioner's Officer. During the year we have undertaken targeted messaging with Council services on identifying and recording linguistic choice of service users, further to feedback from an investigation held by the Commissioner's Office. Messages about the Standards are conveyed to staff through presentations by the Policy and Involvement Team, through the communication streams maintained by Marketing and Media and through the Departmental Language Leaders.

The **Welsh Language County Strategic Forum**, which continues to be led by the Council and includes representation from the County's language promotion organisations, as well as public bodies with language officers, has also continued with its role of developing a programme of promoting the Welsh language in the County and instigated much joint planning for the implementation of the Carmarthenshire Promotion Action Plan, in line with the Promotion standards. The forum met four times and specific attention was given to apprenticeships and post-16 education, the Language in our communities, priority areas and the Local Development Plan.

DRAFT

How we measure the success of our Well-being Objectives

Success Measures

The Well-being Future Generations Act promotes a shift in focus from service productivity to all public bodies working together to progress outcomes that improves the quality of life of citizens and communities, both now and in the future. We have a suite of indicators we use to measure the success of our Well-being Objectives; a list of these measures can be seen in *Appendix 2*.

Other Assessment Information

Citizen Satisfaction

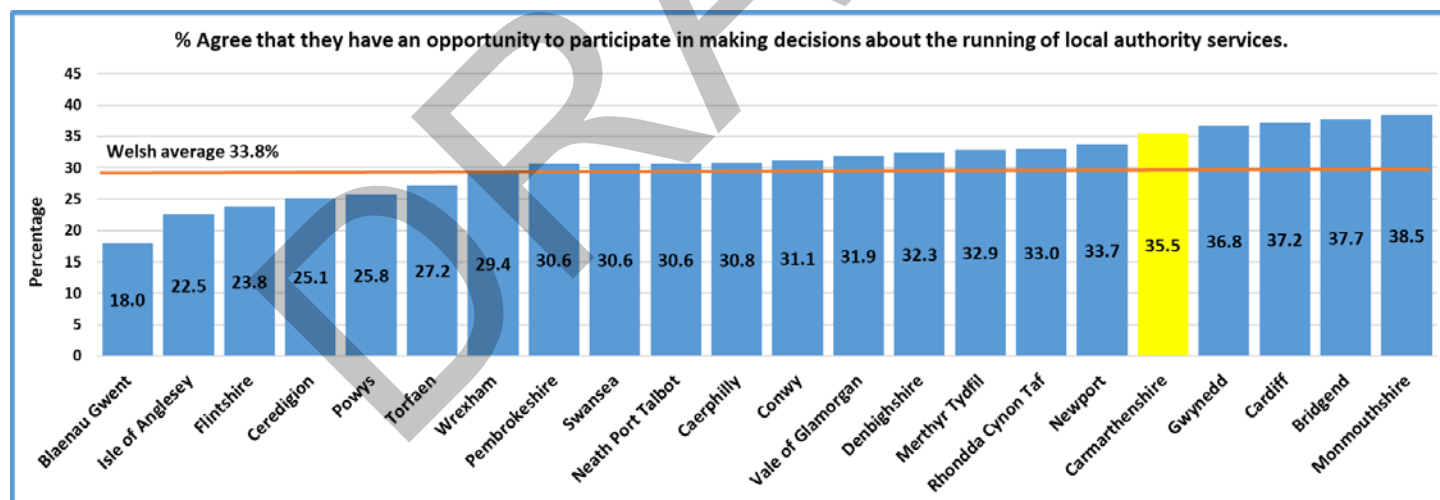


National Survey for Wales

The results of the National Survey for Wales provide a useful benchmark in terms of a sample of residents' views which can be compared across Wales. The 2021/22 headline results were published on 14th July 2022 with additional information being published by Welsh Government as and when available. This survey is based on around 12,000 telephone surveys carried out across Wales with over 500 interviewed in Carmarthenshire.

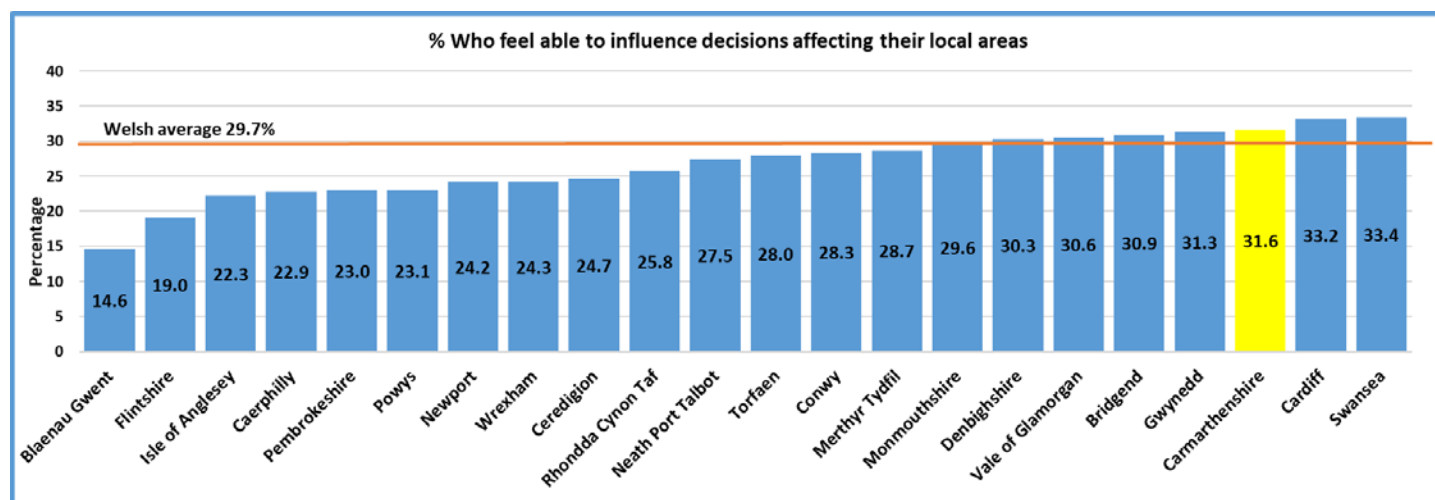
Since the start of the coronavirus (COVID-19) pandemic in 2020, the National Survey has taken place over the phone instead of face-to-face as previously. Some results from previous years are included to provide context, therefore care should be taken when making direct comparisons.

Local Authority Services



Source: National Survey for Wales 2021/22 – Sample size 12,050

When participants were asked about their opportunities to participate in making decisions about the running of their local services, more people gave a positive response than before the pandemic. **35.5% agreed in 2021/22, compared with just 9% in 2019/20**, this also increased across Wales with the Welsh average going from 17% to 33.8%



Source: National Survey for Wales 2021/22 – Sample size 12,100

When participants were asked *whether they felt able to influence decisions affecting their local areas*, more people gave a positive response than before the pandemic, with **31.6% agreeing in 2021/22, compared with just 18.8% in 2019/20**, this also increased across Wales with the Welsh average going from 18.8% to 29.7%

We have extracted the results currently available at Local Authority level and ranked the results for all 22 authorities from worst position (22nd) to best (1st) - See **Appendix 3**. Please note that not all of these results are attributable to the Councils performance



[Link to Welsh Government's National Survey for Wales](#)

Regulatory Verdict

During the year our Regulators issued a number of reports and these are listed in **Appendix 4**



<https://www.audit.wales/>



<https://www.estyn.gov.wales>



<https://careinspectorate.wales/>

This Annual Report looks at a wide range of evidence to make a self- assessment of how we are performing, and this is also an expectation of *The Local Government and Elections Act (Wales) 2021*.

Life is for living, let's start, live and age well
in a healthy, safe and prosperous environment



Well-being Objectives

1. Help to give every child the best start in life and improve their early life experiences.

2. Help children live healthy lifestyles.

3. Support and improve progress, achievement, and outcomes for all learners.

4. Tackle poverty by doing all we can to prevent it, helping people into work & improving the lives of those living in poverty.

5. Creating more jobs and growth throughout the county.

6. Increase the availability of rented and affordable homes.

7. Help people live healthy lives (tackling risky behaviour & obesity).

8. Support community cohesion, resilience, and safety.

9. Support older people to age well and maintain dignity and independence in their later.

10. Looking after the environment now and for the future.

11. Improving the highway and transport infrastructure and connectivity.

12. Promoting Welsh language and culture.

13. Better Governance and use of Resources

Cabinet Members and the Well-being Objectives

LEADER OF THE COUNCIL



Cllr. Darren Price
LEADER

WBO5 - Creating more jobs and growth throughout the county

WBO13 - Better Governance and use of Resources

CABINET MEMBER FOR HOMES



Cllr. Linda Evans
DEPUTY LEADER

WBO4 - Tackling poverty

WBO6 - Increase the availability of rented and affordable homes

WBO8 - Support community cohesion, resilience and safety

CABINET MEMBER FOR EDUCATION & WELSH LANGUAGE



Cllr. Glynog Davies

WBO1 - Help to give every child the best start in life and improve their early life experiences

WBO2 – Help children live healthy lifestyles (Childhood Obesity)

WBO3 – Support and improve progress, achievement, and outcomes for all learners

WBO12 - Promoting Welsh Language and Culture

CABINET MEMBER FOR HEALTH & SOCIAL SERVICES



Cllr. Jane Tremlett

WBO1 - Help to give every child the best start in life and improve their early life experiences

WBO7 - Help people live healthy lives (Tackling risky behaviour and adult obesity)

WBO9 - Support older people to age well and maintain dignity and independence in their later years

CABINET MEMBER FOR REGENERATION, LEISURE, CULTURE & TOURISM



Cllr. Gareth John

WBO2 – Help children live healthy lifestyles (Childhood Obesity)

WBO5 - Creating more jobs and growth throughout the county

WBO7 - Help people live healthy lives (Tackling risky behaviour and adult obesity)

WBO12 - Promoting Welsh Language and Culture

CABINET MEMBER FOR RESOURCES



Cllr. Alun Lenny

WBO13 - Better Governance and use of Resources

CABINET MEMBER FOR RURAL AFFAIRS & PLANNING POLICY



Cllr. Ann Davies

WBO5 - Creating more jobs and growth throughout the county

WBO8 - Support community cohesion, resilience and safety

WBO10 - Look after the environment now and for the future

CABINET MEMBER FOR CLIMATE CHANGE, DECARBONISATION & SUSTAINABILITY



Cllr. Aled Vaughan Owen

WBO7 - Help people live healthy lives (Tackling risky behaviour and adult obesity)

WBO8 - Support community cohesion, resilience and safety

WBO10 - Look after the environment now and for the future

CABINET MEMBER FOR ORGANISATION & WORKFORCE



Cllr. Philip Hughes

WBO5 - Creating more jobs and growth throughout the county

WBO8 - Support community cohesion, resilience and safety

WBO13 - Better Governance and use of Resources

CABINET MEMBER FOR TRANSPORT, WASTE & INFRASTRUCTURE SERVICES



Cllr. Edward Thomas

WBO10 - Look after the environment now and for the future

WBO11 - Improve the highway and transport infrastructure and connectivity

Start Well





Well-being Objective 1

Start Well - Help to give every child the best start in life and improve their early life experiences

At 167, the number of children looked after remains one of the lowest in Wales

The impact of COVID-19 has placed significant pressures on families and as a result the demand for our services has risen. This coupled with the effects of staff absence and recruitment difficulties has created increased challenges. However, despite this the pandemic has also created opportunities and more innovative ways of working in order to increase engagement with those who were previously harder to reach. The number of children looked after remains one of the lowest in Wales, and outcomes achieved by looked after children and care leavers overall has remained positive.

Why this Well-being Objective is important

- Because giving every child the best start in life is crucial to reducing inequalities across the life course
- Early intervention is key to long term health and well-being. What happens during these early years has lifelong effects on many aspects of health and well-being – from obesity, heart disease and mental health, to educational achievement and economic status
- Because Looked After Children (LAC) are more likely to have been exposed to multiple risks associated with poor long-term outcomes before entering care.



How well are we doing (and how do we know)? Sources of evidence

Success Measures / Explaining the Results

The % of children in care who had to move 3 or more times has reduced to **6.6%**



Of the 167 children looked after up to 31 March 2022, 11 children experienced 3 or more placement moves. This is a slightly higher result than last year of 4.7% with 7 of the 148 looked after children experiencing 3 or more placements. The children who experienced moves had Adverse Childhood Experiences, are less settled and have challenging and complex needs. We continued to focus on maintaining placement stability with good placement support being offered across the service to achieve this. (See Chart 1)

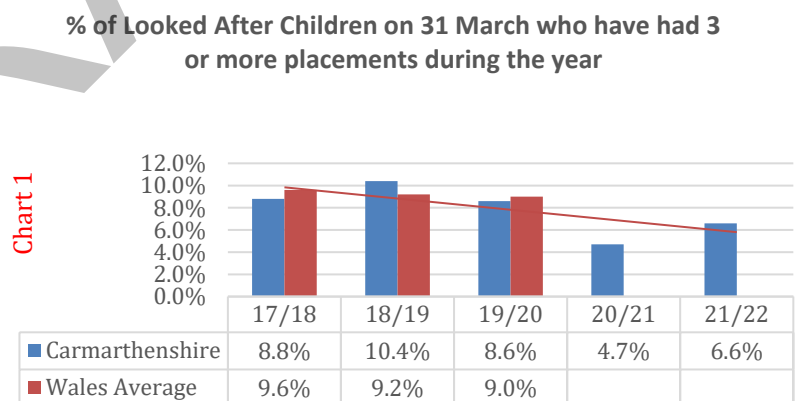
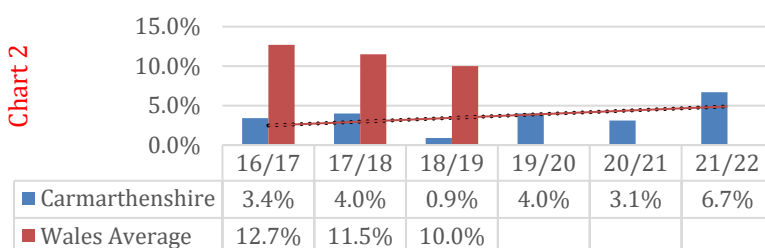


Chart 2

% of Looked After Children on 31 March who have experienced 1 or more changes of school during the year




We have continued to work hard across teams to maintain placement stability, which remains excellent despite the added effects of COVID-19. We have successfully managed to maintain the majority of looked after children within county and in the same school which is important in helping improve outcomes. Seven children (out of 105) experienced a change of school during 2021/22. The increase in number compared to last year (which was 3 out of 96) can be partly attributed to sibling groups requiring a change of school. Stability is maintained wherever possible however this is not always in the best interest of a child e.g. distance to travel or child's academic needs not being met (See Chart 2).

Our long-term aim is preventing the need for children needing to become looked after. There are robust systems in place to help achieve this including Accommodation Panel and provision of preventative services, focusing on good quality family network meetings. Early intervention working in partnership with families through care and support plans is key to achieving this.

Progress on the steps we are taking to achieve this Well-being Objective

Supporting Families

INTERNAL AUDIT	SAFEGUARDING - CHILDREN	ASSURANCE RATING						
	<p>During the year Internal Audit looked at Safeguarding referrals, to ensure that relevant policies and procedures have been established and relevant legislation is complied with.</p> <p>COMMENT</p> <p>An action plan to address identified issues was agreed and these are monitored on PIMS. a follow up review will take place in the next audit plan year.</p>	<table><tr><td>HIGH</td><td></td></tr><tr><td>ACCEPTABLE</td><td>✓</td></tr><tr><td>Low</td><td></td></tr></table>	HIGH		ACCEPTABLE	✓	Low	
HIGH								
ACCEPTABLE	✓							
Low								

- Children's services have seen significant increase in demand for services and support with the **number of contacts** to the department continuing to rise. However, it continues to perform well despite these added pressures.

Demand	2020-21	2021-22	Comment
Contacts	7644	9625	Increasing
Referrals	1854	1754	Decreasing
Total	9,498	11,379	Overall increase

- 90.2% of new assessments were completed within statutory timescales.
 - There continues to be **good evidence in assessments of the views of children and what life is like for them.**
 - As part of the assessment process social workers are speaking to both parents whether they are involved or not on a daily basis.
 - Increasingly assessments refer to the contribution that a family network meeting has made to the assessment in terms of identifying sources of support and has helped in devising a safety plan.
- The relationship-based approach to delivery of social work services to children and families incorporating systemic thinking and the principles of Signs of Safety is embedded in all childcare teams including the 0-25 disability team. Contributions from Adult Services has incorporated different perspectives about a family into pod discussions and consequent actions and plans.
- We continue to ensure regional thresholds are working effectively in respect of multi-agency child protection arrangements and in line with agreed policies and procedures that are designed to keep children safe and at the heart of practice and decision-making.
- Throughout the COVID-19 pandemic all vulnerable children have continued to receive support via the childcare teams and Corporate Parenting team to ensure they are safeguarded and able to reach their potential. Outcomes for looked after children and care leavers is also regularly monitored.
- The Flying Start App has continued to be integral in reaching families, providing key messages and links to support services, supporting engagement with families, especially those harder to reach. We have met with Welsh Government to evaluate the success of the App, especially during COVID-19, with the aim of it being rolled out to other local authorities as a tool to communicate and engage with families.
- ! The number of children on the **child protection** register increased last year – 102 (as at 31/3/22) compared to 78.
- ! The number of **children looked after** has also seen an increase this year, 167 (as at 31/3/22) compared with 148 at the same time last year. However, Carmarthenshire remains proportionately, amongst the lowest LAC population in Wales.

- Choice of available **foster carers** is something we continue to make steady progress on. We have recruited 12 new foster carers during 2021/22 which is an improvement as previously the pandemic had impacted on recruitment.
- We have continued to develop our services for **disabled children aged 0-25** since implementing the new structure during 2020/21 bringing together our statutory and non-statutory teams for children and young people.

External Regulatory Findings

REGULATORY REPORT



In November 2021, Care Inspectorate Wales (CIW) published its [Assurance Check 2021 letter on Carmarthenshire County Council](#)

In summary:

Children's Social Care Assurances

- Approachable and supportive leaders
- Culture of co-production and personal outcomes being developed with people
- Clarity in operational methodology
- Strong multi-agency cooperation
- Positive integrated approach to a culture of prevention through joint working
- Low children looked after population
- Makes a positive contribution to the well-being of people in the pandemic period

Additional Learning Needs

- The Council continues to support Welsh Government's (WG) Additional Learning Needs (ALN) Transformation programme by supporting schools and a diverse range of stakeholders to implement all transformation plans with an ongoing schedule of work that is reviewed and updated regularly to capture updates from WG.

THE NEW ADDITIONAL LEARNING NEEDS SYSTEM

The system for supporting children and young people with special educational needs and disability in Wales is changing.

From September 2021, Welsh Government has brought in a more flexible and responsive system of meeting the needs of children and young people with special educational needs or disabilities to deliver a fully inclusive education system for the learners of Wales.

Key changes include:

- The term Additional Learning Needs (ALN) will replace the terms Special Educational Needs (SEN) and Learning Difficulties and Disabilities (LDD).
- The current graduated system of Early Years/School Action, Early Years/School Action Plus and Statements is being replaced. All children and young people with an identified additional learning need (ALN) that requires additional learning provision (ALP) will have an Individual Development Plan (IDP) which will replace all other individual plans.
- There will be increased opportunities for children, young people, parents and carers to contribute to the creation and maintenance of IDPs through Person-centred Planning.

CASE STUDY

Process of admission to school:

Learner A is currently a foundation phase aged pupil attending a Carmarthenshire mainstream primary school. Prior to commencement at school, there was the need for a carefully planned transition package due to significant and severe physical and mobility needs.

Learner A was previously attending the local Ysgol Feithrin. It was apparent that Learner A was settled, progressing and thoroughly enjoying their time there. Learner A became known to the Inclusion Department via the Entry to Education system where the need for a carefully planned transition was identified. A person-centred planning meeting was arranged, where services known to the family worked in partnership with the family to plan for transition including representation from the Ysgol Feithrin, primary school, specialised health colleagues and the local authority's inclusion team. Key information was shared with all participants and the case was discussed using a clearly defined decision-making process, with Learner A being central to all discussions and decisions. It became apparent that Learner A was a sociable, confident and determined young child who would thrive within a mainstream primary setting, albeit with the correct level of support to ensure her safety and successful transition due to her complex additional needs. Following the person-centred planning meeting, the views of all attendees were captured in an Individual Development Plan (IDP) which contained the specific and achievable outcomes for Learner A along with the proposed level of provision. Carmarthenshire's Inclusion Panel then considered the IDP and agreed to issue and secure the proposed provision. Building adaptations soon followed in readiness for transition.

Progress in school? What have they achieved?

Learner A transitioned well into school. Progress is evident as Learner A feels included, all barriers have been removed and they can access all learning. Independence is encouraged whenever possible and specific support utilised, as necessary. Despite complex physical and mobility needs, Learner A has transitioned into a busy mainstream environment with her peers where she is happy, settled and progressing. Not feeling any different to all those around her thanks to a carefully planned transition and implementation of suitable inclusive provision - developed and agreed in partnership with all who know the learner best.

How did all participants, family and professionals, feel about the process?

All were extremely positive about the process. A new process to all with many commenting on the benefit of less bureaucracy. All being empowered to have an equal voice in the purposeful discussions and action planning around the learner. They felt that time was well spent and there were less barriers and 'loopholes' to overcome. Purposeful, efficient and effective.

⦿ Autistic Spectrum Disorder (ASD) Provision

The Department for Education and Children currently (21/22 academic year) has the following places across the county to facilitate specialist provision for pupils with Autism:

- Primary – 64
- Secondary - 84

! Since September 2021, there has been a significant increase in the demand for ASD provision and in the 2021/22 academic year there was a shortfall of 30 places which is an over capacity of 20%.

In recent months a significant increase in the demand for specialist ASD places for the 2022/23 academic year has been experienced by the department and the projected position for September 2022 is as follows:

- Primary – Required number of places / available - 20
- Secondary – Required number of places / available -10

There will also be a projected continued shortfall for the academic year of 23/24 of a minimum of 26 places as it currently stands which does not take into account incoming pupils and mainstream school pupils with identified needs over the 22-23 academic year.

The significant increase in demand experienced as a result of:

- Inward migration – families relocating to Carmarthenshire
- A significant increase in the number of pupils being diagnosed with the additional needs/ASD medical diagnosis which is recognised as a national trend. Health Board has increased the capacity of the neurodevelopmental team to process the backlog of ASD referrals resulting in an increase of ASD diagnosis. Across the last 3 years this has seen over a 100 children in Carmarthenshire with ASD diagnosis in our schools.
- School capacity - growth in local school population/building suitability
- Covid related disruption of well-established early identification processes
- Early identification processes re-established

The Local Authority has a legal obligation to make provision for these pupils by September 2022 and could face costly legal challenge that has the potential to cost up to £30,000 in legal fees per case. If need is not met locally this could result in the legal obligation to secure expensive out of county independent placements costing upwards of £150,000 for a given year.

Parents have already advised the Department that if specialist provision is not provided they will be taking legal action via SEN appeals processes.

- ⦿ Going forward we have been chosen as a “*pathfinder*” by Welsh Government for developing closer integration across childcare, health and early years education.

Childcare Provision

- ⦿ The 5th [Carmarthenshire Childcare Sufficiency Assessment 2022-27](#) has recently been drafted and has been forwarded to Welsh Government. It gives an overview of the childcare market and the impact of COVID-19. We consulted extensively and response rates were exceptional. Some key conclusions are:-
 - Since our last full Childcare Sufficiency Assessment (2017-2022) the number of childcare places and providers has increased and remained fairly stable despite the challenges of the COVID-19 pandemic.
 - A number of childminders have de-registered since our last Assessment and we will need to recruit, train and support prospective childminders to fill these gaps.
 - Affordability of childcare for those families that cannot access funded childcare continues to be a significant issue.
 - Childcare is acting as a barrier to certain parents’ employability and is not sufficient for some of these parents’ needs
 - The extension of the Childcare Offer for 3 and 4 year-olds (the 30 hour free childcare offer) suggests an increased demand is expected for part time registered childcare.
- ⦿ Almost a third of children are living in poverty. See Well-being Objective 4

Is anyone better off?



JULY TO SEPTEMBER 2021



OCTOBER '21 TO MARCH '22

The Welsh Government provided Carmarthenshire with £270,00 towards the Summer of Fun and £434,689 towards the Winter of Well-being to support children and families as part of their recovery from the pandemic and its restrictions and ensure that no family or child was left behind because of the pandemic. Approximately 15,000 children and young people have benefitted from these activities across the county from 0-25 years old. A significant package of support was provided to fund initiatives designed to help children, young people, families, and the services they use to recover and move forwards. Several organisations and services within Carmarthenshire received funding. These included Family Centres, Children's Centres, the Youth Service, Menter, Urdd, Actif, Pembrey Country Park and theatres where children and young people were able to access free activities that were designed to have a positive impact on their well-being. Some of the activities included holiday clubs, swimming sessions, mountain biking, horse riding lessons, soft play sessions, cookery classes, baby massage groups and outdoor play activities in rural areas. Workshops included music, writing and podcast development, along with trips to Folly Farm, soft play, trampoline park, botanical garden, and visits to see Father Christmas and Christmas shows.

Well-being and activity boxes were created and a range of state of the art sensory and IT equipment were purchased that continue to have a positive impact on children and young people.

Some of the parents and children who benefitted from the programme said:

"Just seeing my child enjoy himself, and I enjoyed being with other parents"

"It was amazing -Thank you. Just to see other parents and socialise was so good for my mental health"

"It's so cool to just play what I want"

"Can we come here every day?"



What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/Target	Owner/Resp. Officer
A	Supporting Families		
1	We will continue to transform children's social work practice through a Relationship based approach that incorporates systemic thinking and the principles of Signs of Safety. <i>(PIMS ref. 15351)</i>	March 2023	John Fleming
2	We will continue effective management oversight & challenge of Assessments & Care & Support plans to ensure they are outcome focused, evidencing the voice of the child, & reflect the underpinning principles of the Social Services & Well-being Act (SSWBA). <i>(15352)</i>	March 2023	John Fleming
3	We will review and monitor the implementation of the Corporate Parenting Strategy ensuring the council fulfils its Corporate Parenting role and that our looked after children and care leavers have the opportunity to reach their full potential. <i>(15368)</i>	March 2023	Rebecca Robertshaw
4	We will continue to develop and deliver the early intervention support services (0-25) for disadvantaged children, young people, and families across the county in line with the Family Support Strategy, utilising opportunities for integrating services across the Children and Communities Grant and flexible funding opportunities with the Housing Support Grant. <i>(15356)</i>	March 2023	Noeline Thomas
5	We will maintain the focus on increasing the range of placements to ensure placement stability and stability in education in respect of looked after children, including accommodation through the implementation of an in-house supported lodgings service. <i>(15375)</i>	March 2023	Jayne Meredith
6	We will continue to aim to reduce the number of children becoming Looked After and number of care proceedings in accordance with our LAC reduction target as agreed with Welsh Government, utilising appropriately Edge of Care (EOC), Integrated Family Support Team (IFST) and Family Intervention Team (FIT). <i>(15364)</i>	March 2023	Jayne Meredith
B	Additional Learning Needs		
1	We will continue to ensure the Council fully responds and complies with the requirements of the Additional Learning Needs transformation programme. <i>(15453)</i>	March 2023	Rebecca Williams
2	We will continue to support schools to develop their person centred planning approaches to identify need, deliver personalised additional learning provision and provide holistic integrated responses through multi-agency working. <i>(16126)</i>	March 2023	Rebecca Williams
C	Childcare Provision		
1	We will work towards addressing the gaps identified in our fifth Childcare Sufficiency Assessment (2022-27) and accompanying Action Plan and continue to promote and further develop Welsh medium childcare within the County. We will support the childcare sector to recover from the Pandemic and remain sustainable. <i>(15357)</i>	March 2023	Noeline Thomas
2	We will share the findings of the new Play Sufficiency Assessment (2022-27) with key stakeholders and partners and agree and implement the 2022/2023 Action Plan to address the gaps identified to ensure that local children and young people have access to wide and varied play opportunities and experiences. <i>(15359)</i>	March 2023	Noeline Thomas



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective



Well-being Objective 2

Start Well - Help children live healthy lifestyles

Levels of childhood obesity in Carmarthenshire are amongst the worst in Wales

The 2018/19 Child Measurement Programme data published in March 2021 shows that over 30% of children aged 4 to 5 in Carmarthenshire are overweight or obese, the 5th highest figure in Wales.

Unfortunately, the pandemic has interrupted data collection across Wales for the Public Health Wales - Child Measurement Programme. Data collection is now back on track and data will be reported for the 2021/22 academic year in April or May 2023.

Why this Well-being Objective is important

- Obesity causes ill health including diseases of the heart and circulation as well as some cancers and causes early death. There is an increased rate of Type 2 diabetes among obese children. Evidence shows that 80% of children who are obese at age 4-5 years remain obese into adulthood.
- One of the primary methods of tackling increasing levels of obesity in children is through encouraging them to engage in physical activity.
- We need to seek to build healthy relationships, families and communities. During school years, children experiencing Adverse Childhood Experiences (ACEs) may display a heightened emotional state of anxiety and consequently be distracted from educational pursuits.
- The parent and carer survey, undertaken in 2021, that supports the 2022 Play Sufficiency Assessment, found that 61% of families value play more as a result of the pandemic with discussions in focus groups highlighting the important role of play in children's physical health, mental health, and well-being. However, 64% say COVID-19 has resulted in their family playing less.
- Living healthy lives allows children to fulfil their potential and meet education aspirations.
- Habits established early in life remain with people to allow them to play a full part in the economy and society of Carmarthenshire.

How well are we doing and (how do we know)? Sources of evidence

Success Measures / Explaining the Results

30.4% of children are overweight or obese (2018/19)

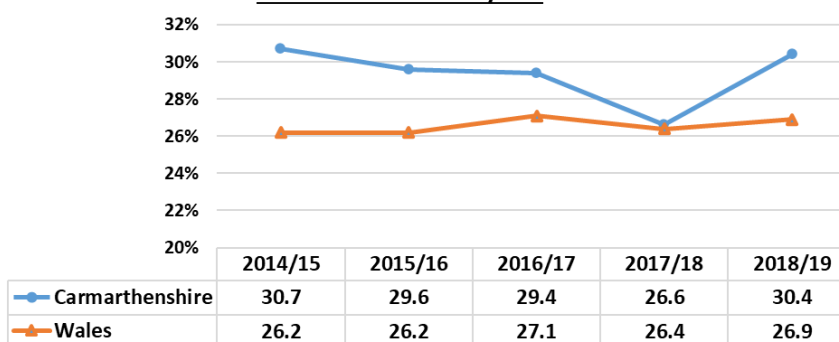
(This is an increase on the previous year of 26.6% 2017/18)



The programme of child measurements is carried out by [Public Health Wales](#) with children attending reception class in schools in Wales.

Carmarthenshire is the 5th worst county in Wales for levels of childhood obesity. The latest figures available showed a concerning spike in obesity in children, following a downward trend which had been seen since 2014/15. In 2018/19, almost a third of children aged 4 to 5 were overweight or obese. Our figure of 30.4% for this period showed a 4% rise on the previous year and was 3.5% higher than the Welsh average.

4 or 5 year olds overweight/obese trend over the last 5 years



Source: Public Health Wales

Progress on the steps we are taking to achieve this Well-being Objective

Physical Activity

- ⦿ Leisure Services successfully secured an *All Wales Play Opportunity Grant* to re-develop and enhance a fully accessible playground offer at Pembrey Country Park.
- ⦿ We are developing a *School Sport* festival to coincide with the County hosting the start of Stage 5 of the Women's Tour of Britain Cycle race on Friday, 10 June 2022 from Pembrey Country Park to the top of the Black Mountains in Llangadog. The festival will aim to bring key partners and schools together to kick-start sport and physical activity participation.
- ⦿ In the Summer of 2021, our Actif Communities Team received £50,000 through Welsh Government's *Summer of Fun grant* to deliver a sustainable programme of free activities in the 10 most deprived areas of the county. The project was made up of 2 stages
 1. the delivery of sports activities in the communities every day throughout the summer holidays
 2. recruiting volunteers from the communities to continue these activities for future school holidays.The package of support included upskilling and mentoring, multiskill and cycling equipment and marketing support. The targeted approach saw over 2,000 children and young people take part in the activities with a legacy for the future
- ⦿ In January 2022, we received £46,000 through *Welsh Government's Winter of Well-being grant* to deliver on a range of projects sustainable including Cycling, Paddleboarding, Canoeing and Outdoor Pursuits, SENSEsport, Actif Restart and Physical Literacy.
- ⦿ The Young Ambassador Scheme continues to be a success in 96% of schools across the county developing children and young people's leadership skills, confidence and providing over 50,000 participations in sport and physical activity sessions.
- ⦿ We implemented a physical activity intervention project targeting foundation phased aged pupils within 10 primary schools who are on the highest percentage of Free School Meals. The aim of the project is to develop competency within a child's physical skill level ensuring they have the confidence and motivation from a young age, for a lifelong participation in sport and physical activity.
- ⦿ Ready Set Ride project - 9 Additional Learning Needs Units within Primary Schools have received equipment, training and ongoing support from our Actif Communities Team to provide accessible inclusive opportunities for all pupils to develop confidence when on a bike and to progress from a balance bike to a pedal bike.
- ⦿ Since September 2021 the Actif Communities Team have implemented a physical activity intervention project targeting foundation phase aged pupils within 10 primary schools who are on the highest percentage of Free School Meals. The aim of the project is to develop competency within a child's physical skill level ensuring they have the confidence and motivation from a young age, for a lifelong participation in sport and physical activity.



Mental Health

- ⦿ We have been supporting Hywel Dda University Health Board's Whole School Approach to Mental Health (WSA to MH) supporting 8 schools to complete Phase 1 of the Pilot Project.
- ⦿ A Task & Finish Group has been established in order to produce an Anti-Bullying Toolkit for local schools. The toolkit will promote and support the Mental & Emotional Health of school pupils.
- ⦿ Throughout the year the Scheme has raised awareness to a number of National Mental Health Campaigns and provided schools with a set of Educational and Generic resources to support these campaigns.
- ⦿ During the year we have arranged a series of courses for school staff to address Mental Health issues amongst our learners including; Improving the Mental Health & Well-being of LGBTQ+ Children & Young People; Positive Body Image & Self Esteem; Strategies to Support an Anxious Young Person and Youth Mental Health First Aid.

Healthy Eating

- ⦿ The Healthy Schools Scheme (HSS) is used as a platform to remind schools of the current *Healthy Eating Regulations* e.g. informing schools of obvious breaches to the Statutory Regulations such as rewarding pupils with unhealthy treats and provide schools with further statutory guidance.
- ⦿ School Catering have responded well to new ways of working because of COVID-19 and have continued to provide a hot meal service in all schools. The service continues to put food safety and allergens compliance as a high priority.
- ⦿ The School Catering and Breakfast Club Service experienced significant staffing issues at times throughout the year. School kitchens were temporarily closed if not enough staff could be deployed to ensure safe operations.

Raising Awareness

- ⦿ We raised awareness of a range of campaigns during the year including National Fitness Day; Outdoor Awareness Month; Outdoor Classroom Day; Bike to School Week; Walk to School Week and Active Million Minutes Campaign; World Mental Health Day; Children's Mental Health Week; Stress Awareness Month; Anti Bullying Week; The Big Lunch; Eat Like a Champ; BNF's Healthy Eating Week; National Obesity Awareness Week and Eating disorders week.
- ⦿ In relation to the School Health Research Network Pupil Health & Well-being Survey, 11 out of the 12 Secondary Schools in Carmarthenshire registered with the Network and completed the Surveys. All 11 of these Secondary Schools also completed the School Environment Questionnaire.

Flying Start

- ⦿ **Flying start** have continued collaborative work providing a holistic approach to support families sharing ideas and resources. The *Flying Start App* has been pivotal in delivering services, sharing key messages, and providing information to families. With covid restrictions still in place **Flying Start** went out into the local community to see families over the summer. Working in partnership with Communities for Work Plus, legacy, Fusion, Activ and Carmarthenshire Libraries outdoor play sessions took place in local parks. Being able to see families face to face was really beneficial in the promotion of all services on offer, and since restrictions have now eased FS are now able to provide more face-to-face one to one support within the home or at venues (covid compliant).

Early Years Transformation Programme

- ⦿ Working with regional partners a Maternity and Early Years Strategy is being developed. It sets out how we intend to provide better integrated, more effective, and more efficient Maternity and Early Years services for thousands of families in West Wales.
- ⦿ The Cwm Gwendraeth Integrated team is now firmly established and is identifying families in need as early as possible via the Midwifery and Health Visiting service. Families are referred to the Family Support Workers for 1:1 support and are sign-posted to the various groups that are available.

LEARNING IN THE OUTDOORS

The use of outdoor spaces to enrich curriculum delivery and support the well-being of all learners continues to be a priority across all schools in Carmarthenshire. Accessing the outdoors to gain a deeper connection and understanding of their local environment provides all learners with the opportunity to become active members within their community.



Several community garden initiatives and food schemes are underway. Two Carmarthenshire Schools, Llandeilo Primary School and Ysgol Bro Banw are currently running the Welsh Government funded 'Big Bocs Bwyd' scheme. This food share model operates a 'pay as you feel' system which is available to families within the local area. An additional two schools, Ysgol Gymraeg Dewi Sant and Ysgol Trimsaran have also recently secured funding for this programme.



As a part of this programme each school provides nutritional guidance and recipe cards for families. The learners experience practical cooking sessions where they explore new recipes which they share with their families. This is an excellent method of promoting healthy eating and increasing understanding of the nutritional value of foods.

<https://gov.wales/welsh-government-funding-roll-out-award-winning-food-project-valleys-schools>

What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/Target	Owner/Resp. Officer
A	Physical activity		
1	Help children live healthy lifestyles focussing on our work with schools and young people in the community	March 2023	Ian Jones
2	To develop a new model for a County-wide residential and non-residential outdoor education offer (15073)	June 2022	Ian Jones
3	We will continue to increase the level of physical activity in schools by developing schemes such as the Carmarthenshire Outdoor Schools Project, our annual Pedometer Challenge and continue to embed the Food & Fitness Health topic within Schools. (15102)	March 2023	Louise Morgan
B	Mental Health		
1	We will continue to support schools in their implementation of the Mental & Emotional Health and Well-being Health topic including Anti-bullying strategies and healthy coping mechanisms such as mindfulness and Speaker. (15443)	March 2023	Louise Morgan
2	Continue to develop and use a range of Strategies, such as the Equity Strategy, to ensure the emotional wellbeing and mental health of all learners. (15427)	March 2023	Aeron Rees
C	Healthy Eating		
1	We shall continue to ensure that schools are abiding by the Healthy Eating in Schools (Wales) Measure 2009 and the Healthy Eating in Schools (Nutritional Standards & Requirements) (Wales) Regulations 2013. (15419)	March 2023	Louise Morgan
2	Support with reviews relating to FSM Provision and Tackling Poverty (to include School Holiday Enrichment Programme). (15382)	March 2023	Helen Bailey
D	Raise Awareness		
1	We will continue to promote and raise awareness to campaigns specific to healthy eating, physical activity and mental health and promote the School Health Research Network. (15443)	March 2023	Louise Morgan



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective



Well-being Objective 3

Start Well - Support and improve progress, achievement, and outcomes for all learners

Despite the extreme challenges presented by the COVID-19 pandemic we have worked effectively as one Education and Children's Services team to ensure that our children and young people were successfully supported to access their education and all the services they required to ensure achievement and outcomes remained positive.

Why this Well-being Objective is important

- ⦿ We want all of our children and young people to have the best possible start in life by supporting them to gain the skills and knowledge they need to lead happy, healthy, fulfilling lives.
- ⦿ We want to improve outcomes for all ages through lifelong learning, to enable them to thrive in 21st Century living and the world of work.
- ⦿ Research by *The Institute of Education* suggests that attending a good pre-school and primary school can have more impact on children's academic progress than their gender or family background (Taggart, 2015).
- ⦿ Our service remains committed to both the principles and priorities as outlined in the Welsh Government's most recent strategic document [Education in Wales: Our National Mission](#).
- ⦿ Reducing the number of NEET young people reduces the effects of poverty and the wider cost to society of support services, reliance on benefits and offending.
- ⦿ It is essential to maximise the life opportunities of children, ensuring that as many young people as possible are able to progress to school 6th forms, Further Education Colleges, apprenticeships, training provision or work.
- ⦿ It enables young people to contribute positively to their local communities.



How well are we doing (and how do we know)? ⓘ Sources of evidence

Success Measures / Explaining the Results

367.2 is the average score (best 9 exam results) for Year 11 pupils 2019/20 (2018/19 Academic Year)



6th highest in Wales
Source: StatsWales



93.9% Attendance at Primary Schools

93.5% Attendance at Secondary Schools
Source: StatsWales

95%

are satisfied with their child's primary school

(Up on the previous year of 84%)

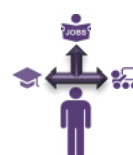
89% in Wales

Source: National Survey for Wales



1.1% year 11 pupils & **2.7%** year 13 pupils are Not in Education, Employment or Training (NEET)

(Previous year - Yr 11: **1.8%** & Yr 13: **3.5%**)



- ⦿ No results for the **Education Attainment or Attendance rates** have been published since 2019/20 (2018/19 Academic Year) due to the COVID-19 pandemic, as students were unable to sit final exams. Instead, their grades reflect predicted results based on coursework and mock examination results. Results by County were not published and would not be comparable to previous years if known. Summer exams 2022 are due to go ahead as scheduled.
- ⦿ **95%** are **satisfied with their child's Primary School** according to the most recently available National Survey for Wales data (2019/20).
- ⦿ The % of Year 11 and Year 13 pupils that are Not in Education, Employment or Training (NEET) have improved in the last year. With Year 11 pupils reducing from 1.8% (32/1,181) to 1.1% (21/1,885) and Year 13 reducing from 3.5% (23/652) to 2.7% (18/678). Work continues to address leavers not in education, employment or training with a particular focus on projects previously funded by the EU. The

Youth Support Service have staff identified to support young people in all secondary schools and in Post 16 community outreach settings. Work continues to identify replacement funding for ESF projects and we are liaising closely with Welsh Government on this matter.

Progress on the steps we are taking to achieve this Well-being Objective

Improvement in pupil and young people progress, wellbeing and outcomes

- Because of the COVID-19 pandemic, the 2020-21 academic year's assessment and qualification process has been different to previous years with summer examinations cancelled. Instead, a new system was designed and delivered by schools and colleges based on a range of assessment evidence on which to determine a learner's grade. Final results show that over a quarter (28.7%) of GCSE students earned A*-A grades nationally. Almost three quarters (73.6%) received A*-C grades, and overall 98.5% of students passed their GCSEs with grades of A*-G. Welsh Government did not publish local authority level results, as these could not be compared to previous years, and instructed local authorities not to aggregate schools data to county level. Summer 2021-22 exams are due to go ahead as scheduled.
- At A Level, a total of 99.1% of A level students in Wales achieved A* - E grades and 21.3% of learners receiving an A* grade. At AS level, 37.1% of all grades awarded were A in Wales this year, with 96.7% of candidates achieving A - E grades.

Address low School Attendance

- Due to the pandemic, annual school attendance data for academic year 2020-21 was not collected or published.

An excellent school in the right place

- Carmarthenshire, Pembrokeshire and Swansea Councils have formed a formal partnership, 'Partneriaeth', to deliver services to schools in the new region. There is a new Legal Agreement which outlines the role of the new Consortium, how the budget and business plan are to be developed and governance arrangements. The new Staffing Structure as agreed by the Joint Committee has been completed and a Lead Officer appointed. Initially the consortium will focus on delivery of high-quality professional development to support curriculum reform and leadership. The work of the consortium is informed and monitored by regular meetings between key Local Authority and Partneriaeth (LA&P) officers. There are clearly defined roles and responsibilities between LA&P and who is best placed to lead on an initiative is identified. There is a new website and regular communication with schools. Early indications are that the new provision is far more focused and responsive to local needs.
- We are currently undertaking a review of our Modernising Education Programme. However the current agreed programme continues and we have recently completed projects at [Ysgol Rhys Prichard](#), [Ysgol Pum Heol](#) and [Ysgol Llangadog](#) with on-site progress at Ysgol y Castell and Ysgol Gorslas. Work on [Ysgol Pembrey](#) has commenced in January 2022.
- Construction costs are experiencing an unprecedented spike and it is causing a significant challenge to the deliverability of the Modernising Education Programme with schemes on site and in development.
- The Environment Department have already been engaged and worked up schemes across five school sites:
 - Burry Port Community School (Primary)
 - Y Bedol CP School (Primary)
 - Ysgol Heol Goffa (Special)
 - Llangennech CP School (Primary)
 - Ysgol Glanymor (Secondary)

The total budget cost to carry out these urgent works for September 2022 is £1.76 million. Given that the budget costs are significant a virement approval is necessary.

Workforce development and succession planning

- Educational support advisers work routinely alongside our headteachers, their senior leadership teams, teaching and support staff, ensuring that they have a robust understanding of the strengths of their schools and the areas in need of further focus or development. Support provided is tailored to the needs of the school and we ensure additional capacity for all schools requiring more regular input. The team monitors progress alongside senior leaders, ensuring suitable support; this has become increasingly possible as COVID-19 restrictions have eased.

- ⦿ The department's collegiate approach to school improvement, as well as the strategic focus group approach has ensured a more efficient use of time and an improved focus on the challenges that schools are addressing, informing the services' professional learning programme. The work of the department has been updated this term, aligning to the Education and Children's Services 10-year plan and to the outcomes of the headteachers' survey and the headteacher Well-being Charter consultations. In addition, the department remains focussed on inspiring leaders for the future, succession planning and upskilling through a comprehensive professional development programme which complements nationally delivered strategies. This programme is well underway however additional marketing of this opportunity is still needed in order to attract further participants.
- ⦿ Revised recruitment processes are robust and more accurately assess candidates' competencies, skills and experiences. These expectations are explicitly shared through our development programme and this has been valued by our participating heads of the future.
- ⦿ Feedback from the updated approach to supporting school governors is extremely positive. Regular online meetings are valued and are enhancing leadership and governance skills across a range of strategic, operational and COVID-19 related matters.
- ⦿ Leaders have responded robustly to requests from schools to address staff wellbeing and constructed a wellbeing charter tackling workload and work life balance of our education workforce. Related actions underpin departmental business planning.
- ! Due to the fall out of the pandemic there is a national shortage of teachers.

The development of Welsh in all our services

- ⦿ Following public consultation held in Autumn 2021 we have produced a revised Welsh in Education Strategic Plan (WESP). This has been submitted to Welsh Government for approval. The WESP will become operational from 1 September 2022.
- ⦿ We are increasing the number of teachers and support staff who can confidently teach through the medium of Welsh. Training courses across all linguistic levels as well as for Gloywi Iaith are offered to all schools. A language audit gives detailed information for school staff language levels and so can be targeted for specific language courses. On-line courses and language learning coupled with Pedagogy in the Foundation Phase, are proving to be a positive way of implementing Welsh language learning.

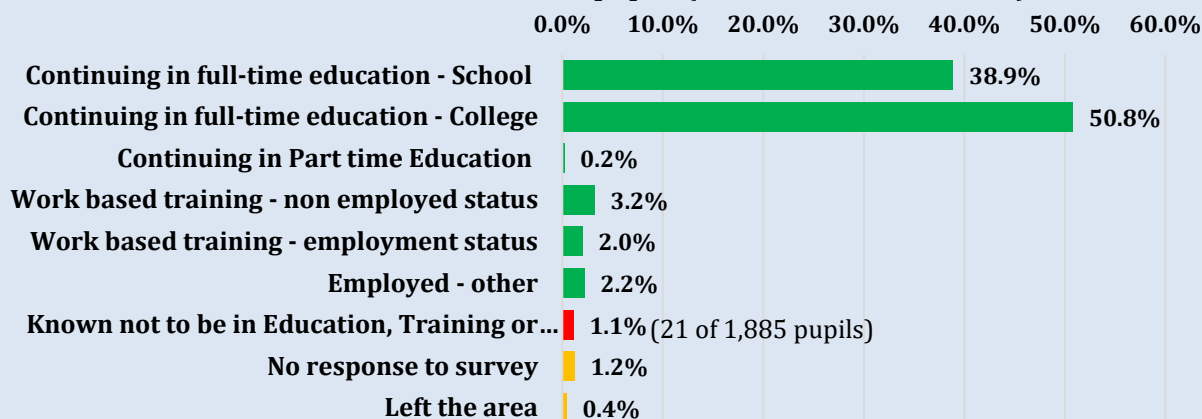
Focus on skills demands and employability to ensure that local and regional demands are met

- ⦿ We have continued engaging with partners and stakeholders over the design of the new curriculum. We are undertaking a project on the theme of 'Decolonising the Curriculum' in partnership with Swansea University's Dr Kirsti Bohata who is head of the National Centre for Writing on Wales in English (CREW). This project is focussing on different aspects of Carmarthenshire Learners' experience of and understanding of concepts including 'identity' and 'over-population' in relation to the notion of decolonisation. Schools will provide their feedback during the summer term. We liaised with the Regional Learning and Skills Partnership which are producing their skills barometer in February 2022, with a view to working with schools to identify how we can develop pathways and courses that meet the skills and competences required by the 8 Regional industry and business development areas. With the publication of the Skills Barometer we have begun our own scoping exercise of the pathways and experiences offered in our schools and supported by us through an [online survey](#) and face to face discussions. We will formulate a plan emanating from this.

Youth Engagement and Progression Framework

- ⦿ The Youth Engagement and Progressions Framework continues to be implemented in line with Welsh Government Guidance, which contributes to improved service outcomes in terms of more effectively engaging those children and young people that are NEET. Of the outcomes known to us, 98.9% of pupils remained in education, employment or training.

Destination data for Carmarthenshire Y11 pupils (Academic Year 2020-21)

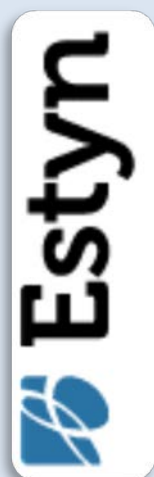


European Social Fund projects

- ⊙ We continue to explore alternative funding sources to replace European Social Funded projects, developing funding bids. The Chair of the Education and Children Scrutiny Committee wrote to Welsh Government to raise concerns about the delivery of NEET work into the future. Welsh Government responded that they are still awaiting the UK Government's plans to replace EU funding.

REGULATORY REPORT

Assurance and Risk Assessment – Emerging Risks and Next Steps (3 February 2022)



Assurances:

- Leaders have a good understanding of issues in the authority including around schools causing concern.
- Leaders maintained the good communication between departments throughout the pandemic to ensure that support for schools and other providers was available quickly.
- A substantial number of primary schools have been removed from Estyn Review.
- Pre-inspection reports show that the authority generally knows its schools well.
- Local Authority is proactive in increasing Welsh medium provision in the primary sector.
- Local Authority officers appear to have suitable plans in place to deal with the issues regarding leadership of smaller schools, for example by federating or merging them.
- The authority has supported schools and providers to understand and embed the new Additional Learning Needs Act.
- Effective scrutiny arrangements.

Concerns:

- There are a very few primary schools in a statutory category.
- With the local authority leaving ERW, there is uncertainty over some arrangements with Partneriaeth.
- Recruiting headteachers to lead a few primary schools is causing concern.
- Although overall, the number of pupils who did not progress from year 10 to 11 in Carmarthenshire is slightly below the national average for the last two years, the rates of pupils who cannot be matched to a destination are high in a minority of schools over the last two years.
- Budget balances in schools

SCRUTINY COMMITTEE TASK AND FINISH GROUP REPORT



A review of the current provision for early years education, childcare and play opportunities. The report outlines 20 recommendations. At Cabinet on the 31 January 2022 the recommendations of the Education and Children's Scrutiny Committee's Task and Finish Group to review Carmarthenshire's Education Admissions Policy was approved.

Sustainable School Gardens

School gardens and community connections are also gaining momentum across Carmarthenshire. An excellent example of working with the wider community and connecting with organisations such as Incredible Edibles has been witnessed at Ysgol Pembrey. The school has developed a productive and sustainable garden which includes numerous raised beds and a well-stocked polytunnel. The success of the garden is a result of all learners taking part in the planting, watering and weeding. A whole school programme of maintenance and management with delicious produce made available for the local community.



Ysgol Bro Dinefwr has established an impressive outdoor learning space. The school has a multi-purpose outdoor learning area to facilitate hands-on learning and enable delivery of the Curriculum for Wales. They have worked closely with organisations, local businesses and charities on a number of projects including a large outdoor learning area, an outdoor performance area and a peace garden.

Angharad, Year 13 pupil, *"I think, especially in light of the growing environmental movement that our age group has been so involved in, it's really nice to have something where we have a real sense of urgency, and we can be involved on lots of different levels."*



Cerys, Year 12, *"It's a matter of our lives now. I think it should be important to everyone, and this is why we've started the outdoor learning area, so that we can protect the environment and try and combat climate change."*

Chloe, Year 9, *"This whole garden, it's supposed to focus on the environment and appreciating the world around us and I think it brings that back home to pupils in the school - because to have this area where it's full of natural beauty, it makes us appreciate what we've got here."*



Ysgolion Awyr Agored
Sir Gaerfyrddin
Carmarthenshire
Outdoor Schools

[Climate change: Carmarthenshire school's zero-carbon secondary bid - BBC News](#)



Carmarthenshire Outdoor Schools

The Carmarthenshire Outdoor Schools Network (CODS) launched its programme for 2022-23 in late March as a part of Outdoor Learning Week, Wales. The CODS programme offers all Carmarthenshire schools the opportunity to share good practice, resources and work collaboratively. A professional dialogue to ensure all schools are supported and confident to develop purposeful learning in the outdoors. The aim of the network is to offer opportunities for all learners to appreciate and connect with nature and become ethical and informed citizens of today and the future. A group of six Carmarthenshire schools are currently working in strong partnership with Natural Resources Wales and the Brechfa Windfarm Company. All six schools visit the Brechfa Forest site each term. As a result of this project the schools are currently developing a range of curriculum resources which will be available in September 2022.

Climate Action Consultation Group

The Climate Action Consultation Group was launched in November 2021 during the week of COP26. The group was formed to action an eight-point Climate Action Manifesto which was developed as part of the global citizenship programme, Walk the Global Walk. The Climate Action Manifesto was approved unanimously by the full Executive Board in October 2021. A formal consultation meeting takes place each term which offers an opportunity for the group, invited guests, local councillors and council officers to discuss issues relating to climate change and implement their manifesto's recommendations. The consultation group meetings are chaired by the students and ensures their thoughts and concerns on climate issues are shared across a broad platform. At the last meeting students met with Deputy Minister for Climate Change Lee Waters to highlight how we can reduce the use of single use plastics. Future discussions will include reducing food waste in schools, climate change gardening and sustainable school transport initiatives. [News Article](#)

What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/Target	Owner/Resp. Officer
A	Improvement in pupil and young people progress, wellbeing and outcomes (Abbrev.)		
1	Considering the impact of COVID 19, we will support our schools to ensure the wellbeing and progress of all learners, including those who are vulnerable, eligible for free school meals or looked after. (15459)	March 2023	Elin Forsyth
2	We will base a new suite of measures based on the on the new WG measures when published. (15415)	March 2023	tbc
B	Address low School Attendance		
1	Improve attendance reporting systems to enable challenge to schools. (16127)	March 2023	Allan Carter
C	An excellent school in the right place		
1	We will review the MEP, bearing in mind COVID-19 implications, and initiate a new programme. (14998)	March 2023	Sara Griffiths
D	Workforce development and succession planning		
1	We will ensure greater headteacher engagement in collaborating on our strategic development and review of progress. (16128)	March 2023	Elin Forsyth
2	Further strengthen our approach to developing the 'self-improving' school, facilitating collaboration and sharing effective practice, basing our approach on the principles of a school as a learning organisation. (16129)	March 2023	Elin Forsyth
3	Develop a new recruitment drive with assistance from HR and Communications colleagues in order to attract more applicants for the current vacancies, this will form a key part of the new Workforce Strategy being developed for the Council. (16130)	March 2023	Elin Forsyth
E	The development of Welsh in all our services		
1	Endeavour to implement a purposeful and robust 10 year WESP for all stakeholders. (15434)	March 2023	Catrin Griffiths
2	We will work with the County's schools to move them along the Welsh language continuum and also ensure that individual pupils within relevant schools are provided with opportunities to continue with their Welsh medium education throughout all key stages. (15433)	March 2023	Catrin Griffiths
3	We will increase the number of teachers and support staff who can confidently teach through the medium of Welsh. (15032)	March 2023	Catrin Griffiths
F	Focus on skills demands and employability to ensure that local and regional demands are met		
1	We will continue with the design of the Carmarthenshire Curriculum in partnership with schools and other providers, framed within the national context. We will pursue opportunities to link corporate and economic strategy with the design of the new curriculum (15424)	March 2023	Aeron Rees
2	We will dovetail local opportunities for curriculum enrichment and extension with the national architecture with a view towards developing a Carmarthenshire Learner Offer. (15425)	March 2023	Aeron Rees
G	Youth Engagement and Progression Framework		
1	We will continue to use the Youth Engagement and Progression Framework and the Vulnerability Assessment Profile as a means of effectively engaging those children and young people that are NEET/at risk of NEET. (15408)	March 2023	Gill Adams
H	European Social Fund projects		
1	We will ensure continuation of planning and delivery of the local elements of the European Social Fund (ESF) projects. (15441)	March 2023	Gill Adams



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective

Live Well



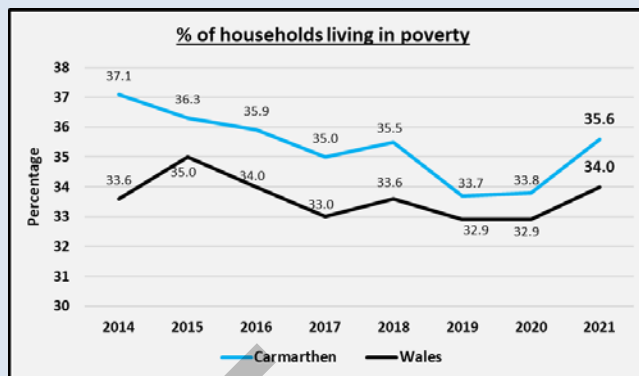


Well-being Objective 4

Live Well - Tackle poverty by doing all we can to prevent it, helping people into work and improving the lives of those living in poverty

The number of households in Carmarthenshire living in poverty has increased

During 2021, **29,444** households in Carmarthenshire were classed as living in poverty, this is an increase on the previous year of 27,691.
In work poverty is an increasingly common problem.



Poverty is defined as when a "household income is less than 60% of the GB median income" (in 2021 less than £19,642)

Why this Well-being Objective is important

- Poverty and deprivation have serious detrimental effects, impacting across all aspects of well-being.
- It limits the opportunities and prospects for children and young people and damages the quality of life for all. The UN report [Leaving no one behind](#) outlines the imperative of inclusive development.
- Poverty is too often an intergenerational experience which poses a significant threat to experiencing positive well-being both now, and in the future.
- Carmarthenshire has 5 areas within the most deprived Lower Super Output Areas (LSOA) in Wales (there are 191 in this category - that is within the 10% most deprived). [Welsh Index of Multiple Deprivation \(WIMD 2019\) - Stats Wales](#)
- Carmarthenshire is now seeing its highest levels of child poverty in recent years (31.3%), which is a similar pattern across Wales. [UK Government Children in low income families \(March 2021\)](#)



How well are we doing (and how do we know)? ① Sources of evidence

Success Measures / Explaining the Results

35.6% of households are living in poverty



Previously 34% (2020)
Source: CACI Paycheck

50.5% of households threatened with homelessness were successfully prevented from becoming homeless
Previous year 46.4%



17.9% gap in the results of pupils receiving Free School Meals and those who don't (2019/20)
(19.7% gap in the previous year – 2018/19)

Source: Stats Wales



12% of households are living in material deprivation (2021/22)
Reduced from previous year 11.3% (2019/20)

Source: National Survey for Wales

Households Living in Poverty

- Well over a third (35.6% or 29,444) of our households are living in poverty which is a concern and has increased in the last year, this is the 8th highest % in Wales and above the Welsh average of 34%. 24 wards exhibit rates higher than the Carmarthenshire average, suggesting that the effects of poverty are not felt equally across the county. As food prices, energy bills and general costs continue to rise across the UK it is becoming harder for households to stay above the poverty line. Wages are not rising to meet the extra costs. This means that more working households are experiencing poverty. This has been compounded by the impact of Covid on job losses particularly in the tourism and hospitality sector. The effects of the pandemic were not felt equally by all, evidence suggested that the effects are felt disproportionately by the younger generation and those from low-income households.

Child Poverty

- 30.6% of children in Wales are living in poverty, an increase of 1.6% over the last five years. The figures for Carmarthenshire show a 2% increase over the same time period, with 31.3% of children living in poverty.
- This is the 10th highest level of all local authorities in Wales and the joint fifth highest rate of change over the last five years.
- At a Wales level, the largest proportion of children living in poverty live in workless households. However, more concerning is the increasing rate at which children living in working households are living in poverty.
- At a Wales level 17% of children in poverty live in households where all adults are in work, an increase of 5% from 12% over the last ten years.

Homelessness Prevention

- As a result of reviewing operational practices (listed below), we have adopted a new approach to withdrawn cases, better reflecting the positive outcomes for applicants. We have ensured that staff are reminded of the appropriate sections to end our duties, so we can better capture this successful preventative work we are achieving. Development of a Power Business Intelligence (BI) Dashboard will allow us to better manage and analyse cases within each duty. The impact of applying our new way of working during the year shows an improvement from stand-alone Quarter 1 performance of 43.16% to 52.73% in the last quarter of the year, this giving a cumulative annual result of 50.5%. Steps we have taken include:
 - Reviewing our first point of contact service and developing a Housing Hwb to provide early homelessness prevention advice and assistance.
 - Analysing who presents to us, from where and why, in order to identify what support we need to provide and what training staff may need to be competent and comfortable with responding to challenging people and cases.
 - Reviewing our practices to ensure resources are in the right place to respond to the increased casework.
 - Reviewing how we utilise the existing legislation and allocations policy to help prevent homelessness as quickly as we can, looking to other councils for best practice.
 - Further develop and automate the Power Business Intelligence Dashboard to enable team leaders to regularly monitor performance.
 - Continue to monitor and ensure staff utilise the appropriate duty for prevention.

Gap in exam results for pupils receiving Free School Meals and those who do not

- The gap between exam results for pupils receiving Free School Meals (FSM) and those who don't (Non-FSM) has reduced by 1.8 percentage points but remains the 7th smallest gap in Wales.
The most recent data available for this measure is 2019/20 (2018/2019 Academic Year)
- Free school meal eligibility has increased markedly in Carmarthenshire over the last five years from 16% in academic years 2016/17 to 20% in academic years 2020/21. The largest increase of 3% was seen between 2019/20 and 2020/21. This is 1% above the average for South West and Mid Wales and 1% lower than the Welsh average.

Living in material deprivation

- The 2021/22 National Survey for Wales showed that **12%** of participating households in Carmarthenshire were classed as **living in material deprivation***, this is above the Welsh average of 11.3% and an increase on the previous result of 11.3%.
**Material deprivation refers to the inability for individuals or households to afford those consumption goods and activities that are typical in a society at a given point in time, irrespective of people's preferences with respect to these items.*
- Five of Carmarthenshire's LSOAs are identified as being in the top 10% most deprived in Wales and rank highly in a number of the domains most closely related to poverty, namely; income, employment, health, education and housing. These areas are; Tyisha 2, Glan-y-môr 4, Bigyn 4, Tyisha 3, Llwynhendy 3.
- Since 2011 the number of areas in Carmarthenshire included in the 30% most deprived in Wales has increased by 25% which further corroborates the increasing poverty rates evident in the county.
- A more detailed analysis of the 2019 WIMD data for Carmarthenshire can be accessed [here](#).

Progress on the steps we are taking to achieve this Well-being Objective

Review of our approach to Tackling Poverty

- ⦿ Work on developing the Council's *tackling poverty plan* has progressed with a number of cross-service sessions held to improve alignment and understanding of support services the Council currently provides. This has led to greater cross-service understanding and collaboration and identification of areas for further development in terms of a holistic Council response whilst also working with a range of external partners.
- ⦿ This will be a key priority for the Council moving forward with further development of cross-service working in order to streamline access to support services and targeting of specific interventions and campaigns based on identified need within the county.

Preventing poverty

- ⦿ We have continued to develop and deliver early intervention support services (0-25) for disadvantaged children, young people and families. Families First (FF) projects have been providing a broad range of support to families/young people in a variety of locations including schools, office/community basis and families' homes as well as continuing to provide support virtually:
 - 6792 individuals supported from the FF programme, of which 4876 (72%) were new individuals.
 - 3569 families supported from the FF programme, of which 2683 (75%) were new families (as a result of working with people on a one-to-one basis)
- ⦿ During the year we have trialled the development of a Hwb Advisor model working through the Council's Customer Service and Contact Centres. We will be looking to further develop and enhance this provision as we aim to work towards providing a holistic support service across all Council services. The Hwb in Ammanford, Carmarthen and Llanelli offer pre-booked appointments and drop-in advice to an average 8,000 residents per month, as well as providing advice and access to training and employment support. For tackling poverty since May 2021 when the staff were appointed, we have helped and advised a total of 528 cases.
- ⦿ 'The Council's website has been updated to provide a range of information and advice to residents as part of the national [Claim What's Yours](#) campaign. The content aims to make it easier for residents to know what support is available with an option to self-refer for further advice. This will form part of future campaigns to raise awareness of support and advice available.



The Ombudsman published his first ever own initiative investigation into homelessness review processes in Wales [Homelessness Reviewed: An Open door to positive change](#). We were one of three councils in the sample report. The review identified some concerns and examples of good practice.

- ⦿ An action plan response to the Ombudsman's recommendations for improvement has been prepared and will be implemented as part of further development within the service.
- ⦿ The Front of House '*Housing Hwb*' has been implemented and new priorities have been identified around Homeless Prevention as part of the Housing Support Programme Strategy which replaces the Homelessness Strategy.
- ⦿ As an employer we are committed to guaranteeing the equivalent of the 'real living wage' and our lowest paid employees continue to receive the equivalent of the Real Living Wage which is currently £9.90 per hour. We have achieved this via the payment of a supplement – the Real Living Wage Supplement. This means that all employees, regardless of whether they are over the statutory age of 25, are paid at a minimum of the voluntary Real Living wage rate. We also pay supplements for weekend working (8%) and term only working (4%) which increase the pay of mainly lower paid employees. This means that, with the above-mentioned supplements, many of our lower graded posts now attract a total remuneration higher than the Real Living Wage of £9.90 per hour.

Helping people into work

- ⦿ The number of adults receiving support through Communities 4 Work Programmes during 2021/22 is back to pre-COVID figures with over 1,000 adults receiving either employability or digital inclusion support. All (100%) of the participating adults felt more positive with improved confidence about seeking work or more confident in using a computer and gained IT skills.
- ⦿ 271 accredited qualifications were achieved by residents attending Employment related courses within the Communities 4 Work programmes during 2021/22.

Improving the lives of those living in poverty

PRE-TENANCY SUPPORT

- ⦿ For the financial year April 2021/2022, we have **supported 438 new tenants** (helping with **£200k+ supported savings**). This is higher than the previous year due to the Covid restrictions that were in place for 2020/21.
 - Pre-Tenancy Team Staff helped with income maximisation and completing several different benefit applications that financially impacted the tenants.
 - We are trusted partners to apply for grants for white goods, off grid fuel and Emergency Assistance Payments.
 - We issue Foodbank vouchers and make referrals as required for more complex cases.
- ⦿ Pre-Tenancy support has been expanded into the Private Rented Sector (PRS) and we have also supported 103 new tenancies in the PRS, through Housing Support Grant funding. Our PRS Pre-Tenancy Officer now sits in the 3 main Job Centre Offices, taking referrals for anyone making a claim for Universal Credit and have housing costs in the PRS.
- ⦿ We are also in the process of re-starting our Pre-Tenancy training courses now that COVID-19 restrictions are being relaxed. As well as this, we are working in partnership with other teams such as Pre-Tenancy training for foster cares and their placements.

SUPPORTING FAMILIES TO CLAIM ALL THE FINANCIAL SUPPORT THEY ARE ENTITLED TO

- ⦿ Since November 2021 we have administered the winter fuel support scheme and processed 9,480 cases and paid out £3,409,200.
- ⦿ We have paid out £397,584 of discretionary housing payments and up to mid-March received 10,754 self-isolation support payments applications and paid out over £4 million.
- ⦿ We are processing the cost-of-living payments to approximately 63,000 Carmarthenshire households with the value of around £9.5 million to support residents of Carmarthenshire during these challenging times.
- ⦿ Whilst processing claims and dealing with customer enquires housing benefit staff are often able to identify if people need to be referred for more detailed benefit maximisation advice, personal budgeting or debt advice. They will refer individuals for support or signpost to grants and benefits.
- ⦿ We have established a dedicated Transforming Tyisha Team to lead on specific activity to support community and physical development in Tyisha, which is the most deprived Ward in the County.
 - An ambitious masterplan to transform the area will deliver new mixed-use housing developments, develop more community facilities, and bring vacant business premises back into use; improve the environment and tackle crime and anti-social behaviour; and provide opportunities for education, training, and employment.
 - Four flats have been demolished to clear a site for development; expressions of interest have been submitted by prospective development partners; and a feasibility study is being prepared on a potential community hub.



Audit Wales are currently conducting a National Review on 'Are local authorities doing all they can to help tackle and alleviate poverty?'. The report is due to be published in July 2022. We will take stock of the findings and ensure we embed any relevant recommendation into our tackling poverty plan.

Pre-Tenancy Support to JG

- JG was presented to us in March 2021. He had been kicked out by his family due to his antisocial behaviour and his family no longer felt able to cope. JG was subsequently placed into the care of the local authority and at the time of the referral he was neither in Education or Training, therefore being classed as NEET.
- Within three months of presenting as homeless, JG had been referred to Pre-tenancy with the intention of being placed in a training house. The Pre-Tenancy officer accommodated JG's wish not to complete the course as part of a larger group due to his anxiety and it was completed on a one-to-one basis.
- Before allocating JG a place in the training flat, we took the necessary steps to ensure that the current resident met JG prior to moving in. JG then became a resident at the property in August 2021. During his time at the property, JG completed several models of training undertaken with his Youth Support Worker. This training is aimed at providing the necessary skills required to sustain a successful tenancy.
- As a result of early intervention and by providing the right support at the right time, JG has now not only secured employment but is currently successfully maintaining a tenancy out of county. As well as success on a housing level, he also now has a long term and supportive partner.
- The training that was provided by Youth Support Services and support from the Housing Officers has allowed JG to flourish into an amazing young man who is working and living independently

Hwb advisor help to Mrs H

- Mrs H called into a Hwb as she had received a summons for her council tax, as I was talking to her, I could see that there were other financial difficulties there, I offered my service as a Hwb advisor and she agreed.
- She was a single parent of 3 and a homeowner. Her only income was ESA, Industrial injuries, PIP (lower rate) and child benefit, struggling with day-to-day bills and school dinners. She had applied for Free School meals but had been turned down.
- We helped-
 1. Issued with a council tax reduction form and to apply for back dating
 2. Checked council tax and could see there was no SPD in place, husband had left 2 years previous, Issued SPD form
 3. Advised to apply for UC
 4. Advised to appeal PIP and apply for enhanced rate
 5. Advised to apply for a blue badge due to health condition
 6. Phoned FSM who advised to apply again if UC awarded and

Outcome

1. Council tax reduction awarded and backdated 3 months
2. SPD awarded and backdated – refunded £1200
3. Awarded UC
4. Awarded the enhanced PIP
5. Awarded a blue badge
6. FSM awarded

Mrs H was delighted with the help and support that she had received from the Hwb and advised that she was now approximately **£800 a month better off** and not struggling.

Governance Arrangements

To make sure that we are maximising our efforts to tackle poverty we have a cross departmental officer working group and an elected member Advisory Panel.

What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date / Target	Owner / Resp. Officer
A	Reviewing our approach to tackling Poverty		
1	We will implement and update the Tackling Poverty Plan to respond to the current challenges faced by residents and communities (15490)	June 2022	Gwyneth Ayers
B	Preventing Poverty		
1	Review of homelessness and temporary accommodation services (15334)	Sept 2022	Jonathan Morgan
2	Improve the % of household successfully prevented/relieved from becoming homeless (baseline 50.5% in 2021/22)	60%	Angela Bowen
3	Develop Carmarthen Hwb to include partnership working with employability projects and other agencies (15597)	30/06/2023	Eifion Davies
4	Develop and promote the Claim <i>What's yours</i> initiative to support the Council's tackling poverty initiative which is responding to the current challenges faced by residents and communities (15598)	31/03/2023	Deina Hockenhull
C	Helping People into work - Also see Well-being Objective 5		
1	% of adults that feel more positive with improved confidence about seeking work after receiving employability support through Workways, Communities 4 Work and Communities 4 Work Plus Programmes (EconD/020) – 2021/22 Target: 100	100%	Amy Wakefield /Shan Williams
2	% of residents that feel more confident in using a computer and gaining IT skills after receiving digital inclusion support through Workways, Communities 4 Work and Communities 4 Work Plus Programmes (EconD/021) – 2021/22 Target: 100	100%	Amy Wakefield /Shan Williams
3	The number of accredited qualifications achieved by residents attending Employment related courses within the Workways, Communities 4 Work and Communities 4 Work Plus Programmes (EconD/022) – 2021/22 Target: 200	200	Amy Wakefield /Shan Williams
D	Improving the lives of those living in poverty		
1	We will work with partners to deliver a range of support services to support the development and growth of the third sector within the County (15518)	March 2023	Helen Morgan
2	We will continue to maximise the draw-down of funding from external sources via the new funding programmes and support/undertake their delivery, e.g. the £2.9m award from UK Government's Community Renewal Fund (15521)	March 2023	Helen Morgan
3	That the Council works with partners to develop a co-ordinated approach to identifying, supporting and developing volunteering across the County (15522)	March 2023	Helen Morgan



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective



Well-being Objective 5

Live Well - Create more jobs and growth throughout the county

Economically things haven't been as bad as we first feared, our interventions have helped but challenges remain

Towards the start of the pandemic, the intelligence gathered at that time clearly demonstrated that we faced an extremely difficult time over the next 24 months as the effects of the COVID-19 crisis put huge pressure on jobs and demand.

As a response to the pandemic and Brexit, in consultation with business, we introduced an [Economic Recovery Plan](#) (ERP) that identified our priority intervention actions for supporting *Business, People and Place* to strengthen the recovery of the Carmarthenshire economy from the social and economic impacts. With this support intervention now in place, Carmarthenshire's economy has generally improved from where we were and can recover as quickly as possible to become one which is more productive than before, more equal, greener, healthier, and with more sustainable communities.

However, some challenges, remain:

! Employment rates reduced from 71.7% in March 2020 to 68.6% March 2021, resulting in us having the third lowest rate of employment compared to the rest of Wales *Stats Wales - several industries (most notably the Health & Social Care, Tourism & Hospitality and Haulage sectors) face acute recruitment challenges.*

! Still have a large and persistent productivity gap with the rest of the UK *South West Wales Regional Economic Delivery Plan*

! Demand for our business funds has far outstripped the budgets available to support the private sector *ERP*

! Supply chain issues are a severe concern for several sectors, made worse by increasing costs and increased bureaucracy with regards to importing and exporting because of Brexit *ERP*

! Evidence suggested that COVID-19 effects were not felt equally by all, with a disproportionate effect by the younger generation & those from low-income households (Kickstart scheme introduced for support) *ERP*

Why this Well-being Objective is important

- Providing secure and well-paid jobs for local people is central to everything we are seeking to achieve.
- Increasing employability is fundamental to tackling poverty, reducing inequalities and has a dramatic impact on our health and ability to function in everyday society.
- We need to build a knowledge-rich, creative economy by maximising employment and training places for local people through creating jobs and providing high quality apprenticeships, training and work experience opportunities, to have an on-going skilled and competent workforce to face the future



How well are we doing (and how do we know)? Sources of evidence

Success Measures / Explaining the Results



Employment figure

is **69.5%**

(April 21 – March 22)

3rd lowest rate in Wales

(Previously 68.1%)

Source: Stats Wales

According to the annual population survey, as of March 2022 Carmarthenshire continues to have the third lowest rate in respect of employment compared to the rest of Wales. Despite this, employment rates have increased from 68.1% in March 2021 to 69.5% (year ending March 2022). This is again amongst the lowest in Wales and below the national average of 73.6%.



37.7% Qualified to NVQ Level 4 or above

@ December 2021

(previously 39.9% December 2020)

Source: Stats Wales

For those reaching NVQ Level 4 or above in Carmarthenshire, figures have reduced for the second year running from 41.4% in 2019 to 39.9% in 2020, and 37.7% in 2021. This is below the Welsh average of 41.6% which continues to increase. The number with no qualifications has also increased slightly in 2021 to 7.8% from 6.7% in the previous year.

Page 511



78.9% Satisfied with their jobs

during 2019/20
(previously 82.5%)

17th highest in Wales (was 11th)

Source: National Survey for Wales

Being happy in work is important for well-being and the latest figures in April 2019 showed that the percentage of people moderately or very satisfied with their jobs was 79% - but this was over 3% lower than both the figure two years previously and the Welsh average. This ranked Carmarthenshire the 17th highest in Wales. A number of factors can affect job satisfaction therefore it is difficult to determine the exact cause of falling rates in the county.



Median Gross Weekly Pay is £566.9 (2021)

(Down from £574.5 in 2020, from 4th
highest in Wales to 11th position)

Source: Annual survey of hrs & earnings

The median gross weekly pay of £566.90 for Carmarthenshire is below that of the Wales figure of £570.6. Figures in Carmarthenshire are 11th highest in the whole of Wales, compared to being the 4th highest in 2020.

Progress on the steps we are taking to achieve this Well-being Objective

In January 2022 we formally adopted the [South West Wales Regional Economic Delivery Plan](#) as the Council's over-arching economic regeneration policy, that replaced the Swansea Bay City Region Economic Regeneration Strategy (2013). It builds on our distinctive strengths and opportunities to develop a more prosperous and resilient South-West Wales economy (Pembrokeshire, Carmarthenshire, Neath Port Talbot & Swansea). Together with our local Recovery Plan we aim to achieve the vision and objectives contained in the policy.

Our Economic Recovery Plan

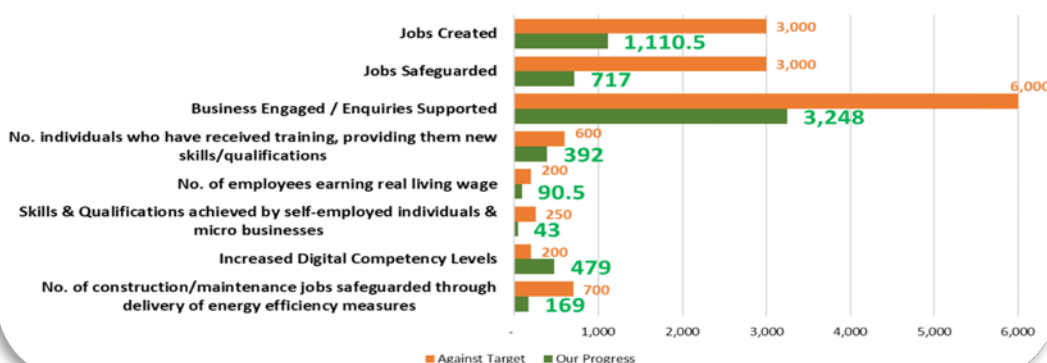
Following our assessment in 2020 of the impact that COVID-19 had on Carmarthenshire businesses, and what was important to them in the short, medium and long-term, a business, economy and community recovery group was established to co-ordinate the development and delivery of the themed actions. Together with an overarching advisory group (that also comprised of key private sector industry leaders), an [economic recovery and delivery plan](#) was formally adopted in June 2021 after an independent review.

Key to the plan is ultra-reliable digital connectivity, actions that support the County's foundational economy and supporting local people to grow skills and talent in targeted areas so that there is a strong and resilient local workforce.

Our economy is made up by a large number of self-employed and micro sized enterprises together with significant employment within the [foundational economy](#) (business activities that we use every day and see all around us e.g. retail, care and food industries). So our path to recovery has focused on: Localism - support within our local economies and increased local spend; and Competitiveness - increasing productivity and competitiveness.

With the support/intervention plan, Carmarthenshire's economy has started to recover as quickly as possible to become one which is more productive than before. We are not able to deliver everything, so working across all departments, with public sector partners, external organisations, including the private sector, ensures coordination of activity wherever possible to support our Plan for recovery and growth.

OUR ERP OUTCOMES Against our 2 Year Targets



Note: Our Economic Recovery Plan has been in place since July 2021, therefore our progress against our targets are over a 9 month period not 12. Our outcomes are attributed to all our service areas across the Authority that contribute towards our economic recovery.

BUSINESS:

Over 90% of our nearly 8,000 businesses in Carmarthenshire are micro-businesses (i.e. with fewer than 10 employees), so we need to support these businesses to maintain, upscale and grow our economy. We also have more than 10,000 self-employed people who need support to survive and thrive in business. Therefore, safeguarding our existing businesses, supporting new start-ups and growing businesses in our foundational and growth sectors to become more productive and competitive is key.

- Throughout the pandemic we delivered *over £66 million COVID-19 Business Recovery Funds* on behalf of the Welsh Government, which provided a lifeline to businesses in what was a challenging time, enabling the businesses to safeguard jobs. The £66 million was broken down to:

<i>Business Recovery Grants</i>	<i>£586k</i>	<i>Discretionary Grants</i>	<i>£265k</i>	<i>Non-Domestic Rates Business Grants</i>	<i>£65.1m</i>
---------------------------------	--------------	-----------------------------	--------------	---	---------------

- We also supported businesses to *safeguard 717 jobs* via the Carmarthenshire Rural Enterprise Fund and the emergency flood grants (that were set up in response to the adverse weather conditions we experienced in County that directly impacted businesses).

! Demand for our business funds has far outstripped the budgets available to support the private sector across Carmarthenshire. Following a new round of business grant funding totalling £500K for business start-up and growth grants being launched in January 2022 we had to close the opportunity due to the volume of interest, hence there will be a number of applications that will not be able to be funded.

- To help the UK prepare for the introduction of the UK Shared Prosperity Fund (SPF) (EU replacement funding programme), the UK Government announced a new funding programme, the UK **Community Renewal Fund**. Carmarthenshire was awarded 12 of the 13 shortlisted Community Renewal Fund bids in November 2021 totalling £2.97M.

! Conversely, EU funded services we currently provide will end next year (e.g. Workways+; Community for Work, Short Term Unemployed, Cynnydd, LEADER, etc.), but we have been awarded nearly £37m through the SPF successor funding for activities running up to March 2025.

- Through our Modernising Education and Housing and Highways programmes we awarded contracts to local businesses, providing skilled work opportunities in the local economy and safeguarding jobs.

- Six new industrial units in Glanamman were completed by March 2022 as part of a £2.5 million investment. The former empty workshops were transformed and brought back into use in Phase 2, having set aside money from our Five-Year Capital Works Programme in 2017. The new steel workshops are expected to accommodate six small businesses with an additional 15-20 jobs.

- Progressive Procurement: We made significant steps in understanding community wealth building through localising spend to raise awareness of tender opportunities to support local businesses. We launched a business survey to gain an in-depth understanding of the support local businesses require to become 'tender ready' – we will use this information to engage with businesses on a one-to-one basis and provide the support needed.

! *Increasing Capital Costs:* There has been a marked increase in the cost of delivering capital regeneration schemes over the past year. These increases are industry wide and are believed to have been triggered through a number of factors including Brexit, COVID-19 and more recently the conflict in Ukraine. These increases are putting pressure on what is achievable with budgets that were set at project outset. As such, projects are having to be amended where possible to meet these increasing pressures.

- Over 97% of the 342,000 invoices received by the Authority were paid within 30 days, retaining our best ever performance of last year despite a 15% increase in the number of invoices. Prompt payment is essential for businesses especially at a continued time of uncertainty.





Digital Economic Growth The £55 million SBCD Digital Infrastructure programme will benefit residents and businesses in all parts of the Swansea Bay City Region, which includes Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. The programme is estimated to be worth £318m to the regional economy over the next 15 years.

- ⦿ **The Swansea Bay City Deal Digital Infrastructure Programme:** The Digital Programme Business Case, Board, and Governance of it was established; Access to City Deal funding for the Digital Programme together with additional public sector funding was secured across the region; A central team for the Digital Programme was also established
- ⦿ **Our Digital Regeneration Programme:** There has been significant commercial investment in Gigabit fibre at Cross Hands, Llangennech, Burry Port, Llanelli, and Carmarthen; together with Superfast Cymru 2 investment has been secured to connect 3,300 of Carmarthenshire's worst served rural premises.
- ⦿ We have trained and supported more than 330 people by improving their digital skills (one of the key areas of targeted intervention), in order they are well equipped with better employment prospects.

PEOPLE:



Regional Learning & Skills Partnership (RLSP) Carmarthenshire is the Lead Body for the Regional Learning & Skill Partnership (RLSP). The RLSP is leading on the delivery of the Swansea Bay City Deal (SBCD) Regional Skills and Talent Programme over the next 5 years. The key aim of the programme is to deliver the skills needs of the 8 City Deal projects and to support the skills needs of the region.

- ⦿ The [Regional Learning and Skills Partnership](#) has worked with employers and training providers to measure and understand the economic and skills impact of the COVID-19 pandemic, culminating in a 'wrap up' report being submitted to Welsh Government.



David TC Davies MP meeting students

- ⦿ The **Skills and Talent Programme** for the Swansea Bay City Deal Programme was officially launched in March 2022 when the UK Government Minister for Wales - David TC Davies (MP) met students at the University of Wales Trinity Saint David and Gower College Swansea to hear how it will benefit young people across Carmarthenshire, Pembrokeshire, Swansea and Neath Port Talbot.

- ⦿ We took the lead on the Young Person's Guarantee for the region - a Welsh Government initiative to support young people between 16–24 to gain the right skills and experience and support to get into work - working with Careers Wales, Working Wales, Communities for Work and other stakeholders in identifying their needs and delivering the support needed.
- ⦿ Our dedicated employability team have worked with both short term and long-term unemployed individuals in Carmarthenshire to support them into sustainable employment opportunities. During the last year we have collaboratively, with the RLSP, successfully delivered *six job fairs* in each of the primary towns, to support sectors experiencing acute recruitment challenges.



Supporting People at a job's fair

PLACE:

Urban, coastal and rural Carmarthenshire Throughout all the town centres, businesses are supported to make best use of digital communications to grow their market reach, turnover and footfall; with decarbonisation encouraged through low carbon and climate-resilient infrastructure, renewable energy and sustainable developments; and Welsh language and culture supported and promoted to celebrate Carmarthenshire's identity.



Audit Wales undertook a national review on [Regenerating Town Centres in Wales](#) (September 2021) and concluded that **town centres are at the heart of Welsh life** and can be vibrant and sustainable places, but addressing the many challenges they face requires brave decisions and ambitious leadership. In a digitally dominated world, investing in digital infrastructure and basic skills can play a vital role in revitalising high streets.

We recognised that our Restart, Revive, Renew recovery strategy, developed in response to the economic impact of COVID-19, provides a good summary of the 'live' challenges facing towns in the county. Our action plan response to the review and existing changes occurring within town centres had already been acknowledged through our recovery plans for our town centres, which have been accelerated by the pandemic, Brexit and other market forces.

- Our Recovery Plans for our three primary towns (Carmarthen, Llanelli and Ammanford) were bespoke to the town and set out the impact that COVID-19 had on the town centres in terms of loss of spending, increased vacancy rates and decline in footfall. In developing the Plans, we worked closely with key members of the towns stakeholders. The Plans highlighted key issues and opportunities and provided a delivery framework of interventions specific to the individual town centres. It is envisaged moving forward these Plans will be owned and delivered by the stakeholders in the respective towns, supported by ourselves by helping to secure funding opportunities and contributing capital funding.
- Alongside the three main town centres, we delivered a programme of investment to support the growth of our 10 rural market towns. Bespoke plans were developed to benefit the town and surrounding areas of Cross Hands, Cwmaman, Kidwelly, Laugharne, Llandeilo, Llandovery, Llanybydder, Newcastle Emlyn, St Clears and Whitland. The development of the growth plans are part funded via the Welsh Government Rural Communities - Rural Development Programme 2014-2020, which is funded by the Welsh Government and the EU.
- In 2021/22 we submitted 2 grant applications under the UK Government's Levelling Up Fund Programme and were successful in securing funding for the Tywi Valley Path (nearly £17m), and a collaborative bid for the Carmarthen Hwb (nearly £16m) and the Pembroke Hwb (over £4m). The Tywi Valley Path project will provide a continuous shared use path between Llandeilo and Carmarthen.

Carmarthen Hwb: We are progressing at pace with plans to deliver the £18.5m (additional £3.5m match funding from our Capital programme) project at the former Debenhams shop. It is being repurposed into a Hwb centre that will bring together a range of health, well-being, learning and cultural services. Our Customer Service Centre was also relocated to the Hwb.



Browsing at a 100% Sir Gâr Pop Up Shops

- Following the success of our 100% Sir Gâr virtual shop window website platform that promotes over 300 independent businesses from Carmarthenshire, highlighting their products, we launched in August 2021 our 100% Sir Gâr Pop up Shops initiative. This ran for two weeks out of the old Topshop in Carmarthen, followed by a further week in Pembrey Country Park. It was relaunched in December 2021, with a Pop-up Shop in Llanelli and in the old Debenhams, Carmarthen - which generated just under 22,500 visitors to the store, benefiting the wider town centre economy. Most businesses (83%) exceeded their anticipated income targets.

- The establishment of a dedicated Development Management team to focus on 'Major Projects' has been instrumental in driving forward the priority focus that deliver jobs and growth in support of the Economic Recovery Plan. Continued progress has been made in addressing the backlog of Planning Applications and moving forward Major Planning Applications. Un-determined Applications (major planning applications & others with job creation) reduced from 133 (July 2021) to 42 at end of year.



Pentre Awel part-funded by the Swansea Bay City Deal - brings together business, research, education, community healthcare and modern leisure facilities all at one prime location along the Llanelli coastline. It is the first development of its scope and size in Wales providing world-class medical research and health care delivery and supporting and encouraging people to lead active & healthy lives.

As well as improving health and well-being, the project will create almost 2,000 jobs (750 to 950 in Zone 1), training/apprenticeship opportunities and is expected to boost the local economy by £467million over the next 15 years.

- Site works underway:** During 2021, Pentre Awel went from strategic planning to implementation and delivery. Site clearance and ground investigation works started on the Delta Lakes site to help progress detailed design and to allow main building works to start on Zone One later this year, with construction scheduled for completion by early 2024.

The project is being developed in phases across Four Zones and we appointed Bouygues UK to design and build Zone One following an extensive tendering process via the South West Wales Regional Contractors Framework - one of the largest ever published by the Authority. The contract has a key focus on social value to ensure that local people and businesses reap the benefits of the ambitious scheme. Work also commenced on procurement of consultants for design of Zone Three.

Rural Economy / Foundational Economy and Community Resilience

The economic and policy context has changed considerably since 2013 at both Welsh and UK level, particularly in light of the UK's decision to leave the European Union, the impact of the pandemic and changes regionally.

- ⦿ The economic effect of the COVID-19 pandemic has increased the need for more affordable homes. As more people work from home and look to leave busy urban areas, the demand for homes in rural and coastal areas has inflated property prices, widening the affordability gap for many local people. Therefore, in support of this demand we published the [Housing Regeneration and Development Delivery Plan \(December 2021\)](#) that set out our plans to support the delivery of over 2,000 additional homes across the County over the next five years. It also supports economic growth by investing over £300m into our communities and directly supports the actions in our Economic Recovery Plan - supporting businesses, people and places.



The findings of the Rural Affairs Task and Finish Group and the Ten Towns Growth Plans clearly support the need for more housing in rural areas. These plans highlight that affordable homes in rural areas are crucial to help younger and working aged people stay in our rural communities. By helping local people stay, we help preserve the culture of rural towns and villages and protect the Welsh language.

There has been significant improvement on the determination of planning applications and the determination of major projects that has led to several hundred full and part time posts being created over the last 12 months.

Is anyone better off?



Steven Avery is the owner of Craie Crepes who previously traded from a van on Burry Port Harbour, selling crepes, waffles, milkshakes, hot and cold drinks and much more. As their reputation grew, so did their customer base and as such they wanted a new, larger and more permanent premises from which to operate.

Seeking to maintain their ideal location at Burry Port Harbour, Steven acquired the lease for the former toilet block and after receiving approval for planning, refurbished the building. In 2019 the business was awarded a

£10,000 business grant from Carmarthenshire County Council, which supported the business to purchase a number of items such as fridges, freezers, tables, chairs, crepe machines and kitchen equipment to ensure the business operated at maximum efficiency and to maintain the quality of their product range.

However, due to the COVID-19 pandemic their plans to open were delayed but they continued to trade from their mobile unit in between the Government restrictions. During the challenges of the pandemic Steven received support from our COVID-19 helpline where support and advice was offered to the business, and as a result Steven was successful in receiving the Welsh Government Discretionary grants in the various tranches of funding during 2020 - 2022.

Craie Crepes has since opened the new café and take away facility in their new premises, and the business is going from strength to strength and is a facility that complements Burry Port Harbour as a destination for visitors.

Steven said 'Crazie Crepes Cafe is extremely grateful for the grant received. It enabled us to fulfil our vision for the harbour. Without the grant we would have been struggling to complete the project. It enabled us to buy quality equipment that enables us to do the job to the best of our ability. The Council officer that guided us through the process did an amazing job throughout the process. We are very, very grateful for the time she spent making sure all the paperwork was correct and that all procedures were followed correctly. We currently employ double what we expected to. We now have a thriving business on the harbour with a top reputation for quality food at reasonable prices, exceptional cleanliness and amazing customer service. We are currently busier than we could have imagined and are looking into the possibility of extending the building to cater for the demands. Thank you from the bottom of our hearts.'



Governance

A business, economy and community recovery group was established to coordinate development and delivery of actions aligned to our economic recovery and delivery plan (ERP) and an overarching advisory group, comprising key private sector industry leaders, was also established.

Challenges Ahead: Welsh Government have set 50 National Well-being Indicators (NWBI) to measure progress towards the achievement of Well-being goals. These are population based indicators. In December 2021, Ministers agreed to set Milestones on 8 of these indicators, some of which are relevant to this Well-being Objective:

National Well-being Indicator	National Milestone	Current result - Wales	Current result - Carmarthenshire
NWBI-17 - Pay difference for gender, disability and ethnicity	An elimination of the pay gap for gender, disability and ethnicity by 2050	<u>2021</u> Gender Pay Gap - £0.72 <u>2018</u> Disability pay difference - £1.10 Ethnicity pay difference - £0.16	<u>2021</u> Gender Pay Gap - £0.96 <i>Neither Disability or Ethnicity pay difference is currently available at LA level</i>
NWBI-21 - Percentage of people in employment	Eradicate the gap between the employment rate in Wales and the UK by 2050, with a focus on fair work & raising labour market participation of under-represented groups	<u>March 2021</u> Wales - 72.2% UK - 74.7%	<u>March 2021</u> Carms - 68.6% UK - 74.7%

What and how we can do better

Our delivery plan to achieve this objective is everything we are doing in our Economic Recovery Plan (ERP)

- ⦿ We will continue to focus on supporting 3,000 people into work, providing 2,000 additional homes, maximising the community benefit of development schemes and supporting businesses to take advantage of key grants
- ⦿ We will for each of the individual town centres, manage the overseeing of the recovery plans passing responsibility to the stakeholders in the respective towns. Each of the plans highlight key issues and opportunities and provide a delivery framework of interventions specific to the town centres
- ⦿ Moving forward the RLSP will continue to work with Employers across the region to ensure that the RLSP inform Welsh Government what skills are required in the region and where WG funding needs to be allocated in order to fulfil the skills demands identified by employers



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective



Well-being Objective 6

Live Well - Increase the availability of rented and affordable homes

We have delivered over 1,400 additional affordable homes

Good quality affordable homes are the bedrock of healthy and sustainable communities. We have delivered 1,437 additional affordable homes since 2016 as part of the Affordable Homes Delivery Plan and the new Housing Regeneration and Development Delivery Plan.

Why this Well-being Objective is important

- Good quality affordable homes promote health and well-being, meeting the individual needs of the residents, building strong sustainable communities and places where people want to live.
- Good quality energy efficient affordable homes are good for the People and the Environment – our homes are well insulated and have the latest innovative technologies (solar panels and batteries to store energy) that do not only significantly reduce our carbon emissions, they promote affordable warmth for our tenants. The average savings to fuel bills can be as much as 60% per year.
- It is good for the Social Structure - well-placed affordable housing developments allow communities to welcome a wide range of families and to create a vibrant, diverse, group of residents, in both rural and urban areas.
- It is good for the Economy - in order to thrive, new businesses need easy access to its workforce. Affordable housing developments ensure that working families will remain in their community.
- It is good for the Economy – our plans to increase affordable housing will see an investment of over £300m over the next five years in the County. This will help stimulate the local economy, grow the construction industry, the local supply chain and the green economy. This will also create jobs for local people as well as providing more homes to help local people remain in their communities.



How well are we doing (and how do we know)? ⓘ Sources of evidence

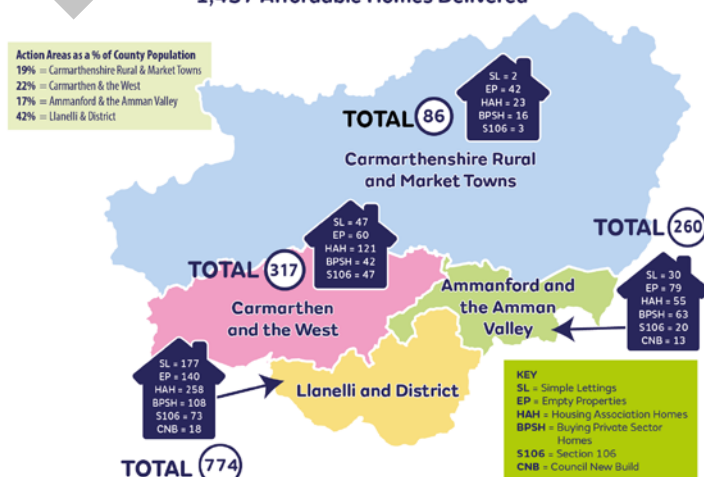
Success Measures / Explaining the Results



308 Additional Affordable Homes during 2021/22



Affordable Homes Performance - Overall Performance from April 2016
1,437 Affordable Homes Delivered



Progress on the steps we are taking to achieve this Well-being Objective

- Through our Affordable Homes Delivery Plan we aimed to deliver over 1,000 additional affordable homes between 2016 and 2021. We exceeded this target and continue to be committed to delivering more affordable homes through our new Housing Regeneration and Development Delivery Plan. So far, we have delivered **1,437** additional affordable homes through the following solutions:

31: Council New Build Homes

(31: 21/22)

256: Simple lettings agency

(32: 16/17; 63: 17/18; 61: 18/19; 61: 19/20; 30 20/21; 9: 21/22)

321: Empty homes brought back into use

(28: 16/17; 63: 17/18; 67: 18/19; 64: 19/20; 34 20/21; 65: 21/22)

253: Buying private sector homes

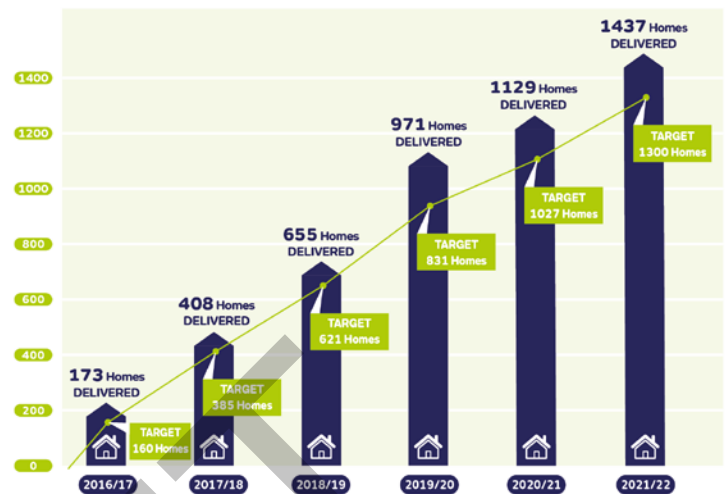
(45: 16/17; 69: 17/18; 81: 18/19; 43: 19/20; 7: 20/21; 8: 21/22)

433: Housing Association new build development

(45: 16/17; 20: 17/18; 17: 18/19; 107: 19/20; 51: 20/21, 193: 21/22)

143: Section 106 Contribution by Developers

(23: 16/17; 20: 17/18; 21: 18/19; 41: 19/20; 36 20/21; 2: 21/22)



- In July 2021 we asked the public and our key stakeholders for their views and priorities on how we should deliver more affordable homes in the future. Over **2,500 consultation responses were received** and the key messages from the consultation are summarised below and have shaped our new five-year Housing Regeneration and Development Delivery Plan which was approved in March 2022.



This plan will build on the success of the Affordable Homes Delivery Plan and aims to support the delivery of 2,000 additional homes throughout the County. This plan will also support economic growth by investing over £300million into our communities directly supporting the action in our Economic Delivery Plan supporting businesses, people and places.

Our new energy efficient affordable homes are well insulated and have the latest innovative technologies and support the Council's Net Zero Carbon principles. They will reduce our carbon emissions by on average 70% and reduce fuel bills for tenants by up to 60% promoting affordable warmth, growing the green economy and creating sustainable communities.

- Our first 3 council new build developments have been completed and let these include: Garreglwyd, Maespiode and Glanamman. We have also completed the first 4 homes on the Dylan Development. These developments have provided 31 new affordable homes for local people. A further 24 sites are either on site, being prepared for planning or tender. This includes 6 sites in rural areas that will be developed on a mixed tenure basis and will provide homes for low-cost home ownership.

- ⦿ We maximise all external funding opportunities that help us deliver more homes in our communities including Social Housing Grant, Integrated Care Fund, Land Release Fund and the Land for Buildings Fund. In 2022 we secured over £19m of external funding to support our development programmes
- ⦿ We have robust governance process in place to ensure we maximise the delivery of affordable homes across the County. This is made up of a number of working groups and sub working groups that report directly to the Housing and Regeneration Strategic Team, CMT Cabinet and Council.

Supporting the delivery of over 2,000 affordable homes in our communities



What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/Target	Owner/Resp. Officer
A	Step....		
1	Delivery of first year of the five-year housing regeneration and development delivery programme (15332)	March 2023	Rachel Davies



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective



Well-being Objective 7

Live Well - Help people live healthy lives (tackling risky behaviour and obesity)

Excellent progress has been made in enhancing our health and well-being offer for the residents of Carmarthenshire by developing opportunities to engage online whilst investing in our physical infrastructure to encourage and support people to stay healthy.

Why this Well-being Objective is important

- Our way of life is changing, people are living longer with a higher quality of life.
- The challenge is to prevent ill health.
- Living healthy lives allows people to fulfil their potential, meet educational aspirations and play a full part in the economy and society of Carmarthenshire.
- Many of the preventive services and interventions required to maintain health, independence and well-being lie outside health and social care.
- Mental ill health is something that one in four adults will experience in the course of their lifetime.
- Playing a part in providing accessible, inclusive, exciting, sustainable services, which promote and facilitate learning, culture, heritage, information, well-being and leisure.



How well are we doing (and how do we know)? 📄 Sources of evidence

Success Measures / Explaining the Results



68.6% of
Adults who
say their
general health

is Good or Very Good
(2021/22)

Previously 69.7% (2020/21)
Source: National Survey for Wales



40.1%
of Adults
who say
they have a

long-term illness (2021/22)

Previously 51.2% (2020/21)

Source: National Survey for Wales



Adult Mental
Health
score of
48.8

(Out of a maximum of 70
Warwick-Edinburgh Mental Well-
being Scale)

Previously 51.1

Source: National Survey for Wales

92.4%

of Adults who
have **two or
more** healthy
lifestyle
behaviours

(2021/22)

Previously 87.6%
(2018/19 & 2019/20)

Source: National Survey for Wales



The following [National Survey for Wales](#) shows:

General Health Good or Very Good

- 68.6% of Carmarthenshire participants said their general health is Good or Very Good, this has reduced slightly from 69.7% in the previous year, but comparatively we have remained in 18th position in Wales. We continue to work with partners such as Public Health via the Public Services Board to promote a healthy environment for Carmarthenshire residents, including exercise, nutrition and cleaner air.

Long-term Illness

- 40.1% of Carmarthenshire participants said they had a longstanding illness, disability or infirmity, this has reduced considerably from the previous survey results which has been around 50%. The Welsh average has also reduced from 45.7% to 33.4%, but comparatively we have moved from 17th to 20th position in Wales. The lower number with a longstanding illness or disability or infirmity the better.

Adult Mental Health

- Our mental health affects how we think, feel and act. Looking after our mental health is as important as our physical health, the link between the two factors of health is becoming increasingly better understood. Poor psychological and emotional well-being can act as a barrier to full participation in society. Issues such as confidence, anxiety, fatigue and stigma can limit an individual's capacity to interact with others or to find work for example.

Data from Public Health Wales is gathered from the National Survey for Wales and analysed according to the [Warwick-Edinburgh Mental Well-being Scale](#). It shows that Mental Well-being in Carmarthenshire has declined from a score of 51.1 (out of a possible score of 60) in 2018/19 to a score of 48.8 in 2021/22. The decline is in line with the rest of the country and is representative of the Welsh average of 48.9.

The Warwick-Edinburgh Mental Wellbeing scale was developed to enable the monitoring of mental wellbeing in the general population and the evaluation of projects, programmes and policies which aim to improve mental wellbeing. It is based on statements about feelings and thoughts, whereby individuals would indicate which best describes their experience of each over the last 2 weeks. Some of the statements include: *I've been feeling useful; I've had energy to spare; I've been thinking clearly; I've been feeling loved etc.*

Two or more healthy lifestyle behaviours

- Based on questions asked in the 2021/22 National Survey for Wales, participants were asked if they have **two or more** healthy lifestyle behaviours which include:
 - not smoking
 - not drinking above weekly guidelines
 - eating five or more portions of fruit and vegetables the previous day
 - being physically active for at least 150 minutes in the previous week
 - maintaining a healthy weight/body mass index

Lifestyle choices impact on our future health and well-being. Carmarthenshire residents compare well to the rest of Wales in some areas such as physical activity, not drinking too much and eating healthily, however, there are a number of lifestyle choices where we compare poorly such as overweight or obese and smoking. 92.4% of participants in Carmarthenshire have two or more healthy lifestyle behaviours this has increase on the previous result of 87.6%, we continue to be below the Welsh average of 92.9%, but we have moved up from 18th to 13th best in Wales.

Progress on the steps we are taking to achieve this Well-being Objective

Eat and breathe healthily

- An Air Quality Delivery Plan has been developed and adopted by the AQ Action Steering Group. Local authorities are responsible to declare Air Quality Management Areas (AQMA) if national air quality objectives are not likely to be met. In Carmarthenshire there are three active AQMA

AQMA Name	Pollutants
<small>Source: Defra, UK</small>	
Llandeilo AQMA	Nitrogen dioxide NO ₂
Llanelli AQMA	Nitrogen dioxide NO ₂
Carmarthen AQMA	Nitrogen dioxide NO ₂

- Investment at Pembrey Country Park includes a new playground, an expansion of the cycling pump track, new mobile catering units, glamping pods, and enhancements to paths and eating areas at our camping and caravan site.

- ◉ Mynydd Mawr Woodland Park has also recently secured close to £86k of external funding investment to enhance walkways, and bio-diversity at that site.
- ◉ We have invested over £200k of internal and external funding at Llyn Llech Owain Country Park including a new toddlers play area, improved walks, and interpretation.



Physical Activity

- ◉ We successfully hosted the 2021 Men's Tour of Britain professional cycle race in September 2021, as part of our wider commitment to developing sporting events and activities across the County to inspire future generations to lead healthy, active lifestyles
- ◉ Llandovery Leisure Centre site masterplan completed, with creation of new fitness and multi-purpose rooms to complement the existing 20m pool. Outdoor multi-use courts also being incorporated into the community offer, working closely with Ysgol Gynradd Rhys Pritchard.
- ◉ We have secured £2m of internal and external funding, £1.7m CCC capital funding /£300k external grant funding to develop the next phase of the Amman Valley Leisure Centre site masterplan. This will provide a state of the art full size, floodlit school and community use 3rd Generation all-weather artificial turf pitch and enhanced athletics facilities for school, public and club users.
- ◉ Work is ongoing with the development of our Actif Anywhere online platform to stream classes and activities to people's homes; community halls; care homes; surgeries; hospital physio support (linking with the National Exercise Referral Scheme); and schools (pilot of 18 schools completed with potential to roll this out across Wales as a paid for extra-curricular service, with our USP being bi-lingual delivery).
- ◉ We have appointed a main contractor to develop the new Leisure Centre in Llanelli as part of the Pentre Awel development.

Mental Health

- ◉ Carmarthenshire Libraries have introduced new digital, technological and creative "Maker" services at key Library points, where users and communities are encouraged and supported to participate in an increasingly digital world. As part of our libraries core offer, maker services promote hands-on learning, creativity and collaboration, where people of all backgrounds and abilities can come together to share ideas and equipment that inspires confidence and helps users acquire new skills, building and igniting individual ambitions and encouraging learning for life.
- ◉ The council has invested significant growth resource to address this which will be used to recruit more social work and social care staff to focus on two specific areas: early intervention and prevention, and a more robust and timely crisis response.
- ◉ We have been collaborating with the Health Board and the third sector to develop initiatives in this regard developing a Single Point of Access and a 24/7 crisis response service.
- ◉ The Twilight sanctuary crisis response in Llanelli, which was council led, goes from strength to strength and the model is now being rolled out across the region.
- ◉ We are embarking on an ambitious programme of change in relation to accommodation. Our vision is to reduce the reliance on residential care and develop more community options accommodation, which promote choice and independence



Substance Misuse

- ⦿ We have been working with colleagues in the health board ,and third sector to improve access and intervention for those who have substance misuse and mental health issues ,and also for those who have alcohol related brain damage .
- ⦿ The Fulfilled Lives Scheme has been a successful pilot which supports people with Alcohol Related Brain Damage to remain living independently within the community

Is anyone better off?

ACTIF RESTART – WINTER OF WELL-BEING GRANT



The aim of the Actif Restart project was to improve the overall health and well-being of identified NEET (not in education, employment or training) population as they are supported through a journey to prepare for integration into their community through sport either as participants or voluntary/paid roles.

Throughout the project opportunities were provided to the participants to further enhance transferable job-based skills and qualities such as confidence, communication and leadership which can be taken forward with them in their futures.

Project Participants benefited from the following:

Actif Adult workshops	Tag leaders award
Coaching experience at rugby festivals	Coaching development opportunities
Club integrations	CV and interview preparation
Paid employment opportunities within Actif	Links to apprenticeships and further education
Opportunities to reflect on the project both individually and as a group	

The need for the project was identified after consulting with local organisations with a heavy focus to prepare young people for future careers or further education that were currently not in Education or Employment. Further discussions then took place with Dyfed Powys Intact project and CCC departments such as Youth Services and Employment Support. The data below highlights how important links with the listed partners are to provide young people with positive role models and support groups to help reduce the risk of crime in the local area. By introducing participants into social and safe environments within sports teams and encouraging ongoing involvement with clubs after the project the aim is to help reduce the risk of the individuals becoming involved with any criminal activity.

Through individual consultations with participants, it was possible to identify suitable sports clubs to signpost them to as a player or volunteer. Introductions into sports teams created a sense of affiliation and belonging for the Actif Restart participants within their chosen teams, providing them with a positive surrounding and reinforcing rules and disciplines to follow whilst at training and playing games. For this target group, embracing principles of sportsmanship, teamwork, and interactions with peers were all incredibly valuable aspects of the project for the participants to develop important life skills and help strengthen self-belief. Having positive experiences within these sports clubs has now allowed participants to increase their physical activity levels and encouraged them to restart or continue their physical literacy journey.

What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/ Target	Owner/ Resp. Officer
#			
1	We will work to reduce waste and our carbon footprint across our Leisure and Cultural services, whilst increasing opportunities to lead healthy, fulfilled lives (16119)	31/3/23	Ian Jones
2	Development of a 10-year future direction document for discussion, input, and endorsement by the new political administration for the County in early 2022/23 (16120)	1/9/23	Ian Jones
A	Eat and breathe healthily		
1	Air Quality action plan progress and matters arising will be reported through the Net Zero Carbon plan report (16131)	31/3/23	Rhodri Griffiths
B	Physical Activity		
1	We will implement a Cycling Strategy for Carmarthenshire that will focus on 5 key strategic themes: Education, Development and Training; Infrastructure and Facilities; Marketing & Branding; Tourism Events (13195)	31/03/23	Carl Daniels
2	We will develop Ammanford Leisure Centre facilities with upgrades to internal wet-side changing facilities (phase 1 - completed); and improvements to parking infrastructure and external sports facilities linked to wider school site masterplan (phase 2) (14705)	30/03/23	Carl Daniels
3	We will need to work towards regaining and exceeding membership and income to pre-covid levels - with the effects of the Covid-19 pandemic changing lifestyles and habits, this will be the services' greatest challenge (16121)	31/3/23	Ian Jones
C	Mental Health		
1	Implement Service delivery changes in Mental Health as part of the transforming Mental Health Agenda (16122)	March 22	Avril Bracey
D	Substance Misuse		
1	See Mental Health action	March 22	Avril Bracey



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective

Age Well



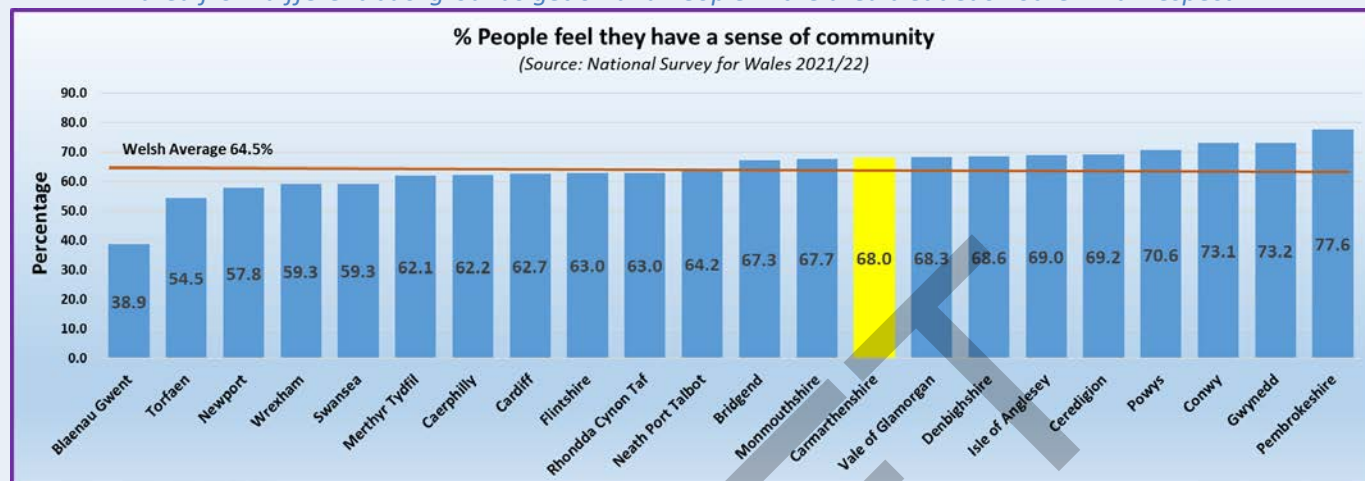


Well-being Objective 8

Live Well/Age Well - Support good connections with friends, family and safer communities

Sense of Community survey results have reduced slightly in Carmarthenshire from 68.6% to 68.0%

The 'Sense of Community' is derived from three questions; *People feel they belong to their local area; People in the area from different backgrounds get on and People in the area treat each other with respect*.



Despite an reduced result we move up from 13th to 9th position in Wales.

Why this Well-being Objective is important

- ⦿ Safety and a feeling of belonging are important to personal well-being and more people now appreciate the value of kindness and being part of a community.
- ⦿ A cohesive community is an area where those from different backgrounds share positive relationships, feel safe in their neighbourhood, and have a sense of mutual respect and shared values.
- ⦿ [Community Resilience](#) is also essential to enable communities to respond to, withstand, and recover from adverse situations. The COVID-19 crisis has shown what can be achieved when communities work together.



How well are we doing (and how do we know)? ⓘ Sources of evidence

Success Measures / Explaining the Results

68.0% People who feel they have a sense of community
(9th Highest in Wales)
Previously 68.6% (13th)
Source: National Survey for Wales



66.7% People feel safe
Previously 74.6%
11th Highest in Wales



Source: National Survey for Wales

A sense of community

- ⦿ According to the 2021/22 [National Survey for Wales](#), 68.0% of participants felt they had a 'Sense of Community', this is a slight reduction on previous result of 68.6%. This result was derived from three questions: People feel they belong to their local area; People in the area from different backgrounds get on and People in the area treat each other with respect. Despite the slight decline, when compared with other results in Wales, we have moved up from 13th to 9th position.
- ⦿ Recent consultation in 2020 (as part of Carmarthenshire's [Well-being Assessment](#)) with representatives from a number of sectors of the community showed overall positive opinions towards current

community cohesion in Mid and South-West Wales. Focus groups were held with Black, Asian and Minority Ethnic communities; EU (non-Welsh) citizens, rural and isolated communities, first language Welsh speakers, Gypsy / Traveller Communities, Syrian Refugees, LGBTQ+ people, disabled people and/or people with health conditions and young people. **77% of the interviewees referred to community cohesion as good.** It was recognised that there was potential for improvement and perceived “tensions” or “problems”.

Feeling Safe

- ⦿ According to the 2021/22 [National Survey for Wales](#), the number of **participants feeling safe has reduced from 74.6% to 66.7%**, but keeping just above the Welsh average of 66%. Comparatively, we have moved from 6th to 11th place. This result was derived from three questions: *people feeling safe at home; walking in the local area; and when travelling in the dark.*
- ⦿ As part of Carmarthenshire’s Well-being Assessment consultation work, our Black, Asian, and Minority Ethnic residents were equally concerned with threats of extremism, prejudice and hate crime. **In terms of community cohesion, our Lesbian, Gay, Bisexual and Transgender community noted concern regarding community resources being closed, prejudice and lack of investment in their local community.** Raising concern about unfair treatment and reporting a hate crime were the top two things that Carmarthenshire residents would consider doing to help make things fairer for everyone in their community when asked as part of the 2021 Well-being Survey.

Progress on the steps we are taking to achieve this Well-being Objective

Develop and implement how we provide information, advice, and assistance.

- ⦿ We continue to work in partnership with Delta Well-being as our Single Point of Access into community health and social care. Through the expertise of the Information, Advice and Assistance team, wherever possible, we support people with information and advice without the need for referral to formal ongoing assessment. In 2021/22, on average 25% of contacts were resolved at information and advice without the need for further statutory support.
- ⦿ We have strengthened the role of Delta Well-being in our hospitals, and now have Well-being Officers working on the wards who act as the link between health and social care to aid timely discharge from hospital.

Greater community cohesion

- ! In 2019, the Health and Social Care Scrutiny Committee undertook a **Task and Finish Review of Loneliness**, which put forward recommendations for the Council to consider. In light of these recommendations, plans are in progress to appoint a Senior Manager for Prevention and also a cross population Prevention Strategy and Action Plan. A key pillar of this plan will be Loneliness and addressing any gaps that are identified to help the wider population feel more socially included.
- ⦿ The regional dementia strategy is now in its final draft and waiting official sign off from the regional partners. The regional Dementia Steering Group is meeting regularly and progressing all aspects of the dementia funding workstreams. A regional Dementia Strategy Coordinator is currently being recruited to and will be in post shortly. We are working towards the re-opening of day services to include dementia clients.
- ⦿ The relaxation of COVID-19 restrictions has led to a surge in enquiries from a wide range of event organisers – community organisations seeking to re-establish annual events cancelled due to the Pandemic as well as more commercial ones seeking to create new brands or those seeking to start the building up again of former events.

Impact of COVID-19 on the mental health and well-being of our population and community resilience

- ⦿ A feasibility study is being undertaken within Tyisha for the establishment of a Community Hub. Based on the feasibility study a business plan will be developed. Asset Based Community Development Training has been planned for residents, officers, and local groups. A great deal of community based activities have taken place throughout the year to develop positive community relationships such as litter picking, play events and sessions, creative play sessions for parents and gardening projects.

- ⦿ Summer of Fun and Winter of Well-being initiatives have been successfully delivered via funding from Welsh Government to key wards across the County. Targeted initiatives were delivered in partnership with agencies like the Police and Crime Commissioner, CYCA, Inspire Recruitment and the Scarlets to re-engage Children and Young People back into physical activity. The funding was a catalyst to create new initiatives and partnerships which will form part of our service moving forward.
- ⦿ Over 60s in Carmarthenshire were given more options to enjoy exercise as the country recovers from the pandemic, as part of a £1m investment by Welsh Government. In a drive to reduce health inequalities and social isolation as part of Welsh Government's Healthy Weight, Healthy Wales Action Plan 2020-22, the funding allocated to Sport Wales was shared among all 22 local authorities for use on projects. Adults aged 60+ were able to access free and discounted sport and physical activity sessions in facilities and the community
- ⦿ As part of a Sport Wales Rescue Package numerous workshops and webinars were held with community clubs across the County to support club recovery and development plans, linked to Covid recovery. Actif Communities Officers supported clubs with recruiting and training volunteers, expanding their age groups, risk assessments and return to play protocols as well as supported funding bids.
- ⦿ Actif Carmarthenshire's Sports Awards Sports are one of the most prestigious Awards ceremonies in the county, recognising and celebrating sports successes and contributions throughout the year. In the absence of a ceremony in 2021 because of the Pandemic, January 2022 was an opportunity to reflect on the last 2 years and despite the pandemic, celebrate huge achievements from individual athletes to teams. Nominations were received from Sports Clubs, individuals and local Councillors, for awards for participation such as Sportsman of the Year and Young Sports Woman, as well as awards for those that the sport cannot function without such as Volunteer of the Year and Coach of the Year.

Support Safer Communities

- ⦿ The pandemic has provided opportunities for criminals to exploit persons who may be more exposed to fraudulent approaches due to lockdown/shielding and isolation from support networks. There has again been an overall rise in the numbers of frauds reported nationally with the Office of National Statistics reporting that there were 5 million fraud offences in the year ending June 2021, a 32% increase compared with the year ending June 2019. trueCall© Nuisance Call Blocking Devices, which have been installed in elderly and vulnerable residents' homes in the county have for the year 2021/22 blocked 15,831 nuisance calls. Based on national intelligence 4,340 of those calls were identified as being from numbers used by known criminals.
- ⦿ The innovative alert system Seraphimbeta© developed in the wake of the pandemic to notify authority officers when a trueCall user was experiencing high volume of calls from suspected fraudsters has for the year 2021/22 generated 94 high level alerts (an increase of 28 from the previous year). These alerts have led to welfare calls and officer intervention to prevent vulnerable residents engaging in telephone fraud approaches. Funding secured to increase the existing fleet of 220 call blockers has been used to purchase a further 500 call blockers and these are currently being deployed with authority partners Delta Well-being. Based on current average nuisance call volumes, we predict our combined fleet of call blockers has the potential to block in the region of 83,000 nuisance calls in Carmarthenshire annually. This work is being led by Trading Standards.
- ⦿ During Hate Crime Awareness Week, the Community Cohesion team helped coordinate a regional calendar of events, capturing content from partners who include Victim Support, Dyfed Powys Police, Office of the Police and Crime Commissioner, Hywel Dda University Health Board and Race Council Cymru. The cohesion team led on a number of projects during that week and throughout the year including:
 - A project in collaboration with Victim Support and youth clubs for young people to design a T-shirt, focusing on diversity and inclusion.
 - An Online Hate Crime Workshop tackling the issues around hate crime and social media.
 - A series of online Hate Crime Awareness events, in collaboration with Victim Support
 - Promoting the Community Cohesion Hate Crime Awareness film

The team led on a number of training opportunities for professionals including a series of sessions focusing on Awareness and Counter Narrative on Right Wing activity and Incel.

- ⦿ The Community Cohesion team ran a Small Grants fund across the region to encourage community groups and organisations to apply for funding. A number of successful projects ran across Carmarthenshire including:
 - *Queering Wales. Representation as a means to inclusion - On your face collective:* On your face is a LGBTQ+ platform aiming to bring the queer creatives of Wales to the forefront. The Cohesion team funded an event at The Nurture Centre in Carmarthen and will include an exhibition by various artists from the collective, live music, workshops, talks, open mic and a food stall. The exhibition would last up to 3 weeks but the event would be from 10 to 8 on the opening day.
 - *Future Proof, the Well Together Community - Create Me Happy / Rivki Rose Training:* The project combines two online workshops for Carers, to improve individual and community resilience through Self-advocacy Community Champions / Active Citizenship. The workshops were delivered to commemorate Carers Rights Day and International Day of Disabled people.
 - *Spoken Word Saturday, Community Connectivity Events - People Speak Up:* The project consisted of 5 bilingual spoken word face-to-face/digital community connectivity events at Y Ffwrnes Fach (Old Zion Chapel) in Llanelli. Events were an opportunity for the community to share their own stories and personal experiences of oppression, disconnection, loneliness, and post COVID-19 reactions. The events also had open community conversation times which will be an opportunity for individuals to chat, share, listen over cake and tea. The first event saw storyteller Phil Okwedy share his story of Nigerian descent, being brought up in a children's home, and how it feels to be a black man living in Wales.

Is anyone better off?

WINNER OF THE YOUNG SPORTS VOLUNTEER

Keeping team training together again safely

Joshua Edwards won the Young Sports Volunteer award for his role within Carmarthen Town AFC. Joshua has been a key part of the club for many years. When Josh was 16 years of age, he started a walking football group for over 50s in the area creating more opportunity for people to get involved.

Throughout the pandemic Josh has ensured all risk assessments and procedures were in place for the team to continue training with confidence and become socially active again, safely. Josh has also taken the role of Wales development squad manager and coach for age group males.'



What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/ Target	Owner/ Resp. Officer
A	Develop and implement how we provide information, advice, and assistance		
1	Implement the requirements of the new Liberty Protection Safeguards in line with legislation (16124)	March 2022	Avril Bracey
2	We will ensure we respond to adult safeguarding concerns in accordance with the SSWBA (Part 7) and evolving statutory guidance (16125)	March 2023	Avril Bracey
3	We will develop a formal agreement between the Local Authority and Health Board, outlining collective responsibilities whilst agreeing a new staffing structure in Integrated Services to support our approach to develop strong communities, help people help themselves and provide support when is needed. (15101)	Dec 2022	Alex Williams
B	Greater Community Cohesion		
1	Publish a cross population Prevention Strategy and Action Plan, a key pillar of which will address loneliness (15342??)	TBC	TBC
2	We shall continue to develop a more strategic approach to strengthen and develop the preventative network of services & build community resilience, especially in relation to the third sector, housing related support and the wider community, including carers. (15083)	March 2023	Alison Watkins
C	Mental Health and Resilience		
1	See Well Being Objective 7 Action C1	NA	NA
D	Safer Communities		
1	To ensure the Council fully considers and responds to the requirements of the Counter Terrorism Protect Duty once published (expected in 2022-23) (15495)	March 2023	Kate Harrop
2	We will ensure the Council fulfils its duties relating to the current Contest Strategy (counter terrorism) and respond to any duties as they arise (15494)	March 2023	Gwyneth Ayers



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective



Well-being Objective 9

Age Well - Support older people to age well and maintain dignity and independence in their later years

We have continued to keep older people safe in our communities in the most challenging of times, during which, as experienced nationally, demand for social care by far outweighs the limited care and support available in our communities. Ensuring that we target support where it is most needed has allowed us to help people to age well whilst maintaining their dignity and independence. As we emerge from the COVID-19 pandemic, the key challenge has been how to recruit and retain sufficient numbers of skilled and experienced social care workers to provide the support that our communities need. Efforts to do this has become our primary focus and top priority for our integrated health and social organisations.

Why this Well-being Objective is important

- ⦿ Carmarthenshire has a high proportion of residents over 65 years old who are a vital and vibrant part of the community. We want the county to be a place to age well.
- ⦿ Consultations have demonstrated that 'what matters' to older people is to be able to be as independent and as well as possible for as long as possible.
'Being respected as an older person and not being seen as a burden on the local health and social care system'
- ⦿ Research shows that a vital factor of healthy ageing for older people is social participation, respect and inclusion.
- ⦿ Older people contribute to the economy in Carmarthenshire by caring for their grandchildren or other family members.
- ⦿ Wider services can make an important contribution in supporting and sustaining the independence of older people and reducing the demand on Social Services and Health Care.
- ⦿ The Council has determined to make Carmarthenshire a dementia friendly County along the lines of the [Alzheimer's Society Dementia Friendly Community Programme](#).
- ⦿ The impact of COVID-19 on our care homes.



How well are we doing (and how do we know)? ⓘ Sources of evidence

Success Measures / Explaining the Results



66%

Agree there's a good social care service available in their area

(Previously 47.5%)

Source: National Survey for Wales



It takes us an average of

259

calendar days to deliver a

Disabled Facilities Grant

(Previously 347 days)

15.4% of people feel lonely in Carmarthenshire



(Previously 17.3%)

Source: National Survey for Wales

Good Social Care Service available in the area

- ⦿ According to the 2020/21 [National Survey for Wales](#) **66%** of participants believed that there is **good Social Care Service available in the area**. This is an improvement on the last survey result of 47.5% and above the Welsh average of 63.9%.

Disabled Facilities Grant

- ⦿ Delivering Disabled Facilities Grant adaptations during the last couple of years has been challenging due to COVID-19 restrictions with delays and the ability to complete ongoing site work. Our average number of days to complete these adaptations pre COVID-19 was 176 days, and well below the Welsh average

Page 532

of 204 days. This greatly increased during 2020/21 to 347 days and above the Welsh average of 261 days. This disruption created a backlog with a continued high number of days during 2021/22, but as the backlog is being addressed during the year, the average number of days has improved significantly to 259 days.

Feeling Lonely

- According to the 2021/22 [National Survey for Wales](#), **15.4%** of participating adults in Carmarthenshire **classed themselves as lonely**, this has reduced from the previous result of 17.3% but continues to be above the Welsh average of 12.8%, and comparatively we have moved from 19th to 18th position in Wales.

Progress on the steps we are taking to achieve this Well-being Objective


Improved population health and well-being

- Our Theatrau Sir Gâr service delivered a live stream of a Christmas Show to 6 care homes
- Actif received £46k from Welsh Government to promote and deliver free and discounted physical activities to the 60+ population. These included a range of Walking Sports (rugby, football and netball), Nordic Walking, Paddleboarding, Curling, fitness classes, gym activities and racket sports.
- Actif Adult Officers in the Actif Communities team have worked in partnership with clubs and organisations to facilitate and establish a number of walking sport sessions and clubs across the County.
- Our Delta Connect service has gone from strength to strength over the last 12 months. Over 3,000 individuals have now registered for the service in Carmarthenshire, and the rapid response element of the service where a registered team of carers can provide emergency support has proved vital to keeping people safe and well at home. The service has responded to individuals almost 6,000 times and has often negated the need for a hospital admission or an emergency placement in a care home. The reassurance that Delta Connect is available at the end of a phone provides for Carmarthenshire residents and their families makes a huge contribution to improved population health and wellbeing.
- Thankfully, the impact on Older People of the pandemic has started to lessen over the last 12 months. The success of the vaccination programme has meant that COVID-19 is now more routine to manage in care settings, and risk of serious illness or death has decreased to levels comparable with other more routine seasonal illnesses such as flu. The impact psychologically cannot however be underestimated, and many older people have become increasingly isolated and are still living in fear of the risk of COVID-19. Initiatives such as Delta Connect are therefore vital to help support emotional health and well-being.



Better quality and more accessible health and social care services

- There is a national shortage of both qualified social workers and skilled and experienced care staff. At the same time, we have seen the impact that lockdowns linked to the pandemic and difficulties in accessing routine services have had on increasing the health and social care needs of our older population. The combination of these two factors has created a perfect storm. There are consequently an increased number of older people requiring social work assessment and consequently care at home, whilst there are less social workers available to carry out those assessments and less care hours available to support people in the community.


 <p>Arolygiaeth Gofal Cymru Care Inspectorate Wales</p>	<p>Summary</p> <p>‘People and their relatives speak highly about the care and support they receive. Care records are person centred and reflect people’s individual needs. Care staff are well trained, have a good knowledge of the people they care for and are enthusiastic about working in the service. Dedicated and knowledgeable managers who are well supported by the Responsible Individual (RI) lead the service. The managers are accessible and well respected by all involved. The RI has good oversight of the service and there are robust systems in place</p>
<p>May 2022</p>	

Carmarthenshire County Council In-house domiciliary care service Inspection Report	to support this. The leadership team have good working relationships and a clear vision about the service'
---	--


- ⊙ We are doing all we can to prioritise those in most need of assessment and those that are waiting for care. However, it does mean that we have waiting lists for both assessments and care and consequently people are having to wait longer than we would like to get the support that we need.
- ⊙ In light of the above, we have had to be as creative as we can in finding alternative ways to support people. This has led to us rethinking the way in which we work and the success of one such initiative, the Intermediate Care Multi-Disciplinary Team (IC MDT), has been recognised as a finalist in the IESE Public Sector Transformation Awards 2022. The team adopts a 'Home First' principle to support people to leave hospital sooner or help keep people at home, by providing short-term support health to help people return or remain at home as independently as possible.



Higher value health and social care

	<p>In November 2021, Care Inspectorate Wales published its Assurance Check 2021 letter on Carmarthenshire County Council.</p> <p>Adult Social Care Assurances</p> <ul style="list-style-type: none"> • Collaborative working • Good communication and support across organisation • Shared vision of addressing the needs of people • People (including carers) given the opportunity to tailor and manage their own support • A positive integrated approach to a culture of prevention • Makes a positive contribution to the well-being of people in the pandemic period <p>Adult Social Care Risks</p> <ul style="list-style-type: none"> • Provider Market • The demand pressure in the system is greater than the capacity available • Fragile position for in-house service • Delivery of care and support in some geographical areas
--	--

- ⊙ In context of the workforce challenges, making best use of our resources has never been more critical. This year we have gone out to tender for our new Care and Support at Home Framework which, notwithstanding the recruitment and retention challenges, will allow us to provide a more equitable service across the County.

Internal Audit 	Internal Audit has undertaken a recent review of the grant: ENABLE – Support for Independent Living	Internal Audit concluded that the project's aims and objectives had been met and that grant expenditure had been properly incurred in accordance with the grant offer.
--	---	--

- ⊙ In addition, we have used creative means such as the Well-being Support Grant, to financially recompense carers and families to support their loved ones whilst they are waiting for long-term care arrangements to be put in place.

A motivated and sustainable health and social care workforce

- ⊙ The growing number of qualified social work and care worker vacancies, combined with increase in demand and people presenting with much more complex issues to resolve has seen waiting lists growing to much higher levels than we would like. Our primary focus has therefore been to develop

and implement our Social Care Recruitment and Retention Plan to give us every chance possible to recruit and retain staff to the level that we need.

- Over the course of the last 12 months, we have carried out comprehensive recruitment campaigns both internally and in support of the wider sector.
- We have also offered our social care staff a variety of retention payments to encourage them to continue to work for Carmarthenshire.
- We are developing career progression routes for staff so that they can develop their careers with us enabling us to succession plan for the future.
- We are in the process of launching our Care Academi which will provide career opportunities for those wishing to go into care to pursue professional routes such as social work.
- There is still much work to do, but we were starting to see a slightly improved position particularly in relation to social work vacancies.



Carmarthenshire's Delta CONNECT offers "a lifeline" to Edward during pandemic lockdown

When 82-year-old widower *Edward returned to his Llandovery home from a long spell in hospital at the end of 2019, his son, daughter in law and daughter would visit several times a day to help support him in his everyday life and keep an eye on him.

However, everything changed when the lockdown started. Edward began shielding and frequent visits were no longer as easy.

Edward began using the Delta CONNECT service in March 2020 and it has meant the world to him. His mood was extremely low after his lengthy stay in hospital and he had lost a lot of weight, which left him feeling frail and vulnerable.

As part of the CONNECT service, his assigned Community Wellbeing Officer (CWO) Louise called him weekly to check how he was and whether he needed any help. He also had a Lifeline home unit with pendant to call for help in an emergency.

"I'd been in hospital for four months and was really down in the dumps." Edward said, "It really helped when I spoke to Louise. She brought me back from the depths of despair."

For many clients, the service includes food or medical supplies, but Edward was lucky enough to have his family living locally to help with this.

"I'm so lucky to have a fantastic family nearby and they really look after me, but sometimes it's easier to talk to someone outside of your family because you don't want them to worry any more that they already are."

"I can't speak highly enough of CONNECT. Knowing that there was someone at the end of the phone for me was a lifeline and so reassuring for my family as well."

The CWOs are trained to identify clients who may need additional support, even when the client hasn't recognised that need themselves - this has helped Edward's family know that he is safe and supported at home even when they can't be there

Edward's son *Jonathan said: "The Delta service means a lot to my dad and he feels genuinely privileged to be able to access it. The Lifeline system is invaluable for him and although we're close by, it's reassuring for the family to know that help is on hand should he need it.

"The wellbeing calls have been fantastic - he enjoys having someone different to talk to and really looks forward to the calls every week. In a few years I'll probably be signing myself up."

***Names have been anonymised**

What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/Target	Owner/Resp. Officer
A	Improved population health and well-being		
1	We will provide proactive and planned care to people in the community with chronic long-term health conditions/ increased frailty and those that require support at the end of their life (16132)	March 2023	Alex Williams
2	We will develop and implement a Prevention Strategy for Carmarthenshire which will include continuing to work in partnership with Delta Wellbeing in support of our residents (15342?)	March 2023	Rhian Dawson
3	We will continue to reshape our approach to support patient flow and home first by developing the discharge to assess pathways and ensure that monitoring and escalation processes are maintained to ensure effective flow across the Carmarthenshire system (15348)	March 2023	Alex Williams/ Rhian Dawson
B	A motivated and sustainable health and social care workforce		
1	We will grow the professional Social Work and Occupational Therapy workforce by ensuring that Carmarthenshire is an attractive place to work, there are opportunities for career progression and development of career pathways for non-qualified staff to become qualified (16133)	March 2023	Alex Williams



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective

DRAFT

Healthy, Safe & Prosperous Environment

A large, diverse crowd of people is shown from a low angle, looking towards the background. The crowd is dense and fills the frame. In the foreground, the backs of several people's heads and shoulders are visible. The background is filled with more people, some wearing hats and sunglasses, suggesting a sunny outdoor setting. A faint, semi-transparent line graph with an upward trend is overlaid on the right side of the image, starting from the bottom and extending towards the top right.



Well-being Objective 10

Healthy & Safe Environment - Look after the environment now and in the future

We have significant Environmental challenges to address

- ! A big challenge will be delivering against the decarbonisation priorities. We'll need to significantly increase future carbon savings to meet the Council's commitment to become a Net Zero Carbon (NZC) local authority by 2030.
- Our Planning Service had significant and long-standing performance issues and an external audit brought this to the fore and in year the Council has intervened and made significant progress.
- ! Maximising recycling has been difficult following a fire at our main materials recovery facility and with COVID-19 relaxation of black bag rules. We have a new recycling contamination action plan and a new waste strategy which will help us deliver improved performance.
- Compared to previous years, 2021/22 has not seen as many significant flooding events resulting in high numbers of Carmarthenshire businesses and residents affected by internal flooding.

Why this Well-being Objective is important

- ⊙ A biodiverse natural environment is good for well-being, with healthy functioning ecosystems, supporting social, economic and ecological resilience.
- ⊙ A good planning service is essential to deliver the Council's ambitions.
- ⊙ We have declared a climate emergency as a Council and were the first in Wales to have published our [Route Towards becoming a Net Zero Carbon Local Authority by 2030](#).



How well are we doing (and how do we know)? ⓘ Sources of evidence

Success Measures / Explaining the Results



We generated
1,059,364 kWh of
renewable energy
during 2020/21
(increased from 997,480 kWh in
the previous year)



The Council's Energy
Consumption
(kWh) decreased
by **9.5%**
from 70,332,391 kWh in 2019/20
to 63,684,340 kWh in 2020/21



Our recycle rate is
61.68 %
(This is a decrease
on the previous
year's figure of 62.20%.)

- ⊙ In 2020/21, our overall Energy Consumption reduced by 9.5% compared to 2019/20, with all four areas showing a reduction in both consumption and carbon emissions i.e., Non-Domestic Buildings; Street Lighting; Fleet Mileage; and Business Mileage.

Whilst these reductions are in part attributable to the impact of COVID-19, the continuation of staff home working, together with changes in working practices such as an increased use of video conference facilities and online communication, should see a lasting reduction in carbon emissions in the longer term.

- ⊙ A fire at the Nantycaws Materials Recycling Facility this has meant that achieving the 64% recycling rate target for the 2021/22 financial year has not been possible. This is due to the restrictions and difficult market position facing CWM Environmental and the Council following the fire and continuing to have to rely on third party facilities throughout the year. This remains the case going into 2022/23, however we do have specific plans for improving recycling capture and quality going forward.

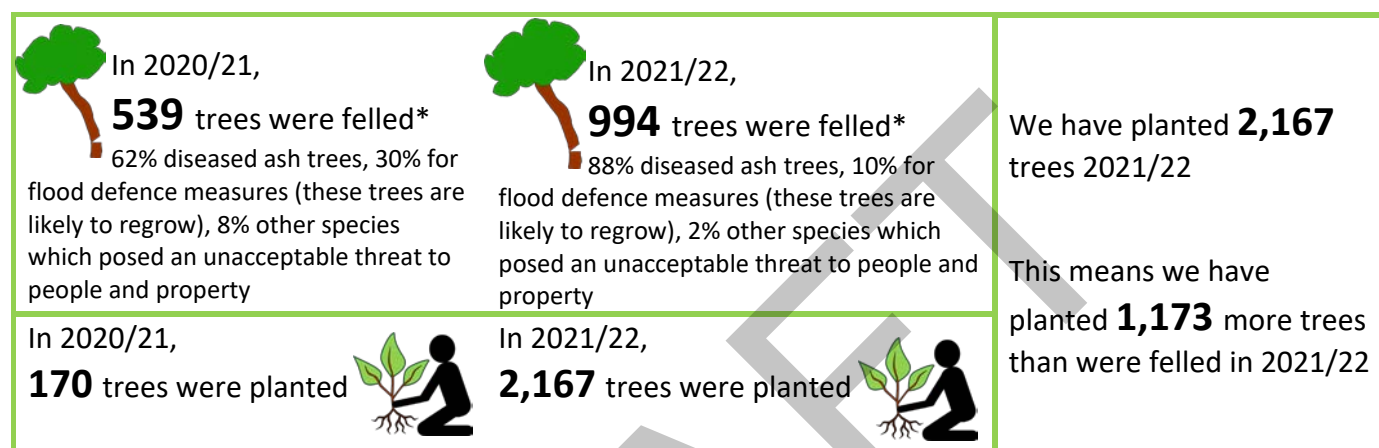
Progress on the steps we are taking to achieve this Well-being Objective

Address requirements of the Environment (Wales) Act 2016

Declaration of Nature Emergency:

! A nature emergency has been declared by Welsh Government and we are setting up a Climate Change and Nature Emergency Advisory Panel to address this issue. We are delivering several projects to ensure nature recovery:

- We have improved heath and bog habitats at Figyn, Mynydd Figyn and Mynydd Staffalu Carn.
- Restored a pond at Llyn Llech Owain Country Park that can now be used for pond dipping.
- Enabled the Wildlife Trust to train staff and use tracking tunnels for monitoring dormice.
- Purchased grass cutting equipment to experiment with pollinator friendly practices.




*Trees are being felled due to ash die back, storm damage, safety, and some development requirements

Phosphate in Rivers

! New evidence about the damaging effects of phosphates to water ecosystems and species has resulted in the publishing of new targets by Natural Resources Wales (NRW) to reduce river phosphate levels in special areas of conservation (SAC) across Wales. We have implemented several positive interventions, some of which are noted below:

- Developing and implementing the first and only Nutrient Calculator in Wales.
- Published a [phosphate webpage](#) which has been replicated by other authorities.

Deliver planning according to Planning (Wales) Act 2015

	Audit Wales published the ' Planning Service Review ' report in July 2021 that contained 17 recommendations and stated that: <i>"Significant and long-standing performance issues in the planning service need to be urgently addressed to help support delivery of the Council's ambitions".</i> A range of interventions were implemented to focus on delivering the recommendations and a turnaround in performance has been achieved.
---	--


There has been significant improvement on the determination of planning applications during the year. This is demonstrated by the following End of Year 2021/22 results:

	2020/21	2021/22	Improved by
% applications determined in time (PAM/018)	60.3% (735 of 1,219)	80.8% (1,536 of 1,900)	20.5%
% of planning appeals dismissed (PAM/019)	53.8% (7 of 13)	76.5% (13 of 17)	22.7%

The approval of major planning applications has a significant impact on job creation and the improvements made in planning during 2021/22 has resulted in the creation of 539 full-time and 52 part-time jobs (including 300 locating with the County) from the 95 applications approved. (See more WBO5 – Create More Jobs and Growth).


Net Zero Carbon (NZC) Local Authority by 2030

There have been 2 Internal Audits completed on NZC arrangements and their audit ratings were High.


Internal Audit	Rating	Good Systems in Place	Good Governance
	High	✓	✓
	Acceptable		
	Low		

- Our Re:Fit Cymru Phase 1 project has now been completed. This comprised various energy conservation measures, including solar PV installations, at 29 of our non-domestic buildings including schools. Phase 1 is projected to save £315,726 | 675 tCO₂e each year.

Working towards Net Zero Carbon we are trying to reduce energy consumption and emissions:

 Annual Report Link	2019/20	2020/21	2021/22	2020/21 vs 2021/22 % change
Non-Domestic Buildings				
Consumption (kWh)	66,407,242	59,808,497	TBC	
Carbon Emissions (tCO ₂ e)	14,443	12,581	TBC	
Street Lighting				
Consumption (kWh)	3,925,149	3,875,843	3,599,124	7%
Carbon Emissions (tCO ₂ e)	1,088	981	832	15%
Continued reduction in annual electricity consumption (kWh) in 2021/22. Virtually 100% of all CCC managed street lighting has now been converted to LED. Future savings will plateau until more energy efficient technologies become available and installed.				
Fleet Mileage				
Mileage (Miles)	5,154,668	4,427,070	4,262,681	3.7%
Diesel Used (Litres)	1,419,336	1,267,437	1,320,551	4.2%
Carbon Emissions (tCO ₂ e)	3,814	3,407	3,573	4.9%
Whilst total mileage has marginally reduced, there was a marginal increase in the total diesel consumed which resulted in higher emissions in 2021/22 compared to 2020/21. [Note: The BEIS calculation is a very blunt instrument that defaults to a national average for fleet vehicles. This could be refined by calculating actual carbon emissions for each individual CCC vehicle. I understand that a Fleet Review is to be completed by September 2022 – this which inevitably result in the procurement of more electric / ultra-low emission vehicles (ULEV) which will significantly reduce carbon emissions]				
Business Mileage				
Mileage (Miles)	3,971,513	2,251,986	2,511,091	11.5%
Carbon Emissions (tCO ₂ e)	1,132	621	693	11.6%
There was a very significant reduction in emissions in 2020/21 compared to 2019/20 (-45%). This was largely attributable to the impact of COVID-19 resulting in far greater homeworking and the use of ICT technology which reduced the need for travel. Whilst there has been a marginal increase in mileage and associated carbon emissions in 2021/22, emissions have not returned to the pre COVID-19 levels. [Note: The BEIS calculation is a very blunt instrument that defaults to a national average for fleet vehicles. This could be refined by calculating actual carbon emissions for each individual vehicle].				
Total				
Consumption (kWh)	70,332,391	63,684,340	TBC	
Mileage (Miles)	9,126,181	6,679,056	TBC	
Carbon Footprint (tCO ₂ e)	20,477	17,590	TBC	

- As well as procuring all its electricity from renewable energy sources, the Council has made other efforts to reduce carbon emissions including converting street lights to low energy LED and upgrading its fleet to include electric cars and more energy efficient refuse and gritting vehicles.


	<p>Public Sector Readiness for Net Zero Carbon by 2030: July 2022</p> <p>In the report, the Auditor General makes the following five calls for action from public bodies:</p> <ul style="list-style-type: none"> <i>Strengthen your leadership and demonstrate your collective responsibility through effective collaboration;</i> <i>Clarify your strategic direction and increase your pace of implementation;</i> <i>Get to grips with the finances you need;</i> <i>Know your skills gaps and increase your capacity; and</i> <i>Improve data quality and monitoring to support your decision making</i>
---	---

NB: Early feedback shows that we are one of only a few authorities in Wales to have Net Zero Carbon plans in place

Prosiect Zero Sir Gâr 2030: Carmarthenshire County Council has engaged thousands of children through this initiative - a targeted effort to bring people together to support the Council's journey towards becoming net carbon zero by 2030. Primary school children across the county have been challenged to become '[Prosiect Zero Super Heroes](#)', sharing their super powers and ideas to help Carmarthenshire tackle climate change.




Flood & Water Management Act & Shoreline Management Plan

Internal Audit	Flood Defence (May 2021)	Assurance Rating:			
	<p>The review sought to provide assurance that the Authority is managing flood risk in accordance with the Local Flood Risk Management Strategy and the Flood Risk Management Plan.</p>	<table><tr><td>High</td></tr><tr><td>Acceptable</td></tr><tr><td>Low</td></tr></table> <p>Actions being tracked to improve rating</p>	High	Acceptable	Low
High					
Acceptable					
Low					

- Compared to previous years, 2021/22 has not seen as many significant flooding events resulting in high numbers of Carmarthenshire businesses and residents affected by internal flooding. That said, the winter of 2021/22 did result in significant flooding in places in October; which was followed up with Storms Arwen and Barra in late November and early December. The Council does not have responsibility for main river flooding, that rests with Natural Resources Wales.
- Our flood incident management work has developed in 2021 and we are utilising more technology to advise on flood risk and prioritise resources.
- Following the flooding events in Kidwelly in October 2021, we undertook a formal investigation and have successfully applied for Welsh Government grant funding to make improvements.
- We have met with community leaders regarding current flood risk and future capital schemes. We continue to work collaboratively with partners, including Natural Resources Wales on the evolution of flood risk management interventions where appropriate.
- The move from traditional sea defence to coastal adaption will be key in the future. In addition, all our coastal assets were inspected, and defects actioned accordingly.

- In 2021/22, following the development of business cases, we received £650,000 in revenue and capital grants from Welsh Government. Furthermore, we have received grants for developing feasibility work and business cases for various specific flood mitigation works worth circa £245,000.
- This year we have managed a £2.5 million works programme across 15 mitigation projects.

Towards Zero Waste strategy

	<p>During the last year Audit Wales undertook a review of the Waste Services, it's principal finding was that: "The Council has met its statutory recycling targets and has recently drafted a strategy to make its waste service more sustainable, but it has not finalised the strategy or got a clear plan for dealing with the large number of fly-tipping incidents in the county"</p> <p>An action plan to fully address the report's recommendations has been implemented.</p>
---	--

- We have finalised our [Waste Strategy](#). This strategy sets out the considerations and measures proposed for future improvement of the waste service to achieve 70% recycling by 2024/25 and the expected 80% target by 2030.
- Our consultation and engagement on the Future Waste Strategy had over 4,000 responses and directly shaped our future service design. We have listened to that feedback, and from next year we will be carrying out separate collections of nappies and glass so that there is less waste to put in black bags.

Local Environment Quality (LEQ)

- We have published a [LEQ Management Plan 2022-2026](#) which details the direction of the Council's litter management within the county for the next 4 years.
- We have responded to 5,026 fly tipping requests with an average response for clearance within 2.4 days. This response rate has returned to pre pandemic rates.
- We have worked with our volunteers from communities throughout Carmarthenshire to tackle Local Environment Quality (LEQ) issues. In the past twelve months, the Council, community groups, schools and partners have collected over 2,000 bags of littered and fly-tipped waste from throughout the County. This fantastic result has been achieved with help from almost 1,400 volunteers working hard to help keep Carmarthenshire clean, with almost 350 litter picks organised in partnership with us.



Cleanliness Performance Data	2020/21	2021/22	Comment
Keep Wales Tidy Cleanliness Index for Highways (STS/005a)	80.7% (740.5/918)	76.8% (903.5/1,176)	! These measures are on target but <u>have declined on the previous year</u> . The number of inspections undertaken this year are back to pre-COVID numbers and we have exceeded the number of inspections and plot hotspot areas.
We will maintain a high level of streets that are clean (PAM/010)	98.1% (177/181)	94.1% (369/392) This result exceeds the National Target of 92%	

SIOP ETO

The Eto shop opened in February 2022 and has a real buzz about it. Popular with locals and visitors alike it is an Aladdin's cave of all sorts of affordable domestic goods ranging from, sports equipment, pictures, ornaments and much, much more. These are all items that would have otherwise been thrown away. Now though they are brought back to life and benefiting others.



This project is the start of a long-term ambition for the Council to ensure that as much of these items can be reused to benefit the environment and reduce the need to create further products. Preventing the waste entering the waste stream through repair and reuse is the overall goal so that local people can benefit from the project.

Since opening in late February over 750 items have found new homes, this equates to just under six tonnes of waste items being reused rather than being landfilled. Staff at the shop are continuously helping shoppers to look for what they need and note down items of interest or would like to see stocked in the shop.

Working in partnership with CWM Environmental on this project has allowed for a collaborative approach with residents to provide goods which they will benefit from buying. The shop has a community feel and our aim is to connect with the people of Llanelli town and the County to make this project meet their needs and ensure they are able to benefit from it.



What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/Target	Owner/Resp. Officer
A	Address requirements of the Environment (Wales) Act 2016		
1	To advise and shape our response to the Nature Emergency declaration by Welsh Government in June 2021 Action ID 15665	March 2023	Rosie Carmichael
2	Three new areas of woodland are being established for the creation of new wildlife habitat that will contribute towards nature recovery, sequestration of carbon, creating areas for nature close to where people live and work. Action ID 15711	March 2023	Rosie Carmichael
3	To continue to work with partners to meet the damaging challenge of Phosphate in Rivers. Action ID 15681	March 2023	Ian Llewellyn
B	Deliver planning according to Planning (Wales) Act 2015		
1	To implement the adopted LDP and monitor its success or otherwise against its identified delivery measures ensuring policies, procedures and practices are being adhered to. Action ID 15674	March 2023	Ian Llewellyn
2	Ensure determination of all Planning Applications within agreed Welsh Government timescales. Measure PAM018	March 2023	Hugh Towns
3	To learn the lessons from the Planning Audit Wales report and the successful intervention approach taken and use as a blueprint if needed in future. Action ID 15682 (relates to audit report only)	March 2023	Rhodri Griffiths

Ref	Actions and Measures	Date/ Target	Owner/ Resp. Officer
C	Net Zero Carbon Local Authority by 2030		
1	The development of a strategic regional Eco- Park. Action ID 15662	March 2023	Dan John
2	To produce and manage the implementation of the Authorities Net Zero Carbon Plan to achieve the Council's commitment to become a Net Zero Carbon Plan local authority by 2030. Action ID 15699 + 15705	March 2023	Kendal Davies
D	Flood & Water Management Act & Shoreline Management Plan		
1	Manage and mitigate flood risk within our communities. Action ID 15993	Oct 2024	Ben Kathrens
E	Towards Zero Waste strategy		
1	Maintain, enhance, and improve the quality of the built and natural environment through the reduction of litter pollution, thereby creating a healthy and safe environment. Action ID 15689	Sep 2022	Geinor Lewis
2	Improve the way we manage waste in Carmarthenshire, increasing the waste reused, recycled or composted. Delivering against national beyond recycling strategy. Measure PAM030	March 2024	Dan John



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective

DRAFT



Well-being Objective 11

Healthy & Safe Environment - Improve the highway and transport infrastructure and connectivity

Continued deterioration of highways infrastructure

We have adopted a risk-based approach which has focused investment in road surfaces predominantly on the higher-class roads.

Why this Well-being Objective is important

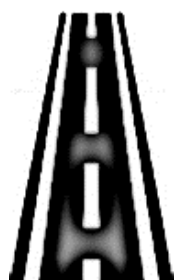
- Transportation & highways play a key role in supporting and sustaining our communities, it provides the vital infrastructure which connects people to one another, binds communities and enables businesses to grow and expand. A modern, successful economy is reliant upon the safe and efficient movement of people and goods and providing opportunities for people to gain access to employment, education, health, leisure and shopping.



How well are we doing (and how do we know)? [Sources of evidence](#)

Success Measures / Explaining the Results

Roads that are in poor condition:



3.6% of our **A Class**

(An improvement on 4.1% in 2020/21)

2.8% of our **B Class**

(An improvement on 3.4% in 2020/21)

11.8% of our **C Class**

(An improvement on 12% in 2020/21)

The number of people being killed or seriously injured on the roads during 2021 to **81**

(2nd highest in Wales)

(55 in 2020)

Source: Stats Wales

- The condition of our main roads in Carmarthenshire has improved during 2021/22.**

Carmarthenshire has the second largest highway network in Wales, more than double the Welsh average, and although we are a predominantly rural County, we have the third highest traffic volumes. Through additional investment and in line with our risk-based approach we have improved the condition of our main roads, and this benefits a large number of road users. Compared to other local authorities we are still within the lower quartile for road condition, so more investment is required to maintain this key infrastructure than is available.

- Carmarthenshire has the second largest road network in Wales and the third highest traffic levels which has an influence on road collision statistics. In 2020 the covid pandemic suppressed travel levels in Wales generally which then rose in 2021 towards pre-pandemic levels. This has unfortunately led to an associated increase in the number of casualties killed or seriously injured on our roads, from 55 in 2020 to 81 in 2021 (111 in 2019). The overall trends remain downwards, and our Traffic & Road Safety Team continue to work in partnership with emergency services to promote improved road safety through education, enforcement and engineering. Specific initiatives focused on motorcyclists such as Dragon Rider provides training sessions to enhance riding skills and the Bike Down training sessions for motorcyclists to provide first aid skills in emergency situations to enable those first on scene to preserve life. The number of motorcyclists killed or seriously injured on our roads increased to 16 in 2021 from 10 in 2020 but remains lower than pre-pandemic figures of 25 in 2019. The number of 16-24 year olds killed or seriously injured reduced to 5 in 2021 (from 8 in 2020 and 17 in 2019). Our work with partner agencies to influence further reductions continue with a range of measures and engagement events, such as our Pass Plus Cymru initiative, where we work with driving instructors to give our young drivers enhanced skills as they take to our roads and our Mega Drive initiative focuses on 16-18 year olds to enhance road safety awareness and is delivered in partnership with Go Safe and our emergency services.

Page 545

Progress on the steps we are taking to achieve this Well-being Objective

Developing highway infrastructure

Key projects:

- **Cross Hands Economic Link Road** - this will be completed in the Summer of 2022. This represents the culmination of many years of planning and construction to deliver a key project which opens access to strategic employment and economic areas in Cross Hands and the wider area and will significantly improve traffic flows in the area. A shared use path is also being created along the link to encourage and support more walking and cycling in the area.
 - **M4 Junction 48 Improvements** - working in partnership with Welsh Government this major highway improvement scheme was completed in the winter of 2021. The project has significantly improved traffic flows at this crucial artery serving the Llanelli area and eased traffic congestion.
 - **Tywi Valley Path** - this ambitious project will create a 20Km off-road walking and cycling route linking Carmarthen to Llandeilo running alongside the River Tywi. **We have secured £16.7m of Levelling Up funding to enable the development and delivery of this key project.**
- For Active Travel, we have installed bike hire stations at key travel nodes such as Carmarthen Bus and Llanelli Railway Stations.
- Internally, there is a need to align and adapt our services to ensure we can meet the major challenges ahead. Several of our IT and information systems need to be developed and modernised, our workforce has adapted and will need to adapt further for the future, to enable us to digitally transform our operational processes to improve customer experience and efficiencies.
- Public Rights of Way service which manages an extensive network of footpaths, bridleways and byways.

Route Type	Number of Routes	Length (KM)
Footpath	2956	2282.0
Bridleway	138	166.06
Byway Open to All Traffic	88	81.3
Restricted Byway	1	1.6
Totals	3183	2530.96

*September 2022

We are improving Electric Charging Infrastructure. We now have 41 fast charging points across the county. We have launched our ten-year Electric Vehicle Infrastructure Strategy. The superfast charging hub, pictured, is located off the A48 in Cross Hands and will provide four 50KW rapid chargers and one 150KW super rapid charger. The chargers draw power from 100% renewable energy sources and the photovoltaic cells on the canopy roof linked to battery backup storage on site will help reduce draw from the national grid. The project is funded through the Welsh Government's Ultra-Low Emission Vehicle Fund.



Our new, first of its kind in Wales, electric vehicle charging hub in Cross Hands

Integrated Public Transport Network

- We are working with our regional partners and Welsh Government to develop a strategic passenger transport project, referred to as the Metro for South West Wales. This will provide sustainable travel with rail and bus corridors through the region along key corridors routes which integrate with local connections.
- We are currently actively progressing the introduction of electric buses on the well-established T1 bus service between Carmarthen and Aberystwyth (see case study) and to explore the potential role and feasibility of piloting hydrogen powered buses in the region. This exciting project may represent a key alternative fuel source for the future with significant transport implications.

- ! The passenger transport industry has experienced very turbulent times and there are continuing factors impacting the industry. COVID-19 has had a fundamental impact on passenger numbers and hence revenues for operators. We have worked with Welsh Government to support the bus industry through this very difficult time and further global influences such as high fuel prices, driver shortages and staff sickness continue to create challenges within the industry. Our Passenger Transport Team have worked with operators to support them through this difficult time to continue providing essential services for customers. People in Carmarthenshire feel the pressures of the loss of public transport.
- ⦿ To improve the customer experience, we have utilised Welsh Government funding to install 42 Real Time Information displays, high quality bus shelters, wayfinding signage, significant infrastructure enhancements at Carmarthen and Llanelli Bus stations. These improvements are designed to encourage modal shift away from the private car thereby contributing to carbon reduction, social inclusion and economic activity, as well as improving the attractiveness, accessibility and vitality of our economic centres.

Support Community and Rural Transport

- ⦿ We successfully manage and provide a lead role in the LINC project on behalf of Welsh Government which includes the Fflecsi, Bwcabus and Trawscymru networks. These initiatives provided essential transport services throughout COVID-19, enabling key workers to continue to access employment. The service continued to be available 6 days a week 7am-7pm throughout the pandemic. Bwcabus has formed a new partnership with Viavan and Transport for Wales in May 2021, utilising Transport for Wales' new booking system and launching the rebranded service Fflecsi Bwcabus in October 2021. Fflecsi Bwcabus now enables passengers to book and manage journeys via an App as well as via a new call centre.

Road Safety Strategy

- ⦿ A new 20mph speed limit has been introduced in large areas of North and South Llanelli. These two large scale Welsh Government funded projects have involved working in partnership with local communities, elected representatives and schools.

Modernising our vehicle Fleet

- ! Our vehicle fleet are an essential supporting part of the services provided across the Council. Continuing to support our fleet and bringing in additional vehicles to maintain services through the COVID-19 pandemic has been particularly challenging but nevertheless achieved. Whilst the pandemic is now receding, new challenges are emerging such as high fuel prices, driver shortages across the logistics industry and a shortage of vehicle fitters which continue to provide a stern test.
- ⦿ We are currently reviewing our Fleet Replacement Strategy which will include a transition to vehicles with sustainable fuel sources. This must carefully align with market supply as it continues to develop to ensure that the technological risks and financial risks to the Council are minimised and will need to ensure supporting infrastructure for fuelling and maintenance are in place.
- ⦿ The market supply for electric vehicles, and particularly for cars and small vans has developed quickly and is now providing reliable electric vehicle options for our Council Fleet. To support this transition Welsh Government funding has been secured to introduced 2 additional electric pool cars in 21/22. We also have the following programme to install 6 rapid and 13 fast chargers at our depots:
 - Trostre Depot (Llanelli) – 3 Rapid chargers (50kW) and 6 fast chargers (7-22kW)
 - Cillefwr Depot (Carmarthen) – 2 Rapid Chargers (50kW) and 4 fast chargers (7-22kW)
 - Cwmamman Depot (Glanaman) – 2 fast chargers (7-22kW)
 - County Hall (Carmarthen) – 1 Rapid Charger (50kW) and 1 fast charger (7-22kW)

The market supply for larger and heavy goods is less developed and operational challenges exist. Alternative fuel sources such as hydrogen are likely to be part of a future solution, but this area requires further development.

Electric Buses for the TrawsCymru T1 Service: Carmarthen to Aberystwyth

We are bringing forward an exciting project in partnership with Welsh Government, Transport for Wales to replace the current bus fleet operating the T1 Carmarthen to Aberystwyth service with a brand new electric bus fleet. This £5m+ project is being funded by Welsh Government and will include the construction of a new bespoke bus depot located adjacent to the Nant y Ci Park and Ride site in Carmarthen just off the A40.

The service will operate with a fleet of 8 new electric buses which are currently being built. The new fleet of electric buses are expected to come into service in September 2022. Thousands of customers every year will benefit from an improved ride quality on high specification vehicles with wi-fi facilities and know that the journey is being made on a zero-emission vehicle.



What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/Target	Owner/Resp. Officer
A	Highway Infrastructure		
1	Deliver key infrastructure schemes Action ID 15713/15714	Sep 2022	Adrian Harries
B	Integrated Public Transport Network		
1	We will continue to work with national and regional bodies to develop the Southwest Wales Metro to support carbon reduction and the local economy Action ID 15759	March 2025	Stephen Pilliner
2	Monitor supply market for passenger transport to adapt services where required to changing supply conditions Action ID 15764	March 2023	Alwyn Evans
C	School Transport network		
1	We will continue to support the delivery of the Modernising Education Programme – redesigning networks to facilitate the movement of pupils as set out in our home to school transport policy Action ID 15767	March 2023	Alwyn Evans
D	Support Community and rural Transport		
1	Develop Community Transport Strategy to enable access to essential services from rural communities Action ID 15773	March 2023	Alwyn Evans
E	Integrated Public Transport Network		
1	We will support the development and delivery of a new railway station at St Clears Action ID 15787/15788/15789	Nov 2023	Simon Charles
F	Modernising our vehicle Fleet		
1	Update Fleet Replacement Programme & Strategy to transition towards Ultra Low Emission Vehicles and Depot Infrastructure Action ID 15716/15717/15718/15719/15720/15721/15722/15723	March 2023	Antonia Jones



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective



Well-being Objective 12

Healthy & Safe Environment - Promote Welsh Language & Culture

Following a challenging COVID-19 impacted 2 years for our Cultural services, we have made significant progress in protecting and enhancing our Cultural offer across the County with investment in key strategic facilities and services.

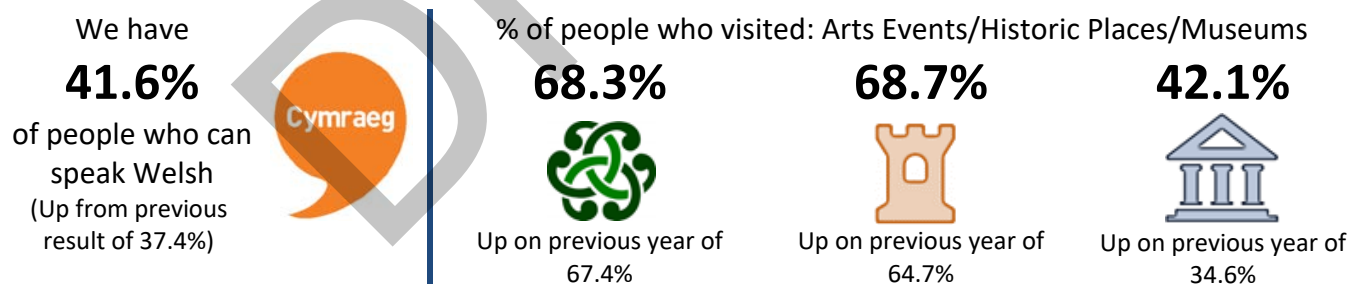
Why this Well-being Objective is important

- ⦿ We have the highest number of Welsh speakers in our county compared to the rest of Wales, which makes Carmarthenshire a key strategic stronghold for the future of the Welsh language; however, we are also the county with the greatest reduction in the percentage of Welsh speakers according to the 2011 Census figures, which makes taking positive action crucial. The social and economic benefits of bilingualism are widely recognised, and research shows that 86% of individuals in Wales feel that the Language is beneficial to both the economy and individuals through cognitive and social benefits.
- ⦿ It is a unique selling point. Tourist and hospitality industries throughout Europe are now realising the importance of offering unique experiences. Having two languages and a sense of Welsh history and culture places Carmarthenshire in a strong position.
- ⦿ The pandemic has had a significant impact on opportunities to use Welsh socially and consistent action needs to be taken to safeguard its use as a living language.
- ⦿ The proportion of children acquiring the Welsh language in the home has decreased significantly over the last half century. Positive action needs to be taken to ensure all children can become bilingual.
- ⦿ Research has shown that, in general, people in Wales who regularly attend or participate in cultural activities are more likely to report higher subjective well-being and potential mental health benefits are seen.



How well are we doing (and how do we know)? ⓘ Sources of evidence

Success Measures / Explaining the Results



Source: National Survey for Wales (sample size 600)

People who can Speak Welsh

- ⦿ 2021/22 National Survey for Wales data published in July 2022 showed that **41.6%** of participants said they could **speak Welsh** (based on a sample of 600 residents), this is the 3rd highest in Wales moving above Ceredigion for the first time in this survey. Our result also shows an improvement on the previous survey result of 37.4%. The National Survey for Wales gives a good annual indication of the number of Welsh speakers; however, the Census is the only source that gives a whole population figure, with 43.9% (78,000 speakers) noted in 2011, the highest number of Welsh speakers in any county. The initial Census 2021 findings were published in the July 2022 and the main releases two years after the Census (Spring 2023). This will provide the firmest evidence base for Welsh language skills in the County.

People who visited Arts Events, Historic Places and Museums

- ⦿ The most recent data published in June 2020 for participants from Carmarthenshire **attending an arts event, visiting historical places or visiting a museum** had increased. Both visits to Arts events and Museums were below the Welsh average of 70.4% and 42.5% respectively but the % visiting historic places are above the Welsh average of 62.5. *Please note that the questions asked whether they attended or visited these places in Wales and not specifically in Carmarthenshire.* Updated National Survey for Wales data may be published June/July 2022

Progress on the steps we are taking to achieve this Well-being Objective

Implement and monitor the Welsh Language Standards

- ⦿ 30 members of staff from various departments have received training and enabled us to further strengthen our network of Welsh Language leaders who have an extended knowledge of the Welsh Language Standards within the Council's departments.
- ⦿ We provided a continuous flow of internal communication to ensure staff awareness of their responsibility under the Standards and published new and revised guidelines and flowcharts to promote appropriate working practices.
- ⦿ We established a new, monthly on-line opportunity (Y Clwb Clebran) for staff to use their Welsh language to mitigate the potential detrimental effect of the new ways of working on staff Welsh language skills and their ability to deliver services through the medium of Welsh.

The development of Welsh in all our Education services

- ⓘ Please see WBO3 - The development of Welsh in all our (Education) services

The Welsh Language Promotion Strategy

- ⦿ Extensive work was done to gather information and establish a set of measures from partner organisations to compile a report on the Welsh Language Promotion Strategy and Action Plan 2016-21.
- ⦿ Preparatory work was done, including consultation with partner organisations, to form the new direction and content of the Welsh language Promotion Strategy for 2022-27.
- ⦿ We have facilitated the multi-agency Fforwm Iaith Sirol / County Welsh Language Strategic Forum, organising quarterly meetings to drive the work of the Promotion Strategy forward.
- ⦿ Extensive inter-departmental work was done to establish the Welsh language at the core of the Council's economic development work, to ensure that our regeneration programme is carried out in a way that will have a positive impact on the Welsh language.

Promoting our Welsh Culture & Heritage

- ⦿ Our investment into an exhibitions gallery on the first floor of Carmarthen Museum has enabled us to establish a partnership with the National Gallery London, to showcase world renowned artwork and collections here in Carmarthenshire, raising the profile of our Cultural offer and engagement with our local and visiting population.
- ⦿ £500k has been invested at Parc Howard Museum to replace the roof and to create a new café space for community use over the coming months and years. Working closely with the Friends of Parc Howard, Parc Howard Association and Llanelli Town Council, plans are being realised to relocate an accessible museum reception and retail area, as well as enhance interpretation and exhibition.
- ⦿ The new Museum of Land Speed, part of the Pendine Attractor project which also includes a new 44 bed hotel is due for completion in late Summer 2022. Working in partnership with Pendine Community Council over the past 2 years, this project will further enhance our Cultural and Tourism offer within the County, whilst regenerating this key coastal destination, a few miles down the coast from our iconic Dylan Thomas Boathouse in Laugharne.
- ⦿ A brand new £2m Archive has been completed and is scheduled for opening in July 2022 as our invaluable collections return to the new depository, situated at Carmarthen Library.
- ⦿ Our Theatrau Sir Gâr service undertook a research and development project for a new Welsh language comedy

- Libraries 24/7 - Remote Locker solutions are being installed at Whitland, Brynaman and Newcastle Emlyn Libraries to allow for greater access and flexibility for users to book, deposit and collect books at rural locations. Self-check in/out Beacons are now established at all Libraries with the All-Wales Library app now operational across the County network of libraries.



Support our Annual Cultural awards and promoting Annual Village and Town of Culture

- Our Town and Village of Culture programme is re-starting, following a difficult COVID-19 impacted 2 years, whilst our annual Cultural awards evening re-established itself in early Spring 2022 with a fantastic evening at our flagship Ffwrnes Theatre in Llanelli, celebrating our fantastic cultural offer and the work of our partners and volunteers across the County.

Is anyone better off?

We have worked in collaboration with the Tywi Gateway Trust to secure external funding and invest over £2m into the redevelopment and long-term sustainability of the Bishop's Park, the grounds of the Old Bishop's Palace and home to Carmarthenshire Museum in Abergwili, Carmarthen. A new Visitor Centre for the park with its glass-roofed Café is completed, bringing the old palace outbuildings into public use. Landscaping to improve access, habitat management and biodiversity conservation, with interpretive signage throughout the park help people enjoy and connect with their heritage and environment.

The Trust involves volunteers and the local community as part of the long-term investment into the site, which has also seen the local authority and external funders investing over £1m into its County Museum building. The museum is managed by CofGâr, Carmarthenshire County Council's Museum service. Restoring the historic museum, creating an accessible entrance, and refurbishing galleries preserves and promotes our County's unique cultural heritage collections. And special exhibitions and programmes explore themes connected with the environment, wellbeing, and current issues, helping people to learn from the past to improve today and plan for tomorrow.

The holistic development of the site now known as **Carmarthenshire Museum and the Bishops Park** is a collaboration unique in Wales between a local authority and charity. Connectivity is a shared value, helping build more cohesive, resilient communities, whilst creating opportunities for people to live healthier, more connected lives.

The project is live and new elements continue to be added. An accessible ramp into the Great Meadow will be installed, creating access into a unique habitat previously in private ownership. A grant has been awarded to the Trust to develop detailed plans and costs for the Walled Garden, a project focussing on social impact, sustainable food production, and skills development. And as Carmarthenshire Museum and the Bishops Park becomes a major hub at the start of the Tywi Valley Path, the benefits of walking and cycling for local communities, businesses and tourism will be realised.



What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/Target	Owner/Resp. Officer
A	Implement and monitor the Welsh Language Standards		
1	We will publish an annual report on the implementation of the Welsh Language Standards for the period 2022/23 (13280)	June 2023	Llinos Evans
2	We will review the current Internal Use of the Welsh language Policy and prepare a framework to support departments to increase the use of the Language in administration (15486)	March 2023	Gwyneth Ayers
3	We will publish and adopt a policy on Awarding Grants and the Welsh language (16112)	March 2023	Gwyneth Ayers
4	The % of staff at Level 3 of the Welsh language skills framework (Cym/001) (Baseline 2021/22= ? %)	No target	Gwyneth Ayers
5	The % of posts recruited at the required level of the advertised post (Cym/002) (Baseline 2021/22=? %)	No target	Gwyneth Ayers
6	The number of staff following Welsh language skills learning and improvement courses (Cym/003) (Baseline 2021/22=?)	No target	Gwyneth Ayers
B	The development of Welsh in all our Education services		
1	See Well-being Objective 3		
C	The Welsh Language Promotion Strategy		
1	We will review and refresh the County's Welsh Language Promotion Strategy and Action Plan considering the progress to date and the Census 2021 results, which are expected during the year (14896)	March 2023	Gwyneth Ayers
2	We will publish a report on the current Welsh Language Promotion Strategy (16113)	March 2023	Llinos Evans
3	We will work with partnership organisations on the promotion of the Welsh language in Llanelli (16115)	March 2023	Llinos Evans
4	We will lead and administer the County Welsh Language Strategic Forum and instigate the delivery of the revised action plan (16116)	March 2023	Llinos Evans
5	We will continue to work in partnership to ensure the delivery of the county's regeneration work has a positive impact on the Welsh language (16117)	March 2023	Llinos Evans
D	Promoting our Welsh Culture & Heritage		
1	We will work with the Marketing & Media Team and other key services to lay the foundations for, and welcome, the Urdd Eisteddfod to Llandovery in 2023 (16118)	June 2023	Llinos Evans
E			
1	We will deliver a transformation plan for the existing Museums provision at the County Museum Abergwili, Parc Howard, Kidwelly Industrial Museum and Museum of Speed Pendine to improve the provision for residents and visitors (13289)	April 2023	Ian Jones



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective

Better Governance and Use of Resources





Well-being Objective 13 Better Governance and use of Resources

Better Governance

We have improved performance management arrangements

We have:

- ♦ produced a Performance Management Framework
- ♦ improved engagement and assurance on business planning to improve self-assessment
- ♦ introduced more integrated quarterly performance management monitoring and assessment

Why this Well-being Objective is important

- ⦿ The general purpose of the Well-being of Future Generations Act (Wales) 2015, is to ensure that the governance arrangements of public bodies for improving the Well-being of Wales take the needs of future generations into account. To make this work there are key areas of corporate change that are required by the Act.
- ⦿ There are increasing demands and expectations yet less resources are available. Under these conditions we need to work even more efficiently and effectively to maintain services and improve where we can, delivering 'more (or even the same) for less'.
- ⦿ The way we work needs to focus on the long term, working in partnership and collaboration, involving people more, preventing problems before they materialise and ensuring we work in an integrated way to maximise our resources and reduce duplication; one of the ways we do this is through the Public Services Board (PSB).

1 Corporate Planning	Covered by Better Governance
2 Performance Management	
3 Workforce Planning	
4 Financial Planning	Covered by Better Use of Resources
5 Assets	
6 Procurement	
7 Risk	

How well are we doing (and how do we know)? ① Sources of evidence

Success Measures / Explaining the Results

71.2% of people agree that they can access information about us in the way they would like to
(previously 72.4%)
(Welsh average 74.9%)

74.6% of people know how to find what services we provide
(previously 72.1%)
(Welsh average 75.8%)
Source: National Survey for Wales

35.5% of people agree that they have an opportunity to participate in making decisions about the running of our services
(previously 9%)
(Welsh average 33.8%)



Staff sickness
11.4 days per year
(previously 7.7 days)



According to the 2019/20 National Survey for Wales:

- ⦿ **71.2%** of participants agreed that they **could access information about us in the way they preferred**, below the Welsh average of 74.9%, and in 17th position.
- ⦿ **74.6%** agreed that **they knew how to find what services we provide**; below the Welsh average of 75.8% and in 13th position in Wales.
- ⦿ 2021/22 National survey for Wales results published in July 2022 shows that **35.5% agreed that they have an opportunity to participate in making decisions about the running of our services**, this is a vast improvement on the 2019/20 result of only 9% and is above the Welsh average of 33.8%. There has been a general increase across all authorities and comparatively, we have moved up to 5th position from 21st previously.

Staff Sickness

- ⊙ **Sickness figures** at the end of 2021/22 of **11.4 FTE days** is 3.7 days higher than last year and above the 2019/20 Welsh average of 11.2 FTE days (Authority 2019/20 performance was 10.74 FTE days). This is our highest sickness figure since 2008/09 (11.7 days) **However, it is important to note that this has been impacted by COVID-19 related sickness absence, which accounted for 2 FTE days per employee during 2021/22.** National benchmarking data indicates this increase is evidenced across all industries particularly sectors delivering frontline/operational services where working from home was limited.
- ⊙ The service areas with the highest sickness absence figures are Waste & Environment, Adult Social Care, Access to Education and Housing Property & Special Projects and Special Schools which are mainly front-line operational services which have been at the forefront of supporting our communities during the pandemic. The causes of absence are monitored and the impact and legacy of COVID-19 continues. People Management division provides advice and support for managers, who have the responsibility to manage attendance, they are provided with sickness data and analysis to plan appropriate action to ensure cases are managed and employees supported, in line with our sickness policies and guidelines.

Progress on the steps we are taking to achieve this Well-being Objective

Corporate Planning

- ⊙ To judge the progress of the Corporate Strategy we set out a table of 44 success measures. Despite being blindsided by the COVID-19 Pandemic, over the last 5 years 60% of these measures have improved since the start of the Strategy. **See Appendix 2.**
- ⊙ The Corporate Strategy was updated twice during its course to make sure that our Well-being Objectives were still relevant and we consulted on them each year to ensure continued support. For each of our 13 Well-being Objectives we identified the key steps we were taking to achieve them and then via business plans identified key actions and measures for each step.
- ⊙ During 2021/22 it was evident that Scrutiny Committees wanted to see an improvement in the measurements and actions set out in business plans so that they could hold the Services to account and see what success looked like. As a result of this feedback, and in response to new Local Government & Elections Act requirements relating to performance and governance, Business Plan measurement and SMART Action planning has been improved.
- ⊙ To further strengthen the development of departmental business plans an officer **Engagement and Assurance process** was set up during 2021/22 to discuss departmental business plans with each Departmental Management Team.

Performance Management

- ⊙ During 2021/22 a **new Performance Management Framework was introduced.** This framework sets out the Council's approach to monitoring and managing the performance of the Council's services.
- ⊙ Actions and targets to deliver the Corporate Strategy are monitored on a quarterly basis. The Corporate Management Team, Cabinet Members and Scrutiny committees receive quarterly Performance Management reports as well as the end of year report.
- ⊙ During 2021/22 **we developed a more integrated quarterly performance monitoring approach.** These more analytical reports added Member Task and Finish Scrutiny investigation findings, customer feedback (complaints and compliments) financial, internal and external audit findings, risk, people, asset management and other relevant data to build up a more rounded picture of progress.

INTERNAL AUDIT



REVIEW OF PERFORMANCE MANAGEMENT

The overall objective of the review was to assess the adequacy of the performance and reporting arrangements in place.

ACTION

An action plan has been drafted to improve this rating.

ASSURANCE RATING

HIGH	
ACCEPTABLE	✓
LOW	



As part of our response to the new Local Government and Elections (Wales) Act 2021 we requested support from the Welsh Local Government Association to assess and challenge the adequacy of the Council's self-assessment arrangements and to provide advice on what further developments would encourage a culture of continuous improvement.

ONGOING
REVIEW

- ⊙ As a Council we already have a lot of data that we report and this needs to be better harnessed and consolidated. We want to make better use of data and in February 2022 we have set up a 'Data Insight' unit to corporately ensure that we become a data driven authority.
- ! We are taking a more critical assessment approach to producing the Annual Governance Statement so that it does not just set out what arrangements we have in place but how well they are working, how we know and what can we do better. We will also improve the timescales for its production.

Workforce Planning (People Management)

Carmarthenshire County Council has some 8,000 employees who each contribute to the achievement of our Corporate Priorities. We ensure that all staff are managed and developed in a fair and consistent way.



- ⊙ Our staff are encouraged to develop, and we are accredited with Investors in People.
- ⊙ Following Local Government Elections, we will **ensure learning & development is fully aligned with corporate priorities**, with needs and transformation plans integrated into our new Corporate Strategy.
- ⊙ The management of attendance and supporting **the well-being of staff** is a high priority for the Council. A robust attendance management framework and policy is in place and the Occupational Health function offers well-being support and advice with the aim of keeping people in work, providing advice and guidance on healthy living, stress management and mental health in the workplace. This has been particularly important during the COVID-19 pandemic where support to staff has been stepped up via well-being initiatives and COVID-19 specific policies.
- ⊙ During 2021, a revised attendance management policy was introduced and associated e-learning to further support managers to manage attendance effectively. This is a priority for the Council, and management information is regularly provided to the Corporate Management Team and service managers for monitoring purposes.
- ⊙ Using existing governance arrangements (People Strategy Group) we will need to review our workforce strategy in light of the pandemic to support the organisation to recover.
- ⊙ During 2021 we held dedicated Local Government Association (LGA) facilitated workforce planning sessions with Corporate Management Team and Heads of Service; and developed an online workforce data dashboard for Heads of Service / Service Managers. We now need to build on this learning and consider the impact of COVID-19 on our workforce and develop a Strategic Workforce Plan.
- ⊙ Our annual **equal pay** audit does not suggest any evidence of discrimination within the pay structures, nor the allowances paid. The pay gaps are generally because of segregation of the sexes between job types rather than application of the allowances. As required, the Council publishes a Pay Policy each year to provide transparency on setting the pay of its employees. The Pay Policy is agreed by Full Council and is published on the Council's website.
- ⊙ The COVID-19 pandemic has accelerated a move to **agile working** and it is intended that this will inform how the Council manages its workforce in the future through smarter and better ways of working. This will impact on accommodation requirements and contribute to our ambition to become net zero carbon by 2030 by reducing the need to travel. The Staff Travel Policy will be reviewed to reflect the move to new ways of working.
- ⊙ Our Whistleblowing Policy is being used by employees to report serious concerns which may be in the public interest. Online learning, promotion of the policy and monitoring of whistleblowing complaints continues to ensure that employees are aware of it.

Springing Forward - Strategic management of its workforce



Audit Wales undertook an all-Wales project to examine the local government overall arrangements and approach to transforming, adapting, and maintaining the delivery of services. For Carmarthenshire it found that - *The Council is improving the strategic planning for its workforce and is taking action to address staff capacity issues in key service areas but recognises that performance monitoring of workforce management needs strengthening.*

Ensuring Effective External Communication

Since the introduction of My Hwb account (for online services and payments), 78,163 residents have signed up for the service. We're adding more services online and reviewing our existing e-forms to ensure that they are easy to use.

- ⦿ The Hwb in Ammanford, Carmarthen and Llanelli offer pre-booked appointments and drop-in advice to an average 8,000 residents per month, as well as providing advice and access to training and employment support. This had to be taken forward in a different way during 2020/21 due to COVID19 restrictions and the establishments having to be closed. Customers have been able to contact online and telephone and virtual meetings have been held. The increasing use of Social Media has allowed open engagement and conversations with members of the public. In addition to this Social Media is an excellent tool for promoting council services.
- ⦿ Throughout 2021/22 we have seen an increase in residents and businesses accessing information, support and council services online, the number of visits to our website has increased yet again this year by a further 7%.
- ⦿ The pandemic without a doubt has supported this increase to the website and how we present information bilingually, often at very short notice has been welcomed and complimented by the public.
- ⦿ Accessibility of information is key and we are proud to have this year passed the accessibility standard. It is so important to remember that residents, visitors and businesses are now accessing the website in various ways and interestingly 58.9% access using their mobile device. This is key when considering how to present information to ensure we engage to as a wider audience as possible.
- ⦿ Key stats CCC website 2021/2022
 - Pageviews: 6,144,228
 - Sessions: 3017983
- ⦿ Key stats for social media, email marketing and video
 - 19.3m Twitter reach
 - 8.82m Facebook reach
 - Published 3259 posts
 - Dealt with 4055 'inbound' posts, enquiries via comments, written on our wall or sent as a direct message
 - 53.3k link clicks
 - Facebook – New followers – 1,201. Total followers: 20,451
 - Twitter – New followers – 372. Total followers 11,151
 - 443,141 emails sent to MyAccount, businesses and 3rd sector. 267,018 unique opens.
 - Video – 115,800 views

Is anyone better off?

Tackling Employee Poverty

The Council continues to support its lowest paid employees and workers by **continuing to pay the Real Living Wage supplement** to ensure that our lowest paid receive the equivalent of £9.90 per hour (including fixed allowances).

What and how we can do better

Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/ Target	Owner/ Resp. Officer
A	Corporate Planning		
1	Following Local Government Elections in May 2022 and the publication of the new administrations manifesto we will reset the Corporate Strategy and Well-being Objectives (15488)	July 2022	Gwyneth Ayers
2	We will further develop business planning processes and engagement and assurance approaches (15496)	July 2022	Gwyneth Ayers
B	Performance Management		
1	We will continue to develop the Performance Management Framework and our self-assessment processes (15496 & 15487)	March 2023	Rob James
2	We will continue to develop our Integrated Quarterly Performance Management Observations reporting (15496)	March 2023	Rob James
3	We will improve on the timescale for producing the Annual Governance Statement (16134)	March 2023	Helen Pugh
4	Develop an engagement and consultation plan for the authority (15580)	March 2023	Deina Hockenhull
C	Workforce Planning (People Management)		
1	We will develop a new Transformation Strategy; ensuring that Learning & Development priorities and programmes are fully aligned with corporate priorities and needs; further developing the Council's Leadership and Management Programme to support key corporate priorities (15516)	September 2022	Jon Owen / Bernadette Dolan
2	Further improve our recruitment processes via the introduction of new integrated recruitment IT system. (IIP) (15512 & 15507)	March 2023	Alison Wood / Jon Owen
3	We will evaluate the employee experience and undertake research to develop a Workforce Engagement Strategy that will underpin the new workforce strategy (15499 & 15500 & 15501)	June 2022	Cheryl Reynolds
4	We will develop more proactive preventative solutions such as promoting good health and educating employees on healthy lifestyle choices (15502)	March 2023	Heidi Font
5	Developing a set of performance and outcome measures that reflect the Council's ambitions for its workforce (16135)	March 2023	Cheryl Reynolds
D	Ensuring Effective External Communication		
1	Deliver the council's corporate communications strategy following the key principle of <i>One Council, One Vision, One Voice</i> . As part of the launch of this strategy, communicate and embed a corporate communications standard across all departments to ensure the basic principles of communication are understood and utilised by all - for example, communications are always accessible, bilingual, friendly and with a clear call to action (15569)	August 2023	Deina Hockenhull

Making Better Use of Resources

Through careful financial planning we have been able to set a balanced budget that will support the Council to continue delivering vital services and will allow us to continue to provide first class services to the residents and businesses of Carmarthenshire.

Why this Well-being Objective is important

- There are increasing demands and expectations yet less resources are available. Under these conditions we need to work even more efficiently and effectively to maintain services and improve where we can, delivering 'more (or even the same) for less'.

The general purpose of the Well-being of Future Generations Act (Wales) 2015, is to ensure that the governance arrangements of public bodies for improving the Well-being of Wales take the needs of future generations into account. To make this work there are **7 key areas** of corporate change that are required by the Act.

- 4 Financial Planning
- 5 Assets
- 6 Procurement
- 7 Risk

Better Use of Resources



How well are we doing (and how do we know)? Sources of evidence

Success Measures / Explaining the Results



5.85% increase of online payments
(From 53,454 to 56,582 transactions)

Financial Impact:

We have administered and have paid:
£78m of grants to support local business
£3.4m of Winter Fuel Support Scheme payments.
£397.6k of Discretionary Housing Payments.
Over £4m of Self Isolation Support Payments and 10,754 applications received.



Through our delivery of
Community Benefits
548 person
weeks of targeted recruitment & training was delivered

9.9% of people agree that we ask for their views before setting our budget
(previously 11.3%)
(Welsh average 9.2% and in 9th place)
(Source: National Survey for Wales)



Online payments

- Due to the COVID-19 Pandemic and with increased access to online services, this has created a natural shift with many customers contacting us, submitting forms and documents and paying for our services electronically with a 5.85% increase in the number of online payments from 53,454 in 2020/21 to 56,582 transactions during 2021/22.

Organisational 'running costs'

- We have administered a total of £78 million from Welsh Government Grants to the Carmarthenshire Business Community to support businesses during these challenging times.
- Since November 2021, we have administered the Winter Fuel Support Scheme and processed 9,480 cases and have paid out £3,409,200 to support Carmarthenshire residents.
- We have paid out £397,584 of Discretionary Housing Payments and up to mid-March received 10,754 Self Isolation Support Payment applications and paid out over £4 million to eligible claimants.

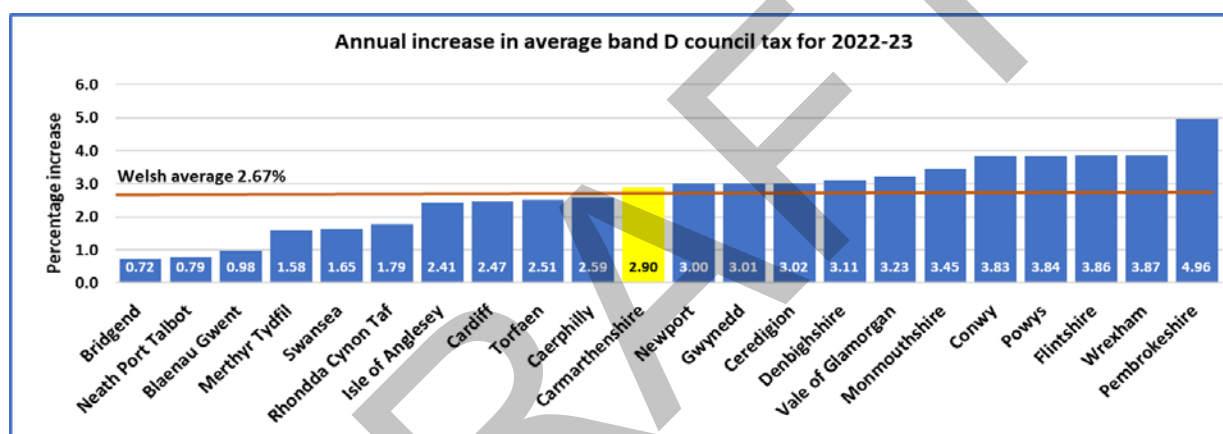
- Through our delivery of Community Benefits over 548 person weeks of targeted recruitment and training was delivered in 2021/22 through the Council's 21st Century Schools project across the County.
- We have claimed £27.4 million from Welsh Government via hardship claims to support additional COVID-19 services. We have also claimed £4.5million relating to claims for loss of income.
- Despite inflationary pressures on a truly unprecedented scale, the Council was able to set a balanced budget of £416 million which provided sufficient funding to sustain service levels, realised efficiency savings where possible and curtailed council tax as much as possible to 2.5%.

People agree that the Council asks for their views and as part of Carmarthenshire County Council budget consultation we sort views of members and public before setting the budget

- The 2019/20 National Survey for Wales showed the number of participants agreed that *we ask for their views before setting our budget* was 9% (Welsh average 9.2%), this is a decline on the previous year of 11.3% and in 9th position (previously 7th). Due to COVID-19 there is no updated data available for the measure, although we continued to hold our annual budget consultation and engaged with councillors and members of the public.

Progress on the steps we are taking to achieve this Well-being Objective

Financial Planning



- Carmarthenshire has the 11th lowest annual % increase at 2.90% and just above the Welsh average of 2.67%. This is the lowest % increase since 2012/13 at 2.38%. The Council Tax levels in Carmarthenshire is the 9th lowest in Wales (Band D) at £1,799.92 an almost £320 less than the highest level in Wales and just above the Welsh average of £1,777.18.
- Audit of Financial Statement** – An unqualified Audit report was received from Audit Wales on all statements (financial year 2020-21) and the audit found no major issue other than generic-all Wales matters, considering we have undertaken £140 million of additional COVID-19 related funding across dozens of specific grants.
- A mixed methods approach to ascertain views on the 2022-25 budget took place and this was publicised in local and regional press, local radio advertisements and via equality groups including Equality Carmarthenshire, Ageing Well Forum, Carmarthenshire Disability Coalition of Action and via Town and Community Councils. There was a low response rate, possibly due to COVID-19 restrictions and concerns. Responses were received via the Council's online consultation page on the website, emails were submitted together with social media responses via Facebook and Twitter and all comments and views were taken into consideration. [REVENUE BUDGET 2020 to 2023 \(gov.wales\)](https://gov.wales/revenue-budget-2020-to-2023)



- There have been 3 Internal Audits completed during 2021-22 looking at the following areas and their audit findings were:

INTERNAL AUDIT



RATING	COUNCIL TAX	NNDR	AGS
HIGH			
ACCEPTABLE	✓	✓	✓
LOW			

We are tracking action plans to improve these ratings

Assets

- Just under £2.9m was generated from Capital receipts during 2021/22 which exceeds our target by almost £0.75m, this covers some of the £0.4m shortfall in 2019/20 and £1.8m shortfall 2020/21.

SPRINGING FORWARD – STRATEGIC MANAGEMENT OF ASSETS



Audit Wales undertook an all-Wales project to examine the local government overall arrangements and approach to transforming, adapting, and maintaining the delivery of services. Overall, it found that: *The Council is strengthening its arrangements for asset management and recognises that there are opportunities to use the sustainable development principle more to improve this work and that performance management of assets could be improved.*

Procurement

- We have addressed the key findings, highlighting good practice and recommendations from the 'Procuring well-being in Wales' report (published 25/02/2021) from the Office of Future Generations Commissioner for Wales [procuring-well-being-in-wales](#).



- We have amended our Sustainable Risk Assessment (SRA) template which ensures that the sustainability issues such as environmental, social, economic & cultural issues can be factored into the specification for individual tenders to incorporate elements of the Well-being of Future Generations Act. We also include service provision information relating to the 5 ways of working i.e. Long Term, Prevention, Integration, Collaboration & Involvement. We have produced an Ethical Employment in Supply Chains Policy and drafted the Council's first annual written statement on the steps taking during the financial year to ensure that slavery and human trafficking are not taking place in our organisation and our supply chains.

Risks

- The Corporate Risk Register is reported to the Governance and Audit Committee every 6 months and is reviewed by the Corporate Management Team every quarter as part of the performance management information and in line with the Well-being of Future Generations Act. We use a **"Web Based Risk Register Software"**, which allows Departments to input, access, maintain and manage both Corporate, Service and Project Risks.



A TIC review that concluded in December 2021 noted that *'Although the COVID-19 pandemic initially impacted on the ability to progress the recommendations contained within the Audit Office Review and follow-up Internal Audit Review, a number of key actions have now been implemented and good progress has been made across the action plan in general.'*



Sell2Wales

Sell2Wales
All our procurement opportunities over £25K are listed on the Sell2Wales website.



Community Benefits
Community Benefits in Public Sector Procurement ensures that wider social, economic and environmental issues are taken into account in our tendering activity.



Find a Tender Service
Find a Tender Service (FTS) is free to use and displays information on public sector contract opportunities in the UK.



Busnes Cymru | Business Wales

Business Wales
Business Wales can help small or medium sized enterprise SME (employing up to 250), who want to improve their chances of winning public and private sector contracts.



Terms and Conditions
These terms and conditions set out the basis of the relationship between the Council and the successful supplier.

Business is about people

We value our diverse range of suppliers and acknowledge the importance of having access to a quality and diverse supplier base, recognising that ***business is about people by talking to them, listening to them, and understanding them.*** To this aim we have held 7 Live Tender Webinars virtually via Teams with a total of 164 suppliers in attendance over the last financial year. The aim of these sessions was to inform prospective tenderers of the forthcoming tendering opportunities and the requirements of these service/goods.

We also understand that the prospect of tendering for business with us can sometimes appear to be a daunting task. Therefore, we have actively engaged with 63 suppliers through a series of first point of contact sessions (1-2-1 meetings) over the same period, engaging with suppliers who are interested in working with the Council.

A Meet the Buyer Event was organised by the appointed main contractor Bouygues for the Pentre Awel Zone 1 Development and was held at Parc y Scarlets, Llanelli. A total of 107 suppliers/contractors attended the event throughout the day with Procurement and Community Benefits Officers representing the Corporate Procurement Unit at the event. This Meet the Buyer event was aimed at giving opportunity to second tier, local suppliers to learn of potential sub-contracting opportunities.

We have developed a Supplier Guide for current and potential contractors, suppliers, and providers with the aim to help provide organisations who want to work with us a clear understanding of how to bid for contracts and what is required during the quotation or tendering process. This is now available electronically and appears on our website [Supplier Guide to Tendering \(gov.wales\)](#). It contains a variety of helpful information, advice, and guidance in relation to procurement and “How to Tender” with Carmarthenshire County Council.

Supplier Guide to Tendering

In this section

→ 1. Introduction

→ 2. What do we spend our money on?

→ 3. Where and with whom is our money spent?

→ 4. How We Buy

→ 5. What rules, regulations & procurement procedures do we follow?

→ 6. How does the tendering process work?

→ 7. Where do we advertise our contract opportunities

→ 8. What is included in a Tender document/package?

→ 9. The Dos and Don'ts of Tendering

→ 10. Supplier Engagement Events

→ 11. Getting Ready to Tender

→ 12. Procurement Glossary

→ 13. Advice and Support

What and how we can do better

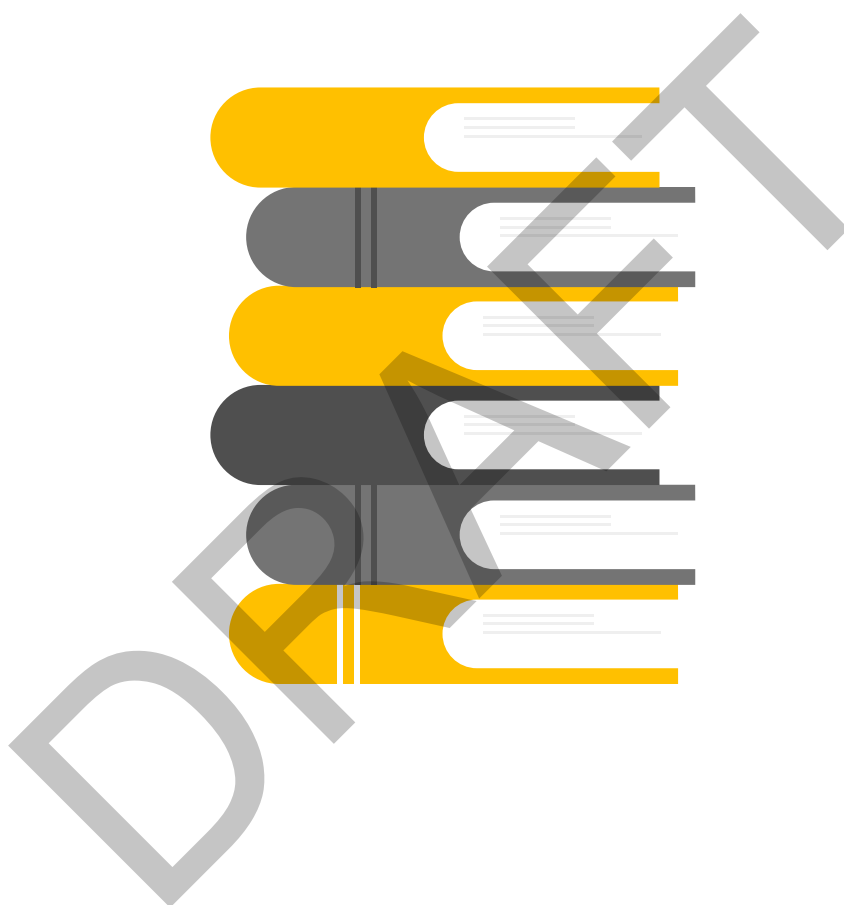
Our delivery plan to achieve this objective

Ref	Actions and Measures	Date/Target	Owner/Resp. Officer
A	Financial Planning		
1	Use of the Council's reserves to invest in the County and support future development (Moving forward in Carmarthenshire) 16063	March 2023	Chris Moore /Randal Hemingway
2	Ensure the Council manages its budgets effectively and prudently (Moving forward in Carmarthenshire) 16064	March 2023	Chris Moore /Randal Hemingway
3	We will undertake the closure and Audit of the Accounts within the appropriate timescales 16061	June 2023	Chris Moore /Randal Hemingway
B	Assets		
1	We will commence work on the transformation of the former Debenhams Store to provide a multi service hub covering health, education and leisure	March 2023	Jason Jones/ Stuart Walters
2	Delivery of Phase 1 Pentre Awel providing business, research, education, community healthcare and modern leisure facilities 15155+12985	March 2023	Jason Jones/ Steffan HG Jenkins
3	We will apply and embed the sustainable development principle in the way it plans, delivers and monitors the management of its assets # Audit Wales Recommendation -Springing Forward 16136	March 2023	Jason Jones/ Stephen Morgan
4	<i>We will improve the performance management of our assets.</i> <ul style="list-style-type: none"> developing a set of performance and outcome measures that reflect the Council's ambitions for its assets and monitor these measures at a corporate level, including reporting to overview and scrutiny committee benchmarking performance on asset management with other organisations # Audit Wales Recommendation-Springing Forward 16137	March 2023	Jason Jones/ Stephen Morgan
5	We will review and formally adopt the Council's Corporate Asset Management Plan by March 2023 15541	March 2023	Jason Jones/ Stephen Morgan
C	Procurement		
1	We will work with departments to deliver compliant tender exercises through the implementation of a category management approach. 15286	March 2023	Chris Moore /Helen Pugh /Clare Jones & Gemma Clutterbuck
2	We will continue to develop our approach to early engagement of Local Businesses. 15288	March 2023	Chris Moore /Helen Pugh /Clare Jones & Gemma Clutterbuck
D	Risks		
1	Continue to implement the action plans developed in response to the WAO/Internal Audit Review, with priority to be given to ensuring that the Risk Toolkit is formally adopted and used to inform development sessions for managers at a divisional level and dedicated development sessions for Departmental Risk Champions. 15292 (Sub Actions: 14302, 14303 & 16040)	March 2023	Chris Moore /Helen Pugh /Julie Standeven



View our [detailed progress commitments and targets here](#) for 2021/22 against this objective

APPENDICES



Statutory Requirements

Well-being of Future Generations Act (Wales) 2015

The general purpose of the Act, is to ensure that the governance arrangements of public bodies for improving the well-being of Wales, take the needs of future generations into account. The Act is designed to improve the economic, social, environmental and cultural well-being of Wales, in accordance with sustainable development principles. The law states that: -

- a) We must carry out sustainable development, improving the economic, social, environmental and cultural well-being of Wales. The sustainable development principle is ***'... the public body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.'***
- b) We must demonstrate use of the 5 ways of working: Long term, integrated, involving, collaborative and preventative
- c) We must work towards achieving all of the 7 national well-being goals in the Act. Together they provide a shared vision for public bodies to work towards.



The Well-being of Future Generations Act, provides a shared vision for all public bodies in Wales to work towards. As a public body subject to the Act we are required to set and publish Well-being Objectives that maximise our Contribution to the Well-being Goals.

The Local Government and Elections (Wales) Act 2021

The **Local Government and Elections Wales Act 2021** provides for the establishment of a new and reformed legislative framework for local government elections, democracy, governance and performance. It replaces the Local Government Measure 2009. [Part 6 of the Act outlines new duties in respect of Performance and Governance of Principal Councils](#) and includes specific duties for the Council:

- Duty to keep performance under review;
- Duty to consult on performance;
- Duty to report on performance – based on self-assessment approach;
- Duty to arrange a panel performance assessment;
- Duty to respond to a panel performance assessment report.

The Local Government and Elections (Wales) Act 2021 requires that a Council must produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements

The performance requirements are the extent to which:

- we are exercising our functions effectively.
- we are using our resources economically, efficiently and effectively.
- our governance is effective for securing the above.

How our Well-being Objectives contribute to National Well-being Goals

Carmarthenshire's 2021/22 Well-being Objectives			7 National Well-being Goals						
			Prosperity	Resilience	Healthier	More equal	Cohesive Communities	Vibrant culture & Welsh Language	Global responsibility
Start Well	1	Help to give every child the best start in life and improve their early life experiences.	✓		✓	✓	✓		
	2	Help children live healthy lifestyles	✓		✓	✓	✓	✓	
	3	Support and improve progress, achievement and outcomes for all learners	✓	✓	✓	✓	✓	✓	✓
Live Well	4	Tackle poverty by doing all we can to prevent it, help people into work and improve the lives of those living in poverty	✓		✓	✓	✓		
	5	Create more jobs and growth throughout the county	✓		✓	✓	✓	✓	
	6	Increase the availability of rented and affordable homes	✓	✓	✓	✓	✓	✓	✓
	7	Help people live healthy lives (tackling risky behaviour & obesity)	✓		✓	✓	✓	✓	
Age Well	8	Support community cohesion, resilience and safety	✓	✓	✓	✓	✓		✓
	9	Support older people to age well and maintain dignity and independence in their later years	✓		✓	✓	✓	✓	
	10	Look after the environment now and for the future	✓	✓	✓	✓	✓	✓	✓
In a Healthy, Safe & Prosperous Environment	11	Improve the highway and transport infrastructure and connectivity	✓	✓	✓	✓	✓		
	12	Promoting Welsh Language and Culture	✓	✓		✓	✓	✓	
	13	Better Governance and Use of Resources	✓	✓	✓	✓	✓	✓	✓

Success measures for our Well-being Objectives

Details and explanation of performance for each of these success measures can be found under the relevant Well-being Objective in this report.

The Result column is based on the two most recent years results.

Wellbeing Objectives and Success Measures	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Result
WBO1 - Best Start in Life							
Children in care who had to move 3 or more times <i>(PAM/029)</i>	9.2%	8.8%	10.4%	8.6%	4.7%	6.6%	Declined
WBO2 - Children - Healthy Lifestyles							
Childhood obesity <i>(Child Measurement Programme NHS)</i>	29.4%	26.6%	30.4%				Declined
WBO3 - Support and improve progress, achievement, and outcomes for all learners							
Educational attainment - Average Capped 9 points score <i>(Year 11 pupils) (PAM/032)</i>			363.1	367.2			Improved
School attendance rates (Primary) <i>(PAM/007)</i>	94.8%	94.4%	93.9%	93.9%			Same
School attendance rates (Secondary) <i>(PAM/008)</i>	94.5%	94.3%	93.8%	93.5%			Declined
Satisfaction with child's primary school <i>(NSW)</i>	93%	90%	84%	95%			Improved
Number of leavers Not in Education, Employment or Training <i>(NEETs)</i>	Year 11 <i>(PAM/009)</i>	2.1%	1.4%	1.8%	1.5%	1.8%	Improved
	Year 13 <i>(5.1.0.2)</i>	2.0%	3.0%	4.9%	3.5%	2.7%	Improved
WBO4- Tackle Poverty							
Gap in the Average Capped 9 points score (Year 11 pupils) for those eligible for Free School Meals and those who are not eligible <i>(NWBI)</i>			19.7%	17.9%			Improved
Households successfully prevented from becoming homeless <i>(PAM/012)</i>	64%	65.1%	59.4%	46.4%	46.4%	50.5%	Improved
Households in material deprivation <i>(NWBI)</i>	15.3%	15.8%	13.5%	11.3%		12.0%	Declined
Households Living in Poverty <i>(CACI's 'PayCheck' Data)</i>			35.5%	33.7%	33.8%	35.6%	Declined
WBO5 - Creating Jobs and Growth							
Employment figures <i>(ONS – Annual Population Survey) (NWBI)</i>	75.2%	73.7%	71.6%	71.7%	68.1%	69.6%	Improved
Average Gross weekly pay <i>(ONS – Annual Survey of hours and earnings)</i>	£494.5	£517.8	£511.3	£536.2	£574.5	£566.9	Declined
Number qualified to NVQ Level 4 or above <i>(Stats Wales) (NWBI)</i>	37.4%	37.8%	38.0%	41.4%	39.9%	37.7%	Declined
People moderately or very satisfied with their jobs <i>(NSW) (NWBI)</i>	80.0%	82.5%		78.9%			Declined
WBO6 - Affordable Homes							
Number of affordable homes in the County <i>(7.3.2.24)</i>	173	235	247	315	158	308	Improved
WBO7 - Healthy Lives							
Adults who say their general health is Good or Very Good <i>(NSW)</i>		69.0%	66.0%	69.6%	69.7%	68.6%	Declined
Adults who say they have a longstanding illness <i>(NSW)</i>		50.0%	53.0%	50.5%	51.2%	40.1%	Improved
Adult mental well-being score <i>(NSW) (NWBI) (score out of 70)</i>	50.2		51.1			48.8	Declined
Adults who have two or more healthy lifestyle behaviours <i>(NSW) (NWBI) (Not smoking, drinking < 14 units or lower, eating 5 portions fruit & veg the previous day, having a healthy body mass index, being physically active at least 150 minutes the previous week).</i>		91.8%	91.2%	87.6%		92.4%	Improved

Details and explanation of performance for each of these success measures can be found under the relevant Well-being Objective in this report.

The Result column is based on the two most recent years results

Wellbeing Objectives and Success Measures	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Result
WBO8 - Community cohesion, resilience & safety							
% Say they have a sense of community (NSW)(NWBI) (Derived from feeling of belonging; different backgrounds get on, treat with respect')	47.7%		51.6%		68.6%	68.0%	Declined
People feeling safe (NSW)(NWBI) (At home, walking in the local area, and travelling)	76.9%		76.1%		74.6%	66.7%	Declined
WBO9 - Older people to age well							
Agree there's a good Social Care Service available in the area (NSW)	56.2%		47.5%		66.0%		Improved
Number of calendar days taken to deliver a Disabled Facilities Grant (PAM/015)	167 days	161 days	157 days	176 days	347days	259 days	Improved
People who are lonely (NSW)(NWBI)	17.1%	16.6%		17.3%		15.4%	Improved
WBO10 - Look after the environment							
Renewable energy generated (kWh)	670,400 kWh	937,330 kWh	979,071 kWh	997,480 kWh	1,059,364 kWh	TBC	
Council's Energy Consumption (kWh)			69,059,743 kWh	70,332,391 kWh	63,684,340 kWh		Improved
Rates of recycling (PAM/030)	66.23%	63.64%	58.95%	64.66%	66.08%	61.68%	Declined
WBO11 - Highways & Transport							
Road conditions (PAM/020) A Roads	4.3%	4.1%	5.2%	5.4%	4.1%	3.6%	Improved
(PAM/021) B Roads	3.5%	3.1%	4.2%	4.7%	3.4%	2.8%	Improved
(PAM/022) C Roads	11.6%	11.9%	12.5%	12.5%	12.0%	11.7%	Improved
Road casualties (5.5.2.21)	102	83	97	111	55	81	Declined
WBO12 - Promote Welsh Language & Culture							
Can speak Welsh (NSW)(NWBI)	40.1%	43.6%	37.8%	37.4%		41.6%	Improved
People attended arts events in Wales in last year (NSW)	69.3%	67.4%		68.3%			Improved
People visited historic places in Wales in last year (NSW)	63.8%	64.7%		68.7%			Improved
People visited museums in Wales in last year (NSW)	36.0%	34.6%		42.1%			Improved
WBO13 - Better Governance and use of Resources							
'Do it online' payments	29,020	34,494	39,321	46,044	53,454	56,582	Improved
People agree that they can access information about the Authority in the way they would like to. (NSW)		70.8%	72.4%	71.2%			Declined
People know how to find what services the Council provides (NSW)		71.9%	72.1%	74.6%			Improved
People agree they have an opportunity to participate in making decisions about the running of local authority services. (NSW)		11.4%		9.0%		35.5%	Improved
Staff sickness absence levels (PAM/001)	10.8 days	10.1 days	9.8 days	10.7 days	7.7 days	11.4 days	Declined
People agree that the Council asks for their views before setting its budget. (NSW)		8.0%	11.3%	9.9%			Declined

2021/22 National Survey for Wales

The following are results of the 2021/22 National Survey for Wales that are currently available at local authority level, but not all of these are attributable to the Councils performance.

Where the same question was asked in a previous survey, the table below shows whether we have improved our performance and our rank position.

In AR	Questions asked in the 2021/22 National Survey for Wales and available at Local Authority level NWBI - National Well-being Indicator	Has our result improved			22 nd	21 st	20 th	19 th	18 th	17 th	16 th	15 th	14 th	13 th	12 th	11 th	10 th	9 th	8 th	7 th	6 th	5 th	4 th	3 rd	2 nd	1 st				
		Previous available result	2021/22 survey result	Improved ↑ Standstill ↔ Declined ↓	Worst results												Best Results													
					Arrows start from our previous position												to our 2021/22 position													
1	✓	% Agree that they have an opportunity to participate in making decisions about the running of local authority services.	9.0	35.5	↑	18.0																								
2	✓	% Who feel able to influence decisions affecting their local areas (NWBI/23)	18.8	31.6	↑	14.6																								
3		% Say they have access to good services and facilities (NWBI/24) <i>(within a 15 to 20 minute walk from home)</i>	91.0	85.2	↓	72.5																								
4		% Satisfied with their ability to get to local services they need	79.6	85.2	↑	72.5																								
5		% Satisfied that good services and facilities are available in their local area <i>(15 to 20 minute walk from home).</i>	64.4	65.8	↑	48.6																								
6		% Satisfied with local area as a place to live (NWBI/26)	88.4	90.3	↑	68.5																								
7	✓	% of adults who can speak Welsh (NWBI/37)	37.4	41.6	↑	Below 8.2																								
8		% of adults who speak Welsh daily and can speak more than just a few words (NWBI/36)	30.4	32.1	↑	Below 5.4																								
9		% of adults who can understand spoken Welsh	50.3	60.1	↑	12.2																								
10		% of adults who can read Welsh	38.9	46.0	↑	Below 10.4																								
11		% of adults who can write Welsh	35.2	41.9	↑	Below 9.5																								
12	✓	% of households with internet access*	92.7	91.5	↓	87.0																								

In AR	Questions asked in the 2021/22 National Survey for Wales and available at Local Authority level NWBI - National Well-being Indicator	Has our result improved			22 nd	21 st	20 th	19 th	18 th	17 th	16 th	15 th	14 th	13 th	12 th	11 th	10 th	9 th	8 th	7 th	6 th	5 th	4 th	3 rd	2 nd	1 st	
		Previous available result	2021/22 survey result	Improved ↑ Standstill ↔ Declined ↓	Worst results											Best Results											
					Arrows start from our previous position											to our 2021/22 position											
13	% that used the internet (including Smart TV and handheld devices)	92.4	91.3	↓	89.4																					96.7	
14	% that accomplished 5 digital skills in past 3 months**	73.1	72.0	↓	67.0																					83.7	
15	% of people participating in any sport or physical activity	62.6	56.7	↓	43.4																					66.3	
16	% of people feeling safe at home, walking in the local area, and when travelling (NWBI/25)	74.6	66.7	↓	46.6																					85.0	
17	% of people feeling safe at home after dark	96.8	95.3	↓	90.5																					99.0	
18	% of people feeling safe in local area after dark	84.4	80.7	↓	58.7																					89.9	
19	% of people feeling safe on public transport after dark	82.5	76.2	↓	59.7																					89.9	
20	% of people feeling safe travelling by car after dark	96.6	97.3	↑	95.1																					99.4	
21	% of people who agree that there is good community cohesion in their local area (NWBI/27)	51.6	68.0	↑	38.9																					77.6	
22	% of people felt that they belonged to their local area	84.6	81.5	↓	70.6																					89.4	
23	% of people who are lonely (NWBI/30)	17.3	15.4	↑	17.8																					7.0	
24	Average satisfaction score for the education system in Wales (scale of 0 to 10, where 0 is 'extremely bad' and 10 is 'extremely good')	6.0	6.9	↑	6.0																					7.2	
25	% of people that have any plans to start an education or training course in the next three years	23.1	23.2	↑	16.9																					33.8	
26	% of people that contacted their local councillor in the past 12 months. (i.e. with an enquiry, complaint or problem)	12.9	15.7	↑	10.0																					24.2	
27	% of people agreed their local councillor worked closely with their community.	new question	38.8	new question	25.3																					58.1	

In AR	Questions asked in the 2021/22 National Survey for Wales and available at Local Authority level NWBI - National Well-being Indicator	Has our result improved			22 nd	21 st	20 th	19 th	18 th	17 th	16 th	15 th	14 th	13 th	12 th	11 th	10 th	9 th	8 th	7 th	6 th	5 th	4 th	3 rd	2 nd	1 st	
		Previous available result	2021/22 survey result	Improved ↑ Standstill ↔ Declined ↓	Worst results											Best Results											
					Arrows start from our previous position											to our 2021/22 position											
28	% of people with a good understanding of what their local councillor does for their local community.	new question	40.3	new question	32.6																						59.0
29	✓ % of people who say their general health was Good or Very Good	69.7	68.6	↓	64.1				Same																		79.3
30	✓ % of adults who say they have a longterm illness	51.2	40.1	↑	41.1																						26.9
31	✓ % of adults who have 2 or more healthy behaviours not smoking / not drinking above weekly guidelines / eating five or more portions of fruit and vegetables the previous day / physically active for at least 150 minutes in the previous week / maintaining a healthy weight/body mass index	87.6	92.4	↑	83.1																						97.5
32	% of adults who smoke	16.2	15.7	↑	19.8																						6.3
33	% of adults who are a E-Cigarette user	6.7	6.4	↑	10.3						Same																0.9
34	% of adults who drink more than 14 units	21.5	15.1	↑	23.3																						8.9
35	% of adults who eat more than 5 portions of fruit and vegetable	21.7	33.5	↑	14.3																						42.4
36	% of adults who are active for more than 150 minutes a week	55.6	64.8	↑	38.3																						69.5
37	% of adults who are active for less than 30 minutes a week	27.6	21.7	↑	50.1																						17.3
38	% of adults who are overweight or obese (BMI 25+)	63.6	68.2	↓	79.9																						50.0
39	% of adults who are obese (BMI 30+)	28.2	28.4	↓	36.5						Same																17.9
40	✓ Adult Mental Well-being score (NWBI/29) (Out of a maximum score of 70)	51.1	48.8	↓	46.1																						51.6
41	✓ % of Households in material deprivation (NWBI/19)	11.3	12.0	↓	14.1																						7.1
* Households with internet access - NOTE - The 2021/22 survey was based on a sample of 12,500 in Wales compared to a far smaller sample in 2020/21 of just 3,500, which may well have affected the result. ** 5 digital skills are 1. Being safe and legal online; 2. Problem solving; 3. Transacting; 4. Communicating; 5. Handling information and content)																											

Regulatory Reports 2021/22

Several regulatory reports were issued during the last twelve months.

- There are some local reports that are specific to Carmarthenshire, these are noted in **bold** below.
- National / Thematic reports are undertaken by regulators to look at all councils in Wales (in an integrated programme of work consulted and agreed upon with local government) to identify best practice.
 - Most of these reports contain recommendations. Sometimes the recommendations are for Welsh Government and / or local government or other stakeholders.
 - Not all recommendations contained in reports may apply to Carmarthenshire as in some instances we could be the area of best practice proposed, be already doing what is identified or it may be, just not be applicable.

The following list of regulatory reports were issued during the last twelve months:



August 2021	<u>Review of Planning Services Carmarthenshire County Council</u>
September 2021	<u>Review of Waste Services Carmarthenshire County Council</u>
September 2021	<u>Regenerating Town Centres</u>
September 2021	<u>A Picture of Public Services</u>
September 2021	<u>A picture of local government</u>
October 2021	<u>A Picture of Higher and Further Education</u>
October 2021	<u>A Picture of Schools</u>
September 2021	<u>Financial Sustainability of Local Government – COVID Impact, Recovery & Future Challenges</u>
November 2021	<u>Carmarthenshire County Council – Financial Sustainability Assessment</u>
November 2021	<u>WG Cosy homes programme</u>
December 2021	<u>Commissioning Care Homes for Older People</u>
January 2022	<u>Emergency Services in Wales Collaboration</u>
January 2022	<u>Annual Audit Summary</u>
April 2022	<u>Direct Payments</u>



November 2021	<u>Care Inspectorate Wales (CIW) Assurance Check 2021: Carmarthenshire County Council</u>
April 2022	<u>Direct Payments for Adult Social Care</u>
May 2022	<u>Carmarthenshire County Council In-house domiciliary care service</u> <u>Inspection Report</u>

May 2021	<u>Turning learners into users of the Welsh Language – Effective Practice</u>
May 2021	<u>Creating a digital platform for the Welsh for Adults sector</u>
June 2021	<u>How schools and colleges used RRRS and catch-up grants for post 16 learners</u>
July 2021	<u>Summary of findings from our national thematic reviews 2020/21-Thematic Report</u>
July 2021	<u>The teaching of Welsh history including, Black, Asian and Minority Ethnic history, identity and culture</u>
Oct 2021	<u>Developing pupils social and emotional skills</u>
December 2021	<u>Supporting Resources</u> <u>We don't tell our teachers-Experiences of peer-on-peer sexual harassment among secondary school pupils</u>
January 2022	<u>All-age schools in Wales - A report on the challenges and successes of establishing all-age schools</u>
February 2022	<u>Summary of engagement calls and visits to schools and PRUs-autumn 2021</u>
February 2022	<u>Welsh Immersion Education - Strategies and approaches to support 3 to 11-year-old learners</u>
March 2022	<u>The curriculum for Wales-How are regional consortia and local authorities supporting schools?</u>
April 2022	<u>We don't tell teachers, but schools need to know – a report for learners</u>
May 2022	<u>Effective practice- Placing children at the centre of learning</u>

Performance Assessment on the extent to which we are:

- we are exercising our functions effectively;
- are using resources economically, efficiently and effectively; and
- our governance is effective for securing the above.

Under the Local Government and Elections (Wales) Act 2021 we have a duty keep under review the extent to which we are fulfilling the above 'performance requirements'

Our self-assessment uses the Well-being Objectives set out in the body of this report to give a more holistic view of Council performance.

However, we have also examined performance in a departmental manner to ensure a comprehensive assessment.

Chief Executive's Department

Duty to Keep Performance Under Review	<p>How well are we doing and how do we know?</p> <p>How can we do better? (see bullet points)</p>
Performance Requirements	
<p>1. <i>exercising functions effectively</i></p>	<p><u>Administration and Legal including Democratic Services</u></p> <p>The service has performed well during this period despite significant challenges. Officers have continued to work closely with and support their client departments and elected members</p> <p>The level of complaints received about the service continues to be very low.</p> <ul style="list-style-type: none"> • Lack of capacity for S106 agreements. Additional staff resources have been secured to address this. • Develop participation and petition scheme for Democratic Services <p><u>ICT and Corporate Policy</u></p> <p>Our first Digital Transformation Strategy 2017-2020 set out the Council's strategic digital priorities and aspirations and ensured that when the COVID-19 pandemic struck, we as an authority and our service were in a very strong position to respond and recover. Annual Reporting of the Digital Transformation Strategy shows good progress.</p> <p>Our work with the PSB has progressed well and a Well-being Assessment has been produced. Key Council Annual Reports in Equalities, Welsh Language and the overall Council's progress on Corporate Strategy show good progress.</p> <ul style="list-style-type: none"> • IT resource and capacity is limited to meet increasing demand for transformation. • More can be done with improving our Security (Cyber) and Disaster Recovery. • Continue to improve the approach to embedding integrated quarterly performance monitoring.

exercising
functions
effectively
(continued)

People Management

COVID-19 continued to present challenges for our workforce during 2021. However, our employees continued to step up to deliver the best possible services, with almost a thousand employees prepared to retrain and step in and help their colleagues, doing very different jobs in a positive and highly supportive manner

Our staff are encouraged to develop, and we are accredited with Investors in People.



One of the post-pandemic legacies, and a significant risk for the service, has been the Division's capacity to manage increased vacancy volumes and demand for our services, which has been compounded by Brexit.

There have been significant Social Care and Teaching recruitment problems.

Platinum Corporate Health accreditation and accredited to Occupational Health and Standards SEQHS.

A June 2022 Audit Wales report found that:

The Council is improving the strategic planning for its workforce and is taking action to address staff capacity issues in key service areas but recognises that performance monitoring of workforce management needs strengthening.

Springing Forward Workforce Management- Carmarthenshire County Council

- Develop a new People Strategy; ensuring that Learning & Development priorities and programmes are fully aligned with corporate priorities and needs.
- The COVID-19 pandemic has accelerated a move to agile working and it is intended that this will inform how the Council manages its workforce in the future
- Agree a suite of People Management Performance Measures and strengthen the sustainability principle.

Regeneration Division

Carmarthenshire's economy has been significantly impacted by the COVID-19 pandemic and Brexit. To gain an informed understanding of the position in Carmarthenshire, we engaged with over 1,000 businesses to gather evidence on the impact of the pandemic on our businesses, unemployment and our rural and primary town economies. This assisted us to put in place a clear [Economic Recovery Plan](#) (we were first in Wales to do so) with an immediate priority focus on protecting jobs and supporting our small and medium enterprises (SMEs) to upscale. We are monitoring the action plan quarterly and it is on track.

- In each of the individual town centres, we will pass on the overseeing of the recovery to the stakeholders in the respective towns. Each of the plans highlight key issues and opportunities and provide a delivery framework of interventions specific to the town centres.

Business and Cabinet Support

The Business Unit continued to respond and contribute to the Authority's response to the pandemic in a pragmatic manner, ensuring all essential services to staff and Members were prioritised and provided, to ensure continuation of core services. The Unit supported *all Gold Command meetings* for COVID-19 and major floodings. We have also supported the *Planning Assurance Board and Planning Intervention Board* who met weekly.

- As part of better ways of working, we will continue to work with business unit managers to further develop paperless processes and systems.
- Following the elections in May 2022, the Service is working with the incoming administration to develop a cabinet Vision Statement and agree member portfolios.

Electoral and Registrars

Both Electoral Services and Civil Registration are statutory services. The Registration Service includes the registration of births, deaths, stillbirths, marriages and civil partnerships, the provision of a certificate service and the provision of Citizenship Ceremonies. Electoral Services is responsible for the update and maintenance of the Register of Electors and the conduct of all elections relevant to Carmarthenshire. The work of the *Registration Service* has been under such continuous spotlight during the last year as we moved through the global pandemic. We successfully run elections.

- To determine if our opening times still meet customer trends and business needs by participating in relevant consultation with our customers, staff and key stakeholders to seek views that will help make a decision on service improvement.
- We will analyse our performance indicators, both internal and external.

Media and Marketing

The Media and Marketing service have again this year played a key role in supporting all divisions across the authority to effectively communicate in both Welsh and English relevant information to residents, businesses and stakeholders throughout the county ensuring consistency and relevancy across all communications

As well as additional external communications that has been required for us to publish, the team has delivered a wide range of additional internal communications to support staff who have had to change the way they work including a growing demand on simultaneous translation of all democratic virtual meetings.

The Hwb in Ammanford, Carmarthen and Llanelli offer pre-booked appointments and drop-in advice to an average 8,000 residents per month, as well as providing advice and access to training and employment support. This had to be taken forward in a different way during 2020/21 due to COVID19 restrictions and the establishments having to be closed. Customers have been able to contact online and telephone and virtual meetings have been held. The increasing use of Social Media has allowed open engagement and conversations with members of the public. In addition to this social media is an excellent tool for promoting council services.

We passed *the accessibility standard* for our website.

Key statistics for Council website 2021 / 2022:

- Pageviews: 6,144,228
- Sessions: 3,017,983

Key statistics for social media, email marketing and video:

- 19.3m Twitter reach
- 8.82m Facebook reach
- Published 3,259 posts
- Dealt with 4,055 'inbound' posts, enquiries via comments, written on our wall or sent as a direct message

	<ul style="list-style-type: none"> - 53.3k link clicks - Facebook: New followers – 1,201. Total followers: 20,451 - Twitter: New followers – 372. Total followers 11,151 - 443,141 emails sent to MyAccount, businesses and 3rd sector. 267,018 unique opens. - Video – 115,800 views <ul style="list-style-type: none"> • To deliver the Council's key principle of One Council, One Vision, One Voice. Moving forward the service will be driven by the priorities, services and activity outlined in the corporate plans and we will use our resources and focus our energy to meet these priorities. • Identify other services where the first of point of contact enquiries could be dealt with by Contact Centre/ adopt a Hwb approach
<p>2</p> <p><i>using resources economically, efficiently and effectively;</i></p>	<p><u>Administration and Legal including Democratic Services</u></p> <p>Legal Services use management data to identify where the service has a lack of capacity and if necessary, work is outsourced.</p> <p>The service ensures decisions are taken through the democratic process in a timely manner. A new integrated impact assessment and committee report template is being development and will be rolled out in 2022.</p> <p>Regulatory reports on Scrutiny and Audit Committee effectiveness have been addressed.</p> <ul style="list-style-type: none"> • To develop a set of key performance indicators for the Legal Services and Land Charges service <p><u>ICT and Corporate Policy</u></p> <p>We produce an Annual Report on our Digital Transformation Strategy to ensure resources are being used effectively. ICT will underpin Better Ways of Working initiatives.</p> <p>Our Annual Reports on Equalities and Welsh Language Standards demonstrate good progress in these areas.</p> <p>Our Annual Report on our Corporate Strategy and Well-being Objectives had a certificate of compliance from our regulators Audit Wales.</p> <p>A Performance Management Framework was introduced, and we commissioned the WLGA to undertake a review of our Performance Requirements preparedness which identified areas for improvement.</p> <p>We developed a more integrated performance monitoring report adding a wider range of evidence to the process.</p> <p>We also improved engagement and assurance arrangements for Departmental and Divisional Business Plans.</p> <p>Internal Audit found our Performance arrangements Acceptable</p> <ul style="list-style-type: none"> • Scrutiny feedback requested more measures and SMARTER action planning • We want to make better use of data and information, and as a result we have set up a <i>Data Insight Team</i> to become a more data driven organisation. • We will address the recommendations of the WLGA review of our self-assessment arrangements. • We will improve engagement and consultation on our self- assessment arrangements.

- We will further develop our quarterly integrated performance monitoring arrangements and our engagement and assurance arrangements for business planning.

People Management

96 members of staff provide people management support to the entire organisation (in the region of 8,500 employees)

The Council Sickness figure at the end of 2021/22 of 11.4 FTE days is 3.7 days higher than last year and above the 2019/20 Welsh average of 11.2 FTE days (Authority 2019/20 performance was 10.74 FTE days). This is our highest sickness figure since 2008/09 (11.7 days) However, it is important to note that this has been impacted by COVID-19 related sickness absence, which accounted for 2 FTE days per employee during 2021/22

The causes of absence are monitored, and the impact and legacy of COVID-19 continues.

The Council continues to support its lowest paid employees and workers by continuing to pay the Real Living Wage supplement this supports our Tackling Poverty Well-being Objective.

- Develop a Transformation Strategy building on the Better Ways of Working Project to improve economic use of resources, Value for Money, productivity, working lives and customer focus.
- Further improve our recruitment processes via new integrated recruitment IT system. (IIP)
- We will evaluate the employee experience and undertake research to develop a Workforce Engagement Strategy that will underpin the new workforce strategy
- We will developing proactive more preventative solutions such as promoting good health and educating employees on healthy lifestyle choices.
- Further support and encourage Workforce Planning in Departments
- Develop performance measures

Regeneration Division

More than 1,100 jobs have already been created and over 700 jobs safeguarded We have awarded contracts to local businesses, providing skilled work opportunities in the local economy and safeguarding jobs

We have engaged with well-over 3,200 local businesses and provided 900 people with training support.

We have delivered over £66 million COVID-19 Business Recovery Funds on behalf of the Welsh Government

We have successfully delivered six jobs' fairs in each of the primary towns, to support sectors experiencing acute recruitment challenges.

% of people in employment -	UK:	Wales:	Carmarthenshire:
	74.7%	72.2%	68.6%

Pentre Awel part-funded by the Swansea Bay City Deal - brings together business, research, education, community healthcare and modern leisure facilities all at one prime location along the Llanelli coastline. As well as improving health and well-being, the project will create almost 2,000 jobs.

- We will continue to focus on supporting 3,000 people into work, providing 2,000 additional homes, maximising the community benefit of development schemes and supporting businesses to take advantage of key grants
- Moving forward the RLSP will continue to work with Employers across the region to ensure that the RLSP inform Welsh Government what skills are required in the region and where WG funding needs to be allocated in order to fulfil the skills demands identified by employers

Business and Cabinet Support

Working on the forward work programme for Corporate Management Team ensuring reports are tabled at the appropriate timings and in line with the democratic committee cycle.

The Unit proactively supports managers within a number of functions, such as HR processes, financial regulations, procurement

- Produce a forward work programme for Corporate Management Team (CMT).

Electoral and Registration

Under the governance arrangements, Carmarthenshire Registration Service is committed to the service delivery standards developed by the General Register Office (GRO) and adheres to good practice guidance and the codes of practice. GRO guidance provides information on specific national standards the Local Authority must meet together with aspirational standards

Follow up discussions with the General Register Office Compliance Officers have confirmed that Carmarthenshire Registration Service continues to deliver services to an excellent level.

- To take all opportunities to engage, contribute and support the retention of the current easements continuing with regards death registration being enabled by telephone and electronic transmission of documents.
- To build upon and strengthen the partnerships established during the pandemic i.e. hospitals, Medical Examiners, Funeral Directors, Coroner, health board and our mass fatalities project group to ensure we meet our statutory duty and to support bereaved families through their registration journey.

Media and Marketing

The additional demand on customer services during the past 12months has been dramatic. It has been challenging to deliver a service due to the increase in service demand. It has been inevitable that there has been an increase in waiting times and number of abandoned calls.

New processes and further discussions with specific services are taking place to reduce this as best we can. Recruitment has proved to be difficult, and we continue to look for additional staff to join the team to build resilience into the staffing structure.

The team also successfully trialled standby arrangement to assist with communication outside of normal working hours. This has been critical during recent events

	<ul style="list-style-type: none"> • The Media and Marketing team will restructure to ensure the service can deliver and achieve the communication and marketing needs of the Authority and build on the high-class service to its internal and external customers. • Pushout and enhance the ‘<i>claim what’s your service</i>’ and develop a consistent approach within the Council to ensure all services manage customers with financial and well-being concerns in the same manner to avoid confusion and to build confidence and clarity. • Develop New Social Media performance indicator
<p>3. <i>governance</i> is effective for securing the above</p>	<p><u>Administration and Legal including Democratic Services</u></p> <p>The Corporate Governance Group ensures the Code of Governance is adhered to and produces an Annual Governance Statement as part of the Statement of Accounts.</p> <p>The Constitutional Review Working Group ensures the Constitution and its development.</p> <ul style="list-style-type: none"> • Previously the AGS outline the governance arrangements in place. This year we have questioned how good these arrangements are, how we know and how we can do better. We will review how this process has gone <p><u>ICT and Corporate Policy</u></p> <p>We have begun enhanced business plan challenge through Engagement and Assurance Process.</p> <p>A significant part our Annual Governance Statement (AGS) evaluates our Corporate Policy and Performance Management Arrangements</p> <p>Steering Groups for both Poverty and Rural Carmarthenshire give direction and oversight to key priorities.</p> <ul style="list-style-type: none"> • Continue to enhance business plan format and engagement and assurance. • Strengthen links between AGS and performance reporting - approach and content. • As the Corporate Strategy and Well-being Objectives are identified we will ensure the creation of appropriate steering groups/advisory panels to ensure direction and progress • Address Internal Audit findings on Performance Management. <p><u>People Management</u></p> <p>Our People Strategy Steering Group provides oversight of People Management Strategy.</p> <p>The Transformation Strategy will provide the key driver to ensure arrangements are delivered.</p> <p>The TIC programme Board Terms of Reference will be reviewed, and governance arrangements strengthened.</p> <p>A significant part our Annual Governance Statement (AGS) evaluates our People Management Function.</p> <p>The liP accreditation provides Quality Assurance on our processes.</p> <p>Our annual equal pay audit does not suggest any evidence of discrimination within</p>

the pay structures

Frequent Internal Audit reviews

Significant role in supporting Corporate Safeguarding

Employee Well-being Annual Report to CMT every year

- Using existing governance arrangements (People Strategy Steering Group) we will need to review our workforce strategy in light of the pandemic to support the organisation to recover.
- We are starting to see a significant increase in the number of occupational health referrals, in particular referrals to our Well-being Support Services. To stem this increase we need to invest more time in developing proactive preventative solutions such as promoting good health and educating employees on healthy lifestyle choices.

Regeneration Division

A business, economy and community recovery group was established to coordinate development and delivery of actions aligned to our economic recovery and delivery plan (ERP) and an overarching advisory group, comprising key private sector industry leaders, was also established.

A dashboard was set up to monitor the delivery of our 'Economic Recovery Plan'

- For each of the individual town centres, we will manage the overseeing of the recovery plans passing responsibility to the stakeholders in the respective towns. Each of the plans highlight key issues and opportunities and provide a delivery framework of interventions specific to the town centres.

Business and Cabinet Support

CMT & Cabinet support feedback

Electoral and Registrars

The Council is committed to delivering the service in accordance with the Good Practice Guide with achievement to National Standard as a minimum. All Key Performance Indicators for both Statutory Standards and Operational Delivery Standards within the guide are measured. Achievement is reported to General Register Office (GRO) in the Annual Performance Report.

Electoral Services are required to comply with the National electoral register data matching test then analyse results and act upon those results. The Electoral Administration Act 2006 gave the Electoral Commission powers to set and monitor performance standards for electoral services.

- To discharge the Council's increasing statutory responsibilities, required by Local Government and Elections (Wales) Act 2021 and future proposed electoral reform, within the context of extraordinary financial constraints.

Media and Marketing

Profiled within AGS Para 2.3.2.4 *Ensuring External Communications* (under the principle of

Openness and engagement - *Ensuring openness and comprehensive stakeholder engagement*).

Duty to Consult	
<p><i>Consultation on assessment of performance?</i></p>	<p><u>ICT and Corporate Policy</u></p> <p>Consultation as part of well-being assessment.</p> <p>Residents Survey undertaken.</p> <p>Complaint's feedback</p> <p>When available the Authority makes extensive use of the annual <i>National Survey for Wales</i> commissioned by Welsh Government. The results are used to help the Authority in its self-assessment of services and are included in our Annual Report. However, parts of this survey has been accepted by COVID-19 Pandemic and the same level of detail is not as available as in previous years</p> <p><u>People Management</u></p> <p>Corporate Employee Relations Forum - last year, we doubled the amount of paid facilities time we offered to our recognised Trade Unions and have continued to consult regularly with Union colleagues on a range of policies and other areas</p> <p>Staff survey undertaken June-August 2022 with a section on performance.</p> <p><u>Regeneration Division</u></p> <p>We engaged with over 1,000 businesses to gather evidence on the impact of the pandemic on our businesses</p> <p><u>Electoral and Registrars</u></p> <p>The Registration Service regularly asks customers to complete satisfaction surveys so that we can understand what is working well and meeting expectation and what isn't working well and could be improved upon</p> <p>Elections worked collectively with the Association of Electoral Administrators, Electoral Commission, Cabinet Office and Welsh Government to deliver a safe and fair election in May 2021. An elections project group was established that ensured all elements of the election planning was controlled and shared by key players.</p> <p><u>Media and Marketing</u></p> <p>Evidence suggests that there has been an increase in participation of online consultations. Specifically, when evaluating comparable consultations. For example, the Welsh in Education strategic plan consultation in 2017 received 21 completes whilst in 2021 the consultation received 854. Additionally, a recent Housing and regeneration masterplan received 2,522 completed surveys in comparison to 189 in a similar survey run in 2018. The increase in participation is attributed to the closer relationship developed with the Media and Marketing team ensuring that consultations are promoted on social media and corporate website and are sent to all key stakeholders. But we plan to resume full analysis when available</p>

Corporate Services Department

Duty to Keep Performance Under Review	How well are we doing and how do we know?
Performance Requirements	How can we do better?
<p>1. <i>exercising functions effectively</i></p>	<p>The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors on which the Authority gains assurance. Internal Audit is required to undertake its work in accordance with the standards as set out in the Public Sector Internal Audit Standards (PSIAS) established in 2013 are the agreed professional standards for Internal Audit in Local Government.</p> <p>The overall opinion is that the Authority has an 'Acceptable' control environment in operation. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place, Risk Management and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Procedure Rules and Contract Procedure Rules that provide advice and guidance to all staff and members. Sufficient assurance work has been carried out to form a reasonable conclusion on the adequacy and effectiveness of the Authority's internal control environment. Where weaknesses have been identified through reviews, Internal Audit have worked with management to agree appropriate corrective actions and a timescale for improvement.</p> <p>Strategic and Annual Audit Plans were presented to Governance and Audit Committee in the March meetings. Quarterly updates are provided on the work carried out and the Annual Report is presented every July. Actions to deliver recommendations made in 2018 Quality Assessment are complete.</p> <p>We could consider any improvements identified through the external assessment of Internal Audits arrangements. We are introducing new performance indicators for 2022/23 with the aim to assisting the service in becoming more efficient.</p>
<p>2. <i>using resources economically, efficiently and effectively;</i></p>	<p>The 2020/21 budget monitoring has probably been the most complicated ever due to value and all-pervasive impact of COVID-19 on services. We have claimed over £27 million from Welsh Government via hardship claims to support additional COVID-19 services and have also claimed £4.5 million relation to claims for loss of income. Corporate Services has risen to the challenge to support departmental spending decisions, the claims through the Welsh Government hardship scheme, as well as the identification of possible ineligible expenditure - this picture has evolved through the year with both changing nature of the pandemic as well as greater clarity over hardship scheme rules.</p> <p>We have continued to investigate and develop new ways of working which will result in delivering an even more efficient and effective service. We have been working closely with the Transform, Innovate and Change (TIC) team in their agreed 6 strategic areas of work (Income, Expenditure, Digital Transformation, Demands and waste, Service improvement, Supporting transformation & change in Schools and Supporting Better Ways of Working). As part of the Income strategic area our</p>

	Debtors team have been working both with TIC and Legal looking at how well we recover debt. We are working closely with the Better ways of Working strategic area, for example on the E-Signatures project evaluating the potential of using Adobe and DocuSign to avoid the need for staff to travel into offices to add wet signatures into documents and the Invoices Project investigating the reduction of hard copy invoices with the Purchase Order Compliance Pilot which has commenced.								
3. <i>governance is effective for securing the above</i>	<p>The Corporate Governance arrangements of the Council are acceptable. It is important that a Governance Statement includes an evaluation and conclusion and provides a clear judgement on whether the governance arrangements outlined are fit for purpose. To enable this judgement our Internal Audit service conducted a review of our arrangements against the adopted standards.</p> <table border="1"> <thead> <tr> <th colspan="2">Findings of Carmarthenshire County Council Internal Audit review of AGS and Corporate Governance</th></tr> <tr> <th>Post Review Assurance Level</th><th>Description for Assurance Level</th></tr> </thead> <tbody> <tr> <td>Acceptable</td><td>Moderate controls, some areas of non-compliance to agreed controls Medium/Low risk of not meeting objectives Medium/Low risk of fraud, negligence, loss, damage to reputation</td></tr> <tr> <td colspan="2">Internal Audit found no fundamental control issues to be addressed as a high priority.</td></tr> </tbody> </table> <p>The Governance and Audit Committee is a key component of Corporate Governance, providing a source of assurance about the Authority's arrangements for managing risk, maintaining an effective control environment, and reporting on financial as well as non-financial performance.</p> <p>The Authority has a Risk Management Steering Group which reports directly to Cabinet, Governance and Audit Committee and Chief Officers Team (CMT). The Risk Management Steering Group examines how Risk Management can be developed and ensures that Risk Management is embedded in decision making throughout the organisation. The Group meet quarterly and is supported by the work of its Subgroups i.e. Property & Liability Risks, Motor Fleet Risks and Contingency Planning Subgroups. TIC's December 2021 review concluded that <i>'The Terms of Reference of the Risk Management Steering Groups and its various sub-groups have recently been reviewed. This will allow the Strategic Group to adopt more of a strategic approach to its consideration of risk management issues, such as undertaking regular reviews of the Corporate Risk Register.'</i></p> <p>The Steering Group's role in allocating the £250k of risk management funding could be strengthened by introducing clearer criteria for how this funding is prioritised and spent on annual basis.</p>	Findings of Carmarthenshire County Council Internal Audit review of AGS and Corporate Governance		Post Review Assurance Level	Description for Assurance Level	Acceptable	Moderate controls, some areas of non-compliance to agreed controls Medium/Low risk of not meeting objectives Medium/Low risk of fraud, negligence, loss, damage to reputation	Internal Audit found no fundamental control issues to be addressed as a high priority.	
Findings of Carmarthenshire County Council Internal Audit review of AGS and Corporate Governance									
Post Review Assurance Level	Description for Assurance Level								
Acceptable	Moderate controls, some areas of non-compliance to agreed controls Medium/Low risk of not meeting objectives Medium/Low risk of fraud, negligence, loss, damage to reputation								
Internal Audit found no fundamental control issues to be addressed as a high priority.									
Duty to Consult									
<i>Is there any consultation on your assessment of performance?</i>	A mixed approach to ascertaining views on the 2022-25 budget took place. We invited residents, businesses and community and voluntary organisations to have a say on the draft budget so the Councillors can consider feedback before making a final decision. A series of departmental seminars for all County Councillors took place over a five-day period: 17 th to 21 st January 2022. All efficiencies across each department were considered in detail and feedback sought. Alongside councillor engagement public consultation took place via an online survey. The survey was								

	administered electronically via the Council's online consultation page on our website. Emails were also submitted, and social media was utilised to encourage residents to complete the online survey and some provided comments on Facebook and Twitter. The results of the consultations were considered and presented to Cabinet and County Council as part of the Budget Strategy Report.
--	---

Communities Department

Duty to Keep Performance Under Review	How well are we doing and how do we know?
Performance Requirements	How can we do better? (see bullet points)
1 <i>exercising functions effectively</i>	<p>Adult Social Care & Commissioning</p> <p>Within Adult Social Care and Commissioning Services challenges have been significant with many care homes experiencing COVID-19 outbreaks with multiple homes experiencing acute workforce pressures. Additional resources have been provided by in-house services, via mutual aid and health. Enormous collective efforts together with our partner organisations who have worked extremely well together have focused on resident safety and the prevention of care home collapse.</p> <p>Feedback from the sector has been positive and relationships have improved with the sector as a result. This has been evidenced by an independent review carried out regarding maintaining dignity and respect in the care homes during the pandemic.</p> <p>The impact from the pandemic and the on-going demands are significant but there are some notable areas of progress:</p> <ol style="list-style-type: none"> 1. In relation to Safeguarding of Adults, Multi-agency forums have continued to meet virtually, and an additional regional forum was set up to have assurance that safeguarding processes were being followed during the pandemic. 2. The service received a positive report from CIW following an assurance visit in February 2021, which is quite remarkable during a pandemic. 3. The Director of Social Services Statutory report concludes that these functions are operating effectively. <p>Within Homes and Safer Communities:</p> <ul style="list-style-type: none"> • We responded to the COVID-19 crisis through our TTP (Test, Trace, Protect) team which has given confidence that we have up to date intelligence on what is happening in the County and that we can react quickly when circumstances change such as the emergence of new COVID-19 clusters or an outbreak in a Care Home etc. This is from an infection control as well as advice and enforcement perspective. • Our in-house care continues to receive really positive feedback from our regulator CIW as well as from the residents, family and professional surveys. We have also started to look at a significant care home investment

programme to ensure that the facilities and environment match the standard of care provided.

- Our Development and Investment team have continued to deliver, despite COVID-19, and we are continuing to deliver additional affordable homes and have a clear three-year delivery plan moving forward. This will link with wider corporate and departmental priorities such as Town Centres, Rural Ten Towns and key regeneration projects e.g. Pentre Awel, Tyisha, Brynmefys (Llanelli) and Wauniago House (Carmarthen). We have responded positively and proactively to UK and WG initiatives around resettlement programmes and were the first in Wales to house Afghan families in May 2021.
- Environmental Protection and Business and Consumer Affairs services have continued to deliver in what was a particularly challenging year for public protection. We have had to balance our response to COVID-19 whilst still maintaining core services as COVID-19 restrictions were lifted during the year. This was particularly challenging as expectations and demands increased. We are in a relatively strong position in terms of Food Standards and Hygiene, Animal Health and Proceeds of Crime (POCA). We have also been commended for our work around Financial Exploitation and have had notable successes around illegal dog breeding.
- Our housing management service continues to perform reasonably well (evidenced by the Tenant Survey carried out in the Autumn 2021). We are performing on a par with other housing organisations. We are also reasonably well placed in terms of our approach to the collection of current tenant income and have developed a strong pre-accommodation that helps to sustain tenancies. The team have currently been shortlisted for a national award, in conjunction with the Youth Service, as a result of the innovative approach being taken.
- Whilst we have done really well to respond quickly to the change in homelessness legislation as the result of COVID-19, we need to make sure we make this response sustainable for the long term. Processes and working practices, and performance itself (e.g. Homelessness Prevention PI bottom quartile), need to be reviewed in order that we can fully support those in most need, and staff themselves. The Public Services Own Initiative Report (September 2021) begins to outline some current issues that clearly need addressing. Our new approach and the creation of the Housing “Hwb” is already beginning to see positives.
- Internal Audit reports around procurement of repair works to temporary accommodation/social lettings agency.

Housing Property & Strategic Projects

Within Housing Property & Strategic Projects, COVID-19 significantly impacted on our services as non-essential maintenance was suspended. As a result, there is significant latent maintenance work and a backlog of enquiries which we are currently working through. Response times for essential maintenance that we have been able to undertake has continued to improve, although the average time to respond to non-essential work has worsened. The 4 Tys have also been demolished as a first phase of the physical regeneration of the area. We have now completed an early market engagement process which will input into our selection process for a partner developer and to prepare key sites for development. An Internal Audit report around procurement of repair works

contract management and Welsh Government Enable Funding for Independent Living improvements has been conducted.

Leisure

Many areas within Leisure continue to operate with restrictions including our Outdoor Education offer, Theatres, and Leisure classes in terms of occupancy levels. With many posts kept vacant and numerous staff re-deployed, it has been challenging to re-engineer our services through the multiple phases of lock-down, and as various restrictions were applied and lifted. The operating procedures, safe working practices and risk assessments around every location, activity and customer engagement has had to be re-written multiple times throughout the year, with our focus always being on maintaining public safety and confidence to ensure people return in the long term, and clubs and partner organisations survive and prosper into the future.

We have a very high accreditation for our Library service meeting all targets set by Welsh Government through the 'Welsh Public Library Standards'. Also establishing stronger links across the Communities Department, developing a greater focus on the prevention of ill-health, whilst collectively promoting general well-being and long-term sustainability for the Leisure, Housing, Health and Social Care teams.

From a public health perspective, despite Leisure being a very significant positive contributor to this agenda, we must influence and work in partnership to drive this issue forward with health sector partners. Despite it only being one national metric, around a third of our children and young people are classified as overweight or obese in the County, with the figure being one of the highest in Wales. This area must continue to be a focus for our work to change life-long habits and to intervene as early as we can.

Departmental Actions Moving Forward

Adult Social Care & Commissioning

Operational challenges have made it difficult to find the space and time to strategically plan for the future. Programme of works have been suspended and need to be resurrected.

There has been an increase in complexity and demand and in order to manage demand going forward, we have to ensure that we have a robust prevention strategy to provide advice, information, assistance, early intervention and timely response to those in crisis. This will allow us to, wherever possible, help people to maintain their independence for as long as possible, and prevent unnecessary admissions to hospital and residential care. Person centred practice will be at the heart of everything we do, as well as supporting carers to continue in their caring role. Getting this right must be our key focus for the next financial year. We will:

- develop a 10 Year Strategy for Social Care incorporating Children and Adult Services.
- develop and implement a Digital Transformation Strategy for the department.
- develop and deliver a Workforce Plan to recruit, retain and develop staff to ensure a sustainable workforce for the future.

- ensure we implement the new Domiciliary Framework which effectively addresses the lack of availability of domiciliary/home care to support vulnerable adults.
- re-model and grow a quality, sustainable and efficient in-house Home Care service alongside an effective private and micro enterprise sector.
- develop and implement a Prevention Strategy for Carmarthenshire which will include continuing to work in partnership with Delta Wellbeing in support of our residents.

Homes and Safer Communities

Within Homes and Safer Communities and Housing Property and Strategic Projects we will work to:

- Review of our prevention of homeless, homelessness case work and temporary accommodation services. This needs specific focus as a result of evidence from the re-structuring process, the Ombudsman Own Initiative report and Internal Audit report on procurement of some services. This review will focus on:
 - Working practices and processes; and
 - Improving performance
- Increase focus on Council House Void numbers and turnaround times
- Improve performance around Adaptations and DFG turnaround times
- Review of the New Homes Team to be undertaken February – April 2022
- Achieve the Moving Forward in Carmarthenshire Key Actions for the Division:
 - Review social housing arrangements in Station Road, Llanelli
 - Maintain the Carmarthenshire Home Standard for all Council owned properties
- Develop a pilot project in the Tyisha ward

Leisure Services

Within Leisure Services the following are the priorities:

- 10 Year Leisure Strategy: The development of a 10-year future direction document for discussion, input, and endorsement by the new political administration for the County in early 2022/23
- Income and membership/activity recovery: With the effects of the COVID-19 pandemic changing lifestyles and habits, the service's greatest challenge will be to regain and exceed membership and income to pre-COVID-19 levels. Whilst government hardship funding has helped during periods of restricted opening, our 2022/23 business plan will be fully focussed on this income and engagement recovery process.
- Capital Projects: Completion/further development of ongoing capital projects at: Oriel Myrddin; Amman Valley; Abergwili Museum; Parc Howard; Pembrey Country Park; Llyn Llech Owain Country Park; Carmarthen Archives; Pentre Awel; Pendine Attractor and Museum of Land Speed; the National Museum store and 24/7 fitness suite elements of the successful Carmarthen Town Centre Levelling up bid;
- A new Outdoor Education offer for the County: Presenting a new model for a County-wide residential and non-residential Outdoor Education offer for comment and endorsement on the back of an asset appraisal of existing

	<p>infrastructure and ongoing COVID-19 related challenges for schools, whilst aligning with the new Donaldson curriculum.</p> <ul style="list-style-type: none"> Increasing our Social Value: Further developing our work and influence on the health prevention agenda, demonstrating the impact and value of integrated and collaborative working as exemplified by schemes such as the National Exercise Referral scheme (NERS), and Mental Health exercise referral, and how these can mainstream leisure activity whilst reducing costs for core health services. The following will also underpin all of our work going forward: <ul style="list-style-type: none"> A Workforce development plan: re-visiting the draft Communities department workforce plan to create specific actions for the division, focussing on recruitment, retention, training, competencies, and coaching, with the aim of growing our own workforce and creating an attractive offer for young people. Reducing waste and our Carbon Footprint: As part of the County Council's aim to become carbon neutral by 2030, we recognise the significant energy usage footprint that many of our large buildings carry and will continue to work to reduce and offset this footprint. Developing our online offer: Our ability to broadcast products digitally and to connect sites and services with end users is also becoming more important than ever, including our links into the education and health sectors. This development allows more choice for users on how and where they can engage with our services and improve their well-being.
<p>2 <i>using resources economically, efficiently and effectively;</i></p>	<p>We ensure we are using Resources economically by:</p> <ul style="list-style-type: none"> budget monitoring undertaking cost modelling within Commissioning services monitoring recruitment and retention, fortnightly. Sickness monitoring, vacancies and waiting lists for assessments and care as part of the recruitment and retention meeting. holding a robust recruitment marketing campaign for social care is underway to mitigate the short falls within the Department. investing in new digital IT systems along with Wifi in Care Homes and frontline staff have been provided with electronic devices. <p>We ensure that we are using Resources efficiently by:</p> <ul style="list-style-type: none"> having robust Performance Management Framework meetings to measure activity and budgets effectively, held on a monthly basis. Risk management and business plan actions are monitored as part of this process. produce a Director's Annual Report ensuring a self-assessment of Social Services functions. have forward work programmes and action plans. Regular communication within the Department working with our Marketing and Media Colleagues. <p>We ensure that we are using Resources effectively</p> <ul style="list-style-type: none"> We undertake a consultation for the Welsh Government on Social Services functions and survey residents and service users in Care Homes and Home

	<p>Care under the CIW Regulation and Inspection Act. The residents within the Care Homes rated the overall quality of the service received within care homes as Great (this is calculated through a NPS metric)</p> <ul style="list-style-type: none"> • Within Leisure services we undertake a NPS Customer Satisfaction survey. • We survey 6,000 housing tenants as part of our grant conditions in respect of the Welsh Government MRA application and Grant which has shown that 77% of respondents were satisfied with the Service overall. • We undertake an annual staff survey within the department calculated through a NPS metric and this showed our overall score as Good. • We hold an Improvement Board regarding Housing Needs on a weekly basis. • We have CIW feedback and Wales Audit feedback and locally commissioned audit feedback.
<p>3 <i>governance is effective for securing the above</i></p>	<p>The following ensure that we govern our services appropriately.</p> <ul style="list-style-type: none"> • We produce a Director's Annual Report ensuring a self-assessment of Social Services functions which is audited by the Care Inspectorate Wales • We have a Corporate Safeguarding Board regulated by Wales Audit Office and Regional Safeguarding Board is regulated by CIW and Welsh Government where by a governance structure has oversight of policies and procedures. During 2021/22 Internal Audit reviewed Safeguarding in <ul style="list-style-type: none"> ○ Children's Services – arrangements were found to be acceptable ○ and Adult Services – findings to be concluded • Performance Management Framework and scheduled dedicated Performance focused meetings • Integrated Executive Group along with the Health Board • Trade Union Meetings • Commissioning and Programme Group • Recruitment and Retention • SMT/DMT/CMT/Scrutiny/Full Cabinet/Website • Cabinet Member – Outstanding Team Award – • Supervision/Appraisals / 1 to 1s • Welsh Language Board • Llesiant Delta Wellbeing Board • National Meetings – ADSS Cymru/AWASH/Public Service Board • Regular meeting with Welsh Government, Hywel Dda Health Board and various bodies for relevant services such as Sport Wales for Leisure Services. • Corporate Governance Group • Business Planning and Risk Management • Provide regular reports to Scrutiny and Audit Committee.
Duty to Consult	
<p><i>Consultation on assessment of performance?</i></p>	<p>Regular consultation is undertaken with staff, service users and tenants. We undertake a consultation for the Welsh Government on Social Services functions and survey residents and service users in Care Homes and Home Care under the CIW Regulation and Inspection Act. Within Leisure services they undertake a NPS Customer Satisfaction survey. We regularly survey our tenants within our Housing Division. We monitor compliments and complaints within the department. Monthly meeting with CIW on our statutory function as well as Estyn linked with Children Services.</p>

Department of Education and Children's Services

Duty to Keep Performance Under Review	<p>How well are we doing and how do we know?</p> <p>How can we do better? (see bullet points)</p>
Performance Requirements	
<p>1. <i>exercising functions effectively</i></p>	<p>How well are we doing and how do we know?</p> <p>The Department's vision, priorities and Business Plan is co-constructed by a purposeful coalition of officers and headteachers and is usefully shared and debated with stakeholders e.g. Scrutiny Committee, Headteacher Groups, through staff and Governor briefings. We strive to ensure a golden thread through our business planning processes at all levels of our corporate 'wedding cake'.</p> <p>CCC has a well-established annual business cycle. Initiated every Autumn, it is drafted in deference to corporate priorities and departmental self-evaluation, ensuring a bottom up and top-down dynamic. Links to the budgetary process are made early on and the finalised version is subject to elected member scrutiny. Longer term planning is conditioned by the departmental plan to 2032 and is helpfully arranged under 20 specific 'purpose pieces'.</p> <p>The Department's Performance and Information Officer provides valuable assistance in ensuring that the Business Plan is aligned with corporate priorities and service level performance metrics. Quarterly reporting (PIMS system) ensures that officers are held to account in terms of progress and quality of service delivery with respect to priorities.</p> <p>Scrutiny reports are insightful and comprehensive and are effectively challenged, promoting active debate.</p> <p>A biennial Headteacher questionnaire provides important feedback and constructive suggestions for adapting and developing future service delivery. Pupils and parents are also consulted, and all information is cross-referenced and triangulated against corporate priorities, against information gleaned from focus groups such as several Head Teacher fora, unions, and officer staff groups. A notable feature of departmental structure are the eight Strategic Focus Groups:</p> <ul style="list-style-type: none"> • Teaching and Learning; • Leadership; • Sustainable Communities for Learning; • Cymraeg; • Well-being; • Digital Learning; • Supporting Vulnerable Learners Group; • Children and Families; <p>which provide important opportunities to implement key issues for schools. These groups are making a sound and evolving impact in terms of delivering on important issues identified at school level by Heads and the school improvement team, whilst</p>

also keeping an eye out for strategic developments at county, regional, national, and international levels.

Improvement planning is developing well and is currently focussed on arriving at a smaller number of key priorities. The Departmental data unit is being bolstered with a couple of important new posts to enhance our analysis and interpretation of data trends over time.

The Performance Information Management System (PIMS) is well established. SMART targets are monitored quarterly and require both qualitative and quantitative updates.

The Department's COVID-19 response is considered very laudable and has been praised by regulators. A Continuity of Learning plan was quickly put in place and enacted. Resources to support care hubs and well-being in schools was supplemented by external input from Prof. Barry Carpenter. In addition, the recovery curriculum, and the imperative to support vulnerable pupils' teaching and learning was assisted by Prof. Lee Elliot Major. Weekly (and sometimes daily) Health & Safety briefings provided vital support, which was augmented by weekly drop-in sessions on various topics pertaining to emergency response.

Each member of staff is afforded an annual Appraisal. These are structured opportunities to consider what is going well and whether there are any constraints or blockages with aspects of service delivery. The 'Recognise, Grow, Together' approach focusses on strengths and helps service areas to grow by exploring what has been done well and how people can work together to achieve our ideas.

Scrutiny is well-established in CCC and has been referenced above. There are opportunities for Heads of Service to meet our Portfolio holder. All main policy directives enter the corporate process and are discussed at DMT, CMT, Pre-Cabinet and cabinet with a number progressing to Scrutiny and full Council.

2012 inspection areas for development

Estyn thematic reports are tallied on a spreadsheet and are all assigned to the relevant strategic Group for implementation. Other regulators influence business planning in a very positive manner such as aspects of Children's Services and the Youth Justice Board.

There are demonstrable improvements to service delivery. The YSS has developed very well over the last five years as testified by now achieving a range of external rewards and earning national recognition. Similarly, the behaviour and engagement service has developed well.

Complaints and compliments are considered at DMT on a quarterly basis and the annual report is acted upon promptly. These reports are often insightful and prompt definitive action.

Service reviews have been completed for DMT with 3rd tier managers invited in to discuss performance.

There is a comprehensive Self Evaluation Report process which included 2 away days during summer 2022 and an on-going review and evaluation process.

Pupil Admissions – all statutory targets met and currently facilitating applications for

	<p>refugees along with all other admission applications to schools.</p> <p>School Organisation Code – All changes to schools that require a statutory consultation process under the School Organisation Code have been completed in line with the Code’s requirements.</p> <p>School Catering have adapted well to new ways of working and have continued to provide a hot meal service in all schools. The service continues to put food safety and allergens compliance as a high priority.</p> <p>How can we do better?</p> <ul style="list-style-type: none"> • We are currently undertaking a review of department Business Planning and Monitoring processes, one recommendation being to produce Business Plans in line with our Strategic Focus Groups rather than Divisional Business Plans. • Our Service Reviews state how each service can improve (too many examples to list) and we are using this list to inform our next round of Business Plans.
<p>2. using resources economically, efficiently and effectively;.</p>	<p>How well are we doing and how do we know?</p> <p>The Council’s allocation of resources reflects the priority afforded to education services. The local authority spends above the indicator-based assessment for education services and has increased and protected schools’ budgets against a backdrop of financial pressures across the council. The local authority also has a significant capital programme in relation to schools both in terms of new school builds and investment in its existing schools’ estate. In 2021/22 Carmarthenshire delegated 87.9% of the education budget (excluding school transport) to schools which was above the Welsh average of 87.3%.</p> <p>The authority has a comprehensive range of service level agreements in place with nearly all schools buying in to all the SLAs.</p> <p>For the last 5 years the County Council has protected schools’ budgets and have not required schools to make efficiency savings.</p> <p>Over the last few years growth funding has been allocated to address pressures within schools. The local authority has established task and finish groups involving schools’ representatives to consider key pressures and how the formula can be adapted and growth funding utilised. For example, in 2022/23, following consultation with our Headteachers, supplementary funding in addition to honouring pay awards and inflation, £500k was allocated to support well-being and behaviour in our Secondary Schools, £500k to support ALN in primary schools, and £1 million into primary school formula funding to support the cost of maintaining current provision.</p> <p>The review of our investment programme in schools is expected to provide cabinet with advice and recommendations to address the budget pressures and challenges of provision in primary schools.</p> <p>The authority is aware of current financial risks and those on the horizon. They recognise that it will be necessary to respond to increasing challenges, including potential increases in costs relating to staff pay and pensions, energy and transport. Additional funding has been provided to schools on a regular basis to reflect demands. The Schools’ Formula Funding is regularly reviewed to ensure that the formula remains appropriate, given the changes in the provision of education services and the contextual challenges of individual schools. Adaptations have been made to address emerging pressures and new priorities e.g. review of ALN funding.</p>

The School Budget Forum, which is representative of the different sectors, has constructive discussions and helps inform decisions in regard to allocating resources. The local authority has arrangements in place to work with the schools in deficit and has intervened appropriately. Over the last few years, the number of schools in a deficit position has reduced from 47 in 2019 to 20 in 2022. Reserves have moved from a deficit £1.9m position in 2019 to £15.2m surplus in 2022. This is due to a robust process of holding schools to account, additional funding awarded to schools from the corporate budget and additional WG funding.

A significant amount of work has gone into understanding the current and projected financial position of Carmarthenshire schools.

During 2021/22:

- aggregate primary school balances increased by £3.2m (approximately 5% of formula funding),
- 19 primary schools had 'in-year' deficit of which 13 of these had 80 or fewer pupils, with an average overspend of 13% in year.

2022/23:

- 13 of the 20 schools (65%) which require a licenced deficit have below 80 pupils.
- The average licenced deficit forecast for these schools is 32% of their formula funding.

Schools have taken advantage of significant additional grant funding released during the pandemic. This has impacted positively on many school budgets this year and into next year:

- Additional Grant funding from Welsh Government, both during the year (e.g. Additional Learning, RRRS) as well as specific grants late in the financial year (e.g. ALN COVID-19 received in February, Caretaking & Cleaning grant funding)
- Reduced activities normally funding from non-capitation budgets e.g. school trips
- COVID-19 related absence cover have been claimable from Welsh Government hardship fund.

The authority has received appropriate plans from schools indicating how they will address deficits and use the additional balances.

The substantial grant funding received from Welsh Government and additional COVID-19 related funding has been welcomed and has been delegated to schools whilst also funding some core school improvement support services. Funding allocated to Partneriaeth, the regional consortium, is allocated to whomever is best placed to meet the grant conditions i.e. Partneriaeth or Local Authority. There are robust monitoring systems in place and regular internal audit of systems, processes and expenditure to ensure that the funding is used effectively to support learners. The Local Authority supports schools in securing external funding e.g. Taith and have taken advantage of European funding to provide support for vulnerable learners. The Youth Support Services have accessed substantial ESF funding to provide bespoke solutions to support young people and reduce NEETS.

The County Council secured substantial Welsh Government funding to support schools to address COVID-19 challenges. To enable schools to focus on teaching and learning key grants such as RRRS were delegated to schools whilst the County Council took the strategic decision to manage centrally key provisions such as additional cleaning, PPE and TTP.

	<p>Schools are well supported to maximise income generation and the Schools' TIC Officer has helped reduce costs and share best practice. The School Development Fund was introduced in 2018 and has provided seed funding for schools to implement value for money proposals.</p> <p>The local authority compares its costs and outcomes with those of other similar authorities, however comparisons are difficult due to issues such as number of schools, rurality, language and pupil numbers.</p> <p><u>We provide the Lead Officer role for the delivery of the procured Independent School and Community-Based Counselling Service to ensure service delivery maximises access and outcomes for children and young people experiencing emotional distress who want to seek support from an independent counsellor.</u></p> <p>Efficiency</p> <p>Realising the benefits of collaborative and partnership working, Carmarthenshire was instrumental in establishing Partneriaeth to provide services to schools across the new region. During Summer 2022 Estyn undertook a focus piece of work on the new regional arrangement noting</p> <p>Partneriaeth has a robust, transparent governance structure led by a Joint Committee consisting of the Leader of each County Council and Cabinet Members for Education. There are SLAs with councils to provide key services e.g. Finance, HR, Legal. The Strategic Boards support the JC to ensure that the regional service meets Local Authority requirements. A regular LA/Partneriaeth Quality Assurance Meeting allows Carmarthenshire officers to discuss local issues and challenges and address any concerns. Partneriaeth is audited via an SLA with Pembrokeshire County Council. Carmarthenshire work with a range of other local authorities/partners on a range of initiatives. Carmarthenshire, along with Swansea and Pembrokeshire established Partneriaeth, a new regional school improvement consortium to provide professional development opportunities for our schools.</p> <p>Across other service areas we work with partners in the South West and Mid Wales region ensuring best value for money and sharing effective practice e.g. CYSUR-Mid & West Wales Safeguarding Board Safeguarding children and ALN Transformation work.</p>
3 <i>governance is effective for securing the above</i>	<p>How well are we doing and how do we know?</p> <p>Scrutiny Committee Safeguarding Board Admissions Forum – meets on a regular basis to oversee school admissions process to scrutinise admissions arrangements Corporate Programme and Project Governance Boards (e.g. .MECP)</p> <p>How can we do better?</p> <ul style="list-style-type: none"> • Stronger communications with schools so that they understand their role in the admissions process.
Duty to Consult	
<i>Is there any consultation on your assessment of performance?</i>	<p>The department endeavours to consult with stakeholders through a variety of consultations. Some of these processes were disrupted during the period of the pandemic but as schools and Departmental services returned to a more normal way of working these processes have returned.</p> <p>As the end of summer term approached, we conducted separate surveys with Headteachers, pupils and parents to ascertain their views on the services we offer</p>

through schools and other departmental services, which in turn are reflected in our Service Evaluation Report.

Estyn carried out a number of school inspections throughout the academic year and their recommendations are taken on by the schools governing body and the School Improvement Team as part of their workplan.

Estyn Local Authority Link Inspector (LALI) virtual visits are conducted throughout the year, which gives Inspectors an opportunity to focus on current priorities, for example Self-evaluation and future priorities for improvement. There's also an opportunity for the LA to share any current issues. Likewise, Estyn can discuss inspection developments with school leaders. The link inspector can help us reflect on and refine their strengths and areas for improvement.

The Department has a rolling Programme of Internal Audit Reports, whereby Service Managers produce a report on their areas of responsibility and are invited to attend a DMT meeting which reviews and challenges the report. If deemed necessary the reports are forwarded to corporate committees, CMT, Pre-Cabinet, Scrutiny, etc, for further examination.



In November 2021, Care Inspectorate Wales published its Assurance Check 2021 letter on Carmarthenshire County Council

[211104-carmarthenshire-en.pdf \(careinspectorate.wales\)](#)

This was a very positive report

Children's Social Care Assurances

- Approachable and supportive leaders
- Culture of co-production and personal outcomes being developed with people
- Clarity in operational methodology
- Strong multi-agency cooperation
- Positive integrated approach to a culture of prevention through joint working
- Low CLA population
- Makes a positive contribution to the well-being of people in the pandemic period

Children's Social Care Risks - CIW identified no significant areas of risk:

The Assurance Check identified inconsistency for some care leavers in relation to their PAs

Next Steps *CIW identified strengths and areas for priority improvement and will review the progress of these areas through performance evaluation review meetings with the heads of service and director. CIW expect the areas of improvement identified to be included in the local authority's improvement plans.*

Children's Education Assurances

- Leaders have a good understanding of issues in the authority including around schools causing concern
- Leaders maintained the good communication between departments throughout the pandemic to ensure that support for schools and other providers was available quickly
- A substantial number of primary schools have been removed from Estyn Review.
- Pre-inspection reports show that the authority generally knows its schools well
- LA is proactive in increasing Welsh medium provision in the primary sector

- LA officers appear to have suitable plans in place to deal with the issues regarding leadership of smaller schools, for example by federating or merging them
- The authority has supported schools and providers to understand and embed the new ALN act
- Effective scrutiny arrangements

Concerns

- There are a very few primary schools in a statutory category.
- With the local authority leaving ERW, there is uncertainty over some arrangements with Partneriaeth
- Recruiting headteachers to lead a few primary schools is causing concern
- Although the overall, the number of pupils who did not progress from year 10 to 11 in Carmarthenshire is slightly below the national average for the last two years, the rates of pupils who cannot be matched to a destination are high in a minority of schools over the last two years.
- Budget balances in schools

Environment Department

Duty to Keep Performance Under Review	<p>How well are we doing and how do we know?</p> <p>How can we do better? (see bullet points)</p>
Performance Requirements	
<p><i>1 exercising functions effectively</i></p>	<p>Place and Sustainability</p> <p>The Planning service was subject of an Audit Wales review in 2021/22 that found significant and long-standing performance issues in the planning service that needed to be urgently addressed to help support delivery of the Council's ambitions.</p> <p><i>The Council considered the findings and recommendations and prepared a detailed response and action plan which looks to address the issues identified.</i> There has been a turnaround in % planning applications determined in time.</p> <p>Net Zero Carbon - the Council declare a climate emergency and was the first in Wales to publish an Action Plan. Internal Audit reviews of Net Zero Carbon found High level systems and controls in place.</p> <p>Waste</p> <p>Waste was subject of an Audit Wales review in 2021/22</p> <p><i>It found that the Council has met its statutory recycling targets and has recently drafted a strategy to make its waste service more sustainable, but it has not finalised the strategy or got a clear plan for dealing with the large number of fly-tipping incidents in the county.</i></p> <p>8 recommendations have been addressed. <i>The Waste Strategy has now been approved. There needs to be a clear action focused plan on the agreed steps to recover county rates to 65% and then the steps to get to 70%.</i> Fly-tipping clearing performance is back to pre-COVID-19 levels despite a 33% increase in the number of incidents cleared.</p> <p>Highways and Transportation</p> <p>The Division produces an Annual Highways Asset Management Plan that</p>

	<p>is reported to Scrutiny. There is not a lot of Performance information available.</p> <p>Service Improvement</p> <p>We have successfully implemented a hub within Place & Sustainability to support the Development Management and Enforcement Officers.</p> <p>The collaboration between Cleaning Services and Education has been pivotal for Cleaning Service and Property Services in relation to COVID-19, PPE and Maintenance.</p> <p>How can we do better?</p> <ul style="list-style-type: none"> • Improve Business Planning • Improve SMART action planning and Performance Indicator suites • Introduce better data driven decision making • Improve access and use of performance dashboards • Prioritise improvement areas based on evidence • Ensure more integrating reporting of performance at department and corporate levels.
<p>2. <i>using resources economically, efficiently and effectively.</i></p>	<p><u>Economically</u></p> <ul style="list-style-type: none"> • The department has adapted to many years of budget reductions whilst maintaining services. • The Revenue Budget strategy is consulted on every year with Scrutiny. <p><u>Efficiency</u></p> <ul style="list-style-type: none"> • The department has strengthened its business planning and extending its PI suites. • The department is monitoring both departmental and divisional business plan content • The Director has increased the service challenge processes within the department. • Revenue and Capital Budgets are monitored by Scrutiny every quarter of the year. <p><u>Effectively</u></p> <ul style="list-style-type: none"> • 4,034 residents participated in engagement on the new waste strategy • Consultation on various schemes e.g. Sandy Road corridor 334 participants • Internal Audit of Ash Dieback, Departmental Expenditure, Flood Defence & Coastal Protection were found to be acceptable. <p>How can we do better?</p> <p><u>Economically</u></p> <ul style="list-style-type: none"> • There is a need to make better use of data and intelligence to help inform future workforce development requirements. Ensure that the service is able to further respond to the on-going recruitment and retention challenges especially within some of areas that compete with the private sector such as Planning, Property Design. <p><u>Efficiently</u></p> <ul style="list-style-type: none"> • The lack of identified capacity within the Department to support change and transformation objectives has been highlighted as a

	<p>significant area for us to focus upon, and this has the potential to impact on its ability to progress a number of key priorities such as service improvements that are critical moving forward.</p> <ul style="list-style-type: none"> • The Department will be reviewing its Performance Monitoring arrangements to ensure they align with the new Corporate Performance Monitoring Framework to establish a full picture of both Strategic and Operational performance. • We will develop and establish Outcome focused measures and Performance Indicators to support service improvement and identify gaps in our monitoring arrangements. <p><u>Effectively</u></p> <ul style="list-style-type: none"> • Development of our web content is key for our department moving forward. Our aim is improving the information available and to develop further web forms which integrate with back-office systems to eradicate the need for manual input and paper applications. We aim to add electronic payments to as many of our application processes and an end-to-end process where the customer receives updates on their enquiry/order/report as it progresses. We have identified some areas of web development that will be key to improving customer satisfaction and reducing failure demand such as planning applications.
<p>3. <i>governance is effective for securing the above</i></p>	<p>How well are we doing and how do we know?</p> <ul style="list-style-type: none"> • Revenue and Capital Budgets are reported quarterly to Scrutiny Committee • Departmental Business Plans are produced and reviewed every year. They are submitted to various scrutiny committees. • All outcomes are monitored through quarterly reports to DMT and Scrutiny committee. <p>The Governance and Audit Committee is a key component of Corporate Governance, providing a source of assurance about the Authority's arrangements for managing risk, maintaining an effective control environment, and reporting on financial as well as non-financial performance.</p> <p>The Authority has a Risk Management Steering Group which reports directly to Cabinet, Governance and Audit Committee and Chief Officers Team (CMT). The Risk Management Steering Group examines how Risk Management can be developed and ensures that Risk Management is embedded in decision making throughout the organisation. The Group meet quarterly and is supported by the work of its Subgroups i.e. Property & Liability Risks, Motor Fleet Risks and Contingency Planning Subgroups. TIC's December 2021 review concluded that <i>'The Terms of Reference of the Risk Management Steering Groups and its various sub-groups have recently been reviewed. This will allow the Strategic Group to adopt more of a strategic approach to its consideration of risk management issues, such as undertaking regular reviews of the Corporate Risk Register.'</i> The Steering Group's role in allocating the £250k of risk management funding could be strengthened by introducing clearer criteria for how this funding</p>

	<p>is prioritised and spent on annual basis</p> <p><u>Cabinet Advisory Panels</u></p> <ul style="list-style-type: none"> • Development of the Local Development Plan –To take political ownership of the LDP and ensure that the LDP process is managed in accordance with the Development Agreement. • Cross Party Advisory Panel on Climate Change – to be established. <p>How can we do better?</p> <ul style="list-style-type: none"> • Restructure to improve governance and compliance
Duty to Consult	
<i>Is there any consultation on your assessment of performance?</i>	<p><u>Highways and Transportation</u></p> <ul style="list-style-type: none"> • Our design teams work with a range of key clients and ensuring their designs meet the needs of clients and service users is a fundamental requirement. • Public engagement is a cornerstone of the development of our engineering projects. Developing schemes for highway improvements and traffic management changes involve public consultation. • Involving local communities and engaging with members of the public for Traffic Regulation Orders which change speed limits, alter parking provision or traffic management is a statutory duty which we undertake and manage on a significant scale. • The Division works closely with Town and Community Councils on a range of issues including the management of public lighting, the recent introduction of LED lighting, key consultation of traffic and highway improvements, development of PROW maintenance and management, and Traffic Regulation Orders for speed limit, parking and other traffic management improvements. • The Division actively support the promotion of events our partner organisations bring forward to promote places, activities and events in the County such as the Tour of Britain, Llanelli Pride, Christmas Markets and this also includes free parking offers. • The County Council is a partner in both the Llanelli and Carmarthen BID providing financial support and partnership working with a range of stakeholders and businesses. • The Division works with volunteer groups on issues such as the maintenance of Public Rights of Way in conjunction with Ramblers 'Paths to Well-being' officers were initiated • Our Passenger Transport Team continues to consult with service users and stakeholders and work regionally with Welsh Government/TfW and neighbouring Authorities to understand demand for public transport services in a changing post COVID-19 environment.

- Our Transport Planning Team also promote School Travel Plans in our schools to involve pupils in participating and encouraging health travel patterns and our Road Safety Teams reinforce this with kerbcraft and cycle training.
- During the COVID-19 pandemic the Highways & Transport Division introduced public realm changes to support the town centre recovery and undertook a widespread consultation exercise which had comments from 52 businesses and 286 members of the public which were incorporated within a review of measures

Place and Sustainability

- Facilitation of Carmarthenshire Nature Partnership
- Intelligence gathered by planning hwb can identify service improvements.
- Full public and focused consultation undertaken during the preparation of the LDP and other policy documents and planning interventions such as LDOs.
- Key stakeholder and other forums (including viability/developer forum).
- Facilitate, participate and lead on local, regional and national thematic groups.
- Establishment of schools climate action consultation group and implementation of the manifesto for NZC.
- Opportunities provided for the residents to engage with us during the process of a planning application.

Waste

- Our budget consultation work has been identified as best practice in Wales and we are building on this. We will be further developing the Council's consultation and engagement approaches during 2021.
- Our Consultation and Engagement on the Future Waste Strategy had over 4,000 responses and directly shaped our future service design.
- Recycling Participation Surveys (door to door) to recommence by Community Recycling Team once Covid- 19 restrictions allow with a view to increasing participation in the various recycling schemes. Outcomes to be incorporated into future waste services delivery.

Property Maintenance

- We consult on a regular basis with our internal customers. Consultation can include building maintenance, compliance and condition of buildings, and property design.

Service Development

- We are the lead support for Integrated Impact Assessments within our department, however we have limited resources.

The Council's response to the COVID-19 pandemic – unplanned transformation

In March 2020, Carmarthenshire County Council was about to enter one of the most challenging periods ever faced by local government. The impact of the worldwide COVID-19 pandemic presented a unique set of challenges for the whole country, and there was an acceptance that Councils would need to be at the heart of the local response to the crisis.

When in July 2020, the Council began to emerge from the immediate period of the crisis, there was a recognition that 'things would never quite be the same' and that we were already not the same organisation that we had been only five months earlier.

The Council was keen therefore to capture the learning from its response to the pandemic; what worked well/didn't work so well, and how this could potentially change 'what we do' and 'how we do', it in the future.

The emergence of the COVID-19 crisis meant that services had to adapt quickly to put in place alternative delivery arrangements for users and staff to ensure continuity of provision. This often required innovative and creative thinking and a multi-team approach to be adopted between services within the Council and with other public sector partners, and this experience can only benefit the way that we shape and deliver our services moving forward. Services have also demonstrated themselves to be extremely resilient and are now armed with more robust service continuity plans and a more mature approach to risk - this means that they can move with greater confidence and ambition in seeking ways of developing more purposeful services.

The move to more remote working and less reliance on face-to-face meetings and paper-based processes, alongside changing customer expectations and demands, will provide an opportunity for the Council to consider the type of services that it provides in future and how it delivers them. The pandemic may also have changed customer expectations of 'how' and 'when' they access services, and therefore the Council may need to consider adopting more flexible service delivery models e.g., 7 day/ 24 hr working.

However, there will also be a need to ensure that services continue to respond to customer needs and expectations. Alternative delivery models put in place as part of a response to a pandemic may not be what the customer wants during more normal circumstances. Co-production therefore should be a central feature of the Council's approach to reviewing and re-designing its services moving forward.

This is also now an opportunity to re-set or go back to basics in using some core principles that underpin service delivery. We do not always have to have extensive service remodelling or to spend significant amounts of money to deliver better services. Simple behavioural and process changes around the way we treat customers can result in dramatic improvements in service provision – it doesn't always require a big investment in staff and systems to achieve this.

The benefits of having a more flexible, dynamic, empowered workforce will now be equally as important to support our transformation programme, and to help the Council achieve its wider aims and objectives. The likelihood is that our staff recruitment challenges are likely to be with us for at least the medium term, and therefore there will need to be a greater focus on the development and retention of staff, which will be a priority of our Workforce Strategy moving forward. The Council is seeking to develop a more sustainable approach to meet its future workforce needs by adopting a 'grow your own' strategy. The Council is currently about to launch its 'Future Workforce' programme which will seek to increase graduate, apprenticeship and work experience opportunities.

There also needs to a considerable focus on the well-being agenda moving forward, including developing a sustainable approach to remote working and re-connecting the organisation to a whole generation of new starters who will have not met their colleagues at all on a face-to-face basis.

The following emerging priorities have been identified for the next phase of the Council's transformational journey

Emerging Priority	Transformation Aims
People	To oversee the development of a Workforce Strategy and delivery of key workforce priorities to enable the Council to become a more modern and responsive organisation and an 'Employer of Choice'.
Service Design & Improvement	To provide for a more sustainable and creative approach to the review, remodelling and improvement of Council services
Efficiencies and Value for Money	To continue to deliver financial savings through efficiencies or cost reductions and smarter ways of working.
Income & Commercialisation	To develop a more commercial approach to the delivery of Council services with a view to increasing the level of income generated.
Customers & Digital Transformation	To continue to make better use of technology to deliver smarter, efficient service processes and to deliver a better experience for customers
Buildings	To exploit the opportunities presented by a move to hybrid working to further rationalise the Council's accommodation portfolio and to modernise and improve the working environment within the remaining core buildings.
Net Zero Carbon	To support the Council in delivering transformational change in support of key NZC targets
Schools	To assist schools in identifying cost reductions and better ways of working and support the development of more sustainable school budgets and help protect front line academic provision.

Consultation on Performance Requirements

We consulted on our performance as a Council with residents, businesses, staff and Trade Unions. It is important that our self-assessment of performance is as realistic as possible and that we do not 'mark our own papers' but triangulate our assessment between performance data, regulatory findings and our customers views. The consultation periods on the surveys is now closed and responses are currently being analysed and will be reported in due course with proposals for improvement from the findings in order to influence our development work in terms of future business planning and organisational improvement.

Staff Consultation

The survey took place during the period from 27 June 2022 to 5 August 2022 and a total of 1,733 responses were received which equates to 22% of Carmarthenshire County Council staff.

In undertaking this survey staff were asked a series of 11 statements in direct relation to the Council's performance. These were worded in a way in which the respondent answered these questions from the perspective of their service area rather than the organisation as a whole.

Findings will be reported in due course.

Residents Consultation

The survey took place during the period from 23 June 2022 to 5 August 2022 and a total of 2,195 responses were received. In undertaking this survey residents were asked a series of 5 statements in direct relation to the Council's performance.

Findings will be reported in due course.

Business Consultation

The survey took place during the period from 26 August to 30 September and a total of 36 responses were received. In undertaking this business owners were asked a series of 8 statements in direct relation to the Council's performance.

Findings will be reported in due course.

Trade Unions

The survey took place during the period from 12 August to 23 September and a total of 5 responses were received.

A series of five statements were posed with a focus on the way that the Council uses its resources, its services and governance.

Findings will be reported in due course.



We would welcome your feedback,
please send your thoughts, views and opinions to:



Performance Management
ICT and Corporate Policy
Chief Executive's Department
County Hall
Carmarthen
Carmarthenshire SA31 1JP



Tel: **01267 234567**
Email: **performance@carmarthenshire.gov.uk**



Follow us and add your comments on the **[Council's Facebook](#)** page



Follow this plan and add your Tweets on our **[Twitter](#)** page - **#CarmsReport**

Governance & Audit Committee 21 October 2022

Subject and Purpose: Governance & Audit Committee Forward Work Programme		
Recommendations / key decisions required: To receive the report.		
Reasons: Annual Forward Work Programme to inform Members of the expected Agenda Items for the 2022/23 Governance & Audit Committee Cycle.		
Relevant scrutiny committee to be consulted: N/A		
Cabinet Decision Required: N/A Council Decision Required: N/A		
CABINET MEMBER PORTFOLIO HOLDER: Cllr A Lenny		
Directorate: Corporate Services Name of Head of Service: Helen Pugh Report Author: Caroline Powell	Designation: Head of Revenues and Financial Compliance Principal Auditor	Tel No.: 01267 246223 E Mail Address: HLPugh@carmarthenshire.gov.uk CaPowell@carmarthenshire.gov.uk

Governance & Audit Committee 21 October 2022

Governance & Audit Committee Forward Work Programme

To provide Members with a Forward Work Programme for the 2022/23 Governance & Audit Committee cycle to ensure that all appropriate Committees have a published up to date programme owned by the Committee Members.

The following Report is attached:
Forward Work Programme

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: H L Pugh – Head of Revenues and Financial Compliance

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: H L Pugh – Head of Revenues and Financial Compliance

1. Scrutiny Committee: Not Applicable
2. Local Member(s): Not Applicable
3. Community / Town Council: Not Applicable
4. Relevant Partners: Not Applicable
5. Staff Side Representatives and other Organisations: Not Applicable

CABINET PORTFOLIO HOLDER(S) AWARE/CONSULTED:	Yes
---	-----

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THERE ARE NONE

This page is intentionally left blank

Subject area and brief description of nature of report	Lead Department	Responsible Officer	Oct-22	Dec-22	Mar-23	Jul-23	Sep-23
Appointment of Audit Committee: - Chair - Vice Chair	Corporate Services	Governance & Audit Committee				✓	
Annual Audit Report	Corporate Services	Head of Revenues and Financial Compliance				✓	
Forward Work Programme	Corporate Services	Head of Revenues and Financial Compliance	✓	✓	✓	✓	✓
Internal Audit Plan Update	Corporate Services	Head of Revenues and Financial Compliance	✓	✓	✓	✓	✓
Internal Audit indicative three year plan	Corporate Services	Head of Revenues and Financial Compliance			✓		
Assurance Reviews: - Fundamental financial systems - 3* reports	Corporate Services	Head of Revenues and Financial Compliance	As Required				
Progress Report - Delivery of External Audit Recommendations	ICT & Policy	Performance Planning Section		✓			
Progress Report - Delivery of Internal Audit Recommendations	Corporate Services	Head of Revenues and Financial Compliance			✓		
Internal Audit Progress Updates requested by Audit Committee:	Corporate Services	Head of Revenues and Financial Compliance	As Required				
Progress reports as requested by Audit Committee							
- Review of Planning Services	Environment	Head of Planning	✓				
- Review of Waste Services	Environment	Head of Waste and Environmental Services		✓			
Approval of Audit Charter	Corporate Services	Head of Revenues and Financial Compliance	As Required				
Approval of Strategies / Rules & Regulations	Corporate Services	Head of Revenues and Financial Compliance	As Required				
Annual Anti-Fraud and Corruption Report	Corporate Services	Head of Revenues and Financial Compliance					✓
Receive the Corporate Risk Register	Corporate Services	Head of Revenues and Financial Compliance			✓		✓
Opportunity for Members to discuss Risks	Corporate Services	Risk owners			✓		✓
Receive the Corporate Annual Report	ICT & Policy	Corporate Policy & Partnership Manager	✓				
Receive the Annual Complaints Report	ICT & Policy	Corporate Policy & Partnership Manager		✓			
Annual Governance Statement for Carmarthenshire County Council - To be received - To be approved	Corporate Services	Head of Revenues and Financial Compliance	✓ ✓				
Statement of Accounts for Carmarthenshire County Council - To be received - To be approved	Corporate Services	Head of Financial Services	✓ ✓				
Statement of Accounts including Annual Governance Statement for Dyfed Pension Fund - To be received - To be approved	Corporate Services	Head of Financial Services	✓ ✓				
Burry Port Harbour Accounting Statement - To be received - To be approved	Corporate Services	Head of Financial Services	✓ ✓				
Audit enquiries to those charged with governance and management for: - Carmarthenshire County Council - Dyfed Pension Fund	Corporate Services	Head of Financial Services	✓				
Single Tender Action	Corporate Services	Director of Corporate Services	As Required				
Minutes for noting: - Grants Panel - Corporate Governance Group - Risk Management Steering Group	Corporate Services	Head of Revenues and Financial Compliance Head of Financial Services	✓	✓	✓	✓	✓
Audit Wales: - Audit Plan Update	Corporate Services	Audit Wales	✓	✓		✓	✓
- Financial Statements – ISA260 Report presented to those charged with Governance in relation to the Statement of Accounts for: o Carmarthenshire County Council o Dyfed Pension Fund			✓ ✓				
- Annual returns – Reports re independent examination for: o Burry Port Harbour Authority			✓				
- Letter of Representation o Carmarthenshire County Council o Dyfed Pension Fund			✓ ✓				
- Annual Audit Letter o Carmarthenshire County Council					✓		
- Audit Plans, including information on fees o Carmarthenshire County Council o Dyfed Pension Fund						✓	

This page is intentionally left blank

Governance & Audit Committee Training / Informal Sessions

Subject area and brief description of session	Lead Department	Responsible Officer(s)													
			Winter 2019	Spring 2020	Summer 2020	Autumn 2020	Winter 2020	Spring 2021	Summer 2021	Autumn 2021	Winter 2021	Spring 2022	Summer 2022	Autumn 2022	Winter 2022
Meeting with Auditors	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance		✓		✓				✓				✓	
Governance & Audit Committee - Self Assessment	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance													✓
Risk Register	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance	✓	✓		✓		✓		✓		✓		✓	
Risk Management & Risk Appetite	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance									✓				✓
Statement of Accounts & Annual Governance Statement	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance			✓				✓				✓		
Fraud Awareness	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance				✓									
Local Authority Trading Companies	Corporate Services	Director Corporate Services Head of Revenues and Financial Compliance											✓		

This page is intentionally left blank

Governance & Audit Committee 21 October 2022

Subject and Purpose: Minutes of Relevant Groups to the Governance & Audit Committee		
Recommendations / key decisions required: Minutes to be received.		
Reasons: Terms of Reference for the Governance & Audit Committee stipulate that minutes of the Grants Panel, Corporate Governance Group and Risk Management Steering Group be received by the Governance & Audit Committee.		
Relevant scrutiny committee to be consulted: N/A		
Cabinet Decision Required: N/A Council Decision Required: N/A		
CABINET MEMBER PORTFOLIO HOLDER: Cllr A Lenny		
Directorate: Corporate Services Name of Head of Service: Helen Pugh Report Author: Helen Pugh	Designation: Head of Revenues and Financial Compliance	Tel No.: 01267 246223 E Mail Address: HLPugh@carmarthenshire.gov.uk

**Executive Summary
Governance & Audit Committee
21 October 2022**

Minutes of relevant Groups to the Audit Committee		
<p>To provide Members with minutes from supporting Governance Groups for information.</p> <p>The following Minutes are attached:</p> <ul style="list-style-type: none">➤ Grants Panel		
<table border="1" style="width: 100%;"><tr><td style="width: 50%; text-align: center;">DETAILED REPORT ATTACHED?</td><td style="width: 50%; text-align: center;">YES</td></tr></table>	DETAILED REPORT ATTACHED?	YES
DETAILED REPORT ATTACHED?	YES	

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: H L Pugh – Head of Revenues and Financial Compliance

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: H L Pugh – Head of Revenues and Financial Compliance

1. Scrutiny Committee: Not Applicable
2. Local Member(s): Not Applicable
3. Community / Town Council: Not Applicable
4. Relevant Partners: Not Applicable
5. Staff Side Representatives and other Organisations: Not Applicable

CABINET MEMBER PORTFOLIO HOLDER AWARE/CONSULTED?	Yes
--	-----

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THERE ARE NONE

This page is intentionally left blank

MINUTES OF THE GRANTS PANEL MEETING HELD ON 6 th JULY 2022 VIA TEAMS		
PRESENT:	Randal Hemingway, Head of Financial Services Caroline Powell, Principal Auditor, Internal Audit (IA) Nia Thomas, Chair of PWG, Education & Children (Revenue) Les James, Chair of PWG, Communities Alan Howells, Chair of PWG, Environment Rhian Phillips, Economic Development Area Manager Delyth Thomas, Grants Compliance Officer (GCO)	
APOLOGIES:	Anwen Worthy, Audit Lead, Audit Wales Helen Pugh, Head of Revenues & Financial Compliance Stuart Walters, Chair of PWG, Chief Executive Simon Davies, Chair of PWG, Education & Children (Capital) Helen Morgan, Economic Development Manager	
	SUBJECT	ACTION
1.0	<u>Minutes of the last meeting</u>	
	<ul style="list-style-type: none"> Minutes were agreed. 	
2.0	<u>Matters Arising</u>	
	<ul style="list-style-type: none"> The service level agreement with Hywel Dda Local Health Board (LHB) for Wanless (Money Transfers) is still being redrafted. Clarification has been sought regarding the status of the revised agreement. This has been reported again by Audit Wales as part of the 2020/21 audit. 	RH
	<ul style="list-style-type: none"> The grant conditions currently do not stipulate a specific period on how long the Authority is required to retain original documentation relating to all Welsh Government (WG) grant funded projects. Confirmation has been received from the WLGA that following discussions with WG, the grant terms and conditions will be amended to include more specific wording in relation to the retention requirements. 	
	<ul style="list-style-type: none"> The exercise to review the audit requirements stipulated in the terms & conditions of grants awarded to Education & Children for 2021/22 is almost complete. Results to be reported to IA. 	NT
	<ul style="list-style-type: none"> A meeting to be arranged to discuss any areas to be considered as part of the closure of European grant funded projects. The current programme is due to end 31st December 2023. 	DT

	SUBJECT	ACTION
	<ul style="list-style-type: none"> An email is due to be sent to the WG's Grant Centre of Excellence raising concerns on issues identified in relation to the WG grant claims e.g. inconsistent claim forms, format etc. Following a meeting with the Records Management Officer it has been confirmed that arrangements for the retention of documentation on SharePoint, for European funded projects, are in place to meet the European retention deadlines. A review of the closure guidance for grant funded projects to be undertaken to ensure it includes guidance on the retention of documents held electronically as well as those in paper format. 	<p>DT</p> <p>RP</p>
3.0	<p><u>Audit Wales - Update</u></p> <ul style="list-style-type: none"> The audit of Pooled Budgets is still outstanding for 2019/20 and 2020/21. There are a number of queries outstanding and Audit Wales are hoping to finalise the audit next week. The Authority is still waiting for confirmation from Audit Wales on the audit programme for 2021/22. 	
4.0	<p><u>Internal Audit (IA) - Update</u></p> <ul style="list-style-type: none"> Audits on the 2021/22 projects has commenced. These include: <ul style="list-style-type: none"> Enable Supporting People Regional Development Co-ordinator Pupil Development grant Regional Consortia Improvement grant The audit arrangements for the 2022/23 Regional Consortia School Improvement grant and the Pupil Development grant are to be reviewed by the Partneriaeth Consortia and agreed with IA. 	
5.0	<p><u>Grants Register 2022/23</u></p> <ul style="list-style-type: none"> Work has commenced to update the register for 	Chairs of

	SUBJECT	ACTION
	<p>2022/23. A request was made for Chairs to raise in their respective PWG for updates on grants information to be forwarded to GCO.</p> <ul style="list-style-type: none"> It's anticipated that there will be a reduction in the number of grants awarded in 2022/23. However the Cost of Living grants and Winter Fuel grants will continue. 	PWGs
6.0	<p><u>Project Working Groups</u></p> <ul style="list-style-type: none"> Minutes of PWG meetings were received: <ul style="list-style-type: none"> Education & Children (capital): 22/3/2022 Communities: 23/3/2022 Chief Executive: 22/3/2022 The following updates were provided: <ul style="list-style-type: none"> a number of EU funded projects are due to be extended however the funding will be within current approved budgets noted that where there are delays in the recruitment of staff this impacts on both the ability to deliver the project delivery and project spend improvements have been noted on changes implemented within the Education & Children Services on the management of grants 	
7.0	<p><u>European Grants Update</u></p> <ul style="list-style-type: none"> A schedule of all current European grant funded projects was presented to Grants Panel. The total estimated project costs approved is £49m with grant of £32m. However it was noted that the Authority is still waiting for formal notice of additional funding for Crosshands East Gateway Plot 3 and Llandeilo Market Hall. The Food COVID Recovery Plan project submitted under the Rural Development Programme has recently been approved with a grant of £121k. An update was provided to Grants Panel on the amount of grant income outstanding to the Authority for European grant funded projects. The total 	

	SUBJECT	ACTION
	amount claimed to date is approximately £21.9m with a total of £2.7m grant income outstanding.	
8.0	<p><u>Successor Schemes Update</u></p> <ul style="list-style-type: none"> • The Authority has received approval from UK Government to extend the eleven Community Renewal Fund projects to 31st December 2022. • UK Government launched the Shared Prosperity Fund in April 2022 with funding through to March 2025. £38m has been allocated to the area of which £32m is allocated to activity focused on 3 key pillars - communication, skills and business, with the remaining £6m focused on Adult Numeracy. Swansea Council is the accountable body who has the responsibility to distribute the funding to each local authority. The Authority has submitted its investment plan to Swansea Council who will co-ordinate and forward to the UK Government for approval. • Progress is being made on both the Carmarthen/Pembroke Hub and Towy Valley Path, both projects are funded by grant through the Levelling Up fund. Timelines are challenging to complete delivery within the defined timescales. • Additional bid to be submitted for Levelling Up funding for Llanelli town centre. 	
9.0	<p><u>AOB</u></p> <ul style="list-style-type: none"> • New subsidy rules are expected from WG. Any amendments will need to be incorporated in the Project Grants Manual. The authorisation process for amending the manual will be dependent on the extent of these changes. • Copies of all Management Verification Team reports issued by WEFO on EU funded projects should be forwarded to the GCO. 	All
10.0	<ul style="list-style-type: none"> • Date of next meeting – 1:00pm on 26th September 2022 via Teams 	