

Meeting of:	<b>Governance and Audit Committee</b>
Date of Meeting:	<b>Thursday, 18 July 2024</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Unaudited Statement of Accounts 2023/24
Purpose of Report:	The Statement of Accounts for the Vale of Glamorgan Council 2023/24 are now complete and are brought to the Committee for review following the commencement of the external audit. The Accounts for the Shared Regulatory Service 2023/24 and the Statement of Accounts for the Vale, Valleys and Cardiff Regional Adoption Service for 2023/24 are also brought to the Committee for information. This report also presents to Members the draft Detailed Audit Plan for 2024.
Report Owner:	Report of the Chief Executive
Responsible Officer:	Matt Bowmer Head of Finance/Section 151 Officer
Elected Member and Officer Consultation:	None
Policy Framework:	The proposals in this report are in accordance with Policy Framework and Budget
Executive Summary:	<ul style="list-style-type: none"> <li>• The Draft 2023/24 Vale of Glamorgan Statement of Accounts, Shared Regulatory Services Statement of Accounts and Regional Adoption Service Annual Return are now complete.</li> <li>• The audits of the 2023/24 Vale of Glamorgan Council, Shared Regulatory Service and independent examination of the Cardiff, Vale and Valleys Regional Adoption Service Annual Return have now commenced.</li> <li>• Due in part to the impact of the ongoing issues regarding resourcing and the Oracle Fusion implementation the Council completed the draft accounts by 29<sup>th</sup> June 2024. In the context of the national position there is an expectation that Welsh Government will be amending the regulations to revert to the historical deadlines of 30<sup>th</sup> June and 30<sup>th</sup> September. Due to resourcing issues of their own Audit Wales are working to a 30<sup>th</sup> June and 30<sup>th</sup> November framework. This would replace the existing 31<sup>st</sup> May 2024 deadline. The completion of the accounts beyond the current statutory 31<sup>st</sup> May 2024 deadline was advertised on the Council website in accordance with regulations.</li> </ul>

- The 2023/24 Vale of Glamorgan Statement of Accounts will be subject to external audit and the audited accounts will be presented to Audit Committee once the audit is finalised along with the external auditor's ISA260 report prior to being submitted for approval by Council.
- The final audited accounts must be signed by the Auditor General before 30<sup>th</sup> November 2024.
- Appendix D outlines Audit Wales's draft Detailed Audit Plan 2024.
- Governance and Audit Committee members are requested to review and note the draft Detailed Audit Plan 2024.

## **Recommendations**

- 1.** That the unaudited Vale of Glamorgan Council Statement of Accounts for 2023/24 be reviewed and any comments of the Committee be referred to the Head of Finance as Section 151 Officer for subsequent discussion with the Council's external auditors, Audit Wales.
- 2.** That the unaudited Joint Committee Shared Regulatory Services Statement of Accounts for 2023/24 and the Shared Regulatory Services Annual Governance Statement are provided for information and any comments of the Committee be referred to the Head of Finance as Treasurer of the Joint Committee for subsequent discussion with the external auditors, Audit Wales.
- 3.** That the unaudited Vale, Valleys and Cardiff Regional Adoption Service Annual Return for 2023/24 is provided for information and any comments of the Committee be referred to the Head of Finance as Treasurer of the Joint Committee for subsequent discussion with the external auditors, Audit Wales.
- 4.** That members review and note the content of the Audit Plan 2024.

## **Reasons for Recommendations**

- 1.** To allow for the initial review of the unaudited Vale of Glamorgan Council Statement of Accounts by those charged with governance.
- 2.** To ensure Governance and Audit Committee and informed of the unaudited 2023/24 Shared Regulatory Services Joint Committee Accounts.
- 3.** To ensure Governance and Audit Committee are informed of the unaudited 2023/24 Valleys, Vale and Cardiff Regional Adoption Service Joint Committee Accounts.
- 4.** To facilitate monitoring of the external audit function.

## **1. Background**

- 1.1** The preparation of the Statement of Accounts is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018) and its content is defined by the Chartered Institute of Public Finance and Accountancy's 'Code of Practice on Local Authority Accounting in the United Kingdom' (the Code).
- 1.2** In accordance with these regulations, the unaudited Statement of Accounts for 2023/24 required approval and signature by the responsible finance officer by 31<sup>st</sup> May 2024, certifying that it presents a true and fair view of the financial position of the Council. The audited Statement of Accounts then has to be approved by 31<sup>st</sup> July 2024 by the Governance and Audit Committee in accordance with the Committee's Terms of Reference and also Council. If the accounts are not able to be signed and published by this date, then the Council must publish a Regulation 10 notice setting out the reasons why.

- 1.3** Due in part to ongoing resourcing issues, significant backlogs of work post Covid pandemic and additional resource requirements in the context of first financial year on Oracle Fusion the Council did not meet the 31<sup>st</sup> May 2024 deadline and therefore, in line with the requirements of the Regulations, issued a notice advising of this. In the context of the national position there is an expectation that Welsh Government will be amending the regulations to revert to the historical deadlines of 30<sup>th</sup> June and 30<sup>th</sup> September. Due to resourcing issues of their own Audit Wales are working to a 30<sup>th</sup> June and 30<sup>th</sup> November framework. The unaudited accounts were signed by the responsible finance officer on 29<sup>th</sup> June 2024 and sent to Audit Wales the same day.
- 1.4** The 2023/24 Vale of Glamorgan Statement of Accounts will be subject to external audit and it is planned that the audited accounts will be presented to Governance and Audit Committee in November 2024 along with the external auditor's ISA260 report prior to being submitted for approval by Council and signed by the Auditor General.
- 1.5** The 2023/24 Shared Regulatory Services Joint Committee Statement of Accounts will also be subject to external audit and the audited accounts will be presented to the Governance and Audit Committee and the Joint Committees in November 2024 along with the external auditor's report for review.
- 1.6** The external audit extends to the Annual Governance Statements for the Vale of Glamorgan Council the Shared Regulatory Service. The Annual Governance Statement for the Vale of Glamorgan Council is not included in the version attached at Appendix A as it is included under a separate item on the Committee agenda. The Annual Governance Statement for the Shared Regulatory Service and Vale Valleys and Cardiff Regional Adoption Service is included in Appendix B and Appendix C respectively.
- 1.7** The Vale, Valleys and Cardiff Regional Adoption Service accounts is now subject to a full external audit by Audit Wales as it has exceeded the threshold and the full Statement of Accounts were completed by 30<sup>th</sup> June 2024 and are attached at Appendix C.
- 1.8** As the external auditor, the objective of Audit Wales is to carry out an audit which discharges the statutory duties of Auditor General, which include:
- Audit of Financial Statements
  - Value for Money
  - Continuous Improvement
  - Sustainable Development principle.
- 1.9** The Vale of Glamorgan Annual Audit Plan 2023/24 details the work planned by Audit Wales to meet the duties outlined above. The outputs of the Audit Plan are reported regularly to the Council to inform its self-assessment and areas for improvement. Appendix D provides a copy of the draft Detailed Audit Plan 2024.

## **2. Key Issues for Consideration**

- 2.1** The 2023/24 Vale of Glamorgan Council Statement of Accounts is attached at Appendix A and has been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS). This is intended to provide for comparable accounts across all accounting boundaries, public and private, national and international.
- 2.2** The Shared Regulatory Service Joint Committee 2023/24 unaudited Statement of Accounts is also attached at Appendix B and the Vale, Valleys and Cardiff Joint Committee Annual Return 2023/24 is attached at Appendix C.
- 2.3** It is proposed that any comments made by the Committee on the Vale of Glamorgan Council 2023/24 unaudited Statement of Accounts, Shared Regulatory Joint Committee Statement of Accounts 2023/24 or the Vale, Valleys and Cardiff Joint Committee Annual Return 2023/24 be referred to the Head of Finance as Section 151 Officer and Treasurer of the Joint Committees respectively for discussion with Council's external auditors, Audit Wales.
- 2.4** Appendix D provides members with the draft Detailed Audit Plan for 2024. The detailed plan sets out the Auditor General's statutory responsibilities and the work that will be undertaken by the Audit Wales team across financial and performance audit throughout the year. The Plan sets out the estimated audit fee, details of the audit team and key dates for delivering different aspects of the work.
- 2.5** The draft Detailed Audit Plan is structured around the themes of:
  - The Auditor General's audit responsibilities
  - Details of the audit of financial statements
  - Details of performance audit work.
- 2.6** Governance and Audit Committee members are requested to review and note the draft Detailed Audit Plan (Appendix D).

## **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** The Council's revenue budget and therefore its expenditure is incurred in order to achieve its corporate priorities as set out in the Corporate Plan through the 4 well-being outcomes.

## **4. Climate Change and Nature Implications**

- 4.1** There are no Climate Change and Nature Implications associated with this report.

## **5. Resources and Legal Considerations**

### **Financial**

- 5.1** The accounts are prepared in accordance with the CIPFA Code of Practice for 2023/24 Accounts. The Usable Reserves have reduced by £41.6m to £89m from £129m in 2022/23. Of this £41.6m relates to a reduction in the General Fund, £12.961m relates to a reduction in the HRA reserves and £21.185m relates to a reduction in earmarked reserves, there has also been reduction in usable capital receipts of £2.987m and a reduction in capital grants unapplied of £4m.
- 5.2** The Pension Liability and corresponding Unusable reserve have reduced significantly across the main Vale accounts and the Joint Committee accounts following the triennial valuation. The Council's Pension Liability has reduced from £65m in 2022/23 to £10.5m in 2023/24 and this reflects a national picture with some Pension schemes reporting a net pension asset as at 31<sup>st</sup> March 2024.
- 5.3** The value of Property Plant and Equipment has increased to £954m reflecting significant increases in Capital Investment in Schools and Housing stock during the period. Those assets valued on a depreciated replacement cost basis and the Housing Stock have been revalued during the preparation of the 2023/24 accounts.
- 5.4** The 2023/24 Statement of Accounts for the Shared Regulatory Service Joint Committee shows that Usable Reserves have reduced to £467k, a reduction of £353k on 31<sup>st</sup> March 2024. The overspend in 2023/24 primarily relates to authority specific services so will be discussed with the relevant partner authorities, with the remaining core element overspend outlined within the 23/24 SRS outturn report. The SRS Pension liability has also reduced significantly within the year, down from £3.45m in 2022/23 to £0.78m in 2023/24.
- 5.5** The Vale, Valleys and Cardiff Regional Adoption Service has received confirmation from Audit Wales that an Annual Return is sufficient for 2023/24 following a further review by the technical team advice at Audit Wales. The Regional Adoption Service had a carry forward of £186k as at 31<sup>st</sup> March 2024, the partner authorities have been consulted on the use of reserves and they will be retained by the service to cover future commitments.
- 5.6** The 2023/24 Vale of Glamorgan Statement of Accounts, Shared Regulatory Service Statement of Accounts and the Vale, Valleys and Cardiff Regional Adoption Service Annual Return have been prepared within existing staff resources.

### **Employment**

- 5.7** None as a direct consequence of this report.

### **Legal (Including Equalities)**

**5.8** The Statement of Accounts is prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 (as amended).

### **6. Background Papers**

None



# Vale of Glamorgan County Borough Council

Unaudited Statement of Accounts 2023/24 Year Ended 31st March 2024.

Published Subject to Audit



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## Narrative Report

### Introduction

This document presents the Statement of Accounts for The Vale of Glamorgan County Borough Council for 2023/24 and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

The Vale of Glamorgan Council is a Welsh Unitary Authority and was created on 1<sup>st</sup> April 1996 by virtue of the Local Government (Wales) Act 1994.

The Council serves one of Wales' most diverse local authority areas, covering rural and coastal communities and busy market towns. It has a population of around 133,500 making it the 12<sup>th</sup> largest authority by population size of the 22 local authorities in Wales. In mid 2022 the population density was estimated to be 403.1 people per square kilometre of land, the 10th most dense local authority.

It provides a wide range of services including Education, Social Services, Highways, Waste collection and Council Housing.

The narrative report provides insight into the Council's funding and expenditure during the year, the key financial issues and pressures and a look to future years.

### Governance Structure

The Vale of Glamorgan Council had 54 elected members in 2023/24, representing 24 wards. The political make up of the Council during the 2023/24 financial year was 13 Conservative, 25 Labour, 8 Plaid Cymru, 4 Llantwit First Independent and 4 Independent Elected Members. The Council is led by the Leader and Cabinet, a body of 8 Councillors (including the Leader) that makes key decisions about policy and budget.

The Council also has a number of committees that fulfill various scrutiny, statutory oversight and regulatory functions including a Governance and Audit Committee. The Governance and Audit Committee's membership was increased to 6 members and 3 lay members in May 2023. The Committee has a responsibility to review the Council's annual statement of accounts.

The Council's Chief Officers are divided into Directors, Heads of Service and Operational Managers. As service managers they make recommendations to and are held accountable by the Cabinet.

In line with recent changes in legislation the head of paid service is the Chief Executive, formerly being the Managing Director. The Senior Leadership Team led by the Chief Executive comprises the Directors of Corporate Resources, Place, Social Services, Learning & Skills and Environment & Housing along with the Council's Head of Human Resources, Head of Digital, Head of Finance/s151 Officer and Head of Legal and Democratic Services/Monitoring Officer.

During the 2023/24 Cabinet meetings, Scrutiny Committees and Governance and Audit Committee have been held on a hybrid basis.

### Summary of Financial Performance – Revenue

The financial position for the Council is regularly reported to Cabinet and Scrutiny Committees during the year. The Closure of Accounts report for 2023/24 will be reported to Cabinet on 18<sup>th</sup> July 2024 and can be accessed on the Council Website.

The 2023/24 settlement from Welsh Government sustained the increase in funding that was also evidenced in the 2022/23 settlement. The Council received an initial Revenue Support Grant of £160.013m and National Non-Domestic Rate of £42.784m which equates to total funding, referred to as the Aggregate External Finance (AEF) of £202.797m. This represented an increase in funding of £16.609m (8.9%) from the previous year after taking into account adjustments. Based on this funding level, the Council was ranked 21st out of 22 councils in Wales (21st in 2022/23) on a funding per head of population, which is £245 per head below the Welsh average (£239 per head below in 2022/23).

Despite this positive settlement, cost pressures reported by services across the Council but most significantly across Social Services, Additional Learning Needs and Homelessness were so significant, that savings targets totalling £7.378m were set for 2023/24 including a £2.75m saving set against school budgets an additional £81k was allocated to Social Services in year as part of the Budget Programme. Service areas have made some good progress towards achieving these savings during 2023/24 but some have been mitigated or not achieved in full during 2023/24 these will clearly need to be monitored carefully during 2024/25 with the addition of further challenging savings set for the 2024/25 budget.

The anticipated level of funding to be received from Council Tax in 2023/24 was £91.304m (£86.543m in 2022/23) which was increased to £91.625m when adjusted to include the introduction of premiums on empty homes. This was based on a Band D rate of £1,464.75 of £1,396.35 in 2022/23), excluding Police and Town and Community Council precepts. The Vale of Glamorgan has the 7th (out of 22) lowest Band D charge in Wales at £1,465 which is 4.2% (£65) below the median for Welsh counties.

Welsh Government and UK Government advanced revenue grant funding totalling £86m which included sums to support a number of initiatives during 2023/24 including funding for Shared Prosperity Funding, Bus Support Schemes, Disability Sport Wales, Funding via the Department for Work and Pensions. The majority of the Council's funding comes directly from Welsh Government approximately £40m in 2023/24, a significant proportion is distributed by other Council's and entities such as Central South Consortium Joint Committee to central Education and schools.

The Council's revenue budget at year end was a breakeven position after a net transfer from reserves of £34,235m. A breakdown by Directorate is shown in the following table.

	Amended Revenue Budget	Actual	Variance +Favourable ( ) Adverse	Net Transfer (to) /From Reserve
	£'000	£'000	£'000	£'000
Learning & Skills	128,329	128,454	(125)	7,692
Social Services	85,493	89,755	(4,262)	7,339
Environment and Housing	31,909	32,158	(249)	(1,214)
Place	3,401	4,441	(1,040)	-64
Corporate Resources	16,741	16,734	7	495
General Policy	30,645	26,319	4,326	(1,769)
Council Tax Surplus	-	(3,423)	3,423	-
Use of Reserves	(2,096)	(2,096)	-	2,096
<b>Total Provisional Outturn</b>	<b>294,422</b>	<b>292,342</b>	<b>2,080</b>	<b>14,575</b>
Allocation of Surplus	-	2,080	(2,080)	(2,080)
<b>Total</b>	<b>294,422</b>	<b>294,422</b>	<b>0</b>	<b>12,495</b>
Capital Programme Funded from Reserves				8,779
Movement on Housing Revenue Account				12,961
<b>Total Movement on Council Fund and Specific Reserves</b>				<b>34,235</b>

<b>Council Fund and Specific Reserves</b>	Opening £000's	Movement £000's	Closing £000's
Council Fund	11,523	(417)	11,106
Earmarked Reserves	82,481	(20,857)	61,624
Housing Revenue Account	16,486	(12,961)	3,525
<b>Total</b>	<b>110,490</b>	<b>(34,235)</b>	<b>76,255</b>

- The total movement on the Council Fund and Specific Reserves including the Housing Revenue Account was a reduction of £34.235m after adjusting for Joint Committees (£328k).

A number of the Council's budgets continue to be under considerable pressure.

- Schools outturned with a slightly more favourable position than had been reported during the year which was in part due to additional grant income from Welsh Government, the net drawdown from reserves across the delegated schools budget was £4.673m. The majority of schools made progress towards a balanced budget in year and schools ended with remaining net reserve balances of £2.309m. However this masks some significant variances across individual schools with some schools with significant deficits and some schools with significant balances.
- In Central Learning and Skills, a key ongoing pressure is the School Transport budget. Local Education Authorities have a statutory duty to provide free school transport for pupils of statutory school age who reside beyond walking distance to the nearest appropriate school in addition to a statutory duty to provide transport for pupils with Additional Learning Needs (ALN) who require access to specialist provision.

Mainstream transport continues to run for pupils who are not able to get into their catchment school as they are full. In 2023/24 a number of economic factors such as increased fuel costs, shortage of operators and drivers in this sector continue to exacerbate pressures in this area. Some operators have also handed back routes as they cannot fulfil them. Other pressures have been experienced in the service in respect of Children's placements and supporting those with additional learning needs and social and emotional needs.

- Significant pressures have continued to develop in Social Services in 2023/24 and reflect the ageing demographic, an increasing complexity of need and an increase of Children and Young People Looked after with an increasing complexity of need. This position reflects pressures seen across local government nationally.
- Children's Services has reported a significant adverse variance relating to increased external placement costs given the complexities of the care proceedings, and care requirements of children and young people currently being supported and the high-cost placements some of these children require to meet their needs. Additional costs have also been encountered in respect of legal costs and increased staffing resources associated with the service. Again, this position reflects pressures seen across local government nationally.
- An overspend was also reported in the Adult Services and Resource Management and Safeguarding service areas in respect of Domiciliary Care and Residential and Nursing Home Payments of approximately £3m after allowing for the £2m planned step in funded from reserves. There was also £554k adverse variances associated with Council run care homes in 2023/24.
- In Environment and Housing, key pressures for the service included £760k associated with the enhanced pay award and market forces uplift for waste drivers and £985k on additional pothole and patching works. This was offset in part by a rates rebate of approximately £300k and additional income generated by the Service.
- Housing received additional income supporting people and refugee resettlement schemes which will be carried forward in the Housing and Homelessness reserve some of which will be used towards the costs of the Rapid Housing Response programme and Resettlement demands in the medium term.
- The capital charges budget underspent as the Council is currently able to borrow internally due to the level of Council reserves saving the interest costs associated with external borrowing, however, going forward the ability to utilise internal borrowing will depend on the level of reserves and these are expected to reduce in the near future. The Council also benefitted from increased interest returns on its reserve balances during 2023/24 and the Council tax team made significant progress on arrears and generated a Council tax surplus £3.423m.

The closing balance on the Council Fund as at 1st April 2024 was £11.106m with £417k drawdown during the year slightly less than the budgeted £496k. Whilst there is no set requirement for the minimum level for the Council Fund, some commentators use 5% of the

net budget as a guide. For the Vale this is around £15m, however, in view of the prudent approach the Council takes with regard to Specific Reserves, it is considered that £10m should be the minimum level for this reserve. The Council also holds earmarked reserves which stood at £61,624m (excluding Joint Committees and HRA) as at 31<sup>st</sup> March 2024 with £5.168m relating to schools including £2m to offset deficit balances and £56.456m relating to other services. The schools balances and other ringfenced reserves reduced by £4.574m in year but were supplemented by £2m set aside from the surplus to offset potential deficits in 2024/25. Other services reserves reduced by £18.283m and reflected planned and unplanned usage. These reserves are allocated for both capital and revenue purposes.

### Summary of Financial Performance – Capital

The General Capital Funding received from Welsh Government in 2023/24 was £6.997m which was a increase of £1.168m in funding from 2022/23. This funding is partly through grant and partly an allocation for borrowing, the financing costs of which are supported by Welsh Government funding. The allocation is 14<sup>th</sup> highest in Wales. It is therefore necessary for the Council to fund its capital programme through a variety of sources, it continued to fund most of its capital programme from ‘cash’ resources however £5m was borrowed in year to part fund the Housing Improvement Programme.

Despite capital schemes facing continued challenges due to a number of issues, including significant cost increases and shortages of resources, the 2023/24 Capital Programme outturned at £88.620m.

Due to various economic factors there has been a continued increase in the cost of materials and labour during 2023/24, this has resulted in delays to schemes where negotiations and project re-engineering has been required to bring schemes within the budget available. Sourcing materials and specialist staff has also been problematic with long lead times when ordering and this has also impacted on the progress of the capital programme. A breakdown of capital expenditure in 2023/24 is shown by service area in the table below.

Directorate	Approved Programme 2023/24	Additions to Approved Programme 2023/24	Adjusted Approved Programme 2023/24	Actual Spend 2023/24	Variance at Outturn 2023/24
	£000	£000	£000	£000	£000
Learning & Skills	24,501	73	24,574	21,563	3,011
Social Services	628	15	643	350	293
Housing	44,997	2,589	47,586	40,865	6,721
Environment	18,559	188	18,747	15,307	3,440
Place	3,721	30	3,751	3,150	601
Corporate Resources	5,213	0	5,213	4,628	585
City Deal	815	2,500	3,315	2,757	558
<b>Total</b>	<b>98,434</b>	<b>5,395</b>	<b>103,829</b>	<b>88,620</b>	<b>15,209</b>

Of the capital expenditure incurred in the year, £14.973m was spent on the Sustainable Communities for Learning programme (including pipeline projects). It is a collaboration between the Welsh Government and local councils and is a significant, long-term and strategic capital investment programme with the aim of creating a generation of 21st Century Schools in Wales.

The Council undertook further Highways Improvements and Street Lighting energy reduction schemes during the year with a value of over £1.3m. The Council achieved Welsh Housing Quality Standard (WHQS) by the end of March 2018, however, further capital investment of over £40.865M was made as part of a continuing Housing Improvement Programme. New vehicles were purchased during the year costing £1.928m.

The following table shows the resources used in 2023/24 to fund the capital programme:

<b>Source of Funding</b>	<b>Outturn (£000)</b>
General Capital Funding	3,047
General Fund Borrowing	3,452
Housing Borrowing	5,485
Capital Receipts – Housing	720
Capital Receipts – General fund including education and vehicles	3,216
WG Grants	29,445
Reserves & Revenue contributions	29,399
Other e.g., Section 106, other grants	13,856
<b>Total</b>	<b>88,620</b>

As at 31<sup>st</sup> March 2024 the Council held general capital receipts with a value of £6.305m, and £1.338m ringfenced for Social Services.

The Council's assets at the 31st March 2024 have a book value of £953.7m. The Council Dwellings and Other Land and Buildings, are revalued on a rolling 5 year programme normally by a MRICS external valuer. During 2023/24 as in 2022/23, the Council revalued its housing stock in the context of the significant increases seen in respect of inflation on build costs and following discussion with Audit Wales a desktop valuation was commissioned on the remainder of the Council's Depreciated Replacement Cost valued assets.

#### [Housing Revenue Account \(HRA\)](#)

The Council still retains its stock of Council Houses and as at 31st March 2024 had 3,977 dwellings. The HRA transferred £12.962m from its reserve in 2023/24 leaving a balance on the HRA reserve of £3.524m as at 31st March 2024. This balance is higher than planned as the Council has reviewed the future risk against the various housing programmes. A review of the level of this reserve will be undertaken as part of the production of the next Housing Business Plan. The Housing Business Plan, which incorporates a detailed financial forecast

in the form of a 30-year financial model, is produced on an annual basis and the latest version was approved by Council on 15th January 2024. The Council has invested over £134m in its housing stock and new builds between 2016/17 and 2023/24 and all its dwellings reached Welsh Housing Quality Standard by March 2018.

### Big Fresh Catering Company

On 1st January 2020, the Council's Catering Service was transferred into a Local Authority Trading Company called the Big Fresh Catering Company. While the company is wholly owned by the Council it is able to trade for profit in the market in addition to providing a catering service to schools.

### Treasury Management – Borrowing and Investments

Before the commencement of the 2023/24 financial year, the Authority approved the Treasury Management Strategy/Policy Statement which deals with the treasury functions of the Authority and covers both borrowing and investments. The report was approved by Council on 6th March 2023 and can be accessed on the Council Website; [Treasury-Management-and-Investment-Strategy 2023/24](#)

The Local Government Act 2003 requires a local authority to set its authorised borrowing limit for the following year. The original limit set for this Authority for 2023/24 was £247.171m, which was revised to £240.969m during the year. The actual external borrowing as at 31 March 2024 excluding adjustments was £144.352m as shown in the following table.

	31 March 2023	31 March 2024
Source of Loan	£'000	£'000
Public Works Loan Board (PWLB)	141,809	137,076
Long Term Loans	6,574	6,236
Other	100	0
<b>Total External Borrowing</b>	<b>148,483</b>	<b>143,312</b>
Accrued Interest	1,097	1,107
Accounting Adjustments	(169)	(67)
<b>Total Borrowing as per Balance Sheet</b>	<b>149,411</b>	<b>144,352</b>

The Council has a cautious approach to risk, with its priority to safeguard capital. Throughout 2023/24 the Council continued to utilise the broader range of investments tools introduced in 2020/21 to cope with the effects of global instability. The investment position as at 31st March 2024 is set out below and includes Money Market Fund (MMF) balances and Lloyds Call account balances held overnight as at 31st March 2024 which are included under the Cash and Cash Equivalent heading in the Balance Sheet.

There was a significant reduction in investments held as 31<sup>st</sup> March 2024 when compared with previous years which reflects a number of themes in the Council's financial position, one of which is a reduction in the Council's reserves in year. In addition the Council has increased the sums held for internal borrowing in the context of high rates of external borrowing and the



investments balance will also reflect the timings of income and expenditure and the balance of creditors and debtors at year end.

	31 March 2023	31 March 2024
<b>Short Term Investments Held By</b>	<b>£'000</b>	<b>£'000</b>
UK Debt Management Account Deposit Facility (DMADF)	27,400	0
UK Local and Police Authorities	47,250	27,500
Treasury Bills	8,250	0
Federated Hermes Money Market Account	9,000	6,625
CCLA Money Market Account	2,000	50
Lloyds Instant Access Deposit Account	10	20
<b>Total Short Term Investments</b>	<b>93,920</b>	<b>34,195</b>
Short Term Investment Accrued Interest	455	566
Short Term Investment Joint Committees	254	374
<b>Total Short Term Investments as per Balance Sheet</b>	<b>94,629</b>	<b>35,135</b>

The majority of the Council's borrowing is fixed rate and held with the Public Works Loan Board (PWLB). The Council has some significant borrowing requirements over the next five years linked to capital expenditure and replacement of maturing loans. The timing of this borrowing will need to be reviewed in the context of updated interest projections and in the context of the planned use of the Council's usable reserves. The Council continues to prioritise the security and liquidity of investments and continues to utilise the investment tools outlined in the Treasury Management Strategy which include Money Market Funds, Investments with UK Local and Police Authorities, Lloyds Bank Call Accounts, Santander Corporate Notice Accounts, Treasury Bills and Investments with the UK Government via the DMADF and investments are exposed to minimal credit risk and returns have improved in the context of the rising interest rate environment.

#### Joint Committees and Joint Arrangements

Since the 2015/16 financial year the Council has been Host Authority for two Joint Committees - the Shared Regulatory Service commencing on 1<sup>st</sup> May 2015 and the Vale, Valleys & Cardiff Adoption Collaborative Service which commenced on 1<sup>st</sup> June 2015. The Authority is also party to a number of other Joint Committees such as Prosiect Gwyrdd, Central South Consortium and the Glamorgan Archives. The Council's share of these transactions and balances are incorporated in these financial statements. Separate financial statements are also available. In addition, the Council participates in a number of shared services.

## City Deal/CRC

The Vale of Glamorgan Council is a participant in the Cardiff Capital Region City Deal (CCR) which has been established between the UK Government, the Welsh Government and 10 local authorities in South East Wales.

The Corporate Joint Committee meeting on 29th January 2024 set out the proposed CCR Annual Business Plan for 2024/25 which constitutes Year 4 of the 5-year Strategic Business Plan approved in December 2020. The Business Plan recognises the continuing set of global headwinds that directly affect the UK economy and impact the work, ambitions, and output at a regional level. From a set of challenging geo-political conditions, to increasing global conflict, resultant impacts on world trade, inflation, energy, pressure on public finances and rising costs – the cost of doing business as translated to the cost of living – continue to present both change and challenge.

Total expenditure at this time for CCR by Local Authorities is £38.518m. The Vale of Glamorgan's contribution to date has been £3.265m, with the next expected contribution of £697k in 2024/25.

Further detail can be found at [Cardiff Capital Region City Deal](#)

## Impact of the Current Economic Climate

The financial pressures on the Council continued to increase during 2023/24 with pay awards negotiated during the year in excess of the sum budgeted that was offset in the main across the Council due to a high number of vacant posts. The Council also incurred market forces costs associated with attracting staff to some key roles such as Waste Drivers and Children's Social Services staff.

Due to limited Capital investment the condition of the roads continued to deteriorate and therefore additional costs have been incurred associated with repairing pot holes and patching the roads. Additional costs have also been incurred due to the impact of the energy crisis on the running costs of the Council's estate including schools, care homes and leisure centres. The majority of the additional provision for energy costs has been funded by the additional provision made as part of the 2023/24 budget which has been stepped down in part based on projections for 2024/25.

The Council's position in respect of commissioning care has significantly improved however this in conjunction with an increase in need and complexity of need across both Adult and Children's services has had a significant impact on the costs of the service resulting in both planned and unplanned use of reserves in this service area.

## Looking Forward

A budget of £308.561m for 2024/25 was approved by Council on 6<sup>th</sup> March 2024. The revenue settlement from Welsh Government of £209.781m represented an increase of £6.856m (3.4%) over 2023/24 £6.984m after allowing with adjustments for the Council tax base and including transfers in of specific grant. The Council Tax was increased by 6.7%

from 1<sup>st</sup> April 2024 which represented an increase of £7.455m this included the extension of the new policy around charging for empty and second homes in the region. Whilst the additional funding in the settlement was significant this did not address the scale of cost pressures reported by Directorates across the Council, most significantly in Social Care, Additional Learning Needs and Housing and Homelessness. A challenging savings and efficiency target of £7.676m was set for the year and was at a level which was significantly higher than historical targets although only £15k of this sum was targeted at schools. Use of the reserves to smooth energy, cost of living and housing pressures was planned as part of the budget setting process of £2.744m.

The full Council report can be accessed on the [Council website](#)

At the time the 2024/25 budget was approved, there was an indicative increase of 1% in 2025/26 from for future years settlements although some commentators believe this could be flatlined. If Council Tax is increased by 3.9% this could result in the possible total shortfall in funding across the remaining years of the Plan of £29m with the most significant shortfall being £9.392m in 2025/26. The prospects for improved settlements are limited with the UK economy experiencing persistent inflation and the Bank of England’s response of continued increases in interest rates is raising the risk of recession and potentially limiting options for the Chancellor in the autumn. Whilst it had been possible to set modest efficiency targets pre 2022/23 the pressures emerging in Social Care, Additional Learning Needs and Homelessness show no sign of abating. Therefore, in the context of low future anticipated settlements this may not be the case going forward and in light of projected levels of shortfall in future years, services are being requested to continue to plan ways of achieving further efficiencies which will be innovative and transformational with regards to service delivery. The Reshaping Services Programme will continue to implement the further savings required.

The Council will remain committed to the Well-being of Future Generations Act which aims to improve the social, economic, environmental and cultural well-being of Wales and ensures that the needs of the present are met without compromising the ability of future generations to meet their own need.

The General Capital Funding from Welsh Government for 2024/25 is £6.986m which is an decrease of £11k from the previous year. The 2024/25 Capital Programme was approved by Council on 6<sup>th</sup> March 2024 and had a gross value of £112.344m. The programme is briefly summarised below;

<b>Schemes</b>	<b>2024/25 Gross £000</b>
Learning and Skills	25,430
Social Services	1,731
Environment and Housing	11,916
HRA	38,745
Place	4,335

Resources	992
City Deal	697
Pipeline Schemes	24,498
<b>Total Capital Programme</b>	<b>112,344</b>

There will be investment in the Council's Schools as part of the Sustainable Communities for Learning programme of £20.831m in 2024/25 (excluding the pipeline schemes which are subject to a full business case), £2.964m investment in road resurfacing and £800k for Council's Vehicles. Even though the Housing stock meets WHQS, further work totalling £38.745m is due to be undertaken which will include Environmental Works, the construction and acquisition of new houses and addressing climate change by making our housing stock more energy efficient.

The full report can be accessed on the Council Website; [Capital Strategy 2024/25 and Final Capital Proposals 2024/25 to 2028/29.](#)

Over the coming years major capital investment will continue for the Sustainable Communities for Learning programme which will require capital investment between 2024/25 and 2026/27. The remaining funding included in the overall capital programme is £275m over this period.

The Council is now operating using a hybrid approach and is reviewing its asset base to reflect these changing working practices.

The Council considers that it has sufficient balances and reserves and has carried out an annual review to un earmark and reallocate reserves to areas with greatest risk and to fund potential Transformation needs emerging as part of the Council's vision for 2030. The Council has set aside a specific sum to address the Council's Budget Risk and School Deficits in the coming months. Other emerging pressures relate to energy costs, general inflation particularly in respect of food costs and school transport and costs of living and staffing shortages in some areas. These issues will be further assessed as part of the Medium Term Financial Plan which will be updated during the coming year.

### The Pension Liability

Pensions for non-teaching staff are provided under the Local Government Pension scheme and the Council is a member of the Cardiff and Vale Pension Fund, administered by Cardiff County Council. Employees and employers contribute into the fund, along with investment income and growth generated. A triennial valuation was carried out on the Fund in year as at 31<sup>st</sup> March 2022. The value of the pension liability as at 31<sup>st</sup> March 2024 is £10.522m. This value is based on a number of actuarial assumptions and will fluctuate between years. A firm of actuaries is engaged to provide the Cardiff and Vale Pension Fund with expert advice about the assumptions to be applied. The asset returns over the accounting period have been better than expected, there have also been a change in a number of financial and demographic assumptions over the period has resulted in a more positive balance sheet

position. Some of the Pension funds that make up the consolidated sum held on the Council's balance sheet represent a Pension Asset as at 31<sup>st</sup> March 2024.

The Teachers' Pension scheme is administered by the Department for Education. This is an unfunded scheme, meaning that there are no investment assets accumulated to meet pension costs before they arise and therefore no fund assets or liabilities appear in the Council's Balance Sheet.

### Corporate Aims and Objectives

The Council's Performance Management Framework is the mechanism through which key priorities and targets are monitored and realised in order to secure continuous improvement. The Council's Corporate Plan (2020-2025) reflects the requirements of the Well-being of Future Generations (Wales) Act 2015 and identifies 4 Well-being Objectives. The Corporate Plan is being monitored by Cabinet and all five Scrutiny Committees on a quarterly basis.

The 4 Well-being Objectives are:

- To work with and for our communities.
- To support learning, employment and sustainable economic growth.
- To support people at home and in their community; and
- To respect, enhance and enjoy our environment.

Progress against the Annual Delivery Plan is monitored using a RAG status with Green being on or above target, Amber being within 10% of target and Red missing target by 10% or more. The Quarter 3 performance results were reported to Cabinet on 27th April 2024. Positive progress had been made in delivering in-year commitments in relation to the Annual Delivery Plan (2023/24). This performance had contributed to an overall GREEN status for the Plan at the end of Quarter 3 (Q3).

All 4 Corporate Plan Well-being objectives were attributed a Green performance status at Q3 to reflect the progress made to date. This is positive given the ongoing challenges facing the organisation.

93% (353/380) of planned activities outlined in the Annual Delivery Plan have been attributed a Green performance reflecting the positive progress made during the quarter, 2% (7) of planned activities were attributed an Amber status and 5% (20) of planned activities were attributed a Red status. Of the 128 performance measures aligned to our Corporate Plan Well-being Objectives, data was reported for 27 measures where a performance status was applicable. 59% (16) measures were attributed a Green performance Status, 11% (3), Amber status and 30% (8), Red status. A performance status was not applicable for 101 measures with 22 of these relating to measures establishing baseline performance for 2023/24, a further 67 relating to measures which are monitored annually and for 12 measures no update was provided.

Overall, the picture was positive despite the challenges facing the organisation, and the Council was moving in the right direction in terms of its performance and achieving its priorities.

Further details can be found here [Annual Delivery Plan Monitoring Quarter 3 2023/24](#).

## Further Information

Further information about the accounts is available from the Resources Service, Civic Offices, Holton Road, Barry, CF63 4RU. This is part of the Council's policy of providing full information about the Council's affairs.

## Introduction to the Financial Statements

### Statement of Accounting Policies

The purpose of this statement is to explain the basis of the figures in the accounts. It outlines the accounting policies adopted.

### Statement of Responsibilities for the Statement of Accounts

This sets out the responsibilities of the Council and the Head of Finance (Section 151 Officer) for the preparation of the Statement of Accounts. The Statement has to be signed and dated by the Mayor as Chairman of the Council at the meeting at which the accounts are approved.

### Expenditure and Funding Analysis

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

### 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 "unusable reserves". The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Council Fund Balance and the Housing Revenue Account for Council Tax setting and dwelling rents setting purposes. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory Council Fund balance and the Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

### 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 Movement in Reserves Statement.

## Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (Assets less Liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserve and any statutory limitations on their use (for example the Capital Receipts may only be used to fund Capital expenditure or repay debt). The second category of reserves are those that the Authority is not able to use to provide services called Unusable Reserves. 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 also reserves that hold timing differences shown in the Movement in Reserves Statement line “Adjustments between accounting basis and funding basis and regulations”.

## Cash Flow Statement

The Cash Flow Statement shows the change 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 into operating and investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority’s future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

## Annual Governance Statement

The statement sets out the framework within which the Vale of Glamorgan Council manages and reviews internal control. It outlines the components of the framework, including the arrangements for Internal Audit and how the Authority has complied with the various elements of the framework.

## Statement of Responsibilities for the Statement of Accounts

### The Council's Responsibilities

The Council is required:

- To make arrangements for the proper administration of its financial affairs and secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Head of Finance (Section 151 Officer).
- To manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

Signature:

Date:

Mayor as Chairman of the Council

### Responsibilities of the Head of Finance (Section 151 Officer).

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

#### In preparing the Statement of Accounts, the Head of Finance has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.

#### The Head of Finance has also throughout the financial year:

- Kept proper accounting records that were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Certificate of the Head of Finance (Section 151 Officer)

I certify the statement of accounts give a true and fair view of the financial position of The Vale of Glamorgan County Borough Council and its group as at 31st March 2024 and its income and expenditure for the period then ended.

Signature: Matt Bowmer



Head of Finance/Section 151 Officer



**Audit report of the Auditor General to the Vale of Glamorgan Council**

The report of the Auditor General for Wales to the members of the Vale of Glamorgan Council

## Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. Further information on this note is shown on page 14.

2022/23	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis (Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000
Learning and Skills	138,069	(3,601)	134,468
Social Services	78,303	5,038	83,341
Visible and Housing Services	33,370	10,257	43,627
Housing Revenue Account (HRA)	953	(6,064)	(5,111)
Place	4,136	1,259	5,395
Corporate Resources	6,185	17,733	23,918
Policy	16,727	(12,695)	4,032
Net Cost of Services	277,743	11,927	289,670
Other Income and Expenditure	(262,411)	(31,375)	(293,786)
<b>(Surplus) or Deficit</b>	<b>(15,332)</b>	<b>(19,448)</b>	<b>(4,116)</b>
<b>Opening General Fund and HRA Balance at 31 March 2022</b>	<b>(128,206)</b>		
Plus Surplus on General Fund and HRA Balance in Year	15,332		
<b>Closing General Fund and HRA Balance 31 March 2023</b>	<b>(112,874)</b>		

2023/24	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis (Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000
Learning and Skills	142,353	(102)	142,251
Social Services	97,107	587	97,694
Visible and Housing Services	33,120	3,562	36,682
Housing Revenue Account (HRA)	12,962	(11,764)	1,198
Place	4,404	1,505	5,909
Corporate Resources	17,368	1,077	18,445
Policy	13,802	(6,008)	7,794
Net Cost of Services	321,116	(11,143)	309,973
Other Income and Expenditure	(286,553)	(30,079)	(316,632)
<b>(Surplus) or Deficit</b>	<b>34,563</b>	<b>(41,222)</b>	<b>(6,659)</b>
<b>Opening General Fund and HRA Balance at 31 March 2023</b>	<b>(112,874)</b>		
Plus Deficit on General Fund and HRA Balance in Year	34,563		
<b>Closing General Fund and HRA Balance 31 March 2024</b>	<b>(78,311)</b>		

## Movement in Reserves Statement 2022/23

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 “unusable reserves”. Further information on this statement is shown on page 14.

Movement in Reserves Statement	Council Fund	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>12,510</b>	<b>98,257</b>	<b>17,439</b>	<b>11,844</b>	<b>4,551</b>	<b>144,601</b>	<b>348,849</b>	<b>493,450</b>
Total Comprehensive Income and Expenditure	6,898	(13,392)	10,611	0	0	4,117	260,436	264,553
Adjustments between accounting basis and funding basis under regulations (Note 10)	(7,885)	0	(11,564)	(1,210)	2,878	(17,781)	17,781	0
<b>Increase/(Decrease) in 2021/22</b>	<b>(987)</b>	<b>(13,392)</b>	<b>(953)</b>	<b>(1,210)</b>	<b>2,878</b>	<b>(13,664)</b>	<b>278,217</b>	<b>264,553</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>11,523</b>	<b>84,865</b>	<b>16,486</b>	<b>10,634</b>	<b>7,429</b>	<b>130,937</b>	<b>627,066</b>	<b>758,003</b>

## Movement in Reserves Statement 2023/24

Movement in Reserves Statement	Council Fund	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>11,523</b>	<b>84,865</b>	<b>16,486</b>	<b>10,634</b>	<b>7,429</b>	<b>130,937</b>	<b>627,066</b>	<b>758,003</b>
Total Comprehensive Income and Expenditure	16,296	(21,185)	11,548	0	0	6,659	70,795	77,454
Adjustments between accounting basis and funding basis under regulations (Note 10)	(16,713)	0	(24,509)	(2,987)	(4,043)	(48,252)	48,252	0
<b>Increase/(Decrease) in 2023/24</b>	<b>(417)</b>	<b>(21,185)</b>	<b>(12,961)</b>	<b>(2,987)</b>	<b>(4,043)</b>	<b>(41,593)</b>	<b>119,047</b>	<b>77,454</b>
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>11,106</b>	<b>63,680</b>	<b>3,525</b>	<b>7,647</b>	<b>3,386</b>	<b>89,344</b>	<b>746,113</b>	<b>835,457</b>

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount to be funded from taxation. Further information is shown on page 14.

2022/23			Expenditure on Services	2023/24		
Gross Expt.	Income	Net Expt.		Gross Expt.	Income	Net Expt.
£'000	£'000	£'000		£'000	£'000	£'000
180,166	45,698	134,468	Learning and Skills	190,992	48,741	142,251
106,716	23,375	83,341	Social Services	118,655	20,961	97,694
65,999	22,372	43,627	Visible and Housing Services	58,050	21,368	36,682
17,599	22,710	(5,111)	Housing Revenue Account (HRA)	25,179	23,981	1,198
8,509	3,114	5,395	Place	9,470	3,561	5,909
57,564	33,648	23,918	Corporate Resources	49,022	30,577	18,445
6,442	2,410	4,032	Policy	9,041	1,247	7,794
<b>442,995</b>	<b>153,327</b>	<b>289,670</b>	<b>Cost of Services</b>	<b>460,409</b>	<b>150,436</b>	<b>309,973</b>
			<b>Other operating expenditure</b>			
3,270	0	3,270	Town/Community Council Precepts	3,407	0	3,407
18,724	0	18,724	South Wales Police Authority	20,226	0	20,226
6,918	0	6,918	South Wales Fire Authority	7,778	0	7,778
115	0	115	Other Levies and Contributions	128	0	128
4,338	0	4,338	(Gains)/losses on the disposal of non-current assets	160	0	160
			<b>Financing and investment income and expenditure</b>			
6,751	0	6,751	Interest payable and similar charges	6,723	0	6,723
7,239	0	7,239	Net interest on defined benefit liability	2,685	0	2,685
205	0	205	Revaluation of Investment Properties	0	0	0
88	2,139	(2,051)	Interest receivable and Trading surplus/deficit	0	4,127	(4,127)
			<b>Taxation and non-specific grant income</b>			
0	98,494	(98,494)	Council Tax income (Note 13)	0	107,464	(107,464)
0	47,950	(47,950)	Non domestic rates (Note 14)	0	42,784	(42,784)
0	138,065	(138,065)	Revenue Support grants (Note 12)	0	160,013	(160,013)
0	13	13	Deferred Tax	0	0	0
0	54,774	(54,774)	Capital grants and contributions	0	43,351	(43,351)
<b>490,643</b>	<b>494,762</b>	<b>(4,117)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>501,616</b>	<b>508,175</b>	<b>(6,659)</b>

		(23,157)	(Surplus)on revaluation of non-current assets (Note 26)			(14,296)
		31	Impairment losses on non-current assets Revaluation Reserve (Note 15)			18
		(237,310)	Remeasurements of the net defined benefit liability/(asset) (Note 38)			(56,517)
		<b>(260,436)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(70,795)</b>
		<b>(264,553)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(77,454)</b>

## Balance Sheet as at 31<sup>st</sup> March 2024

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: Usable and Unusable Reserves. Further information is shown on page 14 of this report.

31 March 2023		Notes	31 March 2024
£'000			£'000
887,497	Property, Plant and Equipment	15	954,315
5,390	Joint Committee Investment Properties		5,390
636	Equity		636
323	Intangible Assets		271
2	Long Term Investments		2
5,941	Long Term Debtors		4,904
<b>899,789</b>	<b>Long Term Assets</b>		<b>965,518</b>
83,729	Short Term Investment		28,439
0	Assets Held for Sale		623
152	Deferred Tax Asset		152
1,322	Inventories		956
62,102	Short Term Debtors	20	61,140
19,552	Cash and Cash Equivalents	21	13,280
<b>166,857</b>	<b>Current Assets</b>		<b>104,590</b>
11,267	Short Term Borrowing		8,568
58,752	Short Term Creditors	22	45,420
1,660	Provisions (Short Term)	23	1,536
622	Donated Inventory Account		8
9,768	Grants Receipts in Advance – Capital	0	2,190
<b>82,069</b>	<b>Current Liabilities</b>		<b>57,220</b>
497	Provisions (Long Term)	23	741
138,144	Long Term Borrowing	19	135,786
10,013	Other Long Term Liabilities	24	10,199
64,630	Other Long Term Liabilities (Pensions)	38	10,522
13,290	Grants Receipts in Advance - Capital (Long Term)	0	19,681
<b>226,574</b>	<b>Long Term Liabilities</b>		<b>176,929</b>
<b>758,003</b>	<b>Net Assets</b>		<b>835,457</b>
130,937	Usable Reserves	25	89,344
627,066	Unusable Reserves	26	746,113
<b>758,003</b>	<b>Total Reserves</b>		<b>835,457</b>

## Cash Flow Statement

The Cash Flow Statement shows the change 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 into operating and investing and financing activities. Further information is included on page 15 of this report.

31 March 2023		Notes	31 March 2024
£'000			£'000
4,117	<b>Net surplus or (deficit) on the provision of services</b>		<b>6,659</b>
66,008	Adjustments to net surplus or deficit on the provision of services for non-cash movements	27	19,585
	<b>Adjustments for items that are investing and financing activities</b>		
(2,494)	Proceeds from the sale of property, plant and equipment and intangible assets.		(949)
(51,894)	Any items which the cash effects are investing or financing cashflows		(47,394)
<b>(54,388)</b>	<b>Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>		<b>(48,343)</b>
<b>15,737</b>	<b>Net cash flows from Operating Activities</b>		<b>(22,099)</b>
	<b>Investing Activities</b>		
(77,640)	Purchase of property, plant and equipment and intangible assets.		(81,535)
3,344	Proceeds from the sale of property, plant and equipment and intangible assets.		949
(819)	Purchase of short term/long term investments		0
(240)	Other payments for investing activities		(1,187)
0	Proceeds from short term/long term investments		55,399
59,370	Other Receipts from Investing Activities		49,567
<b>(15,985)</b>	<b>Net Cashflow from Investing Activities</b>		<b>23,193</b>
	<b>Financing Activities</b>		
(5,140)	Repayments of Short and Long Term Borrowing		(5,132)
3,960	Other Payments for Financing Activities		(2,234)
<b>(1,180)</b>	<b>Net cash flows from Financing Activities</b>		<b>(7,366)</b>
<b>(1,428)</b>	<b>Net increase or decrease in cash and cash equivalents</b>		<b>(6,272)</b>
20,980	Cash and cash equivalents at the beginning of the reporting period		19,552
<b>19,552</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>13,280</b>



## Notes to the Financial Statements

### 1. Statement of Accounting Policies

a	<b>Accounting Policies</b>	<p>The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended) which require them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 supported by International Financial Reporting Standards (IFRS) and statutory guidance. The accounts are prepared on a going concern basis.</p>
b	<b>Revenue/Expenditure</b>	<p>The transactions of the Council are accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.</li> </ul> <p>There are certain exceptions to this principle. The main items are:-</p> <p>(a) Electricity charges, telephone expenses, leasing and similar periodic payments are included in the Accounts on a payments basis and not accrued to</p>

		<p>31st March each year. Payments in respect of a full twelve months are included.</p> <p>(b) The amount included in the accounts for Government Revenue Support Grant for 2023/24 is on the basis of the allocation as approved by Welsh Government in year. Where final figures are not available e.g. Subsidy Entitlement, the amounts included are based on the latest available information.</p> <p>The difference between the amounts charged annually to the Revenue Accounts in respect of items (a) and (b) and the amounts that would be charged if they were accrued to 31st March each year is not significant.</p>
<b>c</b>	<b>Prior Period adjustments, Changes in Accounting Policies and Estimates and Errors</b>	<p>A change in accounting policies or to correct a material error can result in a prior period adjustment. Changes in accounting estimates do not give rise to a prior period adjustment but are accounted for prospectively.</p> <p>Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions of the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.</p> <p>Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.</p>
<b>d</b>	<b>Charges to Revenue for Non-Current Assets</b>	<p>The following amounts are charged to revenue to record the cost of holding fixed assets during the year:</p> <ul style="list-style-type: none"> <li>• Depreciation attributable to the assets used by the relevant service.</li> <li>• Revaluation and impairment losses on assets chargeable to the service.</li> <li>• Amortisation of intangible non-current assets attributable to the service.</li> </ul> <p>Council Tax is not required to be raised to fund depreciation, revaluation, impairment losses or amortisations. However, an annual contribution is required from revenue (Minimum Revenue Provision)</p>

		towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.
e	<b>Employee Benefits</b>	<p><b>Benefits Payable during Employment</b></p> <p>Short term employee benefits are those due to be settled within 12 months of the year end. An accrual is made for the cost of holiday entitlements (or any form of leave) earned by employees but not taken before the year end which employees can carry forward into the next financial year. Holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.</p>
		<p><b>Termination Benefits</b></p> <p>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 in exchange for those benefits. These costs are charged on an accruals basis to the appropriate service or where applicable to the Policy Budget line.</p>
		<p><b>Post Employment Benefits</b></p> <p>Employees of the Authority are members of two separate pension schemes:</p> <ul style="list-style-type: none"> <li>• The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).</li> <li>• The Local Government Pensions Scheme, administered by Cardiff County Council Pension Authority.</li> </ul> <p>Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Authority. The arrangements for the teachers' scheme means that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.</p>
		<p><b>The Local Government Pension Scheme</b></p> <p>The Local Government Scheme is accounted for as a defined benefits scheme:</p>

		<ul style="list-style-type: none"> <li>• The liabilities of the Cardiff and Vale Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.</li> <li>• Liabilities are discounted to their value at current prices, using a discount rate.</li> <li>• The assets of the Cardiff and Vale Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value.</li> <li>• The actuarial valuation carried out at 31<sup>st</sup> March 2024 has been adjusted to exclude staff working for the Shared Regulatory Service and Vale and Valleys Adoption Service. The Council's share of these balances based on the Joint Committee balances are the consolidated back into the accounts and set out in Note 38 to these accounts.</li> </ul>
		<p>The change in the net pension's liability is analysed into the following components:</p> <p><b>Service cost comprising</b></p> <ul style="list-style-type: none"> <li>• Current service cost – the increase in liabilities as a result of years of service earned this year which is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.</li> <li>• Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years. Debited to the surplus or deficit of services in the Comprehensive Income and Expenditure.</li> <li>• 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</li> </ul>

		<p>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 (asset) during the period as a result of contribution and benefit payments.</p> <p><b>Remeasurements comprising:</b></p> <ul style="list-style-type: none"> <li>• The return on plan assets – excluding amounts included in net interest on the net defined liability (asset). This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.</li> <li>• 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.</li> </ul> <p>Statutory provisions require the Council Fund balance be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year in relation to retirement benefits not the amount calculated according to the relevant standards. In the movement in reserves statement this means that there are transfers 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 cashflows rather than as benefits are earned by employees.</p>
		<p><b>Discretionary Benefits</b></p> <p>The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.</p>
f	<p><b>Events after the Balance Sheet date</b></p>	<p>These are events, both favourable and unfavourable, that occur between the end of the reporting period</p>

		<p>and the date when the Statement of Accounts is authorised for issue. Such events could result in the Statement of Accounts being adjusted. Two types of events can be identified:</p> <ul style="list-style-type: none"> <li>• Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.</li> <li>• Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.</li> </ul>
<b>g</b>	<b>Cash and Cash Equivalents</b>	<p>Cash is represented by cash in hand, bank overdrafts and deposits held with financial institutions which are repayable without penalty on notice of not more than 24 hours as at 31<sup>st</sup> March 2024. Cash equivalents are highly liquid investments which are readily convertible to known amounts of cash without there being a significant risk of change in value and refer to instant access call accounts such as those held with Banks and Money Market Funds. Any other short term investments are excluded from cash and cash equivalents and are treated as current assets. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.</p>
<b>h</b>	<b>Financial Instruments</b>	<p><b>Financial Liabilities</b></p> <p>Financial liabilities 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.</p> <p><b>Financial Assets</b></p> <p>Financial assets are classified into two types:</p> <ul style="list-style-type: none"> <li>• Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.</li> </ul>

		<ul style="list-style-type: none"> <li>• Available-for-sale assets – assets that have a quoted market price and / or do not have fixed or determinable payments.</li> </ul> <p><b>Loans and Receivables</b></p> <p>Loans and receivables are initially measured at fair value and carried 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.</p> <p>When a soft loan is made, a loss is recorded in the Comprehensive Income and Expenditure Statement 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, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. 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.</p>
i	<b>Available for Sale Assets</b>	<p>Available for Sale Assets are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure Income line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.</p>

		<p>Assets are maintained in the Balance Sheet at fair value.</p> <p>Changes in fair value are balanced by an entry in the Available for Sale Reserve and the gain /loss is recognised in the Surplus or Deficit on Revaluation of Available for Sale Financial Assets. The exception is where impairment losses have been incurred. These are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement along with any net gain / loss for the asset accumulated in the reserve.</p>
<b>j</b>	<b>Government Grants and Contributions</b>	<p>Government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:</p> <ul style="list-style-type: none"> <li>• The Authority will comply with the conditions attached to the payments, and</li> <li>• The grants or contributions will be received.</li> </ul> <p>Grants and contributions advanced for which conditions have not been satisfied are carried in the Balance Sheet as creditors. Once conditions are satisfied, the grants or contributions are credited to the Comprehensive Income and Expenditure Statement.</p> <p>Capital grants are credited to the Comprehensive Income and Expenditure Statement and are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Grants not yet used to finance capital expenditure, are posted to the Capital Grants Unapplied reserve. Once applied, it is posted to the Capital Adjustment Account.</p>
<b>k</b>	<b>Intangible Assets</b>	<p>Expenditure on non monetary assets that do not have physical substance but are controlled by the Authority is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.</p> <p>The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.</p>
<b>l</b>	<b>Inventories and Long Term Contracts</b>	<p>Inventories should be included in the Balance Sheet at the lower of cost and net realisable value. However, some stock is valued at the latest price paid, with an allowance made for obsolete and slow-</p>



		<p>moving items. The effect of the different treatment is considered to be immaterial.</p> <p>Revenue from contracts with service recipients, is recognised in line with IFRS 15 – Revenue from Contracts with Customers. In essence it means recognition occurs when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract. Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet</p>
<b>m</b>	<b>Jointly Controlled Operations</b>	<p>Joint operations are arrangements undertaken by the Council in conjunction with other ventures that make use of its assets and resources. Joint Committees are examples of Jointly Controlled Operations.</p> <p>The relevant proportion of the transactions and balances for Joint Committees are included within the Council's Financial Statements. These reflect the transactions and balances as per the draft accounts prepared for each Joint Committee. To date there has been no audit opinion issued in respect of any of these Joint Committees.</p>
<b>n</b>	<b>Leases</b>	<p>The Council currently has no Finance Leases. The land and buildings elements of a lease are considered separately for classification.</p> <p><b>The Authority as Lessee</b></p> <p><b>Operating Leases</b> Rentals paid under operating leases are charged to the services in the Comprehensive Income and Expenditure Statement that benefit from the use of the leased property, plant or equipment.</p> <p><b>The Authority as Lessor</b></p> <p><b>Operating Leases</b> Rental income under an operating lease is credited to the Comprehensive Income and Expenditure Statement; the property, plant or equipment is retained in the Balance Sheet.</p>
<b>o</b>	<b>Overheads and Support Services</b>	<p>The accounts have been adjusted to remove internal recharges for overheads and support services from the figures shown in the Comprehensive Income and Expenditure Statement.</p>

<p>p</p>	<p><b>Property Plant and Equipment</b></p>	<p>Revaluation of the assets of the Authority will be undertaken on a rolling basis over a five year cycle by an external valuer.</p> <p>Due to the continuing economic volatility during 2023/24 and the significant increase in the construction costs of schemes which would have a particular impact on assets valued on a Depreciated Replacement Cost basis all Land and Building assets were revalued by an External Valuer as part of the preparation of the 2023/24 accounts.</p> <p>Council Dwellings are regarded by the Authority as operational and have also been revalued as at 31<sup>st</sup> March 2024 using the Beacon approach (adjusted vacant possession value) and reflects the volatility evidenced in the Housing Market.</p> <p>Land and Property regarded by the Authority as operational was valued on the basis of constructing modern equivalent buildings, or where this could not be assessed because there was no market for the subject asset (i.e. specialised property) the depreciated replacement cost.</p> <p>Land and Property regarded by the Authority as non-operational have been valued on the basis of cost, fair value, or depreciated replacement cost as appropriate.</p> <p>Infrastructure, Vehicles, Plant and Equipment and Community Assets are included at cost (less depreciation where required).</p> <p>Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably.</p> <p>A de-minimis rule for capital has been applied – generally no capital expenditure valued at under £10,000 is included within capital spend.</p> <p>Assets are initially measured at cost, comprising:</p> <ul style="list-style-type: none"> <li>• the purchase price.</li> <li>• any costs attributable to bringing the asset to the location and condition necessary for it to</li> </ul>
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		<p>be capable of operating in the manner intended by management.</p> <ul style="list-style-type: none"> <li>• The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.</li> </ul> <p>For Land and Building additions any expenditure less than £50k is enhanced and then impaired back out unless it relates to schemes such as boilers, new structures which have previously been shown to be enhancing. Schemes costing between £50k and £250k are enhanced in full subject to some exceptions. Schemes including works to boilers, roofs, rewiring and multiple schemes are enhanced at 65% of the value. Any unusual or schemes exceeding £250k in value were reviewed by a FRICs qualified valuer to assess the level of enhancement.</p> <p>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.</p> <p>The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.</p> <p>Where decreases in value for individual assets are identified, they are accounted for either by setting it off against gains for the asset in the Revaluation Reserve or against the relevant service lines in the Comprehensive Income and Expenditure Statement.</p>
		<p><b>Component accounting</b></p> <p>Assets with a net book value in excess of £5 million will be reviewed to determine if there are any significant components that require a separate depreciation calculation and whether it is material. No adjustment for component accounting was made in the accounts.</p>
		<p><b>Impairment</b></p> <p>Assets are assessed at each year end as to whether there is an indication that an asset may be impaired.</p>

		<p>Where indications exist and any possible differences are estimated to be material, the recoverable amount is estimated and if this is less than the carrying amount an impairment loss is recognised for the shortfall. This is either set against the balance of the Revaluation Reserve if there have been previous valuation gains for the asset or it is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.</p>
		<p><b>Depreciation</b>  Depreciation is provided for on all Property, Plant and Equipment assets over their useful lives. An exception is where assets are without a determinable finite useful life (i.e. Freehold Land and Community Assets) and assets that are not available for use (i.e. assets under construction).</p> <p>Depreciation is calculated on the following basis:</p> <ul style="list-style-type: none"> <li>• Dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer.</li> <li>• Vehicles, plant, furniture and equipment - over the life of the asset.</li> <li>• Infrastructure – straight line allocation over 40 years.</li> </ul> <p>No depreciation is charged in the year of acquisition with a full year charge applied in the disposal year, except for Vehicles which is charged in the month following acquisition.</p> <p>Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.</p>
		<p><b>Disposals and Non Current Assets Held for Sale</b>  An asset is reclassified as Held for Sale when it is probable that the carrying amount will be recovered principally through a sale transaction. The asset is revalued immediately before reclassification and carried at the lower of this amount and the 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</p>

		<p>Comprehensive Income and Expenditure Statement. Depreciation is not charged on Assets Held for Sale.</p> <p>Where assets no longer meet the criteria to be classified as Assets Held for Sale they are reclassified back to non-current assets.</p> <p>Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.</p> <p>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.</p> <p>Receipts from disposals are credited to the same line of the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains that are accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.</p> <p>Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.</p> <p>The written off value on disposals is not a charge to Council Tax as the cost for non current assets is separately provided for under separate arrangements for capital financing</p>
q	<p><b>Fair Value Measurement</b></p>	<p>The authority measures some of its assets held for sale and some of its financial instruments 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. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either.</p> <ul style="list-style-type: none"> <li>• In the principal market for the asset or liability, or</li> <li>• In the absence of a principal market, in the most advantageous market for the asset or liability.</li> </ul> <p>The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their</p>

		<p>best economic interest by using the asset in its highest and best use or selling the asset to another participant.</p> <p>The authority uses valuation techniques that are appropriate in the circumstances maximising the use of observable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, as follows.</p> <ul style="list-style-type: none"> <li>• Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.</li> <li>• Level 2 – inputs rather than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.</li> <li>• Level 3 – unobservable inputs for the asset or liability.</li> </ul>
r	<p><b>Provisions, Contingent Liabilities and Contingent Assets</b></p>	<p><b>Provisions</b></p> <p>Provisions are made when an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount of the obligation.</p> <p>Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.</p> <p>When payments are eventually made, they are charged to the provision carried in the Balance Sheet.</p> <p>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. See note 0 to the accounts.</p>

		<p><b>Contingent Liabilities</b></p> <p>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.</p> <p>Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.</p>
		<p><b>Contingent Assets</b></p> <p>A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.</p> <p>Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.</p>
<b>s</b>	<b>Specific Reserves</b>	These reserves represent sums of money that are voluntarily set aside for specific purposes. The purpose of these reserves is explained in Note 0 to the accounts.
<b>t</b>	<b>Revenue Expenditure Funded from Capital under Statute</b>	Expenditure that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. The total gross expenditure is £7.539m. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.
<b>u</b>	<b>Local Authority Schools</b>	The Council does not include a school's property, plant and equipment in its Balance Sheet where it does not own or have significant control over the economic benefit of these assets. This means that the buildings used by voluntary aided, Roman

		Catholic aided and voluntary controlled schools are excluded from property, plant and equipment where they are not owned by the Council. However, land owned by the Council and used by these schools is recognised in property, plant and equipment. The property, plant and equipment of community and foundation schools are recognised on the Authority's Balance Sheet. The income and expenditure for all schools is included within the CI&ES and any unspent resources held by schools are included within earmarked reserves in the Council's Balance Sheet.
<b>v</b>	<b>Value Added Tax</b>	Income and expenditure excludes any amounts related to Value Added Tax (VAT), as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.
<b>w</b>	<b>Exceptional Items</b>	When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the Notes to the Statement of Accounts, depending on how significant the items are to an understanding of the Council's financial performance. There are no exceptional items in 2023/24.
<b>x</b>	<b>Investment in Companies</b>	The Council currently only has one investment in a company and this is its 100% shareholding in the Big Fresh Catering Company which was established on 1 <sup>st</sup> January 2020. The Council having considered the materiality of the investment and its delivery of core Council services has taken the decision to consolidate through Group Accounts. The Council's shareholding is not listed on any quoted market the valuation estimate of the company will be based on its draft set of financial accounts (Level 3).
<b>y</b>	<b>Inventories</b>	Inventories are measured and held at the lower of cost or net realisable value. When such inventories are sold, exchanged or distributed, the carrying amount is recognised as expenditure.  Where donated inventory has been received it is offset on the balance sheet by a corresponding entry on the Donated Inventory Account.
<b>z</b>	<b>Adopted Highways</b>	The Council reviews adoption of highways each year and where material the adoption will be reflected in the Council's infrastructure assets and offset by a corresponding entry on the donated assets account. There were no material adoptions in 2023/24.



## **2. Accounting Standards that have been issued but have yet to be adopted**

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

The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are

- a) IFRS 16 Leases issued in January 2016 (as the Council has not decided to voluntarily implement IFRS 16 in the 2023/24 year) and therefore the first year of implementation will be 2024/25.

The Council is carrying out work to establish the extent of the impact of IFRS16 on the Authority's accounts and a full list of leases to be reviewed has been prepared in consultation with service departments and the relevant data for each lease arrangement has been gathered. Work has continued to pull relevant information from the Council's contract register and Education are working with Schools to establish a full contract listing.

The Council has received an initial valuation of the explicit leases that the Council expects to be retaining as at 31<sup>st</sup> March 2025 and this is not indicated to be material to the Council's account however additional valuations are outstanding for assets leased on a peppercorn basis.

The Council has also listed a number of arrangements where it will need to consider the impact of lease arrangements embedded in contracts particularly in respect of supported accommodation arrangements in the Housing and Social Care sectors and work will progress over the summer 2024 as well as liaising with Audit Wales and other Welsh authorities to ensure a consistent interpretation of this emerging standard is made.

The implementation of this standard overall is expected to have a material impact on the accounts for the Vale of Glamorgan Council.

- b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- d) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides

when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.

e) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced: • a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and • targeted disclosure requirements for affected entities.

f) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to assess and understand how supplier finance arrangement affect an entities libailities and cashflows.

Infrastructure Assets – Temporary Relief: Following a consultation in the summer of 2022, CIPFA/LASAAC issued a code update on 29 November 2023. The update amended both the 2022-23 and 2023-24 Codes and includes specifications for future codes on the disclosure of gross cost and accumulated depreciation for infrastructure assets. The Code has been updated to include a temporary relief from the Code’s core requirement to disclose gross cost and accumulated depreciation of infrastructure assets until 31 March 2025.

### **3. Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

### **4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority’s Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

## Property, Plant and Equipment

Property Plant and Equipment (excluding infrastructure, community assets, assets under construction and vehicles, plant and equipment) are revalued annually for indicators of impairment. Judgements are required to make an assessment as to whether there has been an assessment of impairment.

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Useful asset lives will impact on depreciation calculations. For assets such as Infrastructure (40 years) Vehicles (4-15 years) and Equipment (2-18 years) standard asset lives are used unless evidence is available to the contrary. The Useful Economic Lives of operational buildings is estimated by a RICS qualified valuer as part of the valuation process.

The Housing Revenue Account Council Dwelling assets have been revalued during 2023/24, this valuation has been carried out by a RICS qualified valuer from Savills using a Beacon approach. The valuation incorporates the 771 garages included in the Housing Revenue Account which are shown against Land and Buildings, they also include the new build developments completed in year.

In addition due to the materiality uncertainty that continued to be applied to the other services Land and Building assets and in response to concerns expressed in the context of continuing rising construction costs by Audit Wales a desktop valuation of assets valued on a Depreciated Replacement Cost basis was performed by a RICS qualified valuer from Avison Young during 2023/24.

A number of new build schemes were completed during 2023/24 and these assets were also revalued upon transfer from the Asset Under Construction Account by a RICS valuer from Avison Young.

Therefore, a significant proportion of the Council's asset base has been subject to revaluation during the 2023/24 financial year. Whereas land asset values have typically remained unchanged the majority of building assets particularly those valued on a DRC basis have increased in value. The valuations are set out in Note 15 to the accounts Property Plant and Equipment.

## Minimum Revenue Provision

Statutory provision is made in the accounts for the repayment of the Council's borrowing. The Minimum Revenue Provision is based on a straight line repayment over the estimated life of the asset. The estimated life is based on information provided by a qualified valuer as part of the valuation process and the Council's asset register.

## Provisions

A provision is included in the accounts for Municipal Mutual Insurance (MMI) liability using current information.

The MMI liability has been calculated based on the Vale of Glamorgan's share of outstanding claims from South Glamorgan, Mid Glamorgan and Vale of Glamorgan Borough. The scheme administrator regularly reviews the scheme and any significant changes in the financial position may lead to a further clawback.

## Debtors

Sundry and council tax debtors were examined which resulted in a provision for doubtful debts. If the provision is too low, the Authority's finances would be affected. The Provision for Bad and Doubtful Debts is set based on the rates of collection for old debt in the previous financial year.

## 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 actuaries is engaged to provide the Cardiff and Vale Pension Fund with expert advice about the assumptions to be applied. The actuarial report is based on a roll forward of the triennial valuation carried out at 31<sup>st</sup> March 2022.

The demographic and financial assumptions used in arriving at the 2023/24 actuarial report are set out in note 38.

## Fair Value

Where the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets their fair value is measured using valuation techniques. Where possible the inputs to these valuations are based on observable data but where this is not possible judgement is required in establishing fair values.

Fair Values as at 31<sup>st</sup> March 2024 for the Council's financial assets and liabilities have been provided by the Council's Treasury Management advisor Link Asset Management Ltd and PWLB, as the majority of the Council's borrowing with PWLB at a fixed rate and there has been some increase in the PWLB borrowing rate during the intervening period this can be expected to be reflected in the Fair Values would be unlikely to have changed significantly in recent months, more detail in respect of this uncertainty is set out in note 40. Disclosure notes set out the fair values for the Authority's financial assets and liabilities as at 31<sup>st</sup> March 2024.

## 5. Material Items of Income and Expenditure

There are no material items of income and expenditure in 2023/24.

## 6. Events after the Balance Sheet Date

The statement of accounts was authorised for issue by the Head of Finance (Section 151 Officer) on 29th June 2024. Events taking place after this date are not reflected in the financial statement or notes. There have been no post balance sheet events prior to this date that have been reflected in the statement of accounts.

## 7. Prior Period Adjustment

There are no Prior Period Adjustments included in these accounts.

## 8. Note to the Expenditure and Funding Analysis

2022/23 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Category Transfer	Adjustments for Capital Purposes	Net Change for Pensions Adjustment	Other Differences	Total Adjustment
	£'000	£'000	£'000	£'000	£'000
Learning and Skills	(7,969)	(3,872)	7,546	694	(3,601)
Social Services	707	214	3,985	133	5,039
Visible and Housing Services	(2,772)	10,590	2,398	40	10,256
Housing Revenue Account (HRA)	(2,664)	(3,840)	429	11	(6,064)
Place	(807)	1,476	569	21	1,259
Corporate Resources	13,818	793	3,048	74	17,733
Policy	(12,133)	(740)	110	68	(12,695)
Net Cost of Services	<b>(11,820)</b>	<b>4,621</b>	<b>18,085</b>	<b>1,041</b>	<b>11,927</b>
Other Income and Expenditure	11,820	(50,434)	7,239	0	(31,375)
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure statement surplus or deficit	<b>0</b>	<b>(45,813)</b>	<b>25,324</b>	<b>1,041</b>	<b>(19,448)</b>

2023/24 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Category Transfer	Adjustments for Capital Purposes	Net Change for Pensions Adjustment	Other Differences	Total Adjustment
	£'000	£'000	£'000	£'000	£'000
Learning and Skills	(48)	1,144	46	(1,244)	(102)
Social Services	2	298	82	205	587
Visible and Housing Services	(108)	3,496	58	116	3,562
Housing Revenue Account (HRA) Place	(3,054)	(8,730)	4	16	(11,764)
Corporate Resources	0	1,605	(131)	31	1,505
Policy	0	892	85	100	1,077
	(7,217)	1,573	(382)	18	(6,008)
<b>Net Cost of Services</b>	<b>(10,425)</b>	<b>278</b>	<b>(238)</b>	<b>(758)</b>	<b>(11,143)</b>
Other Income and Expenditure	10,425	(43,192)	2,686	0	(30,081)
<b>Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure statement surplus or deficit</b>	<b>0</b>	<b>(42,914)</b>	<b>2,448</b>	<b>(758)</b>	<b>(41,224)</b>

#### Note (i) Adjustments for Capital Purposes

- Depreciation/impairment and revaluation gains and losses are added in.
- Adjustment for disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Statutory Capital Financing charges are deducted (Minimum Revenue Provision).
- Capital Grants and Donations are adjusted for.

#### Note (ii) Net Change for the Pensions Adjustments

This adjustment relates to the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income which means:

- The replacement of the employer pension contributions with current service costs and past service costs.
- The net interest on the defined benefit liability is charged to the Other Income and Expenditure line.

#### Note (iii) Other Differences

- Adjustments are made for accumulated absences.

## 9. Expenditure and Funding Analysis by Nature

<b>31 March 2023</b> <b>£'000</b>		<b>31 March 2024</b> <b>£'000</b>
204,693	Employee Expenditure	198,274
13,020	Employee Expenditure (Aided Schools)	13,605
207,058	Other Service Expenditure	231,885
16,383	Depreciation, Amortisation, Impairments & Other Capital Adjustments	16,647
6,751	Interest Payments	6,723
29,027	Precepts & Levies	31,537
4,339	Loss on Disposal of Non-Current Assets	160
7,239	Interest on net defined benefit liability/ (asset)	2,685
0	Revaluation on Investment Properties	0
88	Trading Deficit	0
<b>488,598</b>	<b>Total Expenditure</b>	<b>501,516</b>
(73,053)	Fees Charges & Other Service Income	(63,913)
(1,703)	Interest, Investment Income and Trading Surplus	(4,100)
(98,495)	Income from Council Tax	(107,464)
(316,822)	Government Grants and Contributions	(332,671)
0	Gains Disposal of Non-Current Assets	0
		(27)
<b>(490,073)</b>	<b>Total Income</b>	<b>(508,175)</b>
<b>(1,475)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(6,659)</b>

## 10. Adjustments between Accounting Basis and Funding Basis under Regulations

Adjustments between Accounting Basis and Funding Basis under Regulations 2022/23	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapp	Mvmt in Unusable Reserves
<b>Adjustments to Revenue Resources</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	42,176	909	0	0	(43,085)
Employers pension contributions and direct payments to pensions payable in the year	(17,426)	(335)	0	0	17,761
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	66	0	0	0	(66)
Holiday pay (transfers to the Accumulated Absences Reserve)	963	11	0	0	(974)
Charges for depreciation/impairment of non-current assets	15,895	1,582	0	0	(17,477)
Revaluation (surplus)/deficit on Property Plant and Equipment	4,043	3,724	0	0	(7,767)
Amortisation of intangible assets	81	0	0	0	(81)
Amounts of non-current assets written off on disposal to CIES	6,069	739	0	0	(6,808)
Revenue Expenditure funded from capital under statute	6,929	1,167	0	0	(8,096)
<b>Total Adjustments to Revenue Resources</b>	<b>58,796</b>	<b>7,797</b>	<b>0</b>	<b>0</b>	<b>(66,593)</b>
<b>Adjustments between Revenue and Capital Resources</b>					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(404)	(2,090)	2,494	0	0
Transfer of non-current asset sale proceeds from revenue to the Deferred Capital Receipts Reserve	0	0	850	0	(850)
Administrative costs of the non-current asset disposals (funded by Capital Receipts Reserve)	23	0	0	0	(23)
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(3,885)	(1,618)	0	0	5,503
Capital Expenditure financed from revenue balances (transferred to the Capital Adjustment Acc.)	(14,600)	(8,696)	0	0	23,296
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>(18,866)</b>	<b>(12,404)</b>	<b>3,344</b>	<b>0</b>	<b>27,926</b>
<b>Adjustments to Capital Resources</b>					
Use of Capital Receipts Reserve to finance capital expenditure	0	0	(4,554)	0	4,554
Application of capital grants to finance capital expenditure	(47,815)	(6,957)	0	2,878	51,894
Cash payments in relation to deferred capital receipts	0	0	0	0	0
<b>Total Adjustments to Capital Resources</b>	<b>(47,815)</b>	<b>(6,957)</b>	<b>(4,554)</b>	<b>2,878</b>	<b>56,448</b>
<b>Total Adjustments</b>	<b>(7,885)</b>	<b>(11,564)</b>	<b>(1,210)</b>	<b>2,878</b>	<b>17,781</b>



Adjustments between Accounting Basis and Funding Basis under Regulations 2023/24	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapp	Mvmt in Unusable Reserves
<b>Adjustments to Revenue Resources</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	20,235	138	0	0	(20,373)
Employers pension contributions and direct payments to pensions payable in the year	(17,847)	-116	0	0	17,963
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	66	0	0	0	(66)
Holiday pay (transfers to the Accumulated Absences Reserve)	(804)	17	0	0	787
Charges for depreciation/impairment of non-current assets	16,077	1,711	0	0	(17,788)
Revaluation (surplus)/deficit on Property Plant and Equipment	(148)	10,179	0	0	(10,031)
Amortisation of intangible assets	87	0	0	0	(87)
Amounts of non-current assets written off on disposal to CIES	863	172	0	0	(1,035)
Revenue Expenditure funded from capital under statute	7,282	257	0	0	(7,539)
<b>Total Adjustments to Revenue Resources</b>	<b>25,811</b>	<b>12,358</b>	<b>0</b>	<b>0</b>	<b>38,169</b>
<b>Adjustments between Revenue and Capital Resources</b>					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(229)	(720)	949	0	0
Transfer of non-current asset sale proceeds from the Deferred Capital Receipts Reserve to Capital Receipts	0	0	0	0	0
Administrative costs of the non-current asset disposals (funded by Capital Receipts Reserve)	74	0	0	0	(74)
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(4,142)	(1,620)	0	0	5,762
Capital Expenditure financed from revenue balances (transferred to the Capital Adjustment Acc.)	(10,147)	(19,256)	0	0	29,403
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>(14,444)</b>	<b>(21,596)</b>	<b>949</b>	<b>0</b>	<b>35,091</b>
<b>Adjustments to Capital Resources</b>					
Use of Capital Receipts Reserve to finance capital expenditure			(3,936)	0	3,936
Application of capital grants to finance capital expenditure	(28,080)	(15,271)	0	(4,043)	47,394
Cash payments in relation to deferred capital receipts					
<b>Total Adjustments to Capital Resources</b>	<b>(28,080)</b>	<b>(15,271)</b>	<b>(3,936)</b>	<b>(4,043)</b>	<b>51,330</b>
<b>Total Adjustments</b>	<b>(16,713)</b>	<b>(24,509)</b>	<b>(2,987)</b>	<b>(4,043)</b>	<b>48,252</b>

## 11. Transfers To/From Earmarked Reserves

This sets out the amounts set aside from the Council Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Council Fund and HRA expenditure in 2023/24.

Restated	31/03/22	Tfr In	Tfr Out	31/03/23	Tfr In	Tfr Out	31/03/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Council Fund</b>							
<b>Council Fund</b> – General Fund set aside to support Council Services	12,510	0	(987)	11,523	0	(417)	11,106
<b>Earmarked Reserves</b>							
<b>Insurance Fund</b> - Covers an estimate of potential claims (those estimated to have occurred but not reported as at 31 March 2024). These would include claims for public and employers liability, motor vehicle, buildings insurance costs.	4,529	373	(25)	4,877	0	(0)	4,877
<b>School Reserves</b>							
<b>School Reserves-</b> Under Local Government Management of Schools, schools are able to carry forward surpluses and deficits. These are ringfenced for schools.	12,915	582	(6516)	6,982	889	(5,562)	2309
<b>Other Schools Reserves –</b> Other ringfenced schools reserves such as Hwb, 3G Pitch and Catering Equipment.	410	461	(111)	760	509	(411)	859
<b>Provision for School Deficits</b> – New reserve established to offset School Deficits in 2024/25.	0	0	0	0	2,000	0	2,000
<b>Service Specific Reserves</b>							
<b>Learning and Skills Reserves</b> - Includes Earmarked Reserves for Education Improvements and Pressures and Libraries and Communities	4,084	3,163	(3301)	3,946	94	(1,812)	2,228
<b>Social Services Reserves</b> - To cover additional burdens on the Authority due to changes in Legislation, High Cost Placements and Service Development.	13,148	2,400	(5,536)	10,012	3,000	(7,198)	5,814

Restated	31/03/22	Tfr In	Tfr Out	31/03/23	Tfr In	Tfr Out	31/03/24
<b>Earmarked Reserves</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Neighbourhood Services Reserve</b> – Service specific reserves to fund both Revenue and Capital schemes for the Neighbourhood Service area.	4,534	724	(2,181)	3,077	0	(10)	3,067
<b>Place Reserve</b> – Service specific reserves to fund both Revenue and Capital schemes for services such as Sustainable Development and Regeneration.	2,316	914	(1,328)	1,902	179	(160)	1,921
<b>Corporate Resources Reserve</b> – Specific funds for development and project schemes in the Corporate Resources Directorate.	821	947	(1,034)	734	0	(205)	528
<b>Other Service Reserves</b> – Other ringfenced service reserves such as Building Services and Elections	1,959	341	(675)	1,625	364	(125)	1,863
<b>Other Corporate</b> – Other Corporate Reserves including sums set aside for Corporate Resources trainees, Building Control and Regulatory Services.	1,100	20	(279)	841	14	(157)	698
<b>Donations</b> –Donated funds predominantly for Care Homes and Country Parks.	52	7	(2)	60	9	(0)	69
<b>Other Temporary Grant Funding Reserves</b> – Utilised as part of the Covid and Cost of Living Response fully utilised in 2022/23	3,370	0	(3,370)	0	0	0	0
<b>Risk and Smoothing Reserves</b>							
<b>Homelessness and Housing Reserve</b> – Reserve set aside to support Housing and Homelessness Strategy including sums for resettlement.	965	4,348	(858)	4,455	1,193	(199)	5,449
<b>Cost of Living</b> – Reserve utilised to fund the Council's Cost of Living response including funding for Free School Meals and Additional Citizen's Advice Funding.	899	0	(45)	854	0	(483)	371
<b>Pay Pressures</b> – Reservice utilised to manage risk associated with the Council's pay awards and redundancy and early retirement costs.	1,804	3,853	(1,489)	4,168	61	(361)	3,868

Restated	31/03/22	Tfr In	Tfr Out	31/03/23	Tfr In	Tfr Out	31/03/24
<b>Earmarked Reserves</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Energy Pressures</b> – Reserve utilised to manage and smooth additional energy costs as well as fund Decarbonisation schemes.	0	3,885	0	3,885	0	(2,400)	1,485
<b>Legal</b> – Reserve utilised to offset significant legal costs or changes across services including associated with Care Proceedings.	2,211	130	(341)	2,000	0	(160)	1,840
<b>Project Zero and Ash Die Back</b> – Ringfenced reserves to fund energy savings and decarbonisation schemes and address the impact of Ash Die back across the Council's estates.	1,943	751	(935)	1,759	0	(830)	929
<b>Energy Management Fund</b> – Ringfenced funded for decarbonisation schemes	290	110	(241)	159	322	(41)	440
<b>Investment and Growth Fund</b> – Funds reallocated	2,354	0	0	2,354	0	(2,353)	1
<b>Reshaping, Risk and Investment</b> -Funding for Transformational and Invest to Save schemes	514	2,159	(150)	2,523	52	0	2,575
<b>Corporate Landlord</b> – To support the maintenance and emerging pressures associated with the Council's buildings	5,465	1,509	(1,267)	5,707	0	(760)	4,947
<b>Digital Reshaping</b> - To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services Digital Programme.	2,952	1,322	(2,742)	1,532	11	(131)	1,412
<b>Budget Risk</b> – Funds set aside to mitigate the budget risk for 2024/25.	0	0	0	0	1,000	0	1,000
<b>Capital Reserves</b>							
<b>Capital Committed Schemes and Other Amalgamated Capital Reserves</b> – Funds Committed for Capital Programme schemes	7,953	1,993	(4,108)	5,838	626	(2,320)	4,144
<b>School Investment Strategy Reserve</b> – Reserve set aside to contribute towards Sustainable Communities for Learning Programme.	8,038	306	(6,448)	1,896	290	(1,054)	1,132
<b>Waste Transfer Station</b> - Funds to support the establishment of a Waste Transfer Station	2,347	0	(1,456)	891	0	(847)	44

Restated	31/03/22	Tfr In	Tfr Out	31/03/23	Tfr In	Tfr Out	31/03/24
<b>Earmarked Reserves</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Gypsy Traveller Study and Site Provision</b> – Reallocated to Homelessness and Housing Reserve	1,049	0	(1,049)	0	0	0	0
<b>Telecare</b> -Replacement fund for Telecare	862	181	0	1,043	0	(30)	1,013
<b>Social Service Vehicles and Licences</b> – Ringfenced funding to support decarbonisation and recruitment in the Social Care Sector	408	0	0	408	0	(67)	341
<b>City Deal</b> -This reserve has been reallocated in year.	1,898	0	0	1,898	0	(1,898)	0
<b>Vehicle Repairs and Renewals</b> - For the replacement of plant and vehicles.	1,523	1,221	(771)	1,973	1,312	(1,666)	1,618
<b>Country Park Capital Schemes</b> – Earmarked funding for Country Park Capital Schemes	336	77	(276)	137	150	0	287
<b>Capital Grants</b> – Reserve utilised to displace funds as part of Welsh Government Capital Grant Schemes.	3,825	3,869	(3,507)	4,185	365	(4,015)	535
<b>Independent Living Reserve</b> – Funds set earmarked to support the Council's Independent Living Policy	0	0	0	0	500	0	500
<b>Capital Regeneration and Levelling Up</b> – Funds set aside for Levelling up and wider Capital Regeneration	395	0	(395)	0	1,458	0	1,458
<b>Sub Total Earmarked Reserves</b>	97,269	35,646	(50,436)	82,481	14,398	(35,255)	61,621
<b>Joint Committee Reserves</b>	988	1396	0	2384		(328)	2,056
<b>Sub Total Earmarked Reserves Incl Joint Committees</b>	<b>98,257</b>	<b>37,042</b>	<b>(50,436)</b>	<b>84,865</b>	<b>14,398</b>	<b>(35,583)</b>	<b>63,680</b>
<b>Housing Revenue Account Reserve</b>	17,439	0	(953)	16,486	0	(12,961)	3,525
<b>Total Funds and Earmarked Reserves</b>	<b>128,206</b>	<b>37,042</b>	<b>(52,376)</b>	<b>112,874</b>	<b>14,398</b>	<b>(48,961)</b>	<b>78,311</b>

## 12. Revenue Support Grant

The amount of Revenue Support Grant recorded as income is a total figure of £160.013m.

### 13. Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into 9 valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for The Vale of Glamorgan Council and the Police and Crime Commissioner for South Wales (£20.226m) and Town and Community Councils (£3.407m) for the forthcoming year and dividing this amount by the council tax base. The Council Tax base is the number of properties in each band adjusted by a proportion to convert the number to a band D equivalent, totaled across all bands for 2023/24.

This basic amount for a band D property £1,464.75 (£1,396.35 in 2022/23) is multiplied by the proportion specified for the particular band to give the individual amount due.

Council Tax bills were based on the following proportions for Bands A to I for 2023/24:

Council Tax Band	Proportion	No. of Properties
Band A	0.67	1,447
Band B	0.78	6,484
Band C	0.89	14,327
Band D	1.00	11,706
Band E	1.22	10,620
Band F	1.44	7,634
Band G	1.67	5,860
Band H	2.00	2,262
Band I	2.33	1,057
		61,397

Council Tax collectable in 2023/24 can be calculated as:

	2022/23 £'000	2023/24 £'000
Council Tax Collectable	111,101	118,198
Council Tax Reduction Scheme and Care Leaver Provision for non payment of Council Tax	(11,073)	(11,502)
<b>Amount Due From Taxpayers Before Rebates</b>	<b>98,495</b>	<b>107,464</b>
Allocated to:		
South Wales Police Precept	18,724	20,226
Vale of Glamorgan County Council	87,574	95,333
Council Tax Reduction Scheme and Care Leaver	(11,073)	(11,502)

Town and Community Councils Precepts	3,270	3,407
<b>Total</b>	<b>98,495</b>	<b>107,464</b>

#### 14. National Non-Domestic Rates

NNDR is organised on a national basis. The Government specifies an amount, 53.5p in 2022/23 and this remained frozen at 53.5p in 2023/24 and local businesses pay rates calculated by multiplying their rateable value by that amount.

The Council collects rates due from the ratepayers in its area but pays the proceeds into an NNDR pool administered by the Welsh Government. The sums paid into the pool are redistributed back to local authorities' Council Funds on the basis of a fixed amount per head of population. The Council received £42.784m in 2023/24 (£47.950m in 2022/23).

The NNDR billed to ratepayers, after reliefs etc. was £29,506,173.18 for 2023/24 (£31,801,061 in 2022/23) and was based on year end rateable value for both 2023/24 at 31/03/24 being £80,593,958 and 2022/23 at 31/03/23 being £79,927,638. The NNDR net collectable debit was reduced largely due to the increase in the RHLRR Scheme award between 2022/23 and 2023/24 (increase from 50% to 75%).

#### 15. Property, Plant and Equipment

Movement on Balance in 2022/23	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Community Asset	Assets under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation as at 1 April 2022</b>	<b>187,991</b>	<b>469,957</b>	<b>32,157</b>	<b>3,868</b>	<b>13,475</b>	<b>3,236</b>	<b>710,684</b>
Additions	5,742	18,973	5,664	0	35,250	0	65,629
Joint Committee Additions	0	13	141	0	53	0	207
Derecognition of accumulated depreciation & impairment to GCA	(1,404)	(7,754)	0	0	0	0	(9,158)
Revaluation increase	7,185	8,204	0	0	0	0	15,389
Disposals	(73)	(1,059)	(1,675)	0	0	0	(2,807)
Transfers between asset classes	5,249	3,698	0	0	(8,947)	0	0
Assets reclassified (to) held for sale	0	0	0	0	0	0	0
<b>Cost or Valuation as at 31 March 2023</b>	<b>204,690</b>	<b>492,032</b>	<b>36,287</b>	<b>3,868</b>	<b>39,831</b>	<b>3,236</b>	<b>779,944</b>
<b>Accumulated depreciation and impairment as at 1 April 2022</b>	<b>(6)</b>	<b>(212)</b>	<b>(16,031)</b>	<b>0</b>	<b>0</b>	<b>(36)</b>	<b>(16,285)</b>
Depreciation charge	(1,404)	(8,151)	(3,815)	0	0	0	(13,370)
Derecognition of accumulated depreciation to GCA	1,404	7,754	0	0	0	0	9,158
Impairment Losses	0	(61)	3	0	0	0	(58)
Transfers between asset classes	0	0	0	0	0	0	0

Disposals	5	5	1,632	0	0	0	1,642
<b>Accumulated Depreciation and Impairment as at 31 March 2023</b>	<b>(1)</b>	<b>(665)</b>	<b>(18,211)</b>	<b>0</b>	<b>0</b>	<b>(36)</b>	<b>(18,913)</b>
<b>Net Book Value 2022/23</b>							
	<b>Council Dwellings</b>	<b>Land &amp; Buildings</b>	<b>Vehicle Plant &amp; Equipment</b>	<b>Community Asset</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>Total</b>
<b>At 31 March 2022</b>	<b>187,985</b>	<b>469,745</b>	<b>16,126</b>	<b>3,868</b>	<b>13,475</b>	<b>3,200</b>	<b>694,399</b>
<b>At 31 March 2023</b>	<b>204,689</b>	<b>491,367</b>	<b>18,076</b>	<b>3,868</b>	<b>39,831</b>	<b>3,200</b>	<b>761,031</b>

<b>Movement on Balance in 2023/24</b>							
	<b>Council Dwellings</b>	<b>Land &amp; Buildings</b>	<b>Vehicle Plant &amp; Equipment</b>	<b>Community Asset</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or Valuation as at 1 April 2023</b>	<b>204,690</b>	<b>492,032</b>	<b>36,287</b>	<b>3,868</b>	<b>39,831</b>	<b>3,236</b>	<b>779,944</b>
Additions	11,745	30,422	4,171	0	24,143	0	70,481
Joint Committee Additions	0	0	5	0	567	0	572
Derecognition of accumulated depreciation & impairment to GCA	(1,514)	(7,785)	(3)	0	0	(48)	(9,350)
Revaluation increase/(decrease)	(6,962)	11,212	0	0	0	17	4,267
Disposals	0	(1,029)	(1,545)	0	0	0	(2,574)
Transfers between asset classes	5,201	21,380	0	0	(27,185)	526	(78)
Assets reclassified (to) held for sale	0	(23)	0	0	0	(600)	(623)
<b>Cost or Valuation as at 31 March 2024</b>	<b>213,160</b>	<b>546,209</b>	<b>38,915</b>	<b>3,868</b>	<b>37,356</b>	<b>3,131</b>	<b>842,639</b>
<b>Accumulated depreciation and impairment as at 1 April 2023</b>	<b>(1)</b>	<b>(665)</b>	<b>(18,211)</b>	<b>0</b>	<b>0</b>	<b>(36)</b>	<b>(18,913)</b>
Depreciation charge	(1,514)	(8,268)	(4,558)	0	0	0	(14,340)
Derecognition of accumulated depreciation to GCA	1,514	7,785	3	0	0	48	9,350
Impairment Losses	0	(95)	0	0	0	0	(95)
Transfers between asset classes	0	11	0	0	0	(11)	0
Disposals	0	24	1,515	0	0	0	1,539
<b>Accumulated Depreciation and Impairment as at 31 March 2024</b>	<b>(1)</b>	<b>(1,208)</b>	<b>(21,251)</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>(22,459)</b>
<b>Net Book Value 2023/24</b>							
	<b>Council Dwellings</b>	<b>Land &amp; Buildings</b>	<b>Vehicle Plant &amp; Equipment</b>	<b>Community Asset</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>Total</b>
<b>At 31 March 2023</b>	<b>204,689</b>	<b>491,367</b>	<b>18,076</b>	<b>3,868</b>	<b>39,831</b>	<b>3,200</b>	<b>761,031</b>
<b>At 31 March 2024</b>	<b>213,159</b>	<b>545,001</b>	<b>17,664</b>	<b>3,868</b>	<b>37,356</b>	<b>3,132</b>	<b>820,180</b>



## Infrastructure Assets

In accordance with the temporary relief that has been offered by the update to the 2023/24 Code on accounting for Infrastructure Assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices mean that this would not accurately represent an accurate asset position to the user of the financial statements.

The Council has chose not to disclose this information as the information available would not provide an accurate basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The Council has determined in accordance with Regulation 24L Wales of the Local Authorities (Capital Finance as Accounting) (Wales) Regulations 2003 (as amended) that the carrying amounts to be derecognised when there is replacement expenditure is nil. The Infrastructure Assets Net Book Value is set out in the table below:

<b>Infrastructure Net Book Value</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net Book Value 1 April</b>	<b>127,842</b>	<b>126,466</b>
Additions	8,352	11,050
Disposals	(10,946)	0
Depreciation charge	(4,074)	(3,381)
Depreciation Disposal	5,293	0
<b>Net Book Value 31 March</b>	<b>126,466</b>	<b>134,135</b>

Infrastructure Assets are not disclosed separately on the Balance Sheet, a reconciliation of the Property Plant & Equipment amount held on the Balance Sheet is set out in the table below.

<b>Reconciliation to Balance Sheet</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Infrastructure Assets	126,466	134,135
Other Property, Plant and Equipment	761,031	820,180
<b>Total Property Plant and Equipment Assets</b>	<b>887,497</b>	<b>954,316</b>

## Depreciation

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

Asset Class	Indicative Asset Life
Council Dwellings	50 years
Other Land and Buildings	3-125 years
Vehicles Plant and Equipment	2-18 years
Infrastructure	40 years
Intangible Assets	5 years

## Capital Commitments

At 31 March 2024, the Authority has entered into a number of contracts for the construction, or enhancement of property, plant and equipment which will continue into 2024/25 and future years. Similar commitments at the 31<sup>st</sup> March 2023 were £28.420m. The major commitments are listed below.

<b>Scheme</b>	<b>£'000</b>
Sustainable Communities for Learning	21,959
Other Education Schemes	1,304
Social Services Schemes	132
Housing Schemes	12,505
Highways and Transport Schemes	500
Leisure Schemes	805
Flood Schemes	397
Vehicles	1,414
Place Schemes	575
Resources Schemes	335
<b>Total</b>	<b>39,926</b>

## Revaluations

The Council Dwellings and Other Land and Buildings etc. are revalued on a rolling 5 year programme by a MRICS external valuer.

<b>Asset Class</b>	<b>Most Recent Valuation</b>	<b>Valuation Completed By</b>	<b>Next Valuation Due</b>
Surplus Assets (Reviewed annually)	2023/24	FRICS valuer Avison Young	2024/25
Council Dwellings	2023/24	Savills	2028/29
Schools and Social Service Assets	2022/23 DRC assets revalued 2023/24	FRICS valuer Avison Young	2027/28
Other Land and Buildings	2022/23 DRC assets revalued 2023/24	FRICS valuer Avison Young	2027/28

The Housing Revenue Account Council Dwelling assets have been revalued following a review of the Beacons used for the asset base. This valuation has been carried out by a RICS qualified valuer from Savills using a Beacon approach. The valuation incorporates the 771 garages included in the Housing Revenue Account

which are shown against Land and Buildings, they also include the new build development at Hayes Wood Road and St Cyres Road.

In addition due to the materiality uncertainty that continued to be applied to the other services Land and Building assets and in response to concerns expressed in the context of rising construction costs by Audit Wales a desktop valuation was performed by a RICs qualified valuer from Avison Young during 2023/24 for assets valued on a Depreciated Replacement Cost. The impact of rising construction costs was considered to be particularly significant for assets which are typically valued on a depreciated replacement cost (DRC) basis which reflect the cost of construction for a similar asset.

A number of new build schemes were completed during 2023/24 and these assets were also revalued upon transfer from the Asset Under Construction Account by a RICs valued from Avison Young.

Therefore a significant proportion of the Council's asset base has been subject to revaluation during the 2023/24 financial year. Whereas land asset values have typically remained unchanged the majority of building assets particularly those valued on a DRC basis have increased in value. The valuations are set out in Note 16 to the accounts Property Plant and Equipment.

### Impairment

The Council asked key staff to identify any assets that need to be reviewed for impairment, and no assets were identified as part of this process.

When general fund capital expenditure is complete, a review is carried out by a RICS valuer working for Avison Young for all expenditure in excess of £250k to determine how much of this expenditure results in either an increase in asset value or an impairment. As a significant proportion of assets subject to Capital Expenditure during 2023/24 were subject to revaluation as at 31<sup>st</sup> March 2024 there are minimal impairments.

### Retentions

As at the 31 March 2024 £2.332m (£1.851m as at 31 March 2023) has been deducted from payments to contractors to protect the Authority from situations such as the contractor going bankrupt during the defects liability period. Normally a proportion of the retention is paid on practical completion; the balance following the defects liability period stipulated in the contract, subject to any defects being made good.

### Heritage Assets

The Authority has reviewed its assets and given consideration to the presentation of those assets that would have a heritage connection. The Council considers that it

does not hold any material distinct assets that could be classed as heritage assets. In addition the Authority holds a number of items that can be grouped under the heading 'civic regalia'; which are used on ceremonial occasions during the Council's year. There is no known value for 'civic regalia' as at 31 March 2024 (although it is unlikely to be significant). It was felt that any external valuation costs of 'civic regalia' would not be cost effective compared to the benefits to the users of the Authority's financial statement. Taking account of this 'civic regalia' has not been recognised as a Heritage Asset in the Balance Sheet.

## 16. Fair Value Hierarchy – Surplus Assets

Fair Value Measurements Surplus Assets	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£'000	£'000	£'000	£'000
Total 31st March 2023	0	3,200	0	3,200
Total 31st March 2024	0	3,132	0	3,132

### Transfers between levels of the Fair Value Hierarchy

There were no movements in the valuation hierarchy during 2023/24.

### Valuation Techniques used to Determine Level 2 and 3 Fair Values

The Valuation of Surplus Assets was carried out by a RICS qualified external valuer, Avison Young. The Valuation techniques considered comparable resale and new build properties in the area. The Valuer considered Leisure/Retail, Commercial and Residential possibilities in addition to planning considerations.

## 17. Assets Held for Sale

	2022/23	2023/24
	£'000	£'000
Llancarfan former school site	0	600
119 Broad Street, Barry (Citizens Advice Bureau)	0	23
<b>Total Assets Held for Sale</b>	<b>0</b>	<b>623</b>

## 18. Capital Expenditure and Capital Financing

	2022/23	2023/24
	£'000	£'000
<b>Opening Capital Financing Requirement</b>	<b>197,674</b>	<b>195,622</b>
<b>Plus: Capital Investment</b>		
Council Dwellings	5,742	11,745
Other Land and Buildings	18,973	30,422
Vehicle, Plant and Equipment	5,649	4,171

Infrastructure	8,352	10,971
Assets Under Construction	35,250	24,178
Disposal and Demolition Costs	23	74
Community Assets	0	0
Intangible Assets	61	35
Revenue Expenditure Funded from Capital under Statute	6,741	7,024
<b>Less: Sources of Finance</b>		
Capital Receipts	(4,554)	(3,936)
Government Grants and Other Contributions	(49,502)	(46,347)
<b>Less: Sums set aside from revenue</b>		
Direct Revenue Contributions	(23,284)	(29,399)
Minimum Revenue Provision( inc. Voluntary)	(5,503)	(5,768)
<b>Closing Capital Financing Requirement</b>	<b>195,622</b>	<b>198,792</b>
<b>Explanation of movements in year</b>		
Increase /(Decrease) in underlying need to borrow (unsupported by Government Financial Assistance)	(2,052)	3,170
<b>Increase /(Decrease) in Capital Financing Requirement</b>	<b>(2,052)</b>	<b>3,170</b>

The above excludes Capital Adjustments for the consolidated share of the City Deal Joint Committee, Revenue Expenditure Funded from Capital under Statute (£481k) and Capital Grants (£1.047m).

## 19. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet;

	Long Term		Short Term	
	31/03/23	31/03/24	31/03/23	31/03/24
	£'000	£'000	£'000	£'000
<b>Financial Assets at Amortised Cost</b>				
Investments	2	2	83,729	28,439
Debtors	5,941	4,904	52,244	48,087
Cash and Cash Equivalents	0	0	19,552	13,280
<b>Total Financial Assets</b>	<b>5,943</b>	<b>4,906</b>	<b>155,525</b>	<b>89,806</b>
<b>Financial Liabilities at Amortised cost</b>				
Borrowings	138,144	135,786	11,267	8,568
Creditors	10,013	10,199	57,526	44,096
<b>Total Financial Liabilities</b>	<b>148,157</b>	<b>145,985</b>	<b>68,793</b>	<b>52,664</b>

- The above short term debtors balance at 31<sup>st</sup> March 2024 excludes £13.053m of non contractual balances (£9.858m in 2022/23) that do not meet the definition of financial assets at amortised cost.
- The above short term creditors balance at 31<sup>st</sup> March 2024 excludes £1.324m of non contractual balances (£1.226m in 2022/23) that do not meet the definition of financial liabilities at amortised cost.

<b>Financial Liabilities at Amortised Cost (Borrowing) Reconciliation</b>	<b>PWLB</b>	<b>Market Loans</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Principal Amount	137,076	4,000	2,237	143,313
Accruals	1,089	18	0	1,107
Other Accounting Adjustments	0	104	(170)	(66)
<b>Total Borrowing measured at Amortised Cost</b>	<b>138,165</b>	<b>4,122</b>	<b>2,067</b>	<b>144,354</b>
Short Term Borrowing	8,212	18	338	8,568
Long Term Borrowing	129,953	4,104	1,729	135,786
<b>Financial Liabilities at Amortised Cost</b>	<b>138,165</b>	<b>4,122</b>	<b>2,067</b>	<b>144,354</b>

#### Income, Expense, Gains and Losses

<b>2022/23</b>		<b>2023/24</b>			
<b>Total</b>		Financial Liabilities measured at Amortised cost	Financial Assets: Amortised Cost	Financial Assets: Fair Value through Profit and Loss	Total
£'000		£'000	£'000	£'000	£'000
(6,768)	Interest Expense	(6,723)	0	0	(6,723)
<b>(6,768)</b>	<b>Total Expense in Deficit on the Provision of Services</b>	<b>(6,723)</b>	<b>0</b>	<b>0</b>	<b>(6,723)</b>
1,703	Interest Income	4,100	0	0	4,100
<b>1,703</b>	<b>Total Income in Deficit on the Provision of Services</b>	<b>4,100</b>	<b>0</b>	<b>0</b>	<b>4,100</b>
<b>(5,065)</b>	<b>Net gains/losses from financial instruments</b>	<b>(2,623)</b>	<b>0</b>	<b>0</b>	<b>(2,623)</b>

### Fair Value of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables and long term debtors and creditors are carried in the Balance Sheet at amortised cost.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Estimated interest rates at 31 March 2024 are the PWLB / market set of rates in force on that date;
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value;
- The fair value of trade and other receivables is taken to be invoiced or billed amount.

Short Term Debtors and Creditors are carried at cost as this is a fair approximation of their value. The fair values calculated are as follows:

	Loan Principal 31 March 2023	Carrying Amount 31 March 2023	Fair Value 31 March 2023	Loan Principal 31 March 2024	Carrying Amount 31 March 2024	Fair Value 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Liabilities	148,483	149,411	146,217	143,512	144,352	135,484

The fair values as at 31 March 2023 and 2024 do not include Joint Committee Liabilities.

The fair value is higher 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 at the balance sheet date. This commitment to pay interest above current market rates increases the amount that the Authority would have to pay if the lender requested or agreed to early repayment of the loans.

### Fair Value Hierarchy for Financial Instruments that are not measured at Fair Value

Recurring Fair Value Measurements using;	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£'000	£'000	£'000	£'000
As at 31 <sup>st</sup> March 2023				
Financial Liabilities	0	146,217	0	146,217
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
<b>Total</b>	<b>0</b>	<b>146,217</b>	<b>0</b>	<b>146,217</b>
Recurring Fair Value Measurements using;	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£'000	£'000	£'000	£'000
As at 31 <sup>st</sup> March 2024				
Financial Liabilities	0	135,484	0	135,484
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
<b>Total</b>	<b>0</b>	<b>135,484</b>	<b>0</b>	<b>135,484</b>

### Valuation Techniques used to Determine Level 2 and 3 Fair Values

Level 2 valuations for Market Loans including LOBOs have been calculated by Link Asset Management Limited and incorporate PWLB rates and discussions with possible new market participants for Local Authority borrowing. The Level 2 valuations for PWLB have also been calculated by Link Asset Management Limited utilising data available on the Debt Management Office website.

### 20. Debtors

	31 March 2023 Restated	31 March 2024
	£'000	£'000
Central government bodies	33,231	29,083
Other local authorities	14,022	8,572
NHS bodies	2,249	5,013
Council Tax Payers	5,043	6,794
General	16,134	21,144
Provision for Bad Debts	(8,577)	(9,466)
<b>Gross Total</b>	<b>62,102</b>	<b>61,140</b>



## 21. Cash and Cash Equivalents

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

31/03/2023		31/03/2024
£'000		£'000
4,103	Cash held by the Authority and at Bank	2,529
4,429	Joint Committee Cash	4,054
11,020	Short-term Investment	6,697
<b>19,552</b>	<b>Total Cash and Cash Equivalents</b>	<b>13,280</b>

## 22. Creditors

31/3/2023 Restated		31/3/2024
£'000		£'000
6,354	Central government bodies	1,868
10,273	Other local authorities	9,844
377	NHS bodies	1,072
35,272	General	26,862
1,225	Prepayments of Council Tax	1,325
622	Receipts in advance	609
4,629	Accumulated absences	3,840
<b>58,752</b>	<b>Total</b>	<b>45,420</b>

## 23. Provisions

	Insurance £'000	MMI £'000	Other £'000	Total £'000
<b>Balance at 1 April 2022</b>	<b>1,402</b>	<b>368</b>	<b>338</b>	<b>2,108</b>
Additional provisions made	24	0	25	49
Amounts used / Transfer out	0	0	0	0
<b>Balance at 1 April 2023</b>	<b>1,426</b>	<b>368</b>	<b>363</b>	<b>2,157</b>
Additional provisions made	110	9	0	119
Amounts used / Transfer out	0	0	0	0
<b>Balance at 1 April 2024</b>	<b>1,536</b>	<b>377</b>	<b>363</b>	<b>2,276</b>

The closing provision balance of £2.276m is made up of £741k considered to be long term and £1.536m expected to fall due within 12 months.

1. Insurance - This provision covers all known claims as at 31 March 2024. These include provisions for public and employers liability, motor vehicle, buildings plus a number of risks insured internally, which cannot be covered economically by conventional external insurance. The excesses for 2023/24 are £75,000 for all

property claims, £25k on fidelity guarantee covering internal and external fraud, £1k on computers and £175k on all other claim types.

2. MMI - The Scheme administrators may well require the Authority to contribute a further levy. A total of £377k has been set aside to meet this potential liability. Further information is included within note 39 - Contingent Liability.
3. Other - Included within this figure is a sum of £128k for Housing Committed Bonds and £234k in respect of the Vale of Glamorgan Council's share of the City Deal accounts.

#### 24. Other Long Term Liabilities

An analysis of Other Liabilities that will not be settled for 12 months is given in the following table:

31/03/23		31/03/24
£'000		£'000
3,712	City Deal Joint Committee	3,712
1,619	Welsh Government Home Improvement Loans	1,725
1,346	Welsh Government Town Centre Improvement Loans	300
3,336	Long Term Receipts in Advance including commuted sums and S278 contributions	4,462
<b>10,013</b>	<b>Total</b>	<b>10,199</b>

Section 278 contributions relate to agreements between Developers and LA's to make permanent alterations or improvements to the highway in line with a planning decision.

#### 25. Usable Reserves

31/03/23		31/03/24
£'000		£'000
11,523	Council Fund	11,106
84,865	Earmarked General Fund Reserves	63,680
16,486	Housing Revenue Account	3,525
10,634	Capital Receipts Reserve	7,647
7,429	Capital Grants Unapplied Account	3,386
<b>130,937</b>	<b>Total Usable Reserves</b>	<b>89,344</b>

An analysis of the Earmarked General Fund Reserves are shown in note 0.

#### 26. Unusable Reserves

31/03/23		31/03/24
£'000		£'000
137,305	Revaluation Reserve	149,019
559,180	Capital Adjustment Account	611,685

(173)	Financial Instruments Adjustment Account	(240)
11	Deferred Capital Receipts Reserve	11
(64,630)	Pensions Reserve	(10,522)
(4,627)	Accumulated Absences Account	(3,840)
627,066	<b>Total Unusable Reserves</b>	<b>746,113</b>

### Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from its Property, Plant and Equipment and Intangible Assets.

2022/23	Revaluation Reserve	2023/24
£'000		£'000
<b>116,370</b>	<b>Balance at 1 April</b>	<b>137,305</b>
(2,909)	Downward revaluation of assets and Impairment losses not charged to the Provision of Services	(6,749)
26,034	Upward revaluation of assets	21,028
(1,729)	Difference between fair value depreciation and historical cost depreciation	(1,911)
(461)	Amount written off to the Capital Adjustment Account following disposal	(654)
<b>137,305</b>	<b>Balance at 31 March</b>	<b>149,019</b>

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.

### 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 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.

Restated 2022/23	Capital Adjustment Account	2023/24
£'000		£'000
<b>511,993</b>	<b>Balance at 1 April</b>	<b>559,180</b>
	<b>Reversal of items relating to capital expenditure debited or credited to the CIES</b>	

(17,477)	Charges for depreciation and impairment of non current assets	(17,797)
(81)	Amortisation of intangible assets	(87)
(8,096)	Revenue expenditure funded from capital under statute	(7,539)
(6,832)	Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(1,109)
(5,575)	Other (Adjusting amounts written out of the Revaluation Reserve etc.)	(7,465)
	<b>Capital financing applied in year:</b>	
4,554	Use of the Capital Receipts Reserve to finance new capital expenditure	3,936
2,773	Use of the Major Repairs Reserve to finance new capital expenditure	2,770
49,121	Capital grants and contributions credited to the CIES that have been applied to capital financing	40,581
0	Application of grants to capital financing from the Government Grants Unapplied Account	4,043
5,503	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	5,768
23,297	Capital Expenditure charged against the Council Fund and HRA balances	29,404
<b>559,180</b>	<b>Balance at 31 March</b>	<b>611,685</b>

### Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

2022/23	Financial Instruments Account	2023/24
£'000		£'000
(107)	<b>Balance at 1 April</b>	(173)
(66)	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(67)
<b>(173)</b>	<b>Balance at 31 March</b>	<b>(240)</b>

### 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.

2022/23	The Pensions Reserve	2023/24
£'000		£'000
(276,615)	<b>Balance at 1 April</b>	<b>(64,630)</b>
237,308	Remeasurements of the net defined benefit liability	56,517
0	Adjustment against the net defined benefit liability for the McCloud Ruling	0
(43,084)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(20,372)
17,761	Employer's pension contributions and direct payments to pensioners payable in the year	17,963
<b>(64,630)</b>	<b>Balance at 31 March</b>	<b>(10,522)</b>

An analysis of the Pension Reserve by pension fund is set out below. An analysis of the actuarial calculation of the Vale of Glamorgan Council Pension fund at 31<sup>st</sup> March 2024 is included in note 38 to the accounts.

2022/23	Pension Reserve by Pension Fund	2023/24
£'000		£'000
(64,159)	Vale of Glamorgan Council	(11,090)
(550)	Foundation School	10
(709)	Joint Committee Shared Regulatory Services	(148)
(81)	Joint Committee Vale, Valleys and Cardiff Regional Adoption Service	(27)
869	Joint Committee Central South Consortium	733
<b>(64,630)</b>	<b>Balance at 31 March</b>	<b>(10,522)</b>

#### Deferred Capital Receipts Reserve

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

2022/23	Deferred Capital Receipts Reserve	2023/24
£'000		£'000
<b>861</b>	<b>Balance at 1 April</b>	<b>11</b>
(850)	Transfer of Deferred Capital Receipt	0
<b>11</b>	<b>Balance at 31 March</b>	<b>11</b>

## Accumulated Absences Account

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

2022/23	Accumulated Absences Account	2023/24
£'000		£'000
(3,652)	<b>Balance at 1 April</b>	<b>(4,627)</b>
(4,627)	Amounts accrued at the end of the current year	(3,840)
3,652	Amount by which officer remuneration charged to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements.	4,627
<b>(4,627)</b>	<b>Balance at 31 March</b>	<b>(3,840)</b>

## 27. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2022/23		2023/24
£'000		£'000
1,661	Interest Received	3,992
(6,531)	Interest Paid	(6,648)
304	Dividends Received	0

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2022/23		2023/24
£'000		£'000
25,241	Depreciation and Impairment and Downward Valuations	27,822
81	Amortisation	87
9,818	Increase / (Decrease) in creditors	(11,949)
(119)	(Increase) / Decrease in debtors	1,951
(112)	(Increase) / Decrease in inventories	(247)
25,324	Movement in pension liability	2,410
(1,057)	Other non-cash items charged to the net surplus or deficit on the provision of services	1,109
6,832	Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	(1,598)
<b>66,008</b>	<b>Adjustments to net surplus or deficit on the provision of services for non-cash movements.</b>	<b>19,585</b>

## 28. Members Allowances

The Authority paid the following amounts to members of the Council during the year. This includes payments to Co-opted Members.

	2022/23	2023/24
	£'000	£'000
Salaries	892	973
Allowances	250	252
Expenses	1	1
<b>Total</b>	<b>1,143</b>	<b>1,226</b>

## 29. External Audit Costs

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

	2022/23	2023/24
	£'000	£'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	197	209
Fees payable to Audit Wales in respect of performance audit	106	112
Fees payable to Audit Wales for the certification of grant claims and returns	60	45
<b>Total</b>	<b>363</b>	<b>366</b>

## 30. Employees Emoluments

### Remuneration Ratio

The remuneration ratio is arrived at by taking the median amount of remuneration for 2023/24 for all Vale of Glamorgan employees (excluding those employed by a Voluntary Aided or Foundation School) as at 31<sup>st</sup> March 2024. This Median remuneration is then compared to the annualised remuneration for the Head of Paid Service in the Council which is the Chief Executive. In 2023/24 the remuneration ratio is 1:5 and in 2022/23 the remuneration ratio was 1:5

### Officers remunerated in excess of £60,000

There is no Returning Officer remuneration for the period shown below.

Senior Officers whose remuneration is included in the senior officers emoluments disclosure are also included in the bandings table. Staff employed by a voluntary aided or Roman Catholic aided schools are excluded from the remuneration bandings calculation.

The number of employees whose remuneration excluding employer's pension contributions was £60,000 or more in bands of £5,000 are shown in the following table:

Remuneration Band	2022/23 Number of Teaching Employees	2022/23 Number of Non Teaching Employees	2022/23 Total Number of Employees	2023/24 Number of Teaching Employees	2023/24 Number of Non Teaching Employees	2023/24 Total Number of Employees
£60,000-£64,999	24	22	46	38	27	65
£65,000-£69,999	23	2	25	18	4	22
£70,000-£74,999	13	0	13	19	5	24
£75,000-£79,999	13	2	15	13	2	15
£80,000-£84,999	6	6	12	9	3	12
£85,000-£89,999	3	2	5	6	3	9
£90,000-£94,999	2	2	4	8	4	12
£95,000-£99,999	0	2	2	2	0	1
£100,000-£104,999	3	0	3	0	2	3
£105,000-£109,999	0	3	3	0	0	0
£110,000-£114,999	0	0	0	4	4	8
£115,000-£119,999	0	0	0	0	0	0
£120,000-£124,999	2	0	2	0	0	0
£125,000-£129,999	0	0	0	1	0	1
£130,000-£134,999	0	0	0	1	0	1
£135,000-£139,999	2	0	2	0	0	0
£140,000-£144,999	0	1	1	0	0	0
£145,000-£149,999	1	0	1	1	1	2
<b>Total</b>	<b>92</b>	<b>42</b>	<b>134</b>	<b>120</b>	<b>55</b>	<b>175</b>

The number of employees above excludes Teaching positions employed by their Governing Body. The remuneration bands include expenses chargeable to United Kingdom income tax.

#### 2022/23 Senior Officers Emoluments

Post Holder Information	Salary	Expense Allowances	Pension Contribution	Total Remuneration
	£	£	£	£
Chief Executive	142,646	0	30,241	172,887
Director of Social Services	109,182	0	23,147	132,329
Director of Environment and Housing Services	109,182	0	23,147	132,329
Director of Learning and Skills	109,182	0	23,147	132,329
Head of Finance (Started 4/04/2022)	89,320	0	18,936	108,256



Head of Legal Services (Monitoring Officer)	94,135	0	19,957	114,092
Head of Human Resources	83,553	0	17,649	101,202
Head of Regeneration and Planning to 24/04/2022 then Director of Place	97,443	0	20,658	118,101
Head of Policy and Business Transformation to 24/04/2022 then Director of Resources	97,172	0	20,601	117,773
Head of Digital / Strategy, Community Learning and Resources to 31/05/2022 then Head of Strategy, Community Learning and Resources	85,064	0	18,034	103,098

### 2023/24 Senior Officers Emoluments

Post Holder Information	Salary	Expense Allowances	Pension Contribution	Total Remuneration
	£	£	£	£
Chief Executive	147,639	0	28,494	176,133
Director of Social Services	113,004	0	21,810	134,814
Director of Environment and Housing Services	113,004	0	21,810	134,814
Director of Learning and Skills	113,004	0	21,810	134,814
Head of Finance	94,944	0	18,324	113,268
Head of Legal Services (Monitoring Officer) *	111,147	0	21,451	132,598
Operational Manager Legal Services/Acting Head of Legal Services	75,407	0	14,554	89,961
Head of Digital (Started 23/10/2023)	36,132	0	6,973	43,105
Head of Human Resources	86,164	0	16,630	102,794
Director of Place	104,680	0	20,203	124,883
Director of Resources	104,680	0	20,203	124,883
Head of Strategy, Community Learning and Resources (Left SLT January 2024)	84,676	0	16,630	101,306

The Pension Contribution shown above includes the deficit recovery element of the contributions made to Cardiff and Vale Pension Fund.

The Monitoring Officer was employed as the Interim Monitoring Officer for Cardiff County Council for the period commencing 27<sup>th</sup> October 2023 as part of the

arrangements the Operational Manager for Legal Services was Acting Monitoring Officer on a part time basis for the period. The remuneration disclosed here includes this sum. The Council was paid approximately £9,634 per month by Cardiff Council as part of these arrangements the total relating to this period is £49,755.84.

### Exit Packages

The number of exit packages with total cost per band and total cost of the compulsory and other departures are set out in the tables below.

Teachers are included even where appointed by the Governing body, as the liability for redundancy costs is with the Authority rather than the school.

2022/23				2023/24		
Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band	Exit Package cost band (including special payments)	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band
		£	£			£
4	4	33,905	0-20,000	21	21	262,571
2	2	61,661	20,001-40,000	15	15	431,479
0	0	0	40,001-60,000	2	2	96,018
0	0	0	60,001-80,000	0	0	0
0	0	0	80,001-100,000	1	1	93,097
1	1	120,179	100,001-150,000	0	0	0
7	7	215,745	Total	39	39	883,165

2023/24 Analysis	£			£
Schools Exit Packages		33	33	794,788
Corporate Exit Packages		6	6	88,377
Total		39	39	883,165

### 31. Grant Income

The Authority credited the following grants, contributions and donations to services.

	2022/23 £000's	2023/24 £000's
Capital Grants		
Cardiff and Vale University Health Board	41	182
Cardiff City Region	1,192	1,542
Lottery/Heritage Lottery	488	85
Innovate Trust	-	79
Llanmae	110	-

Local Tennis Association Tennis Foundation	86	35
Local Transport Fund	-	50
NRW	16	35
S106 Contributions	6,595	11,210
S20 Leaseholders	248	-
Sports Wales	79	197
UK Government	422	891
Other Capital Grants	57	37
Welsh Councils Voluntary Association	139	391
Welsh Government	39,733	31,594
WLGA	298	20
Joint Committee Capital Grants	2,392	1,047
<b>Total Capital Grants</b>	<b>51,894</b>	<b>47,395</b>
<b>Revenue Grants</b>	<b>£'000</b>	<b>£'000</b>
Arts Council	9	18
Cabinet Office	-	22
Department for Works and Pensions	27,327	26,706
Education Workforce Council	196	175
European Rural Development Programme	47	-
Department for Levelling Up Housing and Communities	627	1,778
Cardiff and Vale University Health Board	-	118
Police & Crime Commissioner	67	225
Public Health Wales	133	136
Rural Payments Agency	139	-
Sports Wales/Disability Sports Wales	265	589
Welsh Government	49,702	40,450
Welsh Local Government Association	500	205
Youth Justice Board	191	196
Home Office	353	546
Ministry of Justice	26	49
Other	236	667
Dept. for Business, Energy & Industrial Strategy	-	301
Grants via Central South Consortium	10,950	12,927
Cardiff Capital Region	-	10
Grants via Newport Council	129	140
Grants via Cardiff Council	1,897	843
Monmouthshire CC - Bus Services Support Grant	413	406
<b>Total Specific Revenue Grants</b>	<b>93,185</b>	<b>86,486</b>

Revenue Support Grant	138,065	160,013
Non Domestic Rates Contribution	47,950	42,784
<b>Total Unhypothecated Grants</b>	<b>186,015</b>	<b>202,797</b>

### Capital Grants Received in Advance

	2022/23	2023/24
	£'000	£'000
Section 106 agreements – unapplied	19,412	21,177
Other Capital Grants Received in Advance	3,293	304
S106 Administration Fees	353	390
<b>Total Capital Grants Received in Advance</b>	<b>23,058</b>	<b>21,871</b>
The amount has been apportioned as follows:		
To be applied within one year	13,290	2,189
To be applied after one year	9,768	19,681
<b>Total</b>	<b>23,058</b>	<b>21,871</b>

### 32. Agency Funds and Other Funds Administered by the Council

Welsh Government (WG) has provided funding to the Council to provide recyclable loans for housing and town centre regeneration. For the Home Improvement scheme, funding has been received both in the form of a grant and as a repayable loan. The loan element of the Home Improvement Loan scheme is repayable to WG during 2029/30 with £153k of the Town Centre Improvement Loan being repayable to WG by 31<sup>st</sup> March 2030 and a further £893k being repayable by 31<sup>st</sup> March 2031. An analysis of the funding sources is shown in the table below along with a breakdown of the repayment profile for loans that have been issued by the Council.

As at 31 <sup>st</sup> March 2024	Home Improvement Loans	Town Centre Improvement Loan
Funding Source for Loan Scheme	£'000	£'000
Grant	752	0
Loan	868	1,346
<b>Total Funding (included in Long Term Liabilities)</b>	<b>1,620</b>	<b>1,346</b>
<b>Repayments Due to Council</b>		
Within 12 months	493	0
Over 12 months	717	1,000
<b>Total Value of Outstanding Repayments (included in Debtors)</b>	<b>1,210</b>	<b>1,000</b>

The Council 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 Chief Officer Social Care is the appointee with the Department for Work & Pensions for each of the service users. The balance of monies held by the Council at 31 March 2024 was £632k.

### 33. Joint Committees

The Council is a member of a number of Joint Committees and the unaudited accounts have been consolidated into the Council's Financial Statements on a line by line basis calculated using a reasonable apportionment methodology e.g. population, Education Indicator Based Assessment Share. The Joint Committees consolidated are;

#### 1. Shared Regulatory Service

The Shared Regulatory Service was created on 1st May 2015 to provide a range of regulatory services across Cardiff, Bridgend and the Vale of Glamorgan. The Council is the host authority for the service.

Shared Regulatory Service 2022/23	Vale of Glamorgan Council Share 2022/23	Income and Expenditure Statement	Shared Regulatory Service 2023/24	Vale of Glamorgan Council Share 2023/24
£'000	£'000		£'000	£'000
11,614	2,423	Operating Expenditure	10,872	2,115
(1,176)	(247)	Operating Income	(1,160)	(216)
<b>10,438</b>	<b>2,176</b>	<b>Net Cost of Services</b>	<b>9,712</b>	<b>1,899</b>
(8,250)	(1,722)	Finance and Investment Income and Expenditure	(9,168)	(1,821)
<b>2,188</b>	<b>453</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>544</b>	<b>78</b>
(22,700)	(4,663)	Other Comprehensive Income and Expenditure	(2,790)	(530)
<b>(20,512)</b>	<b>(4,210)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(2,246)</b>	<b>(452)</b>
Shared Regulatory Service 2022/23	Vale of Glamorgan Council Share 2022/23	Balance Sheet	Shared Regulatory Service 2023/24	Vale of Glamorgan Council Share 2023/24
£'000	£'000		£'000	£'000
103	21	Property, Plant and Equipment	72	14
0	0	Intangible Assets	0	0
0	0	Long Term Debtors	0	0
<b>103</b>	<b>21</b>	<b>Total Long Term Assets</b>	<b>72</b>	<b>14</b>
1,676	46	Short Term Debtors	1,250	84
0	0	Short Term Payment in Advance	0	0
0	253	Cash Owed from Host Authority	0	0
<b>1,676</b>	<b>299</b>	<b>Current Assets</b>	<b>1,250</b>	<b>84</b>
(412)	(63)	Short Term Creditors	(388)	(75)

(102)	0	Cash Owed to Host Authority	(57)	195
<b>(514)</b>	<b>(63)</b>	<b>Total Current Liabilities</b>	<b>(445)</b>	<b>120</b>
(3,450)	(708)	Long Term Pension Liability	(780)	(148)
(490)	(101)	Revenue Grants Received in Advance	(490)	(100)
<b>(3,940)</b>	<b>(809)</b>	<b>Total Long Term Liabilities</b>	<b>(1,270)</b>	<b>(248)</b>
<b>(2,675)</b>	<b>(552)</b>	<b>Net Assets</b>	<b>(393)</b>	<b>(30)</b>
785	157	Usable Reserves	468	133
(3,460)	(709)	Unusable Reserves	(861)	(163)
<b>(2,675)</b>	<b>(552)</b>	<b>Total Reserves</b>	<b>(393)</b>	<b>(30)</b>

## 2. Vale, Valleys & Cardiff (VVC) Adoption Collaborative Service

The VVC Adoption Services was created on 1<sup>st</sup> June 2015 to provide an adoption service across Cardiff, Rhondda Cynon Taf, Merthyr Tydfil and the Vale of Glamorgan. The Council is the host authority for the service.

VVC Service 2022/23	Vale of Glamorgan Council Share 2022/23	Income and Expenditure Statement	VVC Service 2023/24	Vale of Glamorgan Council Share 2023/24
£'000	£'000		£'000	£'000
2,901	403	Operating Expenditure	2,590	389
(2,578)	(431)	Operating Income	(2,643)	(397)
<b>323</b>	<b>(28)</b>	<b>Net Cost of Services</b>	<b>(53)</b>	<b>(8)</b>
90	14	Finance and Investment Income and Expenditure	20	3
<b>413</b>	<b>(14)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(33)</b>	<b>(5)</b>
(3,350)	(519)	Other Comprehensive Income and Expenditure	(360)	(57)
<b>(2,937)</b>	<b>(533)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(393)</b>	<b>(62)</b>
VVC Adoption Service 2022/23	Vale of Glamorgan Council Share 2022/23	Balance Sheet	VVC Adoption Service 2023/24	Vale of Glamorgan Council Share 2023/24
£'000	£'000		£'000	£'000
808	51	Short Term Debtors	1,014	6
<b>808</b>	<b>51</b>	<b>Current Assets</b>	<b>1,014</b>	<b>6</b>
(686)	(32)	Short Term Creditors*	(849)	20
<b>(686)</b>	<b>(32)</b>	<b>Total Current Liabilities</b>	<b>(849)</b>	<b>20</b>
<b>(520)</b>	<b>(81)</b>	<b>Long Term Pension Liability</b>	<b>(170)</b>	<b>(27)</b>
<b>(398)</b>	<b>(62)</b>	<b>Net Assets</b>	<b>(5)</b>	<b>(1)</b>
143	22	Usable Reserves	186	29
(541)	(84)	Unusable Reserves	(191)	(30)
<b>(398)</b>	<b>(62)</b>	<b>Total Reserves</b>	<b>(5)</b>	<b>(1)</b>

\*This balance reflects the specific Vale of Glamorgan partner share at 31<sup>st</sup> March and therefore doesn't equate to a percentage apportionment.

### 3. Glamorgan Archives

The Glamorgan Archive Joint Committee provides a Joint Archive facility for Cardiff, Bridgend, Rhondda Cynon Taf, Merthyr Tydfil and the Vale of Glamorgan Councils.

Glamorgan Archives 2022/23	Vale of Glamorgan Council Share 2022/23	Income and Expenditure Statement	Glamorgan Archives 2023/24	Vale of Glamorgan Council Share 2023/24
	12%			12%
£'000	£'000		£'000	£'000
858	103	Operating Expenditure	1,081	130
(928)	(111)	Operating Income	(1,074)	(129)
<b>(70)</b>	<b>(8)</b>	<b>Net Cost of Services</b>	<b>7</b>	<b>1</b>
0	0	Finance and Investment Income and Expenditure	(3)	0
<b>(70)</b>	<b>(8)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>4</b>	<b>1</b>
(6)	(1)	Other Comprehensive Income and Expenditure	0	0
<b>(76)</b>	<b>(9)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>4</b>	<b>1</b>

Glamorgan Archives 2022/23	Vale of Glamorgan Council Share 2022/23	Balance Sheet	Glamorgan Archives 2023/24	Vale of Glamorgan Council Share 2023/24
	12%			12%
£'000	£'000		£'000	£'000
6,118	734	Land and Buildings	6,052	726
0	0	Vehicle, Plant, Furniture and Equipment	0	0
<b>6,118</b>	<b>734</b>	<b>Long Term Assets</b>	<b>6,052</b>	<b>726</b>
20	3	Inventories	17	2
19	2	Short Term Debtors	37	4
126	15	Cash and Cash Equivalents	129	15
<b>165</b>	<b>20</b>	<b>Current Assets</b>	<b>183</b>	<b>21</b>
(58)	(7)	Short Term Creditors	(14)	(1)
<b>(58)</b>	<b>(7)</b>	<b>Total Current Liabilities</b>	<b>(14)</b>	<b>(1)</b>
0	0	Long Term Borrowing	0	0
<b>6,225</b>	<b>747</b>	<b>Net Assets</b>	<b>6,221</b>	<b>746</b>
133	16	Usable Reserves	174	21
6,092	731	Unusable Reserves	6,047	725
<b>6,225</b>	<b>747</b>	<b>Total Reserves</b>	<b>6,221</b>	<b>746</b>

#### 4. Prosiect Gwyrdd

The Prosiect Gwyrdd is a Joint Working Arrangement between Cardiff, Caerphilly, Monmouthshire, Newport and the Vale of Glamorgan Councils to manage the contract with Viridor which provides a long term sustainable treatment solution to the residual waste that is remaining in each authority after recycling has been maximised.

Prosiect Gwyrdd 2022/23	Vale of Glamorgan Council Share 2022/23	Income and Expenditure Statement	Prosiect Gwyrdd 2023/24	Vale of Glamorgan Council Share 2023/24
	20%			20%
£'000	£'000		£'000	£'000
201	40	Operating Expenditure	206	41
(96)	(19)	Operating Income	(175)	(35)
<b>105</b>	<b>21</b>	<b>Net Cost of Services</b>	<b>31</b>	<b>6</b>
(105)	(21)	Transfer to(from) Joint Committee Reserve	(31)	(6)
<b>0</b>	<b>0</b>	<b>Total</b>	<b>0</b>	<b>0</b>

Prosiect Gwyrdd 2022/22	Vale of Glamorgan Council Share 2022/23	Balance Sheet	Prosiect Gwyrdd 2023/24	Vale of Glamorgan Council Share 2023/24
	20%			20%
£'000	£'000		£'000	£'000
0	0	Short Term Debtors	0	0
272	54	Cash and Cash Equivalents	239	48
<b>272</b>	<b>54</b>	<b>Current Assets</b>	<b>239</b>	<b>48</b>
(4)	(1)	Short Term Creditors	(2)	(1)
<b>(4)</b>	<b>(1)</b>	<b>Total Current Liabilities</b>	<b>(2)</b>	<b>(1)</b>
<b>268</b>	<b>53</b>	<b>Net Assets</b>	<b>237</b>	<b>47</b>
(268)	(53)	Usable Reserves	(237)	(47)
0	0	Unusable Reserves		
<b>(268)</b>	<b>(53)</b>	<b>Total Reserves</b>	<b>(237)</b>	<b>(47)</b>

#### 5. Central South Consortium

The Central South Consortium was created on 1<sup>st</sup> September 2012 to provide a range of School Improvement services within the local authority areas of Bridgend, Cardiff, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan. Rhondda Cynon Taf is the host authority for the service.



Central South Consortium 2022/23	Vale of Glamorgan Council Share 2022/23	Income and Expenditure Statement	Central South Consortium 2023/24	Vale of Glamorgan Council Share 2023/24
	14.78%			14.82%
£'000	£'000		£'000	£'000
97,980	14,540	Operating Expenditure	55,819	8,271
(96,925)	(14,384)	Operating Income	(55,508)	(8,225)
<b>1,055</b>	<b>156</b>	<b>Net Cost of Services</b>	<b>311</b>	<b>46</b>
(130)	(19)	Finance and Investment Income and Expenditure	(479)	(71)
<b>925</b>	<b>137</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(168)</b>	<b>(25)</b>
(6,589)	(978)	Other Comprehensive Income and Expenditure	607	90
<b>(5,664)</b>	<b>(841)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>439</b>	<b>65</b>

Central South Consortium 2022/23	Vale of Glamorgan Council Share 2022/23	Balance Sheet	Central South Consortium 2023/24	Vale of Glamorgan Council Share 2023/24
	14.78%			14.82%
£'000	£'000		£'000	£'000
5,858	869	Long Term Asset - Defined Benefit Pension Asset	4,944	733
<b>5,858</b>	<b>869</b>	<b>Long Term Assets</b>	<b>4,944</b>	<b>733</b>
2,317	344	Short Term Debtors	2,141	317
<b>2,317</b>	<b>344</b>	<b>Current Assets</b>	<b>2,141</b>	<b>317</b>
(1,090)	(162)	Short Term Creditors	(439)	(65)
<b>(1,090)</b>	<b>(162)</b>	<b>Total Current Liabilities</b>	<b>(439)</b>	<b>(65)</b>
<b>1,227</b>	<b>182</b>	<b>Net Current Assets</b>	<b>1,702</b>	252
<b>7,085</b>	<b>1,051</b>	<b>Net Assets/Liabilities</b>	<b>6,646</b>	<b>985</b>
1,291	192	Usable Reserves	1,744	258
5,794	860	Unusable Reserves	4,902	726
<b>7,085</b>	<b>1,051</b>	<b>Total Reserves</b>	<b>6,646</b>	<b>985</b>

## 6. City Deal

The £1.2 billion Cardiff Capital Region City Deal has been established between the UK Government, the Welsh Government and 10 local authorities in South East Wales, including the Vale of Glamorgan Council. The Deal is expected to deliver up to 25,000 new jobs and bring in an additional £4 billion of private sector investment. The Deal will cover a 20 year period and work is currently ongoing to establish projects to be undertaken and cost implications for each authority. There was not a capital contribution to the Joint Committee during 2023/24. Due to the technical nature of the accounts the draft 2023/24 accounts were not available during the accounts preparation period and therefore Income and Expenditure for 2023/24 has

been consolidated on the basis of the Month 10 monitoring projections and 2022/23 financial accounts. The consolidation will be corrected during the audit period when draft accounts are available.

City Deal 2022/23	Vale of Glamorgan Council Share 2022/23	Income and Expenditure Statement	City Deal 2023/24	Vale of Glamorgan Council Share 2023/24
	8.48%			8.48%
£'000	£'000		£'000	£'000
23,347	1,841	Operating Expenditure	14,898	1,263
(24,176)	(1,849)	Operating Income	(6,857)	(581)
<b>(829)</b>	<b>(8)</b>	<b>Net Cost of Services</b>	<b>8,041</b>	<b>682</b>
849	58	Finance and Investment Income and Expenditure	(1,562)	(133)
(28,378)	(2,392)	Taxation and Non Specific Grant Income	(12,349)	(1,047)
<b>(28,358)</b>	<b>(2,342)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(5,870)</b>	<b>(498)</b>
0	0	Other Comprehensive Income and Expenditure	-	-
<b>(28,358)</b>	<b>(2,342)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(5,870)</b>	<b>(498)</b>

City Deal 2022/23	Vale of Glamorgan Council Share 2022/23	Balance Sheet	City Deal 2023/24	Vale of Glamorgan Council Share 2023/24
	8.48%			8.48%
£'000	£'000		£'000	£'000
63,593	5,390	Investment Properties	63,593	5,390
1430	121	Assets Under Construction	8,115	688
5,680	481	VPFE	5,680	481
(1,225)	(104)	Depreciation – VPFE	( 2,037)	(173)
7,500	636	Equity	7,500	636
1,328	113	Long Term Investments	1,333	113
16,478	1,397	Long Term Debtors	16,483	1,397
<b>94,784</b>	<b>8,034</b>	<b>Long Term Assets</b>	<b>100,667</b>	<b>8,532</b>
4,414	374	Financial Assets and Bonds	4,414	374
11,032	935	Short Term Debtors	11,032	936
1,798	152	Deferred Tax Asset	1,798	152
51,430	4,360	Cash and Cash Equivalentents	47,081	3,990
<b>68,674</b>	<b>5,821</b>	<b>Current Assets</b>	<b>64,325</b>	<b>5,452</b>
(38,033)	(3,224)	Short Term Creditors	(38,033)	(3,223)
<b>(38,033)</b>	<b>(3,224)</b>	<b>Current Liabilities</b>	<b>(38,033)</b>	<b>(3,223)</b>
(70)	(6)	Long Term Borrowing	(70)	(6)
(43,722)	(3,706)	Long Term Creditors	(43,722)	(3,706)
(2,770)	(235)	Provisions for Liabilities	(2770)	(235)
<b>(46,562)</b>	<b>(3,947)</b>	<b>Long Term Liabilities</b>	<b>(46,562)</b>	<b>(3,947)</b>

<b>78,863</b>	<b>6,684</b>	<b>Net Assets/Liabilities</b>	<b>80,397</b>	<b>6,814</b>
22,886	1940	Usable Reserves	18,536	1,571
55,977	4,744	Unusable Reserves	61,861	5,243
<b>78,863</b>	<b>6,684</b>	<b>Total Reserves</b>	<b>80,397</b>	<b>6,814</b>

### 34. Pooled/Joint Budgets Arrangements

The Council has entered into a number of joint and pooled budget arrangements for the following :-

#### Older People Care Accommodation Pooled Budget

Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between Cardiff and Vale local authorities and the Cardiff and Vale University Health Board in relation to the provision of care home accommodation for older people. The arrangement came into effect on 1st April 2018. Cardiff Council is currently acting as host authority. The processes for commissioning and payment for services has remained unchanged and is still undertaken by the individual partner's. Each partner continues to be responsible for their own budget and expenditure.

Costs incurred by each partner are charged to the pooled budget held by Cardiff Council and these costs are then offset by contributions made by each partner into the pool. The value of the Vale's transactions into and out of the pool for 2023/24 are £17m.

#### Joint Equipment Store (JES)

The contributors to the pool are the Vale of Glamorgan Council, Cardiff County Council and the Cardiff and Vale University Health Board. The JES is run by Cardiff County Council and provides community equipment and minor adaptations to residents of Cardiff and the Vale of Glamorgan. £407.6k was paid into the pool in respect of 2023/24.

#### Regional Integration Fund (RIF)

RIF grant is provided to the Cardiff and Vale University Health Board by Welsh Government. The funding allows various initiatives to be undertaken by the Cardiff and Vale University Health Board, Cardiff County Council and the Vale of Glamorgan Council. This fund is being used to build effective working practices across health, social services and housing, to take forward schemes which demonstrate an effectiveness across community and acute environments and linking out-of-hospital care and social care to strengthen the resilience of the unscheduled care system. The Vale of Glamorgan Council undertook revenue schemes to the value of £2.8m and capital schemes to the value of £149k during 2023/24 from this fund.

#### Integrated Family Support Service (IFSS)

The service covers the Vale of Glamorgan Council and Cardiff County Council geographical area. The service is run by Cardiff County Council and provides targeted intervention to support children and families affected by parental substance misuse. The Vale of Glamorgan Council contributed £284k to the service in 2023/24.

### Coroner

There is a South Wales Central Joint Coroner Service for Rhondda Cynon Taf, Cardiff, Powys, Bridgend, Merthyr Tydfil and the Vale of Glamorgan Councils. The service is hosted by Rhondda Cynon Taf. During 2023/24 the Council made contributions of £384k.

The Council is the lead authority for a Shared Internal Audit Service covering the Vale of Glamorgan, Rhondda Cynon Taf, Merthyr Tydfil and Bridgend Councils. The total cost of the service for 2023/24 was £1.189m with a contribution of £347k from the Vale of Glamorgan, £311k from Rhondda Cynon Taf and 244k Merthyr Tydfil and £287k from Bridgend. As at 31<sup>st</sup> March 2024 a reserve to the value of £322k was held by the Vale of Glamorgan Council on behalf of the service.

### Local Resilience Forum

The Authority is the lead for the Local Resilience Forum, the members of the forum are; the Local Health Board, Natural Resources Wales, Fire Service, South Wales Police and Local Authorities - Cardiff, Newport, Swansea, Bridgend, Rhondda Cynon Taf and The Vale of Glamorgan.

The Local Resilience Forum is no longer consolidated into the Council's accounts. The Council's share of the LRF's balance is 8% and the overall reserve balances stood at £170k at 31<sup>st</sup> March 2024.

### Swansea and Carmarthen Bay Coastal Engineering Group.

The Authority is the lead for the Swansea and Carmarthen Bay Coastal Engineering Group. The members of the partnership are Natural Resources Wales, Pembrokeshire County Council, Swansea City County Council, Bridgend County Borough Council, Carmarthenshire County Council and the Vale of Glamorgan.

This group is not consolidated into the Council's accounts. The overall cash balance of the group was £225k at 31<sup>st</sup> March 2024 due to a WG grant that has been carried forward,.

### **35. Other Related Parties**

Other than that shown below there are no matters that the Council is required to disclose separately as material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council other than those shown elsewhere in the notes to the accounts. All transactions referred to in this Related Parties disclosure have been conducted on an arms length basis.

There are no monies owed from/to disclosed related parties at the end of the year. If there are any outstanding amounts at year end they will be included in the relevant disclosure.

As part of the Senior Leadership Team disclosure a Director of the Council has disclosed a close family relationship with a tyre supplier for the Council. The Director is not party to negotiations or approvals in respect of this contract the value of the expenditure with this supplier in 2023/24 was £275k.

Welsh Government effect influence on the Authority via legislation and grant funding. As at 31st March 2024 there was a debtor balance of £7.908m for revenue and £2.929m for capital. During 2023/24 the Council received revenue grants as set out in Note 31.

The Authority has material transactions with the Cardiff and Vale University Health Board in respect of Social Service matters whereby the Health Board reimburses the Authority for Continuing Health Care costs. The Council also receives Regional Integration Funding and other grant income for capital and revenue expenditure from the Health Board. During 2023/24 there were income transactions with the Health Board totalling £9.070m and as at 31st March 2024 there was a debtor balance of £6.064m.

The Big Fresh Catering Company (BFCC) was established on 1<sup>st</sup> January 2020 and the Vale of Glamorgan Council is sole shareholder. The Council has included income of £667k and expenditure of £7.432m in its 2023/24 single entity accounts. A number of Council Officers and Members were named as directors of BFCC during the 2023/24 financial year, Cabinet Member for Learning and Skills Cllr Rhiannon Birch, Head of Strategy, Community Learning and Resources, the Headteacher at Sully Primary School and the Headteacher St Richard Gwyn. None of these Directors are remunerated in excess of the sum included in the Single Entity accounts for their role in

At the 31 March 2024 there are 31 Vale of Glamorgan Councillors who also were members of Town and Community Councils. The precepts raised in respect of Town and Community Councils in the Vale were £3.407m in 2023/24 (£3.270m in 2022/23 and are included in the Comprehensive Income and Expenditure Statement.

During 2023/24 a number of Strong Community Grant Funds were allocated to Town and Community Councils as set out below.

Town and Community Councils	Amount Paid 2023/24 £000s
Llantwit Major Town Council	11
Wenvoe Community Council	16
Penarth Town Council	5
Barry Town Council	10

### 36. Operating Leases (Lessor)

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

	2022/23 Land and Buildings	2022/23 Other Leases	2023/24 Land and Buildings	2023/24 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	412	171	410	163
Between 1 and 5 years	1,182	0	1,074	0
After 5 years	8,403	0	7,959	0
<b>Total</b>	<b>9,997</b>	<b>171</b>	<b>9,443</b>	<b>163</b>

### 37. Operating Leases (Lessee)

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

	2022/23 Land and Buildings (Restated)	2022/23 Other Leases	2023/24 Land and Buildings	2023/24 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	268	0	187	0
Between 1 and 5 years	686	0	697	0
After 5 years	1,181	0	1,036	0
<b>Total</b>	<b>2,135</b>	<b>0</b>	<b>1,920</b>	<b>0</b>

### 38. Pension Assets and Liabilities

#### Local Government Pension Scheme Funded Benefits

The disclosures below relate to the funded liabilities within the Cardiff and Vale of Glamorgan Pension Fund (the Fund) which is part of the Local Government Pension

Scheme (the LGPS). The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits to be paid for the period covered by this disclosure are set out in the 'Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'.

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2022 and the contributions to be paid until 31 March 2024 resulting from that valuation are set out in the Fund's rates and adjustment certificate.

The Fund Administering Authority, City and County of Cardiff, is responsible for the governance of the Fund.

#### Local Government Pension Scheme Unfunded Benefits

The disclosures below also relate to the unfunded pension arrangements established by The Vale of Glamorgan Council. These are termination benefits made on a discretionary basis upon early retirement in respect of members of the Local Government Pension Scheme (LGPS) under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations and members of the Teachers' Pension Scheme.

The latest actuarial valuation of unfunded benefits took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary basis on an actuarial basis using the projected unit credit method.

The accounts have been adjusted to include the Joint Committees and the Foundation School's Pension Liabilities. The Council's share of the Joint Committees and Foundation School's pension liabilities are reflected in the disclosure notes below. The table below sets out the reconciliation of the pension liability figure included on the Council's balance sheet.

The Central South Consortium and Shared Regulatory Service Joint Committees are consolidated using different percentages each year this means that there are small discrepancies between the closing 2022/23 position and the opening 2023/24 position for some of the notes included in this analysis.

Pension Liability	31 March 2023	31 March 2024
	£'000	£'000
Vale of Glamorgan Council Pension (Liability)	(64,159)	(11,089)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(81)	(27)
Shared Regulatory Service Joint Committee Pension (Liability)	(709)	(148)
Central South Consortium Joint Committee Pension Asset	869	732
Foundation School Pension (Liability)/Asset	(550)	10
<b>Total Pension Liability</b>	<b>(64,630)</b>	<b>(10,522)</b>

\*The administering body for the Central South Consortium Joint Committee Pension Fund is Rhondda Cynon Taf County Council.

Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method.

### Key issues impacting the actuarial calculation

#### Actuarial Valuation

These results allow for the 2022 Full Actuarial Valuation of the Cardiff and Vale Pension Fund. The effect of this is shown in the Actuarial (gains)/losses due to liability experience and the Return on plan assets (in excess of)/below that recognised in net interest and is reflected in the balance sheet position. The demographic assumptions have also been adjusted, and the Current Service Cost has also been updated to reflect the employer's membership data as at the valuation.

#### McCloud Judgement

All employers will have accounted for McCloud in previous years and there is therefore no requirement to recognise an additional past service cost in relation to this.

#### Assets Returns

Asset Returns over the accounting period have been higher than expected. This has led to a gain on assets over the accounting period and an improvement on the balance sheet position.

#### Financial Assumptions

There has been a change to the financial assumptions over the period. The discount rate has increased by 0.10%, the CPI inflation assumption has reduced by 0.10%. This has resulted in a more positive balance sheet position than if the financial



assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income and Expenditure

Over this accounting period the CPI Inflation adjustment is based on actual CPI inflation of 3.4% between 28<sup>th</sup> February 2023 and 29 February 2024.

All inflation linked benefits are determined by reference to CPI. The recommended CPI Inflation at each duration has been calculated using the Aon UK Gilts Prices RPI curve adjusted for the RPI-CPI wedge, establishing an equivalent average CPI inflation rate for the four sample schemes. The RPI-CPI wedge has been maintained at the same level as last year.

The Inflation Risk Premium post 2030 has been reduced from 0.6% per annum to 0.5% per annum in response to updated market data.

The recommended pension increase has been set as being equal to the recommended CPI inflation assumption.

The defined benefit obligation has been adjusted to allow for salary increases of 7.0% per annum which is based on the average pay settlement for 2023 under the National Joint Council negotiations. This impacts the value of active members liabilities that remain linked to the final salary.

### Demographic Assumptions

There has been a change to the demographic assumptions over the period.

All mortality assumptions are based on an analysis of the Funds recent mortality experience that was carried out in advance of the 2022 valuation of the Fund using Aon's demographic horizon's longevity model.

At this accounting date the actuarial report utilises the mortality assumptions adopted for the 2022 valuation but adopts the latest mortality projection model with additional parameters to reflect the actuary's view of a post Covid world and the expected faster rates of longevity improvement for recipients of the defined benefit pension.

Other demographic assumptions are the rates of withdrawal and ill health retirements (for active members). The allowance made for cash commutation on retirement, the proportion of members whose death gives rise to a dependants pension and the assumed levels of promotional salary increases. These assumptions have been kept as the same as those adopted for the 2022 Valuation.

### Impact of Covid-19 on Mortality

The impact on longevity for the Funds members will be affected by the indirect impact of Covid 19, including the health of the surviving population, and the economic, social and political consequences of tackling Covid 19.

The UK experienced very high level of excess death (measured using 2019 experience as a baseline) in the late part of 2022 and continued to see elevated mortality in early 2023. However, population-level mortality in the last months of 2023 was more in line with historic norms. In the view set out in the actuarial report

- Some of the factors driving the previous excess (in particular the 2022-23 flu season which was significantly earlier than typical) are likely to be temporary, and
- Some of the excess may be related to longer delays between deaths occurring and being reported.

The actuarial report set out a recommendation of an allowance for future mortality improvements, a parameter of 0.5% is also utilised to recognise that members of defined benefit schemes generally experience faster rates of longevity improvement relative to the UK population.

#### Estimated Employer Payments 2024/25

The estimated Employer payments for the year ended 31<sup>st</sup> March 2025 are set out in the table below. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

Employer regular contribution for 2024/25	Year ended 31 <sup>st</sup> March 2025 (£M)
Vale of Glamorgan	16.66
Foundation School	0.22
Vale of Glamorgan share of Shared Regulatory Service	0.29
Vale of Glamorgan share of Vale, Valleys and Cardiff Regional Adoption Service	0.05
Vale of Glamorgan share of Central South Consortium	0.05
<b>Total</b>	<b>17.27</b>

The expected employer payments direct to beneficiaries in 2024/25 for unfunded pensions is £1.26m

The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS 19 purposes were:

## Principal Financial Assumptions (% per annum)

	Funded			Unfunded		
	31/03/22	31/03/23	31/03/24	31/03/22	31/03/23	31/03/24
	%	%	%	%	%	%
Discount Rate	2.7	4.7	4.8	2.7	4.7	4.8
CPI Rate	3.0	2.7	2.6	3.0	2.7	2.6
Rate of increase to pensions (1)	3.0	2.7	2.6	3.0	2.7	2.6
Pension accounts revaluation rate (2)	3.0	2.7	2.6			
Rate of general increase in salaries (3)	4.0	3.7	3.6			

The above Pension assumptions apply to Cardiff and Vale Pension Fund schemes (Vale of Glamorgan and the Foundation School).

- The duration of the liabilities is the average period between the calculation date and the date at which benefit payments fall due. Durations will be calculated based on the output of the most recent valuation exercise of the Employer's funded liabilities
- Employers may also prepare a separate disclosure note for their unfunded benefit schemes' which pay pensions awarded at retirement on a discretionary basis. The duration of the unfunded liabilities will usually be shorter than the duration of the LGPS benefits. In the interest of pragmatism and practicality it is recommended that the financial assumptions used to report the unfunded scheme liabilities are the same as those used for valuing funded benefits.
- Pension increases on pension in excess of the Guaranteed Minimum Pension in payment where appropriate.
- It is recommended that the assumption for the revaluation rate of pension accounts is set equal to the assumption for pension increases.
- The defined benefit obligation has been adjusted to allow for salary increases of 7% pa in line with the average settlement for 2023 under National Joint Council negotiations. This impacts the value of active members' liabilities that remain linked to final salary.
- The mortality tables shown apply to normal health retirements. Different rates may apply to retirements in ill health

Assumptions for the Vale, Valleys and Cardiff Regional Adoption Service and Shared Regulatory Service are set out below:

	Joint Committees Vale Valleys and Cardiff Regional Adoption Service and Shared Regulatory Service (Funded)		
	31/03/22	31/03/23	31/03/24
	%	%	%
Discount Rate	2.7%	4.6%	4.7%
CPI Rate	2.9%	2.6%	2.6%
Rate of increase to pensions (1)	2.9%	2.6%	2.6%
Pension accounts revaluation rate (2)	2.9%	2.6%	2.6%
Rate of general increase in salaries (3)	3.9%	3.6%	3.6%

Assumptions for the Central South Consortium Pension Fund are set out below:

	Central South Consortium (Funded)		
	31/03/22	31/03/23	31/03/24
	%	%	%
Discount Rate	2.7%	4.7%	4.8%
CPI Rate	3.0%	2.7%	2.6%
Rate of increase to pensions (1)	3.0%	2.7%	2.6%
Pension accounts revaluation rate (2)	3.0%	2.7%	2.6%
Rate of general increase in salaries (3)	4.25%	3.95%	3.85%

The majority of the pension liabilities are linked to either price or pay inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

#### Post retirement mortality (retirement in normal health)

Post Retirement Mortality	Funded (excl CSC)		CSC Funded		Unfunded	
	31/03/23	31/03/24	31/03/23	31/03/24	31/03/23	31/03/24
<b>Males</b>						
Future lifetime from age 65 (aged 65 at accounting date)	22.6	22.1	21.6	21.0	22.6	22.1
Future lifetime from age 65 (aged 45 at accounting date)	23.2	22.7	22.9	22.3		

<b>Females</b>						
Future lifetime from age 65 (aged 65 at accounting date)	24.7	24.3	24.2	23.8	24.7	24.3
Future lifetime from age 65 (aged 45 at accounting date)	25.8	25.3	25.7	25.2		

The majority of the Fund's obligations are to provide benefits for the life of a member following retirement, so increases in life expectancy will result in an increase in the approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. The assets allocated to the employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund set out below for the purposes of calculating the return to be applied to those notional assets. The Fund is large and largely liquid and as a consequence there will be no significant restriction on realising assets if the situation arises. The assets are invested in a diversified spread of investments and the approximate split for the Fund as a whole is included in the disclosures.

The Administering Authority does not invest in property or assets related to itself. It is possible, however, that assets may be invested in shares relating to some of the private sector employers participating in the Fund if it forms part of their balanced investment strategy.

	Funded (excl CSC)		Funded CSC	
	Asset split at 31 March 2023 (%)	Asset split at 31 March 2024 (%)	Asset split at 31 March 2023 (%)	Asset split at 31 March 2024 (%)
Equities	67.9	70.3	68.18	63.97
Property	7.2	6.3	7.76	6.49
Government Bonds	8.8	8.4	10.47	12.21
Corporate Bonds	7.6	7.3	12.38	15.64
Cash	3.2	2.3	0.67	0.39
Infrastructure	0	0	0.54	1.30
Other	5.3	5.4	0	0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Of the assets shown above for Funded (excl CSC) 4.6% are classified as unquoted equities at 31<sup>st</sup> March 2024.

## Reconciliation of Funded/Unfunded Status to Balance Sheet

As at 31/03/23	Funded					Unfunde d	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£'Ms
Fair Value of Assets	510.14	7.04	4.671	7.392	0.768	0	530.011
Present Value of Defined Benefit Obligation	(563.27)	(7.59)	(3.802)	(8.101)	(0.846)	(11.03)	(594.639)
<b>Funded/Unfunded status</b>	<b>(53.13)</b>	<b>(0.55)</b>	<b>0.869</b>	<b>(0.709)</b>	<b>(0.078)</b>	<b>(11.03)</b>	<b>(64.628)</b>
Impact of minimum funding requirement / asset ceiling	0	0	0	0	0	0	0
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(53.13)</b>	<b>(0.55)</b>	<b>0.869</b>	<b>(0.709)</b>	<b>(0.078)</b>	<b>(11.03)</b>	<b>(64.628)</b>

As at 31/03/24	Funded					Unfunde d	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£'Ms
Fair Value of Assets	567.450	7.920	5.149	8.524	0.956	0	589.999
Present Value of Defined Benefit Obligation	(568.510)	(7.760)	(3.866)	(8.602)	(0.964)	(10.030)	(599.732)
<b>Funded/Unfunded status</b>	<b>(1.060)</b>	<b>0.160</b>	<b>1.282</b>	<b>(0.078)</b>	<b>(0.008)</b>	<b>(10.030)</b>	<b>(9.734)</b>
Unrecognised asset	0	(0.150)	(0.550)	0	0	0	(0.700)
Impact of minimum funding requirement / asset ceiling	0	0	0	(0.082)	(0.019)	0	(0.101)
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(1.060)</b>	<b>0.010</b>	<b>0.732</b>	<b>(0.160)</b>	<b>(0.027)</b>	<b>(10.030)</b>	<b>(10.535)</b>

The split of the defined benefit obligation at the last valuation date between the various categories of members was as follows:

Active Members	Vale of Glamorgan	Foundation School	CSC	SRS	VVC
	%	%	%	%	%
Active Members	38%	69%	n/a	73%	70%
Deferred Pensioners	17%	8%	n/a	11%	15%
Pensioners	45%	23%	n/a	16%	15%

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of 'Orphan Liabilities' may in retrospect not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan Liabilities' are currently a small proportion of the overall liabilities in the Fund.

#### Maturity Profile of the Defined Benefit Obligation

The estimated duration of liabilities for the scheme members is set out below.

Duration of Liabilities (in years)	Vale of Glamorgan	Foundation School	CSC	SRS	VVC
2022/23	17.1	18.4	n/a	22.3	23.1
2023/24	16.7	18.1	n/a	22.1	23

#### Breakdown of Amounts recognised in Surplus or Deficit on the Provision of Services and Other Comprehensive Income.

Year Ending 31/03/23	Funded					Unfunded	Total
	Vale	Foundatio n School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's		
Comprehensive Income and Expenditure Cost of Services							
Service Cost Comprising							
Current Service Cost*	34.29	0.62	0.278	0.575	0.092	0	35.855
Past Service Cost (including curtailments)	0	0	0	0	0	0	0
(Gain)/Loss on Settlements	0	0	0	0	0	0	0
Financing and Investment Income							
Net Interest Expense	6.68	0.08	(0.004)	0.129	0.014	0.33	7.229
Total post-employment benefits charged to the surplus or deficit on the provision of services	40.97	0.70	0.274	0.704	0.106	0.33	43.084

Remeasurements in Other Comprehensive Income and Expenditure							
Return on plan assets (in excess of) /below that recognised in net interest	3.83	0.35	0.517	0.084	0.041	0	4.822
Actuarial (gains)/ losses due to change in financial assumptions	(286.03)	(3.91)	(1.974)	(5.277)	(0.570)	(1.82)	(299.581)
Actuarial (gains)/ losses due to changes in demographic assumptions	(1.78)	(0.03)	(0.002)	(0.045)	(0.005)	(0.24)	(2.102)
Actuarial (gains) / losses due to liability experience	56.80	0.58	0.481	0.575	0.032	1.09	59.558
Total post-employment benefits charged to the comprehensive income and expenditure statement	(227.18)	(3.01)	(0.978)	(4.663)	(0.502)	(0.97)	(237.303)
Total Amount Recognised	(186.21)	(2.31)	(0.704)	(3.959)	(0.396)	(0.64)	(194.219)
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(40.97)	(0.70)	(0.274)	(0.704)	(0.106)	(0.33)	(43.084)
Actual amount charged against General Fund and HRA balances for Pensions in year							
Employers' contributions payable to scheme	15.95	0.30	0.041	0.283	0.047	0	16.621
Retirement benefits payable	0	0	0	0	0	1.14	1.14
Administration Expenses Allowance							
*The current service cost included an allowance for the administration expenses	0.45	0.01	n/a	0.04	0.01	0	0.51

For Year Ending 31/03/24	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£M's
Comprehensive Income and Expenditure Cost of Services							
Service Cost Comprising							
Current Service Cost*	16.94	0.23	0.139	0.277	0.046	0	17.632
Past Service Cost (including curtailments)	0.04	0.10	0	0	0	0	0.140
(Gain)/Loss on Settlements	0	0	0	0	0	0	0
Financing and Investment Income							
Net Interest Expense	2.13	0.02	(0.042)	0.025	0.003	0.49	2.626
Total post-employment benefits charged to the surplus	19.11	0.35	0.097	0.302	0.049	0.49	20.398



or deficit on the provision of services							
Remeasurements in Other Comprehensive Income and Expenditure							
Return on plan assets (in excess of) /below that recognised in net interest	(33.99)	(0.48)	(0.302)	(0.509)	(0.057)	0	(35.338)
Actuarial (gains)/ losses due to change in financial assumptions	(19.32)	(0.28)	(0.060)	(0.187)	(0.020)	(0.11)	(19.977)
Actuarial (gains)/ losses due to changes in demographic assumptions	(8.79)	(0.11)	(0.142)	(0.119)	(0.014)	(0.27)	(9.445)
Actuarial (gains) / losses due to liability experience	7.04	0.12	0.044	0.160	0.016	0.07	7.450
Actuarial (gains) / losses due to restriction of surplus	0	0.15	0.550	0	0	0	0.700
Total post-employment benefits charged to the comprehensive income and expenditure statement	(55.06)	(0.60)	0.09	(0.655)	(0.075)	(0.31)	(56.610)
Total Amount Recognised	(35.95)	(0.250)	0.187	(0.353)	(0.026)	0.18	(36.212)
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(19.11)	(0.35)	(0.097)	(0.302)	(0.049)	(0.49)	(20.398)
Actual amount charged against General Fund and HRA balances for Pensions in year							
Employers' contributions payable to scheme	16.12	0.31	0.051	0.277	0.047	0	16.805
Retirement benefits payable to pensioners	0	0	0	0	0	1.180	1.180
Administration Expenses Allowance							
*The current service cost included an allowance for the administration expenses	0.50	0.01	n/a	0.04	0.01	0	0.560

### Changes to the Present Value of Defined Benefit Obligation during the Period

Year Ended 31/03/23	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's		
Opening Defined Benefit Obligation	<b>753.91</b>	<b>10.11</b>	<b>4.900</b>	<b>11.915</b>	<b>1.256</b>	<b>12.81</b>	<b>794.901</b>
Current Service Cost	34.29	0.62	0.278	0.575	0.092	0.00	35.855
Interest Expense on defined benefit obligation	20.17	0.27	0.132	0.322	0.035	0.33	21.259

Contributions by Participants	4.65	0.09	0.076	0.088	0.014	0.00	4.918
Actuarial (gains)/ losses on liabilities financial assumptions	(286.03)	(3.91)	(1.974)	(5.277)	(0.570)	(1.82)	(299.581)
Actuarial (gains)/ losses on liabilities demographic assumptions	(1.78)	(0.03)	(0.002)	(0.045)	(0.005)	(0.24)	(2.102)
Actuarial (gains)/ losses on liabilities experience	56.80	0.58	0.481	0.575	0.032	1.090	59.558
Net Benefits Paid Out	(18.74)	(0.14)	(0.069)	(0.053)	(0.006)	(1.14)	(20.148)
Past Service Cost (including curtailments)	0	0.00	0.00	0.00	0.00	0.00	0
Net increase in liabilities from disposals/ acquisitions	0	0.00	0.00	0.00	0.00	0.00	0
Settlements	0	0.00	0.00	0.00	0.00	0.00	0
Closing Defined Benefit Obligation	<b>563.27</b>	<b>7.59</b>	<b>3.822</b>	<b>8.100</b>	<b>0.848</b>	<b>11.03</b>	<b>594.660</b>

Year Ended 31/03/24	Funded					Unfunded	Total
	Vale	Foundati on School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£M's
Opening Defined Benefit Obligation	<b>563.270</b>	<b>7.590</b>	<b>3.796</b>	<b>8.097</b>	<b>0.885</b>	<b>11.030</b>	<b>594.668</b>
Current Service Cost	16.940	0.230	0.139	0.277	0.046	0	17.632
Interest Expense on defined benefit obligation	26.100	0.350	0.176	0.372	0.041	0.490	27.529
Contributions by Participants	5.270	0.070	0.084	0.101	0.016	0	5.541
Actuarial (gains)/ losses on liabilities financial assumptions	(19.320)	(0.280)	(0.060)	(0.187)	(0.020)	(0.110)	(19.977)
Actuarial (gains)/ losses on liabilities demographic assumptions	(8.790)	(0.110)	(0.142)	(0.119)	(0.014)	(0.270)	(9.445)
Actuarial (gains)/ losses on liabilities experience	7.040	0.120	0.044	0.160	0.016	0.070	7.450
Net Benefits Paid Out	(22.040)	(0.310)	(0.148)	(0.103)	(0.005)	(1.180)	(23.786)
Past Service Cost (including curtailments)	0.040	0.100	0	0	0	0	0.140
Closing Defined Benefit Obligation	<b>568.510</b>	<b>7.760</b>	<b>3.889</b>	<b>8.598</b>	<b>0.965</b>	<b>10.030</b>	<b>599.752</b>

### Changes to the Fair Value of Assets during the Accounting Period

Restated Year ended 31/03/23	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's		
<b>Opening Fair Value of Assets</b>	<b>498.62</b>	<b>6.95</b>	<b>5.025</b>	<b>6.965</b>	<b>0.734</b>	<b>0</b>	<b>518.294</b>
Interest Income on Assets	13.49	0.19	0.136	0.193	0.021	0	14.030
Remeasurement gains/ (losses) on Assets	(3.83)	(0.35)	(0.517)	(0.084)	(0.041)	0	(4.822)
Contributions by the Employer	15.950	0.3	0.041	0.283	0.047	1.14	17.761
Contributions by Participants	4.650	0.09	0.055	0.088	0.014	0	4.897
Net Benefits Paid Out	(18.74)	(0.14)	(0.069)	(0.053)	(0.006)	(1.14)	(20.148)
Net increase in assets from disposals/ acquisitions	0	0	0.00	0.00	0.00	0	0.00
Settlements	0	0	0.00	0.00	0.00	0	0.00
<b>Closing Fair Value of Assets</b>	<b>510.14</b>	<b>7.04</b>	<b>4.671</b>	<b>7.392</b>	<b>0.769</b>	<b>0</b>	<b>530.012</b>

Year ended 31/03/24	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's		
<b>Opening Fair Value of Assets</b>	<b>510.140</b>	<b>7.040</b>	<b>4.664</b>	<b>7.392</b>	<b>0.804</b>	<b>0</b>	<b>530.040</b>
Interest Income on Assets	23.970	0.330	0.218	0.347	0.038	0	24.903
Remeasurement gains/ (losses) on Assets	33.990	0.480	0.302	0.509	0.057	0	35.338
Contributions by the Employer	16.120	0.310	0.051	0.277	0.047	1.180	17.985
Contributions by Participants	5.270	0.070	0.061	0.101	0.016	0	5.518
Net Benefits Paid Out	(22.040)	(0.310)	(0.148)	(0.103)	(0.005)	(1.180)	(23.786)
Net increase in assets from disposals/ acquisitions	0	0	0	0	0	0	0
Settlements	0	0	0	0	0	0	0
<b>Closing Fair Value of Assets</b>	<b>567.450</b>	<b>7.920</b>	<b>5.148</b>	<b>8.523</b>	<b>0.957</b>	<b>0</b>	<b>589.998</b>

## Actual Return on Assets

Year ended 31/03/23	Funded					Total
	Vale	Foundation School	CSC	SRS	VVC	
	£M's					
Interest Income on Assets	13.49	0.19	0.136	0.193	0.021	14.030
Remeasurement gains/ (losses) on Assets	(3.83)	(0.35)	(0.517)	(0.084)	(0.041)	(4.822)
<b>Actual Return on Assets</b>	<b>9.66</b>	<b>(0.16)</b>	<b>(0.381)</b>	<b>0.109</b>	<b>(0.020)</b>	<b>9.208</b>

Year ended 31/03/24	Funded					Total
	Vale	Foundation School	CSC	SRS	VVC	
	£M's					
Interest Income on Assets	23.970	0.330	0.218	0.347	0.038	24.903
Remeasurement gains/ (losses) on Assets	33.990	0.480	0.302	0.509	0.057	35.338
<b>Actual Return on Assets</b>	<b>57.960</b>	<b>0.810</b>	<b>0.520</b>	<b>0.856</b>	<b>0.095</b>	<b>60.241</b>

## Sensitivity Analysis of Projected Service Costs

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

Projected service cost in the sensitivity analysis below is the projected service cost for the period ending 31st March 2025.

The Sensitivity Analysis is only shown below relating to the main Vale of Glamorgan LGPS pension fund however a similar analysis has been compiled as part of the

actuarial report for each pension fund that has been consolidated as part of these accounts.

#### Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	555.85	568.51	578.17
% change in present value of total obligation	-1.7%		1.7%
Projected service cost (£M)	15.43	16.06	16.70
Approx. % change in projected service cost	-3.9%		4.0%

#### Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	569.65	568.51	567.37
% change in present value of total obligation	0.2%		-0.2%
Projected service cost (£M)	16.06	16.06	16.06
Approx. % change in projected service cost	0.0%		0.0%

#### Rate of increase to pensions and rate of revaluation of pension accounts

Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	577.04	568.51	559.98
% change in present value of total obligation	1.5%		-1.5%
Projected service cost (£M)	16.70	16.06	15.43
Approx. % change in projected service cost	4.0%		-3.9%

#### Post retirement mortality assumption\*

Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	583.29	568.51	553.16
% change in present value of total obligation	2.6%		-2.7%
Projected service cost (£M)	16.64	16.06	15.48
Approx. % change in projected service cost	3.6%		-3.6%

\*A rating of +1 year means that members are assumed to follow the mortality pattern for the base table for an individual that is 1 year older than them.

#### Teacher's Pension Scheme

The total employer contributions to the Teacher's Pension Scheme in 2023/24 made by the Council were £15.037m. This includes contributions for all teachers with the Vale of Glamorgan.

A notional fund is used as the basis for calculating the employer's contribution rate paid by local authorities and valuations of the notional fund are undertaken every four years. This scheme is administered by the Teachers' Pensions Agency (TPA). No liability for future payments of these benefits is recognised in the Council's Balance Sheet.

It is projected that the total employer contributions to the Teacher's Pension Scheme in 2024/25 will be approximately £16m.

### **39. Contingent Liabilities**

#### **Municipal Mutual Insurance Ltd. (MMI)**

Municipal Mutual Insurance (MMI) was the main insurer of the public sector prior to it closing its insurance business in 1992. A scheme is in place for any liabilities still outstanding from historic insurance with MMI and therefore a provision has been included in the accounts. Any increase in claims could lead to a further levy being imposed on the Authority by the administrator of MMI in the future; provision for any sum due will be made once such an event becomes likely and can be reasonably assessed. The scheme administrator regularly reviews the scheme and any significant changes in the financial position may lead to a further clawback.

#### **BFCC Pension Liability**

The Council has agreed to guarantee the opening pension liability as shown on the BFCC accounts, this is because the liability relates to its' former employees and the opening deficit is approximately equivalent to a gain shown against the Council's settlement for BFCC. Any additional deficit should be recovered as part of the pension contribution rate set as part of the next triennial actuarial valuation.

#### **Rented Homes Wales Act**

From December 2023, the Renting Homes (Wales) Act 2016 brought into effect a change in rights for tenants and increased safety responsibilities for landlords. This has potential financial implications for the Housing Revenue Account, however this cannot be reliably estimated until there is further guidance. The council is taking legal advice to clarify its responsibilities and remedial actions

### **40. Nature and Extent of Risks Arising From Financial Instruments**

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

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

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. The Council has approved the Annual Treasury Management Strategy which includes policies on risk management.

## Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. Deposits are not made with banks and financial institutions unless they are rated independently and comply with the credit rating as set out in the Treasury Management and Investment Strategy Statement. The Authority's internally managed investments complied with this strategy statement in 2023/24 and the Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Authority has a cautious approach to risk, with its priority to safeguard capital. During 2022/23 and 2023/24 investments were made with the Debt Management Account Deposit Facility which is guaranteed by the UK Government and UK Local Authorities. The maximum investment sum per Local Authority was £5m and the maximum investment period was 12 months. The Authority also utilised Money Market Funds and Call Accounts with Lloyds (the Council's bankers). Notice Accounts with Santander were introduced during 2022/23. The maximum investment sum with UK institutions was £10m. The investment position at 31<sup>st</sup> March 2024 is set out below;

	31 March 2023	31 March 2024
	£'000	£'000
UK Debt Management Account Deposit Facility	27,400	0
UK Local Authorities	47,250	27,500
Federated Hermes Money Market Fund	8,250	6,625
CCLA Money Market Fund	0	50
Treasury Bills	9,000	0
Lloyds Instant Access Deposit Account	2,000	20
Lloyds Monthly Bonus Deposit Account	10	0
Santander Notice Accounts	10	0
<b>Total</b>	<b>93,920</b>	<b>34,195</b>
Reconciliation of Investment Balances		
Short Term Investment	82,900	27,500
Overnight Investments shown as Cash and Cash Equivalents	11,020	6,695
<b>Total</b>	<b>93,920</b>	<b>34,195</b>
Short Term Investment Accrued Interest	455	566
Short Term Investment Joint Committees	254	374
	<b>94,629</b>	<b>35,135</b>

## Liquidity Risk

As the Authority has ready access to borrowings from the money markets and the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. When the Authority

borrowers money the maturity date determined for the loan is considered on each occasion.

The Authority has one loan of £4m in respect of LOBOs (Lenders Option Borrowers Option). The Lender can increase the interest rate by giving a set period of notice before the interest payment dates in each year, it would then be for the Authority to decide whether to accept the increase or repay the loan. The £4m loan has a full term maturity date of 24<sup>th</sup> February 2054. The maturity analysis of financial liabilities is as follows:

	31 March 2023	31 March 2024
	£'000	£'000
Less than one year	10,171	7,961
Between one and two years	7,961	6,355
Between two and five years	23,869	22,578
More than five years	106,481	106,418
<b>Total</b>	<b>148,482</b>	<b>143,312</b>

## Market Risk

### Interest Rate Risk

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

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise;
- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall;
- Investments at variables rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise;
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The total Government Grant Support receivable by the Authority for future years is indicative only and therefore no amount has been included for this in the table.



The Treasury Management Strategy Statement includes a section on borrowings and the Head of Finance (Section 151 Officer) will monitor the interest rate market and adopt a pragmatic approach to changing circumstances.

If 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	40
Increase in interest receivable on variable rate investments	(152)
Increase in government grant receivable for financing costs	0
<b>Impact on (Surplus) or Deficit on the Provision of Services</b>	<b>(112)</b>
Share of overall impact credited to the HRA	(45)
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	0
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)	(10,302)

To compile the above analysis the Council reviews the following;

- The interest chargeable on LOBO's and other variable rate loans.
- The interest received on investment income in 2023/24.
- Information provided by the Treasury Management Advisor on the projected decrease in fair value of fixed rate borrowings liabilities.

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

## The Housing Revenue Account

### Housing Revenue Account Income and Expenditure Account

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2022/23		2023/24	2023/24
£'000		£'000	£'000
	<b>Expenditure</b>		
4,514	Repairs and Maintenance	5,805	
6,083	Supervision and Management	6,663	
170	Rents, Rates, Taxes, & Other Charges	228	
3,724	Revaluation charged to CIES	10,179	
1,583	Non-Current Assets Depreciation /Impairment	1,712	
40	Debt Management Costs	41	
319	Increase in Provision for Bad and Doubtful Debts	294	
1,167	Revenue Expenditure Funded from Capital Under Statute	257	
<b>17,600</b>	<b>Total Expenditure</b>		<b>25,179</b>
	<b>Income</b>		
(21,287)	Dwelling Rents	(22,662)	
(156)	Non Dwelling Rents	(172)	
(685)	Charges for Services and Facilities	(770)	
(294)	Contributions towards expenditure	(100)	
(290)	Grant Income	(277)	
<b>(22,712)</b>	<b>Total Income</b>		<b>(23,981)</b>
<b>(5,112)</b>	<b>Net Expenditure of HRA Services as Included in the Whole Authority CIES</b>		<b>1,198</b>
0	HRA share of other amounts included in the whole authority Net Expenditure of Continuing Operations but not allocated to specific services		0
<b>(5,112)</b>	<b>Net Expenditure of HRA Services</b>		
	HRA share of the operating income and expenditure included in the CIES		
(1,351)	(Gain)/ loss on sale of HRA assets		(548)
3,120	Interest payable and similar charges		3,503
(456)	Interest and Investment Income		(448)
145	Interest on net defined benefit liability/ (asset)		18
(6,958)	Capital Grants		(15,271)
<b>(10,612)</b>	<b>(Surplus) or deficit for the year on HRA services</b>		<b>(11,548)</b>

## Movement on the HRA Statement

2022/23		2023/24
£'000		£'000
(17,439)	<b>Balance on the HRA at the end of the previous year</b>	<b>(16,486)</b>
(10,611)	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	(11,548)
11,564	Adjustments between accounting basis and funding basis under statute	24,509
<b>953</b>	<b>Increase/(Decrease) during the financial year</b>	<b>12,961</b>
<b>(16,486)</b>	<b>Balance on the HRA at the end of the current year</b>	<b>(3,525)</b>

## Note to the Statement of Movement on the HRA Balance

### Adjustments between Accounting Basis and Funding Basis under Statute

	2022/23	2023/24
	£'000	£'000
Revaluation Loss/ Gain on Property, Plant and Equipment	(3,724)	(10,180)
Charges for depreciation and Impairment of Non Current Assets	(1,583)	(1,712)
Capital Grants and Contributions	6,957	15,271
Statutory Provision for the Financing of Capital Investment	1,618	1,621
Revenue Expenditure Funded from Capital Under Statute	(1,167)	(257)
Capital Expenditure charged against HRA	8,696	19,256
Gains / (Losses) on sales of non current assets	1,351	548
Pensions Reserve	(575)	(22)
Accumulated Absences	(11)	(16)
<b>Total Adjustments</b>	<b>11,564</b>	<b>24,509</b>

## Summary

The Housing Revenue Account revenue balance at 31<sup>st</sup> March 2024 was £3.525m

### H1 Gross Dwelling Rent Income

This is the total dwelling rent income due for the year after allowance is made for voids. During the year 1.32% of the total dwelling rent due was uncollectable due to lettable properties being vacant; in 2022/23 the figure was 1.56%. Average dwelling rents were £112.00 a week in 2023/24 an increase of 5.84% over the previous year.

## H2 Rent Rebates

Assistance with rents is available under the Housing Benefit Scheme for those on low incomes. 45.42% of the Council's tenants receive some help with the costs of rent charges.

## H3 Housing Stock

Average Housing Stock over the past ten years is shown in the following table:

2014/15	3,937
2015/16	3,930
2016/17	3,909
2017/18	3,891
2018/19	3,883
2019/20	3,868
2020/21	3,894
2021/22	3,916
2022/23	3,940
2023/24	3,977

The numbers and types of dwelling at 31<sup>st</sup> March for the past two years are shown below:

Number of Dwellings by Type	At 31 <sup>st</sup> March 2023	At 31 <sup>st</sup> March 2024	Changes 2023/24
1 Bedroom Houses	0	0	0
2 Bedroom Houses	341	351	10
3 Bedroom Houses	1,562	1,566	4
4 or more Bedroom Houses	87	90	3
1 Bedroom Bungalows	272	272	0
2 Bedroom Bungalows	72	71	-1
3 Bedroom Bungalows	33	33	0
4 or more Bedroom Bungalows	2	2	0
1 Bedroom Flats	875	893	18
2 Bedroom Flats	588	591	3
3 Bedroom Flats	93	93	0
Other – Hostel	15	15	0
<b>Total</b>	<b>3,940</b>	<b>3,977</b>	<b>37</b>

The change in stock can be summarised as follows:-

<b>Housing Stock 31<sup>st</sup> March 2023</b>	<b>3,940</b>
Less: Sold	0
Change of Use	0
New Build	37
<b>Housing Stock 31<sup>st</sup> March 2024</b>	<b>3,977</b>

#### H4 Rent Arrears

During the year 2023/24 rent arrears as a proportion of gross rent income was 11.26% of the amount due, compared to 10.23% in 2022/23. The figures are as follows: -

	2022/23	2023/24
	£'000	£'000
Arrears at 31 <sup>st</sup> March	2,485	2,736

Amounts written off during the year amounted to £18k. The aggregate provision in respect of uncollectable rent and other housing debts is £2.040m (£1.746m in 2022/23).

#### H5 Sale of Council Dwellings/ Administration Costs

There were no sale of council dwellings during the year. The right to buy scheme was abolished on 26<sup>th</sup> January 2019.

#### H6 Water Rates

No longer applicable from April 2023 due to Welsh Water repatriating the Water collection. Welsh Water now bill direct to council tenants.

#### H7 Capital Expenditure

Capital Expenditure of £40,865m has been spent in 2023/24 improving Council Dwellings and building new Council Dwellings, this Capital Expenditure has been taken into account at arriving at the Council Dwellings valuation.

#### H8 Capital Funding

	2022/23	2023/24
	£'000	£'000
Unsupported Borrowing	0	5,486
Supported Borrowing – Affordable Housing Grant	0	0
Usable Capital Receipts	2,090	720
Revenue Contributions	8,725	19,276
Major Repairs Reserve	2,773	2,770
Non HRA Reserve	16	87
Section 20 contributions	248	0
Other Capital Grants	4,169	12,526
<b>Total</b>	<b>18,021</b>	<b>40,865</b>

#### H9 Assets - Depreciation / Impairment

The charge is broken down as follows:-

	2022/23	2023/24
	£'000	£'000
Council Dwellings		
Depreciation of Dwellings	1,404	1,514
Depreciation of Other Land and Buildings	113	116
Depreciation of Equipment	26	35
<b>Total</b>	<b>1,543</b>	<b>1,665</b>

Council Dwellings / Other are included in note 15 to the main accounts, Property, Plant and Equipment.

### **H10 Pension Reserve**

Staff that are employed within the HRA are included in the Vale of Glamorgan Council's share of the Cardiff and Vale of Glamorgan Pension Fund and therefore a proportion of the actuarial adjustments are included in the HRA accounts.

The impact of the principal assumptions used by the independent qualified actuaries in updating the latest valuations of the Fund for IAS 19 are shown below.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
IAS 19 Adjustment	429	22
Interest on net defined benefit liability/ (asset)	145	18
<b>Contribution from Pension Reserve</b>	<b>574</b>	<b>40</b>

### **H11 Major Repairs Allowance**

The Major Repairs Allowance is a grant provided by the Welsh Government and is used to fund capital expenditure in the Housing Revenue Account.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening Balance brought forward</b>	<b>0</b>	<b>0</b>
Grant Received in Year	2,773	2,770
Grant Utilised in Year	(2,773)	(2,770)
<b>Closing Balance Carried Forward</b>	<b>0</b>	<b>0</b>

## Trust Funds

### Welsh Church Acts

The Council is sole trustee of this Fund which was set up on the disestablishment of The Church in Wales. Funds generated from investments and property rents are disbursed in the form of grants to deserving causes on the basis of applications considered by the Welsh Church Act Estate Committee.

	Balance at 31 March 2023	Acquisitions / Disposals	Revaluation	Surplus/ (Deficit)	Balance at 31 March 2024
	£'000	£'000	£'000	£'000	£'000
Accumulated Fund	5,169	(1)	1,307	30	6,505

The non-current assets of the fund are included at their 31 March 2024 value. The external investments held by the fund are included at their fair value at 31 March 2024.

The Welsh Church Acts fund although not audited as part of the Council audit, will be subject to independent examination by Audit Wales.

## **Group Accounts Vale of Glamorgan Council and Big Fresh Catering Company**

### **Introduction**

The 2023/24 Local Authority Accounting Code requires the consolidation of material interests on subsidiaries into group accounts in addition to the preparation of single entity accounts.

The Big Fresh Catering Company (BFCC) is a Local Authority Owned Trading Company that was established on 1<sup>st</sup> January 2020, the principle purpose of the organization is the provision of school meals and other catering services. The Council is the sole shareholder and its shares in the company are valued at £1. The accounts for the Big Fresh Catering Company have been prepared for the period ended 31<sup>st</sup> March 2024. At the date of authorising these draft accounts, the audit of the BFCC accounts has been undertaken and is substantially complete but not finalised therefore the accounts remain in draft status.

A board of directors is in place for the Company and is made up of a number of Council Officers and Members. Due to the accounting requirements for Local Government Pension Schemes the organisation is showing a deficit on the accounts for the period. In practice this deficit is underwritten by the Council and steps to set a contribution rate that recover this deficit will be taken as part of the triennial actuarial valuation of the Pension Fund process.

### **Basis of Consolidation**

The group accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the Council and Big Fresh Catering Company Inter-group transactions and balances between the Council and its subsidiary have been eliminated in full.

The BFCC Accounts that have been consolidated into the Group Accounts reflect the 12 months of operation for the Trading Company.

### **Accounting Policies**

The accounts have been prepared in accordance with the accounting policies used in the preparation of the single entity accounts, the exceptions to this approach are detailed below.

#### **Value Added Tax**

VAT paid by BFCC is accounted for in the Group Comprehensive Income and Expenditure Statement to the extent that it is irrecoverable from HM Revenue and Customs.



## Group Accounts Comprehensive Income and Expenditure Statement

2022/23			Expenditure on Services	2023/24		
Gross Expt.	Income	Net Expt.		Gross Expt.	Income	Net Expt.
£'000	£'000	£'000		£'000	£'000	£'000
174,475	45,591	128,884	Learning and Skills	183,616	48,270	135,346
106,709	23,375	83,334	Social Services	118,646	20,961	97,685
65,999	22,372	43,627	Visible and Housing Services	58,049	21,368	36,681
17,599	22,710	(5,111)	Housing Revenue Account (HRA)	25,177	23,981	1,196
8,506	3,106	5,400	Place	9,466	3,553	5,913
57,556	33,637	23,919	Corporate Resources	49,012	30,562	18,450
6,424	2,289	4,135	Policy	9,011	1074	7,937
5,873	146	5,726	Big Fresh Catering Company (BFCC)	6,848	332	6,516
<b>443,141</b>	<b>153,226</b>	<b>289,914</b>	<b>Cost of Services</b>	<b>459,825</b>	<b>150,101</b>	<b>309,724</b>
			<b>Other operating expenditure</b>			
3,270	0	3,270	Town and Community Council Precepts	3,407	0	3,407
18,724	0	18,724	South Wales Police Authority	20,226	0	20,226
6,918	0	6,918	South Wales Fire Authority	7,778	0	7,778
115	0	115	Other Levies and Contributions	128	0	128
4,338	0	4,338	(Gains)/losses on the disposal of non-current assets	160	0	160
			<b>Financing and investment income and expenditure</b>			
6,751	0	6,751	Interest payable and similar charges	6,723	0	6,723
7,307	0	7,307	Net interest on defined benefit liability	2,694	0	2,694
205	0	0	Revaluation of Investment Properties	0	0	0
88	1,882	(1,794)	Interest receivable and other income	0	4,258	(4,258)
			<b>Taxation and non-specific grant income</b>			
0	98,494	(98,494)	Council Tax income (Note 13)	0	107,464	(107,464)
0	47,950	(47,950)	Non domestic rates (Note 14)	0	42,784	(42,784)
0	138,065	(138,065)	Revenue Support grants	0	160,013	(160,013)
0	0	0	Council Tax grant	0	0	0
0	104	(104)	Deferred Tax	94	0	94
0	0	0	Corporation Tax (Note G16)	0	0	0
0	54,774	(54,774)	Capital grants and contributions	0	43,351	(43,351)
<b>490,857</b>	<b>494,495</b>	<b>(3,639)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>501,035</b>	<b>507,971</b>	<b>(6,936)</b>
		(23,157)	(Surplus)/Deficit on revaluation of non current assets (Note 15)			(14,296)
		31	Impairment losses on non current assets charged to the Revaluation Reserve (Note 15)			18
		(240,249)	Remeasurements of the net defined benefit liability/(asset) (Note G14)			(57,200)

		735	Income Tax Relating to Other Comprehensive Income			171
		(262,640)	<b>Other Comprehensive Income and Expenditure</b>			<b>(71,307)</b>
		(266,279)	<b>Total Comprehensive Income and Expenditure</b>			<b>(78,243)</b>

## Group Accounts Movement in Reserves Statement 2022/23 and 2023/24

Movement in Reserves Statement	Council Fund & Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Group Entity Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>110,767</b>	<b>17,439</b>	<b>11,844</b>	<b>4,551</b>	<b>144,601</b>	<b>348,850</b>	<b>(1,211)</b>	<b>492,240</b>
Total Comprehensive Income and Expenditure	(6,494)	10,611	0	0	4,117	260,435	1,727	266,279
Adjustments between accounting basis and funding basis under regulations (Note 10)	(7,885)	(11,564)	(1,210)	2,878	(17,781)	17,781	0	0
<b>Increase/(Decrease) in 2021/22</b>	<b>(14,379)</b>	<b>(953)</b>	<b>(1,210)</b>	<b>2,878</b>	<b>(13,664)</b>	<b>278,216</b>	<b>1,727</b>	<b>266,279</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>96,388</b>	<b>16,486</b>	<b>10,634</b>	<b>7,429</b>	<b>130,937</b>	<b>627,066</b>	<b>516</b>	<b>758,519</b>
Total Comprehensive Income and Expenditure	(4,889)	11,548	0	0	6,659	70,795	789	78,243
Adjustments between accounting basis and funding basis under regulations (Note 10)	(16,713)	(24,509)	(2,987)	(4,043)	(48,252)	48,252	0	0
<b>Increase/(Decrease) in 2022/23</b>	<b>(21,602)</b>	<b>(12,961)</b>	<b>(2,987)</b>	<b>(4,043)</b>	<b>(41,593)</b>	<b>119,047</b>	<b>789</b>	<b>78,243</b>
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>74,786</b>	<b>3,525</b>	<b>7,647</b>	<b>3,386</b>	<b>89,344</b>	<b>746,113</b>	<b>1,305</b>	<b>836,762</b>

## Group Accounts Balance Sheet

31 March 2023		Notes	31 March 2024
£'000			£'000
887,513	Property, Plant and Equipment	G7	954,334
5,390	Joint Committee Investment Properties		5,390
636	Equity		636
323	Intangible Assets		271
2	Long Term Investments		2
0	Deferred Tax Asset		0
6,064	Long Term Debtors		4,904
<b>899,928</b>	<b>Long Term Assets</b>		<b>965,537</b>
83,729	Short Term Investment		28,439
0	Assets Held for Sale	15	623
1,390	Inventories		1,039
152	Deferred Tax Asset		152
61,240	Short Term Debtors	G9	60,528
21,223	Cash and Cash Equivalents	G10	15,340
<b>167,734</b>	<b>Current Assets</b>		<b>106,121</b>
11,267	Short Term Borrowing		8,568
58,756	Short Term Creditors	G11	45,753
1,664	Provisions (Short Term)	G12	1,571
622	Donated Inventory Account		8
9,768	Grants Receipts in Advance – Capital	31	2,190
<b>82,077</b>	<b>Current Liabilities</b>		<b>58,090</b>
497	Provisions (Long Term)	G12	741
138,144	Long Term Borrowing		135,786
10,013	Other Long Term Liabilities		10,199
65,122	Other Long Term Liabilities (Pensions)	G14	10,399
13,290	Grants Receipts in Advance - Capital (Long Term)	31	19,681
<b>227,066</b>	<b>Long Term Liabilities</b>		<b>176,806</b>
<b>758,519</b>	<b>Net Assets</b>		<b>836,762</b>
130,937	Usable Reserves	11	89,344
627,582	Unusable Reserves	G13	747,418
<b>758,519</b>	<b>Total Reserves</b>		<b>836,762</b>

## Group Accounts Cash flow Statement

31 March 2023		Notes	31 March 2024
£'000			£'000
3,639	<b>Net surplus or (deficit) on the provision of services</b>		6,936
67,280	Adjustments to net surplus or deficit on the provision of services for non-cash movements	G15	19,697
	<b>Adjustments for items that are investing and financing activities</b>		
(2,494)	Proceeds from the sale of property, plant and equipment and intangible assets.		(949)
(51,894)	Any items which the cash effects are investing or financing cashflows		(43,394)
(54,388)	<b>Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>		(48,343)
16,531	<b>Net cash flows from Operating Activities</b>		(21,710)
	<b>Investing Activities</b>		
(77,640)	Purchase of property, plant and equipment and intangible assets.		(81,535)
3,344	Proceeds from the sale of property, plant and equipment and intangible assets.		949
(866)	Purchase of short term/long term investments		0
(240)	Other payments for investing activities		(1,187)
(0)	Proceeds from short term/long term investments		55,399
59,370	Other Receipts from Investing Activities		49,567
(16,032)	<b>Net Cashflow from Investing Activities</b>		23,193
	<b>Financing Activities</b>		
(5,140)	Repayments of Short and Long Term Borrowing		(5,132)
3,960	Other Payments for Financing Activities		(2,234)
(1,180)	<b>Net cash flows from Financing Activities</b>		(7,366)
(681)	<b>Net increase or decrease in cash and cash equivalents</b>		(5,883)
21,904	<b>Cash and cash equivalents at the beginning of the reporting period</b>		21,223
21,223	<b>Cash and cash equivalents at the end of the reporting period</b>		15,340

## Group Accounts Notes to the Financial Statements

The following notes to the Financial Statements have been adjusted to include details relating to the Vale of Glamorgan Council and The Big Fresh Catering Company (BFCC) as a group.

### G1. Employee Emoluments

#### Remuneration over £60k

Remuneration Band	2023/24 Number of Teaching Employees	2023/24 Number of Non Teaching Employees	2023/24 Number of BFCC Employees	2023/24 Total Number of Employees
£60,000-£64,999	38	27		65
£65,000-£69,999	18	4		22
£70,000-£74,999	19	5	1	25
£75,000-£79,999	13	2		15
£80,000-£84,999	9	3		12
£85,000-£89,999	6	3		9
£90,000-£94,999	8	4		12
£95,000-£99,999	2	0		2
£100,000-£104,999	0	2		2
£105,000-£109,999	0	0		0
£110,000-£114,999	4	4		8
£115,000-£119,999	0	0		0
£120,000-£124,999	0	0		0
£125,000-£129,999	1	0		1
£130,000-£134,999	1	0		1
£135,000-£139,999	0	0		0
£140,000-£144,999	0	0		0
£145,000-£149,999	1	1		1
<b>Total</b>	<b>120</b>	<b>55</b>	<b>1</b>	<b>175</b>

The Directors of BFCC during the accounting period are set out below. With the exception of the Managing Director post Directors did not receive any additional remuneration in excess of the amount disclosed in the Single Entity Accounts for their roles in the BFCC. The Managing Director of BFCC is a remunerated post and is included in the table above.

Director	Date Appointed
Head of Strategy, Community Learning	11/09/2019
Cabinet Member for Learning and Culture (Councillor)	01/06/2022

Headteacher St Richard Gwyn Catholic School	02/03/2023
Headteacher Sully Primary School	24/04/2024
BFCC Managing Director	01/04/2020

## G2. Exit Payments

There are no Exit Payments in the Group other than those set out in Note 30 of the Single Entity accounts.

## G3. Members Allowances

The Members allowances for 2023/24 are as shown in Note 2828 of the Single Entity Accounts.

## G4. Related Parties

The Related Party transactions are included in Note 35 of the Single Entity Accounts.

## G5. External Audit Costs

	2022/23	2023/24
	£'000	£'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	197	197
Fees payable to Audit Wales in respect of performance work	106	116
Fees payable to Audit Wales for the certification of grant claims and returns	60	52
Fees payable in respect of other services provided by Audit Wales.	0	0
Fees payable in respect of External Audit of BFCC by Advantage Accountancy and Advisory Limited	14	16
<b>Total</b>	<b>377</b>	<b>381</b>

## G6. Leases

There are no leases in the Group other than those shown in Notes 36 and 37 of the single entity accounts. The Catering Equipment leased to the BFCC by the Vale of Glamorgan in 2022/23 and 2023/24 has been excluded from the Group Accounts as an Intra-company transaction Note 37 is restated below to reflect this adjustment.

	2022/23 Land and Buildings	2022/23 Other Leases	2023/24 Land and Buildings	2023/24 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	412	0	410	0
Between 1 and 5 years	1,182	0	1,074	0
After 5 years	8,403	0	7,959	0
<b>Total</b>	<b>9,997</b>	<b>0</b>	<b>9,443</b>	<b>0</b>

## G7. Property Plant and Equipment

In addition to the Property Plant and Equipment shown in Note 15 of the single entity accounts. The BFCC holds £19k of Equipment as a Tangible Asset.

Summary of Property Plant and Equipment Group Accounts	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Community Asset	Assets under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation as at 31 March 2024 Single Entity	213,160	546,209	38,915	3,868	37,356	3,131	842,639
BFCC Cost or Valuation	0	0	39	0	0	0	39
Cost or Valuation as at 31 March 2024 Group Accounts	213,160	546,209	38,954	3,868	37,356	3,131	842,678
Accumulated Depreciation and Impairment as at 31 March 2024 Single Entity	(1)	(1,208)	(21,251)	0	0	1	(22,459)
BFCC Accumulated Depreciation	0	0	(20)	0	0	0	(20)
Accumulated Depreciation and Impairment as at 31 March 2024 Group	(1)	(1,208)	(21,271)	0	0	1	(22,479)
Net Book Value 2023/24							
	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Community Asset	Assets under Construction	Surplus Assets	Total
At 31 March 2024	213,159	545,001	17,683	3,868	37,356	3,132	820,199

Reconciliation to Balance Sheet	2023/24
	£'000
Infrastructure Assets	134,135
Other Property, Plant and Equipment	820,199
<b>Total Property Plant and Equipment Assets</b>	<b>954,334</b>

## G8. Financial Instruments

The BFCC only invests in basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payables.

**G9. Debtors**

	31 March 2023	31 March 2024
	£'000	£'000
Central government bodies	33,232	29,083
Other local authorities	13,762	8,572
NHS bodies	2,249	5,013
Council Tax Payers	5,043	6,794
General	15,531	20,532
Provision for Bad Debts	(8,577)	(9,466)
<b>Total</b>	<b>61,240</b>	<b>60,528</b>

**G10. Cash and Cash Equivalents**

	31 March 2023	31 March 2024
	£'000	£'000
Cash held by the Authority and at Bank	4,103	2,529
Joint Committee Cash	4,429	4,054
Short-term Investment	11,020	6,697
BFCC Cash	1,671	2,060
<b>Total Cash and Cash Equivalents</b>	<b>21,223</b>	<b>15,340</b>

**G11. Creditors**

	31 March 2023	31 March 2024
	£'000	£'000
Central government bodies	6,434	6,434
Other local authorities	10,270	10,270
NHS bodies	377	377
Prepayments of Council Tax	1,226	1,226
General	35,198	35,199
Receipts in advance	622	622
Accumulated absences	4,629	4,629
<b>Total</b>	<b>58,756</b>	<b>45,753</b>



## G12. Provisions

	Total Single Entity £'000	BFCC	Total Group Provisions
<b>Balance at 1 April 2023</b>	<b>2,157</b>	<b>4</b>	<b>2,161</b>
Additional provisions made	119	31	150
Amounts used / Transfer out	0	0	0
<b>Balance at 1 April 2024</b>	<b>2,276</b>	<b>35</b>	<b>2,311</b>
Short Term Provisions	1,536	35	1,571
Long Term Provisions	741	0	741

## G13. Unusable Reserves

Restated 31/03/23		31/03/24
£'000		£'000
137,305	Revaluation Reserve	149,019
559,180	Capital Adjustment Account	611,685
(173)	Financial Instruments Adjustment Account	(240)
11	Deferred Capital Receipts Reserve	11
(65,122)	Pensions Reserve	(10,522)
(4,627)	Accumulated Absences Account	(3,840)
1,008	Group Entity BFCC Reserves	1,305
<b>627,582</b>	<b>Total Unusable Reserves</b>	<b>747,418</b>

## G14. Pension Assets and Liabilities

A summary of the various Joint Committees and Pension Fund Elements that make up the Pension Funding Liability included in the Group Accounts Balance Sheet is set out below.

Pension Liability	31 March 2023	31 March 2024
	£'000	£'000
Vale of Glamorgan Council Pension (Liability) Funded and Unfunded	(64,160)	(11,089)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(80)	(27)

Shared Regulatory Service Joint Committee Pension (Liability)	(709)	(148)
Central South Consortium Joint Committee Pension Asset/(Liability)*	869	732
Foundation School Pension Asset/(Liability)	(550)	10
BFCC Pension Asset/(Liability)	(492)	123
<b>Total Pension Liability</b>	<b>(65,122)</b>	<b>(10,399)</b>

\*The administering body for the Central South Consortium Joint Committee Pension Fund is Rhondda Cynon Taf County Council.

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2025 are set out in the table below. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

	Year ended 31 <sup>st</sup> March 2025 (£M)
Single Entity Accounts	17.27
BFCC	0.60
<b>Total</b>	<b>17.86</b>

There are no Unfunded Pensions in the Group Accounts other than those included in Note 38 of the Single Entity Accounts.

The assumptions for the Group Accounts are in line with those recorded in the Single Entity Accounts except where stated below.

As at 31/03/23	Vale of Glamorgan Single Entity Accounts	Big Fresh Catering Company	Total
	£M's	£M's	£M's
Fair Value of Assets	530.011	5.692	535.703
Present Value of Defined Benefit Obligation	(594.639)	(6.184)	(600.823)
<b>Funded/Unfunded status*</b>	<b>(64.628)</b>	<b>(0.492)</b>	<b>(65.120)</b>
Impact of minimum funding requirement / asset ceiling	0	0	0
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(64.628)</b>	<b>(0.492)</b>	<b>(65.120)</b>

As at 31/03/24	Vale of Glamorgan Single Entity Accounts	Big Fresh Catering Company	Total
	£M's	£M's	£M's
Fair Value of Assets	589.999	7.233	597.232
Present Value of Defined Benefit Obligation	(599.732)	(7.11)	(606.842)
<b>Funded/Unfunded status*</b>	<b>(9.734)</b>	<b>0.123</b>	<b>(9.611)</b>
Unrecognised Asset	(0.700)	0	(0.700)
Impact of minimum funding requirement / asset ceiling	(0.101)	0	(0.101)
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(10.535)</b>	<b>0.123</b>	<b>(10.412)</b>

Active Members	Vale Funded	Vale Unfunded	Foundation School	SRS	RAS	BFCC
	%	%	%	%	%	%
Active Members	38%	0	69%	73%	70%	79%
Deferred Pensioners	17%	0	8%	11%	15%	10%
Pensioners	45%	100%	23%	16%	15%	11%

We do not have the split of membership for the CSC Joint Committee Pension

The duration of liabilities for the scheme members is set out below.

Duration of liabilities	Vale of Glamorgan*	Foundation School	CSC	SRS	RAS	BFCC
Liability in years	16.7	18.1	n/a	22.1	23	18.8

Breakdown of Amounts recognised in Surplus or Deficit on the Provision of Services and Other Comprehensive Income.

For Year Ending 31/03/23	£M's	£M's	£M's
	Single Entity Accounts	BFCC	Total Group Pensions
Comprehensive Income and Expenditure			
Cost of Services			
Service Cost Comprising			
Current Service Cost*	35.855	1.055	36.910
Past Service Cost (including curtailments)	0	0	0
(Gain)/Loss on Settlements	0	0	0
Financing and Investment Income			
Net Interest Expense	7.229	0.068	7.297
<b>Total post-employment benefits charged to the surplus or deficit on the provision of services</b>	<b>43.084</b>	<b>1.123</b>	<b>44.207</b>
Remeasurements in Other Comprehensive Income and Expenditure			
Return on plan assets (in excess of) /below that recognised in net interest	4.822	0.382	5.204
Actuarial (gains)/ losses due to change in financial assumptions	(299.578)	(3.813)	(303.391)
Actuarial (gains)/ losses due to changes in demographic assumptions	(2.102)	(0.038)	(2.140)
Actuarial (gains) / losses due to liability experience	59.558	0.529	60.087
<b>Total post-employment benefits charged to the comprehensive income and expenditure statement</b>	<b>(237.300)</b>	<b>(2.94)</b>	<b>(240.240)</b>
<b>Total Amount Recognised</b>	<b>(194.216)</b>	<b>(1.817)</b>	<b>(196.033)</b>
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	43.084	1.123	44.207
Actual amount charged against General Fund and HRA balances for Pensions in year			
Employers' contributions payable to scheme	16.621	0.430	17.051
Retirement benefits payable to pensioners	1.140	0	1.140
Administration Allowance *The current service cost included an allowance for the administration expenses	0.510	0.014	0.524

For Year Ending 31/03/24	£M's	£M's	£M's
	Single Entity Accounts	BFCC	Total Group Pensions
Comprehensive Income and Expenditure			
Cost of Services			
Service Cost Comprising			
Current Service Cost*	17.632	0.631	18.263
Past Service Cost (including curtailments)	0.140	0	0.140
(Gain)/Loss on Settlements	0	0	0
Financing and Investment Income			
Net Interest Expense	2.626	0.009	2.635
<b>Total post-employment benefits charged to the surplus or deficit on the provision of services</b>	<b>20.398</b>	<b>0.64</b>	<b>21.038</b>
Remeasurements in Other Comprehensive Income and Expenditure			
Return on plan assets (in excess of) /below that recognised in net interest	(35.338)	(0.416)	(35.754)
Actuarial (gains)/ losses due to change in financial assumptions	(19.977)	(0.274)	(20.251)
Actuarial (gains)/ losses due to changes in demographic assumptions	(9.445)	(0.098)	(9.543)
Actuarial (gains) / losses due to liability experience	7.450	0.105	7.555
Actuarial (gains) / losses due to restriction of surplus	0.700	0	0.700
<b>Total post-employment benefits charged to the comprehensive income and expenditure statement</b>	<b>(56.610)</b>	<b>(0.683)</b>	<b>(57.293)</b>
<b>Total Amount Recognised</b>	<b>(36.212)</b>	<b>(0.043)</b>	<b>(36.255)</b>
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(20.398)	(0.64)	(21.038)
Actual amount charged against General Fund and HRA balances for Pensions in year			
Employers' contributions payable to scheme	16.805	0.574	17.379
Retirement benefits payable to pensioners	1.180	0	1.180
Administration Allowance *The current service cost included an allowance for the administration expenses	0.560	0.018	0.578

Changes to the Present Value of Defined Benefit Obligation during the Period

Year Ended 31/03/23	Single Entity Accounts	BFCC	Total Group Pension
	£M's	£M's	£M's
<b>Opening Defined Benefit Obligation</b>	794.895	8.112	803.007
Current Service Cost	35.855	1.055	36.910
Interest Expense on defined benefit obligation	21.259	0.221	21.480
Contributions by Participants	4.918	0.13	5.048
Actuarial (gains)/ losses on liabilities financial assumptions	(299.578)	(3.813)	(303.391)
Actuarial (gains)/ losses on liabilities demographic assumptions	(2.102)	(0.038)	(2.140)
Actuarial (gains)/ losses on liabilities experience	59.558	0.529	60.087
Net Benefits Paid Out	(20.148)	(0.012)	(20.160)
Past Service Cost (including curtailments)	0	0	0
Net increase in liabilities from disposals/ acquisitions	0	0	0
Settlements	0	0	0
<b>Closing Defined Benefit Obligation</b>	<b>594.657</b>	<b>6.184</b>	<b>600.841</b>

Year Ended 31/03/24	Single Entity Accounts	BFCC	Total Group Pension
	£M's	£M's	£M's
<b>Opening Defined Benefit Obligation</b>	594.668	6.324	600.992
Current Service Cost	17.632	0.631	18.263
Interest Expense on defined benefit obligation	27.529	0.3	27.829
Contributions by Participants	5.541	0.169	5.710
Actuarial (gains)/ losses on liabilities financial assumptions	(19.977)	(0.274)	(20.251)
Actuarial (gains)/ losses on liabilities demographic assumptions	(9.445)	(0.098)	(9.543)

Actuarial (gains)/ losses on liabilities experience	7.450	0.105	7.555
Net Benefits Paid Out	(23.786)	(0.047)	(23.833)
Past Service Cost (including curtailments)	0.140	0	0.140
Net increase in liabilities from disposals/ acquisitions	0	0	0
Settlements	0	0	0
<b>Closing Defined Benefit Obligation</b>	<b>599.752</b>	<b>7.110</b>	<b>606.862</b>

#### Changes to the Fair Value of Assets during the Accounting Period

Year ended 31/03/23	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
<b>Opening Fair Value of Assets</b>	518.294	5.373	523.667
Interest Income on Assets	14.030	0.153	14.183
Remeasurement gains/ (losses) on Assets	(4.822)	(0.382)	(5.204)
Contributions by the Employer	17.761	0.43	18.191
Contributions by Participants	4.897	0.13	5.027
Net Benefits Paid Out	(20.148)	(0.012)	(20.160)
Net increase in assets from disposals/ acquisitions	0	0	0
Settlements	0	0	0
<b>Closing Fair Value of Assets</b>	<b>530.012</b>	<b>5.692</b>	<b>535.704</b>

Year ended 31/03/24	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
<b>Opening Fair Value of Assets</b>	530.040	5.830	535.870
Interest Income on Assets	24.903	0.291	25.194
Remeasurement gains/ (losses) on Assets	35.338	0.416	35.754
Contributions by the Employer	17.985	0.574	18.559
Contributions by Participants	5.518	0.169	5.687
Net Benefits Paid Out	(23.786)	(0.047)	(23.833)
Net increase in assets from disposals/ acquisitions	0	0	0
Settlements	0	0	0
<b>Closing Fair Value of Assets</b>	<b>589.998</b>	<b>7.233</b>	<b>597.231</b>

### Actual Return on Assets

Year ended 31/03/23	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Interest Income on Assets	14.030	0.153	14.183
Remeasurement gains/ (losses) on Assets	(4.822)	(0.382)	(5.204)
<b>Actual Return on Assets</b>	<b>9.208</b>	<b>0.229</b>	<b>8.979</b>

Year ended 31/03/24	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Interest Income on Assets	24.903	0.291	25.194
Remeasurement gains/ (losses) on Assets	35.338	0.416	35.754
<b>Actual Return on Assets</b>	<b>60.241</b>	<b>0.707</b>	<b>60.948</b>

### G15. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2022/23		2023/24
£'000		£'000
1,530	Interest Received	3,992
(6,531)	Interest Paid	(6,648)

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2022/23		2023/24
£'000		£'000
25,241	Depreciation and Impairment and Downward Valuations	27,821
81	Amortisation	87
0	Soft Loans (non-subsiary)	-
0	Deferred revenue/deferred payment agreements (IFRS 15)	-
9,884	Increase / (Decrease) in creditors	(11,620)
411	(Increase) / Decrease in debtors	1,824
(126)	(Increase) / Decrease in inventories	(262)
26,014	Movement in pension liability	2,305
(1,057)	Other non-cash items charged to the net surplus or deficit on the provision of services	(1,567)



6,832	Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	1,109
<b>67,280</b>	<b>Adjustments to net surplus or deficit on the provision of services for non-cash movements.</b>	<b>19,697</b>

## G16. Taxation

<b>Big Fresh Catering Company</b>	<b>31/3/2023</b>	<b>31/3/2024</b>
	<b>£'000</b>	<b>£'000</b>
Corporation Tax	81	110
Current Tax on Profits for the year	0	0
<b>Total Current Tax</b>	<b>81</b>	<b>110</b>
Deferred Tax	(173)	(16)
Changes to Tax Rates	0	0
Adjustments in Respect of Prior Year	0	0
<b>Total Deferred Tax</b>	<b>(173)</b>	<b>(16)</b>
<b>Taxation on Ordinary Activities</b>	<b>(92)</b>	<b>94</b>

<b>Deferred Taxation 2022/23</b>	<b>Asset</b>	<b>Liability</b>
	<b>£'000</b>	<b>£'000</b>
Deferred Tax Asset on Pension Deficit	123	0
Accelerated Capital Allowances	0	4
<b>Total Deferred Taxation</b>	<b>123</b>	<b>4</b>

<b>Deferred Taxation 2023/24</b>	<b>Asset</b>	<b>Liability</b>
	<b>£'000</b>	<b>£'000</b>
Deferred Tax Asset on Pension Deficit	0	31
Accelerated Capital Allowances	0	5
<b>Total Deferred Taxation</b>	<b>0</b>	<b>36</b>

## Glossary

### Accounting Period

The period of time covered by the accounts, typically a period of twelve months commencing on 1 April. The end of the accounting period is the balance sheet date.

### Accounting Policies

The specific principles, bases, conventions, rules & practices applied by the Council in preparing & presenting its financial statements.

### Accruals

Amounts included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

### Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because the events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or the actuarial assumptions have varied.

### Amortisation

The gradual elimination of a liability, such as a loan, in regular payments over a specified period of time. Such payments must be sufficient to cover both principal & interest.

### Asset

An item having value to the authority in monetary terms. Assets are classed as either current or non current:

- A **current** asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
- A **non current** asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a school building, or intangible, e.g. computer software licences.

### Assets Under Construction

The cost of work performed on an incomplete project at the balance sheet date, which should be accounted for.

### Balance Sheet

A statement of the recorded assets, liabilities and reserves at the end of the accounting period.

### Beacon Valuation

This approach is designed to value large groups of properties which are of similar design, age or construction. In essence, this approach comprises three stages:

- a) Dividing the stock into Asset Groups (large groupings of properties such as a housing estate or groups of estates);
- b) Sub-dividing these Asset Groups into Archetype Groups (dwellings within the Asset Groups which have similar characteristics and;
- c) Selecting a Beacon Property – an actual property which is representative of its Archetype group.

### **Capital Financing**

Funds obtained to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

### **Capital Receipt**

The income from the disposal of land or other non current assets.

### **Cash Equivalents**

Short-term, highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value.

### **Community Assets**

Assets that the Council plans to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

### **Comprehensive Income and Expenditure Account**

The revenue account of the Council that reports the net cost for the year of the functions for which it is responsible, and demonstrates how that cost has been financed from precepts, grants and other income.

### **Contingent Asset**

A contingent asset is a likely asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control.

### **Contingent Liability**

A contingent liability is either a potential obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control; or a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

### **Creditor**

Amount owed by the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

### **Current Service Cost (Pensions)**

The increase in the present value of a defined benefit pension scheme's liabilities, expected to arise from employee service in the current period.

### **Debtor**

Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

### **Defined Benefit Pension Scheme**

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

### **Depreciated Replacement Cost (DRC)**

A method of valuation which gives a recognised approximation for the market value of specialised properties. It is an estimate of the market value for the existing use of the land, plus the current gross replacement costs for the building less an allowance for physical deterioration of the asset to its current equivalent physical state.

### **Depreciation**

The measure of the cost of the wearing out, consumption or other reduction in the useful economic life of the Authority's non current assets during the accounting period, whether from use, the passage of time, or obsolescence through technological or other changes.

### **Discretionary Benefits (Pensions)**

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as The Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations 2007.

### **Effective Interest Rate**

This is the rate of interest needed to discount the estimated stream of principal and interest cash flows through the expected life of a financial instrument to equal the amount at initial recognition.

### **Employee Benefits**

All forms of consideration given by the Council in exchange for service rendered by its employees.

### **Events After The Balance Sheet Date**

Events after the balance sheet date are those events, favourable or unfavourable, that arise between the balance sheet date and the date when the Statement of Accounts is authorised for issue.

### **Exceptional Items**

Material items which derive from affairs or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

### **Existing Use Value (EUV)**

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion. It assumes that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

### **Expected Return on Pension Assets**

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

### **Extraordinary Items**

Material items, having a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the authority and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

### **Fair Value**

The fair value of an asset is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

### **Financial Instrument**

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

### Going Concern

The concept that the statement of accounts are prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

### Gross Carrying Amount (GCA)

This is the value of the land, building or other category of non current asset as per the latest valuation including any enhancements but before allowing for any depreciation or impairments.

### Housing Revenue Account (HRA)

A separate account to the Council Fund that includes the expenditure and income arising from the provision of housing accommodation by the Authority.

### Impairment

A reduction in the value of a non current asset to below its carrying amount on the balance sheet. Impairment may be caused by a consumption of economic benefit (economic benefit impairment) or a general fall in prices.

### Infrastructure Assets

Non current assets belonging to the Authority that cannot be transferred or sold, on which expenditure is only recoverable by continued use of the asset created. Examples are highways, footpaths and bridges.

### Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets most frequently found in local authorities are computer software.

### Inventories

Items of raw materials and stores an authority has procured and holds in expectation of future use.

### Liability

A liability is where the Council owes payment to an individual or another organisation.

- A **current** liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A **deferred** liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

### Materiality

The concept that the Statement of Accounts should contain all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

### **Minimum Revenue Provision (MRP)**

The minimum amount, which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

### **National Non-Domestic Rates (NNDR)**

The National Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of central government and then redistributed back to support the cost of services.

### **Net Book Value**

The amount at which non current assets are included in the balance sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation and impairment.

### **Operating Lease**

A lease where the ownership of the non current asset remains with the lessor.

### **Past Service Cost (Pensions)**

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

### **Pension Scheme Liabilities**

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

### **Precept**

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf.

### **Prior Year Adjustment**

Material adjustments relating to prior years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

### **Provision**

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur, but the amounts or dates of when they will arise are uncertain.

### **Public Works Loan Board (PWLB)**

A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the government itself can borrow.

### **Related Parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

### **Remeasurement of Pension Liability**

Changes to the pension liability made to reflect the return on plan assets and because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions

### **Reserves**

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves such as the Revaluation Reserve cannot be used to meet current expenditure.

### **Residual Value**

The net realisable value of an asset at the end of its useful life.

### **Revenue Expenditure Funded From Capital Under Statute (REFCUS)**

Expenditure which can be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a non-current asset. This is to enable it to be funded from capital resources. Examples of REFCUS are grants of a capital nature to voluntary organisations.

### **Revenue Support Grant –**

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

### **Soft Loan**

A loan made interest free or at a rate less than the market rate, usually for policy reasons. Such loans are often made to individuals or organisations that the Council considers benefits the local population.

### **Trust Funds**

Funds administered by the Authority for such purposes as prizes, charities, specific projects, and on behalf of minors.

### **Useful Economic Life (UEL)**

The period over which the Council will derive benefits from the use of a non current asset.



Appendix B



Shared  
**Regulatory**  
Services

Gwasanaethau  
**Rheoliadol**  
a Rennir

## Shared Regulatory Service Joint Committee

Statement of Accounts 2023/24 Year Ended 31st March 2024  
Published Subject to Audit

## Shared Regulatory Service Joint Committee

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# Shared Regulatory Service Joint Committee

## Statement of Accounts 2023/24 Year Ended 31<sup>st</sup> March 2024

### Narrative Report

#### Introduction

This document presents the Statement of Accounts for the Shared Regulatory Service in respect of financial year 2023/24 and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (IFRS), and the Accounts and Audit (Wales) Regulations 2014 (as amended).

The Shared Regulatory Service (SRS) produces its Statement of Accounts to explain the SRS's finances, to give assurance that public money has been properly accounted for, and that the financial standing of the Service is on a secure basis. The Statement of Accounts must provide a "true and fair" view of the SRS's financial position as at 31<sup>st</sup> March 2024, and its income and expenditure for the 2023/24 financial year. When preparing these accounts consideration is given to the materiality of information. The 2022/23 materiality level was set at £232k. This level of materiality was set by Audit Wales to try to identify and correct misstatements that might otherwise cause a user of the accounts to be misled. The 2023/24 materiality level will be confirmed in the 2023/24 Audit of the Accounts Report issued by Audit Wales. Any notes to the accounts below this value, which are not statutorily required, and where the SRS believes that they do not aid understanding, have been excluded.

The SRS is a collaborative service formed between Bridgend, Cardiff and the Vale of Glamorgan Councils on the 1<sup>st</sup> May 2015. The Service delivers a fully integrated service under a single management structure for Trading Standards, Environmental Health and Licensing functions with shared governance arrangements ensuring full elected member accountability and scrutiny.

The SRS is managed and administered by the Shared Regulatory Service Joint Committee, under powers conferred by the Local Government (Wales) Act 1994. The Joint Committee is made up of two elected members from each authority. The Vale of Glamorgan Council became the Host Authority upon formation of the Joint Committee. The Joint Working Agreement and subsequent updates have been signed by the three authorities.

The SRS operates under a Joint Working Arrangement (JWA) whereby the Head of the SRS reports on service provision to the Joint Committee. An officer Management Board has been tasked with the oversight of the operation and future development of the service. The detailed delegations of policy and function from partners to the Joint Committee and Head of Service are set out in the Joint Working Agreement, which includes: -

- The functions to be carried out by the joint service.
- The terms of reference and constitution of the Joint Committee, the Management Board etc.
- The terms of joint service such as staffing, services to be provided by the Host and other partners, financing and other functional issues.
- The Financial Operating Model.

## Shared Regulatory Service Joint Committee

Consequently, the SRS works across the three Councils, supporting a range of Committees and (where required) the three Cabinets, to deliver the Regulatory functions. The workflow involves quarterly meetings with the Management Board followed by meetings of the SRS Joint Committee, details of which are then communicated to all 3 Cabinets. Officers meet members of the Joint Committee on a regular basis to ensure both regional and local issues are considered and managed appropriately.

All of the SRS Joint Committee meeting agendas and minutes since April 2015 are held on the websites of each constituent Council. The reports depict the genesis, development and future direction of the SRS.

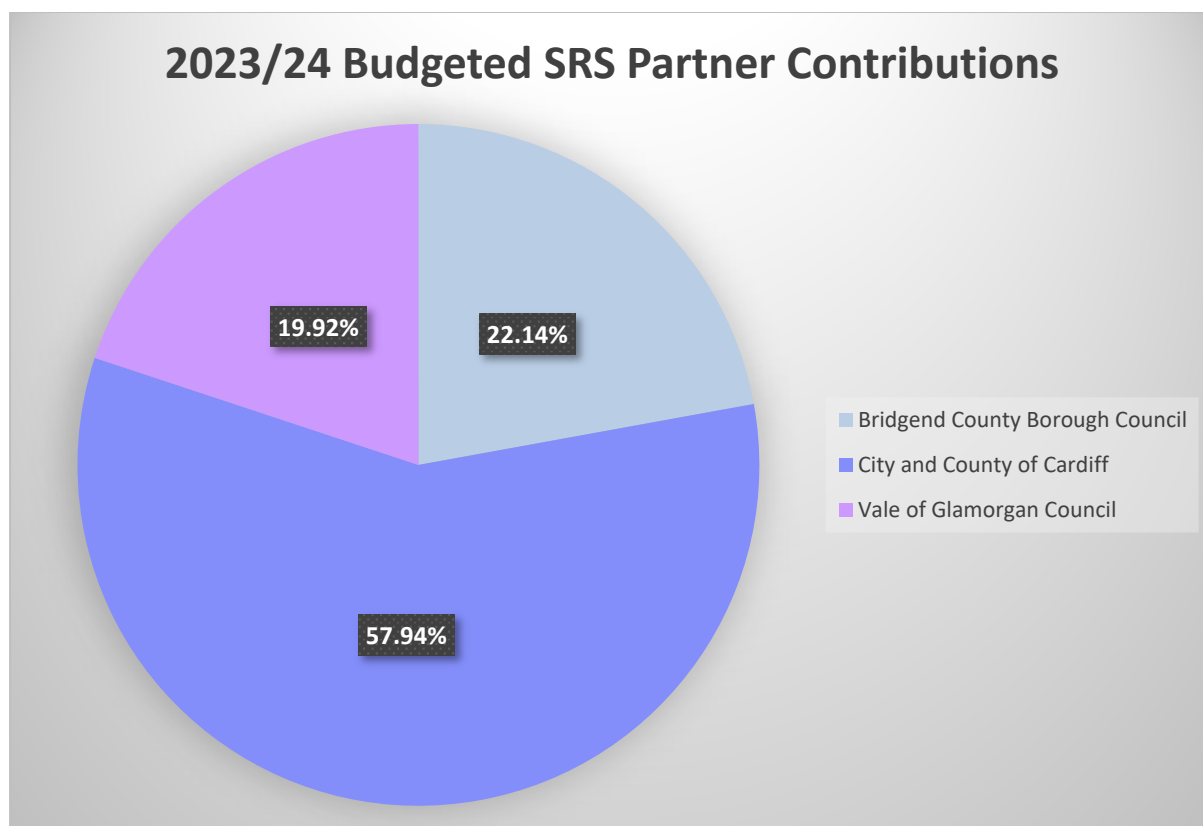
The narrative report provides insight into the funding and expenditure appertaining to the SRS in the year, the key financial issues and pressures and a look to future years.

Information contained within these accounts provides the user with clarity on the nature of transactions in respect of the financial year ended 31<sup>st</sup> March 2024, and its financial composition as at that date.

These accounts will present:

- The financial statements legally required and their supporting notes; and
- The accounting policies that have been applied when preparing the accounts.

The following chart graphically represents the 2023/24 total budgeted contribution made to the SRS by the Partner Authorities, to include both Core and Authority Specific Services.



## Summary of Financial Performance

The financial position of the SRS is regularly reported to the SRS Board and Joint Committee, with the same reports also being forwarded on a timely basis to the nominated senior manager of each Authority during the year.

Expenditure incurred by the SRS is predominantly split into two main elements, Core and Authority Specific Services. Core Services are those functions that are undertaken on behalf of all authorities, with the associated budgets apportioned on an annually updated pre-agreed population basis. Authority Specific Services are unique to each authority. These are Services which are not undertaken across all authorities' areas but occur within one part of the SRS area such as Night-Time Noise Pollution, which is charged directly to the relevant authority. Licensing is the exception to this rule, as it is undertaken at each authority. There is a legal requirement that the Licensing Service remain seated in the legacy authority, with each having their own assigned Licensing Committee within the said legacy authority.

The SRS 2023/24 gross expenditure budgets are shown on the following table.

Authority	Participant Apportionment %	Core Services Budget 2023/24 £'000	Authority Specific Budget 2023/24 £'000	Agreed Budget 2023/24 £'000
Bridgend CBC	23.90%	1,453	461	1,914
City and County of Cardiff	56.72%	3,447	1,562	5,009
Vale of Glamorgan	19.38%	1,178	544	1,722
<b>Total</b>	<b>100.00%</b>	<b>6,078</b>	<b>2,567</b>	<b>8,645</b>

The table below illustrates the budgeted expenditure against the actual expenditure incurred for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

Category	Budgeted Expenditure £'000	Actual Expenditure £'000	Variance £'000
Authority Specific	2,567	2,685	(118)
Core Services	6,078	6,131	(53)
<b>Total</b>	<b>8,645</b>	<b>8,816</b>	<b>(171)</b>

Shared Regulatory Service Joint Committee

The 2023/24 revenue position of the SRS is summarised as follows;

Service	Agreed Budget £'000	Net Revenue Expenditure Chargeable to General Fund Balances £'000	Variance £'000
Authority Specific – Licensing	1,540	1,710	(170)
Authority Specific - Other	1,027	975	52
<u>Core Services</u>			
Animal Services	422	443	(21)
Environmental Services	240	218	22
Food Services	1,559	1,724	(165)
Health & Safety & Communicable Disease	666	703	(37)
Housing Services	625	698	(73)
Pollution	934	934	0
Trading Standards	1,632	1,411	221
	<b>8,645</b>	<b>8,816</b>	<b>171</b>
Net Recovery of 2022/23 Overspend			(63)
Drawdown from General Fund			78
Fund movement in specific reserve			71
Movement in Proceeds of Criminal Activity reserve			60
<b>Movement in General Fund Balance</b>			<b>317</b>
<b>General Reserve position as of 31<sup>st</sup> March 2024</b>			<b>452</b>

A 3% savings target was agreed for 2023/24 SRS budget which equated to £178k being taken from the Core budget. The make-up of the 2023/24 budget is illustrated in the following table:

2023/24 Budget Reconciliation	Budgeted Expenditure £'000
2022/23 Agreed Revenue Budget	8,331
2022/23 Adjustment for Pay Award Shortfall (not previously funded)	268
2023/24 Agreed 3% Savings taken from within Core	(178)
2023/24 Adjustment for 5% Anticipated Pay Award	224
<b>Total</b>	<b>8,645</b>

The 2023/24 budget was agreed at the Special Meeting of the Shared Regulatory Services on 9<sup>th</sup> February 2023.

One ageing vehicle was replaced during 2023/24 at a cost to the Service of £24k. This expenditure has been treated as Capital Expenditure (funded by) Revenue.

## **2023/24**

The externally funded SRS Health Protection team continues to work with Cardiff and Vale Health Board and the wider Health Protection Partnership, while staff within the Communicable Disease team continue to support care homes within the SRS region in respect of infectious diseases.

The year saw a significant improvement in performance against inspection programmes, with positive progress made in finally clearing COVID-related backlogs of programmed work. Likewise, the post-COVID delays in the court system eased and by year end a total of 46 prosecutions had been concluded.

### **Impact of the Current Economic Climate**

Despite real time annual budget reductions, public expectations on the SRS have increased quite significantly with an associated greater demand on service provision being sought than in previous years.

2023/24 was a challenging year in terms of the macroeconomic environment within which the Council and Shared Regulatory Services operated in. The impact on inflation, although reducing during towards the second part of the year, continued to put pressure on the service, but also on those businesses and citizens SRS's services are there to support and protect. The squeeze on budgets whether relating to individuals or businesses has increased the level of risk within society with which the service is involved with – for example, whether from rogue traders, illegal money lending or businesses potentially taking riskier decisions across a range of sectors. The state of public finances and notably pay increases have put further pressure on the Council's and SRS and required the budget to be considered in great detail in order to deliver value for money for the partners.

### **Non-Financial Performance**

The Service delivers a range of statutory services through a collaborative model that are critical to maintaining the health, safety and economic welfare of local communities. The operating model delivers an integrated service for the Trading Standards, Environmental Health and Licensing functions, which has three service delivery sectors focusing upon the customer rather than the traditional professional delivery model.

- **Neighbourhood Services** – Activities relating to residential premises or having an impact on the local community.
- **Commercial Service** – Activities relating to business premises (generally where national standards apply).
- **Enterprise & Specialist Services** – Specialist areas of work plus income generating services.

As a regional organisation, providing regulatory services across the three local authority areas, the Service seeks to ensure that the corporate priorities and stated outcomes of the three

Councils are at the heart of its activities. Using them as a focus, the strategic priorities of the Service are:

- Improving Health and Wellbeing
- Safeguarding the Vulnerable
- Protecting the Local Environment
- Supporting the Local Economy
- Maximising the use of the Shared Regulatory Service's Resources

These priorities have provided a robust base for achieving the outcomes identified in previous business plans and the partner Council's corporate aspirations.

### **Improving Health and Wellbeing**

Improving Health and Wellbeing is a key priority for Shared Regulatory Services. Work is undertaken by the Service to ensure that food is safe, infectious disease outbreaks are managed, noise and air emissions are controlled, that risks in the workplace are managed properly and people are enabled to live in healthy environments. This is in conjunction with the Service's activities to ensure the quality of private rented property, the promotion of a safe trading environment and the regulation of licensed premises to ensure they operate responsibly. Then it is evident that the work undertaken by the Service is hugely important to the health and wellbeing of the region.

### **Safeguarding the Vulnerable**

The Service contributes towards the safeguarding agendas of the partner authorities by seeking to ensure that children are protected from harmful substances and products, that older and vulnerable people are protected from unscrupulous individuals and traders, that illegal money lending activities across Wales are challenged robustly, and that the public feel safe when using taxis as public transport.

### **Protecting the Environment**

Protecting the environment is a core strategic priority of the SRS. Many of the activities such as water sampling, monitoring air quality, and remediating contaminated land contribute toward promoting a better environment. This in turn means better long-term prospects for the health and wellbeing of our communities. The SRS has a key role to play in ensuring we make best use of existing resources and bringing back redundant/derelict properties into use is an important contributor to both the environment and local community development. The service has a key role to play in the wider climate change and future generations agendas through the enforcement role on energy efficiency controls on properties and products. The impact of these activities is less apparent in the short term for communities but has an important role for future generations. In the more immediate term, the Service ensures communities are protected from nuisance and are safer by investigating noise complaints and managing instances of stray dogs and horses.

### **Supporting the Local Economy**



A strong local economy is a key component in the quality of life experienced by local people. The work of SRS has a significant, but often unseen impact upon the local economy. The provision of timely advice and guidance on regulation can benefit the economic viability of businesses resulting in improved business practice. Much of the Service's market surveillance activity focuses upon maintaining balance in the "marketplace"; the equitable enforcement of regulations enables businesses to compete on equal terms ensuring a fairer trading environment. The role of the Service as regulator also extends to providing information to support consumers to enable them to become better informed and confident. In an age where people can purchase goods and services without leaving home, the importance of the principle of "caveat emptor" – which is the principle that the buyer is responsible for checking the quality and suitability of goods before a purchase is made, has never been more relevant.

### **Maximising the use of Shared Regulatory Service's Resources**

Maximising the use of resources was the original catalyst for creating SRS, with the work in this area continuing. By reducing "triplication" of effort, introducing better processes, making the systems work without constant intervention, improving access into the Service, the business improves resulting in an increase to customer satisfaction. Income generating activities such as marketing the metrology laboratory, offering paid for advice services, building Primary Authority partnerships and extending the training provision to business are examples of the Service's move to becoming a more "commercial" culture. Crucial to the success of the Service are the people who work within it. Officers are fully engaged in the development of the Service, by fostering an environment where people are encouraged to think, lead and innovate.

The SRS Annual Report 2023/24 details the activities undertaken by the Service in its support of these priorities. During 2023/24, the Service achieved 46 successful prosecutions in its support of these strategic priorities.

### **Looking Forward**

A revenue budget of £8.813m for 2024/25 was approved by the SRS Committee on 31st January 2024.

This report can be accessed on the Vale of Glamorgan Council's [website](#),

SRS does not hold a capital budget.

### **Further Information**

Further information regarding the accounts is available from the Section 151 Officer of the Vale of Glamorgan Council who is appointed as Treasurer of the Joint Committee and is located within the Corporate Resources Directorate, Civic Offices, Holton Road, Barry, CF63 4RU.



## **Statement of Responsibilities for the Statement of Accounts for the Shared Regulatory Service**

### **The Vale of Glamorgan Council (as Host) Responsibilities**

The Council is required:

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

The Joint Committee's Responsibilities

- To approve the Statement of Accounts.

Signature:

Date: 19th June 2024

Chair of Shared Regulatory Service Joint Committee  
Vale of Glamorgan Council  
Civic Offices  
Holton Road  
Barry  
CF63 4RU

## **Responsibilities of the Head of Finance as Treasurer of the Joint Committee**

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

**1. In preparing the Statement of Accounts, the Head of Finance has:**

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.

**2. The Head of Finance has also throughout the financial year:**

- Maintained proper accounting records that were kept up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

**3. Certificate of the Head of Finance as Treasurer of the Joint Committee**

I certify the Statement of Accounts give a true and fair view of the financial position of the Joint Committee as at 31<sup>st</sup> March 2024, and its income and expenditure for the period then ended.

**Signature:**



**Date:** 28th June 2024

Matt Bowmer  
Head of Finance/Section 151 Officer  
Vale of Glamorgan Council  
Civic Offices  
Holton Road  
Barry  
CF63 4RU

**Auditor General for Wales' report to the Members of the Shared Regulatory Services**

**The independent auditor's report of the Auditor General for Wales to the members of Shared Regulatory Services Joint Committee.**

## Shared Regulatory Service Expenditure and Funding Analysis 2023/24

The objective of the Expenditure and Funding Analysis is to demonstrate to the partners how funding available to the SRS in the year and has been used on the provision of services in comparison with those resources consumed or earned by the service in accordance with generally accepted accounting practices. The detailed breakdown of the adjustments between accounting and funding are illustrated for both 2022/23 and 2023/24 in Notes 7. Further information is shown about this note on page 17.

Expenditure and Funding Analysis 2023/24	Net Expenditure Chargeable to General Fund Balances £'000	Adjustments Between Accounting and Funding Basis £'000	Comprehensive Income and Expenditure £'000
Authority Specific - Licensing	1,710	8	1,718
Authority Specific - Other	975	4	979
Animal Welfare Services	553	30	583
Environmental Services	235	1	236
Food Services	1,732	7	1,739
Health & Safety and Communicable Disease	1,024	8	1,032
Housing Services	992	3	995
Pollution	945	8	953
Trading Standards	1,601	3	1604
<b>Net Cost of Services</b>	<b>9,767</b>	<b>72</b>	<b>9,839</b>
<b><u>Financing and Investment Income and Expenditure</u></b>			
Contribution from Other Local Authorities	(9,461)	0	(9,461)
Interest Receivable	(16)	0	(16)
Recovery of Prior Year Overspend	63	0	63
Pensions Interest Payable	0	120	120
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>353</b>	<b>192</b>	<b>546</b>
Opening General Fund Balance at 31st March 2023	(803)		
Plus Surplus on General Fund Balance in Year	353		
<b>Closing General Fund Balance at 31st March 2024</b>	<b>(450)</b>		

## Shared Regulatory Service Expenditure and Funding Analysis 2022/23

Expenditure and Funding Analysis 2022/23	Net Expenditure Chargeable to General Fund Balances £'000	Adjustments Between Accounting and Funding Basis £'000	Comprehensive Income and Expenditure £'000
Authority Specific – Licensing	1,677	195	1,872
Authority Specific - Other	959	118	1,077
Animal Welfare Services	575	59	634
Environmental Services	263	36	299
Food Services	1,481	180	1,661
Health & Safety and Communicable Disease	848	132	980
Housing Services	1,031	149	1,180
Pollution	825	117	942
Trading Standards	1,507	251	1,758
<b>Net Cost of Services</b>	<b>9,166</b>	<b>1,237</b>	<b>10,403</b>
<b><u>Financing and Investment Income and Expenditure</u></b>			
Contributions from Local Authorities	(9,019)	0	(9,019)
Interest Receivable	(43)	0	(43)
(Profit)/Loss on Disposal of Asset	0	(11)	(11)
Repayment of Prior Year Underspend	193	0	193
Pensions Interest Payable	0	630	630
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>297</b>	<b>1,856</b>	<b>2,153</b>
Opening General Fund Balance as at 31st March 2022	(1,101)		
Plus Surplus on General Fund Balance in Year	297		
<b>Closing General Fund Balance as at 31st March 2023</b>	<b>(803)</b>		

## SRS Movement in Reserves Statement 2022/23 and 2023/24

This statement shows the movement in the year on the different reserves held by the SRS, analysed into “Usable Reserves” (i.e. those that can be applied to fund expenditure) and “Unusable Reserves”. Further information on this statement is shown on page 17.

Movement in Reserves in Reserves	Notes	Shared Regulatory Service							
		SRS Reserves £'000	Usable Capital Receipts £'000	Total Usable Reserves £'000	Accumulated Absence Account £'000	Pensions Reserve £'000	Capital Adjustment Account £'000	Total Unusable Reserves £'000	Total Reserves £'000
<b>Shared Regulatory Service</b>									
<b>Balance at 31 March 2022 Carried Forward</b>	<b>18,20</b>	<b>1,101</b>	<b>0</b>	<b>1,101</b>	<b>(279)</b>	<b>(24,100)</b>	<b>91</b>	<b>(24,288)</b>	<b>(23,187)</b>
Movement in Reserves during 2022/23									
<b>Total Comprehensive Income &amp; Expenditure</b>		<b>(2,153)</b>	<b>0</b>	<b>(2,153)</b>	<b>0</b>	<b>22,700</b>	<b>0</b>	<b>22,700</b>	<b>20,547</b>
Adjustments between Accounting Basis & Funding Basis	<b>9</b>	<b>1,855</b>	<b>17</b>	<b>1,872</b>	<b>166</b>	<b>(2,050)</b>	<b>12</b>	<b>(1,872)</b>	<b>0</b>
<b>Increase/(Decrease) in Year</b>		<b>(298)</b>	<b>17</b>	<b>(281)</b>	<b>166</b>	<b>20,650</b>	<b>12</b>	<b>20,828</b>	<b>20,547</b>
<b>Balance as at 31<sup>st</sup> March 2022/23 Carried Forward</b>	<b>18,20</b>	<b>803</b>	<b>17</b>	<b>820</b>	<b>(113)</b>	<b>(3,450)</b>	<b>103</b>	<b>(3,460)</b>	<b>(2,640)</b>
Movement in Reserves during 2023/24									
<b>Total Comprehensive Income &amp; Expenditure</b>		<b>(545)</b>	<b>0</b>	<b>(545)</b>	<b>0</b>	<b>2,790</b>	<b>0</b>	<b>2,790</b>	<b>2,245</b>
Adjustments between Accounting Basis & Funding Basis	<b>9</b>	<b>192</b>	<b>(0)</b>	<b>192</b>	<b>(40)</b>	<b>(120)</b>	<b>(32)</b>	<b>(192)</b>	<b>0</b>
<b>Increase / (Decrease) in Year</b>		<b>(353)</b>	<b>(0)</b>	<b>(353)</b>	<b>(40)</b>	<b>2,670</b>	<b>(32)</b>	<b>2,598</b>	<b>2,245</b>
<b>Balance as at 31<sup>st</sup> March 2024 Carried Forward</b>		<b>450</b>	<b>17</b>	<b>467</b>	<b>(153)</b>	<b>(780)</b>	<b>71</b>	<b>(862)</b>	<b>(395)</b>



## SRS Comprehensive Income and Expenditure Statement 2023/24

This statement records all of the SRS income and expenditure throughout the year, and consequently shows the accounting cost of providing services during the year in line with generally accepted accounting practices. The net expenditure is analysed by service group, with the income received from the local authorities shown within the Finance & Investment Income and Expenditure section. The full breakdown of the gross income and expenditure within this statement is illustrated in Note 8. Further information on this statement is shown on page 17.

Period Ended 31 <sup>st</sup> March 2024				Period Ended 31 <sup>st</sup> March 2023		
Gross Expt. £000's	Gross Income £000's	Net Expt. £000's		Gross Expt. £000's	Gross Income £000's	Net Expt. £000's
1,723	(5)	<b>1,718</b>	Authority Specific – Licensing	1,884	(12)	<b>1,872</b>
981	(2)	<b>979</b>	Authority Specific – Other	1,080	(3)	<b>1,077</b>
625	(42)	<b>583</b>	Animal Welfare Services	676	(42)	<b>634</b>
244	(7)	<b>237</b>	Environmental Services	321	(22)	<b>299</b>
1,761	(23)	<b>1,738</b>	Food Services	1,669	(8)	<b>1,661</b>
1,062	(67)	<b>995</b>	Health & Safety and Communicable Disease	1,049	(69)	<b>980</b>
1,041	(9)	<b>1,032</b>	Housing Services	1,202	(22)	<b>1,180</b>
975	(22)	<b>953</b>	Pollution	949	(7)	<b>942</b>
2,520	(916)	<b>1,604</b>	Trading Standards	2,749	(991)	<b>1,758</b>
<b>10,932</b>	<b>(1,093)</b>	<b>9,839</b>	<b>Net Cost of Services (Note 8)</b>	<b>11,579</b>	<b>(1,176)</b>	<b>10,403</b>
			<b>Finance &amp; Investment Income and Expenditure</b>			
0	(9,461)	<b>(9,461)</b>	Contributions from Local Authorities	0	(9,019)	<b>(9,019)</b>
0	0	<b>(0)</b>	Profit/Loss on Disposal of Assets	0	(11)	<b>(11)</b>
0	(16)	<b>(16)</b>	Interest Receivable (Note 26)	0	(43)	<b>(43)</b>
0	63	<b>63</b>	Recovery of Prior Year Overspend	0	0	<b>0</b>
0	0	<b>0</b>	Repayment of Prior Year Underspend	0	193	<b>193</b>
0	120	<b>120</b>	Pension Interest Payable (Note 24)	0	630	<b>630</b>
<b>0</b>	<b>(9,294)</b>	<b>(9,294)</b>	<b>Financing &amp; Investment Income &amp; Expenditure</b>	<b>0</b>	<b>(8,250)</b>	<b>(8,250)</b>
<b>10,932</b>	<b>(10,387)</b>	<b>545</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>11,579</b>	<b>(9,426)</b>	<b>2,153</b>
			<b>Other Comprehensive Income &amp; Expenditure</b>			
		(2,790)	Re-measurement of Pension Liability (Note 24)			(22,700)
		<b>(2,790)</b>	<b>Other Comprehensive Income &amp; Expenditure</b>			<b>(22,700)</b>
		<b>(2,245)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>			<b>(20,547)</b>

## SRS Balance Sheet as at 31<sup>st</sup> March 2023

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 SRS (Assets less Liabilities) are matched by the reserves held by the SRS. Reserves are reported in two categories: Usable and Unusable Reserves. Further information on this statement is shown on page 17 of this report.

31 <sup>st</sup> March 2024 £'000	Note	Balance Sheet as at 31 <sup>st</sup> March 2024 Shared Regulatory Service	31 <sup>st</sup> March 2023 £'000
71	10	<b>Long Term Non-Current Assets</b>	
0	11	Property, Plant and Equipment	103
		Intangible Assets	0
<b>71</b>		<b>Total Non-Current Assets</b>	<b>103</b>
1,249		Short Term Debtors	1,676
<b>1,249</b>	15	<b>Current Assets</b>	<b>1,676</b>
(235)		Short Term Creditors	(264)
(153)		Accumulated Absence Provision	(113)
(57)		Short Term Creditors Cash Owing to Host Authority	(102)
<b>(445)</b>	16	<b>Current Liabilities</b>	<b>(479)</b>
(780)	20	Pension Liability	(3,450)
(490)	18	Other Long-Term Liabilities	(490)
<b>(1270)</b>		<b>Long Term Liabilities</b>	<b>(3,940)</b>
<b>(395)</b>		<b>Net Assets</b>	<b>(2,640)</b>
<b>467</b>	17	<b>Usable Reserves</b>	<b>820</b>
(153)	21	Accumulated Absences	(113)
71	22	Capital Adjustment Account	103
(780)	20	Pensions Reserve	(3,450)
<b>(862)</b>		<b>Unusable Reserves</b>	<b>(3,460)</b>
<b>(395)</b>		<b>Total Reserves</b>	<b>(2,640)</b>

**SRS Cash Flow Statement 2023/24 and 2022/23**

The Cash Flow Statement shows the change in cash and cash equivalents of the SRS during the reporting period. The statement shows how the SRS generates and uses cash and cash equivalents by classifying cash flows into operating and investing and financing activities. The function of this statement is detailed on page 18 of this report.

<b>31<sup>st</sup> March 2024 £'000</b>		<b>31<sup>st</sup> March 2023 £'000</b>
<b>(545)</b>	<b>Net Surplus/(Deficit) on the provision of service</b>	<b>(2,153)</b>
	<b>Adjust net surplus or deficit on the provision of services for non-cash movements</b>	
31	Depreciation	49
0	Amortisation	0
0	Carrying Value on Asset	5
11	Increase/ (Decrease) in Creditors	(283)
426	(Increase)/Decrease in Debtors	(115)
122	Movement on Pension Liability	2,050
<b>590</b>	<b>Total adjustments to net surplus or deficit on the provision of services for non-cash movements.</b>	<b>1,706</b>
<b>(0)</b>	<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>	<b>(17)</b>
<b>45</b>	<b>Net Cash-flows from operating activities</b>	<b>(464)</b>
	<b>Investing activities</b>	
(0)	Purchase of property, plant and equipment, investment property and intangible assets	(50)
0	Other receipts from investing activities	0
<b>(0)</b>	<b>Total Investing Activities</b>	<b>(50)</b>
<b>0</b>	<b>Financing activities</b>	<b>0</b>
<b>45</b>	<b>Net (increase)/decrease in cash and cash Equivalents</b>	<b>(514)</b>
(102) 0	Cash and cash equivalents at the beginning of the reporting period	413
<b>(57)</b>	<b>Cash owed To/(From) Host Authority as at 31<sup>st</sup> March</b>	<b>(101)</b>

## **Introduction to the Financial Statements**

### **Statement of Accounting Policies**

The purpose of this statement is to explain the basis of the figures in the accounts. It outlines the accounting policies adopted.

### **Statement of Responsibilities for the Statement of Accounts**

This statement sets out the responsibilities of the Council as the Administering Authority and the Head of Finance (Section 151 Officer) for the preparation of the Statement of Accounts. The Statement has to be signed and dated by the presiding member at the Joint Committee meeting at which the accounts are approved.

### **Expenditure and Funding Analysis**

The objective of the Expenditure and Funding Analysis is to demonstrate to the funding partners (Bridgend County Borough Council, The City of Cardiff Council and the Vale of Glamorgan Council) how the available funding has been used in providing services in comparison with those resources consumed or earned by the authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the different elements of the SRS structure. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

### **Movement in Reserves Statement**

This statement shows the movement in the year on the different reserves held by the Joint Committee and analysed into 'Usable Reserves' (i.e. those that the Joint Committee may use to provide services subject to the need to maintain a prudent level of reserves, and the statutory limitations on their use) and 'Unusable Reserves'. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Joint Committee's Services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

### **Comprehensive Income and Expenditure Statement**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount funded by budgeted contributions. The budgeted funding contributions are shown in both the Expenditure and Funding Analysis and on the Movement in Reserves Statement.

### **Balance Sheet**

The Balance Sheet shows the assets and liabilities recognised by the Joint Committee at the Balance Sheet date. The net assets of the Joint Committee (Assets less Liabilities) are matched by the reserves held by the Joint Committee. Reserves are reported in two categories. The first category of reserves is Usable Reserves i.e. those reserves that the SRS may use to provide services, subject to the need to maintain a prudent level of reserve and any statutory limitations on their use. The second category of reserves is called Unusable

Reserves and cannot be accessed by the SRS to fund the provision of 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 and regulations”.

### **Cash Flow Statement**

The Cash Flow Statement shows the change in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows into operating and investing activities. The amount of net cash flows arising is a key indicator of the extent to which the operations of the Joint Committee are funded by the recipients of the services provided.

### **Annual Governance Statement**

The statement sets out the framework within which the Vale of Glamorgan Council as the administering authority manages and reviews internal control. It outlines the components of the framework, including the arrangements for Internal Audit and how the consortium has complied with the various elements of the framework.

## Notes to the Financial Statements

### 1. Accounting Policies

(a)	<b>Accounting Policies</b>	<p>The SRS is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (Amended), which require them to be prepared in accordance with proper accounting practices. These practices under Section 21 of the Local Government Act 2003, primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) supported by International Financial Reporting Standards (IFRS). Following the UK withdrawal from the remit of the EU-endorsed framework, the Code will be based on standards adopted for the UK application under the terms of the International Accounting Standards and European Public Limited Company (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019/685). These accounts have been prepared on a going concern basis. The financial statements are presented in UK/GB pounds.</p>
(b)	<b>Revenue Income and Expenditure</b>	<p>The transactions of the SRS are accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:</p> <ul style="list-style-type: none"> <li>• Revenue from the sale of goods is recognised when the SRS transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the SRS;</li> <li>• Revenue from the provision of services is recognised when the SRS 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 SRS;</li> <li>• 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; and</li> <li>• Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might be collected.</li> </ul> <p>There are certain exceptions to this principle. The main items are:</p> <p>(a) Electricity charges, telephone expenses, leasing and similar periodic payments are included in the Accounts on a payments basis and not accrued to 31<sup>st</sup> March each year. Payments in respect of a full 12 months are included; and</p>

		<p>(b) The amount included in the accounts for the Budgeted Contributions are on the basis of cash received.</p> <p>The difference between the amounts charged annually to the Revenue Accounts in respect of items (a) and (b) and the amounts that would be charged if they were accrued to the 31<sup>st</sup> March each year is not significant.</p>
I	<b>Cash and Cash Equivalents</b>	Cash includes any cash in hand, overnight deposits and bank overdrafts. All cash transactions are administered by the Vale of Glamorgan Council as the Shared Regulatory Service does not operate its own Bank Account.
(d)	<b>Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors</b>	<p>A change in the accounting policies or to correct a material error can result in a prior period adjustment. Changes in accounting estimates do not give rise to a prior period adjustment but are accounted for prospectively.</p> <p>Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, or other events and conditions of the SRS's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied.</p> <p>Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.</p>
I	<b>Charges to Revenue for Non-Current Assets</b>	<p>The following amounts are charged to revenue to record the cost of holding assets during the year:</p> <ul style="list-style-type: none"> <li>• Depreciation attributable to the assets used by the relevant service;</li> <li>• Revaluation and impairment losses on assets chargeable to the service; and</li> <li>• Amortisation of intangible non-current assets attributable to the service,</li> </ul> <p>The Budgeted Contributions are not required to fund depreciation, revaluation, impairment losses or amortisations, however, an annual contribution is required from revenue.</p>
(f)	<b>Employee Benefits</b>	<p><b>Benefits Payable during Employment</b></p> <p>Short term employee benefits are those due to be settled within 12 months of the year end. An accrual is made for the cost of holiday entitlements (or any form of leave) earned by employees but not taken before the year end which employees can carry forward into the next financial year. Holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.</p>

		<p><b>Termination Benefits</b></p> <p>Termination benefits are amounts payable as a result of a decision by the SRS to terminate an officer’s employment before the normal retirement date or an officer’s decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or where applicable to Non-Distributed costs.</p> <p><b>Post-Employment Benefits</b></p> <p>Employees of the Joint Committee are members of the Local Government Pension Scheme, administered by Cardiff County Council Pension Authority. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Joint Committee.</p> <p><b>The Local Government Pension Scheme</b></p> <p><b>The Local Government Scheme is Accounted for as a Defined Benefits Scheme</b></p> <ul style="list-style-type: none"> <li>• The liabilities of the Cardiff and Vale Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., plus projections of projected earnings for current employees.</li> <li>• Liabilities are discounted to their value at current prices, using a discount rate.</li> <li>• The assets of the Cardiff and Vale Pension Fund attributable to the SRS are included in the Balance Sheet at their fair value.</li> <li>• The actuarial valuation carried out at 31<sup>st</sup> March 2024 has been adjusted to exclude both the Vale of Glamorgan Council and the Vale and Valley’s Adoption Service. The SRS’s share of this fund has been consolidated back into the accounts and is set out in the net pension’s liability is analysed into the following components.</li> </ul> <p><b>Service Cost Comprising of</b></p> <ul style="list-style-type: none"> <li>• <b>Current Service Cost</b> – the increase in liabilities as a result of a year of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the service(s) to which the employee worked.</li> <li>• <b>Past Service Cost</b> – the increase in liabilities as a result of the scheme amendment of curtailment whose effect relates to years of service earned in earlier years. Debited to the surplus or deficit of services in the</li> </ul>
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		<p>Comprehensive Income and Expenditure Statement as part of the Non-Distributed Costs.</p> <ul style="list-style-type: none"> <li>• <b>Net Interest</b> on the net defined benefit liability (asset), i.e. net increase expense for the SRS – 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 liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit (asset) during the period as a result of contribution and benefit payments.</li> </ul> <p><b>Re-measurements Comprising of</b></p> <ul style="list-style-type: none"> <li>• The return on plan assets, excluded in net interest on the net defined liability (asset), charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.</li> <li>• Actuarial gains and losses, changes in the net pension’s liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure. Statutory provisions require the Joint Committee Fund balance be charged with the amount payable by the SRS to the pension fund or directly to pensioners in the year in relation to retirement benefits.</li> </ul> <p><b>Discretionary Benefits</b></p> <p>The Shared Service also has restricted powers to make discretionary awards of retirements benefits in the event of early retirements.</p>
(g)	<b>Events After the Balance Sheet Date</b>	<p>These are events, both favourable and unfavourable that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Such events could result in the Statement of Accounts being adjusted. Two types of events can be identified:</p> <ul style="list-style-type: none"> <li>• Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events; and</li> <li>• Those that are indicative of conditions that arose after the reporting period, the Statement of Accounts is then adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.</li> </ul>

(h)	<b>Government Grants and Contributions</b>	<p>Government Grants, Third Party Contributions and Donations are recognised as due to the SRS when there is reasonable assurance that:</p> <ul style="list-style-type: none"> <li>• The SRS will comply with the conditions attached to the payments; and</li> <li>• The grant(s) or contributions will be received.</li> </ul> <p>Grants and contributions advanced for which conditions have not been satisfied are carried in the Balance Sheet as creditors. Once conditions are satisfied, the grants or contributions are credited to the Comprehensive Income and Expenditure Statement.</p>
(i)	<b>Intangible Assets</b>	<p>Expenditure on non-monetary assets that do not have physical substance but are controlled by the SRS is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the SRS.</p> <p>The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement.</p> <p>Assets are maintained in the Balance Sheet at fair value.</p>
(j)	<b>Leases</b>	<p>The Shared Regulatory Service does not have any operating or finance leases in 2023/24.</p>
(k)	<b>Overheads and Support Costs</b>	<p>The cost of SRS Overheads and Support services apportioned out within the Comprehensive Income and Expenditure Statement. These costs now sit with the relevant groupings within the statements concerned.</p>
(i)	<b>Inventories</b>	<p>The Shared Regulatory Service did not hold any inventory as at 31<sup>st</sup> March 2024.</p>
(j)	<b>Property Plant and Equipment</b>	<p>Vehicles, Plant and Equipment are included at cost (less depreciation where required).</p> <p>Expenditure on the acquisition or creation of Property, Plant and Equipment is capitalised on an accrual's basis, provided that the future economic benefits or service potential associated with the item will flow to the SRS and the cost of the item can be measured reliably.</p> <p>A de-minimis rule for capital has been applied – generally no capital expenditure valued at under £10,000 is included within the capital spend. Where a group of assets exceed £10,000 these would normally be considered de-minimis for capital expenditure.</p> <p>Assets are initially measured at cost, comprising:</p> <ul style="list-style-type: none"> <li>• The purchase price.</li> </ul>

		<ul style="list-style-type: none"> <li>• Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and</li> <li>• The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.</li> <li>• When decreases in value for individual assets are identified, they are accounted for either by setting it off against gains for the asset in the Revaluation Reserve, or against the relevant service lines in the Comprehensive Income and Expenditure Statement.</li> </ul> <p><b>Impairment</b></p> <p>Assets are assessed at each year end as to whether there is an indication that an asset may be impaired. Where indications exist, and any possible differences are estimated to be material, the recoverable amount is estimated and if this is less than the carrying amount, an impairment loss is recognised for the shortfall. This is either set against the balance of the Revaluation Reserve if there have been previous valuation gains for the asset or it is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.</p> <p><b>Depreciation</b></p> <p>Depreciation is provided for on all Plant and Equipment assets over their useful lives which is determined as being five years.</p> <p>Depreciation is calculated on the following basis:</p> <ul style="list-style-type: none"> <li>• Vehicles, plant, furniture and equipment – over the five-year life of the asset</li> </ul> <p>Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.</p>
(k)	<b>Provisions, Contingent Liabilities and Contingent Assets</b>	<p><b>Provisions</b></p> <p>Provisions are made when an event has taken place that gives the SRS a legal or constructive obligation that probably requires settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount of the obligation.</p> <p>Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and expenditure Statement in the year that the SRS becomes aware of the obligation and are measured at the best estimate at the Balance</p>

		<p>Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.</p> <p>When payments are eventually made, they are charged to the provision carried in the Balance Sheet. The Shared Regulatory Service did not hold any provisions as at 31<sup>st</sup> March 2024.</p> <p><b>Contingent Liabilities</b></p> <p>A contingent liability arises where an event has taken place that gives the SRS a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly in the control of the SRS. 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.</p> <p>Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.</p> <p><b>Contingent Assets</b></p> <p>A contingent asset arises where an event has taken place that gives the SRS a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the SRS.</p> <p>Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.</p>
(l)	<b>Specific Reserves</b>	These reserves represent sums of money that are voluntarily set aside for specific purposes.
(m)	<b>Value Added Tax</b>	Income and expenditure exclude any amounts related to Value Added Tax (VAT), as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

## 2. Accounting Standards that have been issued but have yet to be adopted.

The closing bulletin included the following information:

The Codes requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that was been issued but not adopted.

The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

a) IFRS 16 Leases issued in January 2016 (as the Joint Committee has not decided to voluntarily implement IFRS 16 in the 2023/24 year). As the SRS does not currently hold any lease arrangements in place, it is not expected that there will be any material impact on the SRS accounts from the implementation of this standard.

b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.

The amendments:

- specify that an entity's right to defer settlement must exist at the end of the reporting period
- clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
- clarify how lending conditions affect classification, and
- clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.

d) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.

e) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:

- a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
- targeted disclosure requirements for affected entities.

f) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:

- assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

Note that a) will only be applicable to local authorities that have not voluntarily implemented IFRS 16 in 2023/24. It is likely that though they provide clarifications, items b), c) and d) will not have a significant impact on the amounts anticipated to be reported in the financial statements. There will be limited application of items e) and f)

However, the following details IFRS 16 Leases are Provided for information purposes:

### **3. Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out above, the SRS would have made certain judgements about complex transactions or those involving uncertainty about future events. However, there are none known at the date of the report.

There is a high degree of uncertainty about future levels of funding for local government. However, the SRS has determined that this uncertainty is not yet sufficient to provide an indication that the Service may need to reduce levels of service provision.

### **4. Events after the Balance Sheet Date**

The Unaudited Statement of Accounts was authorised for issue by the Head of Finance (Section 151 Officer) on 19<sup>th</sup> June 2024.

Events taking place after this date are not reflected in the financial statements or notes. There have been no post balance sheet events prior to this date that have been reflected in the Statement of Accounts. Such events could result in the Statement of Accounts being adjusted. Two types of events can be identified.

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

### **5. Prior Period Adjustments**

A change in accounting policies or to correct a material error can result in a prior period adjustment. Changes in accounting estimates do not give rise to a prior period adjustment but are accounted for prospectively.

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

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

## **6. 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 SRS 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 Joint Committee's Balance Sheet as at 31<sup>st</sup> March 2024 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

### **Property Plant and Equipment**

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Useful lives will impact on depreciation calculations. For assets such as Vehicles and Equipment (5 years) standard asset lives are used unless evidence is available to the contrary.

The SRS holds no infrastructure assets such as operational buildings which would be directly affected by a change to the real estate market.

### **Debtors**

There are no significant debts held by the Shared Regulatory Service in excess of a year old as at 31<sup>st</sup> March 2024. However, a provision of £13k in respect of bad and doubtful debts has been included within the 2023/24 Statements, with all other debts considered to be recoverable.

### **Pensions Liability**

Pensions are provided under the Local Government Pension Scheme, with the Shared Regulatory Service being a member of the Cardiff and Vale Pension Fund, administered by Cardiff Council. Employees and employers contribute to the fund, along with investment income and growth generated.

A triennial valuation is carried out on the fund. The value of the pension liability as at the 31<sup>st</sup> March 2024 being £0.780m, which represents a reduction of £2.670m from the previous year as illustrated on the balance sheet.

Estimation of the net liability to pay pensions depends on a number of complex judgements related 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 actuaries is engaged to provide the Cardiff and Vale Pension Fund with expert advice about assumptions to be applied. The actuarial report is based on a roll forward of the triennial valuation carried out at 31<sup>st</sup> March 2022.

The actuarial report confirms that they are maintaining a watching brief in relation to Covid-19 developments and the possible impact on defined benefit pension scheme liabilities.

Their proposed mortality assumptions will be updated at 2023/24 year-end to reflect an up-to-date analysis of the Fund's membership data undertaken as part of the 2022 valuation. The 2022 valuation assumption had regard to the view of the actuary on the impact of the Covid-19 pandemic on long-term mortality trends. At that point they will consider if any further adjustment should be made to the mortality assumption for accounting purposes to reflect updated views on the impact of the pandemic on future longevity trends.

The estimated liability resulting from the McCloud/Sargent judgement have been accounted for within the information provided by the actuary.

### **Future Period Budget Pressures**

In accordance with the Joint Working Agreement, as signed by all partner authorities on the 1<sup>st</sup> May 2015, the revenue budget must be agreed by the 31<sup>st</sup> December in the year preceding the year to which it relates. All amendments to the revenue budget are progressed in the following financial year.

### **Material Items of Income and Expenditure**

The Shared Regulatory Service does not have any material items of income and expenditure to report that require any further explanation.



## 7. Note to the Expenditure and Funding Analysis

<b>Notes to the Expenditure and Funding Analysis 2023/24</b>						
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts</b>						
	<b>Pension Interest Adjustment £'000</b>	<b>Adjustments for Capital Purposes £'000</b>	<b>Net Change for Pensions Adjustment £'000</b>	<b>Accrued Annual Leave £'000</b>	<b>Total Adjustment £'000</b>	
Authority Specific – Licensing	(18)	0	18	8		<b>8</b>
Authority Specific – Other	(9)	(0)	9	4		<b>4</b>
Animal Welfare Services	(5)	28	5	2		<b>30</b>
Environmental Services	(3)	0	3	1		<b>1</b>
Food Services	(20)	(0)	20	7		<b>7</b>
Health & Safety and Communicable Disease	(12)	0	12	3		<b>3</b>
Housing Services	(16)	6	16	2		<b>8</b>
Pollution	(11)	4	11	4		<b>8</b>
Trading Standards	(26)	(7)	26	9		<b>3</b>
<b>Net Cost of Services</b>	<b>(120)</b>	<b>31</b>	<b>120</b>	<b>40</b>		<b>72</b>
Contributions from Las	0	0	0	0		<b>0</b>
Profit on Disposal of Asset	0	(0)	0	0		<b>(0)</b>
Pensions Interest Payable	120	0	0	0		<b>120</b>
<b>Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or deficit</b>	<b>0</b>	<b>31</b>	<b>120</b>	<b>40</b>		<b>192</b>
<b>Notes to the Expenditure and Funding Analysis 2022/23</b>						
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts</b>						
	<b>Pension Interest Adjustment £'000</b>	<b>Adjustments for Capital Purposes £'000</b>	<b>Net Change for Pensions Adjustments £,000</b>	<b>Accrued Annual Leave £'000</b>	<b>Total Adjustment £'000</b>	
Authority Specific – Licensing	(99)	0	324	(30)		<b>195</b>
Authority Specific – Other	(60)	(1)	196	(17)		<b>118</b>
Animal Welfare Services	(30)	(1)	98	(8)		<b>59</b>
Environmental Services	(18)	2	57	(5)		<b>36</b>
Food Services	(92)	(1)	301	(28)		<b>180</b>
Health & Safety and Communicable Disease	(64)	0	207	(11)		<b>132</b>
Housing Services	(69)	6	224	(12)		<b>149</b>
Pollution Services	(57)	4	185	(15)		<b>117</b>
Trading Standards	(141)	(26)	458	(40)		<b>251</b>
<b>Net Cost of Services</b>	<b>(630)</b>	<b>(17)</b>	<b>2,050</b>	<b>(166)</b>		<b>1,237</b>
Contributions from Las	0	0	0	0		<b>0</b>
Interest Receivable	0	(11)	0	0		<b>(11)</b>
Pensions Interest Payable	630	0	0	0		<b>630</b>
<b>Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or deficit</b>	<b>0</b>	<b>(28)</b>	<b>2,050</b>	<b>(166)</b>		<b>1,856</b>

**Adjustments for Capital Purposes**

- Depreciation/ impairment and revaluation gains and losses are added in.
- Adjustments for disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

**Net Change for the Pensions Adjustments**

This adjustment relates to the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income which means:

- The replacement of the employer pension contributions with current service costs and past service costs.
- The net interest on the defined benefit liability is charged to the Other Income and Expenditure line.

**Accrued Annual Leave**

- Adjustments are made for accrued staff annual leave. The balances of leave held at 31<sup>st</sup> March 2024 reflect an increase from 2022/23 levels.

## 8. Note to the Comprehensive Income and Expenditure Statement

2023/24	Employee Expenses £'000	Other Expenses £'000	Depreciation/ Amortisation £'000	Gross Expenditure £'000	Grant Income £'000	Fees & Charges £'000	Gross Income £'000	Net Expenditure £'000
Authority Specific – Licensing	1,499	224	0	1,723	0	(5)	(5)	1,718
Authority Specific – Other	908	73	0	981	0	(2)	(2)	979
Animal Welfare Services	402	196	28	626	0	(42)	(42)	584
Environmental Services	243	1	0	244	0	(7)	(7)	237
Food Services	1,643	119	0	1,762	0	(23)	(23)	1,739
Health & Safety and Communicable Disease	1,029	32	0	1,061	0	(68)	(68)	993
Housing Services	1,011	25	6	1,042	(9)	(0)	(9)	1,033
Pollution	922	48	4	974	0	(21)	(21)	953
Trading Standards	2,089	413	18	2,520	(666)	(250)	(916)	1,604
<b>Net Cost of Services</b>	<b>9,746</b>	<b>1,130</b>	<b>56</b>	<b>10,932</b>	<b>(675)</b>	<b>(418)</b>	<b>(1,093)</b>	<b>9,839</b>
<b><u>Finance &amp; Investment Income &amp; Expenditure</u></b>								
Contributions from Local Authorities				0			(9,461)	(9,461)
(Profit)/Loss on Disposal of Asset				0			(0)	(0)
Repayment of Prior Year Underspend				0			0	0
Interest Receivable (Note 26)				0			(16)	(16)
Recovery of Prior Year Overspend				63			0	63
Pension Interest Payable (Note 24)				120			0	120
<b>Financing &amp; Investment Income &amp; Expenditure</b>				<b>183</b>			<b>(9,477)</b>	<b>(9,294)</b>
<b>(Surplus)/Deficit on Provision of Services</b>				<b>11,115</b>			<b>(10,570)</b>	<b>545</b>

Shared Regulatory Service Joint Committee

<b>2022/23</b>	<b>Employee Expenses £'000</b>	<b>Other Expenses £'000</b>	<b>Depreciation/ Amortisation £'000</b>	<b>Gross Expenditure £'000</b>	<b>Grant Income £'000</b>	<b>Fees &amp; Charges £'000</b>	<b>Gross Income £'000</b>	<b>Net Expenditure £'000</b>
Authority Specific – Licensing	1,630	254	0	<b>1,884</b>	0	(12)	<b>(12)</b>	<b>1,872</b>
Authority Specific – Other	996	84	0	<b>1,080</b>	0	(3)	<b>(3)</b>	<b>1,077</b>
Animal Welfare Services	495	154	27	<b>676</b>	0	(42)	<b>(42)</b>	<b>634</b>
Environmental Services	273	47	1	<b>321</b>	0	(22)	<b>(22)</b>	<b>299</b>
Food Services	1,525	144	0	<b>1,669</b>	0	(8)	<b>(8)</b>	<b>1,661</b>
Health & Safety and Communicable Disease	1,046	3	0	<b>1,049</b>	0	(69)	<b>(69)</b>	<b>980</b>
Housing Services	1,112	84	6	<b>1,202</b>	(7)	(15)	<b>(22)</b>	<b>1,180</b>
Pollution	896	49	4	<b>949</b>	0	(7)	<b>(7)</b>	<b>942</b>
Trading Standards	2,309	429	11	<b>2,749</b>	(728)	(263)	<b>(991)</b>	<b>1,758</b>
<b>Net Cost of Services</b>	<b>10,282</b>	<b>1,248</b>	<b>49</b>	<b>11,579</b>	<b>(735)</b>	<b>(441)</b>	<b>(1,176)</b>	<b>10,403</b>
<b><u>Finance &amp; Investment Income &amp; Expenditure</u></b>								
Contributions from Local Authorities				<b>0</b>			<b>(9,019)</b>	<b>(9,019)</b>
(Profit)/Loss on Disposal of an Asset				<b>0</b>			<b>(11)</b>	<b>(11)</b>
Repayment of Prior Year Underspend				<b>193</b>			<b>0</b>	<b>193</b>
Interest Receivable ( <b>Note 26</b> )				<b>0</b>			<b>(43)</b>	<b>(43)</b>
Recovery of Prior Year Overspend				<b>0</b>			<b>0</b>	<b>0</b>
Pension Interest Payable ( <b>Note 24</b> )				<b>630</b>			<b>0</b>	<b>630</b>
<b>Financing &amp; Investment Income &amp; Expenditure</b>				<b>823</b>			<b>(9,073)</b>	<b>(8,250)</b>
<b>(Surplus)/Deficit on Provision of Services</b>				<b>12,402</b>			<b>(10,250)</b>	<b>2,153</b>

## 9. Adjustments between Accounting Basis and Funding Basis Analysis

	SRS Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000
<b>2023/24</b>				
Accrued Staff Annual Leave	(40)	0	(40)	40
Reversal of Items Relating to retirement benefits debited or credited to the CIES	(1,470)	0	(1,470)	1,470
Employers pension contributions and direct payments to pensions payable in year	1,350	0	1,350	(1,350)
Capital Expenditure funded from Revenue Balances	24	0	24	(24)
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	0	0	(0)
Amounts of non-current assets written off on disposal to CIES	0	0	(0)	0
Charges for Depreciation/Amortisation of Non-Current Assets	(56)	0	(56)	56
	<b>(192)</b>	<b>0</b>	<b>(192)</b>	<b>192</b>

	SRS Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000
<b>2022/23</b>				
Accrued Staff Annual Leave	166	0	166	(166)
Reversal of Items Relating to retirement benefits debited or credited to the CIES	(3,430)	0	(3,430)	3,430
Employers pension contributions and direct payments to pensions payable in year	1,380	0	1,380	(1,380)
Capital Expenditure funded from Revenue Balances	66	0	66	(66)
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	(17)	(17)	17
Amounts of non-current assets written off on disposal to CIES	11	0	11	(11)
Charges for Depreciation/Amortisation of Non-Current Assets	(49)	0	(49)	49
	<b>(1,856)</b>	<b>(17)</b>	<b>(1,873)</b>	<b>1,873</b>

## 10. Property, Plant & Equipment

	2023/24			2022/23		
	Vehicles £'000	Equipment £'000	Total £'000	Vehicles £'000	Equipment £'000	Total £'000
<b>Cost/Valuation as at 1 April</b>	303	82	<b>385</b>	255	82	<b>337</b>
Additions	25	0	<b>25</b>	66	0	<b>66</b>
Deletions	0	0	<b>0</b>	(18)	0	<b>(18)</b>
<b>Cost/Valuation as at 31 March</b>	<b>328</b>	<b>82</b>	<b>410</b>	<b>303</b>	<b>82</b>	<b>385</b>
<b>Accumulated Depreciation and impairment as at 1 April</b>	(205)	(78)	<b>(283)</b>	(173)	(73)	<b>(246)</b>
Depreciation charge	(52)	(4)	<b>(56)</b>	(45)	(4)	<b>(49)</b>
Write out Disposal Depreciation	0	0	<b>0</b>	13	0	<b>13</b>
<b>Accumulated Depreciation and Impairment as at 31 March</b>	<b>(257)</b>	<b>(82)</b>	<b>(339)</b>	<b>(205)</b>	<b>(77)</b>	<b>(282)</b>

Net Book Value	Vehicles £'000	Equipment £'000	Total £'000	Vehicles £'000	Equipment £'000	Total £'000
<b>At 31 March 2023</b>				<b>98</b>	<b>5</b>	<b>103</b>
<b>At 31 March 2024</b>	<b>71</b>	<b>0</b>	<b>71</b>			

## 11. Intangible Assets

The SRS accounts for its software as intangible assets. Software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the SRS. The useful lives assigned to the major software suites used by the SRS are five years. The carrying amount of intangible assets is amortised on a straight-line basis. The asset was fully amortised in 2021/22, with the software license now charged on an annual basis.

	Purchased Assets 2023/24 £'000	Purchased Assets 2022/23 £'000
<b>Balance at start of year</b>		
Gross carrying amounts	117	117
Accumulated Amortisation	(117)	(117)
<b>Net carrying amount at start of year</b>	<b>0</b>	<b>0</b>
Additions	0	0
Purchases	0	0
Amortisation	0	0
Other Disposals	0	0
Amortisation written off on disposal	0	0
<b>Net carrying amount at end of year</b>	<b>0</b>	<b>0</b>
Comprising		
Gross carrying amounts	117	117
Accumulated Amortisation	(117)	(117)
<b>Net carrying amount at end of year</b>	<b>0</b>	<b>0</b>

## 12. Related Party Transactions

In accordance with IAS 24, the Joint Committee has a duty to disclose any material transactions with a related party. This is to ensure that financial statements contain the disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them.

All cash transactions are administered by the Vale of Glamorgan Council (Host Authority) as the Shared Regulatory Service does not operate its own bank account. As at 31<sup>st</sup> March 2024, the Joint Committee owes £102k to the Council relating to these transactions. During the year, transactions with Related Parties arose and are shown in the following table while debtor and creditor balances at year end are detailed in **Notes 16 and 17**.

2023/24			2022/23	
Expenditure £'000	Income £'000		Expenditure £'000	Income £'000
78	(1,935)	Bridgend CBC	131	(1,868)
373	(5,448)	The City of Cardiff Council	340	(5,278)
419	(1,768)	Vale of Glamorgan Council	451	(1,814)
<b>870</b>	<b>(9,151)</b>	<b>Total</b>	<b>922</b>	<b>(9,493)</b>

The Shared Regulatory Service also delivers rechargeable services on behalf of other Local Authorities of £38k in 2023/24.

Track, Trace and Protect Income previously received from Bridgend and Cardiff has ceased during this financial period.

The SRS continues to provide support to the Cardiff and Vale health board. In the 23/24 financial year we have delivered £294k of rechargeable services.

Welsh Government effect and influence the SRS via legislation and grant funding. As at 31<sup>st</sup> March 2024 there are no sums in respect of grants outstanding from Welsh Government.

Pension contributions are made to Cardiff and the Vale Pension Fund in respect of Joint Committee Employees. Interests of Members of the Joint Committee are maintained in a register held by their own Local Authority.

## 13. Audit Fees

2023/24 £'000		2022/23 £'000
18	Audit Wales Fees	12
<b>18</b>	<b>Total</b>	<b>12</b>

#### 14. Leases

There are no long-term agreements as at the Balance Sheet date. The Joint Committee holds no leased assets.

#### 15. Debtors

2023/24 £'000		2022/23 £'000
232	Central Government Bodies	182
491	Bridgend County Borough Council	0
339	City and County of Cardiff Council	1,460
16	Other Local Authorities	13
0	Vale of Glamorgan Council	0
146	NHS Bodies	0
38	Public Corporations and Trading Accounts	23
0	Other Entities and Individuals (including trade debtors)	0
<b>1,262</b>	<b>Total</b>	<b>1,678</b>
<b>(13)</b>	Provision for Bad and Doubtful Debts	<b>(2)</b>
<b>1,249</b>	<b>Balance as at 31<sup>st</sup> March</b>	<b>1,676</b>

There are 10 unpaid debtor balances that are in excess of a year old, therefore, a £13k provision for Bad and Doubtful Debt has been made within the 2023/24 accounts.

#### 16. Creditors

2023/24 £'000		2022/23 £'000
(18)	Central Government Bodies	(0)
(6)	Bridgend County Borough Council	(5)
(190)	City And County of Cardiff Council	(121)
(0)	Vale of Glamorgan (Host Authority)	(4)
(0)	NHS Bodies	(0)
(7)	Public Corporations and Trading Funds	(0)
(153)	Accumulated Absences	(113)
(14)	Other Entities and Individuals	(134)
<b>(388)</b>	<b>Balance as at 31<sup>st</sup> March</b>	<b>(377)</b>

#### 17. Movement on Usable Reserves

The General Fund balance is a distributable revenue reserve, which consists of the accumulated surpluses of the Shared Regulatory Services' operations.

	General	Earmarked	Total Usable
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	Reserves £'000	Reserves £'000	Reserves £'000
<b>Balance as at 1st April 2022</b>	<b>(954)</b>	<b>(148)</b>	<b>(1,102)</b>
Other Operating expenditure	0	0	0
Partial Return of 2021/22 Underspend	193	0	193
Capital Receipt	0	(17)	(17)
Specific Revenue Reserve	0	43	43
2022/23 Underspend	63	0	63
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>(698)</b>	<b>(122)</b>	<b>(820)</b>
<b>Balance as at 1<sup>st</sup> April 2023</b>	<b>-681</b>	<b>-122</b>	<b>-803</b>
Reallocation	33	-33	0
Partial Return of 2022/23 Underspend	-63	0	-63
Adjustment planned expenditure 22-23 accounts	36	0	36
Specific Revenue Reserve	78	131	209
Capital Receipt	0	(17)	(17)
2023/24 Overspend	171	0	171
<b>Balance as at 31st March 2024</b>	<b>-426</b>	<b>-41</b>	<b>-467</b>

### 18. Movement on Other Long-Term Liabilities

2023/24 £'000	Other Long-Term Liabilities	2022/23 £'000
(490)	<b>Balance as at the 1st April</b>	(460)
0	Drawdown to fund Operating Activities	13
(0)	Increase to funds received in the year	(43)
<b>(490)</b>	<b>Balance as at the 31st March</b>	<b>(490)</b>

These funds are received from the Home Office as part of the Asset Recovery Incentivisation Scheme (ARIS), plus some funds seized as part of ongoing SRS cases that will be held until otherwise instructed by the court. The funds are generated within the Trading Standards discipline.

### 19. Movement on Unusable Reserves

	Restated Pension Reserves £'000	Accumulated Absences £'000	Capital Adjustment £'000	Total Unusable Reserves £'000
<b>Balance as at 1st April 2022</b>	<b>(24,100)</b>	<b>(279)</b>	<b>91</b>	<b>(24,288)</b>
Increase/(Decrease)	20,650	166	12	20,828
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>(3,450)</b>	<b>(113)</b>	<b>103</b>	<b>(3,460)</b>
<b>Balance as at 1<sup>st</sup> April 2023</b>	<b>(3,450)</b>	<b>(113)</b>	<b>103</b>	<b>(3,460)</b>
Increase/(Decrease)	2,670	(41)	(32)	2,661
<b>Balance as at 31st March 2024</b>	<b>(780)</b>	<b>(153)</b>	<b>71</b>	<b>(862)</b>

## 20. Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

2023/24 £'000	Pensions Reserve	2022/23 £'000
<b>3,450</b>	<b>Balance as at the 1st April</b>	<b>24,100</b>
(2,790)	Re-measurements of net defined liability/(asset)	(22,700)
1,470	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	3,430
(1,350)	Employers pension contribution and direct payments to pensioners payable in the year	(1,380)
<b>780</b>	<b>Balance as at the 31st March</b>	<b>3,450</b>

## 21. Short Term Accumulated Absence Account

The short-term accumulated absence account absorbs the differences that would otherwise arise on SRS reserves from accruing for compensated absences earned but not yet taken in the financial year i.e. annual leave carried forward at 31<sup>st</sup> March. Statutory arrangements require that the impact on the SRS Fund Balance is neutralised by transfers to/from the Account.

Staff attitude in relation to consumption of annual leave has continued to grow in respect of their consumption of annual leave entitlement during 2023/24, thus resulting in a subsequent reduction to the Accumulated Absences carrying value in the period.

2023/24 £'000	Accumulated Absences Account	2022/23 £'000
<b>(113)</b>	<b>Balance as at 1st April</b>	<b>(279)</b>
<b>(153)</b>	Amounts accrued at the end of the current year	<b>(113)</b>
113	Amounts by which officer remuneration charges to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with the statutory requirements.	279
<b>(153)</b>	<b>Balance as at 31st March</b>	<b>(113)</b>

## 22. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption on non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

2023/24 £'000	Capital Adjustment Account	2022/23 £'000
------------------	----------------------------	------------------

<b>103</b>	<b>Balance as at 1st April</b>	<b>91</b>
(56)	Charges for depreciation of Non-Current Assets	(49)
0	Amortisation of Intangible Assets	0
0	Write out vehicle net disposal costs	(5)
25	Capital Expenditure charged against the Joint Committee	66
<b>72</b>	<b>Balance as at 31st March</b>	<b>103</b>

## 23. Retirement Benefits Defined Benefit Schemes

### Local Government Pension Scheme Funded Benefits

The disclosures below relate to the Joint Committee's share of the funded liabilities within the Cardiff and Vale of Glamorgan Pension Fund (the Fund) which is part of the Local Government Pension Scheme (the LGPS). The LGPS is a funded defined benefit plan with benefits earned up to 31<sup>st</sup> March 2014 linked to the final salary. Benefits earned after 31<sup>st</sup> March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits to be paid over the period covered by this disclosure are set out in the 'Local Government Pension Scheme (Transitional Provision, Savings and Amendment) Regulations 2014'.

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions is set out in the 'LGPS Regulations 2013' and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31<sup>st</sup> March 2022.

The Fund Administering Authority, City and County of Cardiff is responsible for the governance of the Fund. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the fund over the next accounting period.

Liabilities have been estimated by an independent qualified actuary on an actuarial basis using the projected unit credit method.

### Roll Forward Approach

The Actuarial report has been calculated using the Roll Forward approach. The roll forward approach is a method of approximately calculating pension scheme assets and liabilities by adjusting the results of the last full actuarial valuation exercise.

### 2023 Actuarial Valuation

These results allow for the 2023 Actuarial Valuation of the Fund. The effect of allowing for this is shown in the "Actuarial (gains)/losses due to the liability experience" and the "Return on plan assets (in excess of) below that recognised in the net interest" and is reflected in the balance sheet position. The demographic assumptions have also been updated to reflect those used for the 2023 Actuarial Valuation. These changes have had a positive or negative effect on the balance sheet position. The Current Service

Cost has also been updated to reflect the employer’s membership data as at the 2023 valuation.

### Assets Returns

Asset Returns over the accounting period have been lower than expected. This had led to a loss on assets over the accounting period and a worsening in the balance sheet position before allowance for the 2023 valuation.

### Financial Assumptions

There has been a change to the financial assumptions over the period. The discount rate has increased by 0.10%, the CPI inflation assumption has remained unchanged at 2.60%, and the salary increase assumption has remained unchanged 3.60%. This has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.

### Demographic Assumptions

The actuarial report acknowledges that there has been a change to the demographic assumptions, including the assumption for post-retirement mortality, at this accounting date to align them to the assumptions used in the 2022 actuarial valuation for the Fund. These are best estimate assumptions based on the latest analysis of the Fund’s membership.

### Key Assumptions

The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS purposes were:

	<b>31st March 2024</b> <b>% per annum</b>	<b>31st March 2023</b> <b>% per annum</b>
Discount Rate	4.70%	4.60%
CPI Inflation	2.60%	2.60%
Rate of Increase to Pensions in Payment	2.60%	2.60%
Pension Accounts Revaluations Rate	2.60%	2.60%
Rate of Increase in Salaries	3.60%	3.60%

- The duration of the liabilities is the average period between the calculation date and the date at which benefit payments fall due. Durations will be calculated based on the output of the most recent valuation exercise of the Employer’s funded liabilities.
- Employers may also prepare a separate disclosure note for their unfunded benefit schemes’ which pay pensions awarded at retirement on a discretionary basis. The duration of the unfunded liabilities will usually be shorter than the duration of the LGPS benefits. In the interest of

pragmatism and practicality it is recommended that the financial assumptions used to report the unfunded scheme liabilities are the same as those used for valuing funded benefits.

- Pension increases on pension in excess of the Guaranteed Minimum Pension in payment where appropriate.
- It is recommended that the assumption for the revaluation rate of pension accounts is set equal to the assumption for pension increases.
- The defined benefit obligation has been adjusted to allow for salary increases of 7% per annum in line with the average settlement for 2022 under National Joint Council negotiations. This impacts the value of active members' liabilities that remain linked to final salary.
- The mortality tables shown apply to normal health retirements. Different rates may apply to retirements in ill health.

### Post Retirement Mortality (Retirement in Normal Health)

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2022 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectations at age 65 in normal health resulting from these mortality assumptions are shown below.

Post Retirement Mortality	31st March 2024	31st March 2023
<b>Males</b>		
Pensioner Member Aged 65 at Accounting Date	22.1	22.6
Active Member Aged 45 at Accounting Date	22.7	23.2
<b>Females</b>		
Pensioner Member Aged 65 at Accounting Date	24.3	24.7
Active Member Aged 45 at Accounting Date	25.3	25.8

The majority of the Fund's obligations are to provide benefits for the life of a member following retirement, so increases in life expectancy will result in an increase in liabilities.

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. The assets allocated to the employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund set out below for the purposes of calculating the return to be applied to these notional assets. The Fund is sizeable and largely liquid, and as a consequence there will be no significant restriction on realising assets if the situation arises. The assets are invested in a diversified spread of investments and the approximate split for the Fund as a whole is included in the disclosures.

The Administering Authority does not invest in property or assets related to itself. It is possible, however, that assets may be invested in shares relating to some of the private sector employers participating in the Fund if it forms part of their balanced investment strategy.

### Asset Allocation

	<b>Asset Split as at 31st March 2024</b>	<b>Asset Split as at 31st March 2023</b>
Quoted Equities	69.70%	67.90%
Property	6.30%	7.20%
Government Bonds	8.40%	8.80%
Corporate Bonds	7.30%	7.60%
Multi Asset Credit	5.40%	5.30%
Cash	2.30%	3.20%
Other	0.60%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

### Reconciliation of Funded Status to Balance Sheet

	<b>Value at 31st March 2024 £M</b>	<b>Value at 31st March 2023 £M</b>
Fair Value of Assets	41.500	35.990
Present Value of Funded Defined Benefit Obligation	(41.880)	(39.440)
<b>Funded Status</b>	<b>(0.380)</b>	<b>(3.450)</b>
Unrecognised Asset	0.000	0.000
Additional liability due to minimum funding requirement	(0.400)	0.000
<b>(Liability) Recognised on the Balance Sheet</b>	<b>(0.780)</b>	<b>(3.450)</b>

The split of the defined benefit obligation at the last valuation date between the various categories of members was as follows:

Active Members	73%
Deferred Pensioners	11%
Pensioners	16%

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Furthermore, the assets at exit in respect of 'Orphan Liabilities' may in retrospect not be sufficient to meet the liabilities. The risk may fall on other employers. 'Orphan Liabilities' are currently a small proportion of the overall liabilities in the Fund.

### Maturity Profile of the Defined Benefit Obligation

The Employer's regular contribution to the Fund for accounting period ended 31<sup>st</sup> March 2024 are estimated to be £1.40m, with the duration of liabilities being 22.1 years.

### Breakdown of Amounts Recognised in Surplus/Deficit on the Provision of Services and Other Comprehensive Income

	Period Ending 31st March 2024	Period Ending 31st March 2023
<b>Operating Cost</b>	<b>£M</b>	<b>£M</b>
Current Service Cost	1.35	2.80
Past Service Cost (including curtailments)	0.00	0.00
Settlement Cost	0.00	0.00
<b>Financing Cost</b>		
Interest on Net Defined Benefit Liability/(Asset)	0.12	0.63
<b>Pension Expense Recognised in Surplus or Deficit</b>	<b>1.47</b>	<b>3.43</b>
<b>Re-measurements in Other Comprehensive Income</b>		
Return on Plan Assets (in excess of)/below that recognised in Net Interest	(2.48)	0.41
Actuarial (Gains)/Losses due to Changes in Financial Assumptions	(0.91)	(25.69)
Actuarial (Gains)/Losses due to Changes in Demographic Assumptions	(0.58)	(0.22)
Actuarial (gains) losses due to liability experience	0.78	0
Actuarial (Gains)/Losses due to Liability Experience	0.40	2.80
<b>Total Amount Recognised in Other Comprehensive Income</b>	<b>(2.79)</b>	<b>(22.70)</b>
<b>Total Amount Recognised in Comprehensive Income &amp; Expenditure</b>	<b>(1.32)</b>	<b>(19.27)</b>

The current service costs included an allowance for the administration expenses of £0.04M at 31<sup>st</sup> March 2024.

### Changes to the Present Value of the Defined Obligation During the Period

	Period Ending 31st March 2024	Period Ending 31st March 2023
	£M	£M
<b>Opening Defined Benefit Obligation</b>	<b>39.44</b>	<b>58.01</b>
Current Service Cost	1.35	2.80
Interest Expense on Defined Benefit Obligation	1.81	1.57
Contribution by Participants	0.49	0.43
Actuarial (Gains)/Losses due to Changes in Financial Assumptions	(0.91)	(25.69)
Actuarial (Gains)/Losses due to Changes in Demographic Assumptions	(0.58)	(0.22)
Actuarial (Gains)/Losses due to Liability Experience	0.78	2.80
Net Benefits Paid Out	(0.50)	(0.26)
Past Service Cost Including Curtailments	0.00	0.00
Net Increase in Liabilities from Disposals/Acquisitions	0.00	0.00
Settlements	0.00	0.00
<b>Closing Defined Benefit Obligation</b>	<b>41.88</b>	<b>39.44</b>

## Changes to the Fair Value of Assets during the Accounting Period

	Period Ending 31st March 2024 £M	Period Ending 31st March 2023 £M
<b>Opening Fair Value of Assets</b>	<b>35.99</b>	<b>33.91</b>
Interest Income on Assets	1.69	0.94
Re-measurements Gains/(Losses) on Assets	2.48	(0.41)
Contributions by the Employer	1.35	1.38
Contribution by the Participant	0.49	0.43
Net Benefits Paid out	(0.50)	(0.26)
Net increase in Assets from Disposals/Acquisitions	0.00	0.00
Settlements	0.00	0.00
<b>Closing Fair Value of Assets</b>	<b>41.50</b>	<b>35.99</b>

## Actual Return on Assets

	Period Ending 31st March 2024 £M	Period Ending 31st March 2023 £M
Interest Income on Assets	1.69	0.94
Re-measurements Gains/(Losses) on Assets	2.48	(0.41)
<b>Actual Return on Assets</b>	<b>4.17</b>	<b>0.53</b>

## Estimated Pension Expense in Future Periods

Detailed below is an estimate of the charges to the profit and loss account in future periods, based on the actuarial assumptions as at 31<sup>st</sup> March 2024.

<b>Funded Benefits</b>	Period Ending 31st March 2026 £M	Period Ending 31st March 2025 £M
Interest Income on Assets	1.37	1.32
Re-measurements Gains/(Losses) on Assets	0.00	0.00
<b>Actual Return on Assets</b>	<b>1.37</b>	<b>1.32</b>
Allowance for administration expenses included in Current Service Cost (£M)	<b>0.05</b>	<b>0.04</b>
Estimated pensionable payroll over the period (£M)	7.53	7.26

## Sensitivity Analysis of Projected Service Costs 2023/24

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all 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 inter-related. 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 in the previous period. Projected service cost in the sensitivity analysis below is the projected service cost for the period ending 31<sup>st</sup> March 2024.

### Discount Rate Assumption

Adjustment to Discount Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Obligation (£M)	40.96	41.88	42.80
% Change in Present Value of Total Obligation	(2.2%)		2.2%
Projected Service Cost (£M)	1.27	1.32	1.38
Approximate % Change in Projected Service Cost	(4.1%)		4.2%

### Rate of General Increase in Salaries

Adjustment to Salary Increase Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Total Obligation (£M)	42.05	41.88	41.71
% Change in Present Value of Total Obligation	0.4%		(0.4%)
Projected Service Cost (£M)	1.32	1.32	1.32
Approximate % Change in Projected Service Cost	0.0%		0.0%

### Rate of Increase to Pensions and Rate of Revaluation of Pension Accounts

Adjustment to Pension Increase Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Total Obligation (£M)	42.63	41.88	41.13
% Change in Present Value of Total Obligation	1.8%		(1.8%)
Projected Service Cost (£M)	1.38	1.32	1.27
Approximate % Change in Projected Service Cost	4.2%		(4.1%)

### Post Retirement Mortality Assumption

Adjustment to Mortality Age Rating Assumption	- 1 year	Base Figure	+ 1 year
Present Value of Total Obligation (£M)	43.01	41.88	40.75
% Change in Present Value of Total Obligation	2.7%		(2.7%)
Projected Service Cost (£M)	1.37	1.32	1.27
Approximate % Change in Projected Service Cost	3.8%		(3.8%)

- A rating of +1 year means that members are assumed to follow the mortality pattern for the base table for an individual that is 1 year older than them.

## 24. Employee Emoluments

### Officers Remunerated in Excess of £60,000

## Shared Regulatory Service Joint Committee

The number of employees whose remuneration, excluding employer's pension contributions but including redundancy costs, were over £60,000 or more in bands of £5,000 are shown below.

Remuneration Band	2023/24 No of Employees	2022/23 No of Employees
£60,000 - £64,999	11	1
£65,000 - £69,999	2	4
£70,000 - £74,999	1	0
£75,000 - £79,999	4	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	0	0
£95,000 - £99,999	0	0
£100,000 - £104,499	0	1
£105,000 - £109,999	0	0
£110,000 - £114,999	1	0

## Senior Management

Four senior officers within Shared Regulatory Services breached the £60,000 salary threshold in both 2022/23 and 2023/24.

Senior Officer Emoluments 2023/24	Salary £	Expense Allowance £	Pension Contribution £	Total Remuneration £
SRS Head of Service	92,843	0	17,919	110,762
Commercial Services OM	63,420	0	12,240	75,660
Neighbourhood Services OM	63,420	0	12,240	75,660
Enterprise & Specialist Services OM	63,420	0	12,240	75,660
<b>Total</b>	<b>283,103</b>	<b>0</b>	<b>54,639</b>	<b>337,742</b>

Senior Officer Emoluments 2022/23 Restated	Salary £	Expense Allowance £	Pension Contribution £	Total Remuneration £
SRS Head of Service	92,288	0	18,553	110,841
Neighbourhood Services OM	61,275	0	12,990	74,265
Enterprise & Specialist Services OM	61,275		12,990	74,265
Health and Safety and Communicable Disease Team Leader	61,275	0	12,508	73,783
<b>Total</b>	<b>276,113</b>	<b>0</b>	<b>57,041</b>	<b>333,154</b>

The Management Committee members of the Shared Regulatory Services Joint Committee are employed directly by the partner authorities and their remuneration is not reflected in the accounts or the remuneration disclosures.

The Pension Contribution shown above includes the deficit recovery element of the contributions made to Cardiff and Vale Pension Fund.

The designated Section 151 Officer for the Joint Committee is the Section 151 Officer for the Vale of Glamorgan Council as host authority. No remuneration for this post has been charged to the accounts or is included in the disclosure notes.

## Exit Packages

The number of exit packages with total cost per band and total cost of the compulsory and other departures are set out in the table below. There were no exit packages paid in either 2023/24 or 2022/23.

## 25. Interest

Interest is paid based on monthly average cash balances due to/from the Vale of Glamorgan Council. The decrease in the 2023/24 average interest earned is the direct result of reduction in balances on asset balances held by the SRS.

	2023/24		2022/23	
	£	%	£	%
Interest (Charged)/Received on the SRS Account Balances	£15,907.00	4.6%	£43,020.94	2.6%

## Comprehensive Glossary

### Accounting Period

The period of time covered by the accounts, typically a period of 12 months commencing on 1<sup>st</sup> April. The end of the accounting period is the balance sheet date.

### Accounting Policies

The specific principles, bases, conventions, rules and practices applied by the Council on behalf on the Joint Committee in preparing and presenting its financial statements.

### Accruals

Amounts included in the final accounts to recognise revenue and capital income and expenditures earned or incurred in the financial year, but for which actual payment had not been received or made as at 31<sup>st</sup> March.

### **Actuarial Gains and Losses**

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because of events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses); or the actuarial assumptions have varied.

### **Amortisation**

The gradual elimination of a liability, such as a loan, funded in regular payments over a specified period of time. Such payments must be sufficient to cover both principal and interest.

### **Asset**

An item having value to the authority in monetary terms. Assets are classed as either current or non-current;

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock).
- A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a building or vehicle, or intangible e.g. computer software licenses.

### **Balance Sheet**

A statement in the recorded assets, liabilities and reserves at the end of the accounting period.

### **Capital Financing**

Funds obtained to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

### **Cash Equivalents**

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### **Comprehensive Income and Expenditure Account**

The revenue account of the Shared Regulatory Service (SRS) that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from budgeted contributions, grants and other income.

### **Creditor**

Amount owed by the SRS for works done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

### **Current Service Cost (Pensions)**

The increase in the present value of a defined benefit pension scheme's liabilities, expected to arise from employee service in the current period.

### **Debtor**

Amount owed to the SRS for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

### **Defined Benefit Pension Scheme**

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

### **Depreciation**

The measure of the cost of the wearing out, consumption or other reduction in the useful economic life of the SRS's non-current assets during the accounting period, whether from use, the passage of time, or obsolescence through technological or other changes.

### **Discretionary Benefits (Pensions)**

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and are awarded under the Authority's (Vale of Glamorgan Council as Host) discretionary powers such as the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.

### **Effective Interest Rate**

This is the rate of interest needed to discount the estimated stream of principal and interest cash flows through the expected life of a financial instrument to equal the amount at initial recognition.

### **Employee Benefits**

All forms of consideration given by the SRS in exchange for services rendered by its employees.

### **Events After the Balance Sheet Date**

Events after the balance sheet date are those events, favourable or unfavourable, that arise between the balance sheet and the date when the Statement of Accounts is authorised for issue.

### **Exceptional Items**

Material items which derive from affairs or transactions that fall within the ordinary activities of the SRS and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

### **Expected Return on Pension Assets**

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

### **Extraordinary Items**

Material items, having a high degree of abnormality, which drive from events or transactions that fall outside the ordinary activities of the authority and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

### **Fair Value**

The fair value of an asset is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's-length transaction.

### **Financial Instruments**

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

### **Going Concern**

The concept that the Statement of Accounts are prepared on the assumption that the SRS will continue in operational existence for the foreseeable future.

### **Impairment**

A reduction in the value of a non-current asset to below its carrying amount on the balance sheet. Impairment may be caused by a consumption of economic benefit (economic benefit impairment) of a general fall in prices.

### **Intangible Assets**

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are most frequently found in local authority computer software.

### **Liability**

A liability is where the SRS owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an accrual sum over a period of time.

### **Materiality**

The concept that the Statement of Accounts should contain all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the financial statements and ultimately mislead the user of the accounts.

### **Net Book Value**

The amount at which non-current assets are included in the balance sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation and impairment.

### **Past Service Cost (Pensions)**

For a defined pension scheme, the increase in the present value of the scheme's liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

### **Pension Scheme Liabilities**

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

### **Prior Year Adjustment**

Material adjustments relating to prior years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring correction or adjustments of accounting estimates made in prior years.

### **Provision**

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur, but the amounts or dates of when they will arise are uncertain.

### **Related Parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

### **Re-measurement of Pension Liability**

Changes to the pension liability made to reflect the return on plan assets and because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.

### **Reserves**

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available can be spent or earmarked at the discretion of the SRS.

### **Residual Value**

The net realisable value of an asset at the end of its useful life.

### **Useful Economic Life (UEL)**

The period over which the SRS will derive benefits from the use of a non-current asset.

## **Annual Governance Statement 2023/24**

### **About Shared Regulatory Services**

Shared Regulatory Services (SRS) came into being on 1st May 2015, having been commissioned by the three Local Authorities of:

- The City of Cardiff County Council
- Bridgend County Borough Council, and
- The Vale of Glamorgan Council.

SRS provides the Environmental Health, Trading Standards and Licensing functions across the three-Council region and in so doing serves just over a fifth of the population of Wales. Within this wide remit, many of the services delivered are statutory while others are non-statutory.

Over the course of 2023/24, Shared Regulatory Services has continued to recover 'lost ground' post-pandemic, particularly in respect of its core inspection programmes and income generation / cost recovery.

### **Scope of Responsibility**

Shared Regulatory Services is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that financial contributions allocated by the partner Authorities are safeguarded, properly accounted for and used economically, efficiently and effectively. The SRS 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. Strong transparent and responsive governance enables the SRS to put the residents of the SRS region first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain residents' confidence these mechanisms must be sound and seen to be sound.

The scope of the Service is captured in the Joint Working Agreement (JWA). Some of the functions provided are legally mandated, statutory requirements, including the role of the Weights and Measures authority and the duties under the Health and Safety at Work Act etc. Others are non-statutory but have been adopted to support the core Regulatory function and to support the corporate objectives of each partner Council. Examples include consumer advice and accreditation of landlords.

All of the Regulatory functions provided are underpinned by the following principles:

- This is a strategically led service with a clear focus upon the relevant corporate priorities of the partner authorities, i.e. safeguarding the vulnerable and promoting economic development.
- A clear focus upon the National Enforcement priorities for regulatory services.
- The use of a risk based approach to all activities.



## Shared Regulatory Service Joint Committee

- The service meets standards set out in the Regulators Compliance Code and above all the maximisation of resources through income generation and partnership working to promote public health and wellbeing.

The Shared Regulatory Service is *not* responsible for:

- Determination of licensing applications in relation to the Licensing Act 2003, the Gambling Act 2005, the Local Government Act 1976, the Town and Police Clauses Act 1847 or any licensing legislation where objections have been raised and an elected member decision is required;
- The decision to declare an air Quality Management area;
- Instituting legal proceedings in respect of prosecution, forfeiture or other Court process;
- House to Homes funding; or
- Anything that requires a council decision, e.g. Declaration of Additional Licensing area.

The participants have agreed and have formed a Joint Committee to provide the Shared Regulatory Service and have delegated to the Joint Committee the Regulatory Services Functions as set in in Schedule 1 Part 1 of the JWA.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which an organisation is directed and controlled, and activities through which it accounts to, engages with and leads the community. It enables an organisation 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 cannot eliminate all risk of failure to achieve policies, priorities, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is an ongoing process designed to identify and prioritise the risks to the achievement of aims and objectives. It also evaluates the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically. The following paragraphs summarise the overall governance framework and the system of internal control, which has been in place for the Shared Regulatory Services for the period covering 1st April 2023 to 31st March 2024.

### **The Governance Framework**

The CIPFA/Solace governance framework “Delivering Good Governance in Local Government 2016” sets out the seven core fundamental principles of good governance as follows:

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

## Shared Regulatory Service Joint Committee

- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

This Governance Statement has used these principles to demonstrate how the overall governance arrangements for the Shared Regulatory Service for the period covering 1st April 2023 to 31st March 2024 are deemed to be satisfactory. The Governance Statement does not document policies, procedures and working practices under each of these principles, but instead provides an overview of the governance and internal control processes and systems.

### **Joint Working Agreement (Legal Agreement)**

On 10th April 2015, all parties formally signed the Joint Working Agreement with an agreed commencement date of 1st May 2015. The Joint Working Agreement provides the governance framework within which the Service operates and allocates responsibility and accountability, as follows:

- The Host Authority
- The Joint Committee
- Management Board
- Head of Regulatory Services; and
- Financial Management.

The Joint Working Agreement is a detailed document which sets out the criteria and expectations for matters which include, but are not limited to:

- The role of the Joint Committee and Management Board including Terms of Reference;
- The role of the Head of Regulatory Services;
- Financial matters and Lead Finance Officer role;
- Levels of service to be provided;
- Employees;
- Records and access to information including Data Protection and information governance;
- Termination and rights to withdraw; and
- Governing law and jurisdiction.

The Joint Working Agreement is kept under review and was last updated in 2017 to take account of data governance considerations. This revision was agreed by the three partner Councils and formally reported to them.

### **The Host Authority**

The Joint Working Agreement formally assigns the Vale of Glamorgan Council as the Host Authority for the Shared Regulatory Service. The Vale of Glamorgan Council provides all support services for all those services within scope (save for the day to day administration undertaken by staff in accordance with their duties), required, including but not limited to:

## Shared Regulatory Service Joint Committee

- Financial (Section 151 Officer as defined by section 151 of the Local Government Act 1972, Accounts, Payroll, Creditors etc.)
- Human Resources
- Health & Safety
- Legal and
- Internal Audit

### **The Management Board**

Sitting beneath the Joint Committee on the governance structure is an officer Management Board (MB). The composition, operation and Terms of Reference of the MB are set out in the Joint Working Agreement at Schedule 3. The MB is described as a high-level project/sounding board which operates from a strategic and operational level. The MB comprises of “one officer representative from and nominated by each of the Participants and the Head of Regulatory Services”. Therefore, the membership of the MB is as follows:

- Chief Officer Legal, HR and Regulatory Services (BCBC)
- Assistant Director Street Scene (CCC)
- Director of Environment and Housing (VoGC)
- Head of Shared Regulatory Services (VoGC)

### **Financial Management**

Section 11 of the Joint Working Agreement provides the framework within which the finances of the Shared Regulatory Services operate. The Joint Committee has adopted the Financial Regulations and Standing Orders for Contracts (however expressed) of the Host Authority. In accordance with the requirements of the Joint Working Agreement, the Joint Committee considered SRS annual budget for 2024/25 at its December 2023 meeting, and by agreement deferred confirmation of the draft budget until an extraordinary meeting of the Joint Committee in January 2024.

### **Service Structure**

At the commencement of the Shared Regulatory Service on 1st May 2015, some 170 “in-scope” employees had successfully transferred from BCBC and CC to the host employer (VoGC). The new structure for the Shared Regulatory Service was fully completed by 1st December 2015. The Service has approximately 180 Full Time Equivalent (FTE) employees in total and is currently accessed and delivered through delivery hubs across the Bridgend, Cardiff and Vale boundaries.

### **Review of Effectiveness**

Detailed within Schedule 5, of the JWA it states that the Host’s external auditor (Auditor General for Wales) will be the external auditor of the Shared Regulatory Service. It also states that, following each year-end, the Host is required to prepare the annual accounts for the Joint Committee and Management Board and ensure that all relevant information is available for external inspection.

## Shared Regulatory Service Joint Committee

The Shared Regulatory Service also has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed, in part, by the work of Internal Audit but also by the work undertaken by the overall Shared Regulatory Service's Structure of which there are nine tiers, these being:

- Joint Committee
- Management Board
- Head of Shared Regulatory Services
- Operational Managers
- Team Managers
- Professional
- Senior Technical
- Technical and
- Support

During 2023/24 the Joint Committee received regular reports as set out in their "Dates and Deadlines" timetable which shows the meetings scheduled quarterly for a period up to twelve months. In addition, the Joint Committee's Terms of Reference are clearly set out in the JWA.

### **Service delivery**

As highlighted above, in 2023/24 the Service continued to recover lost ground on its inspection programmes, particularly in respect of food hygiene and food standards which were so badly impacted by the COVID pandemic and associated demands. Officers continue to deal with a legacy of post-pandemic problems found at food businesses. These include poor hygiene practices and the presence of pests, and result in Officers having to pause routine inspections to deal with the issues found. Often, a detailed investigation is required with a view to formal action being taken, including prosecution of food business operators.

The continued squeeze on public sector finances, and the resultant need to make additional savings continues to be a significant challenge for the Service. This at a time of new areas of Government legislation and enforcement expectation which comes with no dedicated funding associated with it. The ability of the Service to generate income or at least cover costs, was severely hampered during the course of the pandemic. Fortunately, 2023/24 has seen income generation recover well, and thought now turns to identifying new income streams and models for cost recovery across the SRS areas of responsibility.

SRS continue to adopt a 'growing our own' approach in response to wider recruitment and retention pressures. This is already delivering positive outcomes.

### **Service challenges**

The focus for 2024/25 will be on the following challenges:

- Recruitment and retention;
- The cost of living crisis;
- Climate change agenda and related enforcement
- The enactment of new areas of public protection law and government expectations around their enforcement without dedicated funding being made available to support this work; and

## Shared Regulatory Service Joint Committee

- Delivering the Service within a reduced budget.

### Internal Audit

During 2023/24, internal audit undertook a review of the Shared Regulatory Services governance framework. The objective of the audit was to provide the necessary assurance to the Shared Regulatory Services Joint Committee at the June 2024 AGM that financial controls of the service are operating effectively and in compliance with the Council's Financial Procedure Rules.

The objectives of the review were to ascertain the extent to which the assessed risks have been identified and managed and to evaluate whether effective controls which mitigate the risks have been established within the systems and processes and that these have operated effectively throughout the period under review.

Through testing, the auditor was able to determine that the control environment in relation to the governance arrangements over financial and other related controls including budget monitoring/reporting and procurement processes across the Shared Regulatory Services was deemed to have "Reasonable Assurance".

The Internal Audit was very comprehensive and as a result a slightly higher level of issues has been identified than in previous years in the following areas.

- Apportionment of Contributions as part of Budget Setting
- Treatment of VAT as part of Purchasing Card transactions
- Use of Imprest and Petty Cash Accounts
- Use of Expenses and Supporting Information for Car Mileage Expense Claims.

There were some low and medium risk issues identified as outlined below and associated recommendations made by the audit and a Management Action Plan will now be completed in response to these recommendations.

The apportionment methodology used for the allocation of partner contributions for the 2023/24 and 2024/25 budget setting for the Joint Committee differed slightly from the methodology outlined in the Joint Working Agreement as it utilised Aggregate External Finance (AEF) rather than population. As the allocation of budget contributions was approved by Joint Committee and partner authority Section 151 Officers it is proposed that the existing allocation stands for 2023/24, and is considered by Committee for 2024/25 following consultation with partner authorities. The budget setting will revert to allocation based on population for 2024/25.

The SRS uses purchase cards for some elements of expenditure testing identified and for a small number of transactions recommended that improvements were required in retaining VAT receipts and ensuring that all invoices processed were addressed to the Vale of Glamorgan Council as host authority. These changes will be implemented and reminder circulated to all Purchase Card holders.

In addition it was identified that imprest accounts and petty cash accounts are currently used within the service on occasion to claim back expenditure that should either be invoiced or claimed back through expenses and a review of these approaches will be carried out with the finance team to ensure that expenditure is accounted for appropriately. The level of funds held and number of imprest and petty cash accounts in the service will also be reviewed.

The use of expenses to reclaim test purchase expenditure was also identified by the auditor with the recommendation that the service area considers a wider use of purchase cards to support expenditure of this nature. The process around car mileage claims will also be refreshed.

Steps will now be taken through the Management Action Plan to address the areas identified with recommendations for improvement as part of the audit and steps taken to review and rationalise Petty Cash and Imprest Accounts and introduce more Purchase Cards in the service.

Internal Audit has also completed a review of the Illegal Money Lending Unit. The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Illegal Money Lending Grant 2023/2024. This review has determined substantial assurance in respect of the controls in this area, meaning that a sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied.

The 2023/24 Statement of Accounts will be audited by the Vale of Glamorgan's External Auditors – Auditor General for Wales and reported to the Joint Committee in accordance with the Joint Working Agreement.

The Joint Working Agreement (signed and sealed by all the relevant participants) together with the participant Councils' Constitutions clearly demonstrate that officers are delegated to execute the Joint Working Agreement. The Joint Working Agreement has been reviewed to ensure it remains effective.

The Management Board has been set up in accordance with the Joint Working Agreement and a schedule of meeting dates has been set for the year in accordance with the requirements of the Joint Committee. The Management Board continues to operate effectively and in accordance with its terms of reference.

In accordance with clause 5.1 of the Joint Working Agreement, the Head of Shared Regulatory Services and the Section 151 Officer are to prepare the Annual Report for the period 2023/24, which is to be presented to the Joint Committee in June 2023. Following the completion of the audit, the final Statement of Accounts will be presented to Committee to be approved and signed by the Committee Chair.

### **Significant Governance Issues**

There were no significant governance issues to raise during 2023/24.

### **Definitions**

***Definition of Governance:*** A series of policies, roles, responsibilities and processes that set the way an organisation is directed, administrated and controlled.

***Definition of a Significant Governance Issue:*** A specific area of the Organisation's work that requires Senior Management attention to ensure that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner, to support improved outcomes for local people.

**Certification of Annual Governance Statement**

We can confirm, to the best of our knowledge and belief, this statement provides an accurate and fair view of the overall governance arrangements for the Shared Regulatory Services.

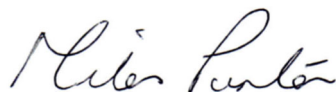
Signed:

Chair of the Shared Regulatory Services Joint Committee



Signed:

Matt Bowmer – Section 151 Officer



Signed:

Miles Punter – Shared Regulatory Services Management Board

Signed:



Helen Picton – Head of the Shared Regulatory Services

# Minor Joint Committees in Wales

## Annual Return for the Year Ended 31 March 2024

### Accounting statements 2023-24 for:

Name of  
Committee:

Vale Valleys and Cardiff Adoption Service

	Year ending		Notes and guidance
	31 March 2023 (£)	31 March 2024 (£)	
<b>Statement of income and expenditure/receipts and payments</b>			
1. Balances brought forward	144,465	121,204	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	0	0	Total amount of income received/receivable in the year from levy/contribution from principal bodies.
3. (+) Total other receipts	2,578,898	2,643,471	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	-1,944,267	-2,004,554	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, taxable allowances, PAYE and NI (employees and employers), pension contributions and termination costs. Exclude reimbursement of out-of-pocket expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	-657,892	-595,430	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	121,204	164,691	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
<b>Statement of balances</b>			
8. (+) Debtors	807,407	1,013,552	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the Committee at the year-end.
9. (+) Total cash and investments	0	0	<b>All accounts:</b> 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	-686,203	-848,861	<b>Income and expenditure accounts only:</b> Enter the value of monies owed by the Committee (except borrowing) at the year-end.
11. (=) Balances carried forward	121,204	164,691	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	0	0	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 2024, that:

	Agreed?		'YES' means that the Committee:	PG Ref
	Yes	No*		
<b>1.</b> We have put in place arrangements for: <ul style="list-style-type: none"> <li>• effective financial management during the year; and</li> <li>• the preparation and approval of the accounting statements.</li> </ul>	X		Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
<b>2.</b> We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	X		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
<b>3.</b> 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.	X		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
<b>4.</b> We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	X		Has given all persons interested the opportunity to inspect the committee's accounts as set out in the notice of audit.	6, 23
<b>5.</b> 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.	X		Considered the financial and other risks it faces in the operation of the Committee and has dealt with them properly.	6, 9
<b>6.</b> 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.	X		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 Committee.	6, 8
<b>7.</b> 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.	X		Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
<b>8.</b> We have taken appropriate action on all matters raised in previous reports from internal and external audit.	X		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 statement and/or the Annual Governance Statement

1.



2.

3.

\* Include here any additional disclosures the Committee considers necessary to aid the reader's understanding of the accounting statement 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.

<b>Certification by the RFO</b> 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 2024.	<b>Approval by the Committee</b> I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference: <b>Minute ref:</b> Accounts approved via email
<b>RFO signature:</b> 	<b>Chair signature:</b> 
<b>Name:</b> Matt Bowmer	<b>Name:</b> Cllr Eddie Williams
<b>Date:</b> 28/06/24	<b>Date:</b> 27-06-2024

## Annual internal audit report to:

Name of  
Committee:

Vale Valleys and Cardiff Adoption Service

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 2024.

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 the Committee)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	X				The Council's main accounting system is used, no key underlying issues relating to these requirements identified in Finance audits undertaken.
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	X				Through testing a few minor errors were identified but these were not considered material.
3. The Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	X				Corporate risk assessment process in place.
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.	X				The audit confirmed that regular financial monitoring is undertaken and no issues were identified.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	X				All of the expected income could be seen as received on the ledger.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.			X		No petty cash
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	X				Centralised payroll audited annually. No relevant issues identified in the sample undertaken.
8. Asset and investment registers were complete, accurate, and properly maintained.				X	Not covered – previous testing identified that a digital inventory list is maintained.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to Committee)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	X				No separate bank account. Reconciliations are undertaken centrally of the bank account. No issues were identified.
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.	X				The Council's main accounting system is used, no key underlying issues relating to these requirements identified in Finance audits undertaken.

**For any risk areas identified by the 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 Committee)
	Yes	No*	N/A	Not covered**	
11.					
12.					
13.					

\* 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.

[My detailed findings and recommendations which I draw to the attention of the Committee are included in my detailed report to the Committee dated \_\_\_\_\_.] \* Delete if no report prepared.

### 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 Committee (including preparation of the accounts) or as a member of the Committee during the financial years 2022-23 and 2023-24. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Nathan Smith – Assistant Audit Manager

Signature of person who carried out the internal audit: 

Date: 27.06.2024

# Vale of Glamorgan Council - Audit Plan 2024

Audit year: 2023-24

Date issued: July 2024

Document reference: 4276A024



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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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.

# About Audit Wales

## Our aims and ambitions

### Assure



the people of  
Wales that public  
money is well  
managed

### Explain



how public  
money is being  
used to meet  
people's needs

### Inspire



and empower  
the Welsh  
public sector to  
improve



Fully exploit  
our unique  
perspective,  
expertise and  
depth of insight



Strengthen our  
position as an  
authoritative,  
trusted and  
independent  
voice



Increase our  
visibility,  
influence and  
relevance



Be a model  
organisation for  
the public sector  
in Wales and  
beyond

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# Introduction

I have now completed my initial planning work.

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2024.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



**Adrian Crompton**  
Auditor General for  
Wales



## Audit of financial statements

I am required to issue a report on your financial statements (including the Group) which includes an opinion on their 'truth and fairness' and the proper preparation in accordance with accounting requirements.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- certifying a return to the Welsh Government which provides information about the Council to support preparation of Whole of Government Accounts;
- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary);
- the audit of the financial statements of the Shared Regulatory Services (a separate audit plan will be produced including a separate audit fee);
- the audit of the Annual Return of the Vale Valleys and Cardiff Adoption Service;
- the independent examination of the Vale of Glamorgan Welsh Church Act Fund; and
- the certification of a number of grant claims and returns as agreed with the funding bodies.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

There have been no limitations imposed on me in planning the scope of this audit.

## Performance audit work

I must satisfy myself that the Council:

- has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. I do this by undertaking an appropriate programme of performance audit work each year.
- is acting in accordance with the sustainable development principle when setting and taking steps to meet their well-being objectives.

My work programme is informed by specific issues and risks facing the Council and wider local government in Wales. I have also taken account of the work that is being undertaken or planned by other external review bodies and by internal audit.

My local performance audit programme will continue to be delivered through a combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

My performance audit work is designed to comply with auditing standards set out by the International Organisation of Supreme Audit Institutions (INTOSAI). This is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

# Your audit at a glance



## My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk:

- Management override

Other areas of audit focus:

- Valuation of pension fund net liability
- Valuation of land and buildings
- Senior officer remuneration and related party transactions disclosures



## My performance audit will include:

- Assurance and Risk Assessment
- Local work – complaints arrangements and schools' balances.



## Materiality

Materiality £4.886 million

# Financial statements' materiality

Reporting threshold £0.244 million



## Materiality £4.886 million

My aim is to identify and correct material misstatements, that is, those that might otherwise mislead the user of the accounts.

Materiality is calculated using:

- 2023-24 gross expenditure of £488.598 million (estimated using 2022-23 actual expenditure of £488.598 million)
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).



## Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:

- Remuneration report/senior pay disclosure – £1,000; and
- Related party disclosures – £10,000 for individuals' interests.

# Significant financial statements' risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

## Exhibit 1: significant financial statement risks

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

# Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

## Exhibit 2: other areas of focus

Audit risk	Our planned response
<p><b>Valuation of pension fund net liability</b></p> <p>The Local Government Pension scheme (LGPS) fund liability as reflected in the financial statements is a material estimate.</p> <p>The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.</p> <p>The impact of economic conditions, particularly interest rate levels also has a significant impact on the liability.</p> <p>There are also several legal cases potentially impacting on the valuation of the net liability.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> <li>• evaluate the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary’s work;</li> <li>• assess the competence, capabilities and objectivity of the actuary who carried out the valuations;</li> <li>• assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;</li> <li>• test the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary;</li> <li>• assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor’s expert) and undertaking any additional procedures required; and</li> <li>• assess whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.</li> </ul>

Audit risk	Our planned response
<p><b>Valuation of land and buildings</b></p> <p>The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates.</p> <p>Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions, and changes in these can result in material changes to valuations.</p> <p>Assets are required to be revalued every five years, but values may also change year on year, and there is a risk that the carrying value of assets reflected in the accounts could be materially different to the current value of assets as at 31 March 2024, particularly in the current economic environment.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> <li>• review the information provided to the valuer to assess for completeness;</li> <li>• evaluate the competence, capabilities and objectivity of the professional valuer;</li> <li>• test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements; and</li> <li>• test the reconciliation between the financial ledger and the asset register.</li> </ul>
<p><b>Related Parties and Senior Officer Remuneration disclosures</b></p> <p>I judge some of the disclosures in the financial statements, such as related parties and the remuneration of senior officers and councillors, to be material by nature, with a far lower level of materiality. These disclosures are therefore inherently prone to material misstatement.</p>	<p>The audit team will ensure that the disclosures are consistent with supporting evidence.</p>



# Financial statements' audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

## Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2024 Detailed Audit Plan	February – April 2024	April 2024
Audit of financial statements work: <ul style="list-style-type: none"><li>• Audit of Financial Statements Report</li><li>• Opinion on the Financial Statements</li></ul>	July – October 2024	November 2024

# Planned performance audit work

I set out below details of my performance audit work and key dates for delivery of planned outputs.

## Exhibit 4: key dates for delivery of planned outputs

<b>Assurance and risk assessment</b>	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle. As part of this, we will review the Council's arrangements for working with schools to help address schools' balances.	Ongoing
<b>Local project work – complaints</b>	Review of the Council's complaints arrangements.	Timescales for the projects will be discussed with the Council and detailed within the specific project briefs produced for the audit.
<b>Local project work - Setting of Well-being objectives</b>	A review to assess the extent to which the Council has acted in accordance with the sustainable development principle when setting its well-being objectives as part of its development of its new corporate plan.	April 2024-March 2025

# Certification of grant claims and returns, and statutory audit functions

## Certification of grant claims and returns

I have also been requested to undertake certification work on the Council's grant claims and returns, which I anticipate will include Housing Benefits, Teachers' Pensions, NDR and the Social Care Workforce Development grant.

## Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee below. If I do receive questions and objections, I will discuss potential audit fees at the time.

# Fee and audit team

In January 2024, we published our [Fee Scheme](#) for the 2024-25 year as approved by the Senedd Finance Committee. My fee rates for 2024-25 have increased by an average of 6.4%, as a result of unavoidable inflationary pressures and the ongoing need to invest in audit quality.

I estimate your total audit fee will be £368,545.

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Head of Finance.

## Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables set out the expected working paper requirements to support the financial statements and include timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

## Exhibit 5: breakdown of audit fee

Audit area	Proposed fee for 2024 (£) <sup>1</sup>	Fee for 2023 (£)
Audit of financial statements <sup>2</sup>	209,668	197,056
Performance audit work <sup>3</sup>	112,316	105,560 <sup>4</sup>
Grant certification work <sup>5</sup>	45,000	42,000 <sup>6</sup>
Welsh Church Act Fund	1,561	1,467
Adoption Joint Committee	1,260	15,500 <sup>7</sup>
<b>Total fee</b>	<b>369,805</b>	<b>361,583</b>

<sup>1</sup> The fees shown in this document are exclusive of VAT, which is not charged to you.

<sup>2</sup> Payable November 2023 to October 2024.

<sup>3</sup> Payable April 2024 to March 2025.

<sup>4</sup> This is an estimate as 2023-24 performance audit work is ongoing.

<sup>5</sup> Payable as work is undertaken.

<sup>6</sup> Estimated as 2022-23 grants certification work is not yet complete.

<sup>7</sup> Full audit undertaken in 2022-23.

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

**Exhibit 6: my local audit team**

Name	Role	Contact details
Gareth Lucey	Engagement Director	<a href="mailto:Gareth.lucey@audit.wales">Gareth.lucey@audit.wales</a>
Gary Emery	Audit Director (Performance Audit)	Gary.emery@audit.wales
Steve Wyndham	Audit Manager (Financial Audit)	<a href="mailto:Steve.wyndham@audit.wales">Steve.wyndham@audit.wales</a>
Sara-Jane Byrne	Audit Manager (Performance Audit)	<a href="mailto:Sara-jane.byrne@audit.wales">Sara-jane.byrne@audit.wales</a>
Julie Owens	Audit Lead (Financial Audit)	<a href="mailto:Julie.owens@audit.wales">Julie.owens@audit.wales</a>
Samantha Clements	Audit Lead (Performance Audit)	<a href="mailto:Samantha.clements@audit.wales">Samantha.clements@audit.wales</a>

I can confirm that my team members are all independent of the Council and your officers.

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD\* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

## Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

## Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

## Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

\* QAD is the quality monitoring arm of ICAEW.

# Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies, and to support those bodies in continuing to improve the services they provide to the people of Wales.

## Visit our website to find:

	our <a href="#">Good Practice</a> work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our <a href="#">newsletter</a> which provides you with regular updates on our public service audit work, good practice, and events.
	our <a href="#">publications</a> which cover our audit work completed at public bodies.
	information on our <a href="#">forward performance audit work programme 2023-2026</a> which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various <a href="#">data tools</a> and <a href="#">infographics</a> to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

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