



Vale of Glamorgan County Borough Council

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

Statement of Accounts 2023/24

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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 1st 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 12th 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 18th 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 particularly within 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 savings 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 (£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. Most 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	(1,019)
Council Tax Surplus	-	(3,423)	3,423	-
Use of Reserves	(2,096)	(2,096)	-	2,096
Total Provisional Outturn	294,422	292,342	2,080	15,325
Allocation of Surplus	-	2,080	(2,080)	(2,080)
Total	294,422	294,422	0	13,245
Capital Programme Funded from Reserves				8,779
Movement on Housing Revenue Account				12,961
Total Movement on Council Fund and Specific Reserves				34,985

Council Fund and Specific Reserves	Opening £000's	Movement £000's	Closing £000's
Council Fund	11,523	(417)	11,106
Earmarked Reserves	82,481	-21,607	60,874
Housing Revenue Account	16,486	(12,961)	3,525
Total	110,490	(34,985)	75,505

- The total movement on the Council Fund and Specific Reserves including the Housing Revenue Account was a reduction of £35.318m after adjusting for Joint Committees (£333k).

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 31st 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 an 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 14th 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
Total	98,434	5,395	103,829	88,620	15,209

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:

Source of Funding	Outturn (£000)
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
Total	88,620

As at 31st 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
Total External Borrowing	148,483	143,312
Accrued Interest	1,097	1,107
Accounting Adjustments	(169)	(67)
Total Borrowing as per Balance Sheet	149,411	144,352

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 31st 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
Short Term Investments Held By	£'000	£'000
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
Total Short Term Investments	93,920	34,195
Short Term Investment Accrued Interest	455	566
Short Term Investment Joint Committees	254	374
Total Short Term Investments as per Balance Sheet	94,629	35,135

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 1st May 2015 and the Vale, Valleys & Cardiff Adoption Collaborative Service which commenced on 1st 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 6th 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 1st 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 6th March 2024 and had a gross value of £112.344m. The programme is briefly summarised below;

Schemes	2024/25 Gross £000
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	28,498
Total Capital Programme	112,344

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 31st March 2022. The value of the pension liability as at 31st 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 31st 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: 02/12/24

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



Date: 02/12/24

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 Opinion on financial statements

I have audited the financial statements of:

- Vale of Glamorgan Council; and
- Vale of Glamorgan Council Group

for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

The Vale of Glamorgan Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, Expenditure and Funding Analysis, the Movement on the Housing Revenue Account Statement and the Housing Revenue Account Income and Expenditure Statement and the related notes, including a summary of significant accounting policies.

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

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Vale of Glamorgan Council and the Vale of Glamorgan Council's Group as at 31 March 2024 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024.

Basis of opinion

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

My staff and I are independent of the Vale of Glamorgan Council and the Vale of Glamorgan Council's Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these

requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

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

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

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

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including the Council's group financial statements, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Vale of Glamorgan Council and the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Vale of Glamorgan Council and group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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

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

- Enquiring of management, the Council's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Vale of Glamorgan Council and group's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and – the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: the posting of unusual journals;
- Obtaining an understanding of the Vale of Glamorgan Council and group's framework of authority as well as other legal and regulatory frameworks that the Vale of Glamorgan Council and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Vale of Glamorgan Council and group.
- Obtaining an understanding of related party relationships. In addition to the above, my procedures to respond to identified risks included the following:
 - reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
 - enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
 - reading minutes of meetings of those charged with governance;
 - in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Other auditor's responsibilities

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

Certificate of completion of audit

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

Adrian Crompton
Auditor General for Wales
6 December 2024



1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

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 13.

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)
(Surplus) or Deficit	15,332	(19,448)	(4,116)
Opening General Fund and HRA Balance at 31 March 2022	(128,206)		
Plus Deficit on General Fund and HRA Balance in Year	15,332		
Closing General Fund and HRA Balance 31 March 2023	(112,874)		

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	(1,149)	141,204
Social Services	97,107	878	97,985
Visible and Housing Services	33,120	3,614	36,734
Housing Revenue Account (HRA)	12,962	(11,764)	1,198
Place	4,404	1,418	5,822
Corporate Resources	17,368	1,797	19,165
Policy	14,557	(5,902)	8,655
Net Cost of Services	321,871	(11,108)	310,763
Other Income and Expenditure	(286,553)	(30,447)	(317,000)
(Surplus) or Deficit	35,318	(41,555)	(6,237)
Opening General Fund and HRA Balance at 31 March 2023	(112,874)		
Plus Deficit on General Fund and HRA Balance in Year	35,318		
Closing General Fund and HRA Balance 31 March 2024	(77,556)		

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 13.

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
Balance as at 31st March 2022	12,510	98,257	17,439	11,844	4,551	144,601	348,849	493,450
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
Increase/(Decrease) in 2021/22	(987)	(13,392)	(953)	(1,210)	2,878	(13,664)	278,217	264,553
Balance as at 31st March 2023	11,523	84,865	16,486	10,634	7,429	130,937	627,066	758,003

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
Balance as at 31st March 2023	11,523	84,865	16,486	10,634	7,429	130,937	627,066	758,003
Total Comprehensive Income and Expenditure	16,630	-21,940	11,548	0	0	6,238	70,795	77,033
Adjustments between accounting basis and funding basis under regulations (Note 10)	(17,047)	0	(24,509)	(2,987)	(4,043)	(48,586)	48,586	0
Increase/(Decrease) in 2023/24	(417)	(21,940)	(12,961)	(2,987)	(4,043)	(42,348)	119,381	77,033
Balance as at 31st March 2024	11,106	62,925	3,525	7,647	3,386	88,589	746,447	835,036

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	186,237	45,033	141,204
106,716	23,375	83,341	Social Services	124,028	26,043	97,985
65,999	22,372	43,627	Visible and Housing Services	60,152	23,418	36,734
17,599	22,710	(5,111)	Housing Revenue Account (HRA)	25,184	23,986	1,198
8,509	3,114	5,395	Place	9,620	3,798	5,822
57,564	33,648	23,918	Corporate Resources	51,660	32,495	19,165
6,442	2,410	4,032	Policy	9,806	1,151	8,655
442,995	153,327	289,670	Cost of Services	466,687	155,924	310,763
			Other operating expenditure			
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
			Financing and investment income and expenditure			
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 and Equities	0	368	(368)
88	2,139	(2,051)	Interest receivable and Trading surplus/deficit	0	4,127	(4,127)
			Taxation and non-specific grant income			
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)
490,643	494,762	(4,117)	(Surplus) or Deficit on the Provision of Services	507,794	514,031	(6,237)

		(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)
		(260,436)	Other Comprehensive Income and Expenditure			(70,795)
		(264,553)	Total Comprehensive Income and Expenditure			(77,032)

Balance Sheet as at 31st 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		1,004
323	Intangible Assets		271
2	Long Term Investments		2
5,941	Long Term Debtors		5,387
899,789	Long Term Assets		966,369
83,729	Short Term Investment	19	28,319
0	Assets Held for Sale		623
152	Deferred Tax Asset		152
1,322	Inventories		956
62,102	Short Term Debtors	20	60,420
19,552	Cash and Cash Equivalents	21	13,280
166,857	Current Assets		103,750
11,267	Short Term Borrowing	19	8,568
58,752	Short Term Creditors	22	45,076
1,660	Provisions (Short Term)	23	2,286
622	Donated Inventory Account		8
9,768	Grants Receipts in Advance – Capital	31	2,190
82,069	Current Liabilities		58,128
497	Provisions (Long Term)	23	3,118
138,144	Long Term Borrowing	19	135,786
10,013	Other Long Term Liabilities	24	7,848
64,630	Other Long Term Liabilities (Pensions)	38	10,522
13,290	Grants Receipts in Advance - Capital (Long Term)	31	19,681
226,574	Long Term Liabilities		176,955
758,003	Net Assets		835,036
130,937	Usable Reserves	25	88,589
627,066	Unusable Reserves	26	746,447
758,003	Total Reserves		835,036

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 14 of this report.

31 March 2023		Notes	31 March 2024
£'000			£'000
4,117	Net surplus or (deficit) on the provision of services		6,238
66,008	Adjustments to net surplus or deficit on the provision of services for non-cash movements	27	20,374
	Adjustments for items that are investing and financing activities		
(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)
(54,388)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(48,343)
15,737	Net cash flows from Operating Activities		(21,731)
	Investing Activities		
(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		55,031
59,370	Other Receipts from Investing Activities		49,567
(15,985)	Net Cashflow from Investing Activities		22,825
	Financing Activities		
(5,140)	Repayments of Short and Long Term Borrowing		(5,132)
3,960	Other Payments for Financing Activities		(2,234)
(1,180)	Net cash flows from Financing Activities		(7,366)
(1,428)	Net increase or decrease in cash and cash equivalents		(6,272)
20,980	Cash and cash equivalents at the beginning of the reporting period		19,552
19,552	Cash and cash equivalents at the end of the reporting period		13,280

Notes to the Financial Statements

1. Statement of Accounting Policies

a	Accounting Policies	<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	Revenue/Expenditure	<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"> • Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority. • Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority. • 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. • 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. <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>
c	Prior Period adjustments, Changes in Accounting Policies and Estimates and Errors	<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>
d	Charges to Revenue for Non-Current Assets	<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"> • Depreciation attributable to the assets used by the relevant service. • Revaluation and impairment losses on assets chargeable to the service. • Amortisation of intangible non-current assets attributable to the service. <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	Employee Benefits	<p>Benefits Payable during Employment</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>Termination Benefits</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>Post Employment Benefits</p> <p>Employees of the Authority are members of two separate pension schemes:</p> <ul style="list-style-type: none"> • The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE). • The Local Government Pensions Scheme, administered by Cardiff County Council Pension Authority. <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>The Local Government Pension Scheme</p> <p>The Local Government Scheme is accounted for as a defined benefits scheme:</p>

		<ul style="list-style-type: none"> • 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. • Liabilities are discounted to their value at current prices, using a discount rate. • The assets of the Cardiff and Vale Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value. • The actuarial valuation carried out at 31st 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.
		<p>The change in the net pension's liability is analysed into the following components:</p> <p>Service cost comprising</p> <ul style="list-style-type: none"> • 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. • 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. • 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

		<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>Remeasurements comprising:</p> <ul style="list-style-type: none"> • 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. • 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. <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>Discretionary Benefits</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	Events after the Balance Sheet date	These are events, both favourable and unfavourable, that occur between the end of the reporting period

		<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"> • Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events. • Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
g	Cash and Cash Equivalents	<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 31st 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>
h	Financial Instruments	<p>Financial Liabilities</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>Financial Assets</p> <p>Financial assets are classified into two types:</p> <ul style="list-style-type: none"> • Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.

		<ul style="list-style-type: none"> • Available-for-sale assets – assets that have a quoted market price and / or do not have fixed or determinable payments. <p>Loans and Receivables</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	Available for Sale Assets	<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>
j	Government Grants and Contributions	<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"> • The Authority will comply with the conditions attached to the payments, and • The grants or contributions will be received. <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>
k	Intangible Assets	<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>
l	Inventories and Long Term Contracts	<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>
m	Jointly Controlled Operations	<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>
n	Leases	<p>The Council currently has no Finance Leases. The land and buildings elements of a lease are considered separately for classification.</p> <p>The Authority as Lessee</p> <p>Operating Leases 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>The Authority as Lessor</p> <p>Operating Leases 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>
o	Overheads and Support Services	<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>Property Plant and Equipment</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(DRC) basis, therefore all Land and Building assets valued on a DRC basis 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 31st 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"> • the purchase price. • any costs attributable to bringing the asset to the location and condition necessary for it to
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		<p>be capable of operating in the manner intended by management.</p> <ul style="list-style-type: none"> • The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. <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>Component accounting</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>Impairment</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>Depreciation 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"> • Dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer. • Vehicles, plant, furniture and equipment - over the life of the asset. • Infrastructure – straight line allocation over 40 years. <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>Disposals and Non Current Assets Held for Sale 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>Fair Value Measurement</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"> • In the principal market for the asset or liability, or • In the absence of a principal market, in the most advantageous market for the asset or liability. <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"> • Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date. • Level 2 – inputs rather than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. • Level 3 – unobservable inputs for the asset or liability.
r	<p>Provisions, Contingent Liabilities and Contingent Assets</p>	<p>Provisions</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>Contingent Liabilities</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>Contingent Assets</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>
s	Specific Reserves	These reserves represent sums of money that are voluntarily set aside for specific purposes. The purpose of these reserves is explained in Note 11 to the accounts.
t	Revenue Expenditure Funded from Capital under Statute	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.
u	Local Authority Schools	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.
v	Value Added Tax	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.
w	Exceptional Items	When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the Notes to the 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.
x	Investment in Companies	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 st 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).
y	Inventories	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.
z	Adopted Highways	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 31st 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.

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).

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 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 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 generally based on a straight line

repayment over the estimated life of the asset except for a small number of supported loans where the provision is based on the annuity method. 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 31st 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 31st 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 31st 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 2nd December 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	(11,820)	4,621	18,085	1,041	11,927
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	0	(45,813)	25,324	1,041	(19,448)

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	(1,095)	1,144	46	(1,244)	(1,149)
Social Services	293	298	82	205	878
Visible and Housing Services	(56)	3,496	58	116	3,614
Housing Revenue Account (HRA)	(3,054)	(8,730)	4	16	(11,764)
Place	(87)	1,605	(131)	31	1,418
Corporate Resources	720	892	85	100	1,797
Policy	(7,146)	1,607	(382)	18	(5,903)
Net Cost of Services	(10,425)	312	(238)	(758)	(11,109)
Other Income and Expenditure	10,425	(43,191)	2,686	(367)	(30,447)
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure statement surplus or deficit	0	(42,879)	2,448	(1,125)	(41,556)

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

31 March 2023 £'000		31 March 2024 £'000
204,736	Employee Expenditure	198,274
13,020	Employee Expenditure (Aided Schools)	13,605
207,472	Other Service Expenditure	238,129
17,767	Depreciation, Amortisation, Impairments & Other Capital Adjustments	16,681
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
204	Revaluation on Investment Properties	0
88	Trading Deficit	0
490,643	Total Expenditure	507,794
(50,066)	Fees Charges & Other Service Income	(69,401)
(2,152)	Interest, Investment Income and Trading Surplus	(4,100)
(98,495)	Income from Council Tax	(107,464)
(344,047)	Government Grants and Contributions	(332,671)
0	Gains Disposal of Non-Current Assets	0
0	Revaluation on Investment Properties and Equities	(368)
0	Trading Surplus	(27)
(494,760)	Total Income	(514,031)
(4,117)	(Surplus) or Deficit on the Provision of Services	(6,237)

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
Adjustments to Revenue Resources	£'000	£'000	£'000	£'000	£'000
Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements					
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)
Total Adjustments to Revenue Resources	58,796	7,797	0	0	(66,593)
Adjustments between Revenue and Capital Resources					
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
Total Adjustments between Revenue and Capital Resources	(18,866)	(12,404)	3,344	0	27,926
Adjustments to Capital Resources					
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
Total Adjustments to Capital Resources	(47,815)	(6,957)	(4,554)	2,878	56,448
Total Adjustments	(7,885)	(11,564)	(1,210)	2,878	17,781

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
Adjustments to Revenue Resources	£'000	£'000	£'000	£'000	£'000
Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements					
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	16,111	1,711	0	0	(17,822)
Revaluation (surplus)/deficit on Property Plant and Equipment	(148)	10,179	0	0	(10,031)
Revaluation of Equity Assets	(368)				368
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)
Total Adjustments to Revenue Resources	25,477	12,358	0	0	(37,835)
Adjustments between Revenue and Capital Resources					
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
Total Adjustments between Revenue and Capital Resources	(14,444)	(21,596)	949	0	35,091
Adjustments to Capital Resources					
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					
Total Adjustments to Capital Resources	(28,080)	(15,271)	(3,936)	(4,043)	51,330
Total Adjustments	(17,047)	(24,509)	(2,987)	(4,043)	48,586

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
Council Fund							
Council Fund – General Fund set aside to support Council Services	12,510	0	(987)	11,523	0	(417)	11,106
Earmarked Reserves							
Insurance Fund - 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
School Reserves							
School Reserves - 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
Other Schools Reserves – Other ringfenced schools reserves such as Hwb, 3G Pitch and Catering Equipment.	410	461	(111)	760	509	(411)	859
Provision for School Deficits – New reserve established to offset School Deficits in 2024/25.	0	0	0	0	2,000	0	2,000
Service Specific Reserves							
Learning and Skills Reserves - Includes Earmarked Reserves for Education Improvements and Pressures and Libraries and Communities	4,084	3,163	(3301)	3,946	94	(1,812)	2,228
Social Services Reserves - 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
Earmarked Reserves	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Neighbourhood Services Reserve – 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
Place Reserve – 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
Corporate Resources Reserve – Specific funds for development and project schemes in the Corporate Resources Directorate.	821	947	(1,034)	734	0	(205)	528
Other Service Reserves – Other ringfenced service reserves such as Building Services and Elections	1,959	341	(675)	1,625	364	(125)	1,863
Other Corporate – Other Corporate Reserves including sums set aside for Corporate Resources trainees, Building Control and Regulatory Services.	1,100	20	(279)	841	14	(157)	698
Donations –Donated funds predominantly for Care Homes and Country Parks.	52	7	(2)	60	9	(0)	69
Other Temporary Grant Funding Reserves – 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
Risk and Smoothing Reserves							
Homelessness and Housing Reserve – Reserve set aside to support Housing and Homelessness Strategy including sums for resettlement.	965	4,348	(858)	4,455	1,193	(199)	5,449
Cost of Living – 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
Pay Pressures – 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
Earmarked Reserves	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Energy Pressures – 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
Legal – Reserve utilised to offset significant legal costs or changes across services including associated with Care Proceedings.	2,211	130	(341)	2,000	0	(910)	1,090
Project Zero and Ash Die Back – 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
Energy Management Fund – Ringfenced funded for decarbonisation schemes	290	110	(241)	159	322	(41)	440
Investment and Growth Fund – Funds reallocated	2,354	0	0	2,354	0	(2,353)	1
Reshaping, Risk and Investment -Funding for Transformational and Invest to Save schemes	514	2,159	(150)	2,523	52	0	2,575
Corporate Landlord – 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
Digital Reshaping - 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
Budget Risk – Funds set aside to mitigate the budget risk for 2024/25.	0	0	0	0	1,000	0	1,000
Capital Reserves							
Capital Committed Schemes and Other Amalgamated Capital Reserves – Funds Committed for Capital Programme schemes	7,953	1,993	(4,108)	5,838	626	(2,320)	4,144
School Investment Strategy Reserve – Reserve set aside to contribute towards Sustainable Communities for Learning Programme.	8,038	306	(6,448)	1,896	290	(1,054)	1,132
Waste Transfer Station - 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
Earmarked Reserves	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gypsy Traveller Study and Site Provision – Reallocated to Homelessness and Housing Reserve	1,049	0	(1,049)	0	0	0	0
Telecare -Replacement fund for Telecare	862	181	0	1,043	0	(30)	1,013
Social Service Vehicles and Licences – Ringfenced funding to support decarbonisation and recruitment in the Social Care Sector	408	0	0	408	0	(67)	341
City Deal -This reserve has been reallocated in year.	1,898	0	0	1,898	0	(1,898)	0
Vehicle Repairs and Renewals - For the replacement of plant and vehicles.	1,523	1,221	(771)	1,973	1,312	(1,666)	1,618
Country Park Capital Schemes – Earmarked funding for Country Park Capital Schemes	336	77	(276)	137	150	0	287
Capital Grants – 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
Independent Living Reserve – Funds set earmarked to support the Council's Independent Living Policy	0	0	0	0	500	0	500
Capital Regeneration and Levelling Up – Funds set aside for Levelling up and wider Capital Regeneration	395	0	(395)	0	1,458	0	1,458
Sub Total Earmarked Reserves	97,269	35,646	(50,436)	82,481	14,398	(36,005)	60,873
Joint Committee Reserves	988	1396	0	2384		(333)	2,052
Sub Total Earmarked Reserves Incl Joint Committees	98,257	37,042	(50,436)	84,865	14,398	(36,338)	62,925
Housing Revenue Account Reserve	17,439	0	(953)	16,486	0	(12,961)	3,525
Total Funds and Earmarked Reserves	128,206	37,042	(52,376)	112,874	14,398	(49,716)	77,556

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)
Amount Due From Taxpayers Before Rebates	98,495	107,464
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
Total	98,495	107,464

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
Cost or Valuation as at 1 April 2022	187,991	469,957	32,157	3,868	13,475	3,236	710,684
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
Cost or Valuation as at 31 March 2023	204,690	492,032	36,287	3,868	39,831	3,236	779,944
Accumulated depreciation and impairment as at 1 April 2022	(6)	(212)	(16,031)	0	0	(36)	(16,285)
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
Accumulated Depreciation and Impairment as at 31 March 2023	(1)	(665)	(18,211)	0	0	(36)	(18,913)
Net Book Value 2022/23							
	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Community Asset	Assets under Construction	Surplus Assets	Total
At 31 March 2022	187,985	469,745	16,126	3,868	13,475	3,200	694,399
At 31 March 2023	204,689	491,367	18,076	3,868	39,831	3,200	761,031

Movement on Balance in 2023/24							
	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 1 April 2023	204,690	492,032	36,287	3,868	39,831	3,236	779,944
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)
Cost or Valuation as at 31 March 2024	213,160	546,209	38,915	3,868	37,356	3,131	842,639
Accumulated depreciation and impairment as at 1 April 2023	(1)	(665)	(18,211)	0	0	(36)	(18,913)
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
Accumulated Depreciation and Impairment as at 31 March 2024	(1)	(1,208)	(21,251)	0	0	1	(22,459)
Net Book Value 2023/24							
	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Community Asset	Assets under Construction	Surplus Assets	Total
At 31 March 2023	204,689	491,367	18,076	3,868	39,831	3,200	761,031
At 31 March 2024	213,159	545,001	17,664	3,868	37,356	3,132	820,180

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:

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

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.

Reconciliation to Balance Sheet	2022/23	2023/24
	£'000	£'000
Infrastructure Assets	126,466	134,135
Other Property, Plant and Equipment	761,031	820,180
Total Property Plant and Equipment Assets	887,497	954,315

Depreciation

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

Asset Class	Indicative Asset Life
Council Dwellings	100 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 31st March 2023 were £28.420m. The major commitments are listed below.

Scheme	£'000
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
Total	39,926

Revaluations

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

Asset Class	Most Recent Valuation	Valuation Completed By	Next Valuation Due
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 31st 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
Total Assets Held for Sale	0	623

18. Capital Expenditure and Capital Financing

	2022/23	2023/24
	£'000	£'000
Opening Capital Financing Requirement	197,674	195,622
Plus: Capital Investment		
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
Less: Sources of Finance		
Capital Receipts	(4,554)	(3,936)
Government Grants and Other Contributions	(49,502)	(46,347)
Less: Sums set aside from revenue		
Direct Revenue Contributions	(23,284)	(29,399)
Minimum Revenue Provision(inc. Voluntary)	(5,503)	(5,768)
Closing Capital Financing Requirement	195,622	198,792
Explanation of movements in year		
Increase /(Decrease) in underlying need to borrow (unsupported by Government Financial Assistance)	(2,052)	3,170
Increase /(Decrease) in Capital Financing Requirement	(2,052)	3,170

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) and other adjustments (£34k).

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
Financial Assets at Amortised Cost				
Investments	2	2	83,729	28,319
Debtors	5,941	5,387	52,244	47,367
Cash and Cash Equivalents	0	0	19,552	13,280
Total Financial Assets	5,943	5,389	155,525	88,966
Financial Liabilities at Amortised cost				
Borrowings	138,144	135,786	11,267	8,568
Creditors	10,013	7,848	57,526	43,752
Total Financial Liabilities	148,157	143,634	68,793	52,320

- The above short term debtors balance at 31st 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 31st 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.

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

Income, Expense, Gains and Losses

2022/23		2023/24			
Total		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)
(6,768)	Total Expense in Deficit on the Provision of Services	(6,723)	0	0	(6,723)
1,703	Interest Income	4,100	0	0	4,100
1,703	Total Income in Deficit on the Provision of Services	4,100	0	0	4,100
(5,065)	Net gains/losses from financial instruments	(2,623)	0	0	(2,623)

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 st March 2023				
Financial Liabilities	0	146,217	0	146,217
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
Total	0	146,217	0	146,217
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 st March 2024				
Financial Liabilities	0	135,484	0	135,484
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
Total	0	135,484	0	135,484

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	31 March 2024
	£'000	£'000
Central government bodies	33,231	26,157
Other local authorities	14,022	8,579
NHS bodies	2,249	5,013
Council Tax Payers	9,543	10,525
General	11,952	20,417
Provision for Bad Debts	(8,895)	(10,271)
Gross Total	62,102	60,420

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
19,552	Total Cash and Cash Equivalents	13,280

22. Creditors

31/3/2023		31/3/2024
£'000		£'000
6,354	Central government bodies	5,444
10,273	Other local authorities	9,500
377	NHS bodies	1,072
35,272	General	23,286
1,225	Prepayments of Council Tax	1,325
622	Receipts in advance	609
4,629	Accumulated absences	3,840
58,752	Total	45,076

23. Provisions

	Insurance	MMI	City Deal JC	Other	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022	1,402	368	209	129	2,108
Additional provisions made	24	0	25	0	49
Amounts used / Transfer out	0	0	0	0	0
Balance at 1 April 2023	1,426	368	234	129	2,157
Additional provisions made	110	9	2,378	750	3,247
Amounts used / Transfer out	0	0	0	0	0
Balance at 1 April 2024	1,536	377	2,612	879	5,404

The closing provision balance of £5.404m is made up of £3.118m considered to be long term and £2.286m 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. Included within this figure is a sum of £2.612m in respect of the Vale of Glamorgan Council's share of the City Deal Long Term Provisions.
4. Other - Included within this figure is a sum of £128k for Housing Committed Bonds and £750k in respect legal settlements.

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	1,469
1,619	Welsh Government Home Improvement Loans	1,617
1,346	Welsh Government Town Centre Improvement Loans	300
3,336	Long Term Receipts in Advance including commuted sums and S278 contributions	4,462
10,013	Total	7,848

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	62,925
16,486	Housing Revenue Account	3,525
10,634	Capital Receipts Reserve	7,647
7,429	Capital Grants Unapplied Account	3,386
130,937	Total Usable Reserves	88,589

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	611,651
(173)	Financial Instruments Adjustment Account	(240)
11	Deferred Capital Receipts Reserve	11

0	Equity Revaluation Reserve	368
(64,630)	Pensions Reserve	(10,522)
(4,627)	Accumulated Absences Account	(3,840)
627,066	Total Unusable Reserves	746,447

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
116,370	Balance at 1 April	137,305
(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)
137,305	Balance at 31 March	149,019

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
511,993	Balance at 1 April	559,180
	Reversal of items relating to capital expenditure debited or credited to the CIES	

(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.)	(7,499)
	Capital financing applied in year:	
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
559,180	Balance at 31 March	611,651

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)	Balance at 1 April	(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)
(173)	Balance at 31 March	(240)

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)	Balance at 1 April	(64,630)
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
(64,630)	Balance at 31 March	(10,522)

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 31st 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
(64,630)	Balance at 31 March	(10,522)

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
861	Balance at 1 April	11
(850)	Transfer of Deferred Capital Receipt	0
11	Balance at 31 March	11

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)	Balance at 1 April	(4,627)
(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
(4,627)	Balance at 31 March	(3,840)

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	27,861
81	Amortisation	87
9,818	Increase / (Decrease) in creditors	(11,949)
0	Increase / (Decrease) in provisions	750
(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)

66,008	Adjustments to net surplus or deficit on the provision of services for non-cash movements.	20,374
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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
Total	1,143	1,226

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
Total	363	366

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 31st 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	28	66
£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	1	10
£85,000-£89,999	3	2	5	6	5	11
£90,000-£94,999	2	2	4	8	4	12
£95,000-£99,999	0	2	2	2	0	2
£100,000-£104,999	3	0	3	1	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
Total	92	42	134	121	56	177

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)	86,164	0	16,630	102,794

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 27th 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	18	18	£135,823
2	2	61,661	20,001-40,000	16	16	£452,552
0	0	0	40,001-60,000	2	2	96,018
0	0	0	60,001-80,000	1	1	75,675
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	38	38	853,165

2023/24 Analysis	£		£
Schools Exit Packages		32	764,788
Corporate Exit Packages		6	88,377
Total		38	853,165

31. Grant Income

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

	Restated 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
Total Capital Grants	51,894	47,395
Revenue Grants	£'000	£'000
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
Total Specific Revenue Grants	93,185	86,485
Revenue Support Grant	138,065	160,013
Non Domestic Rates Contribution	47,950	42,784
Total Unhypothecated Grants	186,015	202,797

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
Total Capital Grants Received in Advance	23,058	21,871
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
Total	23,058	21,871

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 31st March 2030 and a further £893k being repayable by 31st 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 st March 2024	Home Improvement Loans	Town Centre Improvement Loan
Funding Source for Loan Scheme	£'000	£'000

Grant	752	0
Loan	868	1,346
Total Funding (included in Long Term Liabilities)	1,620	1,346
Repayments Due to Council		
Within 12 months	489	0
Over 12 months	475	1,000
Total Value of Outstanding Repayments (included in Debtors)	964	1,000

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)
10,438	2,176	Net Cost of Services	9,712	1,899
(8,250)	(1,722)	Finance and Investment Income and Expenditure	(9,168)	(1,821)
2,188	453	(Surplus) / Deficit on Provision of Services	544	78
(22,700)	(4,663)	Other Comprehensive Income and Expenditure	(2,790)	(530)
(20,512)	(4,210)	Total Comprehensive Income & Expenditure	(2,246)	(452)

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
103	21	Total Long Term Assets	72	14
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
1,676	299	Current Assets	1,250	84
(412)	(63)	Short Term Creditors	(388)	(75)
(102)	0	Cash Owed to Host Authority	(57)	195
(514)	(63)	Total Current Liabilities	(445)	120
(3,450)	(708)	Long Term Pension Liability	(780)	(148)
(490)	(101)	Revenue Grants Received in Advance	(490)	(100)
(3,940)	(809)	Total Long Term Liabilities	(1,270)	(248)
(2,675)	(552)	Net Assets	(393)	(30)
785	157	Usable Reserves	468	133
(3,460)	(709)	Unusable Reserves	(861)	(163)
(2,675)	(552)	Total Reserves	(393)	(30)

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

The VVC Adoption Services was created on 1st 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 15.7%
£'000	£'000		£'000	£'000
2,901	403	Operating Expenditure	2,590	389
(2,578)	(431)	Operating Income	(2,643)	(397)
323	(28)	Net Cost of Services	(53)	(8)
90	14	Finance and Investment Income and Expenditure	20	3
413	(14)	(Surplus) / Deficit on Provision of Services	(33)	(5)
(3,350)	(519)	Other Comprehensive Income and Expenditure	(360)	(57)
(2,937)	(533)	Total Comprehensive Income & Expenditure	(393)	(62)

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 15.7%
£'000	£'000		£'000	£'000
808	51	Short Term Debtors	1,014	6
808	51	Current Assets	1,014	6
(686)	(32)	Short Term Creditors*	(849)	20
(686)	(32)	Total Current Liabilities	(849)	20
(520)	(81)	Long Term Pension Liability	(170)	(27)
(398)	(62)	Net Assets	(5)	(1)
143	22	Usable Reserves	186	29
(541)	(84)	Unusable Reserves	(191)	(30)
(398)	(62)	Total Reserves	(5)	(1)

*This balance reflects the specific Vale of Glamorgan partner share at 31st 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)
(70)	(8)	Net Cost of Services	7	1
0	0	Finance and Investment Income and Expenditure	(3)	0
(70)	(8)	(Surplus) / Deficit on Provision of Services	4	1
(6)	(1)	Other Comprehensive Income and Expenditure	0	0
(76)	(9)	Total Comprehensive Income & Expenditure	4	1

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
6,118	734	Long Term Assets	6,052	726
20	3	Inventories	17	2
19	2	Short Term Debtors	37	4
126	15	Cash and Cash Equivalents	129	15
165	20	Current Assets	183	21
(58)	(7)	Short Term Creditors	(14)	(1)
(58)	(7)	Total Current Liabilities	(14)	(1)
0	0	Long Term Borrowing	0	0
6,225	747	Net Assets	6,221	746
133	16	Usable Reserves	174	21
6,092	731	Unusable Reserves	6,047	725
6,225	747	Total Reserves	6,221	746

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)
105	21	Net Cost of Services	31	6
(105)	(21)	Transfer to(from) Joint Committee Reserve	(31)	(6)
0	0	Total	0	0

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
272	54	Current Assets	239	48
(4)	(1)	Short Term Creditors	(2)	(1)
(4)	(1)	Total Current Liabilities	(2)	(1)
268	53	Net Assets	237	47
(268)	(53)	Usable Reserves	(237)	(47)
0	0	Unusable Reserves		
(268)	(53)	Total Reserves	(237)	(47)

5. Central South Consortium

The Central South Consortium was created on 1st 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	55819	8,271
(96,925)	(14,384)	Operating Income	(55,508)	(8,225)
1,055	156	Net Cost of Services	311	46
(130)	(19)	Finance and Investment Income and Expenditure	(479)	(71)
925	137	(Surplus) / Deficit on Provision of Services	(168)	(25)
(6,589)	(978)	Other Comprehensive Income and Expenditure	607	90
(5,664)	(841)	Total Comprehensive Income & Expenditure	439	65

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
5,858	869	Long Term Assets	4,944	733
2,317	344	Short Term Debtors	2,141	317
2,317	344	Current Assets	2,141	317
(1,090)	(162)	Short Term Creditors	(439)	(65)
(1,090)	(162)	Total Current Liabilities	(439)	(65)
1,227	182	Net Current Assets	1,702	252
7,085	1,051	Net Assets/Liabilities	6,646	985
1,291	192	Usable Reserves	1,744	258
5,794	860	Unusable Reserves	4,902	726
7,085	1,051	Total Reserves	6,646	985

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.

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
24,575	2,083	Operating Expenditure	14,898	1,263
(25,639)	(2,173)	Operating Income	(6,857)	(581)
(1,064)	(90)	Net Cost of Services	8,041	682
849	72	Finance and Investment Income and Expenditure	(1,562)	(133)
(27,773)	(2,354)	Taxation and Non Specific Grant Income	(12,349)	(1,047)
(27,988)	(2,372)	(Surplus) / Deficit on Provision of Services	(5,870)	(498)

-220	-19	Other Comprehensive Income and Expenditure	-	-
(28,208)	(2,391)	Total Comprehensive Income & Expenditure	(5,870)	(498)

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	63,592	5,390
1430	121	Assets Under Construction	8,108	687
5,680	481	VPFE	5,680	481
(1,225)	(104)	Depreciation – VPFE	(2,027)	(172)
11,843	1,004	Equity	11,843	1,004
1,415	120	Long Term Investments	1,415	120
14,788	1,254	Long Term Debtors	14,788	1,254
97,523	8,266	Long Term Assets	103,399	8,764
3,000	254	Financial Assets and Bonds	3,000	254
11,112	942	Short Term Debtors	11,112	942
1,798	152	Deferred Tax Asset	1,798	152
51,430	4,360	Cash and Cash Equivalents	47,088	3,991
67,340	5,707	Current Assets	62,998	5,339
(33,975)	(2,880)	Short Term Creditors	(33,975)	(2,880)
(33,975)	(2,880)	Current Liabilities	(33,975)	(2,880)
(70)	(6)	Long Term Borrowing	(70)	(6)
(17,264)	(1,463)	Long Term Creditors	(17,264)	(1,463)
(30,819)	(2,612)	Provisions for Liabilities	(30,819)	(2,612)
(48,153)	(4,081)	Long Term Liabilities	(48,153)	(4,081)
82,735	7,012	Net Assets/Liabilities	84,269	7,142
22,819	1933	Usable Reserves	18,477	1,565
59,917	5,078	Unusable Reserves	65,792	5,576
82,735	7,012	Total Reserves	84,268	7,142

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 31st 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 31st 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 31st 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.

During the 2023/24 financial year the Monitoring Officer also acted as the Monitoring Officer for Cardiff Council. In year the Council's Income from Cardiff Council in

respect of this arrangement was £49,755.84. The related party transactions with Cardiff Council during 2023/24 consisted of Income of £4.082m and Expenditure of £26.893m. The Debtor balance relating to Cardiff Council at year end was £1.007m and the Creditor Balance at year end relating to Cardiff Council was £4.401m

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 1st 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 Victoria 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
Total	9,997	171	9,443	163

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	133	0
Between 1 and 5 years	686	0	482	0
After 5 years	1,181	0	176	0
Total	2,135	0	791	0

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
Total Pension Liability	(64,630)	(10,522)

*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 28th 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 31st 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 st 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
Total	17.27

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
Males						
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		
Females						
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
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	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
Total	100.0	100.0	100.0	100.0

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

Reconciliation of Funded/Unfunded Status to Balance Sheet

As at 31/03/23	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£M's
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)
Funded/Unfunded status	(53.13)	(0.55)	0.869	(0.709)	(0.078)	(11.03)	(64.628)
Impact of minimum funding requirement / asset ceiling	0	0	0	0	0	0	0
Asset / (Liability) recognised on the Balance Sheet	(53.13)	(0.55)	0.869	(0.709)	(0.078)	(11.03)	(64.628)

As at 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
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)
Funded/Unfunded status	(1.060)	0.160	1.283	(0.078)	(0.008)	(10.030)	(9.734)
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)
Asset / (Liability) recognised on the Balance Sheet	(1.060)	0.010	0.733	(0.160)	(0.027)	(10.030)	(10.535)

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	£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
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	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 or deficit on the provision of services	19.11	0.35	0.097	0.302	0.049	0.49	20.398
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	Foundatio n School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's		
Opening Defined Benefit Obligation	753.91	10.11	4.900	11.915	1.256	12.81	794.901
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	563.27	7.59	3.822	8.100	0.848	11.03	594.660

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		
Opening Defined Benefit Obligation	563.270	7.590	3.796	8.097	0.885	11.030	594.668
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	568.510	7.760	3.889	8.598	0.965	10.030	599.752

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	£M's	£M's
Opening Fair Value of Assets	498.62	6.95	5.025	6.965	0.734	0	518.294
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
Closing Fair Value of Assets	510.14	7.04	4.671	7.392	0.769	0	530.012

Year ended 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
Opening Fair Value of Assets	510.140	7.040	4.664	7.392	0.804	0	530.040
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
Closing Fair Value of Assets	567.450	7.920	5.148	8.523	0.957	0	589.998

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)
Actual Return on Assets	9.66	(0.16)	(0.381)	0.109	(0.020)	9.208

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
Actual Return on Assets	57.960	0.810	0.520	0.856	0.095	60.241

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.

Virgin Media Ruling and Pension Liability

There are potential financial impacts associated with a recent Virgin Media ruling in respect of Pension Funds. The Council's Actuary have advised that there is no consideration of any potential impact as part of the review reflected in the 2023/24 accounts. The Government Actuaries Department (GAD) are the Scheme Actuary to the LGPS and so they will be advising the Ministry for Housing and Local Government if the appropriate Section 37 documentation is in place and therefore if there is likely to be any impact from the ruling.

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 31st 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
Total	93,920	34,195
Reconciliation of Investment Balances		
Short Term Investment	82,900	27,500
Overnight Investments shown as Cash and Cash Equivalents	11,020	6,695
Total	93,920	34,195
Short Term Investment Accrued Interest	455	566
Short Term Investment Joint Committees	254	374
	94,629	35,135

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 borrows 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 24th 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
Total	148,482	143,312

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
Impact on (Surplus) or Deficit on the Provision of Services	(112)
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)
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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
	Expenditure		
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	
17,600	Total Expenditure		25,179
	Income		
(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)	
(22,712)	Total Income		(23,981)
(5,112)	Net Expenditure of HRA Services as Included in the Whole Authority CIES		1,198
0	HRA share of other amounts included in the whole authority Net Expenditure of Continuing Operations but not allocated to specific services		0
(5,112)	Net Expenditure of HRA Services		
	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)
(10,612)	(Surplus) or deficit for the year on HRA services		(11,548)

Movement on the HRA Statement

2022/23		2023/24
£'000		£'000
(17,439)	Balance on the HRA at the end of the previous year	(16,486)
(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
953	Increase/(Decrease) during the financial year	12,961
(16,486)	Balance on the HRA at the end of the current year	(3,525)

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)
Total Adjustments	11,564	24,509

Summary

The Housing Revenue Account revenue balance at 31st 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 31st March for the past two years are shown below:

Number of Dwellings by Type	At 31 st March 2023	At 31 st 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
Total	3,940	3,977	37

The change in stock can be summarised as follows:-

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

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 st 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 26th 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
Total	18,021	40,865

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
Total	1,543	1,665

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.

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

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.

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

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.

Restated	Balance at 31 March 2023	Acquisitions / Disposals	Revaluation	Surplus/ (Deficit)	Balance at 31 March 2024
	£'000	£'000	£'000	£'000	£'000
Accumulated Fund	5,176	(2)	1,308	23	6,509

The opening balance has been restated to reflect the closing balance reflected in the 2022/23 accounts that have been subject to Independent examination by Audit Wales.

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 1st 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 31st 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	178,861	44,562	134,299
106,709	23,375	83,334	Social Services	124,019	26,043	97,976
65,999	22,372	43,627	Visible and Housing Services	60,151	23,418	36,733
17,599	22,710	(5,111)	Housing Revenue Account (HRA)	25,182	23,986	1,196
8,506	3,106	5,400	Place	9,616	3,790	5,826
57,556	33,637	23,919	Corporate Resources	5,1650	32,480	19,170
6,424	2,289	4,135	Policy	9,776	978	8,798
5,873	146	5,726	Big Fresh Catering Company (BFCC)	6,848	332	6,516
443,141	153,226	289,914	Cost of Services	466,103	155,589	310,514
			Other operating expenditure			
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
			Financing and investment income and expenditure			
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 and Equities	0	368	(368)
88	1,882	(1,794)	Interest receivable and other income	0	4,258	(4,258)
			Taxation and non-specific grant income			
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)
490,857	494,495	(3,639)	(Surplus) or Deficit on the Provision of Services	507,313	513,828	(6,514)
		(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)	Other Comprehensive Income and Expenditure			(71,307)
		(266,279)	Total Comprehensive Income and Expenditure			(77,821)

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
Balance as at 31st March 2022	110,767	17,439	11,844	4,551	144,601	348,850	(1,211)	492,240
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
Increase/(Decrease) in 2022/23	(14,379)	(953)	(1,210)	2,878	(13,664)	278,216	1,727	266,279
Balance as at 31st March 2023	96,388	16,486	10,634	7,429	130,937	627,066	516	758,519
Total Comprehensive Income and Expenditure	(5,310)	11,548	0	0	6,238	70,795	789	77,822
Adjustments between accounting basis and funding basis under regulations (Note 10)	(17,047)	(24,509)	(2,987)	(4,043)	(48,586)	48,586	0	0
Increase/(Decrease) in 2023/24	(22,357)	(12,961)	(2,987)	(4,043)	(42,348)	119,381	789	77,822
Balance as at 31st March 2024	74,031	3,525	7,647	3,386	88,589	746,447	1,305	836,341

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		1,004
323	Intangible Assets		271
2	Long Term Investments		2
0	Deferred Tax Asset		0
6,064	Long Term Debtors		5,387
899,928	Long Term Assets		966,388
83,729	Short Term Investment		28,319
0	Assets Held for Sale	15	623
1,390	Inventories		1,039
152	Deferred Tax Asset		152
61,240	Short Term Debtors	G9	59,808
21,223	Cash and Cash Equivalents	G10	15,340
167,734	Current Assets		105,281
11,267	Short Term Borrowing		8,568
58,756	Short Term Creditors	G11	45,409
1,664	Provisions (Short Term)	G12	2,321
622	Donated Inventory Account		8
9,768	Grants Receipts in Advance – Capital	31	2,190
82,077	Current Liabilities		58,496
497	Provisions (Long Term)	G12	3,118
138,144	Long Term Borrowing		135,786
10,013	Other Long Term Liabilities		7,848
65,122	Other Long Term Liabilities (Pensions)	G14	10,399
13,290	Grants Receipts in Advance - Capital (Long Term)	31	19,681
227,066	Long Term Liabilities		176,832
758,519	Net Assets		836,341
130,937	Usable Reserves	11	88,589
627,582	Unusable Reserves	G13	747,752
758,519	Total Reserves		836,341

Group Accounts Cash flow Statement

31 March 2023		Notes	31 March 2024
£'000			£'000
3,639	Net surplus or (deficit) on the provision of services		6,514
67,280	Adjustments to net surplus or deficit on the provision of services for non-cash movements	G15	20,486
	Adjustments for items that are investing and financing activities		
(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)
(54,388)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(48,343)
16,531	Net cash flows from Operating Activities		(21,343)
	Investing Activities		
(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		55,031
59,370	Other Receipts from Investing Activities		49,568
(16,032)	Net Cashflow from Investing Activities		22,826
	Financing Activities		
(5,140)	Repayments of Short and Long Term Borrowing		(5,132)
3,960	Other Payments for Financing Activities		(2,234)
(1,180)	Net cash flows from Financing Activities		(7,366)
(681)	Net increase or decrease in cash and cash equivalents		(5,884)
21,904	Cash and cash equivalents at the beginning of the reporting period		21,223
21,223	Cash and cash equivalents at the end of the reporting period		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	28		66
£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	1		10
£85,000-£89,999	6	5		11
£90,000-£94,999	8	4		12
£95,000-£99,999	2	0		2
£100,000-£104,999	1	2		3
£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		2
Total	121	56	1	178

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 Victoria Primary School	24/04/2024
BFCC Managing Director	01/01/2020

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	209
Fees payable to Audit Wales in respect of performance work	106	112
Fees payable to Audit Wales for the certification of grant claims and returns	60	45
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
Total	377	382

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 36 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
Total	9,997	0	9,443	0

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
Total Property Plant and Equipment Assets	954,334

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	26,157
Other local authorities	13,762	8,579
NHS bodies	2,249	5,013
Council Tax Payers	9,543	10,525
General	11,349	19,804
Provision for Bad Debts	(8,895)	(10,271)
Total	61,240	59,807

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
Total Cash and Cash Equivalents	21,223	15,340

G11. Creditors

	31 March 2023	31 March 2024
	£'000	£'000
Central government bodies	6,434	8,475
Other local authorities	10,270	9,500
NHS bodies	377	1,072
Prepayments of Council Tax	1,226	1,325
General	35,198	20,588
Receipts in advance	622	609
Accumulated absences	4,629	3,840
Total	58,756	45,409

G12. Provisions

	Total Single Entity £'000	BFCC	Total Group Provisions
Balance at 1 April 2023	2,157	4	2,161
Additional provisions made	3,247	31	3,278
Amounts used / Transfer out	0	0	0
Balance at 1 April 2024	5,404	35	5,439
Short Term Provisions	2,286	35	2,321
Long Term Provisions	3,118	0	3,118

G13. Unusable Reserves

Restated 31/03/23		31/03/24
£'000		£'000
137,305	Revaluation Reserve	149,019
559,180	Capital Adjustment Account	611,651
(173)	Financial Instruments Adjustment Account	(240)
11	Deferred Capital Receipts Reserve	11
0	Revaluation of Equity Reserve	368
(65,122)	Pensions Reserve	(10,399)
(4,627)	Accumulated Absences Account	(3,840)
1,008	Group Entity BFCC Reserves	1,182
627,582	Total Unusable Reserves	747,752

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
Total Pension Liability	(65,122)	(10,399)

*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 st March 2025 (£M)
Single Entity Accounts	17.27
BFCC	0.60
Total	17.87

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)
Funded/Unfunded status*	(64.628)	(0.492)	(65.120)
Impact of minimum funding requirement / asset ceiling	0	0	0
Asset / (Liability) recognised on the Balance Sheet	(64.628)	(0.492)	(65.120)

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)
Funded/Unfunded status*	(9.733)	0.123	(9.610)
Unrecognised Asset	(0.700)	0	(0.700)
Impact of minimum funding requirement / asset ceiling	(0.101)	0	(0.101)
Asset / (Liability) recognised on the Balance Sheet	(10.534)	0.123	(10.411)

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
Total post-employment benefits charged to the surplus or deficit on the provision of services	43.084	1.123	44.207
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
Total post-employment benefits charged to the comprehensive income and expenditure statement	(237.300)	(2.94)	(240.240)
Total Amount Recognised	(194.216)	(1.817)	(196.033)
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
Total post-employment benefits charged to the surplus or deficit on the provision of services	20.398	0.64	21.038
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
Total post-employment benefits charged to the comprehensive income and expenditure statement	(56.610)	(0.683)	(57.293)
Total Amount Recognised	(36.212)	(0.043)	(36.255)
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
Opening Defined Benefit Obligation	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
Closing Defined Benefit Obligation	594.657	6.184	600.841

Year Ended 31/03/24	Single Entity Accounts	BFCC	Total Group Pension
	£M's	£M's	£M's
Opening Defined Benefit Obligation	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
Closing Defined Benefit Obligation	599.752	7.110	606.862

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
Opening Fair Value of Assets	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
Closing Fair Value of Assets	530.012	5.692	535.704

Year ended 31/03/24	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Opening Fair Value of Assets	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
Closing Fair Value of Assets	589.998	7.233	597.231

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)
Actual Return on Assets	9.208	(0.229)	8.979

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
Actual Return on Assets	60.241	0.707	60.948

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	27,860
81	Amortisation	87
0	Soft Loans (non-subsidiary)	-
0	Deferred revenue/deferred payment agreements (IFRS 15)	-
9,884	Increase / (Decrease) in creditors	(11,620)
	Increase in provisions	750
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
67,280	Adjustments to net surplus or deficit on the provision of services for non-cash movements.	20,486

G16. Taxation

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

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

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

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 (NDR)

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.

Draft Annual Governance Statement 2023/24

The Council promotes a culture rooted in shared values, ethical principles, and good conduct. This culture shapes the implementation of the long-term vision and influences the day-to-day actions of members and officers. The behaviour of elected members and officers is regulated by codes of conduct, which include a mandate for declaring any conflicts of interest. The roles and responsibilities of elected members and officers, as well as the processes governing the Council's operations, are outlined in procedural standing orders, delegation schemes, and contract and financial procedure rules. These Codes of Conduct set high ethical standards to ensure public business is conducted with fairness and integrity.

The Council's Code of Conduct for Elected Members is based on the seven principles of public life, supplemented by three additional principles specific to Wales. The Council has mechanisms to review reports from the Ombudsman regarding alleged breaches of conduct standards, as detailed in the Council's Constitution, including Local Dispute Resolution Procedures and the Protocol of Standards supporting the Code of Conduct for Elected Members. Following the 2022 Local Government Elections, the Council implemented a comprehensive induction program for new and returning members, including mandatory training on the Ethical Framework and the Members' Code of Conduct, which is based on ten guiding principles.

The Council is required to undertake an annual review of internal control and governance and this is achieved by producing the Annual Governance Statement (AGS) which must be included within the Statement of Accounts. The AGS describes the Council's corporate governance arrangements and provides an assessment of those arrangements and where appropriate identifies improvements that need to be made.

The Purpose of the Governance Framework

The Council's Governance Framework comprises all the systems and processes, culture and values, by which the Council directs and controls its activities, and how it leads, engages with and accounts to the community it serves.

A significant part of that framework is the Council's system of internal control. This helps to manage and control the business risks that the Council encounters in delivering its operations. Not all risks can be eliminated but they can be reduced and mitigated by implementing effective systems of control. This can only provide reasonable and not absolute assurance of the effectiveness of the environment. The Council's Governance Framework, including the Council's system of internal control, has been in place for the year ended 31st March 2024 and up to the date of the approval of the Statement of Accounts and is a continuous process.

The Council's Code of Corporate Governance was reviewed in 2016/17, with the amendments made being based upon the "Delivering Good Governance in Local Government: Framework" (CIPFA/SOLACE, 2016). The Framework positions the attainment of sustainable economic, social, and environmental outcomes as a key focus of good governance processes and structures. The focus on sustainability and the links between governance and public financial management are crucial – local authorities must recognise the need to focus on the long term.

This Annual Governance Statement explains how the Council has complied with the terms of the CIPFA/SOLACE Framework (2016) for the year ended 31st March 2024.

As with all work undertaken by the Council, the Annual Governance Statement reflects the Council's responsibilities under the Well-being of Future Generations (Wales) Act 2015. The Council recognises the need to ensure that in line with the sustainable development principle we take account of how our decisions may impact on future generations. The Council has embedded the five ways of working across its activities and in delivering our priorities we will maximise our contribution to the seven national Well-being Goals.

Scope of Responsibility

The Vale of Glamorgan Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for and used economically, efficiently and effectively. The Vale of Glamorgan Council sees Corporate Governance as doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Strong, transparent and responsive governance enables the Vale of Glamorgan Council to put citizens first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain citizens confidence, these mechanisms must be sound and be seen to be sound.

The Council has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA and SOLACE Framework - Delivering Good Governance in Local Government 2016. This statement explains how the Council has complied with the Code.

The Code of Corporate Governance sets out the principles of good governance and describes the arrangements in place to meet each of these principles.

A copy of the Council's Code is available on our website at www.valeofglamorgan.gov.uk

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

B - Ensuring openness and comprehensive stakeholder engagement.

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

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

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

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

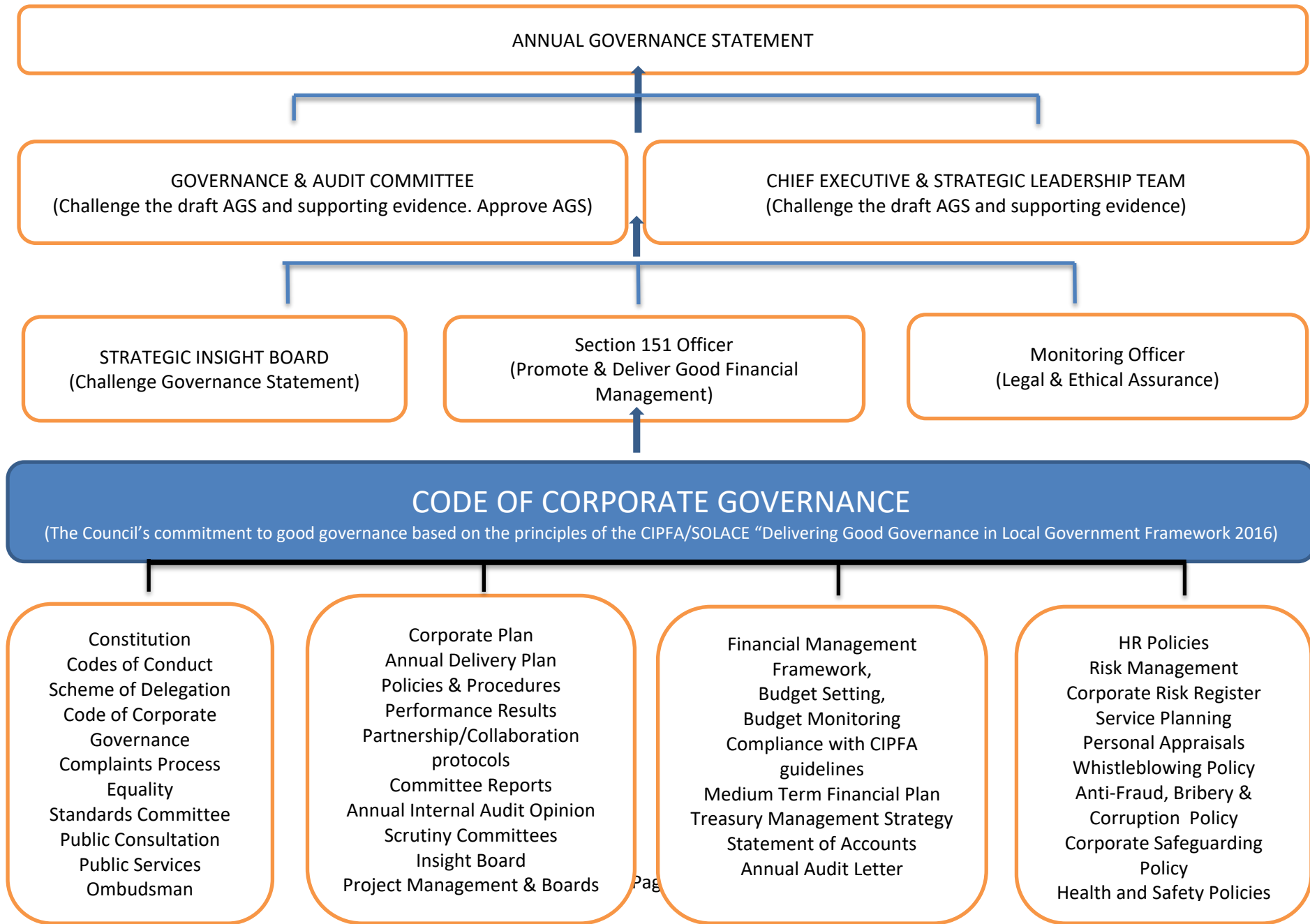
G - Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

GOVERNANCE PRINCIPLES
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.
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.

**RELATIONSHIP BETWEEN GOVERNANCE PRINCIPLES,
INTERNAL CONTROLS
AND THE REVIEW OF EFFECTIVENESS**



INTERNAL CONTROLS
<u>Leadership, Culture and Planning</u> Organisational priorities and outcomes Corporate Plan & Annual Delivery Plan Directorate and Service/Team plans Performance Management Framework Medium term financial Plan
<u>Policies and Procedures</u> Constitution, Codes of Conduct Anti-fraud, Bribery and Corruption Policy, Whistleblowing Policy HR and OD Policies/Procedures, Corporate Safeguarding Policy, Health and Safety Policies and Procedures, Risk Management Strategy
<u>People, Knowledge, Finance, Assets</u> Robust HR and H&S practices Information governance Performance monitoring and improvement Financial management and reporting Ethical & legal practices
<u>Scrutiny and Transparency</u> Freedom of Information requests Complaints procedure Reports considered by Legal and Finance experts Equality impact assessments
<u>Partnership Working</u> Community engagement. Collaboration / Partnership toolkit



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

The Council promotes a culture based on shared values, ethical principles, and good conduct. This culture shapes the implementation of the long-term vision and influences the day-to-day actions of Members and officers. The behaviour of Elected Members and officers is regulated by codes of conduct, which include a mandate for declaring any conflicts of interest. The roles and responsibilities of Elected Members and officers, as well as the processes governing the Council's operations, are outlined in procedural standing orders, a scheme of delegation and contract and financial procedure rules. These Codes of Conduct set high ethical standards expected from Elected Members and officers to ensure public business is conducted with fairness and integrity.

The Council's Code of Conduct for Elected Members is based on the seven principles of public life, the Nolan principles, supplemented by three additional principles specific to Wales. The Council has procedures in place to review reports from the Ombudsman regarding alleged breaches of standards of conduct, as outlined in the Council's Constitution, including Local Dispute Resolution Procedures and the Protocol of Standards supporting the Code of Conduct for Elected Members. Following the 2022 Local Government Elections, the Council implemented a comprehensive induction program for new and returning members, and co-opted Members of the Council including mandatory training on the Ethical Framework and the Members' Code of Conduct, which is based on the 10 Principles.

The Council's Monitoring Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

The Council seeks feedback from the public through its complaints procedure for both Corporate and Social Services areas, responding to the outcomes as appropriate and reporting the results at least annually to the Governance and Audit Committee. The complaints dashboard enables data to be monitored in real-time across all service areas to ensure lessons are being learned to improve how we manage, monitor, and learn from complaints. During 2023/24 the number of corporate complaints received by the Council increased to 835 from 532 in the previous year. The percentage of complaints resolved at Stage 1 was 91%, which is lower than the previous year (94.7%) but in line with long term performance trend. During 2023/24 the number of complaints received by the Public Services Ombudsman for Wales increased from 49 to 77, although none were taken into investigation and 19 were resolved through the early resolution process, compared to 15 the previous year.

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

During 2023/24, the Speak Out line and whistleblowing policy generally were widely communicated. Nineteen concerns were raised via the Speak Out (Whistleblowing) service line (2022/23 there were 11), continuing an increasing trend of recent years. The level of concerns raised represents the highest annual number of recorded whistleblowing incidents since centralised records began in 2015. Three concerns were outside of the Whistleblowing policy and dealt with under other policies. Of the 16 deemed to be under the Whistleblowing Policy, 1 concern was partially upheld, 10 concerns were not upheld, and 5 concerns remain under investigation.

The Constitution is at the heart of the Council's operations, serving as a crucial tool for councillors, officers, citizens, and stakeholders to understand the Council's decision-making processes and identify those responsible for decisions. Additionally, it governs the conduct of individuals and groups through codes of conduct, protocols, and standing orders. The Council's Constitution establishes the framework needed for statutory Chief Officers, other key post holders, Members, and relevant statutory committees to carry out their duties in compliance with legislative and regulatory requirements. Throughout the year, a number of updates have been made, including a significant collaborative effort led by the Welsh Local Government Association to develop a standard template for Councils in Wales to use as the foundation for their Constitution.

The Local Government and Elections (Wales) Act 2021 introduced changes covering electoral reform, public participation, governance, performance and regional working. This has had a significant impact on the way the Council operates and as a result of the provisions detailed within the Act a working group of officers was established and a detailed action plan developed to ensure that Senior Officers and Members are aware of the provisions within the Act. Progress and changes have been reported to Full Council and changes have been made to the Council's Constitution to comply with the requirements of the Act.

During March 2024 the South East Wales Corporate Joint Committee was created. Cabinet, Committees and Elected Members were updated throughout this process as part of the Council's governance arrangements. The Constitution was updated to reflect the creation of the Corporate Joint Committee.

**Principle B –
Ensuring
openness and
comprehensive
stakeholder
engagement**

The Council is committed to understanding and learning from the views of the public. Engagement is the process by which views of stakeholders are able to inform and influence policy and service delivery. The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.

How this will be achieved is detailed in our Public Participation Strategy and accompanying action plan. The Strategy explains how we will encourage and facilitate public participation in the Vale of Glamorgan. It also sets out how we will be diverse in our engagement methods, using social media platforms, community connectors and face-to-face engagement, to take an integrated approach to public participation. Our strategy seeks to provide as many stakeholders as possible the opportunity to participate and become involved in the decision-making process, enabling people to shape what we do and how we do it.

The Council has always sought to develop the methods used to engage with stakeholders in a way that is accessible and convenient. The Council has also introduced a range of new approaches, which have included using Zoom webinars as means to consult, in which stakeholders were invited to meet and discuss with Council officers in a constructive way. Feedback from these sessions showed that they were well-received and that they could be developed further.

The Council has also expanded its use of social media to include social media polls and encouraging residents to leave 'comments' expressing their views. Data from both the polls and comment section have then been used in reports. We have also used social media to promote Council meetings, consultations, alongside bespoke videos to promote greater understanding of the issues in question.

We still undertake to host face to-face engagement sessions where possible and to provide consultation documents online.

An e-petitions function was launched in May 2022 to give residents a new way of engaging directly in the democratic processes of the Council.

**Principle B –
Ensuring
openness and
comprehensive
stakeholder
engagement**

Since 2018 the Council has carried out Staff Surveys every two years, providing all staff with the opportunity to engage and rate on several factors. Following the publication of the results, a corporate action plan is created to make improvements.

Improvements that have taken place as a result of the Staff Surveys includes the launch of a 'Culture Book' in 2021 complete with Staff stories which will be updated regularly highlighting the many achievements and work of the Council, aligned to our Corporate Values with input from the Engagement Champions. In addition, the Council hosts Staff Awards bi-annually, recognising the achievements and hard work of our staff.

In 2020 and 2021 a Staff Wellbeing Survey was undertaken to measure how staff were coping with the effects of the pandemic. As a result, Staff Wellbeing Champions and Mental Health champions have been working together to organise virtual activities to support staff wellbeing, this has continued in 2023/24/23 with our wellbeing champions working in collaboration with our H&S and occupational health teams to continue to develop the wellbeing offering.

Following the 2022 Staff Survey, an Engagement and Involvement Strategy has been drafted and approved by SLT; this lays the foundation for our Engagement activity over the next 3 years, focusing on larger scale activity to embed the values, improve our diversity and inclusion activity and establish an Innovation Lab process.

We have a number of staff networks within the Council, whom HR collaborates closely with to drive policy changes and foster an open dialogue. Together, we seek feedback on matters impacting various groups within the council, ensuring an inclusive and responsive approach."

The Council has also conducted a survey with Members in 2022 which included timing of meetings and wellbeing aspects. Decisions made by the Council and/or Cabinet are documented in the public domain, unless confidential, along with reasons for those decisions. The impact and consequences of all decisions are clearly set out.

2024 will see the bi-annual staff survey, which is currently in consideration for launch during the Autumn 2024.

**Principle B –
Ensuring openness
and comprehensive
stakeholder
engagement**

In May 2022 the Council agreed and published its Public Participation Strategy, which sets out how the Council will make it easier for residents to take part in the decision-making process. The strategy is split in to three key workstreams which are :

- **Reach** – Maximising opportunities for as many voices as possible to be heard, using variety of mechanisms.
- **Involve** – Targeting our activity to ensure different communities are offered different opportunities to participate.
- **Represent** – Making sure the views we gather are presented to decision makers at the right level, and that elected members are effective advocates for participation and have skills and tools to fulfil their role in increasing involvement.

In 2023/24 the Council ran one of its largest ever engagement exercises.

Let's Talk about life in the Vale was a survey exercise run in partnership with Data Cymru to understand residents' experiences of life in the Vale of Glamorgan and identify their priorities to inform future service delivery.

The bilingual survey was conducted using an online survey tool, SmartSurvey, hosted by Data Cymru, between 22 August and 18 December 2023.

There were 4,009 responses to the survey and further engagement has been undertaken with some groups who are not as well represented in the sample.

The exercise has provided the Council with its most robust insight ever on public perception and residents priorities. This is now central to the development of the new Corporate Plan and various other council projects.

The Council's Public Participation Strategy is now being refreshed and its actions reprioritised in line with the survey results.

**Principle C –
Defining outcomes
in terms of
sustainable
economic, social,
and environmental
benefits.**

“Strong Communities with a Bright Future” is the vision for the Vale of Glamorgan and the Corporate Plan 2020-2025 sets out how the Council intends to work towards the delivery of this vision and the promotion of well-being. The Plan set out the activities to be undertaken to ensure the best possible outlook for Vale citizens and communities.

In delivering this vision, the Council is mindful of the short, medium- and long-term challenges and the need to work with partners and the local community. In developing the Council’s Corporate Plan for 2020-25 consideration was given to the achievements from the previous plan, local needs and available resources and has incorporated the views of residents, partners, and staff to inform the Council’s key priorities going forward. The Council has embraced the Well-being of Future Generations (Wales) Act 2015 (WFGA) and the Corporate Plan is framed around four Well-being Objectives that are aligned to the well-being goals of the WFGA. Our 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
- To respect, enhance and enjoy our environment

The Corporate Plan is underpinned by a set of enabling strategies (including the Asset Management Plan, Medium Term Financial Plan, People Strategy, Workforce Plan, Digital Strategy, Strategic Equalities Plan, Performance Management Framework and Risk Management Strategy and Register) which together form the Council’s overall policy framework supporting improvement.

An integrated model of working has been adopted via the Strategic Insight Board to look at all aspects of corporate governance and planning arrangements to ensure that they are inter-related, complementary, consistent and no longer undertaken in isolation. This continues to ensure that the Council’s integrated processes and policies become an enabling force for the delivery of the Corporate Plan’s vision and the Well-being Outcomes.

**Principle C –
Defining
outcomes in
terms of
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economic,
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environmental
benefits.**

2020/21 marked the start of a new Corporate Plan and the agreement to publish an Annual Delivery Plan (ADP) each year to support the five year Corporate Plan. The ADP sets out the key activities to be undertaken by the Council ‘in year’ to deliver on the commitments in the Corporate Plan. The ADP provides a framework for annual Service Plans and monitoring progress in delivering the Corporate Plan. The ADP for 2024/25 identifies three critical challenges for the year: the cost of living crisis, the climate and nature emergencies and organisational resilience. These challenges are pertinent to all of the Council’s Well-being Objectives and build on the challenges identified in the ADP 23/24.

Both the Local Government & Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015, place specific duties on objective setting, self-assessment and performance reporting. The retrospective aspect of these duties involve undertaking an annual self-assessment of performance, use of resources and governance arrangements that informs our improvement journey and increases the extent to which the Council is meeting the performance requirements. The Annual Self-Assessment Report is one of the most significant documents produced by the Council that is used to demonstrate effective accountability and transparency.

The Annual Self-Assessment Report presents a position statement on the Council’s performance retrospectively over the past year in delivering the Council’s priorities as set out in the ADP aligned to the Corporate Plan. Self-assessment of performance is an important way for the Council to identify the capacity and ability to deliver continuous improvement by identifying areas of strength and those requiring particular focus in coming years. The findings from the Annual Self-Assessment Report are used to identify the actions required to be undertaken in future years and progressed through the Service Plans. The Council’s Annual Self-Assessment Report for the period 2023/24 will be published in December 2024. The findings will be used to inform the development of the Corporate Plan 2025-30, that will set out priorities for delivery for that period. The new Corporate Plan will be supported by annual Plans, Workforce Plans, and associated performance targets.

**Principle C –
Defining
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In line with the Council's Annual Performance Calendar, quarterly performance reviews and monitoring of corporate improvement priorities as aligned to our ADP and Corporate Plan Well-being Objectives are undertaken to ensure actions are completed and closed down and outcomes reported in a timely manner. Regular reviews of our regulatory recommendations also form part of the self-assessment process enabling the Council to demonstrate progress and outcomes on implementation of these in line with our performance duties. This is reported on a quarterly basis to the Strategic Leadership Team, Strategic Insight Board, Scrutiny Committees and Cabinet aligned with corporate performance monitoring arrangements thus enabling us to effectively meet both regulatory and statutory performance and reporting requirements using the same insight and resources. The Governance and Audit Committee has final oversight on all regulatory work in line with its remit. The Committee also plays a key role in providing additional challenge to the draft Annual Self-Assessment findings and in ensuring that the Council is proactive in addressing the identified self-assessment findings.

The Strategic Insight Board continues to enhance and streamline the corporate governance arrangements relating to integrated planning activities and reports to SLT and Cabinet. Further work is being undertaken to enhance our internal 'insight' function, using a wide range of data sources (including a blend of operational and national research and information, community and public engagement insight and performance and risk insight) to identify issues and take action. This will play an increasingly important role in strengthening our evidence base to meet our legislative requirements under the Local Government & Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015. A new Data Strategy for the Council was agreed by Cabinet in June 2024 and builds on commitments detailed in the Council's Digital Strategy to encourage and enable a more evidence based approach to working across the Council.

This focused approach is contributing to more integrated business planning practices, staff development opportunities, continued promotion of "One Council" working in addressing our key challenges and taking advantage of opportunities to maximise benefits where they exist. A review of the Strategic Insight Board was undertaken in the autumn of 2022 to ensure that the membership and scope of the Board remains appropriate and this has resulted in a revised membership and terms of reference.

Programme Boards are established for major projects as needed such as Reshaping, Sustainable Communities for Learning (formerly 21st Century Schools), Project Zero, and Barry Regeneration to manage and ensure delivery.

**Principle C –
Defining
outcomes in
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and
environmental
benefits.**

The Council has a successful track record of delivering a balanced budget made possible by its robust approach to managing finances which incorporates an effective corporate framework for financial planning, financial management and control. These arrangements enable the Council to regularly review and challenge financial performance and monitor spend against budgets.

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 and 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 year end revenue position was a breakeven position after net transfers from reserves of £34,235m, made up of £417k transferred from Council Fund, £12.961m from the Housing Revenue Account, £11.785m transferred into specific reserves from revenue and £12,078m transferred from specific reserves to provide one off funding for projects and overspends and £8,779m drawdown from reserves to fund the capital programme and for displacement required by capital grants. The Council Fund now stands at £11.106m as at 31st March, 2024. There was a significant reduction in school reserves with a risk that they move collectively into deficit in 2024/25.

**Principle C –
Defining
outcomes in
terms of
sustainable
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and
environmental
benefits.**

There were areas within the revenue budget experiencing financial pressures during 2023/24 mainly in Social Services particularly in Children and Young People’s Services Education and Homelessness. The challenging savings targets also placed pressure across Council services.

Of the capital expenditure totalling £88.620m incurred in the year, £14.973m was spent on the Sustainable Communities for Learning programme (including pipeline projects).

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 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.

The Council is facing continued significant financial challenges, as are all councils across Wales, which have been driven by the surge in inflation over the past few years and the long term impact of Covid on Education and Social Care. The inflation has impacted across all Council Budget, pay, utility costs and contracts with suppliers and schools. Reduced intervention during Covid has meant that there are no greater ALN pressures coming through the Council’s schools and pressures on Children’s Social Care budgets. Social Care generally continues to be under the ongoing pressure of an aging population and more complex care needs. Also allied to Covid is the change in regulation on homelessness provision which have become a real cost to the Council as the grant dropped away. Pressures also exist on the funding side with Welsh Government unable to provide the same level of increase as recent years given the challenges with the lack of growth in the UK economy.

**Principle C –
Defining
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environmental
benefits.**

A budget of £308.861m for 2023/24 was approved by Council on 6th March 2024. The Welsh Government was very modest in light of the financial pressures faced by the Council. The final settlement was £209.487m which was only a £6.856m (3.4%) increase on 2023/24. There had been some transfer in from specific grant so the effective increase was only 3.3%. The Council Tax was increased by 6.7% from 1st April 2024 alongside the introduction of a new premium on second homes and a step up in the premium for long term empty properties. The Council Tax increase was a real challenge given the ongoing Cost of Living crisis but below the average increase across Wales counties with a number having double digit increase.

The Government settlement and Council increase fell short of meeting all of the financial pressures and there is a £7.676m savings programme in place which will require close monitoring and management. The Council has an improving track record on delivery of savings with 85% of the programme delivered in 2023/24. However, the challenge is greater in 2024/25 with a significant number of pressures not being able to be accommodated in the budget and need to be managed by services.

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

The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. The Council must have robust decision-making mechanisms in place to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. The Council recognises that informed decision making is a fundamental part of good governance. Decision makers receive objective analysis of a variety of options indicating how intended outcomes would be achieved together with the risks associated with those options. In determining how services and other courses of action should be planned and delivered the Council is increasingly engaging with internal and external stakeholders.

The Council fosters effective relationships, collaborative working and contractual arrangements with other public, private and voluntary organisations in delivering services that meet the needs of the local community as stated in the Council's Corporate Plan.

The Council is a major partner in the Public Services Board, which works to deliver the Vale Well-being Plan, a Well-being Assessment was published in 2022 and this has informed a new Well-being Plan which was published in May 2023. This work has been led by council officers on behalf of the PSB. The Cardiff and Vale Regional Partnership Board brings together the two regional local authorities with health and others, to focus on delivering joined-up services across health, social care and housing.

Partnership working throughout the COVID crisis has been testament to the strong foundations in place. Building on the strong working relationships the Council, UHB and Cardiff Council have formed an Amplifying Prevention Board focusing on key public health challenges in the region including bowel screening, childhood immunisations and delivery of the Move More Eat Well Plan, work on tobacco is also now being prioritised by the Board. The Council continues to work closely with the third sector and a range of community groups and this is evident in the work undertaken to tackle the cost of living crisis and in particular food poverty. Projects being taken forward through a number of schools as part of Community Focused Schools is testament to the connections schools have with pupils and their families and also the wider community. Significant work is being undertaken through the Pencoedre Learning Community which is bringing together local schools, the community and a number of Council services as well as connecting to PSB work in our most deprived communities.

One of the Council's key strengths is its ability to explore opportunities to work in partnership with others and the Council has developed a robust approach to collaborative working to enable it to maximise benefits for its customers and residents. The Council has developed and hosts several regional services, including the Shared Regulatory Service, Regional Adoption Service and the Regional Internal Audit Service.

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

The Council aims to deliver high quality services that provide value for money, and which are aligned to the needs and priorities of the local community. The Council is committed to ensuring that the relevance of the Well-being Objectives in the Corporate Plan continue to reflect the priorities for the Vale of Glamorgan.

The Annual Performance Calendar of activities is the Council's key means of complying with the WBFG Act and the LG&E Act to demonstrate achievement of our Corporate Plan Well-being Objectives and contribution to the national well-being goals. The completion of the key activities outlined in the 2023/24 Annual Performance Calendar culminated in the approval and publication of the Council's second Self-Assessment under the LG&E Act (published in January 2024), the Annual Delivery Plan and Service Plans in March 2024 for the period 2024/25.

Engagement work with Elected Members, key partners and other stakeholders and council officers throughout the year (as part of a planned programme of collaboration) continues to help shape the key plans and activities within the performance calendar to further strengthen our approach to self-assessment and the evidence base/insight for identifying our improvement areas and ensuring appropriate and timely action is taken to address them. This process is reviewed annually at the start of the new calendar to identify further enhancements to our approach that will further strengthen the extent to which the Council is meeting the performance requirements and contributing to the national well-being goals. The Let's Talk survey undertaken in 2023 has provided a wealth of important data that has been used to inform plans for 2024/25, the Annual Self-Assessment 23/24 as well as work to develop the new five year Corporate Plan including new Well-being Objectives.

The Council undertakes annual Service Planning that is aligned to the commitments set out in the Annual Delivery Plan (ADP) and Corporate Plan. Service Plans are our delivery arm of the ADP specific to each service area. Through self-assessment, Service Plans provide an opportunity for service areas to outline how they are going to achieve continuous improvement by delivering the priorities of the ADP and contribute to meeting the Well-being Objectives of the Corporate Plan. The Council's vision and priorities as set out in the Corporate Plan and the ADP are reflected in Service Plans and support the development of detailed actions and performance targets that contribute towards the achievement of Corporate Plan and ADP priorities and set out how resources will be used to support this work. Scrutiny Committees review the progress of Service Plans on a quarterly basis, including the achievement of set targets and actions through performance reporting. Performance reporting via Scrutiny Committees is presented as a singular report, and performance is reported by Well-being Objectives. Scrutiny Committees review and scrutinise performance on a quarterly basis aligned to their committee's remit. Taking a more integrated and cross-cutting approach to how Service Plans and the ADP is reviewed enables a more holistic approach to monitoring and reflects that multiple service areas contribute to multiple priorities. Service Plans are also used alongside other sources of information to inform the development of the Council's internal audit plan. Regular briefing sessions with elected members on performance management enables them to further develop their skills and understanding and shape how performance is reported.

**Principle E –
Developing the
entity’s capacity,
including the
capability of its
leadership and
the individuals
within it.**

The Council aims to ensure that members and officers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well-trained and competent people in effective service delivery. All new members and staff undertake an induction to familiarise them with protocols, procedures, values and aims of the Council. There is a Member Development Strategy, which provides a framework for supporting elected members in the numerous roles that they are required to undertake both within, and outside, the Council. This activity has moved to virtual delivery methods since the pandemic, with the staff induction process returning to a face to face activity, to support the growth of strong relationships and collaborative working internally. Following the Local Government Elections 2022 a full comprehensive induction programme for Elected Members, Co-opted Members and Lay members was put in place with a number of elements of the training having been determined as essential mandatory training by the Council e.g. Code of Conduct.

The Strategic Leadership Team consists of the Chief Executive, five Corporate Directors, the Council’s Monitoring Officer, the Council’s Section 151 Officer, the Head of Digital and the Head of Human Resources. The roles and responsibility of Corporate Officers are defined in agreed job profiles and set out in the Council’s Constitution. Chief Officer Performance is reviewed on an annual basis in accordance with the Chief Officer Appraisal process, this was reviewed for 2023, with a revised process introducing greater touchpoints and more robust methods of reviewing performance. Introducing per-to-peer review and 360 feedback.

The Chief Executive is responsible and accountable to the Council for all aspects of management including promoting sound governance, providing quality information / support to inform decision-making and scrutiny, supporting other statutory officers, and building relationships with all Councillors.

Members continue to receive refresher training and support (including Co-opted / Lay Members and observers on Committees) on the use of virtual / hybrid meeting software. Remote / hybrid meeting procedures are available to Members and the public. Democratic Services officers continue to support all Members and the public who are registered to speak on the use of the virtual /hybrid meeting platforms as required prior to and during meetings. A trouble shooting / quick guide and useful aide memoire has been made available to all Members and Co-opted/ Lay Members.

**Principle E –
Developing the
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The Training following the Local Government Elections 2022 included both Mandatory and non-Mandatory training.

Mandatory Training as below -

- Finance
- Induction Event
- Ethics and Standards
- Equality and Diversity
- Corporate Safeguarding
- Rules of Debate
- GDPR – e-learning on IDEV
- Chairing skills – if a Chair of a Committee
- Specific Training in respect of a Member’s role on a Committee e.g. Planning.

One of the Council’s key strengths has been the ability to explore opportunities to work in partnership with others and the Council has developed a robust approach to collaborative working. In addition, Cabinet receives an annual report providing an update on progress being made with strategic collaborative working initiatives. The Council continues to work proactively with a range of partners to transform how services will be delivered as well as considering new and innovative models of delivery in line with the Council’s transformational change agenda.

The Council has developed and implemented a protocol for managing information and the interface between Cabinet and Scrutiny. In order to support effective Scrutiny a number of initiatives have been considered and developed by all Scrutiny Committees in May 2023 as well as having been agreed as actions by the Scrutiny Committee Chairs and Vice-Chairs Group following the Group’s consideration of the 2023 Scrutiny Impact Survey Results.

**Principle E –
Developing the
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leadership and
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within it.**

Through the established workforce planning and staff engagement processes, the Council continues to maintain a highly skilled and resilient workforce that is responsive to the constantly changing environment.

The During 2023/24 the OD and Learning Team have taken further steps continue to support the development our people by improving the scope and capacity of our Online Learning System, iDev. In 2023 the Learning Café was revamped and relaunched to provide more opportunities for staff to engage with development opportunities. This has established a network open to all, with 9 key themes allowing staff to focus in on the areas they are interested in developing further. We continue to offer and develop a series of events through the Learning Café, and during the year, this included several Ask the Chief Exec sessions and sessions linked to the ADP priorities, including Project Zero and Cost of Living.

Our blended Onboarding and Induction Programme, continues to develop, providing all new starters with key information to ensure they feel welcomed and valued in the Council, whilst ensuring they have the core knowledge to reach competency. All new starters are enrolled from day one in the Council, ensuring they have access to mandatory learning, key information about the Council and access to sign up to our half day in-person induction session, Welcome to the Vale. In addition, 2023 saw the development of the Learning Café and reverse mentoring opportunities. The Learning café has seen sustained growth the membership and focuses on sharing skills and experiences across a range of themes, including leadership and development and sustainability (Project Zero). These further cements our commitment to the development of a learning culture.

In 2023/24 our Chief Officer Performance Process and #itsaboutme performance process both moved into their first full cycles of the new process, providing more opportunities for staff to discuss performance, progress and development with their managers.

**Principle F –
Managing risks
and performance
through robust
internal control
and strong public
financial
management.**

The Council, which has overall responsibility for directing and controlling the organisation, has approved an Executive / Scrutiny model of decision making. Full Council sets the policy and budget framework. Within this framework, most key decisions are made by the Cabinet. Cabinet meetings are open to the public (except where items are exempt under the Access to Information Act). The decision-making process is scrutinised by five Scrutiny Committees, which support the work of the Cabinet as Executive and the Council as a whole.

Risk management is an important feature of the Council's governance arrangements, and it is recognised that successful risk management relies on a corporate approach to ensure that all risks are identified and managed systematically and consistently across the Council. The Risk Management Strategy sets out the approach to the identification of and responses to strategic and operational risks. The Council's Risk Management Strategy also provides essential input to the determination of Council priorities, targets and objectives. Work is underway to further enhance the Strategy with the inclusion of a new section on risk appetite

The Council has a well-established risk management process in place for corporate and service risks and during the year work commenced on reviewing and strengthening this in response to Internal Audit recommendations. This has been further enhanced by the Council's focused corporate approach to integrated planning via the Strategic Insight Board and enhanced corporate performance reporting arrangements. The Strategic Insight Board provides a strategic focus for the delivery of the Council's Corporate Plan and the Well-being of Future Generations Act, ensuring that the seven well-being goals and the five ways of working are grounded in our robust corporate governance and providing an integrated approach to corporate planning and risk management. The Council has continued to hone its approach to corporate risk management using a reporting format which reflects the different needs of the various audiences. This provides a holistic overview of all risks to enable the identification of any trends or themes within the risks impacting on the Council, as well as the robust management of individual risks by risk owners, the Strategic Insight Board and Governance and Audit Committee.

A key feature of corporate risk management continues to be horizon scanning of emerging risks which are outlined quarterly in a Corporate Risk Summary Report. This supports the role of the Strategic Insight Board, Strategic Leadership Team, Cabinet and Governance and Audit Committee by providing them with an overview of any issues associated with emerging risks and provides an opportunity to scrutinise potential risks in greater detail.

**Principle F –
Managing risks
and
performance
through robust
internal control
and strong
public financial
management.**

In addition to this, the Corporate Risk Summary Report also identifies a small number of risks on the register each quarter where a more detailed brief of the issues is highlighted. This gives both officers and Members a spotlight for discussion where issues surrounding those risks can prompt more detailed scrutiny and analysis and enable the identification of any further action where required. The monitoring of service risks identified through our service planning process continue to be monitored quarterly to enable risk owners to reduce, eliminate and manage their service risks. Additionally, as part of quarterly performance monitoring arrangements emerging areas of concern specific to each scrutiny committee's remit across all 4 Corporate Plan well-being objectives is detailed enabling members to have ongoing oversight of emerging issues, challenges and risks.

Assurance is sought on a sample of corporate risks and corporate risk management oversight arrangements as part of the Annual Internal Audit Plan. Reasonable and subsequent substantial audit opinions have been provided on our corporate risks and our risk management oversight arrangements over the past three years. No recommendations were made during 2023/24, indicating that the Council has sound systems/processes in place in terms of how those risks were being managed. Work has continued during the year in revising our Risk Management Strategy including embedding risk appetite in our approach to risk management in response to previous internal audit recommendations and we are currently reviewing our corporate risks to reflect the current risk landscape. It is anticipated that a draft Risk Management Strategy will be developed by the Autumn of 2024 and refresher training will be provided to relevant staff to ensure that they understand their roles and responsibilities.

The Council has put in place robust performance management arrangements, to monitor the Corporate Plan and our annual commitments as outlined in the Annual Delivery Plan. Currently, reports are presented in a focused and accessible way that highlights performance by areas of exception thus promoting more effective scrutiny. Elected members are also able to influence the information they receive to support their scrutiny roles through member workshops aligned to the annual performance calendar.

A self-reflective approach is taken by Directorates to reviewing their performance as part of corporate quarterly performance monitoring arrangements for the ADP culminating with an end of year position statement that dovetails with the Annual Directorate Self-Assessment. Key insights on performance, achievements, challenges and areas for improvement provide an evidence base that informs the Council's Annual Self-Assessment findings. Adopting a corporate approach to self-reflection across all its functions is helping the Council to demonstrate how well it is embedding the sustainable development principle in its use of resources in delivering the Annual Delivery Plan commitments and our Corporate Plan Well-being Objectives and the national Well-being Goals. It has also enhanced performance accountability in service areas to ensure success.

**Principle F –
Managing risks
and
performance
through robust
internal control
and strong
public financial
management.**

The Corporate Plan and Annual Delivery Plan have provided an opportunity to further enhance the scrutiny function. For example, alternative forms of scrutiny and a focus on case studies and cross-cutting themes will continue to be developed during the delivery of the Plan. This will take forward the work already underway in response to the report from the Wales Audit Office (Audit Wales) which identified areas for development for the Council in relation to the Scrutiny function and take advantage of the digital opportunities offered by virtual / hybrid meetings. An action plan has been devised and agreed by the Cabinet and the Scrutiny Committee - Corporate Performance and Resources with work now being undertaken to address the issues and ongoing monitoring taking place. Working with Directors and Elected Members via a member led working group a new style of performance reporting was developed. This new style of reporting aligned to the Corporate Plan 2020/25 will be further developed in line with the requirements of the Local Government & Elections Act.

The Head of Finance / Section 151 Officer is responsible for the proper administration of all aspects of the Council's financial affairs including ensuring appropriate advice is given to Cabinet and the Council on all financial matters. The Council's system of internal financial control is based on a framework of financial / contract procedure rules and notes, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation of accountability.

The financial management of the Council is conducted in accordance with all relevant legislation and its Constitution. Through the Council's continued focus on integrated planning it is able to take a more holistic approach to corporate planning arrangements that include risk management, financial and asset management, workforce planning, performance management and information management. Therefore, corporate arrangements are coordinated and complementary to each other which puts the Council in a stronger position to secure continuous improvement. The Council has a successful track record of delivering a balanced budget made possible by its robust approach to managing finances which incorporates an effective corporate framework for financial planning, financial management and control.

**Principle F –
Managing risks
and
performance
through robust
internal control
and strong
public financial
management.**

The Council's statement of compliance with the CIPFA Financial Management Code was taken to Cabinet and Governance and Audit Committee in April 2024. In the report the Council set out a full consideration of the Council's compliance with the Financial Management Code in 2023/24 and in budget setting for 2024/25. The Council also identified potential areas for further improvement via an action plan and reviewed progress to date on previous actions, it was felt that good progress had been made in demonstrating collective responsibility and transparency in budget setting. Building on the feedback from the previous Financial Management Code a review by Internal Audit was undertaken to assess the review that had been undertaken by the Finance Team in consultation with the Strategic Leadership Team. The Council's compliance with the Code demonstrates that Council understands and demonstrates the importance of collective responsibility to deliver good financial management across the organisation.

The Council's Medium-Term Financial Plan clearly links to the priorities outlined in the Corporate Plan to ensure they are financially viable and that the MTFP is closely aligned with the business planning cycle work will be undertaken to update the Medium-Term Financial Plan in July 2024 and to address the need for sustainable finances as part of the plan throughout the next budget setting cycle and build on the Transformational themes identified as part of the 2024/25 budget setting as well as assessing the themes identified as part of the vision of the Council for 2030.

The Council has a proactive, holistic approach to tackling fraud, bribery, theft, corruption and crime, as an integral part of protecting public finances, safeguarding assets, and delivering services effectively and sustainably. The Council investigates matches arising from the National Fraud Initiative and has a Fraud Strategy and Framework in place.

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

The Council remains committed to implementing good practices in transparency, reporting and audit to deliver effective accountability. This is demonstrated by:

- Mechanisms which are in place for reporting progress against key regulatory recommendations / improvement proposals via the Strategic Insight Board, Governance & Audit Committee, all Scrutiny Committees, and Cabinet.
- All Committees have clear Terms of Reference and work programmes;
- Procedures are in place for sign-off of Cabinet Reports ensuring legal and financial implications have been appropriately assessed and are consistent with corporate policy.

The Council reports at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.

The Internal Audit Service is a key means of assurance. Since the 1st April 2019 the Council has hosted an expanded Regional Internal Audit Service (RIAS) partnering with Bridgend, Rhondda Cynon Taff and Merthyr Tydfil Councils. This has operated effectively throughout the year and the service operated in compliance with the Public Sector Internal Audit Standards (PSIAS). The Governance & Audit Committee annually reviews the Internal Audit Charter for the Regional Internal Audit Service. The Governance & Audit Committee also approves the Internal Audit Annual Plan and receives progress updates at least quarterly. During the year Rhondda Cynon Taf gave notice that they would not continue with the shared service partnership arrangement with effect from April 2024. Therefore a 3 Partner Model will be adopted during 2024/25.

The 2023/24 Internal Audit Plan outlined the assignments to be carried out to enable the Head of Internal Audit to form an annual opinion of the Council's overall control environment including, governance, risk management and internal control. The plan had regard to the continuing impact caused by the pandemic and the changes that have been made to the way the Council is operating.

The work completed by the Regional Internal Audit Shared Service for the financial year was sufficient for the Head of Audit to be able to give an opinion.

The Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2023/24 is:

“Reasonable Assurance”

The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.

Many Council staff work remotely, and systems & processes have had to be adjusted to cater for the new ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.

The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation.

The Council responds to the findings and recommendations of Internal Audit, External Audit and other inspection bodies. The Governance & Audit Committee is integral to overseeing independent and objective assurance and monitoring improvements in internal control and governance.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of the effectiveness is informed by the work of Internal Audit and Chief Officers within the Authority who have responsibility for the development and maintenance of the internal control environment, and by comments made by the external auditors and other review agencies and inspectorates.

The review of effectiveness is informed by:

- ✓ The Annual Internal Audit Assurance opinion, as provided by the Regional Internal Audit Service
- ✓ The Governance & Audit Committee provides the focus for reviewing the effectiveness of the system of internal control and risk.
- ✓ The Cabinet (as Executive) is responsible for considering overall financial and performance management and receive comprehensive reports on a regular basis. The Cabinet is also responsible for the decisions and for initiating corrective action in relation to risk and internal control issues.
- ✓ The Scrutiny function which holds the Cabinet to account.

The Council's Monitoring Officer has a legal responsibility to look into matters of potential unlawfulness within the Council.

During 2023/24 the Council received 835 complaints (2022/23 = 532), 51% of which were dealt with within corporate target timescales. The percentage of complaints being resolved at Stage 1 was 91%

The Standards Committee has monitored standards of conduct. During 2023/24 two investigation reports of potential breaches of the Members' Code of Conduct were referred to the Standards Committee by the Public Services Ombudsman for Wales and are being scheduled to be heard before the end of July 2024.

The Performance Framework has operated effectively during the year. Monitoring of key areas of performance has been regularly provided to Cabinet and Scrutiny.

Review of Effectiveness

In relation to Corporate Health, the Council continues to perform well in the context of supporting Council services in the delivery of the Corporate Plan Well-being Outcomes. The improved approach to Integrated Planning, via the Strategic Insight Board, is enabling services to effectively deliver transformational change in line with the Reshaping agenda and the Council's duties under the Well-being of Future Generations Act. Integrated Planning enables the Council to take a more holistic approach to their corporate planning arrangements that include risk management, financial management, workforce planning, performance management and information management. The Council has developed a robust approach to collaborative working, has a successful track record of delivering a balance budget and generally performing well in performance indicators across service areas.

The Council's second Annual Self-Assessment under the Local Government and Elections (Wales) Act was published in January 2024. The findings have informed the development of our Annual Delivery Plan for 2024/25. The Council's Annual performance calendar (which includes key activities such as the Quarterly ADP Performance reports, the Annual Directorate Self-Assessments including Internal Peer Challenge of the DSAs) and the Council Annual Self-Assessment Report for the period 2023/24 are a key source of information supporting this Annual Governance Statement. Work on the 2023/24 Annual Self-Assessment has commenced and will be published in December 2024.

The Council is dedicated to ensuring that its resources are utilised in the most effective and efficient manner whilst delivering continuous improvement. During the year, a new approach to transformational change via the Reshaping Programme was agreed. This builds upon previous experience, including earlier Reshaping Services projects and the lessons learnt from the pandemic. Reshaping will be a core component of the Council's revenue budget in the coming years and to tackle critical issues for citizens and the organisation.

Review of Effectiveness

Strategic Insight Board considers corporate priorities outlined in the Corporate Plan and ADP including: Financial Planning; Workforce planning, Partnership & collaborations; Engagement & Communication; Risk and Asset Management, and Governance.

Working Groups / Projects
Learning Café
Information Governance Group;
Digital Champions Programme;
Housing Forums;
Local Government & Elections Act Working Group
Project Boards

Governance
The Code of Corporate Governance complies with the Delivering Good Governance in Local Government Framework 2016.

Key Developments
Implementation of the Senior Leadership Competency Framework
Revised Chief Officer Performance Process.
Review of the itsaboutme process
New report formats designed to make it easier to assess overall progress in each Well-being objective.

During the year, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. Debtors, Benefits and banking arrangements or generally in the reviews undertaken in respect of directorate and school systems).

Review of Effectiveness

The Council's external auditors, Audit Wales, have advised that they have completed most of their planning work for the 2023/24 financial year. Whilst aspects of this planning work remain outstanding and the majority of their audit work for 2023/24 is yet to be completed, they have confirmed that there are no significant issues arising from their work to date.

During 2023/24 Audit Wales completed performance audit work on a number of reviews from its 2022/23 work programme including two thematic reviews: one of the Council's digital strategy and another on its use of performance information – service user perspective and outcomes. It also concluded a local project on the application of the sustainable development principle in service areas and a review of the Planning Service's Governance Arrangements.

Code of Corporate Governance (COCG)

The Council's COCG has been reviewed, amended and approved to reflect the 2016 Governance Framework.

Statement of Accounts 2022/23

In December 2023 the Council's External Auditor, Audit Wales, provided the Council with an **unqualified opinion** on the Council's accounts within their Annual Audit and Inspection Letter.

Internal Audit Opinion

Based on the assurance, work undertaken by Internal Audit, the Head of Audit has provided an overall **reasonable assurance opinion** on the adequacy and effectiveness of the Council's control environment.

Review of Effectiveness

Of the 56 opinions given by Internal Audit during 2023/24:

- 46 (82%) were finalised with either *Substantial* or *Reasonable Assurance* opinion levels.
- 10 (18%) of the assignments were given an opinion of *Limited Assurance* due to weaknesses in the internal control environment.

The areas where control issues were identified during the year have tended to relate to specific service areas rather than any wider underlying concerns. The relevant managers have agreed with and are implementing the recommendations made to address the weaknesses identified. Internal Audit will follow up on these issues during 2024/25 to ensure that progress is being made.

As well as financial work, Audit Wales also completed performance audits on various services of the Council. These provide useful and timely feedback to the Council through which an action plan is developed for any matters to be addressed.

The Head of Audit's annual opinion report was presented to the Council's Governance & Audit Committee on 17th June 2024.

The Head of Audit provided an overall opinion of "**Reasonable Assurance**" on the Council's **internal control environment** based on the work undertaken during the year by Internal Audit.

In addition, the Head of Audit provided an opinion of "**Reasonable Assurance**" on the adequacy and effectiveness of the Council's framework of **governance, risk management and control**.

**Progress Made on
the Significant
Governance Issues
2022/23**

Action Taken / Planned

Financial Pressures & Resilience

Addressing the financial pressures is going to be a continuous focus of attention for the Council.

The Council strengthened its budget setting arrangement for 2024/25. It followed the same broad comprehensive approach in 2023/24 with strong leadership from the Council Leader and Chief Executive, transparent and open reporting, extensive involvement with officers and Cabinet members and engagement with scrutiny and school representative bodies.

There were a number of improvements introduced. The overall approach was better informed with comprehensive benchmarking undertaken and whilst the Council is a low net spender at a Council and major service block level opportunities were identified at a lower level. The budget working groups with senior officers and Cabinet members were enhanced with the introduction of two rather than a single section allowing great focus on the existing spending commitments, pressures and savings. Consultation too, was improved with the Life in the Vale consultation running alongside the budget setting process.

A balanced budget was agreed with a significant savings programme in place for the second year in succession. There is a sound approach to delivering savings in place and mitigating those pressures which couldn't be accommodated in the budget. Nevertheless, concerns do persist around school funding, homelessness, and ongoing ALN and Social Care pressures.

**Progress Made on
the Significant
Governance Issues
2022/23**

Expectations & Demand for Services

The demands being placed on Council services are greater and more complex than in the past, exacerbated by the pandemic and cost of living crisis, but also as a result of an ageing population and increasing expectations at a time of limited resources. Transforming Council services to keep pace with these developments and taking preventative action are vital parts of the Council's strategy for the future, with a greater emphasis on investing in the short-term to save in the longer-term, focusing on prevention, the use of data and insight to inform decision making and improving public participation being key areas of focus across service areas in the coming year. This will also involve the consideration of greater partnership opportunities, both within the public sector but importantly with communities as the Council begins work on developing the new five year corporate strategy to define the organisation it needs to be by 2030. These are key tenets of the Reshaping Programme which will see work happening across all directorates as well as corporately on themes such as Strengthening Communities and the Council's Target Operating Model.

Workforce

There are a number of risks included in the Council's Corporate Risk Register which have a significant workforce component and have regular monitoring arrangements in place, in addition to the Council's Strategic Leadership Team and Strategic Insight Board's oversight.

Requiring a multi-faceted approach, the revised People Strategy and Workforce Implementation plan provides the strategic direction and focus for much of this activity moving forward. Based around 3 key themes (Redesigning for responsiveness, Striving for high performance and Driving employee experiences) the strategy strongly aligns with our Corporate Plans and Wellbeing Objectives, whilst underpinned by other parts of the Council's integrated planning arrangements, such as the Medium Term Financial Strategy, Digital Strategy, and Strategic Equalities Plan.

However, it is recognised that internal mitigations must be supported by a partnership approach, working with key partners such as Social Care Wales, NHS, WLGA, our Trade Union Colleagues, ADSS and the PSB to continue to address the significant pressures facing the organisation in this space moving forward. Significant inroads have been made in 2022-23 to mitigate the effect of all workforce pressures which has included;

**Progress Made on
the Significant
Governance Issues
2022/23**

Workforce Continued..

- Strategic Workforce planning, including competency-based training conducted and supported by the LGA, further development of succession plans and our Kickstarter scheme. 2023/24 saw the continued development in this space, including the creation and embedding of HR dashboards and the progression of the Kickstart scheme to the Quickstart scheme.
- Roll out Equalities based training, including Race Awareness. Strong collaborative working with our Network groups, including the creation and establishment of a Disability Network (Abl)
- The growth of wellbeing initiatives, including Wellbeing Walks, Fika, and Menopause Sessions
- Hybrid Working Strategy
- Review of our pay structures, which will now align to the 2024/24 budget process
- Social Services Reshaping Board, with a strong focus on workforce capacity, this has seen a review of recruitment practices, the introduction of overseas recruitment and greater development opportunities to allow line managers to make informed decisions based on rich data.
- Revised Chief Officer Performance Appraisal Process, Competency Framework and itsaboutme process
- Learning Café, which has seen sustained growth in membership and a number of successful workshops across 2023/24
- Improved Staff Induction and Welcome to the Vale
- H&S Policy Review, regular directorate Audits and the development course for example conflict management
- Revision of recruitment practices and trailing different recruitment approaches specific to professions and role types

For 2024/25 our focus continues to both embedding initiatives delivered in 2023/24 as well and refreshing key strategic enablers and considering more innovative ways of working. 2023/24 has further embedded Oracle Fusion whilst optimising the use of Oracle Fusion system to consider broader elements such as our recruitment practices. Further developing and improving Strategic Workforce Planning as well as moving to further strategic elements aligned to the People Strategy Key Themes.

**Progress Made on the
Significant Governance
Issues 2022/23**

This includes:

- Review of all reward structures linked strongly to the review our recruitment practices the development of a Recruitment and Attraction Strategy and Reward Strategy. 2023/24 saw the review of the reward framework (in consultation with external stakeholders and our staff) with revised reward offering developed around 5 key themes, 'Communities and culture, Learning and Development, Pay, Sustainability and Wellbeing
- Reviewed and Revised Recruitment Website, to incorporate the revised Reward framework and the continuation of the review of our recruitment processes. This will also include work on our Brand Strategy
- Further development of HR Dashboards to include workforce planning, aligned to the LGA Workforce Planning Matrix and Annual Delivery Plan
- Improved Occupational Health Digital Platform, greater efficiency in the Occupational Health process
- Review of Sickness Policy and process
- Reviewed EAP Provision, with focus on psychological wellbeing
- Suicide Prevention Policy, aligned to the Cardiff and Vale Suicide Prevention Strategy
- Innovation Lab – focusing a culture of growth and innovation
- Apprentices and the development of a Learning Academy
- Improved H&S practices and development of greater H&S competence at line manager level

**Significant Governance
Issues 2023/24**

Action Taken / Planned

General Financial Position

The Council's finances will continue to be a significant issue beyond the current financial year and into the medium term. Whilst inflation is finally coming under control the heightened levels have persisted much longer than anticipated and the prolonged higher bank of England Base Rate has been a real drag on the economy. The prospects for improved final settlements for local settlements going forward are poor.

The Council's budget is coming under pressure in a number of key areas as well as the constraints on funding.

- Homelessness – the higher levels of homelessness driven by the change of regulations during Covid persist and despite the Council's various strategies in this area including the HRA development programme, the financial pressures are likely to continue.
- School deficits – the Council's schools remain collectively in surplus which is no longer the case across Wales. However, not all of the schools' pressures were addressed in the 2024/25 budget and agreeing balanced budget on a school by school basis is requiring significant energy from the Learning & Skills Team.
- Ongoing ALN/social care pressures – there was reduced intervention and engagement during Covid and the financial impact of this has been built into the 2023/24 and 2024/25 budgets but it remains a area of concern.

**Significant Governance
Issues 2023/24**

Management of Major IT implementations

The Council's Oracle Fusion implementation was delivered and the system is working well. However, it was at the cost was far in excess of the original business case. A comprehensive lessons learnt report was taken to Scrutiny, Governance & Audit and Cabinet across spring 2024 and action plan is being developed and support improved project delivery in the future.

Workforce

Workforce continues to be a key risk for us and as such we continue to adopt a multi-faceted approach. This includes policy and strategy development, for example the reward strategy and work underway in relation to our recruitment and attraction strategy, in addition to the operational elements of absence and attendance management, with more focus on staff wellbeing.

Work continues to develop and evolve our wellbeing strategy, enhanced stress risk assessment approach and the current review of our attendance management policy.

In addition, in accordance with our Learning Plan we have rolled out a refreshed Learning Café approach, with a growing membership as part of our commitment to the development of a learning culture, succession plans and growth of apprenticeship opportunities.

Emerging issues

There are a number of emerging issues not picked up earlier in this Statement.

Social Care system – the platform for the Council's social care system is shortly to move out of support and there have been delays at Welsh Government level to agree the successor systems and funding. The Council is working at a regional level on a solution, but this is at financial risk to the Council with there still being no clarity on Government support. This is recognised on the Council's Corporate Risk Register.

**Approval of the
Annual
Governance
Statement
2023/24**

Good governance is about running things properly. It is the means by which the Council shows it is taking decisions for the good of the people of the area, in a fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services that meet local people’s needs. It is fundamental to showing public money is well spent. Without good governance councils will struggle to improve services.

From the review, assessment and on-going monitoring work undertaken we have reached the opinion that reasonable assurance can be given that the governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We can confirm to the best of our knowledge and belief, this statement provides an accurate and fair view.



D.R. Thomas

Chief Executive

Date: 2nd December 2024



L. Burnett

Leader of the Council

Date: 2nd December 2024