



Vale of Glamorgan County Borough Council

Draft Statement of Accounts 2020/21 Year Ended 31st March 2021
Published Subject to Audit

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Narrative Report

Introduction

This document presents the Statement of Accounts for The Vale of Glamorgan County Borough Council for 2020/21 and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

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 130,000, making it the 12th largest authority by population size of the 22 local authorities in Wales.

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 has 47 elected members, representing 23 wards. The current political make up of the Council is 15 Conservative, 13 Labour, 8 Vale Independents Group, 4 Plaid Cymru, 4 Llantwit First Independent and 3 Independent. The Council is led by the Leader and Cabinet, a body of 7 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 an Audit Committee. The Audit Committee is made up of 7 members plus 1 lay member and 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.

At the start of the financial year Council meetings had been suspended due to the COVID 19 pandemic. It was necessary to ensure that the Council continued to have robust governance arrangements in place to ensure where possible business continuity and at the same time being mindful of emerging emergency legislation from Central Government and Regulations from Welsh Government. Managing Director's delegated emergency powers were used to allow matters which were deemed to require immediate action to be resolved. From July 2020, Cabinet meetings, Corporate Performance and Resources Scrutiny Committee and Audit Committee have been held remotely, with other Scrutiny meetings being held remotely from September 2020.

COVID 19

It has been a challenging year for the Council operationally as a result of the COVID-19 pandemic, with the transfer to home working for a large proportion of its staff. However, due to the nature and range of services provided by the Council this was not possible for frontline staff who have continued to deliver services to the public, pupils and its clients ensuring compliance with Welsh Government guidelines and where necessary by changing working practices. Vale Heroes was established to bring together voluntary groups and businesses across the Vale of Glamorgan who have been working to help residents affected by the COVID-19 pandemic.

The COVID-19 pandemic brought additional financial pressure for the Council which impacted both as a result of incurring additional expenditure but also from a loss of income. However, since March 2020, Welsh Government (WG) has provided financial support to cover additional expenditure incurred via the Local Authority Emergency Hardship Grant. For the period March to March 2021 the Council will receive over £15m. There were items of expenditure that could not be claimed from the grant and were funded by the Council. Between March and August 2021 an additional 10% payment was made to frontline staff in Social Service, both internally and to external providers and in Neighbourhood Services to acknowledge the risk they have been undertaking during the pandemic. This expenditure was disallowed by WG as it was a local decision and WG were only providing funding for areas which were consistent across all authorities. They also rejected any claims that relate to the Housing Revenue Account, again on the basis of consistency, as not all authorities have housing stock. At the beginning of the year WG provided grant to cover 50% of expenditure incurred in improving IT to allow home working with further funding being provided during the year to purchase IT equipment for home schooling.

In addition, WG also provided grant support to cover the loss of income and just over £3.5m was received for the year. The basis of this calculation was to compare income received in 2020/21 to the income received in the previous financial year.

The Welsh Government provided support to businesses through numerous grants such as the Business Restriction Fund and the Business Support Grant. They provided support to Social Care staff both working in the Council and in external organisations through the £500 Social Care Workers grant and there was also a Statutory Sick Payment scheme. Another scheme provided payments for individuals to self-isolation. These grants were all administered and issued through the Council on behalf of Welsh Government on a principal and agent basis therefore these grants are not recognised in these accounts and only include those grants which were provided to support Council services. A full analysis is shown later in the Statement of Accounts.

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 2020/21 will be reported to Cabinet on 5th July 2021 and can be accessed here [Closure of the Accounts 2020/21](#).

The 2020/21 settlement from Welsh Government was for the first time in many years an increase in funding. The Council received Revenue Support Grant of £115.96M and National Non-Domestic Rate of £45.061M which equates to total funding, referred to as the Aggregate External Finance (AEF) of £161.021M. This represented an increase in funding of £6.626M (4.29%) 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 2019/20) on a funding per head of population, which is £191 per head below the Welsh average (£168 per head below in 2019/20). With a positive settlement the Council was able to set a lower savings target for the year of £247k, with no savings being requested from schools. Service areas were able to achieve this target during 2020/21.

The anticipated level of funding to be received from Council Tax in 2020/21 was £79.417M (£74.028M in 2019/20). This was based on a Band D rate of £1,306.08 (£1,245.06 in 2019/20), excluding Police and Town and Community Council precepts. This is ranked 16th highest in Wales and is £47.95 below the Welsh average.

The one off provision of grant funding by Welsh Government to cover both the additional expenditure incurred and for the loss of income suffered due to the pandemic has financially supported the Council this year. The Council's revenue budget at year end was a breakeven position after a net transfer to reserves of £12.206m. 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	109,322	109,318	+4	+7,610
Social Services	68,671	68,663	+8	+512
Environment and Housing	27,479	27,479	0	(877)
Managing Director and Resources	3,918	3,936	(18)	+165
General Policy	32,048	31,988	+60	+3,566
Council Tax Surplus	0	0	0	+2,176
Use of Reserves	(1,000)	(946)	(54)	(946)
TOTAL	240,438	240,438	0	+12,206

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

- In Learning and Skills, the main pressure area this year was 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. An increase in demand for Ysgol Y Deri transport has been one of the biggest contributors to increased costs. In addition, several additional resource bases have been set up with a transport requirement for each.
- In Social Services, the Children's External Placements budget has overspent due to the higher cost of placements for children with significant complex behaviour.
- In Environment and Housing, the Waste Management Service ended the year with an adverse variance. The service has had to incur additional resources due to the downtime involved in travelling to Cardiff to dispose of waste and recent service

changes to move to a source separated method of collection for dry recycling throughout Barry. There have also been additional staff resources employed as Waste Wardens to assist residents in the change in waste collection.

Elsewhere, a number of one off grants provided by Welsh Government, particularly at the end of the financial year, provided additional funding for the Council and for its Schools. The capital charges budget underspent as the Council is currently able to borrow internally due to the level of Council reserves, however, going forward the ability to internal borrowing will depend on the level of reserves and these are planned to be reducing in the near future.

As a result of the COVID-19 pandemic one off grant funding of over £1m was provided by Welsh Government to support Council Tax collection in the year.

The opening balance on the Council Fund as at 1st April 2020 was £12.814M with a planned drawdown during the year of £1M. During the year there was a drawdown from the reserve of £945k therefore the fund stood at £11.869M as at 31st March 2021. 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 £12M, 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 £79.76M (excluding Joint Committees and HRA) as at 31st March 2021 with £6.64M relating to schools and £73.12M relating to other services. The schools balances and reserves increase by £5.702M in year and the other services reserves increased by £4.78M. These reserves are allocated for both capital and revenue purposes.

Summary of Financial Performance – Capital

The General Capital Funding received from Welsh Government in 2020/21 was £6.796M which was a £153k (2.3%) increase in funding from 2019/20. 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 15th highest in Wales. It is therefore necessary for the Council to fund its capital programme through a variety of sources however it continued to fund most of its capital programme from 'cash' resources as opposed to new borrowing.

The COVID-19 pandemic had a varying impact on the delivery of the capital programme and a spend of £78.36M was achieved. Works on some of the schemes continued with contractors putting in place new ways of working to achieve social distancing, while on other schemes work was halted. The housing improvements schemes had a reduced spend as staff and contractors were not entering tenants homes to undertake works. Other schemes consisted of outdoor working so were easier to progress. A breakdown is shown by service area in the table below.

Expenditure Incurred on Services	£'000	£'000
Education & Schools	47,430	
Libraries	163	
Catering	48	
Total Learning & Skills		47,641
Children and Youth Services	322	
Adult Services	508	
Total Social Services		830
Neighbourhood and Transport Services	11,099	
Public Sector Housing (HRA)	9,222	
Total Environment and Housing Services		20,321
Resources	3,499	
Regeneration and Planning	5,360	
Private Sector Housing	539	
Total Managing Director and Resources		9,398
City Deal		170
Total Capital Expenditure 2020/21		78,360

Of the capital expenditure incurred in the year, £44.5M was spent on the 21st Century Schools Band B programme. 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. £2.9M was incurred during the year on completing a large highways scheme at Five Mile Lane, which is wholly funded by Welsh Government grant. The Council undertook further Highways Improvements and Street Lighting energy reduction schemes during the year with a value of over £2M. The Council achieved Welsh Housing Quality Standard (WHQS) by the end of March 2018, however, further capital investment of over £9M was made as part of a continuing Housing Improvement Programme. New vehicles were purchased during the year costing £2.8M, the majority of which are being used as part of the Council's new way of waste collection.

The following table shows the resources used in 2020/21 to fund the capital programme :

Capital Expenditure Financed By :	£'000
General Capital Funding Grant – Welsh Government	6,796
General Capital Funding Loan – Welsh Government	999
Other Loans	515
Specific Grants – Welsh Government	47,148
Major Repairs Allowance – Welsh Government	2,764
Other Grants/Contributions	8,176
Capital Receipts	3,207
Revenue/Reserves	8,755
Total Capital Expenditure 2020/21	78,360

As at 31st March 2021 the Council held general capital receipts with a value of £7.516M, with a further £4.538M being ringfenced for Education and £1.338M being ringfenced for Social Services.

The Council's assets at the 31 March 2021 have a book value of £737M. The Council Dwellings and Other Land and Buildings etc. are revalued on a rolling 5 year programme normally by a MRICS external valuer. During 2020/21 there were no asset groups due for revaluation. The valuation uncertainty that was reported in accordance with RICs guidelines as a result of the COVID-19 pandemic in 2019/20 Statement of Accounts has now been lifted.

Housing Revenue Account (HRA)

The Council still retains its stock of Council Houses and as at 31st March 2021 had 3,894 dwellings. The HRA transferred £4.052M into its reserve in 2020/21 leaving a balance on the HRA reserve of £12M as at 31st March 2021. This balance is higher than planned partly as the capital programme was not able to proceed as planned this year mainly due to issues accessing tenants properties due to the COVID 19 pandemic. 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 10th March 2021. The Council has invested over £109M in its housing stock between 2012/13 and 2020/21 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 will now have the freedom to trade for profit in the market in addition to providing a catering service to schools. The first set of accounts for the new company covers the period 1st January 2020 to 31st March 2021 and has been incorporated into the Council's statement of accounts for 2020/21.

Treasury Management – Borrowing and Investments

Before the commencement of the 2020/21 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 26th February 2020 and can be accessed on the Council Website; [Treasury-Management-and-Investment-Strategy 2020/21](#)

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 2020/21 was £228.394M, which was revised to £216.333M during the year. The actual external borrowing as at 31 March 2021 excluding adjustments was £152.735M as shown in the following table.

	31 March 2020	31 March 2021
Source of Loan	£'000	£'000
Public Works Loan Board (PWLB)	145,210	144,417
Long Term Loans	8,600	8,218
Other	100	100
Total External Borrowing	153,910	152,735
Accrued Interest	1,186	1,160
Accounting Adjustments	(242)	108
Total Borrowing as per Balance Sheet	154,854	154,003

The Council has a cautious approach to risk, with its priority to safeguard capital. Previously it had only invested with UK Local Authorities and the Debt Management Account Deposit Facility (DMADF), which is guaranteed by the UK Government. However, due to the DMAF offering zero or negative interest rates during the majority of 2020/21 and in line with the Council's Treasury Management Strategy to utilise a broader range of investment tools, the Council set up 2 instant access accounts with its banking provider Lloyds and also engaged CCLA Investment Management Ltd and Federated Hermes UK to operate Money Market Funds on its behalf. The investment position at 31st March 2021 is set out below and includes Money Market Fund (MMF) balances and Lloyds Call account balances held overnight as at 31st March 2021 which are included under the Cash and Cash Equivalent heading in the Balance Sheet.

	31 March 2020	31 March 2021
Short Term Investments Held By	£'000	£'000
UK Debt Management Account Deposit Facility (DMADF)	11,000	0
UK Local Authorities	87,000	68,750
Federated Hermes Money Market Account	0	9,550
CCLA Money Market Account	0	9,100
Lloyds Instant Access Deposit Account	0	210
Lloyds Monthly Bonus Deposit Account	0	4,550
Total Short Term Investments	98,000	92,160
Short Term Investment Accrued Interest	105	155
Short Term Investment Joint Committees	0	254
Total Short Term Investments as per Balance Sheet	98,105	92,569

The majority of the Council's borrowing is fixed rate and held with PWLB. The Council has some significant borrowing requirements over the next five years linked to capital expenditure and replacement of maturing borrowing. 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, Money Market Funds, Investments with UK Local Authorities, Lloyds

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Call Bank Accounts, Treasury Bills and Investments with the UK Government via the DMADF and whilst returns have been impacted the investments are exposed to minimal credit risk.

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

The Vale of Glamorgan Council is a participant in the Cardiff Capital Region City Deal which has been established between the UK Government, the Welsh Government and 10 local authorities in South East Wales. The agreement with the UK and Welsh Governments' provides funding of £1.2 billion, part of this will be spent on the Metro scheme and the Wider Investment Fund. The Regional Cabinet has stated that the high level aims of the Wider Investment Fund are the creation of 25,000 new jobs and £4 billion of private sector investment. The Deal will cover a 20 year period. The Barry Docks Interchange and Cogan Station Interchange transport schemes are part of the Metro Plus project and both seek to improve the operation of the stations via the provision of better train infrastructure, bus interchange capacity and facilities, taxi provision and infrastructure to support and enhance both cycling and walking by enhancing Active Travel routes.

Impact of the Current Economic Climate

The financial pressures on the Council continued during 2020/21 and investment income rates still remained low. Rates have fallen even further due to the COVID 19 pandemic and this coupled with the exit from the European Union has led to a high degree of economic uncertainty. The Council will continue to monitor and manage risks as the impact of these issues become clearer during the year.

Reshaping Services Strategy

The Strategy aims to reshape the Council to enable it to meet the future needs of citizens of the Vale of Glamorgan in the context of its financial challenges. A review of the strategy was presented to Cabinet on 8th March 2021. The COVID 19 pandemic has provided an opportunity to transform services at pace and scale and it is important that the learning from this is not lost. The proposals for the renewal of the Reshaping Programme set out three new arenas of reshaping activity which are deliberately both inward and outward facing. It sets out strategic priorities encapsulating all areas of the Council's work and are reflective of a desire to make greater links across our community and partners. The full report can be accessed on the Council Website. [Renewing Reshaping The Next Steps for Transformation](#)

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 is carried out on the Fund. The value of the pension liability as at 31st March 2021 is £332.244M. 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, whilst the asset returns over the accounting period have been higher than expected a change in financial assumptions over the period has resulted in a less positive balance sheet position. The actuarial results for 31st March 2021 are based on a roll forward of the triennial valuation carried out as at 31st March 2019.

During 2020/21 a full review of pensions data for the Vale of Glamorgan Council, Shared Regulatory Services and Vale, Valleys and Cardiff Regional Adoption Service was carried out. The value of the adjustments following this review were material and it was therefore, judged to be appropriate to carry out a prior year adjustment to correct the liability and corresponding pensions reserve in the 2019/20 balance sheet. Further details of the restatement are set out in Note 7 and Note 39 to the accounts and reduced the Pension Liability to £259.720M as at 31st March 2020.

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 Outcomes. The Corporate Plan is being monitored by Cabinet and Scrutiny Committees on a quarterly basis.

The 4 Well-being Outcomes 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 12th April 2021. Despite the ongoing challenges of responding to the COVID-19 pandemic, there has been positive progress in delivering the in-year commitments and the status at the end of quarter 3 was an overall Amber.

Further details can be found here [Annual Delivery Plan Monitoring Quarter 3 2020/21](#)

A budget of £251.653M for 2021/22 was approved by Council on 10th March 2021. For the second year in a row the revenue settlement from Welsh Government was an increase, with a settlement of £168.316M, which represents an adjusted increase of £7.119M (4.42%) over 2020/21. The Council Tax was increased by 3.9% from 1st April 2021 with a budget of £83.337M being set for Council Tax during 2021/22. An efficiency target of £500k was set for the year and was at a level which was significantly lower than historic targets. No savings were approved for Schools. No use of the Council Fund reserve was planned as part of the budget setting process.

The full Council report can be accessed on the Council website. [Final Revenue Proposals 2021/22](#)

At the time the 2021/22 budget was approved, no indication had been received from Welsh Government for future years settlements and it was considered prudent to assume that there may be a flatlined settlement going forward. If Council Tax continues to increase by 3.9% this could result in the possible total shortfall in funding for 2022/23 and 2023/24 of £9.935M. Whilst it had been possible to set efficiency targets at a lower level in 2021/22 this may not be the case going forward and in light of projected levels of shortfall in future years, services were 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 2021/22 is £6.867M which is an increase of £71k (1.0%) from the previous year. The 2021/22 Capital Programme was approved by Council on 10th March 2021 and had a gross value of £107.544M with funding from external grants and contributions amounting to £39.089M. The programme is briefly summarised below;

	2021/22 Net (excluding grants and contributions)	2021/22 Gross(including grants and contributions)
	£'000	£'000
Learning and Skills	20,988	51,942
Social Services	100	100
Environment and Housing	41,755	48,600
Managing Director and Resources	3,372	4,662
City Deal	2,240	2,240
Total Capital Programme	68,455	107,544

There will be investment in the Council's Schools as part of the 21st Century Schools Band B programme of £49.7M, £2.0M in the Council's Vehicles and £1.9M in a new Household

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Waste Recycling Centre. Even though the Housing stock meets WHQS, further work totalling £36.8M are 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 2021/22](#)

Over the coming years major capital investment will continue for the Band B 21st Century Schools programme which will require capital investment between 2021/22 and 2024/25. The currently approved funding included in the capital programme is £74.7M over this period, with a contribution of £30.5M from Welsh Government.

The COVID 19 pandemic has changed the way in which the Council provides services and many staff continue to work from home. Welsh Government has confirmed that it will provide funding for additional expenditure incurred and income lost for the first 6 months of 2021/22. After this date there is no additional funding confirmed and it is difficult to predict what the impact of the pandemic will be. The Council is now planning how it will be able to provide services going forward as lockdown is lifted. The Council considers that it has sufficient balances and reserves, however, they will be put under pressure in the coming months with the level of uncertainty surrounding future funding. This will be further assessed as part of the Medium Term Financial Plan which will be updated during the coming year.

Further Information

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

Introduction to the Financial Statements

Statement of Accounting Policies

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

Statement of Responsibilities for the Statement of Accounts

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

Expenditure and Funding Analysis

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

Movement in Reserves Statement

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

Comprehensive Income and Expenditure Statement (CIES)

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

Balance Sheet

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

Cash Flow Statement

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

Annual Governance Statement

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

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:

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

Signature:

Date:

Mayor as Chairman of the Council

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

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

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

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


The Head of Finance has also throughout the financial year:

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

Certificate of the Head of Finance (Section 151 Officer)

I certify the statement of accounts give a true and fair view of the financial position of The Vale of Glamorgan County Borough Council as at 31st March 2021 and its income and expenditure for the period then ended.

Signature:



Date: 30th June 2021

Head of Finance/Section 151 Officer

Vale of Glamorgan County Borough Council

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

The independent auditor's report of the Auditor General for Wales to the members of Vale of Glamorgan Council

Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. Further information on this note is shown on page 11.

Restated 2019/20	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis (Note 0)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000
Learning and Skills	110,842	(1,849)	108,993
Social Services	64,297	(2,530)	61,767
Visible and Housing Services	33,539	(3,083)	30,456
Housing Revenue Account (HRA)	(5,281)	(2,167)	(7,448)
Managing Director and Resources	8,271	11,696	19,967
Net Cost of Services	211,668	2,067	213,735
Other Income and Expenditure	(218,795)	(22,210)	(241,005)
(Surplus) or Deficit	(7,127)	(20,143)	(27,270)
Opening General Fund and HRA Balance at 31 March 2019	(83,829)		
Plus Surplus on General Fund and HRA Balance in Year	(7,127)		
Closing General Fund and HRA Balance 31 March 2020	(90,956)		

Restated to correct the apportionment of pension balances between Vale of Glamorgan Council and the Shared Regulatory Service and Vale Valleys and Cardiff Regional Adoption Service Joint Committees in accordance with the updated actuarial report.

2020/21	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis (Note 0)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000
Learning and Skills	103,908	4,983	108,891
Social Services	68,187	(356)	67,831
Visible and Housing Services	28,296	7,266	35,562
Housing Revenue Account (HRA)	(4,052)	(582)	(4,634)
Managing Director and Resources	22,577	(226)	22,351
Net Cost of Services	218,916	11,085	230,001
Other Income and Expenditure	(232,205)	(44,627)	(276,832)
(Surplus) or Deficit	(13,289)	(33,542)	(46,831)
Opening General Fund and HRA Balance at 31 March 2020	(90,956)		
Plus Surplus on General Fund and HRA Balance in Year	(13,289)		
Closing General Fund and HRA Balance 31 March 2021	(104,245)		

Movement in Reserves Statement 2019/20

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 12.

Restated 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 2019	13,636	67,525	2,668	15,124	6,196	105,149	232,399	337,548
Total Comprehensive Income and Expenditure	16,459	2,669	8,142	0	0	27,270	(24,570)	2,700
Adjustments between accounting basis and funding basis under regulations (Note 10)	(17,281)	0	(2,862)	1,351	(2,492)	(21,284)	21,284	0
Increase/(Decrease) in 2019/20	(822)	2,669	5,280	1,351	(2,492)	5,986	(3,286)	2,700
Balance as at 31st March 2020	12,814	70,194	7,948	16,475	3,704	111,135	229,113	340,248

Details of the 2019/20 Restatement for Pensions are set out in Note 7.

Movement in Reserves Statement 2020/21

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 2020	12,814	70,194	7,948	16,475	3,704	111,135	229,113	340,248
Total Comprehensive Income and Expenditure	31,257	10,182	5,392	0	0	46,831	(57,402)	(10,571)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(32,202)	0	(1,340)	(3,083)	2,304	(34,321)	34,321	0
Increase/(Decrease) in 2020/21	(945)	10,182	4,052	(3,083)	2,304	12,510	(23,081)	(10,571)
Balance as at 31st March 2021	11,869	80,376	12,000	13,392	6,008	123,645	206,032	329,677

Vale of Glamorgan County Borough Council

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount to be funded from taxation. Further information is shown on page 12.

Restated (Note 7) 2019/20			Expenditure on Services	2020/21		
Gross Expt.	Income	Net Expt.		Gross Expt.	Income	Net Expt.
£'000	£'000	£'000		£'000	£'000	£'000
139,214	30,221	108,993	Learning and Skills	148,312	39,421	108,891
79,118	17,351	61,767	Social Services	98,168	30,337	67,831
45,559	15,103	30,456	Visible and Housing Services	54,648	19,086	35,562
13,950	21,398	(7,448)	Housing Revenue Account (HRA)	16,838	21,472	(4,634)
66,964	46,997	19,967	Managing Director and Resources	66,393	44,042	22,351
344,805	131,070	213,735	Cost of Services	384,359	154,358	230,001
			Other operating expenditure			
2,920	0	2,920	Town/Community Council Precepts	3,061	0	3,061
15,311	0	15,311	South Wales Police Authority	16,583	0	16,583
6,048	0	6,048	South Wales Fire Authority	6,381	0	6,381
94	0	94	Other Levies and Contributions	94	0	94
0	985	(985)	(Gains)/losses on the disposal of non-current assets	154	0	154
			Financing and investment income and expenditure			
7,280	0	7,280	Interest payable and similar charges	7,117	0	7,117
5,003	0	5,003	Net interest on defined benefit liability	5,812	0	5,812
0	0	0	Revaluation of Investment Properties	640	0	640
0	942	(942)	Interest receivable and other income	0	498	(498)
			Taxation and non-specific grant income			
0	84,956	(84,956)	Council Tax income (Note 13)	0	89,318	(89,318)
0	41,760	(41,760)	Non domestic rates (Note 14)	0	45,061	(45,061)
0	110,311	(110,311)	Revenue Support grants	0	115,960	(115,960)
0	0	0	Council Tax grant	0	1,585	(1,585)
0	0	0	Deferred Tax	0	78	(78)
0	38,707	(38,707)	Capital grants and contributions	0	64,174	(64,174)
381,461	408,731	(27,270)	(Surplus) or Deficit on the Provision of Services	424,201	471,032	(46,831)
		(9,681)	(Surplus)on revaluation of non current assets (Note 0)			(2,143)
		2,537	Impairment losses on non-current assets Revaluation Reserve (Note 0)			1,272
		29,534	Remeasurements of the net defined benefit liability/(asset) (Note 39)			58,273
		2,180	Transfer in/out of the net defined benefit liability/asset (Note 39)			-
		24,570	Other Comprehensive Income and Expenditure			57,402
		(2,700)	Total Comprehensive Income and Expenditure			10,571

Balance Sheet as at 31st March 2021

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 12 of this report.

1 st April 2019	Restated 31 March 2020		Notes	31 March 2021
£'000	£'000			£'000
653,497	691,508	Property, Plant and Equipment	0	737,271
0	0	Joint Committee Investment Properties	34	2,458
0	0	Equity		170
608	207	Intangible Assets		212
2	2	Long Term Investments	20	2
236	1,166	Long Term Debtors	20	1,615
654,343	692,883	Long Term Assets		741,728
81,321	87,105	Short Term Investment	20	69,158
168	0	Assets Held for Sale	18	0
0	0	Deferred Tax Asset		122
404	441	Inventories	15	6,570
33,053	33,285	Short Term Debtors	21	51,059
12,048	13,201	Cash and Cash Equivalents	22	27,576
126,994	134,032	Current Assets		154,485
2,569	2,579	Short Term Borrowing	20	9,679
35,105	33,137	Short Term Creditors	23	39,973
1,919	1,385	Provisions (Short Term)	24	1,724
0	0	Donated Inventory Account		5,684
9,592	13,276	Grants Receipts in Advance – Capital	32	15,600
49,185	50,377	Current Liabilities		72,660
444	492	Provisions (Long Term)	24	329
153,506	152,275	Long Term Borrowing	20	144,324
6,617	9,652	Other Long Term Liabilities	25	9,468
220,472	259,720	Other Long Term Liabilities (Pensions)	39	332,244
13,565	14,151	Grants Receipts in Advance - Capital (Long Term)	32	7,511
394,604	436,290	Long Term Liabilities		493,876
337,548	340,248	Net Assets		329,677
105,149	111,135	Usable Reserves	26	123,645
232,399	229,113	Unusable Reserves	27	206,032
337,548	340,248	Total Reserves		329,677

The balance sheet has been restated to correct the apportionment of pension balances between Vale of Glamorgan Council and the Shared Regulatory Service and Vale Valleys and Cardiff Regional Adoption Service Joint Committees in accordance with the updated actuarial report as set out in Notes 7 and 39.

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 12 of this report.

Restated 31 March 2020		Notes	31 March 2021
£'000			£'000
27,270	Net surplus or (deficit) on the provision of services		46,831
21,521	Adjustments to net surplus or deficit on the provision of services for non-cash movements	28	34,375
	Adjustments for items that are investing and financing activities		
(2,786)	Proceeds from the sale of property, plant and equipment and intangible assets.		(124)
(38,670)	Any items which the cash effects are investing or financing cashflows		(43,933)
(41,456)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(44,057)
7,335	Net cash flows from Operating Activities		37,149
	Investing Activities		
(45,727)	Purchase of property, plant and equipment and intangible assets.		(70,902)
2,786	Proceeds from the sale of property, plant and equipment and intangible assets.		124
(5,746)	Purchase of short term/long term investments		0
4,270	Other payments for investing activities		(8,632)
(37)	Proceeds from short term/long term investments		59
45,695	Other Receipts from Investing Activities		55,241
1,241	Net Cashflow from Investing Activities		(24,110)
	Financing Activities		
(1,235)	Repayments of Short and Long Term Borrowing		(478)
(6,188)	Other Payments for Financing Activities		1,814
(7,423)	Net cash flows from Financing Activities		1,336
1,153	Net increase or decrease in cash and cash equivalents		14,375
12,048	Cash and cash equivalents at the beginning of the reporting period		13,201
13,201	Cash and cash equivalents at the end of the reporting period		27,576

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 2020/21 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 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 2020/21 is</p>

		<p>on the basis of cash received. 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) 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.</p>

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 Managing Director and Resources.</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

		<p>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.</p> <ul style="list-style-type: none"> • 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 2019 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 39 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 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>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

		<p>(asset). This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.</p> <ul style="list-style-type: none"> • 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	<p>These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Such events could result in the Statement of Accounts being adjusted. Two types of events can be identified:</p> <ul style="list-style-type: none"> • 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.

		<ul style="list-style-type: none"> 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 2021. 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. 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</p>

		<p>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-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</p>

		<p>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	Property Plant and Equipment	<p>Revaluation of the assets of the Authority will be undertaken on a rolling basis over a five year cycle by an external valuer. Assurance will be sought from the external valuer in relation to those assets not revalued during 2020/21.</p> <p>Council Dwellings are regarded by the Authority as operational and valued using the Beacon approach (adjusted vacant possession value).</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 be capable of operating in the manner intended by management. • The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. <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>
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		<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 £3 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. 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</p> <p>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</p> <p>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 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>

		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
q	Fair Value Measurement	<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 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	Provisions, Contingent Liabilities and Contingent Assets	<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</p>

		<p>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 24 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	<p>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.</p>

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 £7.366 million. 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 2020/21.
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	<p>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.</p> <p>Where donated inventory has been received it is offset on the balance sheet by a corresponding entry on the Donated Inventory Account.</p>
z	Adopted Highways	<p>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 2019/20 or 2020/21.</p>

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.

At the balance sheet date, the following relevant new standards and amendments to existing standards have been published but not yet adopted by the Code:

- a. Definition of a Business: Amendments to IFRS 3 Business Combinations
- b. Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7
- c. Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

It is unlikely that any of the above will have an impact upon the financial statements.

However the following details regarding IFRS 16 - Leases are provided for information purposes. IFRS 16 Leases will require local authorities that are lessees to recognise most leases on their balance sheets as right of use asset with corresponding lease liabilities. CIPFA/LASAAC have deferred implementation of IFRS 16 for local government to 1st April 2022.

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 finance leases has been prepared in consultation with service departments and the relevant data for each lease arrangement has been gathered. The Council has had initial discussion with the external valuer as it will be required to get valuations for some leased buildings. The Council has also listed a number of arrangements where it will need to consider the impact of lease arrangements embedded in contracts and will be liaising with Audit Wales and other Welsh authorities to ensure a consistent interpretation of this emerging standard is made.

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 2021 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 (6 years) and Equipment (5 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.

There are no significant revaluations taking place during 2020/21. The valuation uncertainty that was reported in accordance with RICs guidelines as a result of the ongoing COVID-19 pandemic in 2019/20 Statement of Accounts has been lifted. The valuations are set out in Note 0 to the accounts Property Plant and Equipment.

Minimum Revenue Provision

Statutory provision is made in the accounts for the repayment of the Council's borrowing. The Minimum Revenue Provision is based on a straight line repayment over the estimated life of the asset. The estimated life is based on information

provided by a qualified valuer as part of the valuation process and the Council's asset register.

Provisions

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

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

Debtors

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

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.

A firm of actuaries is engaged to provide the Cardiff and Vale Pension Fund with expert advice about the assumptions to be applied. The actuarial report is based on a roll forward of the triennial valuation carried out at 31st March 2019.

The demographic and financial assumptions used in arriving at the 20/21 actuarial report are set out in note 39.

In addition to the impact of Covid 19 the actuarial report also makes a number of assumptions in respect of the likely treatment for the McCloud judgment and Guaranteed Minimum Pensions and these are set out in more detail in note 39.

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 2021 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 very little movement in the PWLB borrowing rate

during the intervening period it can be considered that 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 41. Disclosure notes set out the fair values for the Authority's financial assets and liabilities as at 31st March 2021.

5. Material Items of Income and Expenditure

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

6. Events after the Balance Sheet Date

The audited statement of accounts was authorised for issue by the Head of Finance (Section 151 Officer) on 30th June 2021. 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

As part of the 2020/21 accounts the 2019/20 Pension balances in respect of the Vale of Glamorgan Council, Shared Regulatory Service and the Vale, Valleys and Cardiff Regional Adoption Service have been restated following a full review of the active members, deferred members and pensioners associated with the relevant apportionment of the pension funds.

The value of the adjustments following this review were material. They were due to the misallocation of a number of deferred pension and pensioners between these funds and significant adjustments were also made in relation to experienced staff transferring into the Joint Committee Pension funds bringing sizable asset allocations with them. It was therefore judged to be appropriate to carry out a prior year adjustment to correct these sums.

The adjustments resulting from the restatement are set out below and reduce the Pension Liability and corresponding Pension Reserve by £8.525M. The majority of this change is shown against the remeasurement line (£8.318M) as part of Other Comprehensive Income and Expenditure (£207k) of the amendment is shown as part of Net cost of services.

The Pensions Reserve	2019/20	Restatement	2019/20
			Restated
	£'000		
Balance at 1 April	(220,472)		(220,472)
Remeasurements of the net defined benefit liability	(37,852)	8,318	(29,534)
Adjustment against the net defined benefit liability for the McCloud Ruling	5,291	0	5,291
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(30,780)	207	(30,573)

Employer's pension contributions and direct payments to pensioners payable in the year	15,678	0	15,678
Transfers in/out comprising.			
Adjust for Foundation School Pension Fund	(2,180)	0	(2,180)
Transfer for BFCC Historic Pension Liabilities (Note 39)	2,070	0	2,070
Balance at 31 March	(268,245)	8,525	(259,720)

The amended Expenditure and Funding Analysis is set out below.

Restated 2019/20	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustment s between Funding and Accounting Basis Original	Adjustment s between Funding and Accounting Basis Amendment	Net Expenditure in the Comprehensive Income and Expenditure Statement (Original)	Net Expenditure in the Comprehensive Income and Expenditure Statement (Restated)
	£'000	£'000	£'000	£'000	£'000
Learning and Skills	110,842	(1,748)	(101)	109,094	108,993
Social Services	64,297	(2,488)	(42)	61,809	61,767
Visible and Housing Services	33,539	(3,122)	39	30,417	30,456
Housing Revenue Account (HRA)	(5,281)	(2,161)	(6)	(7,442)	(7,448)
Managing Director and Resources	8,271	11,793	(97)	20,064	19,967
Net Cost of Services	211,668	2,274	(207)	213,942	213,735
Other Income and Expenditure	(218,795)	(22,210)	0	(241,005)	(241,005)
(Surplus) or Deficit	(7,127)	(19,936)	0	(27,063)	(27,270)
Opening General Fund and HRA Balance at 31 March 2019	(83,829)				
Plus Surplus on General Fund and HRA Balance in Year	(7,127)		(207)		
Closing General Fund and HRA Balance 31 March 2020	(90,956)				

The adjustments to the Comprehensive Income and Expenditure Statement are set out below.

Expenditure on Services	Gross Expt.	Income	Net Expt.	Amend	Restated Net Expt
	£'000	£'000	£'000	£'000	£'000
Learning and Skills	139,315	30,221	109,094	(101)	108,993
Social Services	79,160	17,351	61,809	(42)	61,767
Visible and Housing Services	45,520	15,103	30,417	39	30,456
Housing Revenue Account (HRA)	13,956	21,398	(7,442)	(6)	(7,448)
Managing Director and Resources	67,061	46,997	20,064	(97)	19,967
Cost of Services	345,012	131,070	213,942	(207)	213,735
Other Operating Expenditure	24,373	985	23,388	0	23,388
Financing and investment income and expenditure	12,283	942	11,341	0	11,341
Taxation and non-specific grant income	0	275,734	(275,734)	0	(275,734)
(Surplus) or Deficit on the Provision of Services	381,668	408,731	(27,063)	(207)	(27,270)
(Surplus) on revaluation of non current assets (Note 0)			(9,681)		(9,681)
Impairment losses on non-current assets charged to the Revaluation Reserve (Note 0)			2,537		2,537
Remeasurements of the net defined benefit liability/(asset) (Note 39)			37,852	(8,318)	29,534
Transfer in/out of the net defined benefit liability/asset (Note 39)			2,180		2,180
Other Comprehensive Income and Expenditure			32,888	(8,318)	24,570
Total Comprehensive Income and Expenditure			5,825	(8,525)	(2,700)

8. Note to the Expenditure and Funding Analysis

2019/20 Restated 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	(3,147)	1,825	(1,173)	646	(1,849)
Social Services	(3,021)	36	455	0	(2,530)
Visible and Housing Services	(2,493)	(1,250)	655	5	(3,083)
Housing Revenue Account (HRA)	(2,972)	768	37	0	(2,167)
Managing Director and Resources	(848)	9,922	2,557	65	11,696
Net Cost of Services	(12,481)	11,301	2,531	716	2,067
Other Income and Expenditure	12,481	(39,694)	5,003	0	(22,210)
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure statement surplus or deficit	0	(28,393)	7,534	716	(20,143)

2020/21 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	(3,343)	5,179	3,500	(353)	4,983
Social Services	(3,178)	704	1,923	195	(356)
Visible and Housing Services	(2,602)	8,545	1,186	137	7,266
Housing Revenue Account (HRA)	(2,945)	2,141	204	18	(582)
Managing Director and Resources	(1,513)	(143)	1,626	(196)	(226)
Net Cost of Services	(13,581)	16,426	8,439	(198)	11,085
Other Income and Expenditure	13,581	(64,020)	5,812	0	(44,627)
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure statement surplus or deficit	0	(47,594)	14,252	(198)	(33,542)

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

Restated 31 March 2020 £'000		31 March 2021 £'000
148,394	Employee Expenditure	160,486
10,500	Employee Expenditure (Aided Schools)	10,726
165,051	Other Service Expenditure	182,746
20,860	Depreciation, Amortisation, Impairments & Other Capital Adjustments	30,401
7,280	Interest Payments	7,117
24,373	Precepts & Levies	26,119
0	Loss on Disposal of Non-Current Assets	154
5,003	Interest on net defined benefit liability/ (asset)	5,812
0	Revaluation on Investment Properties	640
381,461	Total Expenditure	424,201
(46,756)	Fees Charges & Other Service Income	(41,034)
(942)	Interest, Investment Income and Trading Outturn	(498)
(84,956)	Income from Council Tax	(89,318)
(275,092)	Government Grants and Contributions	(340,182)
(985)	Gains Disposal of Non-Current Assets	0
(408,731)	Total Income	(471,032)
(27,270)	(Surplus) or Deficit on the Provision of Services	(46,831)

10. Adjustments between Accounting Basis and Funding Basis under Regulations

Restated Adjustments between Accounting Basis and Funding Basis under Regulations 2019/20	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	22,802	411	0	0	(23,213)
Employers pension contributions and direct payments to pensions payable in the year	(15,400)	(278)	0	0	15,678
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	62	0	0	0	(62)
Holiday pay (transfers to the Accumulated Absences Reserve)	652	0	0	0	(652)
Charges for depreciation/impairment of non-current assets	11,005	4,331	0	0	(15,336)
Revaluation (surplus)/deficit on Property Plant and Equipment	(1,914)	(274)	0	0	2,188
Amortisation of intangible assets	244	0	0	0	(244)
Amounts of non-current assets written off on disposal to CIES	1,327	390	0	0	(1,717)
Revenue Expenditure funded from capital under statute	6,383	1,064	0	0	(7,447)
Total Adjustments to Revenue Resources	25,161	5,644	0	0	(30,805)
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(1,425)	(1,361)	2,786	0	0
Administrative costs of the non-current asset disposals (funded by Capital Receipts Reserve)	84	0	0	0	(84)
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(3,595)	(1,545)	0	0	5,140
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account) Glamorgan Archives Joint Committee Notional Debt	0	0	0	0	0
Capital Expenditure financed from revenue balances (transferred to the Capital Adjustment Acc.)	(1,591)	(2,808)	0	0	4,399
Total Adjustments between Revenue and Capital Resources	(6,527)	(5,714)	2,786	0	9,455
Adjustments to Capital Resources					
Use of Capital Receipts Reserve to finance capital expenditure	0	0	(1,435)	0	1,435
Application of capital grants to finance capital expenditure	(35,915)	(2,792)	0	(2,492)	41,199
Cash payments in relation to deferred capital receipts	0	0	0	0	0
Total Adjustments to Capital Resources	(35,915)	(2,792)	(1,435)	(2,492)	42,634
Total Adjustments	(17,281)	(2,862)	1,351	(2,492)	21,284

Adjustments between Accounting Basis and Funding Basis under Regulations 2020/21	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	28,760	614	0	0	(29,374)
Employers pension contributions and direct payments to pensions payable in the year	(14,832)	(291)	0	0	15,123
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(347)	0	0	0	347
Holiday pay (transfers to the Accumulated Absences Reserve)	132	18	0	0	(150)
Charges for depreciation/impairment of non-current assets	13,206	4,030	0	0	(17,236)
Revaluation (surplus)/deficit on Property Plant and Equipment	2,790	2,946	0	0	(5,736)
Amortisation of intangible assets	63	0	0	0	(63)
Amounts of non-current assets written off on disposal to CIES	31	43	0	0	(74)
Revenue Expenditure funded from capital under statute	5,752	1,614	0	0	(7,366)
Total Adjustments to Revenue Resources	35,555	8,974	0	0	(44,529)
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(27)	(97)	124	0	0
Administrative costs of the non-current asset disposals (funded by Capital Receipts Reserve)	205	0	0	0	(205)
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(3,616)	(1,606)	0	0	5,222
Capital Expenditure financed from revenue balances (transferred to the Capital Adjustment Acc.)	(3,913)	(4,843)	0	0	8,756
Total Adjustments between Revenue and Capital Resources	(7,351)	(6,546)	124	0	13,773
Adjustments to Capital Resources					
Use of Capital Receipts Reserve to finance capital expenditure	0	0	(3,207)	0	3,207
Application of capital grants to finance capital expenditure	(60,406)	(3,768)	0	2,304	61,870
Cash payments in relation to deferred capital receipts	0	0	0	0	0
Total Adjustments to Capital Resources	(60,406)	(3,768)	(3,207)	2,304	65,077
Total Adjustments	(32,202)	(1,340)	(3,083)	2,304	34,321

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 2020/21.

	31 March 2019	Tfr In	Tfr Out	31 March 2020	Tfr In	Tfr Out	31 March 2021
Council Fund	£'000	£'000	£'000	£'000	£'000	£'000	£'000
School Reserves- Under Local Government Management of Schools, schools are able to carry forward surpluses and deficits. These are ringfenced for schools.	2,785	148	1,995	938	6,661	959	6,640
Capital Reserves							
ICT Renewal - This is a fund set aside to meet ICT renewals required by the Authority.	3,446	74	627	2,893	1,095	8	3,980
School Investment Strategy - The fund is available in respect of improvements to Schools including the 21 st Century schools capital programme.	9,037	102	50	9,089	333	859	8,563
WG Additional Schools Capital Grant – Grant funding received and carried forward for capital works in schools 6,66	1,765	1,905	1,580	2,090	2,258	2,036	2,312
Commercial Opportunities & Invest to Save Fund- This fund is to finance revenue & capital projects which will create savings or commercial opportunities.	2,850	0	496	2,354	0	0	2,354
Vehicle Repairs and Renewals - For the replacement of plant and vehicles.	2,944	810	393	3,361	1,060	2,677	1,744
Carbon Vehicles Reserve – To purchase energy efficient vehicles		0	0	0	215	0	215
Waste Transfer Station – Establishment of a Waste Transfer Station.	1,500	0	2	1,498	0	0	1,498
Council Building Fund – To maintain Council buildings.	5,475	1,068	766	5,777	697	585	5,889
Social Services Buildings - To fund the update of Social Services premises to meet the future demands of the Service.	500	0	0	500	0	0	500
ICF Capital - To fund ICF capital projects.	330	0	0	330	300	330	300
Gypsy Traveller Study and Site Provision Funding for Gypsy Traveller Site scheme.	1,052	0	0	1,052	0	0	1,052
Capital Scheme Commitments – Set aside to top up Barry Regeneration schemes.	74	1,491	0	1,565	1,810	300	3,075
Telecare – Replacement fund for Telecare.	640	45	0	685	68	0	753
Energy Management Fund – Energy management schemes initially funded from the reserve and services make repayments to the fund once savings are achieved.	221	169	191	199	152	125	226
Coastal Works - To fund the ongoing liabilities of coastal developments.	537	0	50	487	150	30	607
Capital Economic Regeneration Reserve – To be used to deliver the key regeneration projects.	0	496	7	489	0	33	456
City Deal – To provide funds for the Cardiff Capital Region City Deal.	1,898	0	0	1,898	0	0	1,898

	31 March 2019	Tfr In	Tfr Out	31 March 2020	Tfr In	Tfr Out	31 March 2021
Council Fund	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Reserves							
Neighbourhood Services Reserve – To fund capital and revenue Neighbourhood Services schemes.	4,586	2,784	3,647	3,723	537	870	3,390
Events - To provide funds to promote events in the Vale of Glamorgan.	403	0	110	293	0	113	180
Early Retirement and Redundancy Fund - This is set aside to meet future costs of the early retirement and redundancy scheme.	973	0	0	973	0	0	973
Corporate Governance - This reserve has been set aside in respect of the Modernising Local Government Agenda.	338	0	0	338	0	0	338
Election Expenses –Set aside for Council Elections	370	41	0	411	41	0	452
Library - To provide funds to support Library services.	151	0	0	151	0	151	0
Culture Reserve - To provide funds to support Library Services and Arts	0	0	0	0	290	0	290
Catering - To support any issues relating to the Catering trading company.	187	0	70	117	0	0	117
Grant Exit Strategy – To pay potential redundancy costs if Welsh Government grants are discontinued and costs cannot be grant funded.	630	0	0	630	0	0	630
Trainee Appointments – To fund the appointment of trainees and interns to support services and the Reshaping Service Programme.	680	0	49	631	0	30	601
Legal Services – To provide for external and additional legal capacity required for one off schemes and major projects.	702	0	191	511	0	96	415
Performance and Development - To fund temporary posts, the purchase of hardware, software and equipment.	388	0	21	367	10	0	377
Building Services Improvement – Monies set aside for improvements to the Building Services.	276	40	19	297	328	270	355
Insurance Fund - This reserve covers an estimate of potential claims (those estimated to have occurred but not reported as at 31 March 2020). These would include claims for public and employers liability, motor vehicle, buildings insurance costs.	3,891	683	0	4,574	74	0	4,648
Schools Rationalisation - This reserve will meet the costs of school restructuring and reorganisation and support schools in the improvement of their teaching and learning facilities.	628	51	146	533	634	0	1,167
School Deferred Pensions – To initially fund pension costs for schools staff which will be reimbursed by schools over a number of years.	266	53	0	319	43	27	335
Education Pressures – To fund the current pressures within Learning and Skills	0	1,000	548	452	0	0	452

	31 March 2019	Tfr In	Tfr Out	31 March 2020	Tfr In	Tfr Out	31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bad Weather- To fund costs due to bad weather.	111	500	342	269	500	299	470
Regeneration Fund - To fund regeneration projects.	305	0	0	305	160	0	465
Reshaping Services - To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services Programme.	814	0	128	686	0	169	517
Digital Reshaping - To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services Digital Programme.	225	0	5	220	0	0	220
Welfare Reforms - To fund pressures resulting from Welfare Reforms.	756	0	135	621	400	0	1,021
Legal Claims - Funds have been set aside to cover potential legal cases.	1,920	0	0	1,920	0	0	1,920
Social Services Legislative Changes – To cover additional burdens on the authority due to changes in legislation.	6,109	1,850	36	7,923	396	92	8,227
Social Services Plan – The balance on this fund has been transferred into the Social Services Legislative Changes fund.	980	0	980	0	0	0	0
Social Services Pressures - To cover potential expenditure on high cost children placements.	1,913	0	0	1,913	0	0	1,913
Social Services Development – To cover costs of implementing service development and contingency for premises maintenance.	350	0	0	350	0	0	350
Homelessness and Housing Staffing – Funding for temporary housing roles.	592	63	0	655	70	0	725
Regeneration and Planning – Monies set aside to cover various commitments in the service.	754	55	116	693	303	0	996
Socio Economic Mapping and Recovery – To support recovery initiatives	0	0	0	0	500	0	500
Private Sector Housing – To cover developments within Private Sector Housing.	262	0	11	251	7	34	224
Building Stronger Communities –Promotes initiatives consistent with the Council's vision of "Strong communities with a bright future".	337	0	12	325	13	132	206
Regulatory Services - For Regulatory Services issues and to be used for any future issues arising from the shared services collaboration.	282	209	85	406	0	108	298
Green Infrastructure and Climate Change -To fund environmental initiatives across the Vale of Glamorgan	0	1,250	0	1,250	0	0	1,250
Project Zero - To support the Council climate change agenda	0	0	0	0	500	0	500
Wellbeing and Leisure - To support and promote wellbeing and leisure in the Vale	0	0	0	0	350	0	350

	31 March 2019	Tfr In	Tfr Out	31 March 2020	Tfr In	Tfr Out	31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Shared Internal Audit Service – Balance held by the Vale of Glamorgan on behalf of the shared service	0	318	0	318	299	218	399
Other - Various amounts set aside for education, planning, housing and community service issues.	1,561	208	121	1,648	953	174	2,427
Joint Committees - This is the Council's proportion of reserves held by the Joint Committees, the use of which, is agreed by the Joint Committee.	731	267	82	916	33	333	616
Total Council Fund Reserves	67,525	15,680	13,011	70,194	21,240	11,058	80,376
	31 March 2019	Tfr In	Tfr Out	31 March 2020	Tfr In	Tfr Out	31 March 2021
Housing Revenue Account (HRA)							
Housing Revenue Account - The Authority maintains a Housing Revenue Account. This reserve is ringfenced by statute for use by the HRA.	2,668	5,280	0	7,948	4,052	0	12,000
Total HRA Reserves	2,668	5,280	0	7,948	4,052	0	12,000

12. Revenue Support Grant

The amount of Revenue Support Grant recorded as income is based on actuals received from Welsh Government in line with the figures provided as part of the final settlement which it received from Welsh Government in December 2019.

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 (£16.583M) and Town and Community Councils (£3.061M) 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 2020/21.

This basic amount for a band D property (£1,306.08 in 2020/21) 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:

Council Tax Band	Proportion	No. of Properties
Band A	0.67	1,393
Band B	0.78	6,380
Band C	0.89	13,877
Band D	1.00	11,416
Band E	1.22	10,359
Band F	1.44	7,322
Band G	1.67	5,749
Band H	2.00	2,211
Band I	2.33	1,046
		59,753

Council Tax collectable in 2020/21 can be calculated as:

	2019/20	2020/21
	£'000	£'000
Council Tax Collectable	95,316	101,427
Council Tax Reduction Scheme and Care Leaver	(10,007)	(11,014)
Provision for non payment of Council Tax	(353)	(1,095)
Amount Due From Taxpayers Before Rebates	84,956	89,318
Allocated to:		
South Wales Police Precept	15,311	16,583
Vale of Glamorgan County Council	76,732	80,688
Council Tax Reduction Scheme and Care Leaver	(10,007)	(11,014)
Town and Community Councils Precepts	2,920	3,061
Total	84,956	89,318

14. National Non-Domestic Rates

NNDR is organised on a national basis. The Government specifies an amount (53.5p in 2020/21 and 52.6p in 2019/20); 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. We received £45.061M in 2020/21 (£41.76M in 2019/20).

The NNDR billed to ratepayers, after reliefs etc. was £35,242,132 for 2020/21 (£33,599,444 in 2019/20) and was based on Year end rateable value for both

2020/21 at 31/03/21 being £81,789,269 and 2019/20 at 31/03/20 being £81,934,277. The NNDR billed to ratepayers shown above was significantly reduced due to the introduction of the enhanced RHLRR Scheme due to the pandemic.

15. Covid 19 Funding

During 2020/21 additional funding was received from WG set out below is the funding consolidated into the Cost of Services.

Grant Name	Funding Body	Amount Received 2020/21 £'000
Local Authority Hardship Grant	WG	13,269
Loss of Income	WG	3,540
Schools - Accelerated Learning Programme	WG	1,492
Childcare Assistance Grant	WG	450
Additional Learning Needs	WG	375
Schools Cleaning Grant	WG	32
Face Covering for School	WLGA	94
Homelessness and Housing Related Support Services Phase 2	WG	25
Care Leavers COVID-19 Hardship Fund	WG	35
Relieving court backlogs and supporting exits from care	WG	87
Family Group Conferencing	WG	77
Intervention fund for supporting child and family well-being	WG	56
Digital Transformation	WG	1,011
£500 Care Workers Grant Admin Support	WG	17
Savings not Achieved	WG	1,011
Business Restrictions Fund Admin Support	WG	157
Lockdown Grant Admin Support	WG	132
Retail Leisure Hospitality Admin Support	WG	14
Council Tax Reduction Scheme Additional Funding	WG	458
Council Tax Shortfall Funding	WG	1,127
TOTAL		23,459

The Authority also distributed funding on behalf of WG during 2020/21. These sums are not reflected within the Council's Income and Expenditure in accordance with accounting guidance but any creditors or debtors relating to these sums are reflected on the 2020/21 Balance Sheet in accordance with accounting for Agency arrangements. The grants that have been allocated in this way are set out below.

Grant Name	Balance 1 April 20	Amount Received from WG 2020/21	Grants Issued 2020/21	Debtor/ (Creditor) Balance 31 March 21
	£'000	£'000	£'000	£'000
COVID-19 NRD Business Support Grants*	3,750	(25,727)	21,977	0
Newly Self Employed Start Up Grant	0	(208)	205	(3)
Lockdown Business Fund	0	(5,285)	4,962	(323)
Freelancer Grant	0	(580)	580	0
Additional Freelancer Grant	0	(508)	508	0
Business Restrictions Fund	0	(9,426)	9,098	(328)
Business Restrictions Fund March	0	(5,141)	4,567	(574)
Flooding	0	0	60	60
Social Care Workers £500 Payment	0	(1,917)	1,917	0
Statutory Sick Pay (SSP)	0	0	159	159
Self Isolation Payments	0	(128)	167	39
Total	3,750	(48,920)	44,200	(970)

- £3.75M of grants issued in March 2020.

Donated Personal Protective Equipment

In addition to Covid grants the Vale of Glamorgan Council was also in receipt of donated Personal Protection Equipment from the Joint Equipment Store. The PPE was utilised both by the Council directly but also distributed to third party Care providers such as private residential homes, domiciliary care providers and partner organisations. The Council has estimated the value of the donated PPE using the lowest purchase price during 2020/21 for each category of PPE. As this stock has been donated there is no overall impact on the accounts. Where the stock has been utilised directly by the Council it is reflected in the Income and Expenditure shown as part of the Net Cost of Services and offset by a notional grant. The balance at 31st March is included as part of the overall inventory balance on the balance sheet and offset by a corresponding entry in the donated inventory account. Where the PPE has been distributed to a third party the stock has been accounted for using agency accounting so only the element outstanding at year end is reflected in the Inventory account and offset by a balance in the donated inventory account on the balance sheet.

Analysis of Donated PPE	Inventory Balance 31 March 21
	£'000
Donated NHS PPE Utilised by VOG	820
Donated NHS PPE Utilised by third party providers	4,864
Total Donated NHS PPE	5,684

16. Property, Plant and Equipment

Movement on Balance in 2019/20	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Infrastructure	Community Asset	Assets under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation as at 1 April 2019	190,228	368,420	17,391	126,673	3,860	22,372	2,600	731,544
Additions	5,063	4,757	6,761	9,925	0	18,879	0	45,385
Joint Committee Additions	0	0	18	0	0	0	0	18
Derecognition of accumulated depreciation & impairment to GCA	(3)	(11,990)	(20)	0	0	0	0	(12,013)
Revaluation increase	(342)	12,217	0	0	0	0	0	11,875
Disposals	(438)	(1,107)	(427)	0	0	0	0	(1,972)
Transfers between asset classes	291	4,015	0	14,441	0	(18,672)	0	75
Cost or Valuation as at 31 March 2020	194,799	376,312	23,723	151,039	3,860	22,579	2,600	774,912
Accumulated depreciation and impairment as at 1 April 2019	(26,165)	(9,829)	(11,763)	(30,290)	0	0	0	(78,047)
Depreciation charge	(1,334)	(5,999)	(1,610)	(3,071)	0	0	0	(12,014)
Derecognition of accumulated depreciation to GCA	3	11,990	20	0	0	0	0	12,013
Impairment Losses	(4,958)	(901)	0	0	0	0	0	(5,859)
Transfers between asset classes	0	(33)	0	0	0	0	0	(33)
Disposals	48	79	409	0	0	0	0	536
Accumulated Depreciation and Impairment as at 31 March 2020	(32,406)	(4,693)	(12,944)	(33,361)	0	0	0	(83,404)

Net Book Value 2019/20	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Infrastructure	Community Asset	Assets under Construction	Surplus Assets	Total
At 31 March 2019	164,063	358,591	5,628	96,383	3,860	22,372	2,600	653,497
At 31 March 2020	162,393	371,619	10,779	117,678	3,860	22,579	2,600	691,508

Movement on Balance in 2020/21	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Infrastructure	Community Asset	Assets under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation as at 1 April 2020	194,799	376,312	23,723	151,039	3,860	22,579	2,600	774,912
Additions	3,886	5,305	6,538	9,134	8	45,825	0	70,696
Joint Committee Additions	0	0	0	0	0	210	0	210
Derecognition of accumulated depreciation & impairment to GCA	(14)	(120)	0	0	0	0	(6)	(140)
Revaluation increase/(decrease)	(2,594)	(1,026)	0	0	0	0	27	(3,593)
Disposals	(49)	0	(1,473)	0	0	0	0	(1,522)
Transfers between asset classes	3,297	(2,795)	0	0	0	(3,659)	164	(2,993)
Cost or Valuation as at 31 March 2021	199,325	377,676	28,788	160,173	3,868	64,955	2,785	837,570
Accumulated depreciation and impairment as at 1 April 2020	(32,406)	(4,693)	(12,944)	(33,361)	0	0	0	(83,404)
Depreciation charge	(1,330)	(5,653)	(2,615)	(3,679)	0	0	0	(13,277)
Derecognition of accumulated depreciation to GCA	14	120	0	0	0	0	6	140
Impairment Losses	(3,175)	(2,056)	0	0	0	0	0	(5,231)
Transfers between asset classes	0	6	0	0	0	0	(6)	0
Disposals	6	0	1,467	0	0	0	0	1,473
Accumulated Depreciation and Impairment as at 31 March 2021	(36,891)	(12,276)	(14,092)	(37,040)	0	0	0	(100,299)

Net Book Value 2020/21	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Infrastructure	Community Asset	Assets under Construction	Surplus Assets	Total
At 31 March 2020	162,393	371,619	10,779	117,678	3,860	22,579	2,600	691,508
At 31 March 2021	162,434	365,400	14,696	123,133	3,868	64,955	2,785	737,271

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	3-18 years
Infrastructure	40 years
Intangible Assets	5 years

Capital Commitments

At 31 March 2021, the Authority has entered into a number of contracts for the construction, or enhancement of property, plant and equipment which will continue into 2021/22 and future years. Similar commitments at the 31st March 2020 were £50.381M. The major commitments are listed below.

Scheme	£'000
21 st Century Schools Band B	30,562
Waste Schemes	4,703
Housing Schemes	4,597
Highways and Lighting Schemes	1,345
Other Education Schemes	1,107
Vehicles	798
Social Services Schemes	344
TRI Grant Schemes	287
Car Parks	205
Civic Office Works	175
Schools IT	149
Flood Risk Management	134
Leisure Centres Upgrade Works	132
Local Transport Fund Scheme	112
Total	44,650

Costs of Disposal

Costs of disposing of assets will be set against the capital receipt where it does not exceed 4% of the capital receipt value, or projected capital receipt value where the receipt has not yet been realised. During the 2020/21 financial year costs were set against capital receipts for the following disposal and demolition of assets:

Asset Name	2020/21
	£'000
Demolition Costs	125
Other Marketing and Disposal Costs	80
	205

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)	2019/20	FRICS valuer Avison Young	2020/21
Council Dwellings	2016/17	Bruton Knowles	2021/22
Schools and Social Service Assets	2018/19	FRICS valuer Avison Young	2023/24
Other Land and Buildings	2019/20	FRICS valuer Avison Young	2024/25

Whilst there were no large groups of assets due for valuation during 2020/21 the Council is required to revalue assets held as surplus assets and valued at fair value each year. In addition the Council received valuations from Savills for new build HRA assets constructed as part of the Llys Lechwedd Jenner scheme which completed during 2020/21.

Due to the uncertainty surrounding the Covid pandemic Avison Young attached a material uncertainty statement to the valuation of Other Land and Building assets that was carried out in 2019/20. Having considered the updated guidance issued by RICS that material valuation uncertainty clauses are no longer required the valuer Avison Young has confirmed that the valuations carried out in 2019/20 do not require revision.

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.

Retentions

As at the 31 March 2021 £2.388M (£1.441M as at 31 March 2020) 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 2021 (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.

17. 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 2020	0	2,600	0	2,600
Total 31st March 2021	0	2,785	0	2,785

Transfers between levels of the Fair Value Hierarchy

There were no movements in the valuation hierarchy during 2020/21.

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.

18. Assets Held for Sale

	Current		Non Current	
	31 March 2020	31 March 2021	31 March 2020	31 March 2021
	£'000	£'000	£'000	£'000
Balance outstanding at start of year	168	0	0	0
Assets newly classified as held for sale	0	0	0	0
Revaluation losses	0	0	0	0
Reclassified as Operational Assets	(43)	0	0	0
Disposal	(125)	0	0	0
Balance outstanding at year end	0	0	0	0

19. Capital Expenditure and Capital Financing

	2019/20	2020/21
	£'000	£'000
Opening Capital Financing Requirement	198,347	199,078
Plus: Capital Investment		
Council Dwellings	5,063	3,886
Other Land and Buildings	4,757	5,305
Vehicle, Plant and Equipment	6,761	6,538
Infrastructure	9,925	9,134
Assets Under Construction	18,879	45,825
Disposal and Demolition Costs	84	205
Community Assets	0	8
Intangible Assets	0	93
Revenue Expenditure Funded from Capital under Statute	7,419	7,366
Less: Sources of Finance		
Capital Receipts	(1,435)	(3,207)
Government Grants and Other Contributions	(41,199)	(61,491)
Less: Sums set aside from revenue		
Direct Revenue Contributions	(4,383)	(8,755)
Minimum Revenue Provision(inc. Voluntary)	(5,140)	(5,222)
Closing Capital Financing Requirement	199,078	198,763
Explanation of movements in year		
Increase in underlying need to borrow (unsupported by Government Financial Assistance)	731	(315)
Increase /(Decrease) in Capital Financing Requirement	731	(315)

The Capital Investment figures in 2020/21 exclude a City Deal Joint Committee increase in Assets Under Construction of £210k and an increase in Equity of £170k and Capital Grants of £379k.

20. Financial Instruments

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

	Long Term		Short Term	
	31/03/20	31/03/21	31/03/20	31/03/21
	£'000	£'000	£'000	£'000
Financial Assets at Amortised Cost				
Investments	2	2	87,105	69,158

Debtors	1,166	1,615	20,670	41,355
Cash and Cash Equivalents	0	0	13,201	27,576
Total Financial Assets	1,168	1,617	120,976	138,089
Financial Liabilities at Amortised cost				
Borrowings	152,275	144,324	2,579	9,679
Creditors	9,652	9,468	32,134	38,875
Total Financial Liabilities	161,927	153,792	34,713	48,554

- The above short term debtors balance at 31st March 2021 excludes £9.704M of non contractual balances (£12.615M in 2019/20) that do not meet the definition of financial assets at amortised cost.
- The above short term creditors balance at 31st March 2021 excludes £1.098M of non contractual balances (£1.003M in 2019/20) 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	144,417	6,000	2,318	152,735
Accruals	1,142	17	0	1,159
Other Accounting Adjustments	0	109	0	109
Total Borrowing measured at Amortised Cost	145,559	6,126	2,318	154,003
Short Term Borrowing	7,057	2,017	104	9,178
Long Term Borrowing	138,502	4,109	2,214	144,792
Financial Liabilities at Amortised Cost	145,559	6,126	2,318	154,003

Income, Expense, Gains and Losses

2019/20		2020/21			
Total		Financial Liabilities measured at Amortised cost	Financial Assets: Amortised Cost	Financial Assets: Fair Value through Profit and Loss	Total
		£'000	£'000	£'000	£'000
(7,280)	Interest Expense	(7,117)	0	0	(7,117)
(7,280)	Total Expense in Deficit on the Provision of Services	(7,117)	0	0	(7,117)
884	Interest Income	570	0	0	570
884	Total Income in Deficit on the Provision of Services	570	0	0	570
(6,396)	Net gains/losses from financial instruments	(6,547)	0	0	(6,547)

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 2021 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 2020	Carrying Amount 31 March 2020	Fair Value 31 March 2020	Loan Principal 31 March 2021	Carrying Amount 31 March 2021	Fair Value 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Liabilities	153,910	154,854	197,457	152,735	154,003	197,924

The fair values as at 31 March 2020 and 2021 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 2020				
Financial Liabilities	0	197,457	0	197,457
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
Total	0	197,457	0	197,457

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 2021				
Financial Liabilities	0	197,924	0	197,924
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
Total	0	197,924	0	197,924

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.

21. Debtors

	31 March 2020	31 March 2021
	£'000	£'000
Central government bodies	17,653	31,862
Other local authorities	7,182	9,037
NHS bodies	2,691	1,411
Public corporations and trading funds	21	9
Trade debtors	769	534
Prepayments	843	1,670
Other entities and individuals	9,268	13,289
Gross Total	38,427	57,812
Less: Provision for Bad Debts	(5,142)	(6,753)
Total	33,285	51,059

The Debtors balance as at 31st March 2021 includes Agency Debtors as set out in Note 15

22. Cash and Cash Equivalents

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

31/03/2020		31/03/2021
£'000		£'000
(1,893)	Cash held by the Authority and at Bank	(207)
4,094	Joint Committee Cash	4,372
11,000	Short-term Investment	23,411
13,201	Total Cash and Cash Equivalents	27,576

23. Creditors

31/3/2020		31/3/2021
£'000		£'000
3,215	Central government bodies	4,756
7,620	Other local authorities	8,422
311	NHS bodies	200
140	Public corporations and trading funds	19
10,662	Trade creditors	10,886
2,324	Receipts in advance	3,725
3,459	Accumulated absences	3,579
5,406	Other entities and individuals	8,386
33,137	Total	39,973

The Creditors balance as at 31st March 2021 includes Agency Creditors as set out in Note 15.

24. Provisions

	Insurance £'000	MMI £'000	Other £'000	Total £'000
Balance at 1 April 2019	1,650	300	413	2,363
Additional provisions made	0	50	41	91
Amounts used / Transfer out	(436)	0	(141)	(577)
Balance at 1 April 2020	1,214	350	313	1,877
Additional provisions made	186	0	54	240
Amounts used / Transfer out	0	(21)	(43)	(64)
Balance at 1 April 2021	1,400	329	324	2,053

The closing provision balance of £2.053M is made up of £329k considered to be long term and £1.724M expected to fall due within 12 months.

1. Insurance - This provision covers all known claims as at 31 March 2021. 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 2020/21 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 £329k has been set aside to meet this potential liability. Further information is included within note 40 - Contingent Liability.

3. Other - Included within this figure is a sum of £128k for Housing Committed Bonds and £176k in respect of the Vale of Glamorgan Council's share of the City Deal accounts.

25. Other Long Term Liabilities

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

31/03/20		31/03/21
£'000		£'000
3,772	City Deal Joint Committee	3,638
1,627	Welsh Government Home Improvement Loans	1,625
1,046	Welsh Government Town Centre Improvement Loans	1,046
3,207	Long Term Receipts in Advance including commuted sums and S278 contributions	3,159
9,652	Total	9,468

26. Usable Reserves

31/03/20		31/03/21
£'000		£'000
12,814	Council Fund	11,869
70,194	Earmarked General Fund Reserves	80,376
7,948	Housing Revenue Account	12,000
16,475	Capital Receipts Reserve	13,392
3,704	Capital Grants Unapplied Account	6,008
111,135	Total Usable Reserves	123,645

An analysis of the Earmarked General Fund Reserves are shown in note 11.

27. Unusable Reserves

31/03/20		31/03/21
£'000		£'000
72,882	Revaluation Reserve	72,916
419,898	Capital Adjustment Account	469,110
(456)	Financial Instruments Adjustment Account	(109)
11	Deferred Capital Receipts Reserve	11
(259,720)	Pensions Reserve	(332,244)
(3,502)	Accumulated Absences Account	(3,652)
229,113	Total Unusable Reserves	206,032

Revaluation Reserve

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

2019/20	Revaluation Reserve	2020/21
£'000		£'000
67,522	Balance at 1 April	72,882
(3,705)	Downward revaluation of assets and Impairment losses not charged to the Provision of Services	(2,271)
10,848	Upward revaluation of assets	3,143
(663)	Difference between fair value depreciation and historical cost depreciation	(838)
(1,120)	Amount written off to the Capital Adjustment Account following disposal	0
72,882	Balance at 31 March	72,916

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.

2019/20	Capital Adjustment Account	2020/21
£'000		£'000
388,582	Balance at 1 April	419,898
	Reversal of items relating to capital expenditure debited or credited to the CIES	
(15,336)	Charges for depreciation and impairment of non current assets	(17,236)
(244)	Amortisation of intangible assets	(63)
(7,447)	Revenue expenditure funded from capital under statute	(7,366)
(1,717)	Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(279)
3,887	Other (Adjusting amounts written out of the Revaluation Reserve etc.)	(4,899)
	Capital financing applied in year:	

1,435	Use of the Capital Receipts Reserve to finance new capital expenditure	3,207
2,760	Use of the Major Repairs Reserve to finance new capital expenditure	2,764
35,947	Capital grants and contributions credited to the CIES that have been applied to capital financing	61,410
2,492	Application of grants to capital financing from the Government Grants Unapplied Account	(2,304)
5,140	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	5,222
4,399	Capital Expenditure charged against the Council Fund and HRA balances	8,756
419,898	Balance at 31 March	469,110

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.

2019/20	Financial Instruments Account	2020/21
£'000		£'000
(394)	Balance at 1 April	(456)
(62)	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	347
(456)	Balance at 31 March	(109)

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.

Restated 2019/20	The Pensions Reserve	2020/21
£'000		£'000
(220,472)	Balance at 1 April	(259,720)
(29,534)	Remeasurements of the net defined benefit liability	(58,273)
5,291	Adjustment against the net defined benefit liability for the McCloud Ruling	0

(30,573)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(29,374)
15,678	Employer's pension contributions and direct payments to pensioners payable in the year	15,123
	Transfers in/out comprising.	
(2,180)	Adjust for Foundation School Pension Fund	0
2,070	Transfer for BFCC Historic Pension Liabilities (Note 39)	0
(259,720)	Balance at 31 March	(332,244)

The Pensions Reserve in 2019/20 has been restated to reflect a review of actuarial data for the Vale of Glamorgan Council main LGPS and the notional splits relating to the Shared Regulatory Service Joint Committee and the Vale, Valleys and Cardiff Regional Adoption Service that was undertaken during 2020/21.

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 2021 is included in note 39 to the accounts.

2019/20	The Pensions Reserve	2020/21
£'000		£'000
(252,630)	Vale of Glamorgan Council	(321,521)
(2,870)	Foundation School	(4,310)
(3,625)	Joint Committee Shared Regulatory Services	(5,700)
(374)	Joint Committee Vale, Valleys and Cardiff Regional Adoption Service	(606)
(221)	Joint Committee Central South Consortium	(107)
(259,720)	Balance at 31 March	(332,244)

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.

2019/20	Deferred Capital Receipts Reserve	2020/21
£'000		£'000
11	Balance at 1 April	11
(0)	Transfer to the Capital Receipts Reserve upon receipt of cash	(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.

2019/20	Accumulated Absences Account	2020/21
£'000		£'000
(2,850)	Balance at 1 April	(3,502)
(3,502)	Amounts accrued at the end of the current year	(3,652)
2,850	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.	3502
(3,502)	Balance at 31 March	(3,652)

28. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2019/20		2020/21
£'000		£'000
846	Interest Received	527
(7,266)	Interest Paid	(7,170)

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

2019/20		2020/21
£'000		£'000
13,176	Depreciation and Impairment and Downward Valuations	22,972
244	Amortisation	63
62	Soft Loans (non-subsidiary)	0
(3,251)	Increase / (Decrease) in creditors	10,942
2,562	(Increase) / Decrease in debtors	(13,516)
(37)	(Increase) / Decrease in inventories	(445)
7,534	Movement in pension liability	14,251
(486)	Other non-cash items charged to the net surplus or deficit on the provision of services	(171)
1,717	Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	279
21,521	Adjustments to net surplus or deficit on the provision of services for non-cash movements.	34,375

29. Members Allowances

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

	2019/20	2020/21
	£'000	£'000
Salaries	651	672
Allowances	220	218
Expenses	1	0
Total	872	890

30. 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.

	2019/20	2020/21
	£'000	£'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	164	167
Fees payable to Audit Wales in respect of statutory inspections	97	97
Fees payable to Audit Wales for the certification of grant claims and returns	62	40
Fees payable in respect of other services provided by Audit Wales.	0	0
Total	323	304

31. Employees Emoluments

Remuneration Ratio

The remuneration ratio is arrived at by taking the median amount of remuneration for 2020/21 for all Vale of Glamorgan employees (excluding those employed by a Voluntary Aided or Foundation School) as at 31st March 2021. This Median remuneration is then compared to the annualised remuneration for the Head of Paid Service in the Council which is the Managing Director. In 2020/21 the remuneration ratio is 1:6 and in 2019/20 the remuneration ratio was 1:6.

Officers remunerated in excess of £60,000

The Returning Officer's remuneration is not included in the table below (£12,519 in 2019/20 and £1,376 in 2020/21 including pension contributions) and has been paid in accordance with the WG Guidance on remuneration.

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	2019/20 Total Number of Employees	2020/21 Number of Teaching Employees	2020/21 Number of Non Teaching Employees	2020/21 Total Number of Employees
£60,000-£64,999	24	21	8	29
£65,000-£69,999	12	23	1	24
£70,000-£74,999	8	7	1	8
£75,000-£79,999	10	5	2	7
£80,000-£84,999	4	2	6	8
£85,000-£89,999	5	4	1	5
£90,000-£94,999	0	2	3	5
£95,000-£99,999	4	1	0	1
£100,000-£104,999	2	0	1	1
£105,000-£109,999	0	1	2	3
£110,000-£114,999	0	0	0	0
£115,000-£119,999	1	1	0	1
£120,000-£124,999	0	1	0	1
£125,000-£129,999	0	0	0	0
£130,000-£134,999	2	1	1	2
Total	72	69	26	95

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

2019/20 Senior Officers Emoluments

Post Holder Information	Salary	Expense Allowances	Pension Contribution	Total Remuneration
	£	£	£	£
Managing Director	134,930	0	31,169	166,099
Director of Social Services	97,701	0	22,569	120,270
Director of Environment and Housing Services	102,842	0	23,757	126,599
Director of Learning and Skills	100,273	0	23,163	123,436
Head of Finance	88,231	0	20,381	108,612
Head of Legal Services (Monitoring Officer)	88,231	0	20,381	108,612
Head of Human Resources (from 1/10/19)	37,041	0	8,556	45,597
Head of Regeneration and Planning	77,978	0	18,013	95,991
Head of Policy (to 2/06/2019)	13,430	0	3,102	16,532
Head of Policy and Business Transformation (from 21/06/2019)	53,326	0	12,318	65,644

2020/21 Senior Officers Emoluments

Post Holder Information	Salary	Expense Allowances	Pension Contribution	Total Remuneration
	£	£	£	£
Managing Director	138,641	0	29,392	168,033
Director of Social Services	103,031	0	21,843	124,874
Director of Environment and Housing Services	105,671	0	22,402	128,073
Director of Learning and Skills	105,671	0	22,402	128,073
Head of Finance	90,658	0	19,220	109,878
Head of Legal Services (Monitoring Officer)	90,658	0	19,220	109,878
Head of Human Resources	78,119	0	16,370	94,489
Head of Regeneration and Planning	80,123	0	16,986	97,109
Head of Policy and Business Transformation	74,113	0	15,712	89,825
Head of Digital/Strategy, Community Learning and Resources (from 01/05/2020)	80,610	0	17,089	97,699

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

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.

2019/20				2020/21		
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
		£	£			£
20	20	171,357	0-20,000	7	7	47,808
6	6	180,181	20,001-40,000	5	5	139,799
0	0	0	40,001-60,000	0	0	0
0	0	0	60,001-80,000	1	1	61,538
0	0	0	80,001-110,000	0	0	0
0	0	0	110,000-150,000	0	0	0
		351,538	Total			249,145

32. Grant Income

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

	2019/20	2020/21
Credited to Services	£'000	£'000
Arts Council	27	5
Cabinet Office	570	39
Department for Works and Pensions	33,875	31,030
Education Workforce Council	120	44
European Rural Development Programme	306	233
HMRC	0	12
Keep Wales Tidy	30	0
Lottery	87	51
Ministry of Defence	0	18
Natural Resources Wales	41	2
Police & Crime Commissioner	57	57
Public Health Wales	129	129
Rural Payments Agency	157	60
Sports Wales/Disability Sports Wales	252	231

Welsh Government	25,823	63,529
Welsh Local Government Association	450	147
Youth Justice Board	143	147
Other	41	65
Total	62,108	95,799

Capital Grants Received in Advance

	2019/20	2020/21
	£'000	£'000
Section 106 agreements – unapplied	26,729	22,792
WG Capital Grants	698	319
Total Capital Grants Received in Advance	27,427	23,111
The amount has been apportioned as follows:		
To be applied within one year	13,276	15,600
To be applied after one year	14,151	7,511
Total	27,427	23,111

33. 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 2021	Home Improvement Loans	Town Centre Improvement Loan
Funding Source for Loan Scheme	£'000	£'000
Grant	753	0
Loan	872	1,046
Total Funding (included in Long Term Liabilities)	1,625	1,046
Repayments Due to Council		
Within 12 months	68	0
Over 12 months	476	1,000
Total Value of Outstanding Repayments (included in Debtors)	544	1,000

The Council has also been party to a number of grants under agency arrangements to support the response to the Covid Pandemic and these are set out in Note 15.

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 2021 was £410k.

34. 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.

The Joint Committee accounts for 2019/20 have been restated as part of the pensions data review that was carried out during 20/21 as the impact of the data change was material. The restatement is based on updated actuarial report for 2019/20.

Restated Shared Regulatory Service 2019/20	Restated Vale of Glamorgan Council Share 2019/20	Income and Expenditure Statement	Shared Regulatory Service 2020/21	Vale of Glamorgan Council Share 2020/21
£'000	£'000		£'000	£'000
10,068	2,009	Operating Expenditure	11,545	2,356
(1,100)	(220)	Operating Income	(1,885)	(540)
8,968	1,789	Net Cost of Services	9,660	1,816
(7,821)	(1,560)	Finance and Investment Income and Expenditure	(8,616)	(1,607)
1,147	229	(Surplus) / Deficit on Provision of Services	1,044	209
5,650	1,119	Other Comprehensive Income and Expenditure	9,370	1,875
6,797	1,348	Total Comprehensive Income & Expenditure	10,414	2,084

Restated Shared Regulatory Service 2019/20	Restated Vale of Glamorgan Council Share 2019/20	Balance Sheet	Shared Regulatory Service 2020/21	Vale of Glamorgan Council Share 2020/21
£'000	£'000		£'000	£'000
223	45	Property, Plant and Equipment	155	31
29	6	Intangible Assets	6	1
18	0	Long Term Debtors	0	0
270	51	Total Long Term Assets	161	32
295	59	Short Term Debtors	594	108
18	0	Short Term Payment in Advance	18	0
645	169	Cash Owed from Host Authority	807	184
958	228	Current Assets	1,419	292
(451)	(87)	Short Term Creditors	(695)	(138)
(451)	(87)	Total Current Liabilities	(695)	(138)
(18,300)	(3,625)	Long Term Pension Liability	(28,810)	(5,701)
(203)	(41)	Revenue Grants Received in Advance	(215)	(43)
(18,503)	(3,666)	Total Long Term Liabilities	(29,025)	(5,744)
(17,726)	(3,474)	Net Assets	(28,140)	(5,558)
492	134	Usable Reserves	279	167
(18,218)	(3,608)	Unusable Reserves	(28,928)	(5,725)
(17,726)	(3,474)	Total Reserves	(28,140)	(5,558)

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.

The Joint Committee accounts for 2019/20 have been restated as part of the pensions data review that was carried out during 20/21 as the impact of the data change was material. The restatement is based on updated actuarial report for 2019/20.

Restated VVC Service 2019/20	Restated Vale of Glamorgan Council Share 2019/20	Income and Expenditure Statement	VVC Service 2020/21	Vale of Glamorgan Council Share 2020/21
£'000	£'000		£'000	£'000
2,298	336	Operating Expenditure	2,566	395
(2,200)	(327)	Operating Income	(2,380)	(367)
98	9	Net Cost of Services	186	28
20	3	Finance and Investment Income and Expenditure	50	7
118	12	(Surplus) / Deficit on Provision of Services	236	35
1,230	183	Other Comprehensive Income and Expenditure	1,350	203
1,348	195	Total Comprehensive Income & Expenditure	1,586	238

Restated VVC Adoption Service 2019/20	Restated Vale of Glamorgan Council Share 2019/20	Balance Sheet	VVC Adoption Service 2020/21	Vale of Glamorgan Council Share 2020/21
£'000	£'000		£'000	£'000
311	23	Short Term Debtors	413	73
311	23	Current Assets	413	73
(241)	(12)	Short Term Creditors	(378)	(68)
(241)	(12)	Total Current Liabilities	(378)	(68)
(2,490)	(374)	Long Term Pension Liability	(4,040)	(606)
(2,420)	(363)	Net Assets	(4,005)	(601)
98	15	Usable Reserves	77	11
(2,518)	(378)	Unusable Reserves	(4,082)	(612)
(2,420)	(363)	Total Reserves	(4,005)	(601)

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 2019/20	Vale of Glamorgan Council Share 2019/20	Income and Expenditure Statement	Glamorgan Archives 2020/21	Vale of Glamorgan Council Share 2020/21
	12%			12%
£'000	£'000		£'000	£'000
972	117	Operating Expenditure	1,040	125
(904)	(109)	Operating Income	(909)	(109)
68	8	Net Cost of Services	131	16
0	0	Finance and Investment Income and Expenditure	0	0
68	8	(Surplus) / Deficit on Provision of Services	131	16
0	0	Other Comprehensive Income and Expenditure	0	0
68	8	Total Comprehensive Income & Expenditure	131	16
Glamorgan Archives 2019/20	Vale of Glamorgan Council Share 2019/20	Balance Sheet	Glamorgan Archives 2020/21	Vale of Glamorgan Council Share 2020/21
	12%			12%
£'000	£'000		£'000	£'000
6,187	742	Land and Buildings	6,125	735
0	0	Vehicle, Plant, Furniture and Equipment	0	0
6,187	742	Long Term Assets	6,125	735
17	2	Inventories	17	2
44	5	Short Term Debtors	87	10
130	16	Cash and Cash Equivalents	67	8
191	23	Current Assets	171	20
(21)	(2)	Short Term Creditors	(70)	(8)
(21)	(2)	Total Current Liabilities	(70)	(8)
0	0	Long Term Borrowing	0	0
6,357	763	Net Assets	6,226	747
174	21	Usable Reserves	118	14
6,183	742	Unusable Reserves	6,108	733
6,357	763	Total Reserves	6,226	747

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 2019/20	Vale of Glamorgan Council Share 2019/20	Income and Expenditure Statement	Prosiect Gwyrdd 2020/21	Vale of Glamorgan Council Share 2020/21
	20%			20%
£'000	£'000		£'000	£'000
174	35	Operating Expenditure	184	37
(167)	(33)	Operating Income	(172)	(34)
7	2	Net Cost of Services	12	3
7	2	Transfer to Joint Committee Reserve	12	3
0	0	Total	0	0

Prosiect Gwyrdd 2019/20	Vale of Glamorgan Council Share 2019/20	Balance Sheet	Prosiect Gwyrdd 2020/21	Vale of Glamorgan Council Share 2020/21
	20%			20%
£'000	£'000		£'000	£'000
108	21	Short Term Debtors	216	43
218	44	Cash and Cash Equivalents	97	20
326	65	Current Assets	313	63
(4)	(1)	Short Term Creditors	(5)	(1)
(4)	(1)	Total Current Liabilities	(5)	(1)
322	64	Net Assets	308	62
324	64	Usable Reserves	(3)	0
(2)	0	Unusable Reserves	311	62
322	64	Total Reserves	308	62

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 2019/20	Vale of Glamorgan Council Share 2019/20	Income and Expenditure Statement	Central South Consortium 2020/21	Vale of Glamorgan Council Share 2020/21
	14.57%			14.78%
£'000	£'000		£'000	£'000
78,456	11,431	Operating Expenditure	82,790	12,236
(78,018)	(11,367)	Operating Income	(81,800)	(12,090)
438	64	Net Cost of Services	990	146
(33)	(5)	Finance and Investment Income and Expenditure	32	5
405	59	(Surplus) / Deficit on Provision of Services	1,022	151
985	144	Other Comprehensive Income and Expenditure	(1,682)	(249)
1,390	203	Total Comprehensive Income & Expenditure	(660)	(98)

Central South Consortium 2019/20	Vale of Glamorgan Council Share 2019/20	Balance Sheet	Central South Consortium 2020/21	Vale of Glamorgan Council Share 2020/21
	14.57%			14.78%
£'000	£'000		£'000	£'000
0	0	Long Term Debtors	0	0
0	0	Long Term Asset - Defined Benefit Pension Asset	0	0
0	0	Long Term Assets	0	0
0	0	Inventories	0	0
1,583	231	Short Term Debtors	2,051	303
1,583	231	Current Assets	2,051	303
(739)	(108)	Short Term Creditors	(1,339)	(198)
(739)	(108)	Total Current Liabilities	(1,339)	(198)
844	123	Net Current Assets	712	105
(1,518)	(221)	Long Term Liability - Defined Benefit Pension Liability	(726)	(107)
(674)	(98)	Net Assets/Liabilities	(14)	(2)
869	127	Usable Reserves	746	110
(1,543)	(225)	Unusable Reserves	(760)	(112)
(674)	(98)	Total Reserves	(14)	(2)

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 a capital contribution of £170k to the Joint Committee during 2020/21.

City Deal 2019/20	Vale of Glamorgan Council Share 2019/20	Income and Expenditure Statement	City Deal 2020/21	Vale of Glamorgan Council Share 2020/21
	8.48%			8.48%
£'000	£'000		£'000	£'000
2,440	207	Operating Expenditure	4,694	398
(5,017)	(425)	Operating Income	(7,286)	(618)
(2,577)	(218)	Net Cost of Services	(2,592)	(220)
(283)	(24)	Finance and Investment Income and Expenditure	7,436	630
543	46	Taxation and Non Specific Grant Income	(5,395)	(457)
(2,317)	(196)	(Surplus) / Deficit on Provision of Services	(551)	(47)
0	0	Other Comprehensive Income and Expenditure	0	0
(2,317)	(196)	Total Comprehensive Income & Expenditure	(551)	(47)

City Deal 2019/20	Vale of Glamorgan Council Share 2019/20	Balance Sheet	City Deal 2020/21	Vale of Glamorgan Council Share 2020/21
	8.48%			8.48%
£'000	£'000		£'000	£'000
35,309	2,993	Land and Buildings	0	0
0	0	Assets Under Construction	2,474	209
0	0	Equity	2,000	170
0	0	Investment Properties	29,000	2,458
1,134	96	Long Term Debtors	2,233	189
36,443	3,089	Long Term Assets	35,707	3,026
0	0	Financial Assets	3,000	254
7,406	628	Short Term Debtors	15,349	1,301
0	0	Deferred Tax Asset	1,435	122
47,600	4,034	Cash and Cash Equivalents	48,357	4,099
55,006	4,662	Current Assets	68,141	5,776
(2,600)	(220)	Short Term Creditors	(14,923)	(1,265)
(2,600)	(220)	Current Liabilities	(14,923)	(1,265)
(44,504)	(3,772)	Long Term Creditors	(42,927)	(3,638)
(1,447)	(123)	Provisions for Liabilities	(2,077)	(176)
(45,951)	(3,895)	Long Term Liabilities	(45,004)	(3,814)
42,898	3,636	Net Assets/Liabilities	43,921	3,723
6,380	541	Usable Reserves	212	18
36,518	3,095	Unusable Reserves	43,709	3,705
42,898	3,636	Total Reserves	43,921	3,723

35. 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 2020/21 are £15.9M.

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. £291k was paid into the pool in respect of 2020/21.

Integrated Care Fund (ICF)

ICF 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 £2.7M and capital schemes to the value of £1.7M during 2020/21 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 2020/21.

Coroner

There is a joint Coroner Service for Rhondda Cynon Taf, Cardiff and the Vale of Glamorgan Councils. The service is hosted by Rhondda Cynon Taf. During 2020/21 the Council made contributions of £261k to the service.

Shared Internal Audit Service

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 2020/21 was £837k with a contribution of £253k from the Vale of Glamorgan, £216k from Rhondda Cynon Taf and £169k Merthyr Tydfil and £199k from Bridgend. As at 31st March 2021 a reserve to the value of £399k 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 £135k at 31st March 2021.

36. 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.

Welsh Government effect influence on the Authority via legislation and grant funding. As at 31st March 2021 there was a debtor balance of £11.5M.

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 Integrated Care Fund and other grant income for capital and revenue expenditure from the Health Board. During 2020/21 there were transactions with the Health Board totalling £8.7M and as at 31st March 2021 there was a debtor balance of £1.5M.

As part of the Covid response PPE has been distributed to the Council by the JES. The PPE has been utilised in part by the Council (predominantly is the Social

Services directorate) but has also been passed on to third parties such as private Residential homes and domiciliary care providers. Where donated PPE has been utilised by the Council directly it has been shown as part of the Net Cost of Services as expenditure and have been funded by a notional grant, the value of this PPE is estimated to be £8.469M the balance of this donated PPE is estimated to be £820K and is included in the inventory balance and offset by an £820k entry on the balance sheet. The majority of the donated PPE has been passed on to third parties in care settings and this has been accounted for using agency accounting, the value of the PPE at year end for this element is £4,864k at 31st March 2021 and has been offset by an £4,864k entry in the donated stock account.

The Track and Trace Programme (TTP) was set up by Welsh Government in response to the COVID-19 pandemic. The Council has been able to provide staff through working additional hours to support this service. Funding of £134k was claimed from Cardiff Council to finance these costs during 2020/21.

In 2020/21 a loan of £400k (in addition to £600k paid in 2019/20) was made to Newydd Housing Association as part of the Town Centre Loan Scheme, there was also an additional £5k of other expenditure with Newydd during the year. Councillor O. Griffiths is a board member of Newydd Housing Association.

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 £153k and expenditure of £2,225k in its 2020/21 single entity accounts. A number of Council Officers and Members were named as directors of BFCC during the 2020/21 financial year, Cllr John Thomas, Head of Digital, Strategy, Community Learning and Resources, the Headteacher at Dinas Powys Primary School and the Head of School Pencoedtre High. None of these Directors are remunerated in excess of the sum included in the Single Entity accounts for their role in BFCC.

At the 31 March 2021 there were 30 Vale of Glamorgan Councillors who also were members of Town and Community Councils.

37. Operating Leases (Lessor)

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

	2019/20 Land and Buildings	2019/20 Other Leases	2020/21 Land and Buildings	2020/21 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	408	0	409	135
Between 1 and 5 years	1,033	0	1,127	0
After 5 years	7,923	0	8,725	0
Total	9,364	0	10,261	135

38. Operating Leases (Lessee)

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

	2019/20 Land and Buildings (Restated)	2019/20 Other Leases	2020/21 Land and Buildings	2020/21 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	174	0	277	0
Between 1 and 5 years	402	0	768	0
After 5 years	1,076	0	1,431	0
Total	1,652	0	2,476	0

39. 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 2019 and the contributions to be paid until 31 March 2023 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 2019. 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 2019/20 position and the opening 2020/21 position for some of the notes included in this analysis.

Restated Pension Liability	31 March 2020	31 March 2021
	£'000	£'000
Vale of Glamorgan Council Pension (Liability)	(252,630)	(321,521)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(374)	(606)
Shared Regulatory Service Joint Committee Pension (Liability)	(3,625)	(5,700)
Central South Consortium Joint Committee Pension Asset/(Liability)*	(221)	(107)
Foundation School Pension (Liability)	(2,870)	(4,310)
Total Pension Liability	(259,720)	(332,244)

*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

Roll Forward Approach

The Actuarial report has been calculated using the Roll Forward approach. The roll forward approach is a method of approximately calculating pension scheme assets and liabilities by adjusting the results of the last full actuarial valuation exercise.

McCloud Judgement

Following the update to the 2019 valuation of the Pension Fund, the actuary has revised the allowance for the McCloud judgement from 0.62% of pay to 1.31% of pay.

Assets Returns

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

Financial Assumptions

There has been a change to the financial assumptions over the period. The discount rate has reduced by 0.20%, the CPI inflation assumption has increased by 0.80%, and the salary increase assumption has increased by 0.80%. This has resulted in a less positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.

Demographic Assumptions

The key demographic assumptions are the rates of post retirement mortality, 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 dependent's pension, and the assumed levels of future promotional salary increases.

The actuarial report recommends that all of the demographic assumptions (including the assumptions for post-retirement mortality) are the same as those adopted for the 2019 valuation. The demographic assumptions are agreed by the Administering Authority based on an assessment of the Fund's membership, experience and with reference to standard mortality tables.

Impact of Covid-19 on Mortality

It is too early to gauge what impact the higher rates of mortality will have on the future cash flows, therefore, no change is recommended to the mortality assumption for accounting purposes at this time.

Re-stated Results Following the Update to the 2019 Valuation

Over the accounting period ending 31st March 2021 a full data review has been carried out by the Actuary in consultation with the Cardiff and Vale Pension Fund to reconcile the active employees, deferred pensioners and pensioners that have been attributed to the Vale of Glamorgan Council, the Shared Regulatory Service and the Vale Valleys and Cardiff Adoption Service. Technically all employees of these Joint Committees are employed by the Vale of Glamorgan Council and the Fund does not recognise the Joint Committees as a separate employer within their administration system. The fund actuary also only monitors the funding position of the Vale of Glamorgan as a single

entity, and does not record a notional split of the assets between the Vale of Glamorgan and the Joint Committees.

For this purpose, the Actuary were instructed by the Vale of Glamorgan Council to attribute assets between the Joint Committees and the main Vale Pension Fund via “a share of Fund basis”. This is done by firstly calculating the funding ratio of the total Vale of Glamorgan as an employer in the 2019 valuation (calculating as total assets divided by liabilities measured on the ongoing 2019 valuation basis): then calculate the split of liabilities between the Vale of Glamorgan Council and each joint committee, then allocating assets equal to the funding ratio multiplied by the liabilities.

To calculate the split of the 2019 valuation on liabilities, there was a requirement to identify all of Fund’s members recorded against the Joint Committees. The 2019 valuation result for the Vale of Glamorgan were then re-produced to split out the results. The 2019 valuation was then rolled forward to calculate the 2020 figures, with the 2020 figures re-stated as part of this exercise.

The impact of updating these results on the main Vale accounts has been attributed to Other Comprehensive Income over 2019/20, through the actuarial gain/loss on asset and experience gain/loss on liabilities. The impact of this update has been to allocate a higher liability and assets to the two shared services, and has reduced the liability and assets to Vale of Glamorgan Council accordingly.

Estimated Employer Payments 2021/22

The estimated Employer payments for the year ended 31st March 2022 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 2021/22	Year ended 31 st March 2022 (£M)
Vale of Glamorgan	13.8
Foundation School	0.28
Vale of Glamorgan share of Shared Regulatory Service	0.269
Vale of Glamorgan share of Vale, Valleys and Cardiff Regional Adoption Service	0.042
Vale of Glamorgan share of Central South Consortium	0.029
Total	14.42

The expected employer payments direct to beneficiaries in 2021/22 for unfunded pensions is £1.22M.

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		
	31/03/19	31/03/20	31/03/21	31/03/19	31/03/20	31/03/21
	%	%	%	%	%	%
Discount Rate	2.4	2.3	2.1	2.4	2.3	2.1
CPI Rate	2.2	2.0	2.7	2.2	2.0	2.7
Rate of increase to pensions (1)	2.2	2.0	2.7	2.2	2.0	2.7
Pension accounts revaluation rate (2)	2.2	2.0	2.7			
Rate of general increase in salaries (3)	3.2	3.0	3.7			

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 re-valuation rate of pension accounts is set equal to the assumption for pension increases.
- The assumed rate of general salary increases has been set as 1.00% pa above the CPI inflation assumption, which is consistent with the assumption used at the 2019 valuation. A promotional salary scale is assumed to apply in addition to this.
- 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)		
	31/03/19	31/03/20	31/03/21
	%	%	%
Discount Rate	2.5%	2.3%	2.1%
CPI Rate	2.1%	1.8%	2.6%
Rate of increase to pensions (1)	2.1%	1.8%	2.6%
Pension accounts revaluation rate (2)	2.1%	1.8%	2.6%
Rate of general increase in salaries (3)	3.1%	2.8%	3.6%

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

	Central South Consortium (Funded)		
	31/03/19	31/03/20	31/03/21
	%	%	%
Discount Rate			
CPI Rate	2.2%	2%	2.1%
Rate of increase to pensions (1)	2.2%	2%	2.7%
Pension accounts revaluation rate (2)	2.4%	2.3%	2.7%
Rate of general increase in salaries (3)	3.45%	3.25%	3.95%

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)

	Funded (excl CSC)		CSC Funded		Unfunded	
Post Retirement Mortality	31/03/20	31/03/21	31/03/20	31/03/21	31/03/20	31/03/21
Males						
Future lifetime from age 65 (aged 65 at accounting date)	22.2	22.3	21.7	21.8	22.2	22.3
Future lifetime from age 65 (aged 45 at accounting date)	23.2	23.3	22.7	22.8		
Females						
Future lifetime from age 65 (aged 65 at accounting date)	24.6	24.7	24.0	24.1	24.6	24.7
Future lifetime from age 65 (aged 45 at accounting date)	26.0	26.1	25.9	25.6		

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

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

	Funded (excl CSC)		Funded CSC	
	Asset split at 31 March 2020 (%)	Asset split at 31 March 2021 (%)	Asset split at 31 March 2020 (%)	Asset split at 31 March 2021 (%)
Equities	66.3	65.6	68	70.7
Property	6.9	6.6	8	6.4
Government Bonds	9.5	10.7	11	9.1
Corporate Bonds	15.8	15.7	12	13.0
Cash	1.4	1.4	1	0.8
Other	0.1	0	0	0
Total	100.0	100.0	100.0	100.0

Of the assets shown above for Funded (excl CSC) 3.5% (£16.73M) are classified as unquoted equities at 31st March 2021.

Reconciliation of Funded/Unfunded Status to Balance Sheet

As at 31/03/20	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	389.24	4.83	3.604	4.763	0.495	0	402.932
Present Value of Defined Benefit Obligation	(627.50)	(7.70)	(3.825)	(8.388)	(0.869)	(14.37)	(662.652)
Funded/Unfunded status	(238.26)	(2.87)	(0.221)	(3.625)	(0.374)	(14.37)	(259.72)
Impact of minimum funding requirement / asset ceiling	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset / (Liability) recognised on the Balance Sheet	(238.26)	(2.87)	(0.221)	(3.625)	(0.374)	(14.37)	(259.72)

As at 31/03/21	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	465.330	6.030	4.787	6.000	0.645	0	482.792
Present Value of Defined Benefit Obligation	(772.631)	(10.34)	(4.894)	(11.700)	(1.251)	(14.22)	(815.036)
Funded/Unfunded status	(307.301)	(4.31)	(0.107)	(5.700)	(0.606)	(14.22)	(332.244)
Impact of minimum funding requirement / asset ceiling	0	0	0	0	0	0	0
Asset / (Liability) recognised on the Balance Sheet	(307.301)	(4.31)	(0.107)	(5.700)	(0.606)	(14.22)	(332.244)

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	41%	65%	n/a	78%	61%
Deferred Pensioners	18%	10%	n/a	11%	15%
Pensioners	41%	25%	n/a	11%	24%

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
2020/21	20.2	22.6	n/a	27.3	27.8

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

Restated For Year Ending 31/03/20	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*	22.10	0.45	0.151	0.370	0.059	0	23.130
Past Service Cost (including curtailments)	2.27	0.06	0.014	0.091	0.008	0	2.443
(Gain)/Loss on Settlements	(2.07)	0	0	0	0	0	(2.07)
Financing and Investment Income							
Net Interest Expense	4.54	0.05	(0.002)	0.052	0.003	0.36	5.003
Total post-employment benefits charged to the surplus or deficit on the provision of services	26.84	0.56	0.163	0.513	0.070	0.36	28.506
Remeasurements in Other Comprehensive Income and Expenditure							
Return on plan assets (in excess of) /below that recognised in net interest	52.09	0.48	0.122	(0.515)	(0.107)	0	52.070
Actuarial (gains)/ losses due to change in financial assumptions	(11.88)	(0.01)	(0.082)	(0.180)	(0.017)	(0.11)	(12.279)
Actuarial (gains)/ losses due to changes in demographic assumptions	(10.02)	(0.11)	(0.051)	(0.052)	(0.005)	(0.20)	(10.438)
Actuarial (gains) / losses due to liability experience	(2.13)	0.01	0.155	1.866	0.312	(0.07)	0.143
Total post-employment benefits charged to the comprehensive income and expenditure statement	28.06	0.37	0.144	1.119	0.183	(0.38)	29.496
Total Amount Recognised	54.90	0.93	0.307	1.632	0.253	(0.02)	58.002
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(26.84)	(0.56)	(0.163)	(0.513)	(0.070)	(0.36)	(28.506)
Actual amount charged against General Fund and HRA balances for Pensions in year							
Employers' contributions payable to scheme	13.87	0.24	0.043	0.246	0.039	0	14.438
Retirement benefits payable to pensioners	0	0	0	0	0	1.24	1.24
Administration Expenses Allowance							

*The current service cost included an allowance for the administration expenses	0.30	0.01	n/a	0.03	0.01	0	0.35
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For Year Ending 31/03/21	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£M's
Comprehensive Income and Expenditure							
Cost of Services							
Service Cost Comprising							
Current Service Cost*	22.4	0.46	0.155	0.404	0.063	0	23.482
Past Service Cost (including curtailments)	0.07	0	0	0	0	0	0.07
(Gain)/Loss on Settlements	0.00	0	0	0	0	0	0.00
Financing and Investment Income							
Net Interest Expense	5.33	0.07	0.005	0.081	0.008	0.32	5.814
Total post-employment benefits charged to the surplus or deficit on the provision of services	27.8	0.53	0.160	0.485	0.071	0.32	29.366
Remeasurements in Other Comprehensive Income and Expenditure							
Return on plan assets (in excess of) /below that recognised in net interest	(66.55)	(0.83)	(1.050)	(0.837)	(0.090)	0	(69.357)
Actuarial (gains)/ losses due to change in financial assumptions	128.15	2.08	0	2.742	0.300	0.94	134.212
Actuarial (gains)/ losses due to changes in demographic assumptions	0.00	0.00	0.848	0.00	0.00	0	0.848
Actuarial (gains) / losses due to liability experience	(7.05)	(0.07)	(0.047)	(0.051)	(0.008)	(0.2)	(7.426)
Total post-employment benefits charged to the comprehensive income and expenditure statement	54.55	1.18	(0.249)	1.854	0.202	0.74	58.277
Total Amount Recognised	82.35	1.71	(0.089)	2.339	0.273	1.06	87.643
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(27.8)	(0.53)	(0.16)	(0.485)	(0.071)	(0.32)	(29.366)
Actual amount charged against General Fund and HRA balances for Pensions in year							
Employers' contributions payable to scheme	13.31	0.27	0.028	0.259	0.041	0	13.908

Retirement benefits payable to pensioners	0	0	0	0	0	1.21	1.210
Administration Expenses Allowance							
*The current service cost included an allowance for the administration expenses	0.31	0.01	n/a	0.03	0.01	0	0.36

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

Restated Year Ended 31/03/20	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£M's
Opening Defined Benefit Obligation	630.64	7.12	3.723	6.107	0.492	15.63	663.712
Current Service Cost	22.10	0.45	0.151	0.370	0.059	0	23.130
Interest Expense on defined benefit obligation	14.92	0.18	0.087	0.153	0.012	0.36	15.712
Contributions by Participants	3.74	0.08	0.035	0.069	0.011	0	3.935
Actuarial (gains)/ losses on liabilities financial assumptions	(11.88)	(0.01)	(0.082)	(0.180)	(0.017)	(0.11)	(12.279)
Actuarial (gains)/ losses on liabilities demographic assumptions	(10.02)	(0.11)	(0.051)	(0.052)	(0.005)	(0.2)	(10.438)
Actuarial (gains)/ losses on liabilities experience	(2.13)	0.01	0.155	1.866	0.312	(0.07)	0.143
Net Benefits Paid Out	(16.26)	(0.08)	(0.207)	(0.038)	(0.003)	(1.24)	(17.828)
Past Service Cost (including curtailments)	2.27	0.06	0.014	0.091	0.008	0	2.443
Net increase in liabilities from disposals/ acquisitions	0	0	0.000	0.000	0.000	0	0
Settlements	(5.88)	0	0.000	0.000	0.000	0	(5.88)
Closing Defined Benefit Obligation	627.50	7.7	3.825	8.386	0.869	14.37	662.650

Year Ended 31/03/21	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£M's
Opening Defined Benefit Obligation	627.5	7.7	3.880	8.375	0.869	14.37	662.694
Current Service Cost	22.4	0.46	0.155	0.404	0.063	0.00	23.482
Interest Expense on defined benefit obligation	14.29	0.18	0.089	0.194	0.020	0.32	15.093
Contributions by Participants	3.91	0.08	0.038	0.081	0.012	0.00	4.121
Actuarial (gains)/ losses on liabilities financial assumptions	128.15	2.08	0.00	2.742	0.300	0.94	134.212
Actuarial (gains)/ losses on liabilities demographic assumptions	0.00	0.00	0.848	0.00	0.00	0.00	0.848
Actuarial (gains)/ losses on liabilities experience	(7.050)	(0.07)	(0.047)	(0.051)	(0.008)	(0.20)	(7.426)
Net Benefits Paid Out	(16.64)	(0.09)	(0.069)	(0.044)	(0.005)	(1.21)	(18.058)
Past Service Cost (including curtailments)	0.070	0.00	0.00	0.00	0.00	0.00	0.070
Net increase in liabilities from disposals/ acquisitions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Settlements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Defined Benefit Obligation	772.63	10.34	4.894	11.701	1.251	14.22	815.036

Changes to the Fair Value of Assets during the Accounting Period

Restated Year ended 31/03/20	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	433.41	4.94	3.767	3.869	0.333	0	446.319
Interest Income on Assets	10.38	0.13	0.089	0.101	0.009	0	10.709
Remeasurement gains/ (losses) on Assets	(52.09)	(0.48)	(0.122)	0.515	0.107	0	(52.070)
Contributions by the Employer	13.87	0.24	0.043	0.246	0.039	1.24	15.678
Contributions by Participants	3.74	0.08	0.035	0.069	0.011	0	3.935
Net Benefits Paid Out	(16.26)	(0.08)	(0.207)	(0.038)	(0.003)	(1.24)	(17.828)

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Net increase in assets from disposals/ acquisitions	0	0	0.000	0.000	0.000	0	0
Settlements	(3.81)	0	0.000	0.000	0.000	0	(3.81)
Closing Fair Value of Assets	389.24	4.83	3.605	4.762	0.496	0	402.933

Year ended 31/03/21	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	389.24	4.83	3.656	4.755	0.495	0	402.976
Interest Income on Assets	8.960	0.11	0.084	0.113	0.012	0	9.279
Remeasurement gains/ (losses) on Assets	66.55	0.83	1.050	0.837	0.090	0	69.357
Contributions by the Employer	13.31	0.27	0.028	0.259	0.041	1.21	15.118
Contributions by Participants	3.91	0.08	0.038	0.081	0.012	0	4.121
Net Benefits Paid Out	(16.64)	(0.09)	(0.069)	(0.044)	(0.005)	(1.21)	(18.058)
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	465.33	6.030	4.787	6.001	0.645	0	482.793

Actual Return on Assets

Restated Year ended 31/03/20	Funded					Total
	Vale	Foundation School	CSC	SRS	VVC	
	£M's					
Interest Income on Assets	10.38	0.13	0.089	0.101	0.009	10.709
Remeasurement gains/ (losses) on Assets	(52.090)	(0.48)	(0.122)	0.515	0.107	(52.070)
Actual Return on Assets	(41.710)	(0.35)	(0.033)	0.616	0.116	(41.361)

Year ended 31/03/21	Funded					Total
	Vale	Foundation School	CSC	SRS	VVC	
	£M's					
Interest Income on Assets	8.96	0.11	0.084	0.113	0.012	9.279

Remeasurement gains/ (losses) on Assets	66.55	0.83	1.050	0.837	0.090	69.357
Actual Return on Assets	75.51	0.94	1.134	0.950	0.102	78.636

Sensitivity Analysis of Projected Service Costs 2021/22

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 2022.

The Sensitivity Analysis is only shown below relating to the main Vale of Glamorgan LGPS pension fund however a similar analysis have 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)	757.18	772.63	788.08
% change in present value of total obligation	-2.0%		2.0%
Projected service cost (£M)	30.53	31.57	32.64
Approx. % change in projected service cost	-3.3%		3.4%

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)	774.18	772.63	771.08
% change in present value of total obligation	0.2%		-0.2%
Projected service cost (£M)	31.57	31.57	31.57
Approx. % change in projected service cost	0.0%		0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	786.54	772.63	758.72

% change in present value of total obligation	1.8%		-1.8%
Projected service cost (£M)	32.64	31.57	30.53
Approx. % change in projected service cost	3.4%		-3.3%

Post retirement mortality assumption*

Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	801.22	772.63	744.82
% change in present value of total obligation	3.7%		-3.6%
Projected service cost (£M)	32.86	31.57	30.28
Approx. % change in projected service cost	4.1%		-4.1%

*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 2020/21 made by the Council were £12.342M. This includes contributions for Teachers appointed by the Governing body. The total employer contributions to the Teacher's Pension Scheme in 2019/20 made by the Council were £10.602M.

The latest pay award proposals are currently out to consultation and include the removal of M1 on the mainscale teachers payscale and increase of 1.75%.

It is projected that the total employer contributions to the Teacher's Pension Scheme in 2021/22 will be approximately £12.551M.

40. 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.

41. 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 2020/21 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 2019/20 and 2020/21 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 in 2019/20 and 2020/21 was £5M and the maximum investment period was 12 months. During 2020/21 the Authority also utilised Money Market Funds and Call Accounts with Lloyds (the Council's bankers). The maximum investment sum with UK institutions was £10m. The investment position at 31st March 2021 is set out below;

	31 March 2020	31 March 2021
	£'000	£'000
UK Debt Management Account Deposit Facility	11,000	0
UK Local Authorities	87,000	68,750
Federated Hermes Money Market Fund	0	9,550
CCLA Money Market Fund	0	9,100
Lloyds Instant Access Deposit Account	0	210
Lloyds Monthly Bonus Deposit Account	0	4,550
Total	98,000	92,160
Reconciliation of Investment Balances		
Short Term Investment	87,000	68,750
Overnight Investments shown as Cash and Cash Equivalents	11,000	23,410
Total	98,000	92,160
Short Term Investment Accrued Interest	105	155
Short Term Investment Joint Committees	0	254
	98,105	92,569

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 two loans totalling £6 million 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 and the £2M loan has a full term maturity date 21st November 2021. The maturity analysis of financial liabilities is as follows:

	31 March 2020	31 March 2021
	£'000	£'000
Less than one year	2,579	9,179
Between one and two years	7,915	8,193
Between two and five years	24,550	22,874
More than five years	119,810	113,757
Total	154,854	154,003

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 variable 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	61
Increase in interest receivable on variable rate investments	(273)
Increase in government grant receivable for financing costs	0
Impact on (Surplus) or Deficit on the Provision of Services	(212)
Share of overall impact credited to the HRA	(84)
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)	(17,236)

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 2020/21
- 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.

2019/20		2020/21	2020/21
£'000		£'000	£'000
	Expenditure		
3,781	Repairs and Maintenance	2,577	
4,595	Supervision and Management	5,243	
165	Rents, Rates, Taxes, & Other Charges	179	
(274)	Revaluation charged to CIES	2,946	
4,331	Non-Current Assets Depreciation /Impairment	4,030	
29	Debt Management Costs	45	
259	Increase in Provision for Bad and Doubtful Debts	158	
1,064	Revenue Expenditure Funded from Capital Under Statute	1,614	
13,950	Total Expenditure		16,792
	Income		
(19,979)	Dwelling Rents	(20,149)	
(173)	Non Dwelling Rents	(167)	
(608)	Charges for Services and Facilities	(502)	
(334)	Contributions towards expenditure	(250)	
(304)	Grant Income	(358)	
(21,398)	Total Income		(21,426)
(7,448)	Net Expenditure of HRA Services as Included in the Whole Authority CIES		(4,634)
0	HRA share of other amounts included in the whole authority Net Expenditure of Continuing Operations but not allocated to specific services		0
(7,448)	Net Expenditure of HRA Services		(4,634)
	HRA share of the operating income and expenditure included in the CIES		
(971)	(Gain)/ loss on sale of HRA assets		(54)
3,007	Interest payable and similar charges		2,951
(34)	Interest and Investment Income		(6)
96	Interest on net defined benefit liability/ (asset)		119
(2,792)	Capital Grants		(3,768)
(8,142)	(Surplus) or deficit for the year on HRA services		(5,392)

The Impairments shown in the above expenditure against the line "Non-Current Assets Depreciation /Impairment" relate to non enhancing capital expenditure incurred during the financial Year.

Vale of Glamorgan County Borough Council
Movement on the HRA Statement

2019/20		2020/21
£'000		£'000
(2,668)	Balance on the HRA at the end of the previous year	(7,948)
(8,142)	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	(5,392)
2,862	Adjustments between accounting basis and funding basis under statute	1,340
(5,280)	Increase/(Decrease) during the financial year	(4,052)
(7,948)	Balance on the HRA at the end of the current year	(12,000)

Note to the Statement of Movement on the HRA Balance

Adjustments between Accounting Basis and Funding Basis under Statute

	2019/20	2020/21
	£'000	£'000
Revaluation Loss/ Gain on Property, Plant and Equipment	274	(2,946)
Charges for depreciation and Impairment of Non Current Assets	(4,331)	(4,030)
Capital Grants and Contributions	2,792	3,768
Statutory Provision for the Financing of Capital Investment	1,545	1,606
Revenue Expenditure Funded from Capital Under Statute	(1,064)	(1,614)
Capital Expenditure charged against HRA	2,808	4,843
Gains / (Losses) on sales of non current assets	971	54
Pensions Reserve	(133)	(323)
Accumulated Absences	0	(18)
Total Adjustments	2,862	1,340

Summary

The Housing Revenue Account revenue balance at 31st March 2021 was £12.000M.

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 1.29% of the total dwelling rent due was uncollectable due to lettable properties being vacant; in 2019/20 the figure was 0.95%. Average dwelling rents were £101.02 a week in 2020/21, an increase of 0.80% over the previous year.

H2 Rent Rebates

Assistance with rents is available under the Housing Benefit Scheme for those on low incomes. 41.39% of the Council's tenants receive some help with the costs of rent charges.

H3 Housing Stock

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

2008/09	3,951
2009/10	3,949
2010/11	3,946
2011/12	3,944
2012/13	3,943
2013/14	3,940
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

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 2020	At 31 st March 2021	Additions 2020/21	Disposals 2020/21
1 Bedroom Houses	0	0	0	0
2 Bedroom Houses	308	317	9	0
3 Bedroom Houses	1,554	1,556	3	(1)
4 or more Bedroom Houses	86	87	1	0
1 Bedroom Bungalows	261	261	0	0
2 Bedroom Bungalows	71	71	0	0
3 Bedroom Bungalows	32	32	0	0
1 Bedroom Flats	862	875	13	0
2 Bedroom Flats	585	587	2	0
3 Bedroom Flats	93	93	0	0
Other – Hostel	15	15	0	0
Total	3,867	3,894	28	(1)

The change in stock can be summarised as follows:-

Housing Stock 31st March 2020	3,867
Less: Sold	(1)
Change of Use	0
New Build	28
Housing Stock 31st March 2021	3,894

H4 Rent Arrears

During the year 2020/21 rent arrears as a proportion of gross rent income was 7.59% of the amount due, compared to 6.64% in 2019/20. The figures are as follows: -

	2019/20	2020/21
	£'000	£'000
Arrears at 31 st March	1,509	1,743

Amounts written off during the year amounted to £7k. The aggregate provision in respect of uncollectable rent and other housing debts is £1.245M (£1.089M in 2019/20).

H5 Sale of Council Dwellings/ Administration Costs

The costs of administering the sale of Council dwellings (disposal proceeds £97k) were £396 in 2020/21, compared to £3k in 2019/20 (disposal proceeds £964k).

H6 Water Rates

Total monies collected in respect of water rates were £1.552M (£1.538M in 2019/20). Commission earned on this for 2020/21 was £207k (£251k in 2019/20).

H7 Capital Expenditure

Capital Expenditure of £9.222M has been spent in 2020/21 improving Council Dwellings, this Capital Expenditure has been taken into account at arriving at the Council Dwellings valuation.

H8 Capital Funding

	2019/20	2020/21
	£'000	£'000
Unsupported Borrowing	0	0
Supported Borrowing – Affordable Housing Grant	2,458	515
Usable Capital Receipts	1,361	97
Revenue Contributions	2,808	4,843
Major Repairs Reserve	2,760	2,764
Section 20 contributions	32	13
Other Capital Grants	120	990
Total	9,539	9,222

H9 Assets - Depreciation / Impairment

The charge is broken down as follows:-

Council Dwellings	2019/20	2020/21
	£'000	£'000
Depreciation of Dwellings	1,334	1,331
Depreciation of Other Land and Buildings	8	4
Depreciation of Equipment	4	4
Impairment	2,985	2,691
Total	4,331	4,030

Council Dwellings / Other are included in note 0 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.

	2019/20	2020/21
	£'000	£'000
IAS 19 Adjustment	169	204
Interest on net defined benefit liability/ (asset)	96	119
Contribution from Pension Reserve	265	323

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.

	2019/20	2020/21
	£'000	£'000
Opening Balance brought forward	0	0
Grant Received in Year	2,760	2,764
Grant Utilised in Year	(2,760)	(2,764)
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.

	Balance at 31 March 2020	Acquisitions / Disposals	Revaluation	Surplus/ (Deficit)	Balance at 31 March 2021
	£'000	£'000	£'000	£'000	£'000
Accumulated Fund	4,969	0	253	7	5,229

The non-current assets of the fund are included at their 31 March 2021 value. The external investments held by the fund are included at their fair value at 31 March 2021.

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 2020/21 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 between 1st January 2020 and 31st March 2021. 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.

During the period a board of directors has been established 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 next triennial actuarial valuation of the Pension Fund.

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.

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.

Goodwill

The Council's interest in its subsidiary dates back to its inception and therefore there is no goodwill to be accounted for.

Group Accounts Comprehensive Income and Expenditure Statement

2019/20			Expenditure on Services	2020/21		
Gross Expt.	Income	Net Expt.		Gross Expt.	Income	Net Expt.
£'000	£'000	£'000		£'000	£'000	£'000
141,270	30,221	111,049	Learning and Skills	146,098	39,421	106,677
79,118	17,351	61,767	Social Services	98,156	30,337	67,819
45,559	15,103	30,456	Visible and Housing Services	56,111	20,549	35,562
13,950	21,398	(7,448)	Housing Revenue Account (HRA)	16,838	21,472	(4,634)
66,964	46,997	19,967	Managing Director and Resources	66,394	43,888	22,506
0	0	0	Big Fresh Catering Company (BFCC)	3,996	2,342	1,654
346,861	131,070	215,791	Cost of Services	387,593	158,009	229,584
2,920	0	2,920	Other operating expenditure			
15,311	0	15,311	Town and Community Council Precepts	3,061	0	3,061
6,048	0	6,048	South Wales Police Authority	16,583	0	16,583
94	0	94	South Wales Fire Authority	6,381	0	6,381
0	985	(985)	Other Levies and Contributions	94	0	94
			(Gains)/losses on the disposal of non-current assets	154	0	154
7,280	0	7,280	Financing and investment income and expenditure			
5,003	0	5,003	Interest payable and similar charges	7,117	0	7,117
0	0	0	Net interest on defined benefit liability	5,856	0	5,856
0	0	0	Revaluation of Investment Properties	640	0	640
0	942	(942)	Interest receivable and other income	0	498	(498)
			Taxation and non-specific grant income			
0	84,956	(84,956)	Council Tax income (Note 13)	0	89,318	(89,318)
0	41,760	(41,760)	Non domestic rates (Note 14)	0	45,061	(45,061)
0	110,311	(110,311)	Revenue Support grants	0	115,960	(115,960)
0	0	0	Council Tax grant	0	1,585	(1,585)
0	0	0	Deferred Tax	0	78	(78)
0	0	0	Corporation Tax (Note G16)	130	0	130
0	38,707	(38,707)	Capital grants and contributions	0	64,174	(64,174)
383,517	408,731	(25,214)	(Surplus) or Deficit on the Provision of Services	427,609	474,683	(47,074)
		(9,681)	(Surplus)/Deficit on revaluation of non current assets (Note 0)			(2,143)
		2,537	Impairment losses on non-current assets charged to the Revaluation Reserve (Note 0)			1,272
		29,534	Remeasurements of the net defined benefit liability/(asset) (Note G14)			59,175
		2,180	Transfer in/out of the net defined benefit liability/asset			0

		24,570	Other Comprehensive Income and Expenditure			58,304
		(644)	Total Comprehensive Income and Expenditure			11,230

Group Accounts Movement in Reserves Statement 2020/21

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 2019	81,161	2,668	15,124	6,196	105,149	232,399	0	337,548
Total Comprehensive Income and Expenditure	19,128	8,142	0	0	27,270	(24,570)	(2,056)	644
Adjustments between accounting basis and funding basis under regulations (Note 10)	(17,281)	(2,862)	1,351	(2,492)	(21,284)	21,284	0	0
Increase/(Decrease) in 2019/20	1,847	5,280	1,351	(2,492)	5,986	(3,286)	(2,056)	644
Balance as at 31st March 2020	83,008	7,948	16,475	3,704	111,135	229,113	(2,056)	338,192
Total Comprehensive Income and Expenditure	41,439	5,392	0	0	46,831	(57,402)	(659)	(11,230)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(32,202)	(1,340)	(3,083)	2,304	(34,321)	34,321	0	0
Increase/(Decrease) in 2020/21	9,237	4,052	(3,083)	2,304	12,510	(23,081)	(659)	(11,230)
Balance as at 31st March 2021	92,245	12,000	13,392	6,008	123,645	206,032	(2,715)	326,962

Group Accounts Balance Sheet

31 March 2020		Notes	31 March 2021
£'000			£'000
691,508	Property, Plant and Equipment	G7	737,281
0	Joint Committee Investment Properties	34	2,458
0	Equity		170
207	Intangible Assets		212
2	Long Term Investments	20	2
1,166	Long Term Debtors	20	1,615
692,883	Long Term Assets		741,738
87,105	Short Term Investment	20	69,158
0	Assets Held for Sale	18	0
0	Inventories	15	6,611
441	Deferred Tax Asset		122
33,285	Short Term Debtors	G9	51,185
13,201	Cash and Cash Equivalents	G10	27,726
134,032	Current Assets		154,802
2,579	Short Term Borrowing	20	9,679
33,137	Short Term Creditors	G11	39,737
1,385	Provisions (Short Term)	24	1,724
0	Donated Inventory Account		5,684
13,276	Grants Receipts in Advance – Capital	32	15,600
50,377	Current Liabilities		72,424
492	Provisions (Long Term)	24	329
152,275	Long Term Borrowing	20	144,324
9,652	Other Long Term Liabilities	25	9,468
261,776	Other Long Term Liabilities (Pensions)	G14	335,522
14,151	Grants Receipts in Advance - Capital (Long Term)	32	7,511
438,346	Long Term Liabilities		497,154
338,192	Net Assets		326,962
111,135	Usable Reserves	26	123,645
227,057	Unusable Reserves	G13	203,317
338,192	Total Reserves		326,962

Group Accounts Cash flow Statement

31 March 2020		Notes	31 March 2021
£'000			£'000
25,214	Net surplus or (deficit) on the provision of services		47,074
23,577	Adjustments to net surplus or deficit on the provision of services for non-cash movements	G15	34,292
	Adjustments for items that are investing and financing activities		
(2,786)	Proceeds from the sale of property, plant and equipment and intangible assets.		(124)
(38,670)	Any items which the cash effects are investing or financing cashflows		(43,933)
(41,456)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(44,057)
7,335	Net cash flows from Operating Activities		37,309
	Investing Activities		
(45,727)	Purchase of property, plant and equipment and intangible assets.		(70,912)
2,786	Proceeds from the sale of property, plant and equipment and intangible assets.		124
(5,746)	Purchase of short term/long term investments		0
4,270	Other payments for investing activities		(8,632)
(37)	Proceeds from short term/long term investments		59
45,695	Other Receipts from Investing Activities		55,241
1,241	Net Cashflow from Investing Activities		(24,120)
	Financing Activities		
(1,235)	Repayments of Short and Long Term Borrowing		(478)
(6,188)	Other Payments for Financing Activities		1,814
(7,423)	Net cash flows from Financing Activities		1,336
1,153	Net increase or decrease in cash and cash equivalents		14,525
12,048	Cash and cash equivalents at the beginning of the reporting period		13,201
13,201	Cash and cash equivalents at the end of the reporting period		27,726

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	2020/21 Number of Teaching Employees	2020/21 Number of Non Teaching Employees	2020/21 Number of BFCC Employees	2020/21 Total Number of Employees
£60,000-£64,999	21	8	0	29
£65,000-£69,999	23	1	1	25
£70,000-£74,999	7	1	0	8
£75,000-£79,999	5	2	0	7
£80,000-£84,999	2	6	0	8
£85,000-£89,999	4	1	0	5
£90,000-£94,999	2	3	0	5
£95,000-£99,999	1	0	0	1
£100,000-£104,999	0	1	0	1
£105,000-£109,999	1	2	0	3
£110,000-£114,999	0	0	0	0
£115,000-£119,999	1	0	0	1
£120,000-£124,999	1	0	0	1
£125,000-£129,999	0	0	0	0
£130,000-£134,999	1	1	0	2
Total	69	26	1	96

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 Digital Strategy, Community Learning and Resources	11/09/2019
Cllr John Thomas	01/12/2020
Head of Dinas Powys Primary School	01/12/2020
Head of School Pencoedtre High School	01/12/2020
Managing Director BFCC	01/01/2020

G2. Exit Payments

There are no Exit Payments in the Group other than those set out in Note 31 of the Single Entity accounts.

G3. Members Allowances

The Members allowances for 2020/21 are as shown in Note 29 of the Single Entity Accounts.

G4. Related Parties

The Related Party transactions are included in Note 36 of the Single Entity Accounts.

G5. External Audit Costs

	2019/20	2020/21
	£'000	£'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	164	167
Fees payable to Audit Wales in respect of statutory inspections	97	97
Fees payable to Audit Wales for the certification of grant claims and returns	62	40
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	0	7
Total	323	311

G6. Leases

There are no leases in the Group other than those shown in Notes 37 and 38 of the single entity accounts. The Catering Equipment leased to the BFCC by the Vale of Glamorgan in 2020/21 has been excluded from the Group Accounts as an Intra-company transaction Note 37 is restated below to reflect this adjustment.

	2019/20 Land and Buildings	2019/20 Other Leases	2020/21 Land and Buildings	2020/21 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	408	0	409	0
Between 1 and 5 years	1,033	0	1,127	0
After 5 years	7,923	0	8,725	0
Total	9,364	0	10,261	0

G7. Property Plant and Equipment

In addition to the Property Plant and Equipment shown in Note 0 of the single entity accounts. The BFCC holds £10k of Equipment as a Tangible Asset.

Summary of Property Plant and Equipment Group Accounts	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Infrastructure	Community Asset	Assets under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation as at 31 March 2021 Single Entity	199,325	377,676	28,788	160,173	3,868	64,955	2,785	837,570
BFCC Cost or Valuation	0	0	11	0	0	0	0	11
Cost or Valuation as at 31 March 2021 Group Accounts	199,325	377,676	28,799	160,173	3,868	64,955	2,785	837,581
Accumulated Depreciation and Impairment as at 31 March 2021 Single Entity	(36,891)	(12,276)	(14,092)	(37,040)	0	0	0	(100,299)
BFCC Accumulated Depreciation	0	0	(1)	0	0	0	0	(1)
Accumulated Depreciation and Impairment as at 31 March 2021 Group	(36,891)	(12,276)	(14,093)	(37,040)	0	0	0	(100,300)

Net Book Value 2020/21	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Infrastructure	Community Asset	Assets under Construction	Surplus Assets	Total
At 31 March 2020	162,393	371,619	10,779	117,678	3,860	22,579	2,600	691,508
At 31 March 2021	162,434	365,400	14,706	123,133	3,868	64,955	2,785	737,281

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 2021
	£'000
Central government bodies	31,958
Other local authorities	9,037
NHS bodies	1,411
Public corporations and trading funds	9
Trade debtors	535
Prepayments	1,704
Other entities and individuals	13,284
Gross Total	57,938

Less: Provision for Bad Debts	(6,753)
Total	51,185

G10. Cash and Cash Equivalents

	31/03/2021
	£'000
Cash held by the Authority and at Bank	(162)
Joint Committee Cash	4,372
Short-term Investment	23,411
BFCC Cash	105
Total Cash and Cash Equivalents	27,726

G11. Creditors

	31/3/2021
	£'000
Central government bodies	4,885
Other local authorities	8,422
NHS bodies	200
Public corporations and trading funds	19
Trade creditors	10,903
Receipts in advance	3,725
Accumulated absences	3,579
Other entities and individuals	8,004
Total	39,737

G12. Provisions

There are no Provisions in the Group Accounts other than those included in Note 0 of the Single Entity Accounts.

G13. Unusable Reserves

31/03/20		31/03/21
£'000		£'000
72,882	Revaluation Reserve	72,916
419,898	Capital Adjustment Account	469,110
(456)	Financial Instruments Adjustment Account	(109)
11	Deferred Capital Receipts Reserve	11
(259,720)	Pensions Reserve	(332,244)
(3,502)	Accumulated Absences Account	(3,652)
(2,056)	Group Entity BFCC Reserves	(2,715)
227,057	Total Unusable Reserves	203,317

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 2020	31 March 2021
	£'000	£'000
Vale of Glamorgan Council Pension (Liability) Funded and Unfunded	(252,630)	(321,521)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(374)	(606)
Shared Regulatory Service Joint Committee Pension (Liability)	(3,625)	(5,700)
Central South Consortium Joint Committee Pension Asset/(Liability)*	(221)	(107)
Foundation School Pension (Liability)	(2,870)	(4,310)
BFCC Pension Liability**	(2,056)	(3,278)
Total Pension Liability	(261,776)	(335,522)

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

**The BFCC Pension Liability is included in the 2019/20 comparator to reflect the accounting for the transfer out of the main Vale Pension Fund at the establishment of the BFCC Fund at 1st January 2020.

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2022 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 2022 (£M)
Single Entity Accounts	14.42
BFCC	0.314
Total	14.734

There are no Unfunded Pensions in the Group Accounts other than those included in Note 39 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 31/03/21	Vale of Glamorgan Single Entity Accounts	Big Fresh Catering Company	Total
	£M's	£M's	£M's
Fair Value of Assets	482.792	4.46	487.252
Present Value of Defined Benefit Obligation	(815.036)	(7.738)	(822.774)
Funded/Unfunded status*	(332.244)	(3.278)	(335.522)
Impact of minimum funding requirement / asset ceiling	0	0	0
Asset / (Liability) recognised on the Balance Sheet	(332.244)	(3.278)	(335.522)

Active Members	Vale Funded	Vale Unfunded	Foundation School	SRS	RAS	BFCC
	%	%	%	%	%	%
Active Members	41%	0	65%	78%	65%	100%
Deferred Pensioners	18%	0	10%	11%	10%	0%
Pensioners	41%	100%	25%	11%	25%	0%

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.

Vale of Glamorgan County Borough Council

Duration of liabilities	Vale of Glamorgan*	Foundation School	CSC	SRS	RAS	BFCC
Liability in years	20.2	22.6	n/a	27.3	27.8	19.1

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

For Year Ending 31/03/21	£M's	£M's	£M's
Comprehensive Income and Expenditure	Single Entity Accounts	BFCC	Total Group Pensions
Cost of Services			
Service Cost Comprising			
Current Service Cost*	23.482	0.579	24.061
Past Service Cost (including curtailments)	0.070	0.00	0.070
(Gain)/Loss on Settlements	0.00	0.00	0.00
Financing and Investment Income			
Net Interest Expense	5.814	0.044	5.858
Total post-employment benefits charged to the surplus or deficit on the provision of services	29.366	0.623	29.989
Remeasurements in Other Comprehensive Income and Expenditure			
Return on plan assets (in excess of) /below that recognised in net interest	(69.357)	(0.608)	(69.965)
Actuarial (gains)/ losses due to change in financial assumptions	134.212	1.550	135.762
Actuarial (gains)/ losses due to changes in demographic assumptions	0.848	0.00	0.848
Actuarial (gains) / losses due to liability experience	(7.426)	(0.040)	(7.466)
Total post-employment benefits charged to the comprehensive income and expenditure statement	58.277	0.902	59.179
Total Amount Recognised	87.643	1.525	89.168
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(29.366)	(0.623)	29.989
Actual amount charged against General Fund and HRA balances for Pensions in year			
Employers' contributions payable to scheme	13.908	0.303	14.211
Retirement benefits payable to pensioners	1.210	0	1.210
Administration Allowance *The current service cost included an allowance for the administration expenses	0.36	0.008	0.368

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

Year Ended 31/03/21	Single Entity Accounts	BFCC	Total Group Pension
	£M's	£M's	£M's
Opening Defined Benefit Obligation	662.694	5.442	668.136
Current Service Cost	23.482	0.579	24.061
Interest Expense on defined benefit obligation	15.093	0.126	15.219
Contributions by Participants	4.121	0.092	4.213
Actuarial (gains)/ losses on liabilities financial assumptions	134.212	1.55	135.762
Actuarial (gains)/ losses on liabilities demographic assumptions	0.848	0	0.848
Actuarial (gains)/ losses on liabilities experience	(7.426)	(0.04)	(7.466)
Net Benefits Paid Out	(18.058)	(0.011)	(18.069)
Past Service Cost (including curtailments)	0.070	0	0.070
Net increase in liabilities from disposals/ acquisitions	0.00	0	0.00
Settlements	0.00	0	0.00
Closing Defined Benefit Obligation	815.036	7.738	822.774

Changes to the Fair Value of Assets during the Accounting Period

Year ended 31/03/21	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Opening Fair Value of Assets	402.976	3.386	406.362
Interest Income on Assets	9.279	0.082	9.361
Remeasurement gains/ (losses) on Assets	69.357	0.608	69.965
Contributions by the Employer	15.118	0.303	15.421
Contributions by Participants	4.121	0.092	4.213
Net Benefits Paid Out	(18.058)	(0.011)	(18.069)
Net increase in assets from disposals/ acquisitions	0.00	0.00	0.00
Settlements	0.00	0.00	0.00
Closing Fair Value of Assets	482.793	4.460	487.253

Actual Return on Assets

Year ended 31/03/21	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Interest Income on Assets	9.279	0.082	9.361
Remeasurement gains/ (losses) on Assets	69.357	0.608	69.965
Actual Return on Assets	78.636	0.690	79.326

G15. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2020/21
	£'000
Interest Received	527
Interest Paid	(7,170)

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

	2020/21
	£'000
Depreciation and Impairment and Downward Valuations	22,972
Amortisation	63
Soft Loans (non-subsidiary)	0
Increase / (Decrease) in creditors	10,706
(Increase) / Decrease in debtors	(13,642)
(Increase) / Decrease in inventories	(486)
Movement in pension liability	14,571
Other non-cash items charged to the net surplus or deficit on the provision of services	(171)
Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	279
Adjustments to net surplus or deficit on the provision of services for non-cash movements.	34,292

G16. Taxation

Big Fresh Catering Company	31/3/2021
	£'000
Corporation Tax	0
Current Tax on Profits for the year	130
Total Current Tax	130
Deferred Tax	0
Changes to Tax Rates	0
Adjustments in Respect of Prior Year	0
Total Deferred Tax	0
Taxation on Ordinary Activities	130

The single entity accounts also include £78k of corporation tax relating to the consolidation of the City Deal Accounts.

Glossary

Accounting Period

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

Accounting Policies

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

Accruals

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

Actuarial Gains and Losses

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

Amortisation

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

Asset

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

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

Assets Under Construction

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

Balance Sheet

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

Beacon Valuation

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

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

Capital Financing

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

Capital Receipt

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

Cash Equivalents

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

Community Assets

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

Comprehensive Income and Expenditure Account

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

Contingent Asset

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

Contingent Liability

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

Creditor

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

Current Service Cost (Pensions)

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

Debtor

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

Defined Benefit Pension Scheme

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

Depreciated Replacement Cost (DRC)

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

Depreciation

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

Discretionary Benefits (Pensions)

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

Effective Interest Rate

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

Employee Benefits

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

Events After The Balance Sheet Date

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

Exceptional Items

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

Existing Use Value (EUV)

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

Expected Return on Pension Assets

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

Extraordinary Items

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

Fair Value

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

Financial Instrument

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

Going Concern

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

Gross Carrying Amount (GCA)

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

Housing Revenue Account (HRA)

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

Impairment

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

Infrastructure Assets

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

Intangible Assets

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

Inventories

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

Liability

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

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

Materiality

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

Minimum Revenue Provision (MRP)

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

National Non-Domestic Rates (NNDR)

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

Net Book Value

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

Operating Lease

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

Past Service Cost (Pensions)

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

Pension Scheme Liabilities

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

Precept

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

Prior Year Adjustment

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

Provision

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

Public Works Loan Board (PWLb)

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

Related Parties

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

Remeasurement of Pension Liability

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

Reserves

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

Residual Value

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

Revenue Expenditure Funded From Capital Under Statute (REFCUS)

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

Revenue Support Grant –

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

Soft Loan

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

Trust Funds

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

Useful Economic Life (UEL)

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