

Meeting of:	<b>Governance and Audit Committee</b>
Date of Meeting:	<b>Monday, 11 July 2022</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Unaudited Statement of Accounts 2021/22
Purpose of Report:	The Statement of Accounts for the Vale of Glamorgan Council 2021/22 are now complete and are brought to the Committee for review following the commencement of the external audit. The Accounts for the Shared Regulatory Service 2021/22 and the Annual Return for the Vale, Valleys and Cardiff Regional Adoption Service for 2021/22 are also brought to the Committee for information
Report Owner:	Report of the Chief Executive
Responsible Officer:	Matt Bowmer Head of Finance/Section 151 Officer
Elected Member and Officer Consultation:	None
Policy Framework:	The proposals in this report are in accordance with Policy Framework and Budget
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• The Draft 2021/22 Vale of Glamorgan Statement of Accounts, Shared Regulatory Services Statement of Accounts and Regional Adoption Service Annual Return are now complete.</li> <li>• The Audit of the 2021/22 Vale of Glamorgan Council, Shared Regulatory Service and Cardiff, Vale and Valleys Regional Adoption Service Accounts has now commenced.</li> <li>• Due to the impact of the ongoing Covid 19 Pandemic and the need for revaluation of all Council assets in year the Council completed the draft accounts by 4<sup>th</sup> July 2022 rather than the 31<sup>st</sup> May 2022 deadline, and this was advertised on the Council website in accordance with regulations.</li> <li>• The 2021/22 Vale of Glamorgan Statement of Accounts will be subject to external audit and the audited accounts will be presented to Audit Committee once the audit is finalised along with the external auditors ISA260 report prior to being submitted for approval by Council.</li> <li>• The final audited accounts must be signed by the Auditor General before 30th November 2022.</li> </ul>	

## **Recommendations**

- 1.** That the unaudited Vale of Glamorgan Council Statement of Accounts for 2021/22 be reviewed and any comments of the Committee be referred to the Head of Finance as Section 151 Officer for subsequent discussion with the Council's external auditors, Audit Wales.
- 2.** That the unaudited Joint Committee Shared Regulatory Services Statement of Accounts for 2021/22 and the Shared Regulatory Services Annual Governance Statement are provided for information and any comments of the Committee be referred to the Head of Finance as Treasurer of the Joint Committee for subsequent discussion with the external auditors, Audit Wales.
- 3.** That the Annual Return for the Vale, Valleys and Cardiff Regional Adoption Service 2021/22 is provided for information and any comments of the Committee be referred to the Head of Finance as Treasurer of the Joint Committee for subsequent discussion with the external auditors, Audit Wales.

## **Reasons for Recommendations**

- 1.** To allow for the initial review of the unaudited Vale of Glamorgan Council Statement of Accounts by those charged with governance.
- 2.** To ensure Governance and Audit Committee are informed of the unaudited 2021/22 Shared Regulatory Services Joint Committee Accounts.
- 3.** To ensure Governance and Audit Committee are informed of the unaudited 2021/22 Valleys, Vale and Cardiff Regional Adoption Service Annual Return.

## **1. Background**

- 1.1** The preparation of the Statement of Accounts is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018) and its content is defined by the Chartered Institute of Public Finance and Accountancy's 'Code of Practice on Local Authority Accounting in the United Kingdom' (the Code).
- 1.2** In accordance with these regulations, the unaudited Statement of Accounts for 2021/22 required approval and signature by the responsible finance officer by 31st May 2022, certifying that it presents a true and fair view of the financial position of the Council. The audited Statement of Accounts then has to be approved by 31st July 2022 by the Governance and Audit Committee in accordance with the Committee's Terms of Reference and also Council. If the accounts are not able to be signed and published by this date, then the Council must publish a Regulation 10 notice setting out the reasons why.
- 1.3** As a result of the Coronavirus pandemic, the Council was unable to meet the 31st May 2022 deadline and therefore, in line with the requirements of the Regulations, issued a notice advising of this. The unaudited accounts were signed

by the responsible finance officer on 4th July 2022 and sent to Audit Wales the same day.

- 1.4** The 2021/22 Vale of Glamorgan Statement of Accounts will be subject to external audit and it is planned that the audited accounts will be presented to Governance and Audit Committee in October 2022 along with the external auditors ISA260 report prior to being submitted for approval by Council and signed by the Auditor General.
- 1.5** The 2021/22 Shared Regulatory Services Joint Committee Statement of Accounts will also be subject to external audit and the audited accounts will be presented to the Governance and Audit Committee and the Shared Regulatory Services Committee in October 2022 along with the external auditor's report for review.
- 1.6** The external audit extends to the Annual Governance Statements for both the Vale of Glamorgan Council and the Shared Regulatory Service. The Annual Governance Statement for the Vale of Glamorgan Council is not included in the version attached at Appendix A as it is included under a separate item on the Committee agenda. The Annual Governance Statement for the Shared Regulatory Service is included in Appendix B.
- 1.7** The Vale, Valleys and Cardiff Regional Adoption Service accounts are not subject to a full external audit by Audit Wales but an Annual Return has been completed by Accountancy and Internal Audit as at 30th June 2022 and is attached at Appendix C. Audit Wales will be providing a limited assurance audit for the service.

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

- 2.1** The 2021/22 Vale of Glamorgan Council Statement of Accounts is attached at Appendix A and has been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS). This is intended to provide for comparable accounts across all accounting boundaries, public and private, national and international.
- 2.2** The Shared Regulatory Service Joint Committee 2021/22 unaudited Statement of Accounts is also attached at Appendix B and the Vale, Valleys and Cardiff Joint Committee Annual Return 2021/22 is attached at Appendix C.
- 2.3** It is proposed that any comments made by the Committee on the Vale of Glamorgan Council 2021/22 unaudited Statement of Accounts, Shared Regulatory Joint Committee Statement of Accounts 2021/22 or the Vale, Valleys and Cardiff Joint Committee Annual Return 2021/22 be referred to the Head of Finance as Section 151 Officer and Treasurer of the Joint Committees respectively for discussion with Council's external auditors, Audit Wales.

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

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

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

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

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

#### **Financial**

- 5.1 The accounts are prepared in accordance with the CIPFA Code of Practice for 2021/22 Accounts. The Usable Reserves have increased by £20.957M to £144.601M from £111.135M in 2020/21. Of this £642k relates to an increase in the General Fund, £5.439M relates to an increase in the HRA reserves and £17.881M relates to an increase in earmarked reserves.
- 5.2 The 2021/22 Statement of Accounts for the Shared Regulatory Service Joint Committee shows that Usable Reserves have increased to £1.102m, an increase of £314k on 31<sup>st</sup> March 2022. The partner authorities will be consulted on the use and distribution of this sum.
- 5.3 The Vale, Valleys and Cardiff Regional Adoption Service Annual Return shows a carry forward of £144k as at 31<sup>st</sup> March 2022, the partner authorities have been consulted on the use of reserves and they will be retained by the service to cover future commitments.
- 5.4 The 2021/22 Vale of Glamorgan Statement of Accounts, Shared Regulatory Service Statement of Accounts and the Vale, Valleys and Cardiff Regional Adoption Service Annual Return have been prepared within existing staff resources.

#### **Employment**

- 5.5 None as a direct consequence of this report.

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

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

### **6. Background Papers**

None



# VALE of GLAMORGAN COUNTY BOROUGH COUNCIL STATEMENT OF ACCOUNTS 2021/22

Year Ended 31 March 2022



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## Draft Statement of Accounts 2021/22 Year Ended 31st March 2022

### Narrative Report

#### Introduction

This document presents the Statement of Accounts for The Vale of Glamorgan County Borough Council for 2021/22 and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

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

The Council serves one of Wales' most diverse local authority areas, covering rural and coastal communities and busy market towns. It has a population of around 135,000, making it the 11<sup>th</sup> 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 had 47 elected members in 2021/22, representing 23 wards. The political make up of the Council during the 2021/22 financial year was 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. At the recent elections in May 2022 the number of elected members were increased to 54.

The Council also has a number of committees that fulfill various scrutiny, statutory oversight and regulatory functions including a Governance and Audit Committee. The Governance and Audit Committee was made up of 7 members plus 1 lay member during the 2021/22 financial year although this has been increased to 7 members and 3 lay members since May 2022. The Committee has a responsibility to review the Council's annual statement of accounts.

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

In line with recent changes in legislation the head of paid service has been redesignated as Chief Executive, formerly being the Managing Director. The Senior Leadership Team led by the Chief Executive comprises the Directors of Corporate Resources, Place, Social Services, Learning & Skills and Environment & Housing along with the Council's s151 Officer and Monitoring Officer.

During the 2021/22 financial year as a result of the ongoing COVID-19 pandemic Cabinet meetings, Scrutiny Committees and Governance and Audit Committee have been held remotely.

It has been a challenging year for the Council operationally as a result of the ongoing COVID-19 pandemic, with significant numbers of staff continuing to work from home and moving to a more hybrid approach in the latter part of the financial year.

The COVID-19 pandemic brought additional financial pressure for the Council which impacted both through driving additional expenditure but also a loss of income. Welsh Government (WG) has continued to provide financial support to cover additional expenditure incurred via the Local Authority Emergency Hardship Grant. For the period April 2021 to March 2022 the Council will receive over £15.184M.

In addition, WG also provided grant support to cover the loss of income and just over £1.353M was received for the year. The basis of this calculation was to compare income received in 2021/22 to the income received prior to the pandemic.

The Welsh Government provided support to businesses through the continuation of numerous grants such as the Economic Resilience Fund Grants and the NRD Business Support Grants. They provided support to Social Care staff both working in the Council and in external organisations through the £735 Social Care Workers grant and there was also a Statutory Sick Payment scheme. Another scheme provided payments for individuals to self-isolate. 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 2021/22 will be reported to Cabinet on 21st July 2022 and can be accessed on the Council Website.

The 2021/22 settlement from Welsh Government sustained the increase in funding that was evidenced in the 2020/21 settlement. The Council received an initial Revenue Support Grant of £124.398M and National Non-Domestic Rate of £43.918M which equates to total funding, referred to as the Aggregate External Finance (AEF) of £168.316M. This represented an increase in funding of £7.119M (4.42%) 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 2020/21) on a funding per head of population, which is £222 per head below the Welsh average (£191 per head below in 2020/21). With a positive settlement the Council was able to set a lower savings target for the year of £500k, with no savings being requested from schools. Service areas made some progress towards achieving these savings during 2021/22 and progress against these targets will continue to be monitored during the 2022/23 financial year.

The anticipated level of funding to be received from Council Tax in 2021/22 was £83.337M (£79.417M in 2020/21). This was based on a Band D rate of £1,357.02 (£1,306.08 in 2020/21), excluding Police and Town and Community Council precepts. The Vale of Glamorgan has the 7th (out of 22) lowest Band D charge in Wales at £1,357.02 which is 3.36% (£45.49) below the Welsh weighted average.



The continuation 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 received a number of grant allocations in the last quarter of the financial year which it was able to offset equivalent expenditure and transfer significant sums to earmarked reserves. These reserves will be utilised to support specific pressures such as the implementation of the WG Free School Meals policy, a discretionary cost of living scheme, support for Welsh Immersion, implementation of the Additional Learning Needs Act and to address social services pressures including a shortage of domiciliary care providers.

The amended revenue budget reflects an additional RSG allocation of £2.448m made in the last quarter of the financial year a further amendment to the budget is required. Of this £2.448m, additional budget of £1.5m was awarded to Neighbourhood Services & Transport, £0.54m to fund the ongoing Oracle implementation and £0.408m to fund the purchase of electric vehicles within Social Services over future financial years. This allocation increased the Council's revenue budget to £254.101m in 2021/22.

The Council's revenue budget at year end was a breakeven position after a net transfer to reserves of £19.460m. A breakdown by Directorate is shown in the following table.

	<b>Amended Revenue Budget</b>	<b>Actual</b>	<b>Variance +Favourable ( ) Adverse</b>	<b>Net Transfer to /(From) Reserve</b>
	£'000	£'000	£'000	£'000
<b>Learning &amp; Skills</b>	113,954	113,956	(2)	+ 8,883
<b>Social Services</b>	71,487	71,488	(1)	+ 2,672
<b>Environment and Housing</b>	29,579	29,558	21	(264)
<b>Managing Director and Resources</b>	5,146	5,144	2	+ 564
<b>General Policy</b>	33,935	33,968	(33)	+5,312
<b>Council Tax Surplus</b>	0	0	0	+2,293
<b>Use of Reserves</b>	0		0	0
<b>TOTAL</b>	<b>254,101</b>	<b>254,114</b>	<b>(13)</b>	<b>+19,460</b>
<b>Capital Programme Funded from Reserves</b>				<b>-1,191</b>
<b>Insurance Fund</b>				<b>-118</b>
<b>Movement on Council Fund and Specific Reserves</b>				<b>+18,151</b>

- The net transfer to reserves shown above excludes a contribution to fund the Capital programme from reserves of £1.191m. The total movement on the Council Fund and Specific Reserves was £18.522m after adjusting for Joint Committees (£371k).
- A significant proportion of the transfers to reserves are associated with late allocation of WG grant.

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

- In Learning and Skills, a key ongoing pressure is the School Transport budget. Local Education Authorities have a statutory duty to provide free school transport for pupils of statutory school age who reside beyond walking distance to the nearest appropriate school in addition to a statutory duty to provide transport for pupils with Additional Learning Needs (ALN) who require access to specialist provision. Mainstream transport continues to run for pupils who are not able to get into their catchment school as they are full. In 2021/22 a number of economic factors such as increased petrol costs, shortage of operators and drivers in this sector have exacerbated pressures in this area. Some operators have also handed back routes as they cannot fulfil them.
- Children's Services reported adverse variance relating to increased external placement costs given the complexities of the children currently being supported and the high-cost placements some of these children require to meet their needs. This has been further impacted by the COVID-19 pandemic and the significantly higher demand for placements and the scarcity of options available.
- 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, these pressures should be reduced in future years with the further roll out of co-mingling and the Waste Transfer station becoming operational.
- The capital charges budget underspent as the Council is currently able to borrow internally due to the level of Council reserves saving the interest costs associated with external borrowing, however, going forward the ability to utilise internal borrowing will depend on the level of reserves and these are expected to reduce in the near future.
- Similarly to 2020/21 COVID-19 pandemic grant funding of £1.249m was provided by Welsh Government to support Council Tax collection in the year. An equivalent sum has been set aside in an earmarked reserve to support the Council's continuing response to the COVID 19 Pandemic.

The opening balance on the Council Fund as at 1st April 2021 was £11.868m with no planned drawdown during the year. 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 £97.209m (excluding Joint Committees and HRA) as at 31<sup>st</sup> March 2022 with £13.089m relating to schools and £84.120M relating to other services. The schools balances and reserves increased by £6.449M in year and the other services reserves increased by £11.432m. These reserves are allocated for both capital and revenue purposes.

### Summary of Financial Performance – Capital

The General Capital Funding received from Welsh Government in 2021/22 was £6.867m which was a £71k (1.04%) increase in funding from 2020/21. This funding is partly through

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grant and partly an allocation for borrowing, the financing costs of which are supported by Welsh Government funding. The allocation is 14<sup>th</sup> highest in Wales. It is therefore necessary for the Council to fund its capital programme through a variety of sources 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 £66.41M was achieved. Due to various economic factors there has been a significant increase in the cost of materials and labour during 2021/22, this has resulted in delays to schemes where negotiations and project re-engineering has been required to bring schemes within the budget available. Sourcing materials has also been problematic with long lead times when ordering and this has also impacted on the progress of the capital programme. A breakdown of capital expenditure in 2021/22 is shown by service area in the table below.

<b>Expenditure Incurred on Services</b>	<b>£'000</b>	<b>£'000</b>
Education & Schools	35,053	
Libraries	56	
Catering	0	
<b>Total Learning &amp; Skills</b>		<b>35,109</b>
Children and Youth Services	309	
Adult Services	768	
<b>Total Social Services</b>		<b>1,077</b>
Neighbourhood and Transport Services (Including Community Safety)	14,569	
Public Sector Housing (HRA)	10,056	
<b>Total Environment and Housing Services</b>		<b>24,625</b>
Resources	2,336	
Regeneration and Planning	2,418	
Private Sector Housing	846	
<b>Total Managing Director and Resources</b>		<b>5,600</b>
<b>City Deal</b>		<b>0</b>
<b>Total Capital Expenditure 2021/22</b>		<b>66,411</b>

Of the capital expenditure incurred in the year, £30.110m was spent on the Sustainable Communities for Learning 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. The Council undertook further Highways Improvements and Street Lighting energy reduction schemes during the year with a value of over £3m. The build of the Council's Waste Transfer Station is progressing and spend of over £2.9m was achieved in 2021/22. The Council achieved Welsh Housing Quality Standard (WHQS) by the end of March 2018, however, further capital investment of over £10M was made as part of a continuing Housing Improvement

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Programme. New vehicles were purchased during the year costing £1.89m, including 12 new electric pool car vehicles to help achieve the Council's Project Zero Initiative.

The following table shows the resources used in 2021/22 to fund the capital programme:

<b>Capital Expenditure Financed By :</b>	<b>£'000</b>
General Capital Funding Grant – Welsh Government	2,899
General Capital Funding Loan – Welsh Government	3,429
Additional General Capital Funding Grant – Welsh Government	505
Other Loans	703
Specific Grants – Welsh Government	41,747
Major Repairs Allowance – Welsh Government	2,770
Other Grants/Contributions	7,998
Capital Receipts	1,796
Revenue/Reserves	4,564
<b>Total Capital Expenditure 2021/22</b>	<b>66,411</b>

As at 31<sup>st</sup> March 2022 the Council held general capital receipts with a value of £7.333M, with a further £3.173M being ringfenced for Education and £1.338M being ringfenced for Social Services.

The Council's assets at the 31 March 2022 have a book value of £822.241M. The Council Dwellings and Other Land and Buildings, are revalued on a rolling 5 year programme normally by a MRICS external valuer. During 2021/22 the Council's HRA assets were scheduled to be revalued. In the context of the significant increases seen in respect of inflation on build costs and following discussion with Audit Wales a desktop valuation was commissioned on the remainder of the Council's assets.

### Housing Revenue Account (HRA)

The Council still retains its stock of Council Houses and as at 31<sup>st</sup> March 2022 had 3,916 dwellings. The HRA transferred £5.438M into its reserve in 2021/22 leaving a balance on the HRA reserve of £17.438M as at 31<sup>st</sup> March 2022. This balance is higher than planned partly as the capital programme was not able to proceed as planned this year mainly due to delays in procurement and staff turnover. These schemes will continue into 2022/23. 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 7<sup>th</sup> March 2022. The Council has invested over £112M in its housing stock between 2012/13 and 2021/22 and all its dwellings reached Welsh Housing Quality Standard by March 2018.

### Big Fresh Catering Company

On 1<sup>st</sup> January 2020, the Council's Catering Service was transferred into a Local Authority Trading Company called the Big Fresh Catering Company. While the company is wholly owned by the Council it is able to trade for profit in the market in addition to providing a catering service to schools. The first set of accounts for the new company were incorporated into the Council's accounts for 2020/21.

Vale of Glamorgan County Borough Council  
Treasury Management – Borrowing and Investments

Before the commencement of the 2021/22 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 10<sup>th</sup> March 2021 and can be accessed on the Council Website; [Treasury-Management-and-Investment-Strategy 2021/22](#)

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 2021/22 was £251.843M, which was revised to £223.352M during the year. The actual external borrowing as at 31 March 2022 excluding adjustments was £153.347M as shown in the following table.

	31 March 2021	31 March 2022
Source of Loan	£'000	£'000
Public Works Loan Board (PWLB)	144,417	146,502
Long Term Loans	8,218	6,745
Other	100	100
<b>Total External Borrowing</b>	<b>152,735</b>	<b>153,347</b>
Accrued Interest	1,160	1,201
Accounting Adjustments	108	107
<b>Total Borrowing as per Balance Sheet</b>	<b>154,003</b>	<b>154,655</b>

The Council has a cautious approach to risk, with its priority to safeguard capital. Throughout 2021/22 the Council continued to utilise the broader range of investments tools introduced in 2020/21 to cope with the effects of the pandemic and in addition set up Corporate Notice Accounts with Santander Bank PLC. The investment position as at 31st March 2022 is set out below and includes Money Market Fund (MMF) balances and Lloyds Call account balances held overnight as at 31st March 2022 which are included under the Cash and Cash Equivalent heading in the Balance Sheet.

	31 March 2021	31 March 2022
Short Term Investments Held By	£'000	£'000
UK Debt Management Account Deposit Facility (DMADF)	0	26,650
UK Local and Police Authorities	68,750	55,500
Treasury Bills	0	6,500
Santander Corporate Notice Accounts	0	750
Federated Hermes Money Market Account	9,550	100
CCLA Money Market Account	9,100	4,100
Lloyds Instant Access Deposit Account	210	10
Lloyds Monthly Bonus Deposit Account	4,550	10
<b>Total Short Term Investments</b>	<b>92,160</b>	<b>93,620</b>
Short Term Investment Accrued Interest	155	8
Short Term Investment Joint Committees	254	254

<b>Total Short Term Investments as per Balance Sheet</b>	<b>92,569</b>	<b>93,882</b>
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The majority of the Council's borrowing is fixed rate and held with the Public Works Loan Board (PWLB). The Council has some significant borrowing requirements over the next five years linked to capital expenditure and replacement of maturing loans. The timing of this borrowing will need to be reviewed in the context of updated interest projections and in the context of the planned use of the Council's usable reserves. The Council continues to prioritise the security and liquidity of investments and continues to utilise the investment tools outlined in the Treasury Management Strategy, Money Market Funds, Investments with UK Local and Police Authorities, Lloyds Bank Call Accounts, Santander Corporate Notice Accounts, Treasury Bills and Investments with the UK Government via the DMADF and 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 1<sup>st</sup> May 2015 and the Vale, Valleys & Cardiff Adoption Collaborative Service which commenced on 1<sup>st</sup> June 2015. The Authority is also party to a number of other Joint Committees such as Prosiect Gwyrdd, Central South Consortium and the Glamorgan Archives. The Council's share of these transactions and balances are incorporated in these financial statements. Separate financial statements are also available. In addition, the Council participates in a number of shared services.

#### City Deal/CRC

The Vale of Glamorgan Council is a participant in the Cardiff Capital Region City Deal (CCR) which has been established between the UK Government, the Welsh Government and 10 local authorities in South East Wales. The agreement with the UK and Welsh Governments provides £1.2 billion of which £734m is allocated to the Metro. CCRD has four key objectives - 5% Gross Value Added growth, 25,000 high-order jobs, £4 billion leverage of public and private sector investment and demonstration of economic inclusion. To date, approved projects have the potential of achieving up to £1.5bn of leverage. Projects now coming to the fore such as Strength in Places, bring new public and private leverage through sources such as the UKRI Strength in Places Fund. CCR will continue to leverage both public and private funds and will build the partnerships and R&D intensity to continue generating successively high levels of private leverage.

#### Impact of the Current Economic Climate

The financial pressures on the Council continued during 2021/22 and investment income rates remained low. Rates have fallen even further in year due to the ongoing impact of the COVID 19 pandemic, and this coupled with the Russian Invasion of Ukraine, the UK's 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 8<sup>th</sup> 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](#)

## The Pension Liability

Pensions for non-teaching staff are provided under the Local Government Pension scheme and the Council is a member of the Cardiff and Vale Pension Fund, administered by Cardiff County Council. Employees and employers contribute into the fund, along with investment income and growth generated. A triennial valuation is carried out on the Fund. The value of the pension liability as at 31<sup>st</sup> March 2022 is £277M. 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 31<sup>st</sup> March 2022 are based on a roll forward of the triennial valuation carried out as at 31<sup>st</sup> March 2019.

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 11<sup>th</sup> April 2022. Positive progress had been made in delivering in-year commitments in relation to the Annual

Delivery Plan (2021/22). This performance had contributed to an overall GREEN status for the Plan at the end of Quarter 3 (Q3).

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

91% (288 out of 317) of planned activities outlined in our Annual Delivery Plan have been attributed a Green performance reflecting the positive progress made during the quarter, 2% (8) an amber status and 7% (21) of planned activities were attributed a Red status.

Of the 21 actions attributed a red performance status during the quarter, 38% (8) were directly as a result of service reprioritisation measures undertaken in response to the impact of the ongoing COVID-19 pandemic. In relation to those areas, where appropriate, work was now recommencing as part of our recovery plans and strategy. The Coronavirus recovery update formed part of quarterly performance reporting to ensure members maintained an oversight of the recovery issues impacting on the work of their respective Committees. From this perspective, members were requested to note the progress to date in relation to Coronavirus recovery.

Of the 43 quarterly performance measures aligned to our Corporate Plan Well-being Objectives, data was reported for 41 measures where a performance status was applicable. 56% (23) measures were attributed a green performance Status, 5% (2), amber status and 39% (16), red status. Data was unavailable for 2 quarterly measures due to reprioritisation measures undertaken in response to the impact of the ongoing COVID-19 pandemic. A performance status was not applicable for 107 measures including several annual indicators (89) and those establishing baseline performance for the year (18).

In relation to the 16 measures attributed a red performance status during the quarter, the impact of COVID-19 had contributed to 25% (4) missing target.

Overall, the picture was positive in spite of the challenges with COVID-19 and the Council was moving in the right direction in terms of its performance and achieving its priorities.

Further details can be found here [Annual Delivery Plan Monitoring Quarter 3 2021/22](#).

### Looking Forward

A budget of £272.558M for 2022/23 was approved by Council on 7<sup>th</sup> March 2022. For the second year in a row the revenue settlement from Welsh Government was an increase, with a settlement of £186.015M , which represents an adjusted increase of £17.883M (10.64%) over 2021/22. The Council Tax was increased by 2.9% from 1<sup>st</sup> April 2022 with a budget of £86.543M being set for Council Tax during 2022/23. An efficiency target of £500k was set for the year and was at a level which was significantly lower than historical targets. No savings were approved for Schools. Use of the Council Fund reserve was planned as part of the budget setting process of £996k, with further planned use of Social Services reserves as part of a Social Services budget programme.

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



## Vale of Glamorgan County Borough Council

At the time the 2022/23 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 is increased by 3.9% this could result in the possible total shortfall in funding for 2023/24 and 2024/25 of £15.733M. Whilst it had been possible to set efficiency targets at a lower level in 2022/23 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 2022/23 is £5.829M which is a decrease of £1.038 (15.12%) from the previous year. The 2022/23 Capital Programme was approved by Council on 7<sup>th</sup> March 2022 and had a gross value of £85.206M with funding from external grants and contributions amounting to £21.776M. The programme is briefly summarised below;

	<b>2022/23 Net (excluding grants and contributions)</b>	<b>2022/23 Gross(including grants and contributions)</b>
	<b>£'000</b>	<b>£'000</b>
Learning and Skills	10,357	20,381
Social Services	180	180
Environment and Housing	48,310	57,715
Place	3,454	5,801
Resources	856	856
City Deal	273	273
<b>Total Capital Programme</b>	<b>63,430</b>	<b>85,206</b>

There will be investment in the Council's Schools as part of the Sustainable Communities for Learning programme of £15.668M, £2.7M in the Council's Vehicles and £1.9M in a new Household Waste Recycling Centre. Even though the Housing stock meets WHQS, further work totalling £39.778M 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 2022/23 and Final Capital Proposals 2022/23 to 2026/27](#).

Over the coming years major capital investment will continue for the Sustainable Communities for Learning programme which will require capital investment between 2022/23 and 2024/25. The remaining funding included in the capital programme is £45.2M over this period, with a contribution of £12.4M from Welsh Government.

## Vale of Glamorgan County Borough Council

The COVID 19 pandemic has changed the way in which the Council provides services and many staff continue to work from home. Since March 2020, Welsh Government (WG) has provided financial support to cover additional expenditure incurred via the Local Authority Emergency Hardship Grant. Whilst the majority of funding has now ceased funding continues for Free School Meals until the end of August, and Self Isolation payments until the end of June. The Council also continues to issue payments on behalf of WG under the Statutory Sick Pay scheme which is also expected to continue until the end of June 2022. The scheme has been open since 1 November 2020 and provides additional financial support to eligible social care workers when they are required to stay off work due to actual or potential exposure to COVID-19.

The Council is now operating using a hybrid approach and will review its asset base to reflect these changing working practices. The Council considers that it has sufficient balances and reserves and has set aside a specific sum to address the Council's ongoing Covid response in the coming months. Other emerging pressures relate to energy costs, general inflation particularly in respect of food costs and school transport and costs of living and staffing shortages in some areas. These issues will be further assessed as part of the Medium Term Financial Plan which will be updated during the coming year.

### 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

## Vale of Glamorgan County Borough Council

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

Vale of Glamorgan County Borough Council

arrangements for Internal Audit and how the Authority has complied with the various elements of the framework.

## Statement of Responsibilities for the Statement of Accounts

### The Council's Responsibilities

The Council is required:

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

Signature:

Date:

Mayor as Chairman of the Council

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

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

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

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

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

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

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

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

Signature:

Date:

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.

2020/21	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis (Note 10)	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)	(4,832)	(8,884)
Managing Director and Resources	22,577	(226)	22,351
Net Cost of Services	218,916	6,836	225,752
Other Income and Expenditure	(232,205)	(44,627)	(276,832)
<b>(Surplus) or Deficit</b>	<b>(13,289)</b>	<b>(37,791)</b>	<b>(51,080)</b>
<b>Opening General Fund and HRA Balance at 31 March 2021</b>	<b>(90,956)</b>		
Plus Surplus on General Fund and HRA Balance in Year	(13,289)		
<b>Closing General Fund and HRA Balance 31 March 2021</b>	<b>(104,245)</b>		

2021/22	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis (Note 10)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000
Learning and Skills	107,410	13,198	120,608
Social Services	68,801	1,055	69,856
Visible and Housing Services	28,576	6,561	35,137
Housing Revenue Account (HRA)	(5,437)	(10,934)	(16,371)
Managing Director and Resources	22,873	3,585	26,458
Net Cost of Services	222,223	13,465	235,688
Other Income and Expenditure	(246,185)	(29,407)	(275,592)
<b>(Surplus) or Deficit</b>	<b>(23,962)</b>	<b>(15,942)</b>	<b>(39,904)</b>
<b>Opening General Fund and HRA Balance at 31 March 2021</b>	<b>(104,245)</b>		
Plus Surplus on General Fund and HRA Balance in Year	(23,962)		
<b>Closing General Fund and HRA Balance 31 March 2022</b>	<b>(128,206)</b>		

## Movement in Reserves Statement 2020/21

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.

Movement in Reserves Statement	Council Fund	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>12,814</b>	<b>70,194</b>	<b>7,948</b>	<b>16,475</b>	<b>3,704</b>	<b>111,135</b>	<b>229,113</b>	<b>340,248</b>
Total Comprehensive Income and Expenditure	31,257	10,182	9,642	0	0	51,081	(57,402)	(6,321)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(32,202)	0	(5,590)	(3,083)	2,304	(38,571)	38,571	0
<b>Increase/(Decrease) in 2020/21</b>	<b>(945)</b>	<b>10,182</b>	<b>4,052</b>	<b>(3,083)</b>	<b>2,304</b>	<b>12,510</b>	<b>(18,831)</b>	<b>(6,321)</b>
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>11,869</b>	<b>80,376</b>	<b>12,000</b>	<b>13,392</b>	<b>6,008</b>	<b>123,645</b>	<b>210,282</b>	<b>333,927</b>

## Movement in Reserves Statement 2021/22

Movement in Reserves Statement	Council Fund	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>11,869</b>	<b>80,376</b>	<b>12,000</b>	<b>13,392</b>	<b>6,008</b>	<b>123,645</b>	<b>210,282</b>	<b>333,927</b>
Total Comprehensive Income and Expenditure	1,293	17,881	20,728	0	0	39,902	124,508	164,410
Adjustments between accounting basis and funding basis under regulations (Note 10)	(652)	0	(15,289)	(1,548)	(1,457)	(18,946)	18,946	0
<b>Increase/(Decrease) in 2021/22</b>	<b>641</b>	<b>17,881</b>	<b>5,439</b>	<b>(1,548)</b>	<b>(1,457)</b>	<b>20,956</b>	<b>143,454</b>	<b>164,410</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>12,510</b>	<b>98,257</b>	<b>17,439</b>	<b>11,844</b>	<b>4,551</b>	<b>144,601</b>	<b>353,736</b>	<b>498,338</b>



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 2020/21			Expenditure on Services	2021/22		
Gross Expt.	Income	Net Expt.		Gross Expt.	Income	Net Expt.
£'000	£'000	£'000		£'000	£'000	£'000
146,071	37,180	108,891	Learning and Skills	167,551	46,942	120,609
96,603	28,772	67,831	Social Services	101,315	31,459	69,856
54,699	19,137	35,562	Visible and Housing Services	60,464	25,327	35,137
12,588	21,472	(8,884)	Housing Revenue Account (HRA)	5,580	21,951	(16,371)
65,842	43,491	22,351	Managing Director and Resources	67,588	41,129	26,459
<b>375,803</b>	<b>150,052</b>	<b>225,751</b>	<b>Cost of Services</b>	<b>402,498</b>	<b>166,808</b>	<b>235,690</b>
			<b>Other operating expenditure</b>	0	0	0
3,061	0	3,061	Town/Community Council Precepts	3,174	0	3,174
16,583	0	16,583	South Wales Police Authority	17,669	0	17,669
6,381	0	6,381	South Wales Fire Authority	6,743	0	6,743
94	0	94	Other Levies and Contributions	106	0	106
154	0	154	(Gains)/losses on the disposal of non-current assets	5,191	0	5,191
			<b>Financing and investment income and expenditure</b>			
7,117	0	7,117	Interest payable and similar charges	6,916	0	6,916
5,812	0	5,812	Net interest on defined benefit liability	6,825	0	6,825
640	0	640	Revaluation of Investment Properties	7	0	7
0	498	(498)	Interest receivable and other income	0	344	(344)
			<b>Taxation and non-specific grant income</b>			
0	89,318	(89,318)	Council Tax income (Note 13)	0	95,022	(95,022)
0	41,095	(41,095)	Non domestic rates (Note 14)	0	43,918	(43,918)
0	119,926	(119,926)	Revenue Support grants (Note 12)	0	126,846	(126,846)
0	1,585	(1,585)	Council Tax grant	0	1,249	(1,249)
0	78	(78)	Deferred Tax	41	0	41
0	64,174	(64,174)	Capital grants and contributions	0	54,885	(54,885)
<b>415,645</b>	<b>466,726</b>	<b>(51,081)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>449,170</b>	<b>489,072</b>	<b>(39,902)</b>
		(2,143)	(Surplus)on revaluation of non-current assets (Note 6)			(44,323)
		1,272	Impairment losses on non-current assets Revaluation Reserve (Note 16)			0
		58,273	Remeasurements of the net defined benefit liability/(asset) (Note 39)			(80,185)
		-	Transfer in/out of the net defined benefit liability/asset (Note 39)			0
		<b>57,402</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(124,508)</b>

		<b>6,321</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(164,410)</b>
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**Balance Sheet as at 31<sup>st</sup> March 2022**

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.

<b>31 March 2021</b>	<b>Restated 31 March 2021</b>		<b>Notes</b>	<b>31 March 2022</b>
<b>£'000</b>	<b>£'000</b>			<b>£'000</b>
737,271	741,521	Property, Plant and Equipment	16	822,241
2,458	2,458	Joint Committee Investment Properties	34	2,454
170	170	Equity		170
212	212	Intangible Assets		352
2	2	Long Term Investments	20	2
1,564	1,564	Long Term Debtors	20	2,880
<b>741,677</b>	<b>745,927</b>	<b>Long Term Assets</b>		<b>828,099</b>
69,158	69,158	Short Term Investment	20	82,462
0	0	Assets Held for Sale	18	1,380
122	122	Deferred Tax Asset		113
1,330	1,330	Inventories		1,184
51,443	51,443	Short Term Debtors	21	76,967
27,576	27,576	Cash and Cash Equivalents	22	20,980
<b>149,629</b>	<b>149,629</b>	<b>Current Assets</b>		<b>183,086</b>
9,679	9,679	Short Term Borrowing	20	9,163
40,136	40,136	Short Term Creditors	23	50,363
1,724	1,724	Provisions (Short Term)	24	1,611
444	444	Donated Inventory Account		596
15,600	15,600	Grants Receipts in Advance – Capital	0	9,903
<b>67,583</b>	<b>67,583</b>	<b>Current Liabilities</b>		<b>71,636</b>
329	329	Provisions (Long Term)	24	497
144,324	144,324	Long Term Borrowing	20	145,492
9,638	9,638	Other Long Term Liabilities	25	8,720
332,244	332,244	Other Long Term Liabilities (Pensions)	39	276,615
7,511	7,511	Grants Receipts in Advance - Capital (Long Term)	0	9,888
<b>494,046</b>	<b>494,046</b>	<b>Long Term Liabilities</b>		<b>441,212</b>
<b>329,677</b>	<b>333,927</b>	<b>Net Assets</b>		<b>498,337</b>
123,645	123,645	Usable Reserves	26	144,601
206,032	210,282	Unusable Reserves	27	353,736
<b>329,677</b>	<b>333,927</b>	<b>Total Reserves</b>		<b>498,337</b>

Restated to include the value of HRA garages previously excluded in error

## 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 13 of this report.

31 March 2021		Notes	31 March 2022
£'000			£'000
<b>51,081</b>	<b>Net surplus or (deficit) on the provision of services</b>		<b>39,902</b>
30,743	Adjustments to net surplus or deficit on the provision of services for non-cash movements	28	48,132
	<b>Adjustments for items that are investing and financing activities</b>		
(124)	Proceeds from the sale of property, plant and equipment and intangible assets.		(4,605)
(43,300)	Any items which the cash effects are investing or financing cashflows		(56,342)
<b>(43,424)</b>	<b>Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>		<b>(60,947)</b>
<b>38,400</b>	<b>Net cash flows from Operating Activities</b>		<b>27,087</b>
	<b>Investing Activities</b>		
(71,205)	Purchase of property, plant and equipment and intangible assets.		(59,205)
124	Proceeds from the sale of property, plant and equipment and intangible assets.		248
0	Purchase of short term/long term investments		(13,477)
(8,962)	Other payments for investing activities		(6,640)
(244)	Proceeds from short term/long term investments		(0)
55,273	Other Receipts from Investing Activities		43,363
<b>(25,014)</b>	<b>Net Cashflow from Investing Activities</b>		<b>(35,711)</b>
	<b>Financing Activities</b>		
(825)	Repayments of Short and Long Term Borrowing		611
1,814	Other Payments for Financing Activities		1,417
<b>989</b>	<b>Net cash flows from Financing Activities</b>		<b>2,028</b>
<b>14,375</b>	<b>Net increase or decrease in cash and cash equivalents</b>		<b>(6,596)</b>
13,201	Cash and cash equivalents at the beginning of the reporting period		27,576
<b>27,576</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>20,980</b>

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

a	<b>Accounting Policies</b>	<p>The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended) which require them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 supported by International Financial Reporting Standards (IFRS) and statutory guidance. The accounts are prepared on a going concern basis.</p>
b	<b>Revenue/Expenditure</b>	<p>The transactions of the Council are accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:</p> <ul style="list-style-type: none"> <li>• Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.</li> <li>• Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.</li> <li>• Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.</li> <li>• Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.</li> </ul> <p>There are certain exceptions to this principle. The main items are:-</p> <p>(a) Electricity charges, telephone expenses, leasing and similar periodic payments are included in the Accounts on a payments basis and not accrued to 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 2021/22 is</p>

		<p>on the basis of the allocation as approved by Welsh Government in year. Where final figures are not available e.g. Subsidy Entitlement, the amounts included are based on the latest available information.</p> <p>The difference between the amounts charged annually to the Revenue Accounts in respect of items (a) and (b) and the amounts that would be charged if they were accrued to 31st March each year is not significant.</p>
<b>c</b>	<b>Prior Period adjustments, Changes in Accounting Policies and Estimates and Errors</b>	<p>A change in accounting policies or to correct a material error can result in a prior period adjustment. Changes in accounting estimates do not give rise to a prior period adjustment but are accounted for prospectively.</p> <p>Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions of the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.</p> <p>Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.</p>
<b>d</b>	<b>Charges to Revenue for Non-Current Assets</b>	<p>The following amounts are charged to revenue to record the cost of holding fixed assets during the year:</p> <ul style="list-style-type: none"> <li>• Depreciation attributable to the assets used by the relevant service.</li> <li>• Revaluation and impairment losses on assets chargeable to the service.</li> <li>• Amortisation of intangible non-current assets attributable to the service.</li> </ul> <p>Council Tax is not required to be raised to fund depreciation, revaluation, impairment losses or amortisations. However, an annual contribution is required from revenue (Minimum Revenue Provision) 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	<b>Employee Benefits</b>	<p><b>Benefits Payable during Employment</b>  Short term employee benefits are those due to be settled within 12 months of the year end. An accrual is made for the cost of holiday entitlements (or any form of leave) earned by employees but not taken before the year end which employees can carry forward into the next financial year. Holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.</p>
		<p><b>Termination Benefits</b>  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><b>Post Employment Benefits</b>  Employees of the Authority are members of two separate pension schemes:</p> <ul style="list-style-type: none"> <li>• The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).</li> <li>• The Local Government Pensions Scheme, administered by Cardiff County Council Pension Authority.</li> </ul> <p>Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Authority. The arrangements for the teachers' scheme means that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.</p>
		<p><b>The Local Government Pension Scheme</b>  The Local Government Scheme is accounted for as a defined benefits scheme:</p> <ul style="list-style-type: none"> <li>• The liabilities of the Cardiff and Vale Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to</li> </ul>

		<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"> <li>• Liabilities are discounted to their value at current prices, using a discount rate.</li> <li>• The assets of the Cardiff and Vale Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value.</li> <li>• The actuarial valuation carried out at 31<sup>st</sup> March 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.</li> </ul>
		<p>The change in the net pension's liability is analysed into the following components:</p> <p><b>Service cost comprising</b></p> <ul style="list-style-type: none"> <li>• Current service cost – the increase in liabilities as a result of years of service earned this year which is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.</li> <li>• Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years. Debited to the surplus or deficit of services in the Comprehensive Income and Expenditure.</li> <li>• Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at 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.</li> </ul> <p><b>Remeasurements comprising:</b></p> <ul style="list-style-type: none"> <li>• The return on plan assets – excluding amounts included in net interest on the net defined liability</li> </ul>



		<p>(asset). This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.</p> <ul style="list-style-type: none"> <li>Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.</li> </ul> <p>Statutory provisions require the Council Fund balance be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year in relation to retirement benefits not the amount calculated according to the relevant standards. In the movement in reserves statement this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the council fund of being required to account for retirement benefits on the basis of cashflows rather than as benefits are earned by employees.</p>
		<p><b>Discretionary Benefits</b></p> <p>The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.</p>
<p><b>f</b></p>	<p><b>Events after the Balance Sheet date</b></p>	<p>These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Such events could result in the Statement of Accounts being adjusted. Two types of events can be identified:</p> <ul style="list-style-type: none"> <li>Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.</li> </ul>

		<ul style="list-style-type: none"> <li>Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.</li> </ul>
<b>g</b>	<b>Cash and Cash Equivalents</b>	<p>Cash is represented by cash in hand, bank overdrafts and deposits held with financial institutions which are repayable without penalty on notice of not more than 24 hours as at 31<sup>st</sup> March 2022. Cash equivalents are highly liquid investments which are readily convertible to known amounts of cash without there being a significant risk of change in value and refer to instant access call accounts such as those held with Banks and Money Market Funds. Any other short term investments are excluded from cash and cash equivalents and are treated as current assets. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.</p>
<b>h</b>	<b>Financial Instruments</b>	<p><b>Financial Liabilities</b></p> <p>Financial liabilities are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.</p> <p><b>Financial Assets</b></p> <p>Financial assets are classified into two types:</p> <ul style="list-style-type: none"> <li>Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.</li> <li>Available-for-sale assets – assets that have a quoted market price and / or do not have fixed or determinable payments.</li> </ul> <p><b>Loans and Receivables</b></p> <p>Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For</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>
<p><b>i</b></p>	<p><b>Available for Sale Assets</b></p>	<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	<b>Government Grants and Contributions</b>	<p>Government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:</p> <ul style="list-style-type: none"> <li>• The Authority will comply with the conditions attached to the payments, and</li> <li>• The grants or contributions will be received.</li> </ul> <p>Grants and contributions advanced for which conditions have not been satisfied are carried in the Balance Sheet as creditors. Once conditions are satisfied, the grants or contributions are credited to the Comprehensive Income and Expenditure Statement.</p> <p>Capital grants are credited to the Comprehensive Income and Expenditure Statement and are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Grants not yet used to finance capital expenditure, are posted to the Capital Grants Unapplied reserve. Once applied, it is posted to the Capital Adjustment Account.</p>
k	<b>Intangible Assets</b>	<p>Expenditure on non monetary assets that do not have physical substance but are controlled by the Authority is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.</p> <p>The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.</p>
l	<b>Inventories and Long Term Contracts</b>	<p>Inventories should be included in the Balance Sheet at the lower of cost and net realisable value. However, some stock is valued at the latest price paid, with an allowance made for obsolete and slow-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	<b>Jointly Controlled Operations</b>	<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	<b>Leases</b>	<p>The Council currently has no Finance Leases. The land and buildings elements of a lease are considered separately for classification.</p> <p><b>The Authority as Lessee</b></p> <p><b>Operating Leases</b> Rentals paid under operating leases are charged to the services in the Comprehensive Income and Expenditure Statement that benefit from the use of the leased property, plant or equipment.</p> <p><b>The Authority as Lessor</b></p> <p><b>Operating Leases</b> Rental income under an operating lease is credited to the Comprehensive Income and Expenditure Statement; the property, plant or equipment is retained in the Balance Sheet.</p>
o	<b>Overheads and Support Services</b>	<p>The accounts have been adjusted to remove internal recharges for overheads and support services from the figures shown in the Comprehensive Income and Expenditure Statement.</p>
p	<b>Property Plant and Equipment</b>	<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 2021/22.</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"> <li>• the purchase price.</li> <li>• any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.</li> <li>• The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.</li> </ul> <p>For Land and Building additions any expenditure less than £50k is enhanced and then impaired back out unless it relates to schemes such as boilers, new structures which have previously been shown to be enhancing. Schemes costing between £50k and £250k are enhanced in full subject to some exceptions. Schemes including works to boilers, roofs, rewiring and multiple schemes are enhanced at 65% of the value. Any unusual or schemes exceeding £250k in value were reviewed by a FRICs qualified valuer to assess the level of enhancement.</p> <p>Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service revenue account.</p>
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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><b>Component accounting</b> 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><b>Impairment</b> Assets are assessed at each year end as to whether there is an indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount is estimated and if this is less than the carrying amount an impairment loss is recognised for the shortfall. This is either set against the balance of the Revaluation Reserve if there have been previous valuation gains for the asset or it is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.</p>
		<p><b>Depreciation</b> Depreciation is provided for on all Property, Plant and Equipment assets over their useful lives. An exception is where assets are without a determinable finite useful life (i.e. Freehold Land and Community Assets) and assets that are not available for use (i.e. assets under construction).</p> <p>Depreciation is calculated on the following basis:</p> <ul style="list-style-type: none"> <li>• Dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer.</li> <li>• Vehicles, plant, furniture and equipment - over the life of the asset.</li> <li>• Infrastructure – straight line allocation over 40 years.</li> </ul>



		<p>No depreciation is charged in the year of acquisition with a full year charge applied in the disposal year, except for Vehicles which is charged in the month following acquisition.</p> <p>Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.</p>
		<p><b>Disposals and Non Current Assets Held for Sale</b></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>



		<p>The written off value on disposals is not a charge to Council Tax as the cost for non current assets is separately provided for under separate arrangements for capital financing</p>
<b>q</b>	<b>Fair Value Measurement</b>	<p>The authority measures some of its assets held for sale and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either;</p> <ul style="list-style-type: none"> <li>• In the principal market for the asset or liability, or</li> <li>• In the absence of a principal market, in the most advantageous market for the asset or liability.</li> </ul> <p>The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their best economic interest by using the asset in its highest and best use, or selling the asset to another participant.</p> <p>The authority uses valuation techniques that are appropriate in the circumstances maximising the use of observable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, as follows;</p> <ul style="list-style-type: none"> <li>• Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.</li> <li>• Level 2 – inputs rather than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.</li> <li>• Level 3 – unobservable inputs for the asset or liability.</li> </ul>
<b>r</b>	<b>Provisions, Contingent Liabilities and Contingent Assets</b>	<p><b>Provisions</b></p> <p>Provisions are made when an event has taken place that gives the 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><b>Contingent Liabilities</b></p> <p>A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.</p> <p>Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.</p>
		<p><b>Contingent Assets</b></p> <p>A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.</p> <p>Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.</p>
<b>s</b>	<b>Specific Reserves</b>	<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>

<b>t</b>	<b>Revenue Expenditure Funded from Capital under Statute</b>	Expenditure that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. The total gross expenditure is £7.415 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.
<b>u</b>	<b>Local Authority Schools</b>	The Council does not include a school's property, plant and equipment in its Balance Sheet where it does not own or have significant control over the economic benefit of these assets. This means that the buildings used by voluntary aided, Roman Catholic aided and voluntary controlled schools are excluded from property, plant and equipment where they are not owned by the Council. However, land owned by the Council and used by these schools is recognised in property, plant and equipment. The property, plant and equipment of community and foundation schools are recognised on the Authority's Balance Sheet. The income and expenditure for all schools is included within the CI&ES and any unspent resources held by schools are included within earmarked reserves in the Council's Balance Sheet.
<b>v</b>	<b>Value Added Tax</b>	Income and expenditure excludes any amounts related to Value Added Tax (VAT), as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.
<b>w</b>	<b>Exceptional Items</b>	When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the Notes to the Statement of Accounts, depending on how significant the items are to an understanding of the Council's financial performance. There are no exceptional items in 2021/22.
<b>x</b>	<b>Investment in Companies</b>	The Council currently only has one investment in a company and this is its 100% shareholding in the Big Fresh Catering Company which was established on 1 <sup>st</sup> January 2020. The Council having considered the materiality of the investment and its delivery of core Council services has taken the decision to consolidate through Group Accounts. The Council's shareholding is not listed on any quoted market the

		valuation estimate of the company will be based on its draft set of financial accounts (Level 3).
<b>y</b>	<b>Inventories</b>	<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>
<b>z</b>	<b>Adopted Highways</b>	<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 2020/21 or 2021/22.</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. IFRS16 Leases (but only for those authorities that have decided to adopt IFRS 16 in the 2022/23 year). This is not applicable to the Vale of Glamorgan Council.
- b. IAS 37 (Onerous contracts) – clarifies the intention of the standard
- c. IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

None of the matters covered in the annual improvements are dealt with in detail in the 2022/23 Code. During the consultation on the 2022/23 Code CIPFA/LASAA did not envisage them having a significant effect on local authority financial statements.

- d. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS16).

Note that this is based on the current position as agreed by CIPFA/LASAAC but the Code has not yet been subject to full due process so this might be subject to change.

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 2022 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 (3-18 years) standard asset lives are used unless evidence is available to the contrary. The Useful

Economic Lives of operational buildings is estimated by a RICS qualified valuer as part of the valuation process.

The Housing Revenue Account Council Dwelling assets were due for revaluation as part of the 5 year rolling programme during 2021/22, this valuation has been carried out by a RICS qualified valuer from Savills using a Beacon approach. The valuation incorporates the 772 garages included in the Housing Revenue Account which are shown against Land and Buildings, they also include the new build development at Clos Holm View.

In addition due to the materiality uncertainty that continued to be applied to the other services Land and Building assets and in response to concerns expressed in the context of rising construction costs by Audit Wales a desktop valuation was performed by a RICS qualified valuer from Avison Young during 2021/22.

The impact of rising construction costs was considered to be particularly significant for Education and Social Services assets which are typically valued on a depreciated replacement cost (DRC) basis which reflect the cost of construction for a similar asset. These assets were also revalued on a desktop valuation basis by a RICS valuer from Avison Young during the accounts closure period.

A number of new build schools were completed during 2021/22 and these assets were also revalued upon transfer from the Asset Under Construction Account by a RICS valued from Avison Young.

Therefore the majority of the Council's asset base has been subject to revaluation during the 2021/22 financial year. Whereas land asset values have typically remained unchanged the majority of building assets particularly those valued on a DRC basis have increased in value. The valuations are set out in Note 16 to the accounts Property Plant and Equipment.

#### Minimum Revenue Provision

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

#### Provisions

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

The MMI liability has been calculated based on the Vale of Glamorgan's share of outstanding claims from South Glamorgan, Mid Glamorgan and Vale of Glamorgan

Borough. The scheme administrator regularly reviews the scheme and any significant changes in the financial position may lead to a further clawback.

#### Debtors

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

#### Pensions Liability

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

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

The demographic and financial assumptions used in arriving at the 2021/22 actuarial report are set out 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 31<sup>st</sup> March 2022 for the Council's financial assets and liabilities have been provided by the Council's Treasury Management advisor Link Asset Management Ltd and PWLB, as the majority of the Council's borrowing with PWLB at a fixed rate and there has been some increase in the PWLB borrowing rate during the intervening period this can be expected to be reflected in the Fair Values would be unlikely to have changed significantly in recent months, more detail in respect of this uncertainty is set out in note 41. Disclosure notes set out the fair values for the Authority's financial assets and liabilities as at 31<sup>st</sup> March 2022.

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

During 2021/22 the Council was impacted the Covid 19 Pandemic the additional grant income received to support the Council's response is set out in Note 15.

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

The draft statement of accounts was authorised for issue by the Head of Finance (Section 151 Officer) on 5<sup>th</sup> July 2022. 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

The 2020/21 Balance Sheet has been adjusted to reflect the value of 772 HRA garages that were valued during 2021/22 and were not previously included in the Council's land and building valuations in error. The value of the buildings is £4.25m

The impact of this amendment on the 2020/21 balance sheet is reflected below;

	31 <sup>st</sup> March 2021	Restated 31 <sup>st</sup> March 2021	
	£'000	£'000	
Property, Plant and Equipment	737,271	741,521	4,250
<b>Net Assets</b>	<b>329,677</b>	<b>333,927</b>	<b>4,250</b>
Unusable Reserves	206,032	210,282	4,250
<b>Total Reserves</b>	<b>329,677</b>	<b>333,927</b>	<b>4,250</b>

This restatement also increases the gross expenditure against HRA in 2020/21 by £4.250m

Service	Gross Expt.	Income	Net Expt.
	£'000	£'000	£'000
Housing Revenue Account (HRA)	16,838	21,472	(4,634)
Restated Housing Revenue Account (HRA)	21,088	21,472	(384)
Variance	4,250	0	4,250

The change does not amend the Usable reserves of the Council and the increase is reflected in the adjustments note as set out below.

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
Housing Revenue Account (HRA)	-2,945	2,141	204	18	(582)
Restated Housing Revenue Account (HRA)	-2,945	6,391	204	18	3,688
Variance	0	4,250	0	0	4,250



## 8. Note to the Expenditure and Funding Analysis

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)	(2,109)	204	18	(4,832)
Managing Director and Resources	(1,513)	(143)	1,626	(196)	(226)
<b>Net Cost of Services</b>	<b>(13,581)</b>	<b>12,176</b>	<b>8,439</b>	<b>(199)</b>	<b>6,835</b>
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	<b>0</b>	<b>(51,844)</b>	<b>14,251</b>	<b>(199)</b>	<b>(37,792)</b>

2021/22 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	(3,582)	9,791	6,988	2	13,199
Social Services	(3,261)	205	4,115	(4)	1,055
Visible and Housing Services	(2,331)	6,658	2,234	0	6,561
Housing Revenue Account (HRA)	(2,858)	(8,491)	415	0	(10,934)
Managing Director and Resources	(1,429)	1,034	3,748	232	3,585
<b>Net Cost of Services</b>	<b>(13,461)</b>	<b>9,197</b>	<b>17,500</b>	<b>230</b>	<b>13,466</b>
Other Income and Expenditure	13,461	(49,693)	6,825	0	(29,407)
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure statement surplus or deficit	<b>0</b>	<b>(40,496)</b>	<b>24,325</b>	<b>230</b>	<b>(15,941)</b>

### Note (i) Adjustments for Capital Purposes

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

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

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

- The replacement of the employer pension contributions with current service costs and past service costs.

- The net interest on the defined benefit liability is charged to the Other Income and Expenditure line.

Note (iii) Other Differences

- Adjustments are made for accumulated absences.

**9. Expenditure and Funding Analysis by Nature**

<b>Restated 31 March 2021 £'000</b>		<b>31 March 2022 £'000</b>
160,486	Employee Expenditure	186,487
10,726	Employee Expenditure (Aided Schools)	11,667
174,190	Other Service Expenditure	190,446
30,401	Depreciation, Amortisation, Impairments & Other Capital Adjustments	13,939
7,117	Interest Payments	6,916
26,119	Precepts & Levies	27,692
154	Loss on Disposal of Non-Current Assets	5,191
5,812	Interest on net defined benefit liability/ (asset)	6,825
640	Revaluation on Investment Properties	7
<b>415,645</b>	<b>Total Expenditure</b>	<b>449,170</b>
(41,034)	Fees Charges & Other Service Income	(45,303)
(498)	Interest, Investment Income and Trading Outturn	(146)
(89,318)	Income from Council Tax	(95,019)
(335,876)	Government Grants and Contributions	(348,603)
0	Gains Disposal of Non-Current Assets	0
<b>(466,726)</b>	<b>Total Income</b>	<b>(489,072)</b>
<b>(51,081)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(39,902)</b>

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

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
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments to Revenue Resources</b>					
<b>Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	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	(1,304)	0	0	(1,486)
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)
<b>Total Adjustments to Revenue Resources</b>	<b>35,555</b>	<b>4,724</b>	<b>0</b>	<b>0</b>	<b>(40,279)</b>
<b>Adjustments between Revenue and Capital Resources</b>					
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
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>(7,351)</b>	<b>(6,546)</b>	<b>124</b>	<b>0</b>	<b>13,773</b>
<b>Adjustments to Capital Resources</b>					
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
<b>Total Adjustments to Capital Resources</b>	<b>(60,406)</b>	<b>(3,768)</b>	<b>(3,207)</b>	<b>2,304</b>	<b>65,077</b>
<b>Total Adjustments</b>	<b>(32,202)</b>	<b>(5,590)</b>	<b>(3,083)</b>	<b>2,304</b>	<b>38,571</b>

Adjustments between Accounting Basis and Funding Basis under Regulations 2021/22	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapp	Mvmt in Unusable Reserves
<b>Adjustments to Revenue Resources</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	39,560	858	0	0	(40,418)
Employers pension contributions and direct payments to pensions payable in the year	(15,558)	(304)	0	0	15,862
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(2)	0	0	0	2
Holiday pay (transfers to the Accumulated Absences Reserve)	1	0	0	0	(1)
Charges for depreciation/impairment of non-current assets	13,434	1,454	0	0	(14,888)
Revaluation (surplus)/deficit on Property Plant and Equipment	3,175	(6,575)	0	0	3,400
Amortisation of intangible assets	78	0	0	0	(78)
Amounts of non-current assets written off on disposal to CIES	9,796	0	0	0	(9,796)
Revenue Expenditure funded from capital under statute	6,481	934	0	0	(7,415)
<b>Total Adjustments to Revenue Resources</b>	<b>56,965</b>	<b>(3,633)</b>	<b>0</b>	<b>0</b>	<b>(53,332)</b>
<b>Adjustments between Revenue and Capital Resources</b>					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(248)	0	248	0	0
Transfer of non-current asset sale proceeds from revenue to the Deferred Capital Receipts Reserve	(4,357)	0	0	0	4,357
Administrative costs of the non-current asset disposals (funded by Capital Receipts Reserve)	0	0	0	0	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(3,619)	(1,600)	0	0	5,219
Capital Expenditure financed from revenue balances (transferred to the Capital Adjustment Acc.)	(1,863)	(2,701)	0	0	4,564
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>(10,087)</b>	<b>(4,301)</b>	<b>248</b>	<b>0</b>	<b>14,140</b>
<b>Adjustments to Capital Resources</b>					
Use of Capital Receipts Reserve to finance capital expenditure	0	0	(1,796)	0	1,796
Application of capital grants to finance capital expenditure	(47,530)	(7,355)	0	(1,457)	56,342
Cash payments in relation to deferred capital receipts	0	0	0	0	0
<b>Total Adjustments to Capital Resources</b>	<b>(47,530)</b>	<b>(7,355)</b>	<b>(1,796)</b>	<b>(1,457)</b>	<b>58,138</b>
<b>Total Adjustments</b>	<b>(652)</b>	<b>(15,289)</b>	<b>(1,548)</b>	<b>(1,457)</b>	<b>18,946</b>

### 11. Transfers To/From Earmarked Reserves

This sets out the amounts set aside from the Council Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Council Fund and HRA expenditure in 2021/22.

	31- Mar- 20	Tfr In	Tfr Out	31- Mar- 21	Tfr In	Tfr Out	31- Mar-22
<b>Council Fund</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>School Reserves-</b> Under Local Government Management of Schools, schools are able to carry forward surpluses and deficits. These are ringfenced for schools.	938	6,661	959	6,640	8,874	2,425	13,089
<b>Capital Reserves</b>							
<b>ICT Renewal</b> - This is a fund set aside to meet ICT renewals required by the Authority.	2,893	1,095	8	3,980	72	1,320	2,732
<b>School Investment Strategy</b> - The fund is available in respect of improvements to Schools including the 21 <sup>st</sup> Century schools capital programme.	9,089	333	859	8,563	1,324	1,849	8,038
<b>WG Additional Schools Capital Grant</b> – Grant funding received and carried forward for capital works in schools	2,090	2,258	2,036	2,312	2,385	2,285	2,412
<b>Investment and Growth Fund-</b> This fund is to finance the Council's Non Treasury Investment Strategy Fund including due diligence required as part of Investment and Regeneration Business Cases.	2,354	0	0	2,354	0	0	2,354
<b>Vehicle Repairs and Renewals</b> - For the replacement of plant and vehicles.	3,361	1,060	2,677	1,744	2,366	2,627	1,483
<b>Carbon Vehicles Reserve</b> – To purchase energy efficient vehicles	0	215	0	215	0	175	40
<b>Waste Transfer Station</b> – Establishment of a Waste Transfer Station.	1,498	0	0	1,498	849	0	2,347
<b>Council Building Fund</b> – To maintain Council buildings.	5,777	697	585	5,889	0	424	5,465
<b>Social Services Buildings</b> - To fund the update of Social Services premises to meet the future demands of the Service.	500	0	0	500	0	4	496
<b>ICF Capital</b> - To fund ICF capital projects.	330	300	330	300	0	25	275
<b>Gypsy Traveller Study and Site Provision</b> Funding for Gypsy Traveller Site scheme.	1,052	0	0	1,052	0	3	1,049
<b>Capital Scheme Commitments</b> – Set aside to top up Barry Regeneration schemes.	1,565	1,810	300	3,075	1,628	242	4,461
<b>Telecare</b> – Replacement fund for Telecare.	685	68	0	753	109	0	862
<b>Social Services Vehicles and Licences</b>	0	0	0	0	408	0	408

	31-Mar-20	Tfr In	Tfr Out	31-Mar-21	Tfr In	Tfr Out	31-Mar-22
<b>Council Fund</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue Reserves</b>							
<b>Resurfacing and Structural Improvements</b> - Funding set aside for Capital Improvements for Resurfacing and Structural Schemes	0	0	0	0	2,420	0	2,420
<b>Country Park Capital Schemes</b> - Funding set aside for Capital Improvements at the Council's Country Parks	0	0	0	0	336	0	336
<b>Free School Meals Reserve</b> - Funding displaced by grant to fund initial adaptations to allow implementation of WG Free School Meals Policy	0	0	0	0	1,138	0	1,138
<b>Energy Management Fund</b> – Energy management schemes initially funded from the reserve and services make repayments to the fund once savings are achieved.	199	152	125	226	87	23	290
<b>Coastal Works</b> - To fund the ongoing liabilities of coastal developments.	487	150	30	607	0	31	576
<b>Capital Economic Regeneration Reserve</b> – To be used to deliver the key regeneration projects.	489	0	33	456	0	61	395
<b>City Deal</b> – To provide funds for the Cardiff Capital Region City Deal.	1,898	0	0	1,898	0	0	1,898
<b>Neighbourhood Services Reserve</b> – To fund capital and revenue Neighbourhood Services schemes.	3,723	537	870	3,390	1,147	850	3,687
<b>Events</b> - To provide funds to promote events in the Vale of Glamorgan.	293	0	113	180	0	100	80
<b>Early Retirement and Redundancy Fund</b> - This is set aside to meet future costs of the early retirement and redundancy scheme.	973	0	0	973	0	500	473
<b>Corporate Governance</b> - This reserve has been set aside in respect of the Modernising Local Government Agenda.	338	0	0	338	0	102	236
<b>Election Expenses</b> –Set aside for Council Elections	411	41	0	452	42	1	493
<b>Culture Reserve</b> - To provide funds to support Library Services and Arts	0	290	0	290	0	0	290
<b>Catering</b> - To support any issues relating to the Catering trading company.	117	0	0	117	0	0	117



	31-Mar-20	Tfr In	Tfr Out	31-Mar-21	Tfr In	Tfr Out	31-Mar-22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Council Fund</b>							
<b>Revenue Reserves</b>							
<b>Grant Exit Strategy</b> – To pay potential redundancy costs if Welsh Government grants are discontinued and costs cannot be grant funded.	630	0	0	630	0	0	630
<b>Ysgol Bro Morgannwg 3G</b> Pitch Repairs and Renewals Fund	0	0	0	0	50	0	50
<b>Wellbeing and Family Engagement</b>	0	0	0	0	695	0	695
<b>Welsh Immersion Reserve</b>	0	0	0	0	80	0	80
<b>Trainee Appointments</b> – To fund the appointment of trainees and interns to support services and the Reshaping Service Programme.	631	0	30	601	0	0	601
<b>Legal Services</b> – To provide for external and additional legal capacity required for one off schemes and major projects.	511	0	96	415	0	124	291
<b>Performance and Development</b> - To fund temporary posts, the purchase of hardware, software and equipment.	367	10	0	377	0	0	377
<b>Building Services Improvement</b> – Monies set aside for improvements to the Building Services.	297	328	270	355	347	0	702
<b>Insurance Fund</b> - This reserve covers an estimate of potential claims (those estimated to have occurred but not reported as at 31 March 2021). These would include claims for public and employers liability, motor vehicle, buildings insurance costs.	4,574	74	0	4,648	0	119	4,529
<b>Schools Rationalisation</b> - This reserve will meet the costs of school restructuring and reorganisation and support schools in the improvement of their teaching and learning facilities.	533	634	0	1,167	76	510	733
<b>School Deferred Pensions</b> – To initially fund pension costs for schools staff which will be reimbursed by schools over a number of years.	319	43	27	335	0	19	316
<b>Education Pressures</b> – To fund the current pressures within Learning and Skills	452	0	0	452	498	80	870

	31-Mar-20	Tfr In	Tfr Out	31-Mar-21	Tfr In	Tfr Out	31-Mar-22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Bad Weather-</b> To fund costs due to bad weather.	269	500	299	470	0	0	470
<b>Regeneration Fund</b> - To fund regeneration projects.	305	160	0	465	0	25	440
<b>Ash Die Back Reserve</b> - Dedicated funding to address Ash Die Back	0	0	0	0	600	38	562
<b>Reshaping Services</b> - To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services Programme.	686	0	169	517	0	3	514
<b>Digital Reshaping</b> - To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services Digital Programme.	220	0	0	220	0	0	220
<b>Welfare Reforms</b> - To fund pressures resulting from Welfare Reforms.	621	400	0	1,021	611	733	899
<b>Legal Claims</b> - Funds have been set aside to cover potential legal cases.	1,870	0	0	1,870	0	0	1,870
<b>Social Services Legislative Changes</b> – To cover additional burdens on the authority due to changes in legislation.	7,923	396	92	8,227	2,596	71	10,752
<b>Social Services Pressures</b> - To cover potential expenditure on high cost children placements.	1,913	0	0	1,913	0	186	1,727
<b>Social Services Development</b> – To cover costs of implementing service development and contingency for premises maintenance.	350	0	0	350	0	0	350
<b>Homelessness and Housing Staffing</b> – Funding for temporary housing roles.	655	70	0	725	0	3	722
<b>Regeneration and Planning</b> – Monies set aside to cover various commitments in the service.	693	303	0	996	114	0	1,110
<b>Socio Economic Mapping and Recovery</b> – To support recovery initiatives	0	500	0	500	0	0	500
<b>Civil Parking Enforcement</b> - Ringfenced funding for parking improvements in the Vale	0	0	0	0	127	0	127
<b>Library</b> - To provide funds to support Library services.	151	0	151	0	0	0	0
<b>Additional Leaning Needs Reserve</b> -	0	375	0	375	776	0	1,151

	31-Mar-20	Tfr In	Tfr Out	31-Mar-21	Tfr In	Tfr Out	31-Mar-22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Waste Management Contingency Reserve - Recycling material values</b>	0	0	0	0	250	0	250
<b>Covid Response Reserve - Funding set aside to support the Council's response to Covid</b>	0	0	0	0	1,249	0	1,249
<b>Cost of Living Discretionary - WG Discretionary Funding carried forward to deliver the Cost of Living scheme</b>	0	0	0	0	825	0	825
<b>Private Sector Housing – To cover developments within Private Sector Housing.</b>	251	7	34	224	45	0	269
<b>Building Stronger Communities –Promotes initiatives consistent with the Council's vision of "Strong communities with a bright future".</b>	325	13	132	206	0	15	191
<b>Regulatory Services - For Regulatory Services issues and to be used for any future issues arising from the shared services collaboration.</b>	406	0	108	298	83	124	257
<b>Green Infrastructure and Climate Change -To fund environmental initiatives across the Vale of Glamorgan</b>	1,250	0	0	1,250	0	600	650
<b>Project Zero - To support the Council climate change agenda</b>	0	500	0	500	299	68	731
<b>Wellbeing and Leisure - To support and promote wellbeing and leisure in the Vale</b>	0	350	0	350	0	3	347
<b>Shared Internal Audit Service – Balance held by the Vale of Glamorgan on behalf of the shared service</b>	318	299	218	399	224	138	485
<b>Other - Various amounts set aside for education, planning, housing and community service issues.</b>	1,648	578	174	2,102	862	177	2,787
<b>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.</b>	916	33	333	616	372	0	988
<b>Total Council Fund Reserves</b>	<b>70,144</b>	<b>21,240</b>	<b>11,058</b>	<b>80,376</b>	<b>33,963</b>	<b>16,083</b>	<b>98,257</b>

	31- Mar-20	Tfr In	Tfr Out	31- Mar-21	Tfr In	Tfr Out	31-Mar- 22
<b>Housing Revenue Account (HRA)</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Housing Revenue Account -</b> The Authority maintains a Housing Revenue Account. This reserve is ringfenced by statute for use by the HRA.	7,948	4,052	0	12,000	5,439	0	17,439
<b>Total HRA Reserves</b>	<b>7,948</b>	<b>4,052</b>	<b>0</b>	<b>12,000</b>	<b>5,439</b>	<b>0</b>	<b>17,439</b>

## 12. Revenue Support Grant

The amount of Revenue Support Grant recorded as income is based on an original allocation of £124.398m plus an accrual of £2.448m to reflect a further allocation made in 2021/22 giving a total figure of £126.846m.

## 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 (£17.669M) and Town and Community Councils (£3.174M) 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 2021/22.

This basic amount for a band D property £1,357.20 (£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 for 2021/22:

<b>Council Tax Band</b>	<b>Proportion</b>	<b>No. of Properties</b>
Band A	0.67	1,422
Band B	0.78	6,429
Band C	0.89	13,989
Band D	1.00	11,536
Band E	1.22	10,473
Band F	1.44	7,425
Band G	1.67	5,785
Band H	2.00	2,223
Band I	2.33	1,047

Council Tax collectable in 2021/22 can be calculated as:

	2020/21	2021/22
	£'000	£'000
Council Tax Collectable	101,427	106,708
Council Tax Reduction Scheme and Care Leaver	(11,014)	(11,081)
Provision for non payment of Council Tax	(1,095)	(605)
<b>Amount Due From Taxpayers Before Rebates</b>	<b>89,318</b>	<b>95,022</b>
Allocated to:		
South Wales Police Precept	16,583	17,669
Vale of Glamorgan County Council	80,688	85,260
Council Tax Reduction Scheme and Care Leaver	(11,014)	(11,081)
Town and Community Councils Precepts	3,061	3,174
<b>Total</b>	<b>89,318</b>	<b>95,022</b>

#### 14. National Non-Domestic Rates

NNDR is organised on a national basis. The Government specifies an amount (53.5p in 2021/22 and 53.5p in 2020/21); local businesses pay rates calculated by multiplying their rateable value by that amount.

The Council collects rates due from the ratepayers in its area but pays the proceeds into an NNDR pool administered by the Welsh Government. The sums paid into the pool are redistributed back to local authorities' Council Funds on the basis of a fixed amount per head of population. The Council received £43.918M in 2021/22 (£41.095M in 2020/21).

The NNDR billed to ratepayers, after reliefs etc. was £31,102,802 for 2021/22 (£35,242,132 in 2020/21) and was based on year end rateable value for both 2021/22 at 31/03/22 being £78,705,665 and 2020/21 at 31/03/21 being £81,789,269. The NNDR rateable value was significantly reduced due to the introduction of the enhanced RHLRR Scheme due to the pandemic.

#### 15. Covid 19 Funding

During 2020/21 and 2021/22 additional funding was received from WG set out below is the funding consolidated into the Cost of Services.

Grant Name	Funding Body	Amount Received	Amount Received
		2020/21	2021/22
		£'000	£'000

Local Authority Hardship Grant	WG	13,269	15,184
Loss of Income	WG	3,540	1,353
Schools - Accelerated Learning Programme	WG	1,492	3,694
Childcare Assistance Grant	WG	450	-
Additional Learning Needs	WG	375	383
Schools Cleaning Grant	WG	32	-
Face Covering for School	WLGA	94	-
Homelessness and Housing Related Support	WG	25	4,712
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	98
ALN School and Special Unit COVID recovery	WG	0	152
Digital Transformation	WG	1,011	-
Covid Grant Admin Support	WG	320	207
Parenting Support for Covid Recovery	WG	0	12
Savings not Achieved	WG	1,011	-
Post 16 Transition	WG	0	462
Winter of Wellbeing	WG	0	455
Winter of Wellbeing	WLGA	0	19
Covid Community Testing Grant	WG	0	5
Council Tax Reduction Scheme Additional Funding	WG	458	-
Council Tax Shortfall Funding	WG	1,127	1,249
<b>TOTAL</b>		<b>23,459</b>	<b>27,985</b>

The Authority also distributed funding on behalf of WG during 2021/22. 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 2021/22 Balance Sheet in accordance with accounting for Agency arrangements. The grants that have been allocated in this way are set out below.

Grant Name	Debtor/ (Creditor) Balance 31 March 21 £'000	Amount Received from WG 2021/22 £'000	Grants Issued 2021/22 £'000	Debtor/ (Creditor) Balance 31 March 22 £'000
COVID-19 NRD Business Support Grants*	0	(514)	1,822	1,308
Newly Self Employed Start Up Grant	(3)	0	0	(3)
Lockdown Business Fund	(323)	0	6	(317)

Business Restrictions Fund	(328)	0	0	(328)
Business Restrictions Fund March	(574)	0	0	(574)
Flooding	60	(60)	0	0
Social Care Workers £735 Payment	0	(3,653)	3,652	(1)
Statutory Sick Pay (SSP)	159	(277)	226	108
Self Isolation Payments	39	(669)	999	369
Economic Resilience Fund	0	(750)	234	(516)
Emergency Discretionary Business Fund	0	0	62	62
COVID Winter Fuel	0	(159)	1,289	1,130
Freelancer Grant	0	(100)	100	0
<b>Total</b>	<b>(970)</b>	<b>(6,182)</b>	<b>8,390</b>	<b>1,238</b>

### 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 at no charge. 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 2021/22 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 31<sup>st</sup> 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 the value is not included in the Council's statements at 31<sup>st</sup> March 2022.

Analysis of Donated PPE	Inventory Balance	Inventory Balance
	31 March 21	31 March 22
	£'000	£'000
Donated NHS PPE Utilised by VOG	444	596



## 16. Property, Plant and Equipment

<b>Movement on Balance in 2020/21</b>	<b>Council Dwellings</b>	<b>Land &amp; Buildings</b>	<b>Vehicle Plant &amp; Equipment</b>	<b>Infrastructure</b>	<b>Community Asset</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or Valuation as at 1 April 2020</b>	<b>194,799</b>	<b>376,312</b>	<b>23,723</b>	<b>151,039</b>	<b>3,860</b>	<b>22,579</b>	<b>2,600</b>	<b>774,912</b>
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	(2,594)	3,224	0	0	0	0	27	657
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)
<b>Cost or Valuation as at 31 March 2021</b>	<b>199,325</b>	<b>381,926</b>	<b>28,788</b>	<b>160,173</b>	<b>3,868</b>	<b>64,955</b>	<b>2,785</b>	<b>841,820</b>
<b>Accumulated depreciation and impairment as at 1 April 2020</b>	<b>(32,406)</b>	<b>(4,693)</b>	<b>(12,944)</b>	<b>(33,361)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(83,404)</b>
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
<b>Accumulated Depreciation and Impairment as at 31 March 2021</b>	<b>(36,891)</b>	<b>(12,276)</b>	<b>(14,092)</b>	<b>(37,040)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(100,299)</b>

<b>Net Book Value 2020/21</b>	<b>Council Dwellings</b>	<b>Land &amp; Buildings</b>	<b>Vehicle Plant &amp; Equipment</b>	<b>Infrastructure</b>	<b>Community Asset</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>Total</b>
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	369,650	14,696	123,133	3,868	64,955	2,785	741,521

<b>Movement on Balance in 2021/22</b>	<b>Council Dwellings</b>	<b>Land &amp; Buildings</b>	<b>Vehicle Plant &amp; Equipment</b>	<b>Infrastructure</b>	<b>Community Asset</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or Valuation as at 1 April 2021</b>	<b>199,325</b>	<b>381,926</b>	<b>28,788</b>	<b>160,173</b>	<b>3,868</b>	<b>64,955</b>	<b>2,785</b>	<b>841,820</b>
Additions	3,503	32,265	4,498	8,606	0	9,910	0	58,782
Joint Committee Additions	0	0	144	0	0	67	0	211
Derecognition of accumulated depreciation & impairment to GCA	(38,227)	(17,730)	0	0	0	0	0	(55,957)
Revaluation increase/(decrease)	20,994	26,855	0	0	0	0	(56)	47,793
Disposals	0	(10,143)	(1,045)	0	0	0	(180)	(11,368)
Transfers between asset classes	2,396	58,164	210	0	0	(61,457)	687	0
Assets reclassified (to) held for sale	0	(1,380)	0	0	0	0	0	(1,380)
<b>Cost or Valuation as at 31 March 2022</b>	<b>187,991</b>	<b>469,957</b>	<b>32,595</b>	<b>168,779</b>	<b>3,868</b>	<b>13,475</b>	<b>3,236</b>	<b>879,901</b>
<b>Accumulated depreciation and impairment as at 1 April 2021</b>	<b>(36,891)</b>	<b>(12,276)</b>	<b>(14,092)</b>	<b>(37,040)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(100,299)</b>
Depreciation charge	(1,342)	(6,312)	(3,336)	(3,897)	0	0	(5)	(14,892)
Derecognition of accumulated depreciation to GCA	38,227	17,730	0	0	0	0	0	55,957
Impairment Losses	0	0	0	0	0	0	0	0
Transfers between asset classes	0	31	0	0	0	0	(31)	0
Disposals	0	615	959	0	0	0	0	1,574
<b>Accumulated Depreciation and Impairment as at 31 March 2022</b>	<b>(6)</b>	<b>(212)</b>	<b>(16,469)</b>	<b>(40,937)</b>	<b>0</b>	<b>0</b>	<b>(36)</b>	<b>(57,660)</b>

<b>Net Book Value 2021/22</b>	<b>Council Dwellings</b>	<b>Land &amp; Buildings</b>	<b>Vehicle Plant &amp; Equipment</b>	<b>Infrastructure</b>	<b>Community Asset</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>Total</b>
At 31 March 2021	162,434	369,650	14,696	123,133	3,868	64,955	2,785	741,521
<b>At 31 March 2022</b>	<b>187,985</b>	<b>469,745</b>	<b>16,126</b>	<b>127,842</b>	<b>3,868</b>	<b>13,475</b>	<b>3,200</b>	<b>822,241</b>

### Depreciation

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

Asset Class	Indicative Asset Life
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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 2022, the Authority has entered into a number of contracts for the construction, or enhancement of property, plant and equipment which will continue into 2022/23 and future years. Similar commitments at the 31<sup>st</sup> March 2021 were £44.650M. The major commitments are listed below.

Scheme	£'000
Sustainable Communities for Learning	8,721
Waste Schemes	3,297
Housing Schemes	12,929
Highways and Transport Schemes	750
Other Education Schemes	548
Vehicles	1,076
Leisure Centres Upgrade Works	388
<b>Total</b>	<b>27,709</b>

### 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)	2021/22	FRICS valuer Avison Young	2022/23
Council Dwellings	2021/22	Savills	2026/27
Schools and Social Service Assets	2021/22	FRICS valuer Avison Young	2023/24
Other Land and Buildings	2021/22	FRICS valuer Avison Young	2024/25

The Housing Revenue Account Council Dwelling assets were due for revaluation as part of the 5 year rolling programme during 2021/22, this valuation has been carried out by a RICS qualified valuer from Savills using a Beacon approach. The valuation incorporates the 772 garages included in the Housing Revenue Account which are shown against Land and Buildings, they also include the new build development at Clos Holm View.

In addition due to the materiality uncertainty that continued to be applied to the other services Land and Building assets and in response to concerns expressed in the context of rising construction costs by Audit Wales a desktop valuation was performed by a RICs qualified valuer from Avison Young during 2021/22.

The impact of rising construction costs was considered to be particularly significant for Education and Social Services assets which are typically valued on a depreciated replacement cost (DRC) basis which reflect the cost of construction for a similar asset. These assets were also revalued on a desktop valuation basis by a RICs valuer from Avison Young during the accounts closure period.

A number of new build schools were completed during 2021/22 and these assets were also revalued upon transfer from the Asset Under Construction Account by a RICs valued from Avison Young.

Therefore the majority of the Council's asset base has been subject to revaluation during the 2021/22 financial year. Whereas land asset values have typically remained unchanged the majority of building assets particularly those valued on a DRC basis have increased in value. The valuations are set out in Note 16 to the accounts Property Plant and Equipment.

#### Impairment

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

When general fund capital expenditure is complete, a review is carried out by a RICS valuer working for Avison Young for all expenditure in excess of £250k to determine how much of this expenditure results in either an increase in asset value or an impairment. As all assets were subject to revaluation as at 31<sup>st</sup> March 2022 there are no impairments.

#### Retentions

As at the 31 March 2022 £1.936M (£2.388M as at 31 March 2021) 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 2022 (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 2021	0	2,785	0	2,785
Total 31st March 2022	0	3,200	0	3,200

#### Transfers between levels of the Fair Value Hierarchy

There were no movements in the valuation hierarchy during 2021/22.

#### 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 2021	31 March 2022	31 March 2021	31 March 2022
	£'000	£'000	£'000	£'000
<b>Balance outstanding at start of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Assets newly classified as held for sale	0	1,380	0	0
Revaluation losses	0	0	0	0
Reclassified as Operational Assets	0	0	0	0
Disposal	0	0	0	0
<b>Balance outstanding at year end</b>	<b>0</b>	<b>1,380</b>	<b>0</b>	<b>0</b>

### 19. Capital Expenditure and Capital Financing

	2020/21	2021/22
	£'000	£'000
<b>Opening Capital Financing Requirement</b>	<b>199,078</b>	<b>198,763</b>
<b>Plus: Capital Investment</b>		

Council Dwellings	3,886	3,503
Other Land and Buildings	5,305	32,264
Vehicle, Plant and Equipment	6,538	4,497
Infrastructure	9,134	8,606
Assets Under Construction	45,825	9,908
Disposal and Demolition Costs	205	0
Community Assets	8	0
Intangible Assets	93	218
Revenue Expenditure Funded from Capital under Statute	7,366	7,415
<b>Less: Sources of Finance</b>		
Capital Receipts	(3,207)	(1,796)
Government Grants and Other Contributions	(61,491)	(55,920)
<b>Less: Sums set aside from revenue</b>		
Direct Revenue Contributions	(8,755)	(4,564)
Minimum Revenue Provision( inc. Voluntary)	(5,222)	(5,220)
<b>Closing Capital Financing Requirement</b>	<b>198,763</b>	<b>197,674</b>
<b>Explanation of movements in year</b>		
Increase in underlying need to borrow (unsupported by Government Financial Assistance)	(315)	(1,088)
<b>Increase /(Decrease) in Capital Financing Requirement</b>	<b>(315)</b>	<b>(1,088)</b>

The Capital Investment figures in 2021/22 exclude a City Deal Joint Committee increase in PPE of £213k and Capital Grants of £422k.

## 20. Financial Instruments

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

	Long Term		Short Term	
	31/03/21	31/03/22	31/03/21	31/03/22
	£'000	£'000	£'000	£'000
<b>Financial Assets at Amortised Cost</b>				
Investments	2	2	69,158	82,462
Debtors	1,564	2,880	41,739	71,978
Cash and Cash Equivalents	0	0	27,576	20,980
<b>Total Financial Assets</b>	<b>1,566</b>	<b>2,882</b>	<b>138,473</b>	<b>175,420</b>
<b>Financial Liabilities at Amortised cost</b>				
Borrowings	144,324	145,492	9,679	9,163
Creditors	9,638	8,720	39,038	49,155

<b>Total Financial Liabilities</b>	<b>153,962</b>	<b>154,962</b>	<b>48,717</b>	<b>58,318</b>
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- The above short term debtors balance at 31<sup>st</sup> March 2022 excludes £4.989M of non contractual balances (£9.704M in 2020/21) that do not meet the definition of financial assets at amortised cost.
- The above short term creditors balance at 31<sup>st</sup> March 2022 excludes £1.208M of non contractual balances (£1.098M in 2020/21) that do not meet the definition of financial liabilities at amortised cost.

<b>Financial Liabilities at Amortised Cost (Borrowing) Reconciliation</b>	<b>PWLB</b>	<b>Market Loans</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Principal Amount	146,502	4,000	2,845	153,347
Accruals	1,183	18	0	1,201
Other Accounting Adjustments	0	107	0	107
<b>Total Borrowing measured at Amortised Cost</b>	<b>147,685</b>	<b>4,125</b>	<b>2,845</b>	<b>154,655</b>
Short Term Borrowing	8,876	18	269	9,163
Long Term Borrowing	138,809	4,107	2,576	145,492
<b>Financial Liabilities at Amortised Cost</b>	<b>147,685</b>	<b>4,125</b>	<b>2,845</b>	<b>154,655</b>

Income, Expense, Gains and Losses

<b>2020/21</b>		<b>2021/22</b>			
<b>Total</b>		Financial Liabilities measured at Amortised cost	Financial Assets: Amortised Cost	Financial Assets: Fair Value through Profit and Loss	Total
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
(7,117)	Interest Expense	(6,916)	0	0	(6,916)
<b>(7,117)</b>	<b>Total Expense in Deficit on the Provision of Services</b>	<b>(6,916)</b>	<b>0</b>	<b>0</b>	<b>(6,916)</b>
570	Interest Income	146	0	0	146
<b>570</b>	<b>Total Income in Deficit on the Provision of Services</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>146</b>
<b>(6,547)</b>	<b>Net gains/losses from financial instruments</b>	<b>(6,770)</b>	<b>0</b>	<b>0</b>	<b>(6,770)</b>

### Fair Value of Assets and Liabilities

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

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

- Estimated interest rates at 31 March 2022 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 2021	Carrying Amount 31 March 2021	Fair Value 31 March 2021	Loan Principal 31 March 2022	Carrying Amount 31 March 2022	Fair Value 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Liabilities	152,735	154,003	197,924	153,347	154,655	184,684

The fair values as at 31 March 2021 and 2022 do not include Joint Committee Liabilities.

The fair value is higher than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the balance sheet date. This commitment to pay interest above current market rates increases the amount that the Authority would have to pay if the lender requested or agreed to early repayment of the loans.

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

Recurring Fair Value Measurements using;	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£'000	£'000	£'000	£'000
As at 31 <sup>st</sup> March 2021				
Financial Liabilities	0	197,924	0	197,924
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
<b>Total</b>	<b>0</b>	<b>197,924</b>	<b>0</b>	<b>197,924</b>



Recurring Fair Value Measurements using;	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£'000	£'000	£'000	£'000
As at 31 <sup>st</sup> March 2022				
Financial Liabilities	0	184,684	0	184,684
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
<b>Total</b>	<b>0</b>	<b>184,684</b>	<b>0</b>	<b>184,684</b>

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

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

### 21. Debtors

	31 March 2021	31 March 2022
	£'000	£'000
Central government bodies	31,862	50,046
Other local authorities	9,421	9,613
NHS bodies	1,411	2,811
Public corporations and trading funds	9	17
Trade debtors	534	1,097
Prepayments	1,670	1,048
Other entities and individuals	13,289	20,026
<b>Gross Total</b>	<b>58,196</b>	<b>84,658</b>
Less: Provision for Bad Debts	(6,753)	(7,691)
<b>Total</b>	<b>51,443</b>	<b>76,967</b>

The Debtors balance as at 31<sup>st</sup> March 2022 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:

31/03/2021		31/03/2022
£'000		£'000
(207)	Cash held by the Authority and at Bank	3,777
4,372	Joint Committee Cash	5,783
23,411	Short-term Investment	11,420
<b>27,576</b>	<b>Total Cash and Cash Equivalents</b>	<b>20,980</b>

**23. Creditors**

<b>31/3/2021</b>		<b>31/3/2022</b>
<b>£'000</b>		<b>£'000</b>
4,756	Central government bodies	11,338
8,585	Other local authorities	13,052
200	NHS bodies	285
19	Public corporations and trading funds	138
10,886	Trade creditors	12,405
3,725	Receipts in advance	3,190
3,579	Accumulated absences	3,653
8,386	Other entities and individuals	6,302
<b>40,136</b>	<b>Total</b>	<b>50,363</b>

The Creditors balance as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022 includes Agency Creditors as set out in Note 15.

**24. Provisions**

	<b>Insurance £'000</b>	<b>MMI £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
<b>Balance at 1 April 2020</b>	<b>1,214</b>	<b>350</b>	<b>313</b>	<b>1,877</b>
Additional provisions made	186	0	54	240
Amounts used / Transfer out	0	(21)	(43)	(64)
<b>Balance at 1 April 2021</b>	<b>1,400</b>	<b>329</b>	<b>324</b>	<b>2,053</b>
Additional provisions made	2	39	33	74
Amounts used / Transfer out	0	0	(19)	(19)
<b>Balance at 1 April 2022</b>	<b>1,402</b>	<b>368</b>	<b>338</b>	<b>2,108</b>

The closing provision balance of £2.108M is made up of £0.497M considered to be long term and £1.611M expected to fall due within 12 months.

1. Insurance - This provision covers all known claims as at 31 March 2022. 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 2021/22 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 £368k 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 £209k 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:

31/03/21		31/03/22
£'000		£'000
3,808	City Deal Joint Committee	2,155
1,625	Welsh Government Home Improvement Loans	1,623
1,046	Welsh Government Town Centre Improvement Loans	1,346
3,159	Long Term Receipts in Advance including commuted sums and S278 contributions	3,596
<b>9,638</b>	<b>Total</b>	<b>8,720</b>

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

## 26. Usable Reserves

31/03/21		31/03/22
£'000		£'000
11,869	Council Fund	12,510
80,376	Earmarked General Fund Reserves	98,257
12,000	Housing Revenue Account	17,439
13,392	Capital Receipts Reserve	11,844
6,008	Capital Grants Unapplied Account	4,551
<b>123,645</b>	<b>Total Usable Reserves</b>	<b>144,601</b>

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

## 27. Unusable Reserves

31/03/21	Restated 31/03/21		31/03/22
£'000	£'000		£'000
72,916	72,916	Revaluation Reserve	116,370
469,110	473,360	Capital Adjustment Account	513,373
(109)	(109)	Financial Instruments Adjustment Account	(107)
11	11	Deferred Capital Receipts Reserve	4,368
(332,244)	(332,244)	Pensions Reserve	(276,615)
(3,652)	(3,652)	Accumulated Absences Account	(3,653)
<b>206,032</b>	<b>210,282</b>	<b>Total Unusable Reserves</b>	<b>353,736</b>

## Revaluation Reserve

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

2020/21	Revaluation Reserve	2021/22
£'000		£'000
<b>72,882</b>	<b>Balance at 1 April</b>	<b>72,916</b>
(2,271)	Downward revaluation of assets and Impairment losses not charged to the Provision of Services	(3,121)
3,143	Upward revaluation of assets	47,444
(838)	Difference between fair value depreciation and historical cost depreciation	(823)
0	Amount written off to the Capital Adjustment Account following disposal	(47)
<b>72,916</b>	<b>Balance at 31 March</b>	<b>116,370</b>

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

## Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2020/21	Capital Adjustment Account	2021/22
£'000		£'000
<b>419,898</b>	<b>Balance at 1 April</b>	<b>473,360</b>
	<b>Reversal of items relating to capital expenditure debited or credited to the CIES</b>	
(17,236)	Charges for depreciation and impairment of non current assets	(14,889)
(63)	Amortisation of intangible assets	(78)
(7,366)	Revenue expenditure funded from capital under statute	(7,415)
(279)	Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(9,796)
(649)	Other (Adjusting amounts written out of the Revaluation Reserve etc.)	4,270

<b>Capital financing applied in year:</b>		
3,207	Use of the Capital Receipts Reserve to finance new capital expenditure	1,795
2,764	Use of the Major Repairs Reserve to finance new capital expenditure	2,770
61,410	Capital grants and contributions credited to the CIES that have been applied to capital financing	55,029
(2,304)	Application of grants to capital financing from the Government Grants Unapplied Account	(1,457)
5,222	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	5,220
8,756	Capital Expenditure charged against the Council Fund and HRA balances	4,564
<b>473,360</b>	<b>Balance at 31 March</b>	<b>513,373</b>

#### Financial Instruments Adjustment Account

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

<b>2020/21</b>	<b>Financial Instruments Account</b>	<b>2021/22</b>
<b>£'000</b>		<b>£'000</b>
<b>(456)</b>	<b>Balance at 1 April</b>	<b>(109)</b>
347	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	2
<b>(109)</b>	<b>Balance at 31 March</b>	<b>(107)</b>

#### Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.

<b>2020/21</b>	<b>The Pensions Reserve</b>	<b>2021/22</b>
<b>£'000</b>		<b>£'000</b>
<b>(259,720)</b>	<b>Balance at 1 April</b>	<b>(332,244)</b>
(58,273)	Remeasurements of the net defined benefit liability	80,185
0	Adjustment against the net defined benefit liability for the McCloud Ruling	0

(29,374)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(40,418)
15,123	Employer's pension contributions and direct payments to pensioners payable in the year	15,862
	Transfers in/out comprising.	
0	Adjust for Foundation School Pension Fund	0
0	Transfer for BFCC Historic Pension Liabilities (Note 39)	0
<b>(332,244)</b>	<b>Balance at 31 March</b>	<b>(276,615)</b>

An analysis of the Pension Reserve by pension fund is set out below. An analysis of the actuarial calculation of the Vale of Glamorgan Council Pension fund at 31<sup>st</sup> March 2022 is included in note 39 to the accounts.

2020/21	The Pensions Reserve	2021/22
£'000		£'000
(321,521)	Vale of Glamorgan Council	(268,100)
(4,310)	Foundation School	(3,160)
(5,700)	Joint Committee Shared Regulatory Services	(4,948)
(606)	Joint Committee Vale, Valleys and Cardiff Regional Adoption Service	(532)
(107)	Joint Committee Central South Consortium	125
<b>(332,244)</b>	<b>Balance at 31 March</b>	<b>(276,615)</b>

#### Deferred Capital Receipts Reserve

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

2020/21	Deferred Capital Receipts Reserve	2021/22
£'000		£'000
<b>11</b>	<b>Balance at 1 April</b>	<b>11</b>
(0)	Receipt of Deferred Capital Receipt	4,357
<b>11</b>	<b>Balance at 31 March</b>	<b>4,368</b>

#### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned

but not taken in the year i.e. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the Account.

2020/21	Accumulated Absences Account	2021/22
£'000		£'000
<b>(3,502)</b>	<b>Balance at 1 April</b>	<b>(3,652)</b>
(3,652)	Amounts accrued at the end of the current year	(3,652)
3502	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.	3652
<b>(3,652)</b>	<b>Balance at 31 March</b>	<b>(3,652)</b>

## 28. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2020/21		2021/22
£'000		£'000
527	Interest Received	146
(7,170)	Interest Paid	(6,916)

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

2020/21		2021/22
£'000		£'000
18,722	Depreciation and Impairment and Downward Valuations	11,481
63	Amortisation	78
0	Soft Loans (non-subsiary)	0
0	Deferred revenue/deferred payment agreements (IFRS 15)	4,357
11,112	Increase / (Decrease) in creditors	12,670
(13,415)	(Increase) / Decrease in debtors	(15,105)
(445)	(Increase) / Decrease in inventories	298
14,251	Movement in pension liability	24,556
176	Other non-cash items charged to the net surplus or deficit on the provision of services	0
279	Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	9,796
<b>30,743</b>	<b>Adjustments to net surplus or deficit on the provision of services for non-cash movements.</b>	<b>48,132</b>

## 29. Members Allowances

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

	2020/21	2021/22
	£'000	£'000
Salaries	672	674
Allowances	218	220
Expenses	0	0
<b>Total</b>	<b>890</b>	<b>894</b>

## 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.

	2020/21	2021/22
	£'000	£'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	167	171
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	57	45
Fees payable in respect of other services provided by Audit Wales.	0	0
<b>Total</b>	<b>321</b>	<b>313</b>

## 31. Employees Emoluments

### Remuneration Ratio

The remuneration ratio is arrived at by taking the median amount of remuneration for 2021/22 for all Vale of Glamorgan employees (excluding those employed by a Voluntary Aided or Foundation School) as at 31<sup>st</sup> March 2022. This Median remuneration is then compared to the annualised remuneration for the Head of Paid Service in the Council which is the Chief Executive. In 2021/22 the remuneration ratio is 1:6 and in 2020/21 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 (£1,376 in 2020/21 and £23,979 in 2021/22 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	2020/21 Number of Teaching Employees	2020/21 Number of Non Teaching Employees	2020/21 Total Number of Employees	2021/22 Number of Teaching Employees	2021/22 Number of Non Teaching Employees	2021/22 Total Number of Employees
£60,000-£64,999	21	7	28	27	8	35
£65,000-£69,999	22	1	23	16	2	18
£70,000-£74,999	7	1	8	12	1	13
£75,000-£79,999	5	2	7	10	1	11
£80,000-£84,999	2	7	9	2	7	9
£85,000-£89,999	4	0	4	4	1	5
£90,000-£94,999	2	3	5	0	3	3
£95,000-£99,999	1	0	1	1	0	1
£100,000-£104,999	0	1	1	0	0	0
£105,000-£109,999	1	2	3	0	3	3
£110,000-£114,999	0	0	0	0	0	0
£115,000-£119,999	1	0	1	1	0	1
£120,000-£124,999	1	0	1	1	0	1
£125,000-£129,999	0	0	0	1	0	1
£130,000-£134,999	0	0	0	0	0	0
£135,000-£139,999	1	1	2	0	0	0
£140,000-£144,999	0	0	0	1	1	2
<b>Total</b>	<b>68</b>	<b>25</b>	<b>93</b>	<b>76</b>	<b>27</b>	<b>103</b>

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

## 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 (from 1/10/19)	78,119	0	16,370	94,489
Head of Regeneration and Planning	80,123	0	16,986	97,109
Head of Policy (to 2/06/2019)	74,113	0	15,712	89,825
Head of Policy and Business Transformation (from 21/06/2019)	73,878	0	15,662	89,540

## 2021/22 Senior Officers Emoluments

Post Holder Information	Salary	Expense Allowances	Pension Contribution	Total Remuneration
	£	£	£	£
Managing Director (to 23rd January 2022) / Chief Executive (from 24th January 2022)	140,721	0	29,833	170,544
Director of Social Services	107,101	0	22,894	129,995
Director of Environment and Housing Services	107,257	0	22,738	129,995
Director of Learning and Skills	107,257	0	22,738	129,995
Head of Finance (to 31st November 2021)	70,726	0	13,267	83,993
Interim Head of Finance from (1st December 2021 to 31st March 2022)	31,035	0	5,993	37,028
Head of Legal Services (Monitoring Officer)	92,018	0	19,508	111,526
Head of Human Resources	81,325	0	17,050	98,375
Head of Regeneration and Planning	81,325	0	17,241	98,566

Head of Policy and Business Transformation	77,261	0	16,379	93,640
Head of Digital / Strategy, Community Learning and Resources	91,971	0	19,498	111,469

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.

2020/21				2021/22		
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
		£	£			£
7	7	47,808	0-20,000	7	7	18,598
5	5	139,799	20,001-40,000	2	2	59,738
0	0	0	40,001-60,000	1	1	59,686
1	1	61,538	60,001-80,000	0	0	0
0	0	0	80,001-100,000	0	0	0
0	0	0	100,001-150,000	1	1	121,699
		249,145	Total	11	11	259,721

## 32. Grant Income

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

	2020/21	2021/22
Credited to Services	£'000	£'000
Arts Council	5	15
Cabinet Office	39	441
Home Office	0	10
Department for Works and Pensions	31,030	29,969
Education Workforce Council	44	110

European Rural Development Programme	233	195
HMRC	12	0
Department for Levelling Up Housing and Communities	0	484
Lottery	51	46
Ministry of Defence	18	3
Natural Resources Wales	2	0
Police & Crime Commissioner	57	105
Public Health Wales	129	129
Rural Payments Agency	60	139
Sports Wales/Disability Sports Wales	231	310
Welsh Government	63,529	75,460
Welsh Local Government Association	147	484
Youth Justice Board	147	172
Other	65	31
<b>Total</b>	<b>95,799</b>	<b>108,103</b>

There has been a large increase in funding received from WG in 2020/21 due to the provision of funding to support the response to the Covid 19 Pandemic as set out in Note 15.

#### Capital Grants Received in Advance

	2020/21	2021/22
	£'000	£'000
Section 106 agreements – unapplied	22,792	19,439
S106 Administration Fees	319	352
<b>Total Capital Grants Received in Advance</b>	<b>23,111</b>	<b>19,791</b>
The amount has been apportioned as follows:		
To be applied within one year	15,600	9,093
To be applied after one year	7,511	10,698
<b>Total</b>	<b>23,111</b>	<b>19,791</b>

### 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 31<sup>st</sup> March 2030 and a further £893k being repayable by 31<sup>st</sup> March 2031. An analysis of the funding sources is shown in the table below along with a breakdown of the repayment profile for loans that have been issued by the Council.

As at 31 <sup>st</sup> March 2022	Home Improvement Loans	Town Centre Improvement Loan

<b>Funding Source for Loan Scheme</b>	<b>£'000</b>	<b>£'000</b>
Grant	753	0
Loan	872	1,046
<b>Total Funding (included in Long Term Liabilities)</b>	<b>1,625</b>	<b>1,046</b>
<b>Repayments Due to Council</b>		
Within 12 months	22	0
Over 12 months	565	1,000
<b>Total Value of Outstanding Repayments (included in Debtors)</b>	<b>587</b>	<b>1,000</b>

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 £395k.

### 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.

Shared Regulatory Service 2020/21	Vale of Glamorgan Council Share 2020/21	Income and Expenditure Statement	Shared Regulatory Service 2021/22	Vale of Glamorgan Council Share 2021/22
£'000	£'000		£'000	£'000
11,545	2,356	Operating Expenditure	12,243	2,536
(1,885)	(540)	Operating Income	(1,552)	(323)
<b>9,660</b>	<b>1,816</b>	<b>Net Cost of Services</b>	<b>10,691</b>	<b>2,213</b>
(8,616)	(1,607)	Finance and Investment Income and Expenditure	(8,745)	(1,807)

<b>1,044</b>	<b>209</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>1,946</b>	<b>406</b>
9,370	1,875	Other Comprehensive Income and Expenditure	(6,900)	(1,202)
<b>10,414</b>	<b>2,084</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(4,954)</b>	<b>(796)</b>

Shared Regulatory Service 2020/21	Vale of Glamorgan Council Share 2020/21	Balance Sheet	Shared Regulatory Service 2021/22	Vale of Glamorgan Council Share 2021/22
£'000	£'000		£'000	£'000
155	31	Property, Plant and Equipment	91	18
6	1	Intangible Assets	0	0
0	0	Long Term Debtors	0	0
<b>161</b>	<b>32</b>	<b>Total Long Term Assets</b>	<b>91</b>	<b>18</b>
594	108	Short Term Debtors	1,560	325
18	0	Short Term Payment in Advance	0	0
807	184	Cash Owed from Host Authority	413	63
<b>1,419</b>	<b>292</b>	<b>Current Assets</b>	<b>1,973</b>	<b>388</b>
(695)	(138)	Short Term Creditors	(690)	(125)
<b>(695)</b>	<b>(138)</b>	<b>Total Current Liabilities</b>	<b>(690)</b>	<b>(125)</b>
(28,810)	(5,701)	Long Term Pension Liability	(24,100)	(4,948)
(215)	(43)	Revenue Grants Received in Advance	(460)	(94)
<b>(29,025)</b>	<b>(5,744)</b>	<b>Total Long Term Liabilities</b>	<b>(24,560)</b>	<b>(5,042)</b>
<b>(28,140)</b>	<b>(5,558)</b>	<b>Net Assets</b>	<b>(23,186)</b>	<b>(4,761)</b>
788	167	Usable Reserves	1,103	225
(28,928)	(5,725)	Unusable Reserves	(24,289)	(4,986)
<b>(28,140)</b>	<b>(5,558)</b>	<b>Total Reserves</b>	<b>(23,186)</b>	<b>(4,761)</b>

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

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

VVC Service 2020/21	Vale of Glamorgan Council Share 2020/21	Income and Expenditure Statement	VVC Service 2021/22	Vale of Glamorgan Council Share 2021/22
£'000	£'000		£'000	£'000
2,566	395	Operating Expenditure	2,668	403
(2,380)	(367)	Operating Income	(2,408)	(363)
<b>186</b>	<b>28</b>	<b>Net Cost of Services</b>	<b>260</b>	<b>40</b>
50	7	Finance and Investment Income and Expenditure	90	14

<b>236</b>	<b>35</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>350</b>	<b>54</b>
1,350	203	Other Comprehensive Income and Expenditure	1,020	156
<b>1,586</b>	<b>238</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>1,370</b>	<b>210</b>

VVC Adoption Service 2020/21	Vale of Glamorgan Council Share 2020/21	Balance Sheet	VVC Adoption Service 2021/22	Vale of Glamorgan Council Share 2021/22
£'000	£'000		£'000	£'000
413	73	Short Term Debtors	791	119
<b>413</b>	<b>73</b>	<b>Current Assets</b>	<b>791</b>	<b>119</b>
(378)	(68)	Short Term Creditors	(647)	(97)
<b>(378)</b>	<b>(68)</b>	<b>Total Current Liabilities</b>	<b>(647)</b>	<b>(97)</b>
<b>(4,040)</b>	<b>(606)</b>	<b>Long Term Pension Liability</b>	<b>(3,480)</b>	<b>(532)</b>
<b>(4,005)</b>	<b>(601)</b>	<b>Net Assets</b>	<b>(3,336)</b>	<b>(510)</b>
77	11	Usable Reserves	163	25
(4,082)	(612)	Unusable Reserves	(3,499)	(535)
<b>(4,005)</b>	<b>(601)</b>	<b>Total Reserves</b>	<b>(3,336)</b>	<b>(510)</b>

### 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 2020/21	Vale of Glamorgan Council Share 2020/21	Income and Expenditure Statement	Glamorgan Archives 2021/22	Vale of Glamorgan Council Share 2021/22
£'000	£'000		£'000	£'000
	12%			12%
1,040	125	Operating Expenditure	956	115
(909)	(109)	Operating Income	(749)	(90)
<b>131</b>	<b>16</b>	<b>Net Cost of Services</b>	<b>207</b>	<b>25</b>
0	0	Finance and Investment Income and Expenditure	0	0
<b>131</b>	<b>16</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>207</b>	<b>25</b>
0	0	Other Comprehensive Income and Expenditure	(26)	(3)
<b>131</b>	<b>16</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>181</b>	<b>22</b>

Glamorgan Archives 2020/21	Vale of Glamorgan Council Share 2020/21	Balance Sheet	Glamorgan Archives 2021/22	Vale of Glamorgan Council Share 2021/22
	12%			12%
£'000	£'000		£'000	£'000
6,125	735	Land and Buildings	6,062	727
0	0	Vehicle, Plant, Furniture and Equipment	0	0
<b>6,125</b>	<b>735</b>	<b>Long Term Assets</b>	<b>6,062</b>	<b>727</b>
17	2	Inventories	17	2
87	10	Short Term Debtors	28	3
67	8	Cash and Cash Equivalents	95	11
<b>171</b>	<b>20</b>	<b>Current Assets</b>	<b>140</b>	<b>16</b>
(70)	(8)	Short Term Creditors	(52)	(6)
<b>(70)</b>	<b>(8)</b>	<b>Total Current Liabilities</b>	<b>(52)</b>	<b>(6)</b>
0	0	Long Term Borrowing	0	0
<b>6,226</b>	<b>747</b>	<b>Net Assets</b>	<b>6,150</b>	<b>737</b>
118	14	Usable Reserves	113	14
6,108	733	Unusable Reserves	6,037	723
<b>6,226</b>	<b>747</b>	<b>Total Reserves</b>	<b>6,150</b>	<b>737</b>

#### 4. Prosiect Gwyrdd

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

Prosiect Gwyrdd 2020/20	Vale of Glamorgan Council Share 2020/21	Income and Expenditure Statement	Prosiect Gwyrdd 2021/22	Vale of Glamorgan Council Share 2021/22
	20%			20%
£'000	£'000		£'000	£'000
184	37	Operating Expenditure	187	37
(172)	(34)	Operating Income	(171)	(34)
<b>12</b>	<b>3</b>	<b>Net Cost of Services</b>	<b>16</b>	<b>3</b>
12	3	Transfer to Joint Committee Reserve	16	3
<b>0</b>	<b>0</b>	<b>Total</b>	<b>0</b>	<b>0</b>



Prosiect Gwyrdd 2020/21	Vale of Glamorgan Council Share 2020/21	Balance Sheet	Prosiect Gwyrdd 2021/22	Vale of Glamorgan Council Share 2021/22
	20%			20%
£'000	£'000		£'000	£'000
216	43	Short Term Debtors	108	22
97	20	Cash and Cash Equivalents	192	38
<b>313</b>	<b>63</b>	<b>Current Assets</b>	<b>300</b>	<b>60</b>
(5)	(1)	Short Term Creditors	(4)	(1)
<b>(5)</b>	<b>(1)</b>	<b>Total Current Liabilities</b>	<b>(4)</b>	<b>(1)</b>
<b>308</b>	<b>62</b>	<b>Net Assets</b>	<b>296</b>	<b>59</b>
(3)	0	Usable Reserves	(296)	(59)
311	62	Unusable Reserves	0	0
<b>308</b>	<b>62</b>	<b>Total Reserves</b>	<b>(296)</b>	<b>(59)</b>

## 5. Central South Consortium

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

Central South Consortium 2020/21	Vale of Glamorgan Council Share 2020/21	Income and Expenditure Statement	Central South Consortium 2021/22	Vale of Glamorgan Council Share 2021/22
	14.78%			14.84%
£'000	£'000		£'000	£'000
82,790	12,236	Operating Expenditure	99,424	14,755
(81,800)	(12,090)	Operating Income	(97,819)	(14,516)
<b>990</b>	<b>146</b>	<b>Net Cost of Services</b>	<b>1,605</b>	<b>239</b>
32	5	Finance and Investment Income and Expenditure	-2	0
<b>1,022</b>	<b>151</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>1,603</b>	<b>239</b>
(1,682)	(249)	Other Comprehensive Income and Expenditure	(2,554)	(379)
<b>(660)</b>	<b>(98)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(951)</b>	<b>(140)</b>

Central South Consortium 2020/21	Vale of Glamorgan Council Share 2020/21	Balance Sheet	Central South Consortium 2021/22	Vale of Glamorgan Council Share 2021/22
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	14.78%			14.84%
£'000	£'000		£'000	£'000
0	0	Long Term Debtors	0	0
0	0	Long Term Asset - Defined Benefit Pension Asset	843	125
<b>0</b>	<b>0</b>	<b>Long Term Assets</b>	<b>843</b>	<b>125</b>
0	0	Inventories	0	0
2,051	303	Short Term Debtors	1,435	213
<b>2,051</b>	<b>303</b>	<b>Current Assets</b>	<b>1,435</b>	<b>213</b>
(1,339)	(198)	Short Term Creditors	(857)	(127)
<b>(1,339)</b>	<b>(198)</b>	<b>Total Current Liabilities</b>	<b>(857)</b>	<b>(127)</b>
<b>712</b>	<b>105</b>	<b>Net Current Assets</b>	<b>1,421</b>	<b>211</b>
(726)	(107)	Long Term Liability - Defined Benefit Pension Liability	(0)	(0)
<b>(14)</b>	<b>(2)</b>	<b>Net Assets/Liabilities</b>	<b>1,421</b>	<b>211</b>
746	110	Usable Reserves	627	93
(760)	(112)	Unusable Reserves	794	118
<b>(14)</b>	<b>(2)</b>	<b>Total Reserves</b>	<b>1,421</b>	<b>211</b>

## 6. City Deal

The £1.2 billion Cardiff Capital Region City Deal has been established between the UK Government, the Welsh Government and 10 local authorities in South East Wales, including the Vale of Glamorgan Council. The Deal is expected to deliver up to 25,000 new jobs and bring in an additional £4 billion of private sector investment. The Deal will cover a 20 year period and work is currently ongoing to establish projects to be undertaken and cost implications for each authority. There was a capital contribution of £170k to the Joint Committee during 2020/21.

City Deal 2020/21	Vale of Glamorgan Council Share 2020/21	Income and Expenditure Statement	City Deal 2021/22	Vale of Glamorgan Council Share 2021/22
	8.48%			8.48%
£'000	£'000		£'000	£'000
4,694	398	Operating Expenditure	6,697	568
(7,286)	(618)	Operating Income	(9,015)	(764)
<b>(2,592)</b>	<b>(220)</b>	<b>Net Cost of Services</b>	<b>(2,318)</b>	<b>(196)</b>
7,436	630	Finance and Investment Income and Expenditure	110	9
(5,395)	(457)	Taxation and Non Specific Grant Income	(4,496)	(381)
<b>(551)</b>	<b>(47)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(6,704)</b>	<b>(568)</b>
0	0	Other Comprehensive Income and Expenditure	0	0
<b>(551)</b>	<b>(47)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(6,704)</b>	<b>(568)</b>

City Deal 2020/21	Vale of Glamorgan	Balance Sheet	City Deal 2021/22	Vale of Glamorgan
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	Council Share 2020/21			Council Share 2021/22
	8.48%			8.48%
£'000	£'000		£'000	£'000
0	0	Land and Buildings	0	0
2,474	209	Assets Under Construction	810	69
0	0	VPFE	4,176	354
0	0	Depreciation - VPFE	(597)	(51)
2,000	170	Equity	2,000	170
29,000	2,458	Investment Properties	28,950	2,454
1,633	138	Long Term Debtors	16,295	1,381
<b>35,107</b>	<b>2,975</b>	<b>Long Term Assets</b>	<b>51,634</b>	<b>4,378</b>
3,000	254	Financial Assets	3,000	254
17,953	1,522	Short Term Debtors	6,162	522
1,435	122	Deferred Tax Asset	1,335	113
48,357	4,099	Cash and Cash Equivalents	65,734	5,572
<b>70,745</b>	<b>5,997</b>	<b>Current Assets</b>	<b>76,231</b>	<b>6,461</b>
(14,923)	(1,265)	Short Term Creditors	(48,691)	(4,127)
<b>(14,923)</b>	<b>(1,265)</b>	<b>Current Liabilities</b>	<b>(48,691)</b>	<b>(4,127)</b>
(44,931)	(3,808)	Long Term Creditors	(25,423)	(2,156)
(2,077)	(176)	Provisions for Liabilities	(2,471)	(209)
<b>(47,008)</b>	<b>(3,984)</b>	<b>Long Term Liabilities</b>	<b>(27,894)</b>	<b>(2,365)</b>
<b>43,921</b>	<b>3,723</b>	<b>Net Assets/Liabilities</b>	<b>52,280</b>	<b>4,347</b>
212	18	Usable Reserves	1,819	154
43,709	3,705	Unusable Reserves	49,461	4,193
<b>43,921</b>	<b>3,723</b>	<b>Total Reserves</b>	<b>51,280</b>	<b>4,347</b>

### 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 2021/22 are £15.75M.

### 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. £344k was paid into the pool in respect of 2021/22.

### 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 £2.74M and capital schemes to the value of £977k during 2021/22 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 2021/22.

### 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 2021/22 the Council made contributions of £281k 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 2021/22 was £912k with a contribution of £276k from the Vale of Glamorgan, £235k from Rhondda Cynon Taf and £184k Merthyr Tydfil and £217k from Bridgend. As at 31<sup>st</sup> March 2022 a reserve to the value of £485k 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 £172k at 31<sup>st</sup> March 2022.

#### Swansea and Carmarthen Bay Coastal Engineering Group.

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

This group is not consolidated into the Council's accounts. The overall cash balance of the group was £245k at 31<sup>st</sup> March 2022 due to a WG grant that has been carried forward for use in 2022/23.

### **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. All transactions referred to in this Related Parties disclosure have been conducted on an arms length basis.

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

Welsh Government effect influence on the Authority via legislation and grant funding. As at 31<sup>st</sup> March 2021 there was a debtor balance of £11.032m for revenue and £20.193m for capital. During 2021/22 the Council received revenue grants as set out in Notes 32,12 and 15

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 2021/22 there were transactions with the Health Board totalling £7.026m and as at 31<sup>st</sup> March 2021 there was a debtor balance of £990k.

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.

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 £127k was claimed from Cardiff Council to finance these costs during 2021/22.

The Big Fresh Catering Company (BFCC) was established on 1<sup>st</sup> January 2020 and the Vale of Glamorgan Council is sole shareholder. The Council has included income of £504k and expenditure of £4.112M in its 2021/22 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 and James Sommerin. 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 29 Vale of Glamorgan Councillors who also were members of Town and Community Councils for 2022/23 following the election there are 31 Vale of Glamorgan Councillors who also were members of Town and Community Councils. The precepts raised in respect of Town and Community Councils in the Vale were £3.174M in 2021/22 (£3.061M in 2020/21) and are included in the Comprehensive Income and Expenditure Statement.

### 37. Operating Leases (Lessor)

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

	2020/21 Land and Buildings	2020/21 Other Leases	2021/22 Land and Buildings	2021/22 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	409	135	427	135
Between 1 and 5 years	1,127	0	1,227	0
After 5 years	8,725	0	8,659	0
<b>Total</b>	<b>10,261</b>	<b>135</b>	<b>10,313</b>	<b>135</b>

### 38. Operating Leases (Lessee)

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

	2020/21 Land and Buildings (Restated)	2020/21 Other Leases	2021/22 Land and Buildings	2021/22 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	290	0	263	0
Between 1 and 5 years	818	0	736	0
After 5 years	1,518	0	1,350	0
<b>Total</b>	<b>2,626</b>	<b>0</b>	<b>2,349</b>	<b>0</b>

### **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.



Pension Liability	31 March 2021	31 March 2022
	£'000	£'000
Vale of Glamorgan Council Pension (Liability)	(321,521)	(268,100)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(606)	(532)
Shared Regulatory Service Joint Committee Pension (Liability)	(5,700)	(4,948)
Central South Consortium Joint Committee Pension Asset/(Liability)*	(107)	125
Foundation School Pension (Liability)	(4,310)	(3,160)
<b>Total Pension Liability</b>	<b>(332,244)</b>	<b>(276,615)</b>

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

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

### Key issues impacting the actuarial calculation

#### 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.

#### MccCloud Judgement

The projected Current Service Cost includes a prospective allowance for the McCloud liabilities, however, Government has proposed that the remedy period will end on 31<sup>st</sup> March 2022. The atuary has allowed for the Ministry of Housing, Communities and Local Government July 2020 consultation in the alculaton of the McCloud costs within the 2021/22 valuations.

#### 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 increased by 0.60%, the CPI inflation assumption has increased by 0.30%, and the salary increase assumption has increased by 0.30%. 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

No allowance has been made to reflect the effect of the Covid-19 pandemic on the pensioner mortality level. However, this information will be captured within the 2022 valuation, with pension valuations amended accordingly.

## Estimated Employer Payments 2022/23

The estimated Employer payments for the year ended 31<sup>st</sup> March 2023 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 2022/23	Year ended 31 <sup>st</sup> March 2023 (£M)
Vale of Glamorgan	14.44
Foundation School	0.29
Vale of Glamorgan share of Shared Regulatory Service	0.275
Vale of Glamorgan share of Vale, Valleys and Cardiff Regional Adoption Service	0.050
Vale of Glamorgan share of Central South Consortium	0.036
<b>Total</b>	<b>15.091</b>

The expected employer payments direct to beneficiaries in 2022/23 for unfunded pensions is £1.17M.

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		
	31/03/20	31/03/21	31/03/22	31/03/20	31/03/21	31/03/22
	%	%	%	%	%	%
Discount Rate	2.3	2.1	2.7	2.3	2.1	2.7
CPI Rate	2.0	2.7	3.0	2.0	2.7	3.0
Rate of increase to pensions (1)	2.0	2.7	3.0	2.0	2.7	3.0
Pension accounts revaluation rate (2)	2.0	2.7	3.0			
Rate of general increase in salaries (3)	3.0	3.7	4.0			

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

- The duration of the liabilities is the average period between the calculation date and the date at which benefit payments fall due. Durations will be calculated based on the output of the most recent valuation exercise of the Employer's funded liabilities
- Employers may also prepare a separate disclosure note for their unfunded benefit schemes' which pay pensions awarded at retirement on a discretionary basis. The duration of the unfunded liabilities will usually be shorter than the duration of the LGPS benefits. In the interest of pragmatism and practicality it is recommended that the financial assumptions used to report the unfunded scheme liabilities are the same as those used for valuing funded benefits.
- Pension increases on pension in excess of the Guaranteed Minimum Pension in payment where appropriate.
- It is recommended that the assumption for the revaluation rate of pension accounts is set equal to the assumption for pension increases.
- The 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:

	<b>Joint Committees Vale Valleys and Cardiff Regional Adoption Service and Shared Regulatory Service (Funded)</b>		
	<b>31/03/20</b>	<b>31/03/21</b>	<b>31/03/22</b>
	%	%	%
Discount Rate	2.3%	2.1%	2.7%
CPI Rate	1.8%	2.6%	2.9%
Rate of increase to pensions (1)	1.8%	2.6%	2.9%
Pension accounts revaluation rate (2)	1.8%	2.6%	2.9%
Rate of general increase in salaries (3)	2.8%	3.6%	3.9%

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

	<b>Central South Consortium (Funded)</b>		
	<b>31/03/20</b>	<b>31/03/21</b>	<b>31/03/22</b>
	%	%	%
Discount Rate			
CPI Rate	2%	2.1%	2.7%
Rate of increase to pensions (1)	2%	2.7%	3.0%
Pension accounts revaluation rate (2)	2.3%	2.7%	3.0%
Rate of general increase in salaries (3)	3.25%	3.95%	4.25%

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)

<b>Post Retirement Mortality</b>	<b>Funded (excl CSC)</b>		<b>CSC Funded</b>		<b>Unfunded</b>	
	<b>31/03/21</b>	<b>31/03/22</b>	<b>31/03/21</b>	<b>31/03/22</b>	<b>31/03/21</b>	<b>31/03/22</b>
<b>Males</b>						
Future lifetime from age 65 (aged 65 at accounting date)	22.3	22.1	21.8	21.6	22.3	22.1
Future lifetime from age 65 (aged 45 at accounting date)	23.3	23.2	22.8	22.6		
<b>Females</b>						
Future lifetime from age 65 (aged 65 at accounting date)	24.7	24.6	24.1	23.9	24.7	24.6
Future lifetime from age 65 (aged 45 at accounting date)	26.1	26.0	25.6	25.4		

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 2021 (%)	Asset split at 31 March 2022 (%)	Asset split at 31 March 2021 (%)	Asset split at 31 March 2022 (%)
Equities	65.6	67.5	70.7	68.75
Property	6.6	6.9	6.4	6.6
Government Bonds	10.7	9.2	9.1	11.7
Corporate Bonds	15.7	8.4	13.0	12.6
Cash	1.4	2.3	0.8	0.35
Other	0	5.7	0	0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Of the assets shown above for Funded (excl CSC) 3.7% (£18.96M) are classified as unquoted equities at 31<sup>st</sup> March 2022.

#### Reconciliation of Funded/Unfunded Status to Balance Sheet

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)
<b>Funded/Unfunded status</b>	<b>(307.301)</b>	<b>(4.31)</b>	<b>(0.107)</b>	<b>(5.700)</b>	<b>(0.606)</b>	<b>(14.22)</b>	<b>(332.244)</b>

Impact of minimum funding requirement / asset ceiling	0	0	0	0	0	0	0
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(307.301)</b>	<b>(4.31)</b>	<b>(0.107)</b>	<b>(5.700)</b>	<b>(0.606)</b>	<b>(14.22)</b>	<b>(332.244)</b>

As at 31/03/22	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	498.62	6.95	5.025	6.962	0.734	0	518.291
Present Value of Defined Benefit Obligation	(753.91)	(10.11)	(4.9)	(11.91)	(1.256)	(12.81)	(794.895)
<b>Funded/Unfunded status</b>	<b>(255.29)</b>	<b>(3.16)</b>	<b>0.125</b>	<b>(4.948)</b>	<b>(0.521)</b>	<b>(12.81)</b>	<b>(276.605)</b>
Impact of minimum funding requirement / asset ceiling	0	0	0	0	0	0	0
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(255.29)</b>	<b>(3.16)</b>	<b>0.125</b>	<b>(4.948)</b>	<b>(0.521)</b>	<b>(12.81)</b>	<b>(276.605)</b>

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

Active Members	Vale of Glamorgan	Foundation School	CSC	SRS	VVC
	%	%	%	%	%
Active Members	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
2021/22	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.

Year Ending 31/03/21	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*	22.4	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-	(27.8)	(0.53)	(0.16)	(0.485)	(0.071)	(0.32)	(29.366)

employment benefits in accordance with the Code							
<b>Actual amount charged against General Fund and HRA balances for Pensions in year</b>							
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
<b>Administration Expenses Allowance</b>							
*The current service cost included an allowance for the administration expenses	0.31	0.01	n/a	0.03	0.01	0	0.36

For Year Ending 31/03/22	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's		
<b>Comprehensive Income and Expenditure</b>							
<b>Cost of Services</b>							
<b>Service Cost Comprising</b>							
Current Service Cost*	31.77	0.46	0.251	0.593	0.099	0	33.173
Past Service Cost (including curtailments)	0.23	0	0	0	0	0	0.23
(Gain)/Loss on Settlements	0.00	0	0	0	0	0	0.00
<b>Financing and Investment Income</b>							
Net Interest Expense	6.31	0.07	0.001	0.122	0.013	0.29	6.805
Total post-employment benefits charged to the surplus or deficit on the provision of services	38.31	0.53	0.251	0.715	0.112	0.29	40.208
<b>Remeasurements in Other Comprehensive Income and Expenditure</b>							
Return on plan assets (in excess of) /below that recognised in net interest	(21.79)	(0.83)	(0.014)	(0.300)	(0.030)	0	(22.964)
Actuarial (gains)/ losses due to change in financial assumptions	(49.17)	2.08	(0.331)	(1.024)	(0.116)	(0.32)	(48.881)
Actuarial (gains)/ losses due to changes in demographic assumptions	(7.61)	0.00	(0.049)	(0.121)	(0.012)	(0.21)	(8.002)
Actuarial (gains) / losses due to liability experience	2.36	(0.04)	0.016	0.029	0.005	(0.07)	2.300
Total post-employment benefits charged to the comprehensive income and expenditure statement	(76.21)	1.18	(0.379)	(1.416)	(0.153)	(0.57)	(77.548)

Total Amount Recognised	(37.90)	1.71	(0.128)	(0.701)	(0.041)	(0.28)	(37.340)
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(38.31)	(0.53)	(0.251)	(0.715)	(0.111)	(0.29)	(40.208)
Actual amount charged against General Fund and HRA balances for Pensions in year							
Employers' contributions payable to scheme	14.11	0.28	0.034	0.265	0.044	0	14.733
Retirement benefits payable to pensioners	0	0	0	0	0	1.13	1.13
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 31/03/21	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	<b>627.5</b>	<b>7.7</b>	<b>3.880</b>	<b>8.375</b>	<b>0.869</b>	<b>14.37</b>	<b>662.694</b>
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	<b>772.63</b>	<b>10.34</b>	<b>4.894</b>	<b>11.701</b>	<b>1.251</b>	<b>14.22</b>	<b>815.036</b>



Vale of Glamorgan County Borough Council

Year Ended 31/03/22	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's		
Opening Defined Benefit Obligation	<b>772.63</b>	<b>10.34</b>	<b>4.914</b>	<b>12.143</b>	<b>1.251</b>	<b>14.22</b>	<b>815.498</b>
Current Service Cost	31.77	0.65	0.251	0.593	0.099	0.00	33.363
Interest Expense on defined benefit obligation	16.10	0.22	0.103	0.255	0.027	0.29	16.995
Contributions by Participants	4.09	0.08	0.063	0.082	0.014	0.00	4.329
Actuarial (gains)/ losses on liabilities financial assumptions	(49.17)	(1.01)	(0.331)	(1.024)	(0.116)	(0.32)	(51.971)
Actuarial (gains)/ losses on liabilities demographic assumptions	(7.61)	(0.1)	(0.05)	(0.121)	(0.012)	(0.21)	(8.103)
Actuarial (gains)/ losses on liabilities experience	2.36	0.03	0.016	0.029	0.005	(0.04)	2.40
Net Benefits Paid Out	(16.49)	(0.1)	(0.049)	(0.047)	(0.012)	(1.13)	(17.828)
Past Service Cost (including curtailments)	0.230	0.00	0.00	0.00	0.00	0.00	0.23
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	<b>753.91</b>	<b>10.11</b>	<b>4.917</b>	<b>11.91</b>	<b>1.256</b>	<b>12.81</b>	<b>794.913</b>

Changes to the Fair Value of Assets during the Accounting Period

Restated Year ended 31/03/21	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's		
<b>Opening Fair Value of Assets</b>	<b>389.24</b>	<b>4.83</b>	<b>3.656</b>	<b>4.755</b>	<b>0.495</b>	<b>0</b>	<b>402.976</b>
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

Vale of Glamorgan County Borough Council

Settlements	0	0	0.00	0.00	0.00	0	0.00
<b>Closing Fair Value of Assets</b>	<b>465.33</b>	<b>6.030</b>	<b>4.787</b>	<b>6.001</b>	<b>0.645</b>	<b>0</b>	<b>482.793</b>

Year ended 31/03/22	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£M's
<b>Opening Fair Value of Assets</b>	<b>465.33</b>	<b>6.03</b>	<b>4.878</b>	<b>6.229</b>	<b>0.635</b>	<b>0</b>	<b>483.112</b>
Interest Income on Assets	9.79	0.13	0.103	0.133	0.014	0	10.17
Remeasurement gains/ (losses) on Assets	21.79	0.53	0.014	0.300	0.030	0	22.664
Contributions by the Employer	14.11	0.28	0.034	0.265	0.044	1.13	15.863
Contributions by Participants	4.09	0.08	0.046	0.082	0.013	0	4.312
Net Benefits Paid Out	(16.49)	(0.1)	(0.049)	(0.047)	(0.012)	(1.13)	(17.828)
Net increase in assets from disposals/ acquisitions	0	0	0.00	0.00	0.00	0	0.00
Settlements	0	0	0.00	0.00	0.00	0	0.00
<b>Closing Fair Value of Assets</b>	<b>498.62</b>	<b>6.95</b>	<b>5.026</b>	<b>6.962</b>	<b>0.735</b>	<b>0</b>	<b>518.293</b>

Actual Return on Assets

Restated 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
<b>Actual Return on Assets</b>	<b>75.51</b>	<b>0.94</b>	<b>1.134</b>	<b>0.950</b>	<b>0.102</b>	<b>78.636</b>

Year ended 31/03/22	Funded					Total
	Vale	Foundation School	CSC	SRS	VVC	
	£M's					
Interest Income on Assets	9.79	0.13	0.102	0.133	0.014	10.169
Remeasurement gains/ (losses) on Assets	21.79	0.53	0.014	0.300	0.030	22.664

<b>Actual Return on Assets</b>	<b>31.58</b>	<b>0.66</b>	<b>0.116</b>	<b>0.433</b>	<b>0.044</b>	<b>32.833</b>
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### 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)	738.83	753.91	768.99
% change in present value of total obligation	-2.0%		2.0%
Projected service cost (£M)	28.59	29.57	30.58
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)	755.42	753.91	752.40
% change in present value of total obligation	0.2%		-0.2%
Projected service cost (£M)	29.57	29.57	29.57
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)	767.48	753.91	740.34
% change in present value of total obligation	1.8%		-1.8%
Projected service cost (£M)	30.58	29.57	28.59

Approx. % change in projected service cost	3.4%		-3.3%
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**Post retirement mortality assumption\***

Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	780.30	753.91	727.52
% change in present value of total obligation	3.5%		-3.5%
Projected service cost (£M)	30.75	29.57	28.39
Approx. % change in projected service cost	4.0%		-4.0%

\*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 2021/22 made by the Council were £13.049M. This includes contributions for Teachers appointed by the Governing body. The total employer contributions to the Teacher’s Pension Scheme in 2020/21 made by the Council were £12.342M.

Whilst the result of the 2020 Valuation is due to be announced by April 2023, HM Treasury has announced that the implementation of any change to the employer contribution rate will not take place until April 2024

It is projected that the total employer contributions to the Teacher’s Pension Scheme in 2022/23 will be approximately £13.401M.

**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.

**BFCC Pension Liability**

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

**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 2021/22 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 2020/21 and 2021/22 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 2020/21 and 2021/22 was £5M and the maximum investment period was 12 months. During 2020/21 and 2021/22 the Authority also utilised Money Market Funds and Call Accounts with Lloyds (the Council's bankers). Notice Accounts with Santander were introduced during 2021/22. The maximum investment sum with UK institutions was £10m. The investment position at 31<sup>st</sup> March 2022 is set out below;

	31 March 2021	31 March 2022
	£'000	£'000
UK Debt Management Account Deposit Facility	0	26,650
UK Local Authorities	68,750	55,500
Federated Hermes Money Market Fund	9,550	100
CCLA Money Market Fund	9,100	4,100
Treasury Bills	0	6,500
Lloyds Instant Access Deposit Account	210	10
Lloyds Monthly Bonus Deposit Account	4,550	10
Santander Notice Accounts	0	750
<b>Total</b>	<b>92,160</b>	<b>93,620</b>
Reconciliation of Investment Balances		
Short Term Investment	68,750	82,200

Overnight Investments shown as Cash and Cash Equivalents	23,410	11,420
<b>Total</b>	<b>92,160</b>	<b>93,620</b>
Short Term Investment Accrued Interest	155	8
Short Term Investment Joint Committees	254	254
	<b>92,569</b>	<b>93,882</b>

### Liquidity Risk

As the Authority has ready access to borrowings from the money markets and the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. When the Authority borrows money the maturity date determined for the loan is considered on each occasion.

The Authority has one loans of £4M in respect of LOBOs (Lenders Option Borrowers Option). The Lender can increase the interest rate by giving a set period of notice before the interest payment dates in each year, it would then be for the Authority to decide whether to accept the increase or repay the loan. The £4M loan has a full term maturity date of 24<sup>th</sup> February 2054. A LOBO of £2M matured on 21<sup>st</sup> November 2021. The maturity analysis of financial liabilities is as follows:

	31 March 2021	31 March 2022
	£'000	£'000
Less than one year	9,179	9,163
Between one and two years	8,193	9,902
Between two and five years	22,874	23,145
More than five years	113,757	112,445
<b>Total</b>	<b>154,003</b>	<b>154,655</b>

### Market Risk

#### Interest Rate Risk

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

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

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or

Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

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

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

If interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	41
Increase in interest receivable on variable rate investments	(272)
Increase in government grant receivable for financing costs	0
<b>Impact on (Surplus) or Deficit on the Provision of Services</b>	<b>(231)</b>
Share of overall impact credited to the HRA	(92)
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)	(16,681)

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 2021/22
- 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.

2020/21	Restated 2020/21		2021/22	2021/22
£'000	£'000		£'000	£'000
		<b>Expenditure</b>		
2,577	2,577	Repairs and Maintenance	3,871	
5,289	5,289	Supervision and Management	5,469	
179	179	Rents, Rates, Taxes, & Other Charges	209	
2,946	(1,304)	Revaluation charged to CIES	(6,575)	
4,030	4,030	Non-Current Assets Depreciation /Impairment	1,453	
45	45	Debt Management Costs	39	
158	158	Increase in Provision for Bad and Doubtful Debts	180	
1,614	1,614	Revenue Expenditure Funded from Capital Under Statute	934	
<b>16,838</b>	<b>12,588</b>	<b>Total Expenditure</b>		<b>5,580</b>
		<b>Income</b>		
(20,149)	(20,149)	Dwelling Rents	(20,620)	
(167)	(167)	Non Dwelling Rents	(153)	
(502)	(502)	Charges for Services and Facilities	(557)	
(295)	(295)	Contributions towards expenditure	(243)	
(359)	(359)	Grant Income	(379)	
<b>(21,472)</b>	<b>(21,472)</b>	<b>Total Income</b>		<b>(21,952)</b>
<b>(4,634)</b>	<b>(8,884)</b>	<b>Net Expenditure of HRA Services as Included in the Whole Authority CIES</b>		<b>(16,372)</b>
0	0	HRA share of other amounts included in the whole authority Net Expenditure of Continuing Operations but not allocated to specific services		0
<b>(4,634)</b>	<b>(8,884)</b>	<b>Net Expenditure of HRA Services</b>		<b>(16,372)</b>
		HRA share of the operating income and expenditure included in the CIES		
(54)	(54)	(Gain)/ loss on sale of HRA assets		0
2,951	2,951	Interest payable and similar charges		2,879
(6)	(6)	Interest and Investment Income		(20)
119	119	Interest on net defined benefit liability/ (asset)		139
(3,768)	(3,768)	Capital Grants		(7,355)
<b>(5,392)</b>	<b>(9,642)</b>	<b>(Surplus) or deficit for the year on HRA services</b>		<b>(20,729)</b>



The HRA statement has been restated to include the HRA garages valued at £4.25m previously excluded from the Council's asset valuations.

### Movement on the HRA Statement

2020/21		2021/22
£'000		£'000
(7,948)	<b>Balance on the HRA at the end of the previous year</b>	<b>(12,000)</b>
(9,642)	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	(20,729)
5,590	Adjustments between accounting basis and funding basis under statute	15,290
<b>(4,052)</b>	<b>Increase/(Decrease) during the financial year</b>	<b>(5,439)</b>
<b>(12,000)</b>	<b>Balance on the HRA at the end of the current year</b>	<b>(17,439)</b>

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

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

	2020/21	2021/22
	£'000	£'000
Revaluation Loss/ Gain on Property, Plant and Equipment	1,304	6,574
Charges for depreciation and Impairment of Non Current Assets	(4,030)	(1,453)
Capital Grants and Contributions	3,768	7,355
Statutory Provision for the Financing of Capital Investment	1,606	1,601
Revenue Expenditure Funded from Capital Under Statute	(1,614)	(934)
Capital Expenditure charged against HRA	4,843	2,701
Gains / (Losses) on sales of non current assets	54	0
Pensions Reserve	(323)	(554)
Accumulated Absences	(18)	0
<b>Total Adjustments</b>	<b>5,590</b>	<b>15,290</b>

### Summary

The Housing Revenue Account revenue balance at 31<sup>st</sup> March 2022 was £17.439M.

#### 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 1.30% of the total dwelling rent due was uncollectable due to lettable properties being vacant; in 2020/21 the figure was 1.29%. Average dwelling rents were £102.79 a week in 2021/22, an increase of 1.75% over the previous year.

## H2 Rent Rebates

Assistance with rents is available under the Housing Benefit Scheme for those on low incomes. 51.86% 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:

2006/07	3,979
2007/08	3,959
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
2021/22	3,916

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

Number of Dwellings by Type	At 31 <sup>st</sup> March 2021	At 31 <sup>st</sup> March 2022	Additions 2021/22	Disposals 2021/22
1 Bedroom Houses	0	0	0	0
2 Bedroom Houses	317	322	5	0
3 Bedroom Houses	1,556	1,558	2	0
4 or more Bedroom Houses	87	87	0	0
1 Bedroom Bungalows	261	272	11	0
2 Bedroom Bungalows	71	72	1	0
3 Bedroom Bungalows	32	33	1	0
4 or more Bedroom Bungalows	0	2	2	0
1 Bedroom Flats	875	875	0	0
2 Bedroom Flats	587	587	0	0
3 Bedroom Flats	93	93	0	0
Other – Hostel	15	15	0	0
<b>Total</b>	<b>3,894</b>	<b>3,916</b>	<b>22</b>	<b>0</b>

The change in stock can be summarised as follows:-

<b>Housing Stock 31<sup>st</sup> March 2021</b>	<b>3,894</b>
Less: Sold	0
Change of Use	0
New Build	22
<b>Housing Stock 31<sup>st</sup> March 2022</b>	<b>3,916</b>

#### H4 Rent Arrears

During the year 2021/22 rent arrears as a proportion of gross rent income was 8.67% of the amount due, compared to 7.59% in 2020/21. The figures are as follows: -

	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Arrears at 31 <sup>st</sup> March	1,743	2,032

Amounts written off during the year amounted to £2k. The aggregate provision in respect of uncollectable rent and other housing debts is £1.425M (£1.245M in 2020/21).

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

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

#### H6 Water Rates

Total monies collected in respect of water rates were £1.582M (£1.552M in 2020/21). Commission earned on this for 2021/22 was £183k (£207k in 2020/21).

#### H7 Capital Expenditure

Capital Expenditure of £10.056M has been spent in 2021/22 improving Council Dwellings, this Capital Expenditure has been taken into account at arriving at the Council Dwellings valuation.

#### H8 Capital Funding

	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Unsupported Borrowing	0	0
Supported Borrowing – Affordable Housing Grant	515	0
Usable Capital Receipts	97	0
Revenue Contributions	4,843	2,676
Major Repairs Reserve	2,764	2,770
Non HRA Reserve	0	25
Section 20 contributions	13	662
Other Capital Grants	990	3,923
<b>Total</b>	<b>9,222</b>	<b>10,056</b>

#### H9 Assets - Depreciation / Impairment

The charge is broken down as follows:-

	<b>2020/21</b>	<b>2021/22</b>
Council Dwellings		

	<b>£'000</b>	<b>£'000</b>
Depreciation of Dwellings	1,331	1,341
Depreciation of Other Land and Buildings	4	108
Depreciation of Equipment	4	4
Impairment	2,691	2,691
<b>Total</b>	<b>4,030</b>	<b>4,144</b>

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.

	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
IAS 19 Adjustment	204	415
Interest on net defined benefit liability/ (asset)	119	139
<b>Contribution from Pension Reserve</b>	<b>323</b>	<b>554</b>

#### **H11 Major Repairs Allowance**

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

	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening Balance brought forward</b>	<b>0</b>	<b>0</b>
Grant Received in Year	2,764	2,770
Grant Utilised in Year	(2,764)	(2,770)
<b>Closing Balance Carried Forward</b>	<b>0</b>	<b>0</b>

## Trust Funds

### Welsh Church Acts

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

	Balance at 31 March 2021	Acquisitions / Disposals	Revaluation	Surplus/ (Deficit)	Balance at 31 March 2022
	£'000	£'000	£'000	£'000	£'000
Accumulated Fund	5,229	0	21	(5)	5,245

The non-current assets of the fund are included at their 31 March 2022 value. The external investments held by the fund are included at their fair value at 31 March 2022.

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 1<sup>st</sup> January 2020, the principle purpose of the organization is the provision of school meals and other catering services. The Council is the sole shareholder and its shares in the company are valued at £1. The accounts for the Big Fresh Catering Company have been prepared for the period between 1<sup>st</sup> January 2020 and 31<sup>st</sup> 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.

The BFCC Accounts that have been consolidated into the Group Accounts reflect the first 15 months of operation for the Trading Company.

### **Accounting Policies**

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

#### **Value Added Tax**

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

## Group Accounts Comprehensive Income and Expenditure Statement

2020/21			Expenditure on Services	2021/22		
Gross Expt.	Income	Net Expt.		Gross Expt.	Income	Net Expt.
£'000	£'000	£'000		£'000	£'000	£'000
143,857	37,180	106,677	Learning and Skills	163,439	46,604	116,835
96,591	28,772	67,819	Social Services	101,315	31,459	69,856
54,699	19,137	35,562	Visible and Housing Services	60,464	25,327	35,137
12,588	21,472	(8,884)	Housing Revenue Account (HRA)	5,580	21,951	(16,371)
65,844	43,338	22,506	Managing Director and Resources	67,587	40,963	26,624
3,996	2,342	1,654	Big Fresh Catering Company (BFCC)	4,170	478	3,692
<b>377,575</b>	<b>152,241</b>	<b>225,334</b>	<b>Cost of Services</b>	<b>402,555</b>	<b>166,782</b>	<b>235,773</b>
			<b>Other operating expenditure</b>			
3,061	0	3,061	Town and Community Council Precepts	3,174	0	3,174
16,583	0	16,583	South Wales Police Authority	17,669	0	17,669
6,381	0	6,381	South Wales Fire Authority	6,743	0	6,743
94	0	94	Other Levies and Contributions	106	0	106
154	0	154	(Gains)/losses on the disposal of non-current assets	5,191	0	5,191
			<b>Financing and investment income and expenditure</b>			
7,117	0	7,117	Interest payable and similar charges	6,916	0	6,916
5,856	0	5,856	Net interest on defined benefit liability	6,891	0	6,891
640	0	640	Revaluation of Investment Properties	7	0	7
0	498	(498)	Interest receivable and other income	0	344	(344)
			<b>Taxation and non-specific grant income</b>			
0	89,318	(89,318)	Council Tax income (Note 13)	0	95,022	(95,022)
0	41,095	(41,095)	Non domestic rates (Note 14)	0	43,918	(43,918)
0	119,926	(119,926)	Revenue Support grants	0	126,846	(126,846)
0	1,585	(1,585)	Council Tax grant	0	1,249	(1,249)
0	78	(78)	Deferred Tax	149	0	149
0	489	(489)	Corporation Tax (Note G16)	0	31	(31)
0	64,174	(64,174)	Capital grants and contributions	0	54,885	(54,885)
<b>417,461</b>	<b>469,404</b>	<b>(51,943)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>449,401</b>	<b>489,077</b>	<b>(39,676)</b>
		(2,143)	(Surplus)/Deficit on revaluation of non current assets (Note G7)			(44,323)
		1,272	Impairment losses on non-current assets charged to the Revaluation Reserve (Note G7)			0
		59,175	Remeasurements of the net defined benefit liability/(asset) (Note G14)			(81,297)
		0	Transfer in/out of the net defined benefit liability/asset			0

		<b>58,304</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(125,620)</b>
		<b>6,361</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(165,296)</b>

### Group Accounts Movement in Reserves Statement 2020/21 and 2021/22

Movement in Reserves Statement	Council Fund & Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Group Entity Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>83,008</b>	<b>7,948</b>	<b>16,475</b>	<b>3,704</b>	<b>111,135</b>	<b>229,113</b>	<b>(2,056)</b>	<b>338,192</b>
Total Comprehensive Income and Expenditure	41,439	9,642	0	0	51,081	(57,402)	(40)	(6,361)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(32,202)	(5,590)	(3,083)	2,304	(38,571)	38,571	0	0
<b>Increase/(Decrease) in 2020/21</b>	<b>9,237</b>	<b>4,052</b>	<b>(3,083)</b>	<b>2,304</b>	<b>12,510</b>	<b>(18,831)</b>	<b>(40)</b>	<b>(6,361)</b>
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>92,245</b>	<b>12,000</b>	<b>13,392</b>	<b>6,008</b>	<b>123,645</b>	<b>210,282</b>	<b>(2,096)</b>	<b>331,831</b>
Total Comprehensive Income and Expenditure	19,175	20,728	0	0	39,903	124,509	885	165,297
Adjustments between accounting basis and funding basis under regulations (Note 10)	(652)	(15,289)	(1,548)	(1,457)	(18,946)	18,946	0	0
<b>Increase/(Decrease) in 2021/22</b>	<b>18,523</b>	<b>5,439</b>	<b>(1,548)</b>	<b>(1,457)</b>	<b>20,957</b>	<b>143,455</b>	<b>885</b>	<b>165,297</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>110,767</b>	<b>17,439</b>	<b>11,844</b>	<b>4,551</b>	<b>144,602</b>	<b>353,737</b>	<b>(1,211)</b>	<b>497,126</b>



## Group Accounts Balance Sheet

31 March 2021	Restated 31 March 2021		Notes	31 March 2022
£'000	£'000			£'000
737,281	741,531	Property, Plant and Equipment	G7	822,258
2,458	2,458	Joint Committee Investment Properties	34	2,454
170	170	Equity		170
212	212	Intangible Assets		352
2	2	Long Term Investments	20	2
0	0	Deferred Tax Asset		685
2,187	2,187	Long Term Debtors	20	2,880
<b>742,310</b>	<b>746,560</b>	<b>Long Term Assets</b>		<b>828,801</b>
69,158	69,158	Short Term Investment	20	82,462
0	0	Assets Held for Sale	18	1,380
1,371	1,371	Inventories	15	1,238
122	122	Deferred Tax Asset		113
51,594	51,594	Short Term Debtors	G9	76,757
27,726	27,726	Cash and Cash Equivalents	0	21,904
<b>149,971</b>	<b>149,971</b>	<b>Current Assets</b>		<b>183,854</b>
9,679	9,679	Short Term Borrowing	20	9,163
39,927	39,927	Short Term Creditors	G11	50,301
1,726	1,726	Provisions (Short Term)	24	1,611
444	444	Donated Inventory Account		596
15,600	15,600	Grants Receipts in Advance – Capital	32	9,903
<b>67,376</b>	<b>67,376</b>	<b>Current Liabilities</b>		<b>71,574</b>
329	329	Provisions (Long Term)	24	501
144,324	144,324	Long Term Borrowing	20	145,492
9,638	9,638	Other Long Term Liabilities	25	8,720
335,522	335,522	Other Long Term Liabilities (Pensions)	G14	279,354
7,511	7,511	Grants Receipts in Advance - Capital (Long Term)	32	9,888
<b>497,324</b>	<b>497,324</b>	<b>Long Term Liabilities</b>		<b>443,955</b>
<b>327,581</b>	<b>331,831</b>	<b>Net Assets</b>		<b>497,126</b>
123,645	123,645	Usable Reserves	26	144,601
203,936	208,186	Unusable Reserves	G13	352,525
<b>327,581</b>	<b>331,831</b>	<b>Total Reserves</b>		<b>497,126</b>

## Group Accounts Cash flow Statement

31 March 2021		Notes	31 March 2022
£'000			£'000
<b>51,943</b>	<b>Net surplus or (deficit) on the provision of services</b>		<b>39,676</b>
29,110	Adjustments to net surplus or deficit on the provision of services for non-cash movements	G15	49,137
	<b>Adjustments for items that are investing and financing activities</b>		
(124)	Proceeds from the sale of property, plant and equipment and intangible assets.		(4,605)
(43,630)	Any items which the cash effects are investing or financing cashflows		(56,342)
<b>(43,754)</b>	<b>Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>		<b>(60,947)</b>
<b>(37,299)</b>	<b>Net cash flows from Operating Activities</b>		<b>27,866</b>
	<b>Investing Activities</b>		
(70,902)	Purchase of property, plant and equipment and intangible assets.		(59,210)
124	Proceeds from the sale of property, plant and equipment and intangible assets.		248
0	Purchase of short term/long term investments		(13,477)
(8,632)	Other payments for investing activities		(6,640)
59	Proceeds from short term/long term investments		(0)
55,241	Other Receipts from Investing Activities		43,363
<b>(24,110)</b>	<b>Net Cashflow from Investing Activities</b>		<b>(35,716)</b>
	<b>Financing Activities</b>		
(478)	Repayments of Short and Long Term Borrowing		611
1,814	Other Payments for Financing Activities		1,417
<b>1,336</b>	<b>Net cash flows from Financing Activities</b>		<b>2,028</b>
<b>14,525</b>	<b>Net increase or decrease in cash and cash equivalents</b>		<b>(5,822)</b>
<b>13,201</b>	<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>27,726</b>
<b>27,726</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>21,904</b>

## 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	2021/22 Number of Teaching Employees	2021/22 Number of Non Teaching Employees	2021/22 Number of BFCC Employees	2021/22 Total Number of Employees
£60,000-£64,999	27	8	0	35
£65,000-£69,999	16	2	1	19
£70,000-£74,999	12	1	0	13
£75,000-£79,999	10	1	0	11
£80,000-£84,999	2	7	0	9
£85,000-£89,999	4	1	0	5
£90,000-£94,999	0	3	0	3
£95,000-£99,999	1	0	0	1
£100,000-£104,999	0	0	0	0
£105,000-£109,999	0	3	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	1	0	0	1
£130,000-£134,999	0	0	0	0
£135,000-£139,999	0	0	0	0
£140,000-£144,999	1	1		2
<b>Total</b>	<b>76</b>	<b>27</b>	<b>1</b>	<b>104</b>

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

Director	Date Appointed
Head of 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

Mr J J Sommerin	01/07/2021
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**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 2021/22 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**

	Restated 2020/21	2021/22
	£'000	£'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	167	171
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	57	45
Fees payable in respect of other services provided by Audit Wales.	0	0
Fees payable in respect of External Audit of BFCC by Advantage Accountancy and Advisory Limited	7	10
<b>Total</b>	<b>328</b>	<b>323</b>

**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 and 2021/22 has been excluded from the Group Accounts as an Intra-company transaction Note 37 is restated below to reflect this adjustment.

	2020/21 Land and Buildings	2020/21 Other Leases	2021/22 Land and Buildings	2021/22 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	409	0	437	0
Between 1 and 5 years	1,127	0	1,244	0
After 5 years	8,725	0	8,659	0
<b>Total</b>	<b>10,261</b>	<b>0</b>	<b>10,340</b>	<b>0</b>

### 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 £17k 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	187,991	469,957	32,595	168,779	3,868	13,475	3,236	879,901
BFCC Cost or Valuation	0	0	21	0	0	0	0	21
Cost or Valuation as at 31 March 2021 Group Accounts	187,991	469,957	32,616	168,779	3,868	13,475	3,236	879,922
Accumulated Depreciation and Impairment as at 31 March 2021 Single Entity	(6)	(212)	(16,469)	(40,937)	0	0	(36)	(57,661)
BFCC Accumulated Depreciation	0	0	(4)	0	0	0	0	(4)
Accumulated Depreciation and Impairment as at 31 March 2021 Group	(6)	(212)	(16,473)	(40,937)	0	0	(36)	(57,665)
Net Book Value 2020/21								
	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Infrastructure	Community Asset	Assets under Construction	Surplus Assets	Total
At 31 March 2022	187,985	469,745	16,143	127,842	3,868	13,475	3,200	822,258

### 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	31 March 2022
	£'000	£'000
Central government bodies	31,862	50,046
Other local authorities	9,421	9,613
NHS bodies	1,411	2,811
Public corporations and trading funds	9	17
Trade debtors	534	795
Prepayments	1,670	1,098
Other entities and individuals	13,289	20,068

<b>Gross Total</b>	<b>58,196</b>	<b>84,448</b>
Less: Provision for Bad Debts	(6,753)	(7,691)
<b>Total</b>	<b>51,443</b>	<b>76,757</b>

#### G10. Cash and Cash Equivalents

	31/03/2021	31/03/2022
	£'000	£'000
Cash held by the Authority and at Bank	(162)	3,777
Joint Committee Cash	4,372	5,783
Short-term Investment	23,411	11,420
BFCC Cash	105	924
<b>Total Cash and Cash Equivalents</b>	<b>27,726</b>	<b>21,904</b>

#### G11. Creditors

	31/3/2021	31 March 2022
	£'000	£'000
Central government bodies	4,756	11,484
Other local authorities	8,585	13,052
NHS bodies	200	285
Public corporations and trading funds	19	138
Trade creditors	10,886	12,177
Receipts in advance	3,725	3,210
Accumulated absences	3,579	3,653
Other entities and individuals	8,386	6,302
<b>Total</b>	<b>40,136</b>	<b>50,301</b>

#### G12. Provisions

	Total Single Entity £'000	BFCC	Total Group Provisions
<b>Balance at 1 April 2021</b>	<b>2,053</b>	<b>2</b>	<b>2,055</b>
Additional provisions made	74	2	76
Amounts used / Transfer out	19	0	19
<b>Balance at 1 April 2022</b>	<b>2,108</b>	<b>4</b>	<b>2,112</b>
Short Term Provisions	1,724	4	1,726

Long Term Provisions	329	0	329
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### G13. Unusable Reserves

Restated 31/03/21		31/03/22
£'000		£'000
72,916	Revaluation Reserve	116,370
473,360	Capital Adjustment Account	513,373
(109)	Financial Instruments Adjustment Account	(107)
11	Deferred Capital Receipts Reserve	4,368
(332,244)	Pensions Reserve	(276,615)
(3,652)	Accumulated Absences Account	(3,653)
(2,096)	Group Entity BFCC Reserves	(1,211)
<b>208,186</b>	<b>Total Unusable Reserves</b>	<b>352,525</b>

### G14. Pension Assets and Liabilities

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

Pension Liability	31 March 2021	31 March 2022
	£'000	£'000
Vale of Glamorgan Council Pension (Liability) Funded and Unfunded	(321,521)	(268,100)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(606)	(532)
Shared Regulatory Service Joint Committee Pension (Liability)	(5,700)	(4,948)
Central South Consortium Joint Committee Pension Asset/(Liability)*	(107)	125
Foundation School Pension (Liability)	(4,310)	(3,160)
BFCC Pension Liability**	(3,278)	(2,739)
<b>Total Pension Liability</b>	<b>(335,522)</b>	<b>(279,354)</b>

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

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2023 are set out in the table below. Additional contributions may also become due in respect of

any employer discretions to enhance members' benefits in the Fund over the next accounting period.

	Year ended 31 <sup>st</sup> March 2023 (£M)
Single Entity Accounts	15.08
BFCC	0.34
Total	15.42

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)
<b>Funded/Unfunded status*</b>	<b>(332.244)</b>	<b>(3.278)</b>	<b>(335.522)</b>
Impact of minimum funding requirement / asset ceiling	0	0	0
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(332.244)</b>	<b>(3.278)</b>	<b>(335.522)</b>

As at 31/03/22	Vale of Glamorgan Single Entity Accounts	Big Fresh Catering Company	Total
	£M's	£M's	£M's
Fair Value of Assets	518.291	5.373	523.664
Present Value of Defined Benefit Obligation	(794.895)	(8.112)	(803.007)
<b>Funded/Unfunded status*</b>	<b>(276.605)</b>	<b>(2.739)</b>	<b>(279.344)</b>
Impact of minimum funding requirement / asset ceiling	0	0	0



<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(276.605)</b>	<b>(2.739)</b>	<b>(279.344)</b>
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Active Members	Vale Funded	Vale Unfunded	Foundation School	SRS	RAS	BFCC
	%	%	%	%	%	%
Active Members	41%	0	65%	78%	61%	100%
Deferred Pensioners	18%	0	10%	11%	15%	0%
Pensioners	41%	100%	25%	11%	24%	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.

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
	Single Entity Accounts	BFCC	Total Group Pensions
Comprehensive Income and Expenditure			
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
<b>Total post-employment benefits charged to the surplus or deficit on the provision of services</b>	<b>29.366</b>	<b>0.623</b>	<b>29.989</b>
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)
<b>Total post-employment benefits charged to the comprehensive income and expenditure statement</b>	<b>58.277</b>	<b>0.902</b>	<b>59.179</b>
<b>Total Amount Recognised</b>	<b>87.643</b>	<b>1.525</b>	<b>89.168</b>
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(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

For Year Ending 31/03/22	£M's	£M's	£M's
	Single Entity Accounts	BFCC	Total Group Pensions
Comprehensive Income and Expenditure			
Cost of Services			
Service Cost Comprising			
Current Service Cost*	33.173	0.834	34.007
Past Service Cost (including curtailments)	0.230	0.00	0.230
(Gain)/Loss on Settlements	0.00	0.00	0.00
Financing and Investment Income			
Net Interest Expense	6.805	0.066	6.871
<b>Total post-employment benefits charged to the surplus or deficit on the provision of services</b>	<b>40.208</b>	<b>0.900</b>	<b>41.108</b>
Remeasurements in Other Comprehensive Income and Expenditure			
Return on plan assets (in excess of) /below that recognised in net interest	(22.964)	(0.398)	(23.362)
Actuarial (gains)/ losses due to change in financial assumptions	(48.880)	0.647	(49.527)
Actuarial (gains)/ losses due to changes in demographic assumptions	(8.002)	(0.082)	(8.084)
Actuarial (gains) / losses due to liability experience	2.300	0.015	2.315
<b>Total post-employment benefits charged to the comprehensive income and expenditure statement</b>	<b>(77.546)</b>	<b>(1.110)</b>	<b>(78.658)</b>
<b>Total Amount Recognised</b>	<b>(37.34)</b>	<b>(0.212)</b>	<b>(37.552)</b>
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(40.208)	(0.900)	(41.108)
Actual amount charged against General Fund and HRA balances for Pensions in year			
Employers' contributions payable to scheme	14.733	0.327	15.006
Retirement benefits payable to pensioners	1.130	0	1.130
Administration Allowance *The current service cost included an allowance for the administration expenses	0.348	0.009	0.438

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
<b>Opening Defined Benefit Obligation</b>	<b>662.694</b>	<b>5.442</b>	<b>668.136</b>
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
<b>Closing Defined Benefit Obligation</b>	<b>815.036</b>	<b>7.738</b>	<b>822.774</b>

Year Ended 31/03/22	Single Entity Accounts	BFCC	Total Group Pension
	£M's	£M's	£M's
<b>Opening Defined Benefit Obligation</b>	<b>815.498</b>	<b>7.738</b>	<b>823.236</b>
Current Service Cost	33.363	0.834	34.197
Interest Expense on defined benefit obligation	16.995	0.164	17.159
Contributions by Participants	4.329	0.101	4.43
Actuarial (gains)/ losses on liabilities financial assumptions	(51.971)	(0.647)	(52.618)
Actuarial (gains)/ losses on liabilities demographic assumptions	(8.103)	(0.082)	(8.185)

Actuarial (gains)/ losses on liabilities experience	2.4	0.015	2.415
Net Benefits Paid Out	(17.828)	(0.011)	(17.839)
Past Service Cost (including curtailments)	0.23	0	0.23
Net increase in liabilities from disposals/ acquisitions	0	0	0
Settlements	0	0	0
<b>Closing Defined Benefit Obligation</b>	<b>794.913</b>	<b>8.112</b>	<b>803.025</b>

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
<b>Opening Fair Value of Assets</b>	<b>402.976</b>	<b>3.386</b>	<b>406.362</b>
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
<b>Closing Fair Value of Assets</b>	<b>482.793</b>	<b>4.460</b>	<b>487.253</b>

Year ended 31/03/22	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
<b>Opening Fair Value of Assets</b>	<b>483.112</b>	<b>4.46</b>	<b>487.572</b>
Interest Income on Assets	10.17	0.098	10.268
Remeasurement gains/ (losses) on Assets	22.664	0.398	23.062
Contributions by the Employer	15.863	0.327	16.19
Contributions by Participants	4.312	0.101	4.413
Net Benefits Paid Out	(17.828)	(0.011)	(17.839)
Net increase in assets from disposals/ acquisitions	0	0	0
Settlements	0	0	0
<b>Closing Fair Value of Assets</b>	<b>518.293</b>	<b>5.373</b>	<b>523.666</b>

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
<b>Actual Return on Assets</b>	<b>78.636</b>	<b>0.690</b>	<b>79.326</b>

Year ended 31/03/22	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Interest Income on Assets	10.170	0.098	10.268
Remeasurement gains/ (losses) on Assets	22.664	0.398	23.062
<b>Actual Return on Assets</b>	<b>32.834</b>	<b>0.496</b>	<b>33.330</b>

**G15. Cash Flow Statement - Operating Activities**

The cash flows for operating activities include the following items:

2020/21		2021/22
£'000		£'000
527	Interest Received	146
(7,170)	Interest Paid	(6,916)

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

2020/21		2021/22
£'000		£'000
18,138	Depreciation and Impairment and Downward Valuations	11,481
63	Amortisation	78
0	Soft Loans (non-subsidiary)	0
0	Deferred revenue/deferred payment agreements (IFRS 15)	4,357
11,066	Increase / (Decrease) in creditors	12,817
(14,352)	(Increase) / Decrease in debtors	(14,806)
(486)	(Increase) / Decrease in inventories	285
14,571	Movement in pension liability	25,129

(169)	Other non-cash items charged to the net surplus or deficit on the provision of services	0
279	Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	9,796
<b>29,110</b>	<b>Adjustments to net surplus or deficit on the provision of services for non-cash movements.</b>	<b>49,137</b>

## G16. Taxation

<b>Big Fresh Catering Company</b>	<b>31/3/2021</b>	<b>31/3/2022</b>
	<b>£'000</b>	<b>£'000</b>
Corporation Tax	0	137
Current Tax on Profits for the year	130	(1)
<b>Total Current Tax</b>	<b>130</b>	<b>136</b>
Deferred Tax	(82)	(167)
Changes to Tax Rates	0	0
Adjustments in Respect of Prior Year	0	0
<b>Total Deferred Tax</b>	<b>(82)</b>	<b>(167)</b>
<b>Taxation on Ordinary Activities</b>	<b>48</b>	<b>(31)</b>

<b>Deferred Taxation 2021/22</b>	<b>Asset</b>	<b>Liability</b>
	<b>£'000</b>	<b>£'000</b>
Deferred Tax Asset on Pension Deficit	623	
Accelerated Capital Allowances		2
<b>Total Deferred Taxation</b>	<b>623</b>	<b>2</b>

The single entity accounts also include £41k 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.

**Appendix B– Published Subject to Audit**



Shared  
**Regulatory**  
Services

Gwasanaethau  
**Rheoliadol**  
a Rennir

## Shared Regulatory Service Joint Committee

Unaudited Statement of Accounts 2021/22 Year Ended 31st  
March 2022



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# Shared Regulatory Service Joint Committee

## Statement of Accounts 2021/22 Year Ended 31<sup>st</sup> March 2022

### Narrative Report

#### Introduction

This document presents the Statement of Accounts for the Shared Regulatory Service in respect of financial year 2021/22, and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

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

The SRS is managed and administered by the Shared Regulatory Service Joint Committee, under powers conferred by the Local Government (Wales) Act 1994. The Joint Committee is made up of two elected members from each authority. The Vale of Glamorgan Council became the Host Authority upon formation of the Joint Committee. The Joint Working Agreement and subsequent updates have been signed by the 3 authorities.

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

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

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

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

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

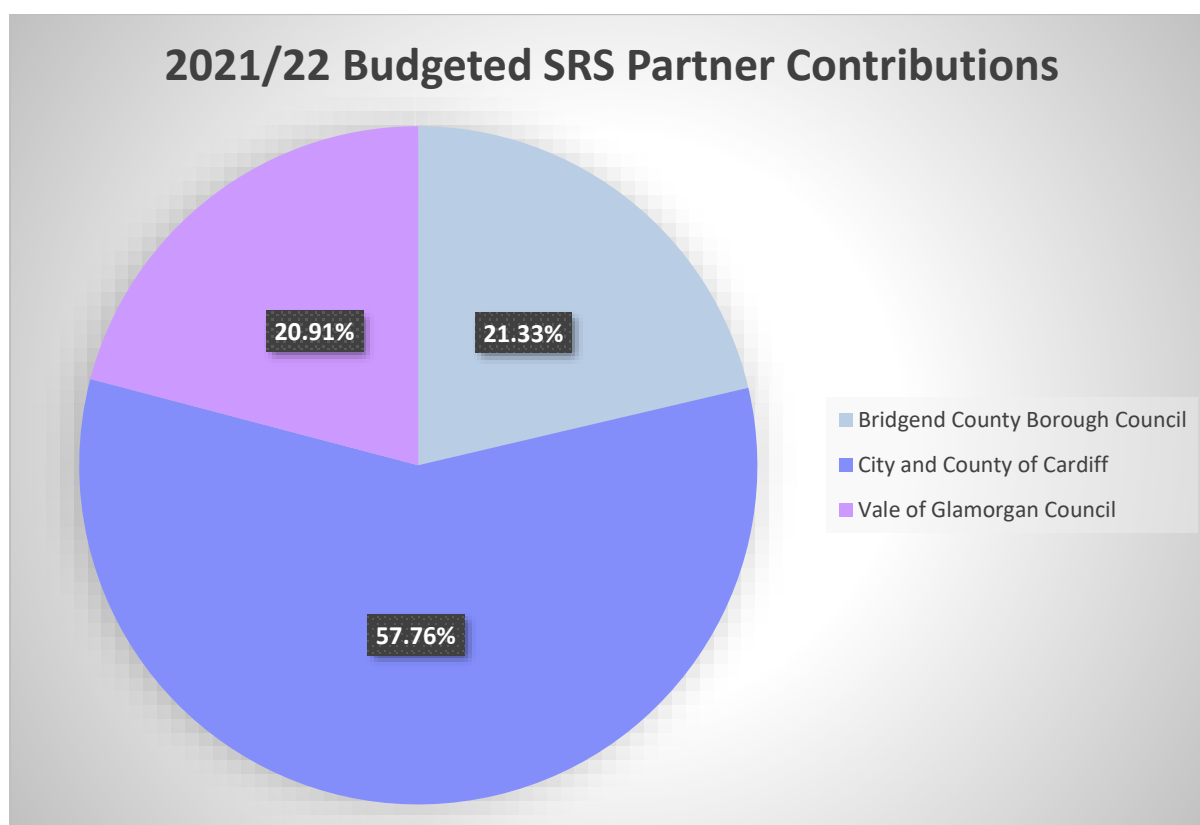
## Shared Regulatory Service Joint Committee

Information contained within these accounts provides the user with clarity on the nature of transactions in respect of the financial year ended 31<sup>st</sup> March 2022, and its financial composition as at that date.

These accounts will present:

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

The following chart graphically represents the 2021/22 total budgeted contribution made to the SRS by the Partner Authorities, to include both Core and Authority Specific Services.



### Summary of Financial Performance

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

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

Shared Regulatory Service Joint Committee

The SRS 2021/22 gross expenditure budgets are shown on the following table.

Authority	Participant Apportionment %	Core Services Budget 2021/22 £'000	Authority Specific Budget 2021/22 £'000	Agreed Budget 2021/22 £'000
Bridgend CBC	21.33%	1,347	430	1,777
City and County of Cardiff	57.76%	3,360	1,452	4,812
Vale of Glamorgan	20.91%	1,234	508	1,742
<b>Total</b>	<b>100.00%</b>	<b>5,941</b>	<b>2,390</b>	<b>8,331</b>

The table below illustrates the budgeted expenditure against the actual expenditure incurred for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. The expenditure figures in the table are net of grant income and additional income.

Category	Budgeted Expenditure £'000	Actual Expenditure £'000	Variance £'000
Authority Specific	2,390	2,375	15
Core Services	5,941	5,593	348
<b>Total</b>	<b>8,331</b>	<b>7,968</b>	<b>363</b>

The 2021/22 revenue position of the SRS is summarised as follows;

Service	Agreed Budget £'000	Net Expenditure Chargeable to General Fund Balances £'000	Variance £'000
AS – Licensing	1,429	1,523	(94)
AS - Other	961	852	109
Animal Services	390	673	(283)
Environmental Services	221	335	(114)
Food Services	1,489	1,108	381
Health & Safety & Communicable Disease	647	812	(165)
Housing Services	630	1,150	(520)
Pollution	881	844	37
Trading Standards	1,683	1,724	(41)
	<b>8,331</b>	<b>9,021</b>	<b>(690)</b>
Additional Revenue Income			1,201
2021/22 Net Cost of Services			511
Return of 2015/16 Implementation Reserve			(46)
Return of 2020/21 SRS Underspend			(151)
<b>Movement in General Fund Balance</b>			<b>314</b>

The net expenditure position shown within Animal Services reflects the financial impact of the multiple court delays and the consequential increase in ongoing unbudgeted accommodation and security costs in respect of the January 2020 horse seizure borne by the Service during the early part of 2021/22.

The £46k residual Implementation Funds that had previously been retained within the Usable Reserves to finance additional works in respect of the Pensions accounting, were redistributed to the Partners during 2021/22 in line with the 2015/16 contribution rates.

No savings target was proposed in respect of the 2021/22 SRS Budget. The £193k additional salary requirement resulting from an assumed 2.75% payward was partially offset by a £71k reduction (1.90% reduction) in the employers superannuation rate levied the Cardiff & Vale Pension Fund. The 2021/22 SRS Budget of £8.331m was agreed by the SRS Committee on the 8<sup>th</sup> December 2020.

No Capital Expenditure (funded by) Revenue, was incurred during 2021/22.

## **Covid-19**

Over the course of 2021/22 the planned work of the Service was impacted again by the coronavirus pandemic and the emergence of new variants of the virus. This resulted in SRS continuing to support the Test, Trace and Protect (TTP) Service across the three Council area through engagement with high risk settings, as well as with the general public; and also in its Covid-19 compliance work to ensure that businesses continued to comply with Covid-19 safety requirements.

The key milestones set for 2021/22 were:

- Delivery of the SRS Business Plan and the associated corporate priorities assigned to the SRS by the partner councils
- To support the partner councils and other agencies to manage the impact of Covid-19
- To monitor the implementation of new legislation and any requirements imposed by such legislation upon the Service
- To review the impact of coronavirus on service delivery mechanisms and the achievement of targets against the established performance metrics

When 2021/22 SRS Business Plan was written, there was a sense of optimism that the worst of the Covid-19 pandemic was behind us with the continued rollout of the vaccinations programmes and falling infection rates. Nevertheless the Business Plan was sufficiently realistic to recognise the impact of the Covid-19 response on service delivery to that point in time and the need to keep an open mind on the future direction of the disease. Apprehension about the emergence of the new coronavirus variants of concern was borne out with the appearance of the highly infection Omicron variant in the autumn of 2021, meaning that key members of SRS staff remained in their secondment roles supporting the various strands of the Covid-19 response until there was finally a lifting of the majority of Welsh Government controls in March 2022.

All SRS meetings have continued to be undertaken remotely in the period. The pandemic has also changed the way in which the Service provides services such as arranging for staff to

work from home. This has resulted in a significant number of computers being purchased to facilitate a greater uptake in remote working, whilst ensuring that an appropriate level of cover is provided for within the hubs.

The financial pressures on the Service continued in 2021/22, with the impact of the pandemic having a visible bearing on the income generating ability of the Service. However, this position has been mitigated by £12k received from the Welsh Government (WG) Income Loss Grant. Additional WG funding was also made available to cover increased expenditure on specific Covid-19 activities undertaken by the Service.

### **Non-Financial Performance**

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

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

As a regional organisation, providing regulatory services across the three local authority areas, the Service seeks to ensure that the corporate priorities and stated outcomes of the three Councils are at the heart of its activities. Using them as a focus, the strategic priorities of the Service are;

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

These priorities have provided a robust base for achieving the outcomes identified in previous business plans and the partner Council's corporate aspirations. This reporting year however, saw much of the planned work deferred due to the impact of Covid-19 upon society and most significantly, the draw upon the Service resource to support the massive public health response across the three Councils.

### **Improving Health and Wellbeing**

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

## **Safeguarding the Vulnerable**

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

## **Protecting the Environment**

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

## **Supporting the Local Economy**

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

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

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

## Shared Regulatory Service Joint Committee

The SRS Annual Report 2022 details the activities undertaken by the Service in its support of these priorities. During 2021/22, the Service achieved 24 successful prosecutions in its support of these strategic priorities.

### **Looking Forward**

A revenue budget of £8.331m for 2022/23 was approved by the SRS Committee on the 14<sup>th</sup> December 2021. As a direct consequence of the impact of Covid-19, and the additional pressures this entailed for the Service no savings were approved.

This report can be accessed on the Vale of Glamorgan Council's website [www.valeofglamorgan.gov.uk/Documents/\\_Committee%20Reports/Shared-Regulatory-Services-Joint-Committee/2021/21-12-14/Draft-Budget-Proposal.pdf](http://www.valeofglamorgan.gov.uk/Documents/_Committee%20Reports/Shared-Regulatory-Services-Joint-Committee/2021/21-12-14/Draft-Budget-Proposal.pdf).

The SRS does not hold a capital budget.

### **Further Information**

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



## **Introduction to the Financial Statements**

### **Statement of Accounting Policies**

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

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

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

### **Expenditure and Funding Analysis**

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

### **Movement in Reserves Statement**

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

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

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

### **Balance Sheet**

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

Unusable Reserves and cannot be accessed by the SRS to fund the provision of services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line “Adjustments between accounting basis and funding basis and regulations”.

### **Cash Flow Statement**

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

### **Annual Governance Statement**

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

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

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

The Council is required:

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

The Joint Committee's Responsibilities

- To approve the Statement of Accounts.

Signature:

Date: 28<sup>th</sup> June 2022

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

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

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

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

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

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

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

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

I certify the Statement of Accounts give a true and fair view of the financial position of the Joint Committee as at 31<sup>st</sup> March 2022, and its income and expenditure for the period then ended.

**Signature:**

**Date:** 28<sup>th</sup> June 2022

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

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

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

**Report on the audit of the financial statements**

## Shared Regulatory Service Expenditure and Funding Analysis 2020/21

The objective of the Expenditure and Funding Analysis is to demonstrate to the Partners how funding available to the SRS in the year has been used in providing services in comparison with those resources consumed or earned by the service in accordance with generally accepted accounting practices. The detailed breakdown of the adjustments between accounting and funding are illustrated for both 2020/21 and 2021/22 in Notes 7. Further information is shown about this note on page 8.

Expenditure and Funding Analysis 2020/21	Net Expenditure Chargeable to General Fund Balances £'000	Adjustments Between Accounting and Funding Basis £'000	Comprehensive Income and Expenditure £'000
Authority Specific - Licensing	1,446	128	1,574
Authority Specific - Other	864	83	947
Animal Welfare Services	1,074	68	1,142
Environmental Services	314	31	345
Food Services	1,105	108	1,213
Health & Safety and Communicable Disease	966	95	1,061
Housing Services	702	72	774
Pollution	855	94	949
Trading Standards	1,404	251	1,655
<b>Net Cost of Services</b>	<b>8,730</b>	<b>930</b>	<b>9,660</b>
<b><u>Financing and Investment Income and Expenditure</u></b>			
Contribution from Other Local Authorities	(8,980)	0	(8,980)
Interest Receivable	0	0	0
Repayment of Underspend	(46)	0	(46)
Pensions Interest Payable	0	410	410
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(296)</b>	<b>1,340</b>	<b>1,044</b>
Opening General Fund Balance at 31 March 2020	(492)		
Plus Surplus on General Fund Balance in Year	(296)		
<b>Closing General Fund Balance at 31 March 2021</b>	<b>(788)</b>		

## Shared Regulatory Service Expenditure and Funding Analysis 2021/22

Expenditure and Funding Analysis 2021/22	Net Expenditure Chargeable to General Fund Balances £'000	Adjustments Between Accounting and Funding Basis £'000	Comprehensive Income and Expenditure £'000
Authority Specific – Licensing	1,523	255	1,778
Authority Specific - Other	852	165	1,017
Animal Welfare Services	673	106	779
Environmental Services	335	63	398
Food Services	1,108	220	1,328
Health & Safety and Communicable Disease	812	156	968
Housing Services	1,150	158	1,308
Pollution	844	177	1,021
Trading Standards	1,724	370	2,094
<b>Net Cost of Services</b>	<b>9,021</b>	<b>1,670</b>	<b>10,691</b>
<b><u>Financing and Investment Income and Expenditure</u></b>			
Contributions from Local Authorities	(9,532)	0	(9,532)
Interest Receivable	0	0	0
Repayment of Prior Year Underspend	151	0	151
Repayment of Implementation Reserve	46	0	46
Pensions Interest Payable	0	590	590
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(314)</b>	<b>2,260</b>	<b>1,946</b>
Opening General Fund Balance at 31 March 2021	(788)		
Plus Surplus on General Fund Balance in Year	(314)		
<b>Closing General Fund Balance as at 31 March 2022</b>	<b>(1,102)</b>		

## SRS Movement in Reserves Statement 202/21 and 2021/22

This statement shows the movement in the year on the different reserves held by the SRS, analysed into “Usable Reserves” (i.e. those that can be applied to fund expenditure) and “Unusable Reserves”. Further information on this statement is shown on page 8.

Movement in Reserves Statement	Shared Regulatory Service						
	Notes	Usable Reserves £'000	Accumulated Absence Account £'000	Pensions Reserve £'000	Capital Adjustment Account £'000	Total Unusable Reserves £'000	Total Reserves £'000
<b>Shared Regulatory Service</b>							
<b>Balance at 31 March 2020 Carried Forward</b>	<b>18,20</b>	<b>(492)</b>	<b>170</b>	<b>18,300</b>	<b>(252)</b>	<b>18,218</b>	<b>17,726</b>
Movement in Reserves during 2020/21							
<b>Total Comprehensive Income &amp; Expenditure</b>		<b>1,044</b>	<b>0</b>	<b>9,370</b>	<b>0</b>	<b>9,370</b>	<b>10,414</b>
Adjustments between Accounting Basis & Funding Basis	<b>9</b>	(1,340)	109	1,140	91	1,340	0
<b>Increase / (Decrease) in Year</b>		<b>(296)</b>	<b>109</b>	<b>10,510</b>	<b>91</b>	<b>10,710</b>	<b>10,414</b>
<b>Balance as at 31st March 2021 Carried Forward</b>	<b>18,20</b>	<b>(788)</b>	<b>279</b>	<b>28,810</b>	<b>(161)</b>	<b>28,928</b>	<b>28,140</b>
Movement in Reserves during 2021/22							
<b>Total Comprehensive Income &amp; Expenditure</b>		<b>1,946</b>	<b>0</b>	<b>(6,900)</b>	<b>0</b>	<b>(6,900)</b>	<b>(4,954)</b>
Adjustments between Accounting Basis & Funding Basis	<b>9</b>	(2,260)	0	2,190	70	2,260	0
<b>Increase / (Decrease) in Year</b>		<b>(314)</b>	<b>0</b>	<b>(4,710)</b>	<b>70</b>	<b>(4,640)</b>	<b>(4,954)</b>
<b>Balance as at 31st March 2022 Carried Forward</b>		<b>(1,102)</b>	<b>279</b>	<b>24,100</b>	<b>(91)</b>	<b>24,288</b>	<b>23,186</b>



## SRS Comprehensive Income and Expenditure Statement 2021/22

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

Period Ended 31st March 2021				Period Ended 31st March 2022		
Gross Expt. £000's	Gross Income £000's	Net Expt. £000's		Gross Expt. £000's	Gross Income £000's	Net Expt. £000's
1,578	(4)	<b>1,574</b>	Authority Specific - Licensing	1,783	(5)	<b>1,778</b>
949	(2)	<b>947</b>	Authority Specific – Other	1,020	(3)	<b>1,017</b>
1,660	(518)	<b>1,142</b>	Animal Welfare Services	794	(15)	<b>779</b>
367	(22)	<b>345</b>	Environmental Services	411	(13)	<b>398</b>
1,220	(7)	<b>1,213</b>	Food Services	1,335	(7)	<b>1,328</b>
				1,041	(73)	
1,092	(31)	<b>1,061</b>	Health & Safety and Communicable Disease			<b>968</b>
853	(79)	<b>774</b>	Housing Services	1,330	(22)	<b>1,308</b>
952	(3)	<b>949</b>	Pollution	1,025	(4)	<b>1,021</b>
2,874	(1,219)	<b>1,655</b>	Trading Standards	3,504	(1,410)	<b>2,094</b>
<b>11,545</b>	<b>(1,885)</b>	<b>9,660</b>	<b>Net Cost of Services (Note 8)</b>	<b>12,243</b>	<b>(1,552)</b>	<b>10,691</b>
			<b>Finance &amp; Investment Income and Expenditure</b>			
0	(8,980)	<b>(8,980)</b>	Contributions from Local Authorities	0	(9,532)	<b>(9,532)</b>
0	0	<b>0</b>	Interest Receivable (Note 26)	0	0	<b>0</b>
(46)	0	<b>(46)</b>	Recovery of Prior Year Overspend	0	0	<b>0</b>
0	0	<b>0</b>	Repayment of Prior Year Underspend	151	0	<b>151</b>
0	0	<b>0</b>	Repayment of 2015/16 Implementation Fund	46	0	<b>46</b>
410	0	<b>410</b>	Pension Interest Payable (Note 24)	590	0	<b>590</b>
<b>364</b>	<b>(8,980)</b>	<b>(8,616)</b>	<b>Financing &amp; Investment Income &amp; Expenditure</b>	<b>787</b>	<b>(9,532)</b>	<b>(8,745)</b>
<b>11,909</b>	<b>(10,865)</b>	<b>1,044</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>13,030</b>	<b>(11,084)</b>	<b>1,946</b>
			<b>Other Comprehensive Income &amp; Expenditure</b>			
		9,370	Re-measurement of Pension Liability (Note 24)			(6,900)
		<b>9,370</b>	<b>Other Comprehensive Income &amp; Expenditure</b>			<b>(6,900)</b>
		<b>10,414</b>	<b>Total Comprehensive Income &amp; Expenditure</b>			<b>(4,954)</b>

The 2020/21 and 2021/22 Contributions from other Local Authorities includes the recovery of costs from Bridgend County Borough Council and the City and County of Cardiff, in the SRS support of the Track, Trace and Protect services undertaken by the SRS during the year.

## SRS Balance Sheet as at 31<sup>st</sup> March 2022

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the SRS (Assets less Liabilities) are matched by the reserves held by the SRS. Reserves are reported in two categories: Usable and Unusable Reserves. Further information on this statement is shown on page 8 of this report.

31st March 2021 £'000	Balance Sheet as at 31st March 2022 Shared Regulatory Service	Notes	31st March 2022 £'000
	<b>Long Term Non-Current Assets</b>		
155	Property, Plant and Equipment	10	91
6	Intangible Assets	11	0
0	Long Term Debtors		0
<b>161</b>	<b>Total Non-Current Assets</b>		<b>91</b>
549	Short Term Debtors		1,560
18	Short Term Payment in Advance		0
807	Short Term Debtors Cash Owing from Host Authority		413
<b>1,374</b>	<b>Current Assets</b>	16	<b>1,973</b>
(371)	Short Term Creditors		(411)
(279)	Accumulated Absence Provision		(279)
<b>(650)</b>	<b>Current Liabilities</b>	17	<b>(690)</b>
(28,810)	Pensions Liability	24	(24,100)
(215)	Other Long Term Liabilities	19	(460)
<b>(29,025)</b>	<b>Long Term Liabilities</b>		<b>(24,560)</b>
<b>(28,140)</b>	<b>Net Assets</b>		<b>(23,186)</b>
<b>(788)</b>	<b>Usable Reserves</b>	18	<b>(1,102)</b>
279	Accumulated Absences	22	279
(161)	Capital Adjustment Account	23	(91)
28,810	Pensions Reserve	21	24,100
<b>28,928</b>	<b>Unusable Reserves</b>		<b>24,288</b>
<b>28,140</b>	<b>Total Reserves</b>		<b>23,186</b>

**SRS Cash Flow Statement 2020/21 and 2021/22**

The Cash Flow Statement shows the change in cash and cash equivalents of the SRS during the reporting period. The statement shows how the SRS generates and uses cash and cash equivalents by classifying cash flows into operating and investing and financing activities. The function of this statement is detailed on page 9 of this report.

<b>31<sup>st</sup> March 2021 £'000</b>		<b>31<sup>st</sup> March 2022 £'000</b>
<b>(1,044)</b>	<b>Net Surplus/(Deficit) on the provision of service</b>	<b>(1,946)</b>
	<b>Adjust net surplus or deficit on the provision of services for non-cash movements</b>	
68	Depreciation	64
23	Amortisation	6
211	Increase/ (Decrease) in Creditors	285
(254)	(Increase)/Decrease in Debtors	(993)
1,140	Movement on Pension Liability	2,190
<b>1,188</b>	<b>Total adjustments to net surplus or deficit on the provision of services for non-cash movements.</b>	<b>1,552</b>
<b>0</b>	<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>	<b>0</b>
<b>144</b>	<b>Net Cash-flows from operating activities</b>	<b>(394)</b>
	<b>Investing activities</b>	
0	Purchase of property, plant and equipment, investment property and intangible assets	0
18	Other receipts from investing activities	0
<b>18</b>	<b>Total Investing Activities</b>	<b>0</b>
<b>0</b>	<b>Financing activities</b>	<b>0</b>
<b>162</b>	<b>Net (increase)/decrease in cash and cash Equivalents</b>	<b>(394)</b>
645	Cash and cash equivalents at the beginning of the reporting period	807
<b>807</b>	<b>Cash owed To/(From) Host Authority as at 31st March</b>	<b>413</b>

## Notes to the Financial Statements

### 1. Accounting Policies

(a)	<b>Accounting Policies</b>	<p>The SRS is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (Amended), which require them to be prepared in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, and the Service Reporting Code of Practice for Local Authorities 2021/22 (SeRCOP) and supported by International Financial Reporting Standards (IFRS) and statutory guidance. The accounts are prepared on a Going Concern basis.</p>
(b)	<b>Revenue Income and Expenditure</b>	<p>The transactions of the SRS are accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:</p> <ul style="list-style-type: none"> <li>• Revenue from the sale of goods is recognised when the SRS transfers the significant risks and rewards of ownership to the purchaser and it is probable that the economic benefits or service potential associated with the transaction will flow to the SRS;</li> <li>• Revenue from the provision of services is recognised when the SRS can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the SRS;</li> <li>• Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made; and</li> <li>• Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might be collected.</li> </ul> <p>There are certain exceptions to this principle. The main items are: -</p> <ul style="list-style-type: none"> <li>(a) Electricity charges, telephone expenses, leasing and similar periodic payments are included in the Accounts on a payments basis and not accrued to the 31<sup>st</sup> March each year. Payments in respect of a full 12 months are included; and</li> <li>(b) The amount included in the accounts for the Budgeted Contributions are on the basis of cash received.</li> </ul> <p>The difference between the amounts charged annually to the Revenue Accounts in respect of items (a) and (b)</p>

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

		<p>and are charged on an accruals basis to the appropriate service or where applicable to Non-Distributed costs.</p> <p><b>Post-Employment Benefits</b></p> <p>Employees of the Joint Committee are members of the Local Government Pension Scheme, administered by Cardiff County Council Pension Authority. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Joint Committee.</p> <p><b>The Local Government Pension Scheme</b></p> <p><b>The Local Government Scheme is Accounted for as a Defined Benefits Scheme</b></p> <ul style="list-style-type: none"> <li>• The liabilities of the Cardiff and Vale Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., plus projections of projected earnings for current employees.</li> <li>• Liabilities are discounted to their value at current prices, using a discount rate.</li> <li>• The assets of the Cardiff and Vale Pension Fund attributable to the SRS are included in the Balance Sheet at their fair value.</li> <li>• The actuarial valuation carried out at 31<sup>st</sup> March 2019 used the roll-forward method to 31<sup>st</sup> March 2022. The change in the net pension’s liability is analysed into the following components.</li> </ul> <p><b>Service Cost Comprising of</b></p> <ul style="list-style-type: none"> <li>• <b>Current Service Cost</b> – the increase in liabilities as a result of a year of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the service(s) to which the employee worked.</li> <li>• <b>Past Service Cost</b> – the increase in liabilities as a result of the scheme amendment of curtailment whose effect relates to years of service earned in earlier years. Debited to the surplus or deficit of services in the Comprehensive Income and Expenditure Statement as part of the Non-Distributed Costs.</li> <li>• <b>Net Interest</b> on the net defined benefit liability (asset), i.e. net increase expense for the SRS – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at</li> </ul>
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		<p>the beginning of the period to the net defined liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit (asset) during the period as a result of contribution and benefit payments.</p> <p><b>Re-measurements Comprising of</b></p> <ul style="list-style-type: none"> <li>• The return on plan assets, excluded in net interest on the net defined liability (asset), charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.</li> <li>• Actuarial gains and losses, changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure. Statutory provisions require the Joint Committee Fund balance be charged with the amount payable by the SRS to the pension fund or directly to pensioners in the year in relation to retirement benefits.</li> </ul> <p><b>Discretionary Benefits</b></p> <p>The Shared Service also has restricted powers to make discretionary awards of retirements benefits in the event of early retirements.</p>
(g)	<p><b>Events After the Balance Sheet Date</b></p>	<p>These are events, both favourable and unfavourable that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Such events could result in the Statement of Accounts being adjusted. Two types of events can be identified:</p> <ul style="list-style-type: none"> <li>• Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events; and</li> <li>• Those that are indicative of conditions that arose after the reporting period, the Statement of Accounts is then adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.</li> </ul>
(h)	<p><b>Government Grants and Contributions</b></p>	<p>Government Grants, Third Party Contributions and Donations are recognised as due to the SRS when there is reasonable assurance that:</p> <ul style="list-style-type: none"> <li>• The SRS will comply with the conditions attached to the payments; and</li> <li>• The grant(s) or contributions will be received.</li> </ul>

		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.
(i)	<b>Intangible Assets</b>	<p>Expenditure on non-monetary assets that do not have physical substance but are controlled by the SRS is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the SRS.</p> <p>The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement.</p> <p>Assets are maintained in the Balance Sheet at fair value.</p>
(j)	<b>Leases</b>	The Shared Regulatory Service does not have any operating or finance leases in 2021/22.
(k)	<b>Overheads and Support Costs</b>	The cost of SRS Overheads and Support services apportioned out within the Comprehensive Income and Expenditure Statement. These costs now sit with the relevant groupings within the statements concerned.
(i)	<b>Inventories</b>	The Shared Regulatory Service did not hold any inventory as at 31 <sup>st</sup> March 2022.
(j)	<b>Property Plant and Equipment</b>	<p>Vehicles, Plant and Equipment are included at cost (less depreciation where required).</p> <p>Expenditure on the acquisition or creation of Property, Plant and Equipment is capitalised on an accruals basis, provided that the future economic benefits or service potential associated with the item will flow to the SRS and the cost of the item can be measured reliably.</p> <p>A de-minimis rule for capital has been applied – generally no capital expenditure valued at under £10,000 is included within the capital spend.</p> <p>Assets are initially measured at cost, comprising:</p> <ul style="list-style-type: none"> <li>• The purchase price;</li> <li>• Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and</li> <li>• The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.</li> </ul> <p>When decreases in value for individual assets are identified, they are accounted for either by setting it off against gains for the asset in the Revaluation Reserve, or against the relevant service lines in the Comprehensive Income and Expenditure Statement.</p>



		<p><b>Impairment</b></p> <p>Assets are assessed at each year end as to whether there is an indication that an asset may be impaired. Where indications exist, and any possible differences are estimated to be material, the recoverable amount is estimated and if this is less than the carrying amount, an impairment loss is recognised for the shortfall. This is either set against the balance of the Revaluation Reserve if there have been previous valuation gains for the asset or it is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.</p> <p><b>Depreciation</b></p> <p>Depreciation is provided for on all Plant and Equipment assets over their useful lives which is determined as being five years.</p> <p>Depreciation is calculated on the following basis:</p> <ul style="list-style-type: none"> <li>• Vehicles, plant, furniture and equipment – over the five year life of the asset</li> </ul> <p>Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.</p>
(k)	<p><b>Provisions, Contingent Liabilities and Contingent Assets</b></p>	<p><b>Provisions</b></p> <p>Provisions are made when an event has taken place that gives the SRS a legal or constructive obligation that probably requires settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount of the obligation.</p> <p>Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and expenditure Statement in the year that the SRS becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.</p> <p>When payments are eventually made, they are charged to the provision carried in the Balance Sheet. The Shared Regulatory Service did not hold any provisions as at 31st March 2022.</p> <p><b>Contingent Liabilities</b></p> <p>A contingent liability arises where an event has taken place that gives the SRS a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future</p>

		<p>events not wholly in the control of the SRS. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.</p> <p>Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.</p> <p><b>Contingent Assets</b></p> <p>A contingent asset arises where an event has taken place that gives the SRS a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the SRS.</p> <p>Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.</p>
(l)	<b>Specific Reserves</b>	These reserves represent sums of money that are voluntarily set aside for specific purposes.
(m)	<b>Value Added Tax</b>	Income and expenditure exclude any amounts related to Value Added Tax (VAT), as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

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

The 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. As at the balance sheet date, there are no new relevant standards that have been published but not yet adopted by the Code that will have an impact upon the financial statements.

However, the following details regarding IFRS 16 – Leases are provided for information purposes:

This Standard removed the previous lease classifications of operating and finance leases, and will require Shared Regulatory Services should it be a lessee to recognise all leases on the balance sheet as right of use assets (there are exemptions for short-term and low value leases) with a corresponding lease liability representing the lessee's obligation to fund lease payments for the asset. However, it should be noted that CIPFA/LASAAC have again deferred implementation of IFRA 16 for local government to 1<sup>st</sup> April 2024.

As the SRS does not hold any lease arrangements in place, it is not expected that there will be any material impact on the SRS accounts from the implementation of this standard.

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

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

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

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

The Unaudited Statement of Accounts will be authorised for issue by the Head of Finance (Section 151 Officer) on the 28<sup>th</sup> June 2022.

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

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

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

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

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

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

## **6. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the SRS about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Joint Committee's Balance Sheet at 31<sup>st</sup> March 2022 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

### **Property Plant and Equipment**

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

The SRS holds no infrastructure assets such as operational buildings which would be directly affected by a change to the real estate market as a result of the impact the Covid-19 pandemic on the global financial markets.

### **Debtors**

There are no significant debts held by the Shared Regulatory Service in excess of a year old as at the 31<sup>st</sup> March 2022. However, a provision of £1k in respect of bad and doubtful debts has been included within the 2021/22 Statements, with all other debts considered to be recoverable.

### **Pensions Liability**

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

Estimation of the net liability to pay pensions depends on a number of complex judgements related to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the Cardiff and Vale Pension Fund with expert advice about assumptions to be applied. The actuarial report is based on a roll forward of the triennial valuation carried out at 31<sup>st</sup> March 2019.

The actuarial report also makes a number of assumptions in respect of Covid-19. The associated mortality rate is considered to be not proving to be significant, with

the impact to date likely to reduce liabilities by circa 1%. The 2022 valuation will take into account the actual impact of mortality rates.

The 2021/22 Shared Regulatory Services element of the Pension Scheme has reduced by £4.710m in the year, which is reflected on the Balance Sheet. The estimated impact of the McCloud judgement has been accounted for within the 2021/22 pension valuation. This will then be updated for following the 2022 pension valuation.

### Material Items of Income and Expenditure

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

## 7. Note to the Expenditure and Funding Analysis

<b>Notes to the Expenditure and Funding Analysis 2020/21</b>					
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts</b>					
	<b>Pension Interest Adjustment £'000</b>	<b>Adjustments for Capital Purposes £'000</b>	<b>Net Change for Pensions Adjustment £'000</b>	<b>Accrued Annual Leave £'000</b>	<b>Total Adjustment £'000</b>
Authority Specific - Licensing	(60)	0	167	21	<b>128</b>
Authority Specific - Other	(41)	0	111	13	<b>83</b>
Animal Welfare Services	(21)	25	59	5	<b>68</b>
Environmental Services	(14)	2	40	3	<b>31</b>
Food Services	(50)	0	141	17	<b>108</b>
Health & Safety and Communicable Disease	(50)	0	139	6	<b>95</b>
Housing Services	(33)	6	92	7	<b>72</b>
Pollution	(41)	12	113	10	<b>94</b>
Trading Standards	(100)	46	278	27	<b>251</b>
<b>Net Cost of Services</b>	<b>(410)</b>	<b>91</b>	<b>1,140</b>	<b>109</b>	<b>930</b>
Contributions from LAs	0	0	0	0	<b>0</b>
Interest Receivable	0	0	0	0	<b>0</b>
Pensions Interest Payable	410	0	0	0	<b>410</b>
<b>Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or deficit</b>	<b>0</b>	<b>91</b>	<b>1,140</b>	<b>109</b>	<b>1,340</b>

<b>Notes to the Expenditure and Funding Analysis 2021/22</b>					
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts</b>					
	<b>Pension Interest Adjustment £'000</b>	<b>Adjustments for Capital Purposes £'000</b>	<b>Net Change for Pensions Adjustments £,000</b>	<b>Accrued Annual Leave £'000</b>	<b>Total Adjustment £'000</b>
Authority Specific – Licensing	(94)	0	349	0	<b>255</b>
Authority Specific - Other	(61)	0	226	0	<b>165</b>
Animal Welfare Services	(30)	25	111	0	<b>106</b>
Environmental Services	(22)	2	83	0	<b>63</b>
Food Services	(83)	0	303	0	<b>220</b>
Health & Safety and Communicable Disease	(58)	0	216	0	<b>158</b>
Housing Services	(55)	6	205	0	<b>156</b>
Pollution Services	(61)	10	228	0	<b>177</b>
Trading Standards	(126)	27	469	0	<b>370</b>
<b>Net Cost of Services</b>	<b>(590)</b>	<b>70</b>	<b>2,190</b>	<b>0</b>	<b>1,670</b>
Contributions from LAs	0	0	0	0	<b>0</b>
Interest Receivable	0	0	0	0	<b>0</b>
Pensions Interest Payable	590	0	0	0	<b>590</b>
<b>Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or deficit</b>	<b>0</b>	<b>70</b>	<b>2,190</b>	<b>0</b>	<b>2,260</b>

#### **Adjustments for Capital Purposes**

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

#### **Net Change for the Pensions Adjustments**

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

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

#### **Accrued Annual Leave**

- Adjustments are made for accrued staff annual leave. There was no variation to the overall calculated accrued annual leave balance value between 2020/21 and 2021/22, therefore there is no 2021/22 adjustment included.

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

2020/21	Employee Expenses £'000	Other Expenses £'000	Depreciation/ Amortisation £'000	Gross Expenditure £'000	Grant Income £'000	Fees & Charges £'000	Gross Income £'000	Net Expenditure £'000
Authority Specific - Licensing	1,405	173	0	1,578	0	(4)	(4)	1,574
Authority Specific - Other	867	82	0	949	0	(2)	(2)	947
Animal Welfare Services	460	1,175	25	1,660	(19)	(499)	(518)	1,142
Environmental Services	319	46	2	367	(8)	(14)	(22)	345
Food Services	1,131	89	0	1,220	(3)	(4)	(7)	1,213
Health & Safety and Communicable Disease	740	346	6	1,092	(28)	(3)	(31)	1,061
Housing Services	1,105	(252)	0	853	(2)	(77)	(79)	774
Pollution	890	50	12	952	0	(3)	(3)	949
Trading Standards	2,390	438	46	2,874	(987)	(232)	(1,219)	1,655
<b>Net Cost of Services</b>	<b>9,307</b>	<b>2,147</b>	<b>91</b>	<b>11,545</b>	<b>(1,047)</b>	<b>(838)</b>	<b>(1,885)</b>	<b>9,660</b>
<b><u>Finance &amp; Investment Income &amp; Expenditure</u></b>								
Contributions from Local Authorities				0			(8,980)	(8,980)
Repayment of Prior Year								
Underspend				0			0	0
Recovery of Prior Year Overspend				(46)			0	(46)
Pension Interest Payable (Note 24)				410			0	410
<b>Financing &amp; Investment Income &amp; Expenditure</b>				<b>364</b>			<b>(8,980)</b>	<b>(8,616)</b>
<b>(Surplus)/Deficit on Provision of Services</b>				<b>11,909</b>			<b>(10,865)</b>	<b>1,044</b>

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<b>2021/22</b>	<b>Employee Expenses £'000</b>	<b>Other Expenses £'000</b>	<b>Depreciation/ Amortisation £'000</b>	<b>Gross Expenditure £'000</b>	<b>Grant Income £'000</b>	<b>Fees &amp; Charges £'000</b>	<b>Gross Income £'000</b>	<b>Net Expenditure £'000</b>
Authority Specific - Licensing	1,526	257	0	<b>1,783</b>	0	(5)	<b>(5)</b>	<b>1,778</b>
Authority Specific - Other	948	72	0	<b>1,020</b>	0	(3)	<b>(3)</b>	<b>1,017</b>
Animal Welfare Services	463	306	25	<b>794</b>	(12)	(3)	<b>(15)</b>	<b>779</b>
Environmental Services	345	64	2	<b>411</b>	0	(13)	<b>(13)</b>	<b>398</b>
Food Services	1,252	83	0	<b>1,335</b>	(2)	(5)	<b>(7)</b>	<b>1,328</b>
Health & Safety and Communicable Disease	1,001	40	0	<b>1,041</b>	(2)	(71)	<b>(73)</b>	<b>968</b>
Housing Services	1,247	77	6	<b>1,330</b>	(10)	(12)	<b>(22)</b>	<b>1,308</b>
Pollution	955	60	10	<b>1,025</b>	0	(4)	<b>(4)</b>	<b>1,021</b>
Trading Standards	2,617	860	27	<b>3,504</b>	(1,146)	(264)	<b>(1,410)</b>	<b>2,094</b>
<b>Net Cost of Services</b>	<b>10,354</b>	<b>1,819</b>	<b>70</b>	<b>12,243</b>	<b>(1,172)</b>	<b>(380)</b>	<b>(1,552)</b>	<b>10,691</b>
<b><u>Finance &amp; Investment Income &amp; Expenditure</u></b>								
Contributions from Local Authorities				<b>0</b>			<b>(9,532)</b>	<b>(9,532)</b>
Repayment of Prior Year Underspend				<b>151</b>			<b>0</b>	<b>151</b>
Repayment of Implementation Reserve				<b>46</b>			<b>0</b>	<b>46</b>
Pension Interest Payable (Note 24)				<b>590</b>			<b>0</b>	<b>590</b>
<b>Financing &amp; Investment Income &amp; Expenditure</b>				<b>787</b>			<b>(9,532)</b>	<b>(8,745)</b>
<b>(Surplus)/Deficit on Provision of Services</b>				<b>13,030</b>			<b>(11,084)</b>	<b>1,946</b>



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

<b>2020/21</b>	<b>Usable Reserves £'000</b>	<b>Accumulated Absence Account £'000</b>	<b>Pensions Reserve £'000</b>	<b>Capital Adjustment Account £'000</b>	<b>Total Unusable Reserves £'000</b>
Accrued Staff Annual Leave	(109)	109	0	0	109
Reversal of Items Relating to retirement benefits debited or credited to the CIES	(2,450)	0	2,450	0	2,450
Employers pension contributions and direct payments to pensions payable in year	1,310	0	(1,310)	0	(1,310)
Capital Expenditure financed from Revenue Balances	0	0	0	0	0
Charges for Depreciation/Amortisation of Non-Current Assets	(91)	0	0	91	91
	<b>(1,340)</b>	<b>109</b>	<b>1,140</b>	<b>91</b>	<b>1,340</b>

<b>2021/22</b>	<b>Usable Reserves £'000</b>	<b>Accumulated Absence Account £'000</b>	<b>Pensions Reserve £'000</b>	<b>Capital Adjustment Account £'000</b>	<b>Unusable Reserves £'000</b>
Accrued Staff Annual Leave	(0)	0	0	0	0
Reversal of Items Relating to retirement benefits debited or credited to the CIES	1,290	0	(1,290)	0	(1,290)
Employers pension contributions and direct payments to pensions payable in year	(3,480)	0	3,480	0	3,480
Capital Expenditure financed from Revenue Balances	0	0	0	0	0
Charges for Depreciation/Amortisation of Non-Current Assets	(70)	0	0	70	70
	<b>(2,260)</b>	<b>0</b>	<b>2,190</b>	<b>70</b>	<b>2,260</b>

## 10. Property, Plant & Equipment

	2020/21			2021/22		
	Vehicles £'000	Equipment £'000	Total £'000	Vehicles £'000	Equipment £'000	Total £'000
<b>Cost/Valuation as at 1 April</b>	255	82	<b>337</b>	255	82	<b>337</b>
Additions	0	0	<b>0</b>	0	0	<b>0</b>
<b>Cost/Valuation as at 31 March</b>	<b>255</b>	<b>82</b>	<b>337</b>	<b>255</b>	<b>82</b>	<b>337</b>
<b>Accumulated Depreciation and impairment as at 1 April</b>	(71)	(43)	<b>(114)</b>	(122)	(60)	<b>(182)</b>
Depreciation charge	(51)	(17)	<b>(68)</b>	(51)	(13)	<b>(64)</b>
<b>Accumulated Depreciation and Impairment as at 31 March</b>	<b>(122)</b>	<b>(60)</b>	<b>(182)</b>	<b>(173)</b>	<b>(73)</b>	<b>(246)</b>

Net Book Value	Vehicles £'000	Equipment £'000	Total £'000	Vehicles £'000	Equipment £'000	Total £'000
<b>At 31 March 2021</b>	<b>133</b>	<b>22</b>	<b>155</b>			
<b>At 31 March 2022</b>				<b>82</b>	<b>9</b>	<b>91</b>

## 11. Intangible Assets

The SRS accounts for its software as intangible assets. Software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the SRS. The useful lives assigned to the major software suites used by the SRS are 5 years. The carrying amount of intangible assets is amortised on a straight-line basis. Amortisation of £6k was charged to revenue in 2021/22. The movement on Intangible Asset balances during the year are as follows;

	Purchased Assets 2020/21 £'000	Purchased Assets 2021/22 £'000
<b>Balance at start of year</b>		
Gross carrying amounts	117	117
Accumulated Amortisation	(88)	(111)
<b>Net carrying amount at start of year</b>	<b>29</b>	<b>6</b>
Additions	0	0
Purchases	0	0
Amortisation	(23)	(6)
Other Disposals	0	0
Amortisation written off on disposal	0	0
<b>Net carrying amount at end of year</b>	<b>6</b>	<b>0</b>
Comprising		
Gross carrying amounts	117	117
Accumulated Amortisation	(111)	(117)
<b>Net carrying amount at end of year</b>	<b>6</b>	<b>0</b>

## 12. Covid-19 Funding

During 2020/21, additional Covid-19 related funding was received as both additional income and in the form of grants from both Welsh Government, Bridgend County Borough Council and the City and County of Cardiff Council. The following table clarifies the purpose and value of each stream of the additional funding received in the year which has been consolidated into the Net Cost of Services.

2020/21 £'000	Award Details	2021/22 £'000
493	<b>Welsh Government</b> - Contribution towards costs of an Animal Welfare Legal Case	0
448	<b>Cardiff Council</b> - Provision of Track, Trace and Protect Service within the Cardiff & Vale Health Board area	403
343	<b>Welsh Government</b> - Local Authority Hardship Grant	488
93	<b>Bridgend Council</b> - Provision of Track, Trace and Protect within the Cwm Taf Morgannwg Health Board area	213
48	<b>Welsh Government</b> - Loss of Income Grant	12
<b>1,425</b>	<b>Total</b>	<b>1,116</b>

2020/21 £'000	Treatment of Covid-19 Income within the Accounts	2021/22 £'000
541	Local Authority Income	616
493	Fees and Charges	0
391	Grants	500
<b>1,425</b>	<b>Total</b>	<b>1,116</b>

## 13. Related Party Transactions

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

All cash transactions are administered by the Vale of Glamorgan Council (Host Authority) as the Shared Regulatory Service does not operate its own bank account. As at the 31<sup>st</sup> March 2022, the Joint Committee is owed £413k from the Council relating to these transactions. During the year, transactions with Related Parties arose and are shown in the following table while debtor and creditor balances at year end are detailed in Note's 16 and 17.

2020/21			2021/22	
Expenditure £'000	Income £'000		Expenditure £'000	Income £'000
21	(1,741)	Bridgend CBC	120	(2,002)
98	(4,956)	The City of Cardiff Council	233	(5,742)
382	(1,679)	Vale of Glamorgan Council	362	(1,749)
<b>501</b>	<b>(8,376)</b>	<b>Total</b>	<b>715</b>	<b>(9,493)</b>

## Shared Regulatory Service Joint Committee

The Shared Regulatory Service also delivers rechargeable services on behalf of other Local Authorities of £38k in 2021/22.

Track, Trace and Protect Income was received from Bridgend and Cardiff during 2021/22 and this sum is included in Note 12.

Welsh Government effect and influence the SRS via legislation and grant funding. As at 31<sup>st</sup> March 2022 there are no sums in respect of grants outstanding from Welsh Government. Some WG funding was received in 2021/22 in respect of the response to Covid-19 and is detailed in Note 12.

Pension contributions are made to Cardiff and the Vale Pension Fund in respect of Joint Committee Employees. Interests of Members of the Joint Committee are maintained in a register held by their own Local Authority.

### 14. Audit Fees

2020/21 £'000		2021/22 £'000
12	Wales Audit Office Fees	12
<b>12</b>	<b>Total</b>	<b>12</b>

### 15. Leases

There are no long-term agreements as at the Balance Sheet date. The Joint Committee holds no leased assets.

### 16. Debtors

2020/21 £'000		2021/22 £'000
459	Central Government Bodies	85
24	Bridgend County Borough Council	34
64	City and County of Cardiff Council	1,371
0	Other Local Authorities	9
810	Vale of Glamorgan Council	413
1	NHS Bodies	0
0	Public Corporations and Trading Accounts	42
16	Other Entities and Individuals (including trade debtors)	20
<b>1,374</b>	<b>Total</b>	<b>1,974</b>
<b>0</b>	Provision for Bad and Doubtful Debts	<b>(1)</b>
<b>1,374</b>	<b>Balance as at 31<sup>st</sup> March</b>	<b>1,973</b>

There are four unpaid debtor balances that are in excess of a year old, therefore, a provision for Bad and Doubtful Debt has been made within the 2021/22 accounts.

**17. Creditors**

2020/21 £'000		2021/22 £'000
(91)	Central Government Bodies	(84)
(4)	Bridgend County Borough Council	(8)
(33)	City And County of Cardiff Council	(83)
(39)	Vale of Glamorgan (Host Authority)	(0)
(0)	NHS Bodies	(1)
(42)	Public Corporations and Trading Funds	(54)
(279)	Accumulated Absences	(279)
(162)	Other Entities and Individuals	(181)
<b>(650)</b>	<b>Balance as at 31st March</b>	<b>(690)</b>

**18. Movement on Usable Reserves**

The General Fund balance is a distributable revenue reserve, which consists of the accumulated surpluses of the Shared Regulatory Services' operations.

	General Reserves £'000	Earmarked Reserves £'000	Total Usable Reserves £'000
<b>Balance as at 1st April 2020</b>	<b>(446)</b>	<b>( 46)</b>	<b>(492)</b>
Other Operating expenditure	0	0	0
2020/21 Underspend	(296)	0	(296)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>(742)</b>	<b>(46)</b>	<b>(788)</b>
<b>Balance as at 1<sup>st</sup> April 2021</b>	<b>(742)</b>	<b>(46)</b>	<b>(788)</b>
Other Operating Expenditure	0	0	0
Partial Return of 2020/21 Underspend	151	0	151
Return of Implementation Fund to Partners	0	46	46
Specific Revenue Reserve	0	(148)	(148)
2021/22 Underspend	(363)	0	(363)
<b>Balance as at 31st March 2022</b>	<b>(954)</b>	<b>(148)</b>	<b>(1,102)</b>

**19. Movement on Other Long Term Liabilities**

2020/21 £'000	Other Long Term Liabilities	2021/22 £'000
<b>(203)</b>	<b>Balance as at the 1st April</b>	<b>(215)</b>
0	Drawdown to fund Operating Activities	0
(12)	Increase to funds received in the year	(245)
<b>(215)</b>	<b>Balance as at the 31st March</b>	<b>(460)</b>

These funds are received from the Home Office as part of the Asset Recovery Incentivisation Scheme (ARIS), plus some funds seized as part of ongoing SRS cases that will be held until otherwise instructed by the court. The funds are generated within the Trading Standards discipline.

## 20. Movement on Unusable Reserves

	Re-stated Pension Reserves £'000	Accumulated Absences £'000	Capital Adjustment £'000	Total Unusable Reserves £'000
<b>Balance as at 1st April 2021</b>	<b>(18,300)</b>	<b>(170)</b>	<b>252</b>	<b>(18,218)</b>
Increase/(Decrease)	(10,510)	(109)	(91)	(10,710)
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>(28,810)</b>	<b>(279)</b>	<b>161</b>	<b>(28,928)</b>
<b>Balance as at 1<sup>st</sup> April 2022</b>	<b>(28,810)</b>	<b>(279)</b>	<b>161</b>	<b>(28,928)</b>
Increase/(Decrease)	4,710	0	(70)	4,640
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>(24,100)</b>	<b>(279)</b>	<b>91</b>	<b>(24,288)</b>

## 21. Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

2020/21 £'000	Pensions Reserve	2021/22 £'000
<b>(18,300)</b>	<b>Balance as at the 1st April</b>	<b>(28,810)</b>
(9,370)	Re-measurements of net defined liability/(asset)	6,900
(2,450)	Reversal of items relating to retirement benefits debited of credited to the Surplus or Deficit on the Provision of Services in the CIES	(3,480)
1,310	Employers pension contribution and direct payments to pensioners payable in the year	1,290
<b>(28,810)</b>	<b>Balance as at the 31<sup>st</sup> March</b>	<b>(24,100)</b>

## 22. Short Term Accumulated Absence Account

The short term accumulated absence account absorbs the differences that would otherwise arise on SRS reserves from accruing for compensated absences earned but not yet taken in the financial year i.e. annual leave carried forward at 31<sup>st</sup> March. Statutory arrangements require that the impact on the SRS Fund Balance is neutralised by transfers to/from the Account.

As a consequence to the increase in activities undertaken by the Service to support the increased Covid-19 workloads, some staff were not able to utilise as much of their annual leave allowance than they may perhaps had accomplished in previous periods. However, the 2021/22 calculated balance was indistinguishable from the 2020/21 calculated balance. Therefore, no adjustment was undertaken in 2021/22.

2020/21 £'000	Accumulated Absences Account	2021/22 £'000
(170)	<b>Balance as at 1st April</b>	(279)
(279)	Amounts accrued at the end of the current year	0
170	Amounts by which officer remuneration charges to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with the statutory requirements.	0
(279)	<b>Balance as at 31st March</b>	(279)

### 23. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption on non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

2020/21 £'000	Capital Adjustment Account	2021/22 £'000
(252)	<b>Balance as at 1st April</b>	(161)
68	Charges for depreciation of Non-Current Assets	64
23	Amortisation of Intangible Assets	6
0	Capital Expenditure charged against the Joint Committee Balance (CERA)	0
(161)	<b>Balance as at 31st March</b>	(91)

### 24. Retirement Benefits Defined Benefit Schemes

#### Local Government Pension Scheme Funded Benefits

The disclosures below relate to the Joint Committee's share of the funded liabilities within the Cardiff and Vale of Glamorgan Pension Fund (the Fund) which is part of the Local Government Pension Scheme (the LGPS). The LGPS is a funded defined benefit plan with benefits earned up to 31<sup>st</sup> March 2014 linked to the final salary. Benefits earned after 31<sup>st</sup> March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits to be paid over the period covered by this disclosure are set out in the 'Local Government Pension Scheme (Transitional Provision, Savings and Amendment) Regulations 2014'.

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions is set out in the 'LGPS Regulations 2013' and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31<sup>st</sup> March 2019.

The Fund Administering Authority, City and County of Cardiff is responsible for the governance of the Fund. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the fund over the next accounting period.

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

### **Roll Forward Approach**

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

### **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 increased by 0.60%, the CPI inflation assumption has increased by 0.30%, and the salary increase assumption has increased by 0.30%. This has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.

### **Demographic Assumptions**

The 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 dependants' pension, and the assumed levels of future promotional salary increases.

The actuarial report acknowledged that there has been a change to the post-retirement mortality assumptions at this accounting date, to allow for the effect of Covid-19 on the future development of mortality rates. This has had a positive effect on the balance sheet position equivalent to around 1% of the defined benefit obligation.



## Key Assumptions

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

	31st March 2021 % per annum	31st March 2022 % per annum
Discount Rate	2.10%	2.70%
CPI Inflation	2.60%	2.90%
Rate of Increase to Pensions in Payment	2.60%	2.90%
Pension Accounts Revaluations Rate	2.60%	2.90%
Rate of Increase in Salaries	3.60%	3.90%

- 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.

## Post Retirement Mortality (Retirement in Normal Health)

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 Actuarial Valuation, and allow for expected future mortality improvements. Sample life expectations at age 65 in normal health resulting from these mortality assumptions are shown below. At this accounting date the assumed rates of future mortality have been increased to reflect a slightly more negative outlook as a result of the Covid-19 pandemic.

<b>Post Retirement Mortality</b>	<b>31st March 2021</b>	<b>31st March 2022</b>
<b>Males</b>		
Member Aged 65 at Accounting Date	22.3	22.1
Member Aged 45 at Accounting Date	23.3	23.2
<b>Females</b>		
Member Aged 65 at Accounting Date	24.7	24.6
Member Aged 45 at Accounting Date	26.1	26.0

The majority of the Fund's obligations are to provide benefits for the life of a member following retirement, so increases in life expectancy will result in an increase in liabilities.

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. The assets allocated to the employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund set out below for the purposes of calculating the return to be applied to these notional assets. The Fund is sizeable and largely liquid, and as a consequence there will be no significant restriction on realising assets if the situation arises. The assets are invested in a diversified spread of investments and the approximate split for the Fund as a whole is included in the disclosures.

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

### Asset Allocation

	<b>Asset Split as at 31st March 2021</b>	<b>Asset Split as at 31st March 2022</b>
Quoted Equities	65.60%	67.50%
Property	6.60%	6.90%
Government Bonds	10.70%	9.20%
Corporate Bonds	15.70%	8.40%
Multi Asset Credit	0.00%	5.70%
Cash	1.40%	2.30%
Other	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Reconciliation of Funded Status to Balance Sheet

	Value at 31st March 2021 £M	Value at 31st March 2022 £M
Fair Value of Assets	30.340	33.910
Present Value of Funded Defined Benefit Obligation	(59.150)	(58.010)
<b>Funded Status</b>	<b>(28.810)</b>	<b>(24.100)</b>
Unrecognised Asset	0.000	0.000
<b>(Liability) Recognised on the Balance Sheet</b>	<b>(28.810)</b>	<b>(24.100)</b>

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

Active Members	78%
Deferred Pensioners	11%
Pensioners	11%

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

## Maturity Profile of the Defined Benefit Obligation

The Employers regular contribution to the Fund for accounting period ended 31<sup>st</sup> March 2023 are estimated to be £1.34m, with the duration of liabilities being 27.3 years, which is unchanged from 2019/20.

### Breakdown of Amounts Recognised in Surplus/Deficit on the Provision of Services and Other Comprehensive Income

	Period Ended 31st March 2021	Period Ended 31st March 2022
<b>Operating Cost</b>	<b>£M</b>	<b>£M</b>
Current Service Cost	2.04	2.89
Past Service Cost (including curtailments)	0.00	0.00
Settlement Cost	0.00	0.00
<b>Financing Cost</b>		
Interest on Net Defined Benefit Liability/(Asset)	0.41	0.59
<b>Pension Expense Recognised in Surplus or Deficit</b>	<b>2.45</b>	<b>3.48</b>
<b>Re-measurements in Other Comprehensive Income</b>		
Return on Plan Assets (in excess of)/below that recognised in Net Interest	(4.23)	(1.46)
Actuarial (Gains)/Losses due to Changes in Financial Assumptions	13.86	(4.99)
Actuarial (Gains)/Losses due to Changes in Demographic Assumptions	0.00	(0.59)
Actuarial (Gains)/Losses due to Liability Experience	(0.26)	0.14
<b>Total Amount Recognised in Other Comprehensive Income</b>	<b>9.37</b>	<b>(6.90)</b>
<b>Total Amount Recognised in Comprehensive Income &amp; Expenditure</b>	<b>11.82</b>	<b>(3.42)</b>

The current service costs included an allowance for the administration expenses of £0.03M at 31<sup>st</sup> March 2022.

### Changes to the Present Value of the Defined Obligation During the Period

	Period Ended 31st March 2021	Period Ended 31st March 2022
	<b>£M</b>	<b>£M</b>
<b>Opening Defined Benefit Obligation</b>	<b>42.34</b>	<b>59.15</b>
Current Service Cost	2.04	2.89
Interest Expense on Defined Benefit Obligation	0.98	1.24
Contribution by Participants	0.41	0.40
Actuarial (Gains)/Losses due to Changes in Financial Assumptions	13.86	(4.99)
Actuarial (Gains)/Losses due to Changes in Demographic Assumptions	0	(0.59)
Actuarial (Gains)/Losses due to Liability Experience	(0.26)	0.14
Net Benefits Paid Out	(0.22)	(0.23)
Past Service Cost Including Curtailments	0.00	0.00
Net Increase in Liabilities from Disposals/Acquisitions	0.00	0.00
Settlements	0.00	0.00
<b>Closing Defined Benefit Obligation</b>	<b>59.15</b>	<b>58.01</b>

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

	Period Ended 31st March 2021 £M	Period Ended 31st March 2022 £M
<b>Opening Fair Value of Assets</b>	<b>24.04</b>	<b>30.34</b>
Interest Income on Assets	0.57	0.65
Re-measurements Gains/(Losses) on Assets	4.23	1.46
Contributions by the Employer	1.31	1.29
Contribution by the Participant	0.41	0.40
Net Benefits Paid out	(0.22)	(0.23)
Net increase in Assets from Disposals/Acquisitions	0.00	0.00
Settlements	0.00	0.00
<b>Closing Fair Value of Assets</b>	<b>30.34</b>	<b>33.91</b>

## Actual Return on Assets

	Period Ended 31st March 2021 £M	Period Ended 31st March 2022 £M
Interest Income on Assets	0.57	0.65
Re-measurements Gains/(Losses) on Assets	4.23	1.46
<b>Actual Return on Assets</b>	<b>4.80</b>	<b>2.11</b>

## Sensitivity Analysis of Projected Service Costs 2021/22

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions, The sensitivity analysis 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 other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be inter-related. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those in the previous period. Projected service cost in the sensitivity analysis below is the projected service cost for the period ending 31<sup>st</sup> March 2022.

### Discount Rate Assumption

Adjustment to Discount Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Obligation (£M)	56.44	58.01	59.63
% Change in Present Value of Total Obligation	(2.70%)		2.80%
Projected Service Cost (£M)	2.57	2.67	2.77
Approximate % Change in Projected Service Cost	(3.60%)		3.70%

### 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)	58.36	58.01	57.66
% Change in Present Value of Total Obligation	0.60%		(0.60%)
Projected Service Cost (£M)	2.67	2.67	2.67
Approximate % Change in Projected Service Cost	0.00%		0.00%

### Rate of Increase to Pensions and Rate of Revaluation of Pension Accounts

Adjustment to Pension Increase Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Total Obligation (£M)	59.29	58.01	56.79
% Change in Present Value of Total Obligation	2.20%		(2.10%)
Projected Service Cost (£M)	2.77	2.67	2.57
Approximate % Change in Projected Service Cost	3.70%		(3.60%)

### Post Retirement Mortality Assumption

Adjustment to Mortality Age Rating Assumption	- 1 year	Base Figure	+ 1 year
Present Value of Total Obligation (£M)	60.04	58.01	56.04
% Change in Present Value of Total Obligation	3.50%		(3.40%)
Projected Service Cost (£M)	2.78	2.67	2.56
Approximate % Change in Projected Service Cost	4.00%		(4.00%)

- 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.

## 25. Employee Emoluments

### Officers Remunerated in Excess of £60,000

The number of employees whose remuneration, excluding employer's pension contributions but including redundancy costs, were over £60,000 or more in bands of £5,000 are shown below.

Remuneration Band	2020/21 No of Employees	2021/22 No of Employees
£60,000 - £74,999	0	1
£75,000 - £79,999	0	1
£80,000 - £129,999	1	1

## Senior Management

The Head of Service for the Shared Regulatory Service was the only member of salaried staff within the Shared Regulatory Services that was in receipt of a salary in excess of £60,000 in 2021/22, with three senior officers breaching the £60,000 threshold in 2021/22.

Senior Officer Emoluments 2020/21	Salary £	Expense Allowance £	Pension Contribution £	Total Remuneration £
SRS Head of Service	90,658	51	19,213	<b>109,922</b>
<b>Total</b>	<b>90,658</b>	<b>51</b>	<b>19,213</b>	<b>109,922</b>

Senior Officer Emoluments 2021/22	Salary £	Expense Allowance £	Pension Contribution £	Total Remuneration £
(Retiring) SRS Head of Service	97,633	0	19,508	<b>117,141</b>
ESS OM/ New SRS Head of Service (wef Jan 2022)	65,352	65	13,855	<b>79,272</b>
CS OM	60,958	0	12,748	<b>73,706</b>
<b>Total</b>	<b>223,943</b>	<b>65</b>	<b>46,111</b>	<b>270,119</b>

The Management Committee members of the Shared Regulatory Services Joint Committee are employed directly by the partner authorities and their remuneration is not reflected in the accounts or the remuneration disclosures.

The designated Section 151 Officer for the Joint Committee is the Section 151 Officer for the Vale of Glamorgan Council as host authority. No remuneration for this post has been charged to the accounts or is included in the disclosure notes.

## Exit Packages

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

Exit Package Cost Band (Including Special Payments)	No of Other Departure Agreed	Total No of Exit Packages by Cost Band	Total Cost of Exit Packages in Each Band (£)
£0 - £20,000	1	1	15,871
£20,001 - £40,000	0	0	0
£40,001 - £140,000	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>15,871</b>

<b>Exit Packages 2021/22</b>			
<b>Exit Package Cost Band (Including Special Payments)</b>	<b>No of Other Departure Agreed</b>	<b>Total No of Exit Packages by Cost Band</b>	<b>Total Cost of Exit Packages in Each Band (£)</b>
£0 - £20,000	0	0	0
£20,001 - £40,000	0	0	0
£40,001 - £140,000	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 26. Interest

Interest is paid based on monthly average cash balances due to/from the Vale of Glamorgan Council.

	<b>2020/21</b>		<b>2021/22</b>	
	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
Interest (Charged)/Received on the SRS Account Balances	£327.80	0.5%	£48.25	0.1%



## **Comprehensive Glossary**

### **Accounting Period**

The period of time covered by the accounts, typically a period of 12 months commencing on 1<sup>st</sup> April. The end of the accounting period is the balance sheet date.

### **Accounting Policies**

The specific principles, bases, conventions, rules and practices applied by the Council on behalf on the Joint Committee in preparing and presenting its financial statements.

### **Accruals**

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

### **Actuarial Gains and Losses**

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

### **Amortisation**

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

### **Asset**

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

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

### **Balance Sheet**

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

### **Capital Financing**

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

### **Cash Equivalents**

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

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

The revenue account of the Shared Regulatory Service (SRS) that reports the net cost for the year of the functions for which it is responsible, and demonstrates how that cost has been financed from budgeted contributions, grants and other income.

### **Creditor**

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

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

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

### **Debtor**

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

### **Defined Benefit Pension Scheme**

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

### **Depreciation**

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

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

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

### **Effective Interest Rate**

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

### **Employee Benefits**

All forms of consideration given by the SRS in exchange for services rendered by its employees.

### **Events After the Balance Sheet Date**

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

### **Exceptional Items**

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

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

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

### **Extraordinary Items**

Material items, having a high degree of abnormality, which 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 Instruments**

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

### **Going Concern**

The concept that the Statement of Accounts are prepared on the assumption that the SRS will continue in operational existence for the foreseeable future.

### **Impairment**

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

### **Intangible Assets**

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

### **Liability**

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

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

### **Materiality**

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

### **Net Book Value**

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

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

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

### **Pension Scheme Liabilities**

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

### **Prior Year Adjustment**

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

### **Provision**

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

### **Related Parties**

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

**Re-measurement of Pension Liability**

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

**Reserves**

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available can be spent or earmarked at the discretion of the SRS.

**Residual Value**

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

**Useful Economic Life (UEL)**

The period over which the SRS will derive benefits form the use of a non-current asset.

## **VALE OF GLAMORGAN COUNCIL**

### **JOINT SHARED REGULATORY SERVICE**

#### **Annual Governance Statement 2021/22**

##### **About Shared Regulatory Services**

Shared Regulatory Services (SRS) came into being on 1<sup>st</sup> May 2015, having been commissioned by the three Local Authorities of: -

- The City of Cardiff County Council
- Bridgend County Borough Council, and
- The Vale of Glamorgan Council.

SRS provides the Environmental Health, Trading Standards and Licensing functions across the three-Council region and in so doing serves just over a fifth of the population of Wales. Within this wide remit, many of the services delivered are statutory while others are non-statutory.

In the last year, Shared Regulatory Services continued to play a key role in dealing with the coronavirus pandemic. As well as having responsibility for the enforcement of Welsh Government's Coronavirus Restrictions Regulations to ensure the safe opening and running of businesses, SRS was of course central in the wider Public Health agenda in providing a crucial interface with the Test Trace Protect service, thereby ensuring that the impact of COVID 19 on communities was minimised as far as possible.

The Service moved at a pace and scale to deliver change that has never been seen before. The learning from this in terms of agility, technology and the use of working spaces has been harnessed and used to reshape the delivery of services.

Moving forward, as SRS continues to recover its core inspection programs around food hygiene for example, it will continue to support high risk settings in protecting the most vulnerable from the risk of COVID 19 infection. At the same time the service will be contributing to other key agendas as they emerge, for example its work to support the Homes for Ukraine scheme and also in supporting residents and businesses in the context of the cost of living crisis.

##### **Scope of Responsibility**

Shared Regulatory Services is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that financial contributions allocated by the partner Authorities are safeguarded, properly accounted for and used economically, efficiently and effectively. The SRS sees Corporate Governance as doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Strong transparent and responsive governance enables the SRS to put the residents of the SRS region first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain resident's confidence these mechanisms must be sound and seen to be sound.

## Shared Regulatory Service Joint Committee

The scope of the Service is captured in the Joint Working Agreement (JWA). Some of the functions provided are legally mandated, statutory requirements, including the role of the Weights and Measures authority, the duties under the Health and Safety at Work Act etc. Others are non-statutory but have been adopted to support the core Regulatory function and to support the corporate objectives of each partner Council. Examples include consumer advice and accreditation of landlords.

All of the Regulatory functions provided are underpinned by the following principles:

- This is a strategically led service with a clear focus upon the relevant corporate priorities of the partner Authorities, i.e. safeguarding the vulnerable and promoting economic development.
- A clear focus upon the National Enforcement priorities for regulatory services.
- The use of a risk- based approach to all activities.
- The service meets standards set out in the Regulators Compliance Code; and above all.
- The maximisation of resources through income generation and partnership working to promote public health and wellbeing.

The Shared Regulatory Service is not responsible for: -

- Determination of licensing applications in relation to the Licensing Act 2003, the Gambling Act 2005, the Local Government Act 1976, the Town and Police Clauses Act 1847 or any licensing legislation where objections have been raised and an elected member decision is required.
- The decision to declare an air Quality Management area.
- Instituting legal proceedings in respect of prosecution, forfeiture or other Court process.
- House to Homes funding; or
- Anything that requires a council decision, e.g. Declaration of Additional Licensing area.

The participants have agreed and have formed a Joint Committee to provide the Shared Regulatory Service and have delegated to the Joint Committee the Regulatory Services Functions as set in in Schedule 1 Part 1 of the JWA.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which an organisation is directed and controlled, and activities through which it accounts to, engages with and leads the community. It enables an organisation to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, priorities, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is an on-going process designed to identify and prioritise the risks to the achievement of aims and objectives. It also evaluates the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.

The following paragraphs summarise the overall governance framework and the system of internal control, which has been in place for the Shared Regulatory Services for the period covering 1st April 2021 to 31<sup>st</sup> March 2022.

### **The Governance Framework**

The CIPFA / Solace governance framework “Delivering Good Governance in Local Government 2016” sets out the seven core fundamental principles of good governance as follows: -

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity’s capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

This Governance Statement has used these principles to demonstrate how the overall governance arrangements for the Shared Regulatory Service for the period covering 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 are deemed to be satisfactory. The Governance Statement does not document policies, procedures and working practices under each of these principles, but instead provides an overview of the governance and internal control processes and systems.

### **Joint Work Agreement (Legal Agreement)**

On 10<sup>th</sup> April 2015, all parties formally signed the Joint Working Agreement with an agreed commencement date of 1<sup>st</sup> May 2015. The Joint Working Agreement provides the governance framework within which the Service operates and allocates responsibility and accountability, as follows:

- The Host Authority
- The Joint Committee
- Management Board
- Head of Regulatory Services; and
- Financial Management.

The Joint Working Agreement is a detailed document which sets out the criteria and expectations for matters which include, but are not limited to:

- The role of the Joint Committee and Management Board including Terms of Reference
- The role of the Head of Regulatory Services
- Financial matters and Lead Finance Officer role
- Levels of service to be provided



## Shared Regulatory Service Joint Committee

- Employees
- Records and access to information including Data Protection and information governance
- Termination and rights to withdraw, and
- Governing law and jurisdiction.

The Joint Working Agreement is kept under review and was last updated in 2017 to take account of data governance considerations. This revision was agreed by the three partner Councils and formally reported to them.

### **The Host Authority**

The Joint Working Agreement formally assigns the Vale of Glamorgan Council as the Host Authority for the Shared Regulatory Service. The Vale of Glamorgan Council provides all support services for all those services within scope (save for the day to day administration undertaken by staff in accordance with their duties), required, including but not limited to:

- Financial (Section 151 Officer as defined by section 151 of the Local Government Act 1972, Accounts, Payroll, Creditors etc.)
- Human Resources
- Health & Safety
- Legal and
- Internal Audit

### **The Management Board**

Sitting beneath the Joint Committee on the governance structure is an officer Management Board (MB). The composition, operation and Terms of Reference of the MB are set out in the Joint Working Agreement at Schedule 3. The MB is described as a high-level project/sounding board which operates from a strategic and operational level. The MB comprises of “one officer representative from and nominated by each of the Participants and the Head of Regulatory Services”. Therefore, the membership of the MB is as follows:

- Chief Officer Legal, HR and Regulatory Services (BCBC)
- Corporate Director of Economic Development (CCC)
- Director of Environment and Housing (VoGC)
- Head of Shared Regulatory Services (VoGC)

### **Financial Management**

Section 11 of the Joint Working Agreement provides the framework within which the finances of the Shared Regulatory Services operate. The Joint Committee has adopted the Financial Regulations and Standing Orders for Contracts (however expressed) of the Host Authority from time to time in force. In accordance with the requirements of the Joint Working Agreement, the Joint Committee received and agreed the draft annual budget for 2021/22 prior to the deadline of the 31<sup>st</sup> December.

## **Service Structure**

At the commencement of the Shared Regulatory Service on 1<sup>st</sup> May 2015, some 170 “in-scope” employees had successfully transferred from BCBC and CC to the host employer (VoGC). The new structure for the Shared Regulatory Service was fully completed by 1<sup>st</sup> December 2015. The Service has approximately 182 Full Time Equivalent (FTE) employees in total and is currently accessed and delivered through delivery hubs across the Bridgend, Cardiff and Vale boundaries.

## **Review of Effectiveness**

Detailed within Schedule 5, of the JWA it states that the Host’s external auditor (Auditor General for Wales) will be the external auditor of the Shared Regulatory Service. It also states that, following each year-end, the Host is required to prepare the annual accounts for the Joint Committee and Management Board and ensure that all relevant information is available for external inspection.

The Shared Regulatory Service also has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed, in part, by the work of Internal Audit but also by the work undertaken by the overall Shared Regulatory Service’s Structure of which there are nine tiers; these being:

- Joint Committee
- Management Board
- Head of Shared Regulatory Services
- Operational Managers
- Team Managers
- Professional
- Senior Technical
- Technical and
- Support.

During 2021/22 the Joint Committee received regular reports as set out in their “Dates and Deadlines” timetable which shows the meetings scheduled quarterly for a period up to twelve months. In addition, the Joint Committee’s Terms of Reference are clearly set out in the JWA.

## **Continued impact of the Covid-19 pandemic on service delivery**

As a result of the ongoing COVID-19 pandemic and the emergence of new variants, the special service delivery arrangements put in place by SRS during 2020-21 continued through 2021-22. In this context, the SRS support for the Test Trace Protect Service and for high-risk settings (such as care homes) remained in place, as did the work of the Joint Enforcement Teams in securing COVID compliance among the different business sectors. This involved the displacement of a number of key staff from their substantive roles and as a result, ‘normal’ service delivery was impacted for the second year running.

Welsh Government provided a number of specific grants to meet the additional costs to Local Authorities, for costs in general and targeted at specific areas. Costs were collated across the Vale to enable these grants to be obtained. There has also been the impact of lost income from fees and charges, which creates an additional pressure. At this stage it is unclear whether this additional funding will cover all of the SRS’s additional costs incurred as a result of the pandemic, but close monitoring is in place and all costs are subject to close scrutiny.

Changed working practices based on remote working have continued for the majority of staff during 2021/22. However as restrictions have eased the Service is adjusting to more of a hybrid working model. This is welcomed as a means of ensuring staff wellbeing, particularly mental wellbeing while at the same time maintaining the productivity benefits of home working.

Internal controls and risk management have been adapted to support remote working and Internal Audit were consulted where appropriate to ensure they were effective. Internal Audit reviewed those arrangements during 2020/21 to provide assurance that they remained effective.

### **Recovery from the pandemic**

The key principles of the Council-wide COVID Recovery Strategy included:

- i. Recognition this is not 'recovery' to a previous state for all services
- ii. Acknowledgement the recovery process will take significant time and be influenced by a number of significant issues, and will not necessarily be linear ('lockdowns' or other regulations may be introduced that impact upon different services in different ways and at different times and at short notice)
- iii. To identify this as an opportunity unlike any other to fundamentally think about the way which the Service operates.

The Service together with the Vale of Glamorgan Council, moved at a pace and scale to deliver significant change over the course of the pandemic. The learning from this is being utilised to reshape and further improve the Service and its flexibility going forward.

It is hoped that the difficult times of the pandemic are now behind us, and our focus in 2022-23 can now turn to the other challenges facing us, for example

- Recruitment and retention
- Cost of living crisis
- Climate change agenda and related enforcement

### **Internal Audit**

During 2021/22, internal audit undertook a review of the Shared Regulatory Services governance framework. The objective of the audit was to provide the necessary assurance to the Shared Regulatory Services Joint Committee at the September 2022 AGM that financial controls of the service are operating effectively and in compliance with the Council's Financial Procedure Rules.

The objectives of the review were to ascertain the extent to which the assessed risks have been identified and managed and to evaluate whether effective controls which mitigate the risks have been established within the systems and processes and that these have operated effectively throughout the period under review.

Through testing, the auditor was able to determine that the control environment in relation to the governance arrangements over financial and other related controls including budget monitoring / reporting and procurement processes across the Shared Regulatory Services were deemed to have "Reasonable Assurance".

Internal Audit have taken an audit of SRS governance and financial controls. Just one issue was identified which needs to be addressed, that of resolving the current recruitment difficulties experienced by SRS. This was reflected in the Management Action Plan with the

recommendation that 'The recruitment strategy is reviewed and updated to find solutions for recruitment and selection in the current market.' This review resulted in an audit outcome of 'reasonable assurance' being awarded, meaning that there is a generally sound system of governance, risk management and control in place.

Internal Audit also undertook a second audit that of the Wales Illegal Money Lending (IML) grant. No key issues were identified in this audit and the report concludes that a sound system of governance, risk management and control exists, with 'internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited'.

The 2021/22 Statement of Accounts will be audited by the Vale of Glamorgan's External Auditors – Auditor General for Wales and reported to the Joint Committee in accordance with the Joint Working Agreement.

The Joint Working Agreement (signed and sealed by all the relevant participants) together with the participant Councils' Constitutions clearly demonstrate that officers are delegated to execute the Joint Working Agreement. The Joint Working Agreement has been reviewed to ensure it remains effective.

The Management Board has been set up in accordance with the Joint Working Agreement and a schedule of meeting dates has been set for the year in accordance with the requirements of the Joint Committee. The Management Board continues to operate effectively and in accordance with its terms of reference.

In accordance with clause 5.1 of the Joint Working Agreement, the Head of Shared Regulatory Services and the Section 151 Officer are to prepare the Annual Report for the period 2021/22, which is to be presented to the Joint Committee in June 2022. Following the completion of the audit, the final Statement of Accounts will be presented to Committee to be approved and signed by the Committee Chair.

### **Significant Governance Issues**

There were no significant governance issues to raise during 2021/22.

### **Definitions**

***Definition of Governance:*** A series of policies, roles, responsibilities and processes that set the way an organisation is directed, administrated and controlled.

***Definition of a Significant Governance Issue:*** A specific area of the Organisation's work that requires Senior Management attention to ensure that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner, to support improved outcomes for local people.

**Certification of Annual Governance Statement**

We can confirm, to the best of our knowledge and belief, this statement provides an accurate and fair view of the overall governance arrangements for the Shared Regulatory Services.

Signed: 

Chair of the Shared Regulatory Services Joint Committee

Signed: 

Matthew Bowmer – Section 151 Officer

Signed:

Miles Punter – Shared Regulatory Services Management Board

Signed:

Helen Picton – Head of the Shared Regulatory Services

# Minor Joint Committees in Wales

## Annual Return for the Year Ended 31 March 2022

### Accounting statements 2021-22 for:

Name of body: Vale Valleys and Cardiff Adoption Service

	Year ending		Notes and guidance for compilers
	31 March 2021 (£)	31 March 2022 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.
<b>Statement of income and expenditure/receipts and payments</b>			
1. Balances brought forward	70,082	34,421	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	0	0	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	2,380,642	2,408,232	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	(1,733,878)	(1,769,919)	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	(682,425)	(528,269)	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	34,421	144,465	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
<b>Statement of balances</b>			
8. (+) Debtors	412,967	790,751	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the body.
9. (+) Total cash and investments	0	0	<b>All accounts:</b> The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	(378,546)	(646,286)	<b>Income and expenditure accounts only:</b> Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	34,421	144,465	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	0	0	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

# Annual Governance Statement

We acknowledge as the members of the Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2022, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> <li>• effective financial management during the year; and</li> <li>• the preparation and approval of the accounting statements.</li> </ul>	<input checked="" type="radio"/>	<input type="radio"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
<p>2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
<p>3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Committee to conduct its business or on its finances.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
<p>4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
<p>5. We have carried out an assessment of the risks facing the Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
<p>6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
<p>7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Committee and, where appropriate, have included them on the accounting statements.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
<p>8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

\* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

## Additional disclosure notes\*

The following information is provided to assist the reader to understand the accounting statements and/or the Annual Governance Statement

1.



2.

3.

\* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statements and/or the annual governance statement.

## Committee approval and certification

The Committee is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

<p><b>Certification by the RFO</b></p> <p>I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2022.</p>	<p><b>Approval by the Council/Board/Committee</b></p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:</p>
<p><b>RFO signature:</b> </p>	<p><b>Minute ref:Accounts approved via email</b></p>
<p><b>Name:</b> Matt Bowmer</p>	<p><b>Chair of meeting signature:</b> </p>
<p><b>Date:</b> 29/06/22</p>	<p><b>Name:</b> Cllr Eddie Williams</p> <p><b>Date:</b> 30-06-2022</p>



## Annual internal audit report to:

Name of body: Regional Adoption Service

The Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2022.

The internal audit has been carried out in accordance with the Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The Council's main accounting system is used, no issues identified in specific audit or the annual financial systems audits
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Through testing a few minor errors were identified but these were not considered material
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	Corporate risk assessment process in place
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The audit confirmed that regular financial monitoring is undertaken and no issues were identified
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Expected income received aside from one instance which is being monitored by the Council's Debtors department.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	No petty cash
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Centralised payroll audited annually. No relevant issues identified in the sample undertaken.
8. Asset and investment registers were complete, accurate, and properly maintained.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	Not covered – previous testing identified that a digital inventory list is maintained

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	No separate bank account. Reconciliations are undertaken centrally of the bank account. No issues were identified
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Centralised main accounting audit performed annually. No relevant issues identified

**For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:**

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
11. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
12. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
13. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

\* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\* If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

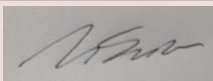
[My detailed findings and recommendations which I draw to the attention of the Committee are included in my detailed report to the Committee dated \_\_\_\_\_.] \* Delete if no report prepared.

### Internal audit confirmation

I/we confirm that as the Committee's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2020-21 and 2021-22. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Nathan Smith

Signature of person who carried out the internal audit:



Date: 27<sup>th</sup> June 2022