

Meeting of:	<b>Governance and Audit Committee</b>
Date of Meeting:	<b>Thursday, 20 November 2025</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Audited Statement of Accounts 2024/25
Purpose of Report:	To present those charged with Governance: responses to external audit on fraud and governance; the Final Statement of Accounts and Annual Governance Statements for approval; and the Audit Wales Audit Closure Report/ISA2060.
Report Owner:	Report of the Chief Executive
Responsible Officer:	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 Council has until 31st May each year to submit draft Statement of Accounts and Annual Governance Statement for audit and external audit has until 31st July to issue a certificate.</li> <li>These deadlines were relaxed during Covid but there is a backlog of work nationally and the Auditor General for Wales has extended the certification deadline to 31st October for 2024/25 Statement of Accounts.</li> <li>The draft Statement of Accounts and Annual Governance Statement were submitted to Audit Wales on 30th June. This met the locally agreed Audit Wales deadline, but the Council has nevertheless issued a late publication notice.</li> <li>The Draft Final Statement of Accounts includes the consolidation of the audited 2023/24 City Deal Joint Committee accounts and Draft 2024/25 City Deal Joint Committee accounts which have been subject to Audit of material balances by Audit Wales.</li> <li>There are a number of other changes largely of a presentation and classification nature which will be detailed within this report and are also included in the Auditor's report.</li> </ul>	

- The Annual Governance Statement demonstrates that appropriate governance arrangements are in place to meet the governance principles. Actions have been identified to address the governance issues identified during 2024/25.
- Audit Wales writes to those charged with Governance to gain assurance that there is no fraud which would have an impact on the accuracy and integrity of the Statement of the Accounts. There are no fraud issues impacting on the Council's accounts.
- The external audit of the Statement of Accounts is very near complete. The draft Audit Wales Audit of Accounts report is attached at Appendix D and confirms an unqualified audit report. The report includes appendices that set out the audit amendments agreed a further report will be brought by Audit Wales that sets out recommendations made following the 2024/25 accounts audit.
- The external audit of the Annual Governance Statement is complete and no significant amendments were required.
- Audit work has commenced on the Shared Regulatory Service and the audit is ongoing. There has been some discussion on the form of The Vale, Valleys & Cardiff Regional Adoption Service accounts to be produced which has only recently been concluded so this work is still underway.

## **Recommendations**

1. Governance and Audit Committee is recommended to approve the Final Statement of Accounts and Annual Governance Statement to go forward to Council for final approval at Appendix A and B respectively.
2. Governance and Audit Committee is recommended to delegate authority to the s151 Officer in liaison with the Chair of the Governance and Audit Committee to make any final minor adjustments to the Final Statement of Accounts and Annual Governance Statement as necessary.
3. Governance and Audit Committee is recommended to approve the response to the Audit Wales Audit Enquiries at Appendix C.
4. Governance and Audit Committee is recommended to note the draft Audit Wales ISA260 and management actions agreed by the Vale of Glamorgan.

## **Reasons for Recommendations**

1. Governance and Audit is the body responsible for receiving the Statement of Accounts and Annual Governance Statements for review ahead of approval by Council.
2. The Audit of the Statement of Accounts and Annual Governance Statement is essentially complete but there may be some minor amendments to be made before they are approved by Council.
3. Audit Wales has written to both offices and those charged with governance with a set of queries to provide assurance on fraud, legal and related parties.
4. The ISA260 is for noting and any adjustment required have been made in the Statement of accounts and Annual Governance Statement being put forward for approval.

## **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 2024/25 required approval and signature by the responsible finance officer by 31st May 2025, 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 2025 by the Governance and Audit Committee in accordance with the Committee's Terms of Reference and also Council. If the

accounts are not able to be signed and published by this date, then the Council must publish a Regulation 10 notice setting out the reasons why.

- 1.3** Due to resourcing issues post Covid Audit Wales are working to a 30th June and 31st October framework for the 2024/25 accounts. The Council has worked to this framework and did not meet the 31st May 2025 deadline and therefore, in line with the requirements of the Regulations, issued a notice advising of this. In the context of the national position. The unaudited accounts were signed by the responsible finance officer on 30th June 2025 and sent to Audit Wales the same day. There continues to be an expectation that Welsh Government will be amending the Regulations to revert to the historical deadlines of 30th June and 30th September
- 1.4** Audit Wales wrote to the Council on 19th May 2025 seeking their annual assurance on matters in relation to fraud, laws and regulations, and related parties which could have an impact on the Statement of Accounts.

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

- 2.1** Final Statement of Accounts and Annual Governance Statement
- 2.2** Statement of Accounts
- 2.3** The Audit of the Statement of Accounts and Annual Governance Statement is now complete.
- 2.4** The Final Statement of Accounts is attached at Appendix A.
- 2.5** The key headlines from the Statement of Accounts are broadly as set out in the report to Governance and Audit Committee on 21st July 2025.
- 2.6** The Usable Reserves have reduced from £88.589m to £78.102m in 2024/25 the only changes to this figure for the amended accounts are associated with the City Deal CJC consolidation.
- 2.7** Of this reduction, £12.523m relates to a reduction in the General Fund and earmarked reserves, £360k relates to an increase in the HRA reserves, there has also been an increase in usable capital receipts of £1.975m of this (£1.2m relates to City Deal) and a reduction in capital grants unapplied of £299k.
- 2.8** The unusable reserves of the Council are the non cash backed reserves that are predominantly used to capture statutory accounting adjustments. These unusable reserves are reduced by £2.974m as a result of the audit amendments set out in these accounts.
- 2.9** The Council's Pension Liability has increased from £10.522m in 2023/24 to £17.310m these figures are unchanged from the draft accounts.
- 2.10** The value of Property Plant and Equipment has increased to £975m reflecting significant increases in Capital Investment in Schools and Housing stock during the period this has been reduced by £4m from £979m reported in the draft accounts. These changes predominantly relate to revaluations and the IFRS 16

implementation. Assets were revalued in year based on a mix of valuations and indexation during the preparation of the 2024/25 accounts.

**2.11** Annual Governance Statement

**2.12** The External Audit of the Statement of Accounts and Annual Governance Statement is now complete.

**2.13** The final Annual Governance Statement is attached at Appendix B. The Annual Governance Statement has had an overhaul and as well as giving a more streamlined commentary it is also in the same format as the main statement.

**2.14** There have been no significant changes from the draft Annual Governance Statement. Audit Wales requested some additional commentary on the financial risks that the Council is facing and this has been added in.

**2.15** The Annual Governance Statement describes the Council's corporate governance arrangements, provides an assessment of those arrangements and where appropriate identifies improvements that need to be made. The statement demonstrates that appropriate governance arrangements are in place to meet the governance principles as set out in the CIPFA /SOLACE Framework (2016) and that a review has been undertaken to assess the effectiveness of those arrangements.

**2.16** Audit Enquiries to those Charged with Governance and Management

**2.17** ISA 240 requires the Council's External Auditors to obtain an understanding of how the Council exercises oversight of management's processes for identifying and responding to the risks of fraud and the internal controls established to mitigate them. Audit Wales wrote to those Charged with Governance in April 2024 seeking these assurances.

**2.18** The Council's proposed responses to the Audit Wales Fraud enquiries is attached at Appendix C. The controls in place all supplement the Council's governance arrangements set out in the Constitution and include the Financial Procedure Rules and Contract Procedures Rules as well as Financial Procedure Notes and the Procurement Code of Practice.

**2.19** Appendix 1 of the document relates to Fraud; the response sets out a confirmation that there were no specific fraud issues identified during 2024/25 relating to the financial statements. It is also considered that the Head of Audit's Annual Opinion report provides satisfactory assurance with regards to the key financial systems.

**2.20** The document sets out the processes for management of incidences of Fraud, limited assurance identified as a result of Audits and whistleblowing. The response also sets out how standards of ethical behaviour and conduct are communicated to Employees and Members of the Council. It is further stated that any instances of potential fraud or error identified via the National Fraud Initiative have been dealt with through the appropriate processes and any monies incorrectly paid are being recovered.

**2.21** Appendix 2 relates to Laws and Regulations and sets out how assurance is gained that laws and regulations have been complied with. It further sets out that the

Council is not aware of any non compliance that should be declared and that there are no legal claims which would affect the Council's financial statements.

- 2.22** Appendix 3 provides detail of assurance regarding Related Parties and includes processes to establish and disclose relevant related party transactions as required.
- 2.23** Audit of Accounts Report
- 2.24** The Audit Wales Audit of Accounts Report is attached at Appendix D.
- 2.25** The Audit of Accounts Report includes the Auditor's report (Appendix 2 which is reproduced in the accounts), letter of representation (Appendix 1) and summarises corrections and recommendations for improvement.
- 2.26** The Audit of Accounts states that there will be an unqualified audit report, although this is subject to some audit work and file review that will be undertaken in the coming days.
- 2.27** Some of the key amendments to the accounts are set out in Appendix 3 to the Audit of Accounts Report.
- 2.28** For Capital Balances the amendments are broadly associated with the Capital Accounting associated with the implementation of IFRS16, some amendments associated with the treatment of enhancing expenditure for assets that have been revalued on an indexed basis. There were also some changes associated with the treatment of some HRA land that should have been transferred as part of new developments.
- 2.29** There has been a £7m amendment to correct payments due to HMRC, Teachers Pension and Cardiff and Vale Pension Fund relating to March payroll that were allocated in error to the cash balance and not creditors and this has been amended as part of the audited accounts.
- 2.30** In addition, the amendments relating to the 2023/24 Audited and 2024/25 City Deal CJC Draft Accounts have now been consolidated into the Statement of Accounts; these changes span the majority of statements and disclosures in the Council's accounts and have increased both the Useable and Unusable Reserves of the Council. Audit Wales have undertaken an audit of the material balances for the 2024/25 accounts as a basis to provide assurance for the consolidation of the 2024/25 accounts.
- 2.31** The other amendments agreed are of a presentational or classification nature and do not amend the Surplus or Deficit or the Reserves of the Council.
- 2.32** Changes have also been made to the disclosures in respect of employee emoluments including pay bandings and minor changes to Senior Leadership Pay disclosures.
- 2.33** In Appendix 4 the External Auditors have highlighted an unadjusted misstatement of £580k that relates to the accounting for capital grants, the Council is proposing not to amend this because it is not material and will be corrected as part of the 2025/26 accounts. The amendment would affect many figures within the financial statements, if it had been corrected

- 2.34** The accounts are scheduled to be signed by the Auditor General in December 2025.
- 2.35** Shared Regulatory Service
- 2.36** The audit of the Shared Regulatory Services is ongoing and expected to finalise early in 2026.
- 2.37** The Shared Regulatory Service Joint Committee is the body charged with governance to approve the accounts. The Shared Regulatory Service Accounts will then be brought to the next meeting of this Committee following sign off by Audit Wales.
- 2.38** Vale, Valleys & Cardiff Regional Adoption Service
- 2.39** The Vale, Valleys and Cardiff Regional Adoption Service accounts are still subject to completion following which they will be submitted to Audit Wales. There has been some lengthy discussion on the reporting requirements which has caused this delay.
- 2.40** The Regional Adoption Committee is the body charged with governance to approve the accounts and the return will then be brought to the next meeting of this Committee following sign off by 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 Financial considerations are set out in the body of the report.
- 5.2** The 2024/25 Vale of Glamorgan Statement of Accounts and Shared Regulatory Service Statement of Accounts have been prepared within existing staff resources. The same applies to the work underway on the production of the Vale, Valleys and Cardiff Regional Adoption Service Statement of Accounts.

#### **Employment**

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

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

- 5.4** 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 2024/25 Year Ended 31st March 2025.

## Statement of Accounts 2024/25

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## Narrative Report

### Introduction

This document presents the Statement of Accounts for The Vale of Glamorgan County Borough Council for 2024/25 and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

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

The Council serves one of Wales' most diverse local authority areas, covering rural and coastal communities and busy market towns. It has an estimated population of 134,733, making it the 11th largest authority by population size of the 22 local authorities in Wales. In mid-2023 the population density was estimated to be 406.9 people per square kilometre of land, the 10th most dense local authority.

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

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

### Governance Structure

The Vale of Glamorgan Council had 54 elected members in 2024/25, representing 24 wards. The political make up of the Council during the 2024/25 financial year was 13 Conservative, 25 Labour, 8 Plaid Cymru, 4 Llantwit First Independent and 4 Independent Elected Members. The Council is led by the Leader and Cabinet, a body of 8 Councillors (including the Leader) that makes key decisions about policy and budget.

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

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

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

During the 2024/25 Cabinet meetings, Scrutiny Committees and Governance and Audit Committee have been held on a hybrid basis.

### Summary of Financial Performance – Revenue

The financial position for the Council is regularly reported to Cabinet and Scrutiny Committees during the year. The Closure of Accounts report for 2024/25 will be reported to Cabinet on 3rd July 2025 and can be accessed on the Council Website.

The 2024/25 settlement from Welsh Government represented a drop against the significant increases in funding that was also evidenced in the 2022/23 and 2023/24 settlements. The Council received Revenue Support Grant of £161.928m and National Non-Domestic Rate of £47.853m which equates to total funding, referred to as the Aggregate External Finance (AEF) of £209.781m. This represented an increase in funding of £6.856m (3.4%) from the previous year after taking into account adjustments and grants transferred into the base. Based on this funding level, the Council was ranked 21st out of 22 councils in Wales as in 2023/24 on a funding per head of population, which is £255 per head below the Welsh average (£245 per head below in 2023/24).

Despite this positive settlement, cost pressures reported by services across the Council but particularly within Social Services, Additional Learning Needs and Homelessness were so significant, that savings targets totalling £7.676m were set for 2023/24 with no savings targets set against school budgets. Service areas have made some good progress towards achieving these savings during the financial year reporting 77% achievement or mitigation of the 2024/25 targets, and 74% of the combined outstanding targets for 2023/24 not achieved and 2024/25. These savings will clearly need to be monitored carefully during 2025/26 with the addition of further challenging savings set for the 2025/26 budget at £8.771m.

The anticipated level of funding to be received from Council Tax in 2024/25 was £99.080m (£91.304m in 2023/24) which excludes a provision of £500k for Council Tax arrears. This was based on a Band D rate of £1,562.85 (£1,464.75 in 2023/24), excluding Police and Town and Community Council precepts. The Vale of Glamorgan has the 6th (out of 22) lowest Band D charge in Wales at £1,563 which is 5.6% (£87) below the median for Welsh counties.

The Council received revenue grant funding totalling £104m including allocations from Welsh Government and UK Government (approximately £86m in 2023/24) which included sums to support a number of initiatives during 2024/25 including funding for Shared Prosperity Funding, Bus Support Schemes, Disability Sport Wales, Funding via the Department for Work and Pensions. Most of the Council's funding comes directly from Welsh Government approximately £62m in 2024/25, a significant proportion is distributed by other Council's and entities such as Central South Consortium Joint Committee to central Education and schools.

The Council's revenue budget at year end was a small surplus of £44k after some unplanned use of Service Reserves £6.6m and a reduction in reserves of £6.446m for schools leaving schools in an overall net deficit position, overall there was a net transfer from reserves of £12.282m. A breakdown by Directorate is shown in the following table.

	Amended Revenue Budget	Actual	Variance +Favourable ( ) Adverse	Net Transfer to /(From) Reserve
	£'000	£'000	£'000	£'000
Learning & Skills (Schools)	119,566	126,012	6,446	231
Learning and Skill (Central)	13,922	14,679	757	- 531
Social Services	96,326	102,376	6,050	- 266
Environment and Housing	32,705	35,521	2,816	- 532
Place	16,396	16,386	-10	656
Corporate Resources	3,281	2,284	-997	161
General Policy	18,190	14,220	-3,970	-1,471
Council Tax Reduction Scheme and Arrears	10,835	11,938	1,103	0
Council Tax Surplus	0	-2830	-2,830	0
Use of Reserves (Budget)	-2360	-1937	423	1,937
Use Of Reserves Schools	0	-6446	-6,446	6,446
Total Provisional Outturn (Excl Unplanned Reserves)	308,861	312,203	3,342	6,631
Unplanned Use of Reserves Other	0	-6,600	-6,600	6,600
Total Provisional Outturn	308,861	305,603	-3,258	13,231
Allocation of Surplus				
Education - ALN Reshaping and Youth	0	275	275	- 275
Place - Community Place Making and Country Car Parks	0	486	486	- 486
Corporate Policy - Reshaping Assets	0	353	353	- 353
Corporate Policy - Additional Provision for School Deficits	0	2,100	2,100	- 2,100
Total	308,861	308,817	-44	10,017
Movement on General Fund				-44
Capital Programme Funded from Reserves				2,669
Movement on Housing Revenue Account				-360
Total Movement on Council Fund and Specific Reserves				12,282

**Table 2 – Council Fund and Reserves**

Council Fund and Specific Reserves	Opening £000's	Movement £000's	Closing £000's
Council Fund	11,107	1,895	13,002
Earmarked Reserves	60,875	- 14,537	46,338
Housing Revenue Account	3,525	360	3,885
Total	75,507	- 12,282	63,225

The total movement on the Council Fund and Specific Reserves including the Housing Revenue Account was a reduction of £12.203m after adjusting for Joint Committees (£79k).

A number of the Council's budgets continue to be under considerable pressure, a summary of the key headline pressures in year is set out below.

Schools outturned with a slightly more favourable position than had been reported during the year which was in part due to additional grant income from Welsh Government, the net drawdown from reserves across the delegated schools budget was £6.446m. Some schools made progress towards a balanced budget in year (approximately 25 schools) and schools ended with remaining net deficit (around 28 schools). Overall reserve balances at year end stood at £4.138m which is underwritten by provision for school deficits of £4.1m. However, this masks some significant variances across individual schools with some schools with significant deficits and some schools with significant balances.

In Central Learning and Skills, a key ongoing pressure is the School Transport budget. Local Education Authorities have a statutory duty to provide free school transport for pupils of statutory school age who reside beyond a certain distance to their nearest appropriate school, those who have an unavailable walking route to school and those who have Additional Learning Needs (ALN) who require access to specialist provision. The volume of pupils attending Ysgol y Deri increased again during 2024/25 and along with frequent displays of challenging behaviour cost of this transport have risen. The number of requests for pupils to travel alone to accommodate their needs has greatly increased. Ysgol y Deri is currently split into 3 different drop off areas, along with some satellite sites which has meant an increase in costs, including paying a premium for those vehicles having to wait longer periods of time to collect pupils. Mainstream transport continues to run for pupils who are not able to get into their catchment school as they are full, lack of spaces within catchment schools continues, the number of pupils being transported to schools outside the catchment are increasing, resulting in pressure on the budget. In addition, Passenger Transport providers are continuing to request additional funding in order to meet their rising costs. This is often seen in the tender prices that are being submitted. The Vale of Glamorgan Council is not alone in this with nearly all other LA's in Wales reporting substantial overspends on school transport.

Significant pressures have continued to develop in Social Services in 2024/25 and reflect the ageing demographic, an increasing complexity of need and an increase of Children and Young People Looked after with an increasing complexity of need. This position reflects pressures seen across local government nationally.

Children's Services has reported a significant adverse variance relating to increased external placement costs given the complexities of the care proceedings, care requirements of children and young people currently being supported and the high-cost placements some of these children require to meet their needs. Additional costs have also been encountered in respect of legal costs and increased staffing resources associated with the service. Again, this position reflects pressures seen across local government nationally.

An overspend was also reported in the Adult Services in respect of Domiciliary Care and Residential and Nursing Home Payments of approximately £3.78m. There was also a £104k variances associated with Council run care homes in 2024/25, however this was offset by staff vacancies within the service area in year.

In Environment and Housing, key pressures for the service included £628k associated with the enhanced pay award and market forces uplift for waste drivers and £937k on additional

pothole and patching works. There was also a significant pressure associated with the lag on delivery of savings for which budget reductions have also been made including car parking and asset savings.

Housing received additional income supporting people and refugee resettlement schemes which will be carried forward in the Housing and Homelessness reserve some of which will be used towards the costs of the Rapid Housing Response programme and Resettlement demands in the medium term.

The capital charges budget underspent as the Council is currently able to borrow internally due to the level of Council reserves saving the interest costs associated with external borrowing, however, going forward the ability to utilise internal borrowing will depend on the level of reserves and these are expected to reduce in the near future. The Council also benefitted from increased interest returns on its reserve balances during 2024/25 and the Council tax team made significant progress on arrears and generated a Council tax surplus £2.83m.

Across services the Council continued to receive a significant number of revenue grants totalling in excess of £104m in 2024/25 and this included funding across a significant number of grant bodies as set out below.

The closing balance on the Council Fund as at 1st April 2025 was £13m with no draw down in year and a transfer in of £1.894m to increase balances proportionately with the base budget of the Council. Whilst there is no set requirement for the minimum level for the Council Fund, some commentators use 5% of the net budget as a guide. For the Vale this is around £15m, however, in view of the prudent approach the Council takes with regard to Specific Reserves, it is considered that £13m should be the minimum level for this reserve. The Council also holds earmarked reserves which stood at £46m (excluding Joint Committees and HRA) as at 31st March 2025 with £1m ringfenced for schools including £4m to offset deficit balances and £1m relating to other services. The schools balances and other ringfenced reserves reduced by £6m in year but were supplemented by £2.1m set aside from the Council Tax surplus to offset the deficits in 2024/25. Other services reserves reduced by £3.210m for revenue and £2.669m, for capital and reflected planned and unplanned usage. These reserves are allocated for both capital and revenue purposes.

#### Summary of Financial Performance – Capital

The General Capital Funding received from Welsh Government in 2024/25 was £6.986m which was a decrease of £11k in funding from 2023/24. This funding is partly through grant and partly an allocation for borrowing, the financing costs of which are supported by Welsh Government funding. The allocation is 14th highest in Wales. It is therefore necessary for the Council to fund its capital programme through a variety of sources, it continued to fund most of its capital programme from 'cash' resources however £3.5m was borrowed in year to part fund the Housing Improvement Programme.

Despite capital schemes facing continued challenges due to a number of issues, including significant cost increases and shortages of resources, the 2024/25 Capital Programme outturned at £65.5m.

Due to various economic factors there has been a continued increase in the cost of materials and labour during 2024/25, this has resulted in delays to schemes where negotiations and



project re-engineering has been required to bring schemes within the budget available. Sourcing materials and specialist staff has also been problematic with long lead times when ordering and this has also impacted on the progress of the capital programme. A breakdown of capital expenditure in 2024/25 is shown by service area in the table below.

Directorate	Approved Programme 2024/25	Additions to Approved Programme 2024/25	Adjusted Approved Programme 2024/25	Actual Spend 2024/25	Variance at Outturn 2024/25
	£000	£000	£000	£000	£000
Learning & Skills	17,413	522	17,935	13,666	4,269
Social Services	2,138	663	2,801	1,632	1,169
Housing	33,626	0	33,626	26,707	6,919
Environment	14,540	161	14,701	12,801	1,900
Place	9,086	804	9,890	7,347	2,543
Corporate Resources	1,992	36	2,028	1,467	561
Pipeline Schemes	2,251	0	2,251	1,888	363
Total	81,046	2,186	83,232	65,508	17,724

Of the capital expenditure incurred in the year, £8.09m was spent on the Sustainable Communities for Learning programme (including pipeline projects). It is a collaboration between the Welsh Government and local councils and is a significant, long-term and strategic capital investment programme with the aim of creating a generation of 21st Century Schools in Wales.

The Council undertook further Highways Improvements and Street Lighting energy reduction schemes during the year with a value of over £3.02m. Capital investment of over £26.7m was made as part of a continuing Housing Improvement Programme. New vehicles were purchased during the year costing £1.37m.

The Council adopted IFRS 16 (Leases) with effect from 1st April 2024. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1st April 2024. The effect of this has been to increase balance sheet assets by £5.797m. The opening finance lease liabilities was £3.465m as at 1st April 2024.

The following table shows the resources used in 2024/25 to fund the capital programme:

Source of Funding	Outturn (£000)
General Capital Funding	3,540
General Capital Funding Carried Forward	2,723
General Fund Borrowing	3,446
Housing Borrowing	3,537
Capital Receipts – Housing	0



Capital Receipts – General fund including education, vehicles and Social Services	641
WG Grants	35,376
Reserves & Revenue contributions	10,843
Other e.g., Section 106, other grants	5,402
<b>Total</b>	<b>65,508</b>

As at 31st March 2025 the Council held general capital receipts with a value of £6.986m, and £1.327m ringfenced for Social Services.

The Council's assets at 31st March 2025 have a book value of £974.894m. The Council Dwellings and Other Land and Buildings are revalued on a rolling 5 year programme normally by a MRICS external valuer. During 2024/25 the Council used indices in the context of the significant increases seen in respect of inflation on build costs to adjust the value on the Council's Depreciated Replacement Cost valued assets.

#### Housing Revenue Account (HRA)

The Council still retains its stock of Council Houses and as at 31st March 2025 had 4,159 dwellings. The HRA transferred £360k into its reserve in 2024/25 leaving a balance on the HRA reserve of £3.885m as at 31st March 2025. This balance is slighter lower than the Housing Business plan 2025/26. The Housing Business Plan, which incorporates a detailed financial forecast in the form of a 30-year financial model, is produced on an annual basis and the latest version was approved by Council on 15th January 2025. The Council has invested over £109.2m in its housing stock and new builds between 2020/21 and 2024/25 and all its dwellings reached Welsh Housing Quality Standard by March 2018.

With the introduction of the revised Welsh Housing Quality Standard (WHQS) 2023, the Housing Business Plan places a strong emphasis on ensuring full compliance with its updated requirements. Over the next decade, the focus will be on enhancing energy efficiency, reducing environmental impact, and decarbonising existing homes, in line with WHQS 2023's core objectives.

In addition, the plan supports the delivery of a significant number of new homes to meet growing housing demand. These dual priorities of modernising existing stock to meet WHQS standards and expanding housing supply pose considerable financial and operational challenges. These challenges will be explored in greater detail during the preparation of the new Housing Business Plan to ensure a sustainable and compliant approach.

To support compliance with the Welsh Housing Quality Standard (WHQS) 2023, the Housing Business Plan for 2025/26 allocates a total of £14.059m towards maintaining and improving the existing housing stock. This includes a significant investment of £3.019m in energy efficiency works, directly supporting the WHQS focus on decarbonisation and environmental sustainability. Further allocations include £1.95m

for internal works, £1.92m for external works, and £1.5m for common parts, ensuring homes and communal areas meet the required physical and safety standards. The plan also provides £1.59m for environmental improvements ensuring climate change and the wildlife emergency focus is addressed, £480,000 for housing adaptations to support accessibility and tenant independence, £3.2m for individual schemes, and £400,000 for emergency works. This comprehensive investment strategy underlines the council's commitment to delivering high-quality, compliant, and sustainable homes for our tenants

### Big Fresh Catering Company

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

### Treasury Management – Borrowing and Investments

Before the commencement of the 2024/25 financial year, the Authority approved the Treasury Management Strategy/Policy Statement which deals with the treasury functions of the Authority and covers both borrowing and investments. The report was approved by Council on 6th March 2024 and can be accessed on the Council Website:

[Treasury Management and Investment Strategy Cabinet Report.](#)

The report was further amended at Council on 10th March 2025 to reflect changes to the MRP Policy and incorporate IFRS16 in the prudential indicators.

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 2024/25 £271.200m, which was revised to £265.394m during the year. The actual external borrowing as at 31st March 2025 excluding adjustments was £169.851m as shown in the following table.

	31 March 2024	31 March 2025
Source of Loan	£'000	£'000
Public Works Loan Board (PWLB)	137,076	165,952
Long Term Loans	6,236	3,899
Other	0	0
<b>Total External Borrowing</b>	<b>143,312</b>	<b>169,851</b>
Accrued Interest	1,107	1,330
Accounting Adjustments	(67)	(135)
Joint Committee Borrowing	0	6
<b>Total Borrowing as per Balance Sheet</b>	<b>144,352</b>	<b>171,052</b>

The Council has a cautious approach to risk, with its priority to safeguard capital. Throughout 2024/25 the Council continued to utilise the broader range of investments tools introduced in 2020/21 to cope with the effects of global instability. The investment position as at 31st March 2025 is set out below and includes Money Market Fund (MMF) balances and Lloyds Call account balances held overnight as at 31st March 2025 which are included under the Cash and Cash Equivalent heading in the Balance Sheet.

There was a further reduction in investments held as 31st March 2025 when compared with previous years which reflects a number of themes in the Council's financial position, one of which is a reduction in the Council's reserves in year. In addition, the Council has increased the sums held for internal borrowing in the context of high rates of external borrowing and the investments balance will also reflect the timings of income and expenditure and the balance of creditors and debtors at year end.

	31 March 2024	31 March 2025
<b>Short Term Investments Held By</b>	<b>£'000</b>	<b>£'000</b>
UK Debt Management Account Deposit Facility (DMADF)	0	5,625
UK Local and Police Authorities	27,500	2,000
Treasury Bills	0	0
Federated Hermes Money Market Account	6,625	6,050
CCLA Money Market Account	50	3,150
Lloyds Instant Access Deposit Account	20	365
<b>Total Short Term Investments</b>	<b>34,195</b>	<b>17,190</b>
Short Term Investment Accrued Interest	566	121
Short Term Investment Joint Committees	374	254
<b>Total Short Term Investments as per Balance Sheet</b>	<b>35,135</b>	<b>17,565</b>

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

#### Joint Committees and Joint Arrangements

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

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 City Deal is now established as a Corporate Joint Committee.

### Impact of the Current Economic Climate

The financial pressures on the Council continued to increase during 2024/25 with pay awards negotiated during the year in excess of the sum budgeted that was offset in the main across the Council due to a high number of vacant posts. The Council also incurred market forces costs associated with attracting staff to some key roles such as Waste Drivers and Children's Social Services staff.

Due to limited Capital investment the condition of the roads continued to deteriorate and therefore additional costs have been incurred associated with repairing pot holes and patching the roads. Additional costs have also been incurred due to the impact of the energy crisis on the running costs of the Council's estate including schools, care homes and leisure centres.

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

### Looking Forward

A budget of £331.575m for 2025/26 was approved by Council on 10th March 2025. The revenue settlement from Welsh Government of £224.447m represented an increase of £8.217m (3.8%) over 2024/25 £14.917m after allowing with adjustments for the Council tax base and including transfers in for teachers and non teaching pay and pensions and of specific grant for Housing. The Council's per capita funding continued to be 21st of the 22 Welsh Local Authorities, £274 per capita below the Welsh average. The Council Tax was increased by 5.9% from 1st April 2025 which includes the extension of the policy around charging for empty and second homes in the region. Whilst the additional funding in the settlement was significant this did not address the scale of cost pressures reported by Directorates across the Council, most significantly in Social Care and Additional Learning Needs. A challenging savings and efficiency target of £8.771m was set for the year and was at a level which was higher than historical targets, £1.2m of this sum was targeted at schools. Use of the reserves to smooth housing pressures and schools pressures was planned as part of the budget setting process of £767k.

The full Council report can be accessed on the Council website:

[2025/26 Budget and 2025/26 to 2029/30 MTFP](#)

There has been a greater focus on medium term financial planning and financial sustainability with the March Council report setting out a clearer vision for the future finances of the Council. At the time the 2025/26 budget was approved, there was no formal indication for future years settlements with the Council relying on the work of the Welsh Fiscal Unit and assuming 1% increase although some commentators believe this could be flatlined. Positively though, there was the prospect of a multi year spending review to be announced in

the late sprint/early summer. Council Tax continues to be modelled at 3.9%. With continued demographic pressures, growth in ALN wage growth and social care provider pressures the Council is faced with a gap of £8.064m in 2026/27 and £27.581m to 2029/30. There are a number of transforming and reshaping initiatives within the overall programme which have been identified to bridge this gap including transformation of ALN, care demand and transport, Target Operating Model initiatives to generate additional income through fees and charges and Council Tax revenues, a Brilliant Basic programme to improve customer service and deliver services more efficiently along with procurement savings.

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 2025/26 is £7.606m which is an increase of £620k from the previous year. The 2025/26 Capital Programme was approved by Council on 10th March 2025 and had a gross value of £106.7m. The programme is briefly summarised below:

<b>Schemes</b>	<b>2025/26 Gross £000</b>
Learning and Skills	19,342
Social Services	1,373
Environment and Housing	16,784
HRA	30,460
Place	14,889
Resources	312
City Deal	157
Pipeline Schemes	23,389
<b>Total Capital Programme</b>	<b>106,706</b>

There will be investment in the Council's Schools as part of the Sustainable Communities for Learning programme of £34.3m in 2025/26 (including the pipeline schemes which are subject to a full business case), £4.699m investment in road resurfacing and £2.9k for Council's Vehicles. Even though the Housing stock meets WHQS, further work totalling £30.4m is due to be undertaken which will include Environmental Works, the construction and acquisition of new houses and addressing climate change by making our housing stock more energy efficient.

The full report can be accessed on the Council Website:

[Capital Strategy 2025/26 and Final Capital Programme Proposals 2025/26 to 2029/30.](#)

Over the coming years major capital investment will continue for the Sustainable Communities for Learning programme which will require capital investment between 2025/26 and 2029/30. The remaining funding included in the overall capital programme is £99.79m over this period.

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

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

Part Six of the Local Government and Elections (Wales) Act 2021 introduced a range of changes to the way principal Councils exercise their performance and governance functions. This includes a requirement for annual self-assessment which is a process the Council has undertaken for the past two years. In addition, the legislation introduces the requirement for an external assessment of the extent to which the Council is meeting the Act's 'performance requirements' via a panel of peers. This assessment must be undertaken once in each electoral cycle. These are known as Panel Performance Assessments (PPA). In June 2024, Cabinet approved proposals for the PPA to be undertaken in 2024 as part of a report on the Council's Annual Performance Calendar. The Council worked with the Welsh Local Government Association (WLGA) to undertake the PPA in November 2024.

The Panel's report stated that "The Panel assessed the Vale of Glamorgan to be a good Council within the current context of high service demand, operational pressures, and resources. It is a values-based organisation with a good internal culture and solid external relationships. There is a clear commitment to delivering on the Corporate Plan, with a particular focus on prioritising the needs of vulnerable people. Staff are enormously proud to work for the Council, and there is a strong sense of ambition for the future." This section of the Panel's report provides contextual information regarding the timing of the PPA as aligned with the development of the new Corporate Plan and Reshaping Programme. The report indicates that "Our [the Panel's] approach to the assessment was ambitious because the Council itself is ambitious for its communities. In terms of its PPA scope and by linking it with its transformation programme, the Council had demonstrably embraced the assessment process. We considered this to be an exciting and pivotal moment for the authority, and the Council possesses strong foundations to drive future growth and development"

Section 4.6 of the Panel's report stated "It is within this positive context that we consider the Council can further enhance its performance, by focusing on the following recommendations for areas of improvement":

1) Planning for Place: The Council would benefit from developing and effectively communicating a narrative that articulates a positive vision for the future, which is relatable to multiple audiences and has a call to action. In doing so it could be a catalyst for change for the Vale of Glamorgan as a County, drawing together partners, stakeholders, the business sector, and communities.



2) Signalling Change: Clearly communicating the Council's commitment to change and improvement.

3) Strengthening Partnerships: Building on existing strong partnerships to maximise impact and outcomes.

4) Governance and using resource effectively: Exploring opportunities to improve governance processes and allocate resources effectively.

### The Pension Liability

Pensions for non-teaching staff are provided under the Local Government Pension scheme and the Council is a member of the Cardiff and Vale Pension Fund, administered by Cardiff County Council. Employees and employers contribute into the fund, along with investment income and growth generated. A triennial valuation was carried out on the Fund in year as at 31st March 2022. The value of the pension liability as at 31st March 2025 is £17.310m after adjusting for the asset ceiling for the Council's pension fund the underlying valuation reflects a pension asset as at 31st March 2025. This value is based on a number of actuarial assumptions and will fluctuate between years. A firm of actuaries is engaged to provide the Cardiff and Vale Pension Fund with expert advice about the assumptions to be applied. The asset returns over the accounting period have been better than expected, there have also been a change in a number of financial and demographic assumptions over the period which has resulted in a more positive balance sheet position.

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

### Corporate Aims and Objectives

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

The 4 Well-being Objectives from the 2020-2025 Plan 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 has been monitored using a Red Amber Green (RAG) performance status with Green indicating that performance is on or above target. Amber status is attributed to performance within 10% of target and a red status indicates where performance has missed target by 10% or more. The Quarter 3 2024/25 performance results were reported to Cabinet on 1st May 2025 and end of year will be presented to Cabinet in July 2025.

Positive progress has been made in delivering in-year commitments in relation to the Annual Delivery Plan (2024/25). This performance contributed to an overall green performance status for the Plan at the end of Quarter 3. 86.49% of the 370 planned activities outlined in the Annual Delivery Plan have been attributed a green performance reflecting the positive progress made during the quarter. 11.89% (44) of planned activities were attributed an Amber status and 1.62% (6) of planned activities were attributed a red status. Of the 238 performance measures aligned to our Corporate Plan Well-being Objectives, data was reported for 66 measures where a performance status was applicable. Of these, 72.24% measures were attributed a green performance Status, 4.55% amber status and 21.21% red status. A performance status was not applicable for measures that were establishing baseline performance for 2024/25, annual measures to be reported at end of year and measures where no quarterly update was provided.

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

Further details can be found here [Annual Delivery Plan Monitoring Quarter 3 2024/25](#).

### Further Information

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

### Introduction to the Financial Statements

#### Statement of Accounting Policies

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

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

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

#### Expenditure and Funding Analysis

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

#### Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into "usable reserves" (i.e. those that can be applied to fund expenditure or reduce local taxation) and "unusable reserves". The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details



of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Council Fund Balance and the Housing Revenue Account for Council Tax setting and dwelling rents setting purposes. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory Council Fund balance and the Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

### Comprehensive Income and Expenditure Statement (CIES)

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

### Balance Sheet

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

### Cash Flow Statement

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

### Annual Governance Statement

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

## Statement of Responsibilities for the Statement of Accounts

### The Council's Responsibilities

The Council is required:

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

Signature:

Date:

Mayor as Chair 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 2025 and its income and expenditure for the period then ended.



Signature:

Date: 17-11-2025

Head of Finance/Section 151 Officer

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

## The report of the Auditor General for Wales to the members of the Vale of Glamorgan Council Opinion on financial statements

I have audited the financial statements of the:

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

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

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

The Vale of Glamorgan's Group financial statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet and the Group Cash Flow Statement and the related notes, including the material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

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

- give a true and fair view of the financial position of the Vale of Glamorgan Council and Vale of Glamorgan Council's Group as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

## Basis of opinion

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

My staff and I are independent of the Vale of Glamorgan Council and the group, in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard; and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

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

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

My responsibilities and the responsibilities of the Responsible Financial Officer with respect to going concern are described in the relevant sections of this report.

## Other Information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025;
- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

## Matters on which I report by exception

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

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

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

## Responsibilities of the Responsible Financial Officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Responsible Financial Officer is responsible for:

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

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- Enquiring of management, the Council's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Vale of Glamorgan Council and group's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- Obtaining an understanding of the Vale of Glamorgan Council and group's framework of authority as well as other legal and regulatory frameworks that Vale of Glamorgan Council and group operate in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Vale of Glamorgan Council and group.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Vale of Glamorgan Council and group's controls, and the nature, timing and extent of the audit procedures performed.

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

## Other auditor's responsibilities

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

## Certificate of completion of audit

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

**Adrian Crompton**  
**Auditor General for Wales**  
**3 December 2025**

**1 Capital Quarter**  
**Tyndall Street**  
**Cardiff, CF10 4BZ**

## Expenditure and Funding Analysis

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

2023/24	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis (Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000
Learning and Skills	142,353	(1,149)	141,204
Social Services	97,107	878	97,985
Visible and Housing Services	33,120	3,614	36,734
Housing Revenue Account (HRA)	12,962	(11,764)	1,198
Place	4,404	1,418	5,822
Corporate Resources	17,368	1,797	19,165
Policy	14,557	(5,902)	8,655
Net Cost of Services	321,871	(11,108)	310,763
Other Income and Expenditure	(286,553)	(30,447)	(317,000)
<b>(Surplus) or Deficit</b>	<b>35,318</b>	<b>(41,555)</b>	<b>(6,237)</b>
<b>Opening General Fund and HRA Balance at 31 March 2023</b>	<b>(112,874)</b>		
Plus Deficit on General Fund and HRA Balance in Year	35,318		
<b>Closing General Fund and HRA Balance 31 March 2024</b>	<b>(77,556)</b>		
2024/25	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis (Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000
Learning and Skills	141,317	1,541	142,858
Social Services	102,300	4,678	106,978
Visible and Housing Services	35,932	6,352	42,284
Housing Revenue Account (HRA)	(360)	28,778	28,418
Place	2,504	3,954	6,458
Corporate Resources	17,035	2,283	19,318
Policy	13,032	(12,462)	570
Net Cost of Services	311,760	35,124	346,884
Other Income and Expenditure	(299,597)	(39,648)	(339,245)
<b>(Surplus) or Deficit</b>	<b>12,163</b>	<b>(4,524)</b>	<b>7,639</b>
<b>Opening General Fund and HRA Balance at 31 March 2024</b>	<b>(77,556)</b>		
Plus Deficit on General Fund and HRA Balance in Year	12,163		
<b>Closing General Fund and HRA Balance 31 March 2025</b>	<b>(65,393)</b>		



## Movement in Reserves Statement 2023/24

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 pages 14 and 15.

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

## Movement in Reserves Statement 2024/25

Movement in Reserves Statement	Council Fund	Earmarked Reserves	Housing Revenue	Capital Receipts	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31st March 2024</b>	<b>11,106</b>	<b>62,925</b>	<b>3,525</b>	<b>7,647</b>	<b>3,386</b>	<b>88,589</b>	<b>746,447</b>	<b>835,036</b>
Opening Adjustment	0	0	0	0	0	0	1,000	1,000
<b>Amended Opening Balance</b>	<b>11,106</b>	<b>62,925</b>	<b>3,525</b>	<b>7,647</b>	<b>3,386</b>	<b>88,589</b>	<b>747,447</b>	<b>836,036</b>
Total Comprehensive Income and Expenditure	22,068	(14,417)	(15,289)	0	0	(7,639)	9,226	1,587
Adjustments between accounting basis and funding basis under regulations (Note 10)	(20,174)	0	15,649	1,975	(299)	(2,848)	2,848	0
<b>Increase/(Decrease) in 2024/25</b>	<b>1,894</b>	<b>(14,417)</b>	<b>360</b>	<b>1,975</b>	<b>(299)</b>	<b>(10,487)</b>	<b>12,074</b>	<b>1,587</b>
<b>Balance as at 31st March 2025</b>	<b>13,000</b>	<b>48,508</b>	<b>3,885</b>	<b>9,622</b>	<b>3,087</b>	<b>78,102</b>	<b>759,521</b>	<b>837,623</b>



## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount to be funded from taxation. Further information is shown on page 15.

2023/24			Expenditure on Services	2024/25		
Gross Expt.	Income	Net Expt.		Gross Expt.	Income	Net Expt.
£'000	£'000	£'000		£'000	£'000	£'000
186,237	45,033	141,204	Learning and Skills	201,447	58,589	142,858
124,028	26,043	97,985	Social Services	129,699	22,721	106,978
60,152	23,418	36,734	Visible and Housing Services	66,793	24,509	42,284
25,184	23,986	1,198	Housing Revenue Account (HRA)	55,080	26,662	28,418
9,620	3,798	5,822	Place	13,410	6,952	6,458
51,660	32,495	19,165	Corporate Resources	48,230	28,912	19,318
9,806	1,151	8,655	Policy	4,090	3,520	570
<b>466,687</b>	<b>155,924</b>	<b>310,763</b>	<b>Cost of Services</b>	<b>518,749</b>	<b>171,865</b>	<b>346,884</b>
			<b>Other operating expenditure</b>			
3,407	0	3,407	Town/Community Council Precepts	3,652	0	3,652
20,226	0	20,226	South Wales Police Authority	22,358	0	22,358
7,778	0	7,778	South Wales Fire Authority	8,302	0	8,302
128	0	128	Other Levies and Contributions	143	0	143
160	0	160	(Gains)/losses on the disposal of non-current assets	0	758	(758)
			<b>Financing and investment income and expenditure</b>			
6,723	0	6,723	Interest payable and similar charges	6,823	0	6,823
2,685	0	2,685	Net interest on defined benefit liability/asset	0	834	(834)
0	368	(368)	Revaluation of Investment Properties and Equities	116	0	116
0	4,127	(4,127)	Interest receivable and Trading surplus/deficit	54	2,324	(2,270)
			<b>Taxation and non-specific grant</b>			
0	107,464	(107,464)	Council Tax income (Note 13)	0	115,985	(115,985)
0	42,784	(42,784)	Non domestic rates (Note 14)	0	47,853	(47,853)
0	160,013	(160,013)	Revenue Support grants (Note 12)	0	161,928	(161,928)
0	0	0	Corporation Tax	30	0	30
0	43,351	(43,351)	Capital grants and contributions	0	51,041	(51,041)
<b>507,794</b>	<b>514,031</b>	<b>(6,237)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>560,227</b>	<b>552,588</b>	<b>7,639</b>
		(14,296)	(Surplus) on revaluation of non-current assets (Note 26)			(22,079)
		18	Impairment losses on non-current assets Revaluation Reserve (Note 26)			1,268
		0	Deficit on Revaluation of Financial Instrument Assets			1,393
		(56,517)	Remeasurements of the net defined benefit liability/(asset) (Note 37)			10,192
		<b>(70,795)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(9,226)</b>
		<b>(77,032)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(1,587)</b>

## Balance Sheet as at 31st March 2025

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 15 of this report.

31st March 2024		Notes	31st March 2025
£'000			£'000
954,315	Property, Plant and Equipment	15	974,871
5,390	Joint Committee Investment Properties		5,315
1,004	Equity		948
271	Intangible Assets		322
2	Long Term Investments		2
5,387	Long Term Debtors		8,283
<b>966,369</b>	<b>Long Term Assets</b>		<b>989,741</b>
28,319	Short Term Investment	20	10,684
623	Assets Held for Sale		203
152	Deferred Tax Asset		0
956	Inventories		990
60,420	Short Term Debtors	21	89,418
13,280	Cash and Cash Equivalents	22	12,837
<b>103,750</b>	<b>Current Assets</b>		<b>114,132</b>
8,568	Short Term Borrowing	20	9,810
45,076	Short Term Creditors	23	39,146
0	Short Term Liabilities (Leasing)	18	728
2,286	Provisions (Short Term)	24	4,013
8	Donated Inventory Account		0
2,190	Grants Receipts in Advance – Capital	31	2,923
<b>58,128</b>	<b>Current Liabilities</b>		<b>56,620</b>
3,118	Provisions (Long Term)	24	1,513
135,786	Long Term Borrowing	20	162,084
7,848	Other Long Term Liabilities	25	10,585
0	Long Term Liabilities Leasing	18	2,194
10,522	Other Long Term Liabilities (Pensions)	36	17,310
19,681	Grants Receipts in Advance - Capital (Long Term)	31	15,945
<b>176,955</b>	<b>Long Term Liabilities</b>		<b>209,631</b>
<b>835,036</b>	<b>Net Assets</b>		<b>837,622</b>
88,589	Usable Reserves	26	78,101
746,447	Unusable Reserves	27	759,521
<b>835,036</b>	<b>Total Reserves</b>		<b>837,622</b>

## Cash Flow Statement

The Cash Flow Statement shows the change in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows into operating and investing and financing activities. Further information is included on page 15 of this report.

31st March 2024		Notes	31st March 2025
£'000			£'000
<b>6,238</b>	<b>Net surplus or (deficit) on the provision of services</b>		<b>(7,639)</b>
20,374	Adjustments to net surplus or deficit on the provision of services for non-cash movements	28	<del>24,593</del> <u>27,513</u>
	<b>Adjustments for items that are investing and financing activities</b>		
(949)	Proceeds from the sale of property, plant and equipment and intangible assets.		(4,483)
(47,394)	Any items which the cash effects are investing or financing cashflows		(55,953)
<b>(48,343)</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>(60,436)</b>
<b>(21,731)</b>	<b>Net cash flows from Operating Activities</b>		<b>(43,482)</b> <u><b>40,562</b></u>
	<b>Investing Activities</b>		
(81,535)	Purchase of property, plant and equipment and intangible assets.		<del>(59,661)</del> <u><b>62,581</b></u>
949	Proceeds from the sale of property, plant and equipment and intangible assets.		2,615
0	Purchase of short term/long term investments		0
(1,187)	Other payments for investing activities		0)
55,031	Proceeds from short term/long term investments		22,699
49,567	Other Receipts from Investing Activities		48,135
<b>22,825</b>	<b>Net Cashflow from Investing Activities</b>		<b>13,788)</b> <u><b>10,868</b></u>
	<b>Financing Activities</b>		
(5,132)	Repayments of Short and Long Term Borrowing		27,388
(2,234)	Other Payments for Financing Activities		1,863
<b>(7,366)</b>	<b>Net cash flows from Financing Activities</b>		<b>29,251</b>
<b>(6,272)</b>	<b>Net increase or decrease in cash and cash equivalents</b>		<b>(443)</b>
19,552	Cash and cash equivalents at the beginning of the reporting period		13,280
<b>13,280</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>12,837</b>

# Notes to the Financial Statements

## 1. Statement of Accounting Policies

### 1.1. Accounting Policies

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 2024/25 supported by International Financial Reporting Standards (IFRS) and statutory guidance. The accounts are prepared on a going concern basis.

### 1.2. Revenue/Expenditure

The transactions of the Council are accounted for in the year that they take place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

There are certain exceptions to this principle. The main items are:

- (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.
- (b) The amount included in the accounts for Government Revenue Support Grant for 2024/25 is on the basis of the allocation as approved by Welsh Government in year. Where final figures are not available e.g. Subsidy Entitlement, the amounts included are based on the latest available information.

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 31<sup>st</sup> March each year is not significant.

### 1.3. Prior Period adjustments, Changes in Accounting Policies and Estimates and Errors

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 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.

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

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 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.

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

#### **1.4. Charges to Revenue for Non-Current Assets**

The following amounts are charged to revenue to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets chargeable to the service.
- Amortisation of intangible non-current assets attributable to the service.

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.

#### **1.5. Employee Benefits**

##### **Benefits Payable during Employment**

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.

##### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. These costs are charged on an accruals basis to the appropriate service or where applicable to the Policy Budget line.

##### **Post Employment Benefits**

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

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

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

The arrangements for the teachers' scheme mean 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.

### **The Local Government Pension Scheme**

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Cardiff and Vale Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate.
- The assets of the Cardiff and Vale Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value.
- The actuarial valuation carried out at 31st March 2025 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 36 to these accounts.

The change in the net pension's liability is analysed into the following components:

### **Service cost comprising**

- Current service cost – the increase in liabilities as a result of years of service earned this year which is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years. Debited to the surplus or deficit of services in the Comprehensive Income and Expenditure.
- Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit (asset) during the period as a result of contribution and benefit payments.

### **Remeasurements comprising:**

- The return on plan assets – excluding amounts included in net interest on the net defined liability (asset). This is charged to the Pensions Reserve as Other Comprehensive Income



and Expenditure.

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

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.

### **Discretionary Benefits**

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

## **1.6. Events after the Balance Sheet date**

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:

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

## **1.7. Cash and Cash Equivalents**

Cash is represented by cash in hand; bank overdrafts and deposits held with financial institutions which are repayable without penalty on notice of not more than 24 hours as at 31st March 2025. 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.

## 1.8. Financial Instruments

### Financial Liabilities

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.

### Financial Assets

Financial assets are classified into two types:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.
- Available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

### Loans and Receivables

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

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.

## 1.9. Assets Held for Sale

Assets held for sale 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.

Assets are maintained in the Balance Sheet at fair value.

Changes in fair value are balanced by an entry in the Assets Held for Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Assets Held for Sale. 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.



### **1.10. Government Grants and Contributions**

Government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

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

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.

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.

### **1.11. Intangible Assets**

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.

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.

### **1.12. Inventories and Long Term Contracts**

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.

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

### **1.13. Jointly Controlled Operations**

Joint operations are arrangements undertaken by the Council in conjunction with other ventures that make use of its assets and resources. Joint Committees are examples of Jointly Controlled Operations.

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 for the 2024/25 accounts.

### **1.14. Leases**

#### **The Authority as Lessee**

The Council has adopted IFRS16 as an accounting policy from 1st April 2024 to recognise right of use assets, which meant that the majority of leases where the Council acts as lessee came onto the balance sheet.

### **The Authority as Lessee**

Properties and Other Vehicles, Plant and Equipment that fall under the scope of IFRS16 have now been reclassified as right of use assets on the balance sheet. Right-of-use assets and lease liabilities will have been calculated as if IFRS16 had always applied but recognised in the year of adoption and not by adjusting prior year figures.

As a lessee, the Council has previously classified leases as operating leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS16, the Council recognises right-of-use assets and lease liabilities for most leases

A range of borrowing rates have been applied to lease liabilities as at 1<sup>st</sup> April 2024 and the weighted average incremental borrowing is 5.29%.

The Council has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **The Authority as Lessor Operating Leases**

Leases that do not meet the definition of a finance lease are accounted for as operating leases.

Rental income under an operating lease is credited to the Comprehensive Income and Expenditure Statement; the property, plant or equipment is retained in the Balance Sheet.

## **1.15. Overheads and Support Service**

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.

## **1.16. Property, Plant and Equipment**

Revaluation of the assets of the Authority will be undertaken on a rolling basis over a five year cycle by an external valuer.

Due to the continuing economic volatility during 2024/25 and the continuing inflationary pressures in respect of construction costs of schemes which would have a particular impact on assets valued on a Depreciated Replacement Cost (DRC) basis, therefore all Land and Building assets have been either revalued or uplifted based on indices provided by a RICs qualified external valuer.

Council Dwellings are regarded by the Authority as operational and have also been revalued as at 31st March 2025 using the Beacon approach (adjusted vacant possession value) and reflects the volatility evidenced in the Housing Market.

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.

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.

Infrastructure, Vehicles, Plant and Equipment and Community Assets are included at cost (less depreciation where required).

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.

A de-minimis rule for capital has been applied – generally no capital expenditure valued at under £10,000 is included within capital spend.

Assets are initially measured at cost, comprising:

- the purchase price.  
any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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. Where the value of the asset had been revised through indexation and the value of the enhancement is less than £50k, we assume that the expenditure is non enhancing. Due to indexation any schemes exceeding £50k have been reviewed by the valuer to determine is enhancing or not enhancing, any deemed enhancing have been revalued by a FRICs qualified valuer. Any unusual or schemes exceeding £250k in value were reviewed by a FRICs qualified valuer to assess the level of enhancement.

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.

The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

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.

### **Component accounting**

Assets with a net book value in excess of £5 million will be reviewed to determine if there are any significant components that require a separate depreciation calculation and whether it is material. No adjustment for component accounting was made in the accounts.

## **Impairment**

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.

## **Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets over their useful lives. An exception is where assets are without a determinable finite useful life (i.e. Freehold Land and Community Assets) and assets that are not available for use (i.e. assets under construction).

Depreciation is calculated on the following basis:

- Dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant, furniture and equipment – straight line allocation over the life of the asset.
- Infrastructure – straight line allocation over 40 years.

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.

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.

## **Disposals and Non Current Assets Held for Sale**

An asset is reclassified as Held for Sale when it is probable that the carrying amount will be recovered principally through a sale transaction. The asset is revalued immediately before reclassification and carried at the lower of this amount and the fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Depreciation is not charged on Assets Held for Sale.

Where assets no longer meet the criteria to be classified as Assets Held for Sale they are reclassified back to non-current assets.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Receipts from disposals 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.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

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

## **1.17. Fair Value Measurement**

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.

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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.

## **1.18. Provisions, Contingent Liabilities and Contingent Assets**

### **Provisions**

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.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. See note 24 to the accounts.

### **Contingent Liabilities**

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

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

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

### **Contingent Assets**

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.

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.

#### **1.19. Specific Reserves**

These reserves represent sums of money that are voluntarily set aside for specific purposes. The purpose of these reserves is explained in Note 11 to the accounts.

#### **1.20. Revenue Expenditure Funded from Capital under Statute**

Expenditure that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. The total gross expenditure for 2024/25 is £7.120m.

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.

#### **1.21. Local Authority Schools**

The Council does not include a school's property, plant and equipment in its Balance Sheet where it does not own or have significant control over the economic benefit of these assets.

This means that the buildings used by voluntary aided, Roman Catholic aided and voluntary controlled schools are excluded from property, plant and equipment where they are not owned by the Council. However, land owned by the Council and used by these schools is recognised in property, plant and equipment. The property, plant and equipment of community and foundation schools are recognised on the Authority's Balance Sheet. The income and expenditure for all schools is included within the CI&ES and any unspent resources held by schools are included within earmarked reserves in the Council's Balance Sheet.

#### **1.22. Value Added Tax**

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

#### **1.23. Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately,

either on the face of the Comprehensive Income and Expenditure Statement or in the Notes to the Statement of Accounts, depending on how significant the items are to an understanding of the Council's financial performance. There are no exceptional items in 2024/25.

#### **1.24. Investment in Companies**

The Council currently only has one investment in a company and this is its 100% shareholding in the Big Fresh Catering Company which was established on 1st 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).

#### **1.25. Inventories**

Inventories are measured and held at the lower of cost or net realisable value. When such inventories are sold, exchanged or distributed, the carrying amount is recognised as expenditure.

#### **1.26. Adopted Highways**

The Council reviews adoption of highways each year and where material the adoption will be reflected in the Council's infrastructure assets and offset by a corresponding entry on the donated assets account. There were no material adoptions in 2024/25.

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

At the balance sheet date, there are no new relevant standards or amendments to existing standards that have been published but not yet adopted by the Code that will have any impact upon the financial statements.

However, the following details are provided for information purposes: -

Infrastructure Assets – Temporary Relief: Following a consultation in the summer of 2022, CIPFA/LASAAC issued a code update on 29 November 2022. The update amends both the 2022/23 and 2023/24 Codes as per the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulation 2022) and includes specifications for future codes on the disclosure of gross cost and accumulated depreciation for infrastructure assets. The Code has been updated to include a temporary relief from the Code's core requirement to disclose gross cost and accumulated depreciation of infrastructure assets until 31 March 2025.

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

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

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



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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

##### **Property, Plant and Equipment**

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

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Useful asset lives will impact on depreciation calculations. For assets such as Infrastructure (40 years) Vehicles (4-15 years) and Equipment (2-20 years) standard asset lives are used unless evidence is available to the contrary. The Useful Economic Lives of operational buildings is estimated by a RICS qualified valuer as part of the valuation process.

The Housing Revenue Account Council Dwelling assets have been revalued during 2024/25; this valuation has been carried out by a RICS qualified valuer from Savills using a Beacon approach. The valuation incorporates the 771 garages included in the Housing Revenue Account which are shown against Land and Buildings, they also include the new build developments completed in year.

In 2024/25 indexation has been applied to the Land and Building assets valued on a Depreciated Replacement Cost basis, the indices used were provided by a RICS qualified valuer from Avison Young to address the materiality uncertainty that continued to be applied to the other services Land and Building assets and in response to concerns expressed in the context of continuing rising construction costs. Where the 2024/25 spend exceeded £50k the Council sought the opinion of a RICS qualified valuer from Avison Young to establish if the spend was enhancing or non-enhancing, for enhancing spend desk top valuations were provided. Desktop valuations of assets where spend exceeded £250k on a Depreciated Replacement Cost basis was performed by a RICS qualified valuer from Avison Young during 2024/25.

A number of HRA new build schemes were completed during 2024/25 and these



assets were also revalued upon transfer from the Asset Under Construction Account by a RICS valued from Savills using a Beacon approach.

Therefore, a significant proportion of the Council's asset base has been subject to revaluation during the 2024/25 financial year. Whereas land asset values have typically remained unchanged the majority of building assets particularly those valued on a DRC basis have increased in value. The valuations are set out in Note 15 to the accounts Property Plant and Equipment.

### Minimum Revenue Provision

Statutory provision is made in the accounts for the repayment of the Council's borrowing. The Minimum Revenue Provision is generally based on a straight line repayment over the estimated life of the asset except for a small number of supported loans where the provision is based on the annuity method. Following a review carried out in 2024/25 the approach for supported borrowing was amended to an average life of 50 years up to and including 2024/25 and will be set annually going forward based on the types of assets funded. The estimated life is based on information provided by a qualified valuer as part of the valuation process and the Council's asset register.

### Provisions

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

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

### Debtors

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

### Pensions Liability

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

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

The demographic and financial assumptions used in arriving at the 2024/25 actuarial report are set out in note 36.

### Fair Value

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

Fair Values as at 31st March 2025 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 38. Disclosure notes set out the fair values for the Authority's financial assets and liabilities as at 31st March 2025.

## 5. Material Items of Income and Expenditure

All material income and expenditure in 2024/25 has been captured in the notes and there are no material items which require further explanation.

## 6. Events after the Balance Sheet Date

The statement of accounts was authorised for issue by the Head of Finance (Section 151 Officer) on 17<sup>th</sup> November 2025. Events taking place after this date are not reflected in the financial statement or notes. There have been no post balance sheet events prior to this date that have been reflected in the statement of accounts.

## 7. Prior Period Adjustment

There are no Prior Period Adjustments included in these accounts.

## 8. Note to the Expenditure and Funding Analysis

2023/24 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Category Transfer	Adjustments for Capital Purposes	Net Change for Pensions Adjustment	Other Differences	Total Adjustment
	£'000	£'000	£'000	£'000	£'000
Learning and Skills	(1,095)	1,144	46	(1,244)	(1,149)
Social Services	293	298	82	205	878

Visible and Housing Services	(56)	3,496	58	116	3,614
Housing Revenue Account (HRA)	(3,054)	(8,730)	4	16	(11,764)
Place	(87)	1,605	(131)	31	1,418
Corporate Resources	720	892	85	100	1,797
Policy	(7,146)	1,607	(382)	18	(5,903)
Net Cost of Services	<b>(10,425)</b>	<b>312</b>	<b>(238)</b>	<b>(758)</b>	<b>(11,109)</b>
Other Income and Expenditure	10,425	(43,191)	2,686	(367)	(30,447)
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure statement surplus or deficit	<b>0</b>	<b>(42,879)</b>	<b>2,448</b>	<b>(1,125)</b>	<b>(41,556)</b>
2024/25 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
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Learning and Skills	(7,595)	8,384	(369)	1,121	1541
Social Services	5,544	(291)	(102)	(473)	4,678
Visible and Housing Services	1,143	5,507	(72)	(226)	6,352
Housing Revenue Account (HRA)	(3,386)	32,225	(16)	(45)	28,778
Place	(265)	4,453	(148)	(86)	3,954
Corporate Resources	1,619	972	(50)	(258)	2,283
Policy	(10,537)	(2,070)	(8)	153	(12,462)
Net Cost of Services	<b>(13,477)</b>	<b>49,180</b>	<b>(765)</b>	<b>186</b>	<b>35,124</b>
Other Income and Expenditure	13,477	(52,291)	(835)	-	(39,649)
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure statement surplus or deficit	<b>0</b>	<b>(3,111)</b>	<b>(1,600)</b>	<b>186</b>	<b>(4,525)</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

31st March 2024 £'000		31st March 2025 £'000
198,274	Employee Expenditure	211,969
13,605	Employee Expenditure (Aided Schools)	14,532
238,129	Other Service Expenditure	270,039
16,681	Depreciation, Amortisation, Impairments & Other Capital Adjustments	22,208
6,723	Interest Payments	6,823
31,537	Precepts & Levies	34,455
0	Taxation	30
160	Loss on Disposal of Non-Current Assets	0
2,685	Interest on net defined benefit liability/ (asset)	0
0	Revaluation on Investment Properties	116
0	Trading Deficit	54
<b>507,794</b>	<b>Total Expenditure</b>	<b>560,226</b>
(69,401)	Fees Charges & Other Service Income	(67,362)
(4,100)	Interest, Investment Income	(2,324)
(107,464)	Income from Council Tax	(115,985)
(332,671)	Government Grants and Contributions	(365,325)
0	Gains Disposal of Non-Current Assets	(757)
(368)	Revaluation on Investment Properties and Equities	0
	Interest on net defined benefit liability/ (asset)	(834)
(27)	Trading Surplus	0
<b>(514,031)</b>	<b>Total Income</b>	<b>(552,587)</b>
<b>(6,237)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>7,639</b>

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

Adjustments between Accounting Basis and Funding Basis under Regulations 2023/24	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapp	Mvmt in Unusable Reserves
<b>Adjustments to Revenue Resources</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	20,235	138	0	0	(20,373)
Employers pension contributions and direct payments to pensions payable in the year	(17,847)	(116)	0	0	17,963
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	66	0	0	0	(66)
Holiday pay (transfers to the Accumulated Absences Reserve)	(804)	17	0	0	787
Charges for depreciation/impairment of non-current assets	16,111	1,711	0	0	(17,822)
Revaluation (surplus)/deficit on Property Plant and Equipment	(148)	10,179	0	0	(10,031)
Revaluation of Equity Assets	(368)				368
Amortisation of intangible assets	87	0	0	0	(87)
Amounts of non-current assets written off on disposal to CIES	863	172	0	0	(1,035)
Revenue Expenditure funded from capital under statute	7,282	257	0	0	(7,539)
<b>Total Adjustments to Revenue Resources</b>	<b>25,477</b>	<b>12,358</b>	<b>0</b>	<b>0</b>	<b>(37,835)</b>
<b>Adjustments between Revenue and Capital Resources</b>					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(229)	(720)	949	0	0
Transfer of non-current asset sale proceeds from the Deferred Capital Receipts Reserve to Capital Receipts	0	0	0	0	0
Administrative costs of the non-current asset disposals (funded by Capital Receipts Reserve)	74	0	0	0	(74)
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(4,142)	(1,620)	0	0	5,762
Capital Expenditure financed from revenue balances (transferred to the Capital Adjustment Acc.)	(10,147)	(19,256)	0	0	29,403
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>(14,444)</b>	<b>(21,596)</b>	<b>949</b>	<b>0</b>	<b>35,091</b>
<b>Adjustments to Capital Resources</b>					
Use of Capital Receipts Reserve to finance capital expenditure			(3,936)	0	3,936
Application of capital grants to finance capital expenditure	(28,080)	(15,271)	0	(4,043)	47,394
Cash payments in relation to deferred capital receipts					
<b>Total Adjustments to Capital Resources</b>	<b>(28,080)</b>	<b>(15,271)</b>	<b>(3,936)</b>	<b>(4,043)</b>	<b>51,330</b>
<b>Total Adjustments</b>	<b>(17,047)</b>	<b>(24,509)</b>	<b>(2,987)</b>	<b>(4,043)</b>	<b>48,586</b>

Adjustments between Accounting Basis and Funding Basis under Regulations 2024/25	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	15,036	336	0	0	(15,372)
Employers pension contributions and direct payments to pensions payable in the year	(18,404)	(371)	0	0	18,775
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(69)	0	0	0	69
Holiday pay (transfers to the Accumulated Absences Reserve)	70	(45)	0	0	(25)
Charges for depreciation/impairment of non-current assets	18,247	3,335	0	0	(21,582)
Revaluation (surplus)/deficit on Property Plant and Equipment	1,308	37,946	0	0	(39,254)
Revaluation of Equity Assets	0	0	0	0	0
Amortisation of intangible assets	86	0	0	0	(86)
Amounts of non-current assets written off on disposal to CIES	3,723	0	0	0	(3,723)
Revenue Expenditure funded from capital under statute	6,893	227	0	0	(7,120)
<b>Total Adjustments to Revenue Resources</b>	<b>26,889</b>	<b>41,428</b>	<b>0</b>	<b>0</b>	<b>(68,317)</b>
<b>Adjustments between Revenue and Capital Resources</b>					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(2,615)	0	2,615	0	0
Transfer of non-current asset sale proceeds from the Deferred Capital Receipts Reserve to Capital Receipts	(1,869)	0	0	0	1,869
Administrative costs of the non-current asset disposals (funded by Capital Receipts Reserve)	15	0	0	0	(15)
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(5,603)	(1,734)	0	0	7,337
Capital Expenditure financed from revenue balances (transferred to the Capital Adjustment Acc.)	(3,340)	(7,550)	0	0	10,890
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>(13,412)</b>	<b>(9,284)</b>	<b>2,615</b>	<b>0</b>	<b>20,081</b>
<b>Adjustments to Capital Resources</b>					
Use of Capital Receipts Reserve to finance capital expenditure	0	0	(641)	0	641
Application of capital grants to finance capital expenditure	(33,833)	(16,312)	0	(299)	50,444
Cash payments in relation to deferred capital receipts					
<b>Total Adjustments to Capital Resources</b>	<b>(33,833)</b>	<b>(16,312)</b>	<b>(641)</b>	<b>(299)</b>	<b>51,085</b>
<b>Total Adjustments</b>	<b>(20,356)</b>	<b>15,832</b>	<b>1,974</b>	<b>(299)</b>	<b>2,849</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 2024/25.

Name	31/03/2023	Tfr In	Tfr Out	31/03/2024	Tfr In	Tfr Out	31/03/2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Fund	11,523	0	(417)	11,106	1,894	0	13,000
Insurance Fund	4,877	0	0	4,877	77	0	4,954
<b>Schools Reserves</b>							
Schools Reserves	6,982	889	(5,562)	2,309	0	(6,446)	(4,137)
Other Schools Reserves	760	509	(411)	858	776	(230)	1,405
Provision for School Deficits	0	2,000	0	2,000	2,100	0	4,100
<b>Service Specific Reserves</b>							
Learning and Skills Reserves	3,946	94	(1,812)	2,228	0	(647)	1,581
Social Services Reserves	10,012	3,000	(7,198)	5,814	893	(4,707)	2,000
Neighbourhood Services Reserve	3,077	0	(10)	3,067	0	(826)	2,241
Place Reserve	1,902	179	(160)	1,921	228	(318)	1,831
Corporate Resources Reserve	734	0	(205)	529	28	(56)	500
Other Service Reserves	1,625	363	(125)	1,863	52	(692)	1,223
Other Corporate Reserve	841	14	(157)	698	44	(215)	527
Donations	60	9	0	69	10	0	79
<b>Risk and Smoothing Reserves</b>							
Homelessness and Housing Reserve	4,455	1,193	(199)	5,449	840	(2182)	4,107
Cost of Living	854	0	(483)	371	0	(247)	124
Pay Pressures	4,168	61	(361)	3,868	0	(104)	3,764
Energy Pressures	3,885	0	(2,400)	1,485	0	(486)	999
Legal	2,000	0	(910)	1,090	276	(366)	1,000
Project Zero and Ash Die Back	1,759	0	(830)	929	0	(429)	500
Energy Management Fund	159	322	(41)	440	127	(27)	540
Investment and Growth Fund	2,354	0	(2,353)	1	0	(1)	0
Reshaping, Risk and Investment	2,523	52	0	2,575	0	(278)	2,297
Corporate Landlord	5,707	0	(760)	4,947	0	(2,124)	2,823



Name	31/03/2023	Tfr In	Tfr Out	31/03/2024	Tfr In	Tfr Out	31/03/2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Digital Reshaping	1,532	11	(131)	1,412	0	(144)	1,268
Budget Risk	0	1,000	0	1,000	2,000	(1,000)	2,000
ALN Reshaping	0	0	0	0	250	0	250
Reshaping Assets	0	0	0	0	552	0	552
<b>Capital Reserves</b>							
Capital Committed Schemes and Other Amalgamated Capital Reserves	5,838	626	(2320)	4,144	0	(1,027)	3,117
School Investment Strategy Reserve	1,896	290	(1,054)	1,132	169	(453)	848
Waste Transfer Station	891	0	(847)	44	0	(33)	11
Telecare	1,043	0	(30)	1,013	112	(725)	400
Social Service Vehicles and Licences	408	0	(67)	341	0	(341)	0
City Deal	1,898	0	(1,898)	0	0	0	0
Vehicle Repairs and Renewals	1,973	1,311	(1,666)	1,618	1,308	(827)	2,099
Country Park Capital	137	150	0	287	244	0	531
Capital Grants	4,185	365	(4,015)	535	352	(129)	758
Independent Living Reserve	0	500	0	500	14	(500)	14
Capital Regeneration and Levelling Up	0	1458	0	1,458	576	0	2,034
<b>Sub Total Earmarked Reserves</b>	<b>82,481</b>	<b>14,396</b>	<b>(36,005)</b>	<b>60,872</b>	<b>11,028</b>	<b>(25,560)</b>	<b>46,340</b>
Joint Committee Reserves	2,384	0	(332)	2,052	125	(9)	2,168
<b>Sub Total Earmarked Reserves Incl Joint Committees</b>	<b>84,865</b>	<b>14,396</b>	<b>(36,337)</b>	<b>62,924</b>	<b>11,153</b>	<b>(25,569)</b>	<b>48,508</b>
Housing Revenue Account Reserve	16,486	0	(12,961)	3,525	360	0	3,885
<b>Total Funds and Earmarked Reserves</b>	<b>112,874</b>	<b>14,396</b>	<b>(49,715)</b>	<b>77,555</b>	<b>13,407</b>	<b>(25,569)</b>	<b>65,393</b>

## 12. Revenue Support Grant

The amount of Revenue Support Grant recorded as income is a total figure of £161.928m.

## 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 1st 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 (£22.358m) and Town and Community Councils (£3.652m) 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.

This basic amount for a band D property £1,562.85 (£1,464.75 in 2023/24) is multiplied by the proportion specified for the particular band to give the individual amount due. In 2024/25 Council Tax bills were based on the following proportions for Bands A to I:

Council Tax Band	Proportion	No. of Properties
Band A	0.67	1,490
Band B	0.78	6,539
Band C	0.89	14,419
Band D	1.00	11,840
Band E	1.22	10,730
Band F	1.44	7,710
Band G	1.67	5,899
Band H	2.00	2,267
Band I	2.33	1,055
<b>Total</b>		<b>61,949</b>

Council Tax Collectable	2023/24	2024/25
	£'000	£'000
Council Tax Collectable	118,198	128,486
Council Tax Reduction Scheme and Care Leaver	(11,502)	(12,313)
Provision for non payment of Council Tax	768	(188)
<b>Amount Due From Taxpayers Before Rebates</b>	<b>107,464</b>	<b>115,985</b>
Allocated to:		
South Wales Police Precept	20,226	22,358
Vale of Glamorgan County Council	95,333	102,288
Council Tax Reduction Scheme and Care Leaver	(11,502)	(12,313)
Town and Community Councils Precepts	3,407	3,652
<b>Total</b>	<b>107,464</b>	<b>115,985</b>

## 14. National Non-Domestic Rates

NNDR is organised on a national basis. The Government specifies an amount, 56.2p in 2024/25 this was 53.5p in 2023/24 and local businesses pay rates calculated by multiplying their rateable value by that amount.

The Council collects rates due from the ratepayers in its area but pays the proceeds into an NNDR pool administered by the Welsh Government. The sums paid into the pool are redistributed back to local authorities' Council Funds on the basis of a fixed amount per head of population. The Council received £47.853m in 2024/25 (£42.784m in 2023/24).

The NNDR billed to ratepayers, after reliefs etc. was £33,510,986 for 2024/25 (£29,506,173 in 2023/24) and was based on year end rateable value for both 2024/25 at 31/03/25 being £80,505,059 and 2023/24 at 31/03/24 being £80,593,958.

### 15. Property, Plant and Equipment

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

<b>Movement on Balance in 2024/25</b>	<b>Council Dwellings</b>	<b>Land &amp; Buildings</b>	<b>Vehicle Plant &amp; Equipment</b>	<b>Community Asset</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>ROU Asset</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 2024</b>	<b>213,160</b>	<b>546,209</b>	<b>38,915</b>	<b>3,868</b>	<b>37,356</b>	<b>3,131</b>	<b>0</b>	<b>842,639</b>
Additions	18,040	13,956	3,478	0	12,967	0	6,805	55,246
Joint Committee Additions	0	0	85	0	0	0	0	85
Derecognition of accumulated depreciation & impairment to GCA	(3,118)	(10,049)	0	0	(616)	(12)	(21)	(13,816)
Revaluation increase/(decrease)	(26,833)	9,635	0	0	0	9	14	(17,175)
Disposals	0	(1,494)	(4,293)	0	0	(950)	0	(6,737)
Transfers between asset classes	36,335	(4,932)	33	0	(29,872)	(1,564)	0	0
Assets reclassified (to) held for sale	0	(206)	0	0	0	0	0	(206)
<b>Cost or Valuation as at 31 March 2025</b>	<b>237,584</b>	<b>553,119</b>	<b>38,218</b>	<b>3,868</b>	<b>19,835</b>	<b>614</b>	<b>6,798</b>	<b>860,036</b>
<b>Accumulated depreciation and impairment as at 1 April 2024</b>	<b>(1)</b>	<b>(1,208)</b>	<b>(21,251)</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(22,461)</b>
Depreciation charge	(3,117)	(9,116)	(4,663)	0	0	(12)	(1,393)	(18,301)
Derecognition of accumulated depreciation to GCA	3,118	10,049	0	0	0	13	21	13,201
Impairment Losses	0	(1,559)	(59)	0	0	0	0	(1,618)
Transfers between asset classes	0	3	0	0	0	0	0	3
Disposals	0	36	4,282	0	0	0	0	4,318
<b>Accumulated Depreciation and Impairment as at 31 March 2025</b>	<b>(0)</b>	<b>(1,795)</b>	<b>(21,692)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(1,372)</b>	<b>(24,858)</b>
<b>Net Book Value 2024/25</b>								
	<b>Council Dwellings</b>	<b>Land &amp; Buildings</b>	<b>Vehicle Plant &amp; Equipment</b>	<b>Community Asset</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>ROU Asset</b>	<b>Total</b>
<b>At 31 March 2024</b>	<b>213,159</b>	<b>545,001</b>	<b>17,664</b>	<b>3,868</b>	<b>37,356</b>	<b>3,132</b>	<b>0</b>	<b>820,180</b>
<b>At 31 March 2025</b>	<b>237,584</b>	<b>551,324</b>	<b>16,527</b>	<b>3,868</b>	<b>19,835</b>	<b>614</b>	<b>5,426</b>	<b>835,178</b>

### Infrastructure Assets

In accordance with the temporary relief that has been offered by the update to the 2024/25 Code on accounting for Infrastructure Assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices mean that this would not accurately represent an accurate asset position to the user of the financial statements.

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

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

<b>Infrastructure Net Book Value</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net Book Value 1 April</b>	<b>126,466</b>	<b>134,135</b>
Additions	11,050	9,788
Disposals	0	(670)
Depreciation charge	(3,381)	(3,643)
Depreciation Disposal	0	83
<b>Net Book Value 31 March</b>	<b>134,135</b>	<b>139,693</b>

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

<b>Reconciliation to Balance Sheet</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>
Infrastructure Assets	134,135	139,693
Other Property, Plant and Equipment	820,180	835,178
<b>Total Property Plant and Equipment Assets</b>	<b>954,315</b>	<b>974,871</b>

### Depreciation

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

Asset Class	Indicative Asset Life
Council Dwellings	50 years
Other Land and Buildings	3-125 years
Vehicles Plant and Equipment	2-20 years
Infrastructure	40 years
Intangible Assets	5 years

### Capital Commitments

At 31st March 2025, the Authority has entered into a number of contracts for the construction, or enhancement of property, plant and equipment which will continue into 2025/26 and future years. Similar commitments at the 31st March 2024 were £39.926m. The major commitments are listed below.

<b>Scheme</b>	<b>£'000</b>
Sustainable Communities for Learning	1,807
Other Education Schemes	2,009
Social Services Schemes	362
Housing Schemes	7,810
Highways and Transport Schemes	587
Leisure Schemes	146
Flood Schemes	234
Vehicles	1,004
Place Schemes	233
<b>Total</b>	<b>14,192</b>

### Revaluations

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

<b>Asset Class</b>	<b>Most Recent Valuation</b>	<b>Valuation Completed By</b>	<b>Next Valuation Due</b>
Surplus Assets (Reviewed annually)	2024/25	FRICS valuer Avison Young	2025/26
Council Dwellings	2024/25	Savills	2029/30
Schools and Social Service Assets	2022/23, DRC assets revalued 2023/24, Some DRC assets revalued 2024/25 and some indexation dependent on nature and value of capital spend.	FRICS valuer Avison Young	2027/28
Other Land and Buildings	2022/23, DRC assets revalued 2023/24, Some DRC assets revalued 2024/25 and some indexation dependent on nature and value of capital spend.	FRICS valuer Avison Young	2027/28

The Housing Revenue Account Council Dwelling assets have been revalued following a review of the Beacons used for the asset base. This valuation has been

carried out by a RICS qualified valuer from Savills using a Beacon approach. The valuation incorporates the 771 garages included in the Housing Revenue Account which are shown against Land and Buildings, they also include the new build development at Rhos Noriaidd and Ffordd Cambria in Sully, Llys Yr Eglwys in Barry and Heol Croeso in Llantwit.

In 2024/25 indexation has been applied to the Land and Building assets valued on a Depreciated Replacement Cost basis, the indices used were provided by a RICS qualified valuer from Avison Young to address the materiality uncertainty that continued to be applied to the other services Land and Building assets and in response to concerns expressed in the context of continuing rising construction costs. Where the 2024/25 spend exceeded £50k the Council sought the opinion of a RICS qualified valuer from Avison Young to establish if the spend was enhancing or non-enhancing, for enhancing spend desk top valuations were provided. Desktop valuations of assets where spend exceeded £250k on a Depreciated Replacement Cost basis was performed by a RICS qualified valuer from Avison Young during 2024/25.

A number of HRA new build schemes were completed during 2024/25 and these assets were also revalued upon transfer from the Asset Under Construction Account by a RICS valuer from Savills on a Beacon Approach.

Therefore, a significant proportion of the Council's asset base has been subject to revaluation during the 2024/25 financial year. Whereas land asset values have typically remained unchanged the majority of building assets particularly those valued on a DRC basis have increased in value. The valuations are set out in Note 15 to the accounts Property Plant and Equipment.

### Impairment

The Council asked key staff to identify any assets that need to be reviewed for impairment, some small impairments and need for revaluation were identified as part of this process and the accounts have been adjusted accordingly.

When general fund capital expenditure is complete, a review is carried out by a RICS valuer working for Avison Young for all expenditure in excess of £250k to determine how much of this expenditure results in either an increase in asset value or an impairment. As a significant proportion of assets subject to Capital Expenditure during 2024/25 were subject to revaluation as at 31st March 2025 there are minimal impairments.

### Retentions

As at 31st March 2025 £851k (£2.332m as at 31 March 2024) 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 31st March 2025 (although it is unlikely to be significant). It was felt that any external valuation costs of 'civic regalia' would not be cost effective compared to the benefits to the users of the Authority's financial statement. Taking account of this 'civic regalia' has not been recognised as a Heritage Asset in the Balance Sheet.

### 16. Fair Value Hierarchy – Surplus Assets

Fair Value Measurements Surplus Assets	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£'000	£'000	£'000	£'000
Total 31st March 2024	0	3,132	0	3,132
Total 31st March 2025	0	614	0	614

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

There were no movements in the valuation hierarchy during 2024/25.

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

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

### 17. Assets Held for Sale

	2023/24	2024/25
	£'000	£'000
Llancarfan former school site	600	0
119 Broad Street, Barry (Citizens Advice Bureau)	23	0
5 St Pauls Avenue, Barry	0	153
Retained Land at Hood Road	0	50
<b>Total Assets Held for Sale</b>	<b>623</b>	<b>203</b>



## 18. Leasing

### Operating Leases (Lessor)

	2023/24 Land and Buildings	2023/24 Other Leases	2024/25 Land and Buildings	2024/25 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	410	163	333	221
Between 1 and 5 years	1,074	0	798	0
After 5 years	7,959	0	4,361	0
<b>Total</b>	<b>9,443</b>	<b>163</b>	<b>5,492</b>	<b>221</b>

### Right of Use (ROU) Asset

The Council has adopted IFRS 16 (Leases) with effect from 1st April 2024. The main impact of the requirements of IFRS 16 is that, for lessee arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1st April 2024.

Properties and Other Vehicles, Plant and Equipment that fall under the scope of IFRS16 have now been reclassified as right of use assets on the balance sheet. Right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures.

As a lessee, the Council has previously classified leases as operating leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases.

A range of borrowing rates have been applied to lease liabilities as at 1st April 2024 and the weighted average incremental borrowing is 5.29%.

The table below details the reconciliation between 23/24 operating leases and the 24/25 lease liability:

	Opening Lease Liability 2024/25	Operating Lease Disclosure Values 23/24	Variance	Reason for variance
	£'000	£'000	£'000	
<b>Existing Property Leases</b>	2,917	(791)	2,126	Various reasons including contract payments renegotiated and scope of assets and expected period of use reviewed as part of IFRS16 Adoption.
<b>PVE Leases</b>	533	0	533	Out of scope prior to IFRS16 implementation due to rolling nature of contracts and schools hire contracts
<b>Peppercorn Leases</b>	12	0	12	Out of scope prior to IFRS16 implementation
	<b>3,462</b>	<b>(791)</b>	<b>2,671</b>	

The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short term leases i.e. existing leases that expire on or before 31st March 2025, and new leases with a duration of less than 12 months. The value of annual payments associated with low value leases is £219k which is not material to the accounts and therefore no further disclosures on low value leases have been made.

The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

	2024/25
<b>Leasing Liability Analysis</b>	<b>£'000</b>
Value at 1 April 2024	3,462
Additions during the year	255
Disposals	0
Principal repaid in year	(797)
<b>Value at 31st March</b>	<b>2,920</b>

	2024/25
<b>Leasing Right of Use Asset Analysis</b>	<b>£'000</b>
Other Land and Buildings	2,432
Vehicles, Plant, Equipment	488
<b>Value at 31st March 2025</b>	<b>2,920</b>
Analysed by:	

Current	727
Non-Current	2,193
	<b>2,920</b>
<b>Finance Lease Liabilities</b>	
Within one year	727
Between 2 and 5 years	965
Over 5 years	1,228
<b>Total Liabilities</b>	<b>2,920</b>

## 19. Capital Expenditure and Capital Financing

	2023/24	2024/25
	£'000	£'000
<b>Opening Capital Financing Requirement</b>	<b>195,622</b>	<b>198,792</b>
<b>Plus: Capital Investment</b>		
Council Dwellings	11,745	18,040
Other Land and Buildings	30,422	13,956
Vehicle, Plant and Equipment	4,171	3,478
Infrastructure	10,971	9,788
Assets Under Construction	24,178	12,967
Disposal and Demolition Costs	74	14
Community Assets	0	0
Intangible Assets	35	145
Revenue Expenditure Funded from Capital under Statute	7,024	7,120
<b>Less: Sources of Finance</b>		
Capital Receipts	(3,936)	(641)
Government Grants and Other Contributions	(46,347)	(47,042)
<b>Less: Sums set aside from revenue</b>		
Direct Revenue Contributions	(29,399)	(10,843)
Minimum Revenue Provision (inc. Voluntary)	(5,768)	(6,539)
<b>Closing Capital Financing Requirement</b>	<b>198,792</b>	<b>199,235</b>
<b>Explanation of movements in year</b>		
Increase /(Decrease) in underlying need to borrow (unsupported by Government Financial Assistance)	3,170	443
<b>Increase /(Decrease) in Capital Financing Requirement</b>	<b>3,170</b>	<b>443</b>
<b>Closing Capital Financing Requirement Excluding Leasing</b>	<b>0</b>	<b>199,235</b>
Leasing Liability	0	3,461

2024/25 Additions	0	255
Minimum Revenue Provision Leasing	0	(797)
<b>Closing Capital Financing Requirement Including Leasing</b>	<b>0</b>	<b>202,154</b>

The above excludes Capital Adjustments for Joint Committees which relate to a revenue contribution for a vehicle for the Shared Regulatory Services Joint Committee and City Deal CJC Capital Adjustments.

## 20. Financial Instruments

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

	Long Term		Short Term	
	31/03/24	31/03/25	31/03/24	31/03/25
	£'000	£'000	£'000	£'000
<b>Financial Assets at Amortised Cost</b>				
Investments	2	2	28,319	10,684
Debtors	5,387	8,283	47,367	76,365
Cash and Cash Equivalents	0	0	13,280	12,837
<b>Total Financial Assets</b>	<b>5,389</b>	<b>8,285</b>	<b>88,966</b>	<b>99,886</b>
<b>Financial Liabilities at Amortised cost</b>				
Borrowings	135,786	162,084	8,568	9,810
Leasing Liability	0	2,194	0	728
Creditors	7,848	10,585	43,752	37,593
<b>Total Financial Liabilities</b>	<b>143,634</b>	<b>174,863</b>	<b>52,320</b>	<b>48,131</b>

- The above short term debtors balance at 31st March 2025 excludes £20.335m of non contractual balances (£13.053m in 2023/24) that do not meet the definition of financial assets at amortised cost.
- The above short term creditors balance at 31st March 2025 excludes £1.553m of non contractual balances (£1.324m in 2023/24) 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>
	£'000	£'000	£'000	£'000
Principal Amount	165,952	2,000	1,899	169,851
Accruals	1,290	40	0	1,330
Other Accounting Adjustments	0	0	(129)	(129)
<b>Total Borrowing measured at Amortised Cost</b>	<b>167,242</b>	<b>2,040</b>	<b>1,770</b>	<b>171,052</b>
Short Term Borrowing	9,307	40	463	9,810

Long Term Borrowing	157,935	2,000	1,307	161,242
<b>Financial Liabilities at Amortised Cost</b>	<b>167,242</b>	<b>2,040</b>	<b>1,770</b>	<b>171,052</b>

### Income, Expense, Gains and Losses

2023/24		2024/25			
Total		Financial Liabilities measured at Amortised cost	Financial Assets: Amortised Cost	Financial Assets: Fair Value through Profit and Loss	Total
£'000		£'000	£'000	£'000	£'000
(6,723)	Interest Expense	(6,791)	0	0	(6,791)
<b>(6,723)</b>	<b>Total Expense in Deficit on the Provision of Services</b>	<b>(6,791)</b>	<b>0</b>	<b>0</b>	<b>(6,791)</b>
4,100	Interest Income	0	0	1,811	1,811
<b>4,100</b>	<b>Total Income in Deficit on the Provision of Services</b>	<b>0</b>	<b>0</b>	<b>1,811</b>	<b>1,811</b>
<b>(2,623)</b>	<b>Net gains/losses from financial instruments</b>	<b>(6,791)</b>	<b>0</b>	<b>1,811</b>	<b>(4,980)</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 31st March 2025 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 2024	Carrying Amount 31 March 2024	Fair Value 31 March 2024	Loan Principal 31 March 2025	Carrying Amount 31 March 2025	Fair Value 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000

Financial Liabilities	143,512	144,352	135,484	169,851	171,052	156,106
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The fair values as at 31st March 2024 and 2025 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 31st March 2024				
Financial Liabilities	0	135,484	0	135,484
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
<b>Total</b>	<b>0</b>	<b>135,484</b>	<b>0</b>	<b>135,484</b>
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 31st March 2025				
Financial Liabilities	0	156,106	0	156,106
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
<b>Total</b>	<b>0</b>	<b>156,106</b>	<b>0</b>	<b>156,106</b>

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

Level 2 valuations for Market Loans including LOBOs have been calculated by MUFG Treasury Advisers 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 MUFG Treasury Advisers utilising data available on the Debt Management Office website.

## 21. Debtors

	31 March 2024	31 March 2025
	£'000	£'000
Central government bodies	26,157	59,430
Other local authorities	8,579	7,386
NHS bodies	5,013	435
Council Tax Payers	10,525	11,123
General	20,417	21,709
Provision for Bad Debts	(10,271)	(10,665)
<b>Gross Total</b>	<b>60,420</b>	<b>89,418</b>

## 22. Cash and Cash Equivalents

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

31/03/2024		31/03/2025
£'000		£'000
2,529	Cash held by the Authority and at Bank	(79)
4,054	Joint Committee Cash	525
6,697	Cash Held Overnight as Short Term Investments	12,391
<b>13,280</b>	<b>Total Cash and Cash Equivalents</b>	<b>12,837</b>

## 23. Creditors

31/3/2024		31/3/2025
£'000		£'000
5,444	Central government bodies	6,153
9,500	Other local authorities	11,134
1,072	NHS bodies	146
23,286	General	15,652
1,325	Prepayments of Council Tax	1,553
609	Receipts in advance	643
3,840	Accumulated absences	3,864
<b>45,076</b>	<b>Total</b>	<b>39,146</b>

## 24. Provisions

	Insurance	MMI	City Deal JC	Other	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1st April 2023</b>	<b>1,426</b>	<b>368</b>	<b>234</b>	<b>129</b>	<b>2,157</b>



Additional provisions made	110	9	2,378	750	3,247
Amounts used / Transfer out	0	0	0	0	0
<b>Balance at 1st April 2024</b>	<b>1,536</b>	<b>377</b>	<b>2,612</b>	<b>879</b>	<b>5,404</b>
Additional provisions made	0	0	0	2,088	2,088
Amounts used / Transfer out	(134)	0	(1,082)	(750)	(1,966)
<b>Balance at 1st April 2025</b>	<b>1,402</b>	<b>377</b>	<b>1,530</b>	<b>2,217</b>	<b>5,526</b>

The closing provision balance of £5.526m is made up of £1.513m considered to be long term and £4.013m expected to fall due within 12 months.

1. Insurance - This provision covers all known claims as at 31 March 2025. 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 2024/25 are £75,000 for all property claims, £25k on fidelity guarantee covering internal and external fraud, £1k on computers and £175k on all other claim types.
2. MMI - The Scheme administrators may well require the Authority to contribute a further levy. A total of £377k has been set aside to meet this potential liability. Further information is included within note 37 - Contingent Liability.
3. Included within this figure is a sum of £1.530m in respect of the Vale of Glamorgan Council's share of the City Deal Long Term Provisions.
4. Other - Included within this figure is a sum of £128k for Housing Committed Bonds, £750k in respect legal settlements was transferred to a creditor in year and £2.088m association with the introduction of the IFRS16 Leasing standard.

## 25. Other Long Term Liabilities

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

<b>31/03/24</b>		<b>31/03/25</b>
<b>£'000</b>		<b>£'000</b>
1,469	City Deal Joint Committee	2,618
1,617	Welsh Government Home Improvement Loans	1,616
300	Welsh Government Town Centre Improvement Loans	1,300
4,462	Long Term Receipts in Advance including commuted sums and S278 contributions	5,051
<b>7,848</b>	<b>Total</b>	<b>10,585</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

<b>31/03/24</b>		<b>31/03/25</b>
<b>£'000</b>		<b>£'000</b>

11,106	Council Fund	13,000
62,925	Earmarked General Fund Reserves	48,508
3,525	Housing Revenue Account	3,885
7,647	Capital Receipts Reserve	9,621
3,386	Capital Grants Unapplied Account	3,087
<b>88,589</b>	<b>Total Usable Reserves</b>	<b>78,101</b>

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

## 27. Unusable Reserves

31/03/24		31/03/25
£'000		£'000
149,019	Revaluation Reserve	165,341
611,651	Capital Adjustment Account	613,279
(240)	Financial Instruments Adjustment Account	(170)
11	Deferred Capital Receipts Reserve	1,879
368	Equity Revaluation Reserve	368
(10,522)	Pensions Reserve	(17,310)
(3,840)	Accumulated Absences Account	(3,866)
<b>746,447</b>	<b>Total Unusable Reserves</b>	<b>759,521</b>

### Revaluation Reserve

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

2023/24	Revaluation Reserve	2024/25
£'000		£'000
<b>137,305</b>	<b>Balance at 1st April</b>	<b>149,019</b>
(6,749)	Downward revaluation of assets and Impairment losses not charged to the Provision of Services	(6,263)
21,028	Upward revaluation of assets	27,073
0	Downward Revaluation of Financial Instrument	(1,393)
(1,911)	Difference between fair value depreciation and historical cost depreciation	(2,356)
(654)	Amount written off to the Capital Adjustment Account following disposal	(739)
<b>149,019</b>	<b>Balance at 31st March</b>	<b>165,341</b>

The Reserve contains only revaluation gains accumulated since 1st 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 1st April 2007, the date that the Revaluation Reserve was created to hold such gains.

2023/24	Capital Adjustment Account	2024/25
£'000		£'000
<b>559,180</b>	<b>Balance at 1st April</b>	<b>611,651</b>
0	Opening Balance Adjustment	1,000
<b>559,180</b>	<b>Adjusted Balance 1st April</b>	<b>612,651</b>
	<b>Reversal of items relating to capital expenditure debited or credited to the CIES</b>	
(17,797)	Charges for depreciation and impairment of non current assets	(22,295)
(87)	Amortisation of intangible assets	(86)
(7,539)	Revenue expenditure funded from capital under statute	(7,120)
(1,109)	Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(3,737)
(7,499)	Other (Adjusting amounts written out of the Revaluation Reserve etc.)	(35,445)
	<b>Capital financing applied in year:</b>	
3,936	Use of the Capital Receipts Reserve to finance new capital expenditure	641
2,770	Use of the Major Repairs Reserve to finance new capital expenditure	4,770
40,581	Capital grants and contributions credited to the CIES that have been applied to capital financing	45,375
4,043	Application of grants to capital financing from the Government Grants Unapplied Account	299
5,768	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	7,337
29,404	Capital Expenditure charged against the Council Fund and HRA balances	10,889
<b>611,651</b>	<b>Balance at 31st March</b>	<b>613,279</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.

2023/24	Financial Instruments Account	2024/25
£'000		£'000
(173)	<b>Balance at 1st April</b>	<b>(240)</b>
(67)	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	70
<b>(240)</b>	<b>Balance at 31st March</b>	<b>(170)</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.

2023/24	The Pensions Reserve	2024/25
£'000		£'000
<b>(64,630)</b>	<b>Balance at 1st April</b>	<b>(10,522)</b>
56,517	Remeasurements of the net defined benefit liability	(1,654)
0	Minimum Funding Guarantee	(8,537)
(20,372)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(15,372)
17,963	Employer's pension contributions and direct payments to pensioners payable in the year	18,775
<b>(10,522)</b>	<b>Balance at 31st March</b>	<b>(17,310)</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 31st March 2025 is included in note 36 to the accounts.

2023/24	Pension Reserve by Pension Fund	2024/25
£'000		£'000
(11,090)	Vale of Glamorgan Council	(17,160)
10	Foundation School	0
(148)	Joint Committee Shared Regulatory Services	(134)
(27)	Joint Committee Vale, Valleys and Cardiff Regional Adoption Service	(24)
733	Joint Committee Central South Consortium	8
<b>(10,522)</b>	<b>Balance at 31st March</b>	<b>(17,310)</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.

2023/24	Deferred Capital Receipts Reserve	2024/25
£'000		£'000
11	Balance at 1st April	11
0	Transfer of Deferred Capital Receipt	1,868
11	Balance at 31st March	1,879

#### 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 31st March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the Account.

2023/24	Accumulated Absences Account	2024/25
£'000		£'000
(4,627)	Balance at 1st April	(3,840)
(3,840)	Amounts accrued at the end of the current year	(3,866)
4,627	Reversal of prior year accrual	3,840
(3,840)	Balance at 31st March	(3,866)

## 28. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2023/24		2024/25
£'000		£'000
3,992	Interest Received	2,769
(6,648)	Interest Paid	(6,600)
0	Dividends Received	0

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

2023/24		2024/25
£'000		£'000
27,861	Depreciation and Impairment and Downward Valuations	60,834
87	Amortisation	86
(11,949)	Increase/(Decrease) in creditors	(5,890)
750	Increase/(Decrease) in provisions	0

1,951	(Increase)/Decrease in debtors	(30,851)
(247)	(Increase)/Decrease in inventories	(42)
2,410	Movement in pension liability	(3,403)
1,109	Other non-cash items charged to the net surplus or deficit on the provision of services	122
(1,598)	Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	3,737
<b>20,374</b>	<b>Adjustments to net surplus or deficit on the provision of services for non-cash movements.</b>	<b>24,593</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.

	2023/24	2024/25
	£'000	£'000
Salaries	973	1,024
Allowances	252	276
Expenses	1	1
<b>Total</b>	<b>1,226</b>	<b>1,301</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.

	2023/24	2024/25
	£'000	£'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	209	203
Fees payable to Audit Wales in respect of performance audit	112	114
Fees payable to Audit Wales for the certification of grant claims and returns	45	74
<b>Total</b>	<b>366</b>	<b>391</b>

### 31. Employees Emoluments

#### Remuneration Ratio

The remuneration ratio is arrived at by taking the median amount of remuneration for 2024/25 for all Vale of Glamorgan employees (excluding those employed by a Voluntary Aided) as at 31st March 2025. 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 2024/25 the remuneration ratio is 1:5.20 and in 2023/24 the remuneration ratio was 1:5.36

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

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

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

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

Remuneration Band	2023/24 Number of Teaching Employees	2023/24 Number of Non Teaching Employees	2023/24 Total Number of Employees	2024/25 Number of Teaching Employees	2024/25 Number of Non Teaching Employees	2024/25 Total Number of Employees
£60,000-£64,999	38	28	66	56	14	70
£65,000-£69,999	18	4	22	24	18	42
£70,000-£74,999	19	5	24	19	2	21
£75,000-£79,999	13	2	15	16	1	17
£80,000-£84,999	9	1	10	11	3	14
£85,000-£89,999	6	5	11	14	6	20
£90,000-£94,999	8	4	12	8	1	9
£95,000-£99,999	2	0	2	4	2	6
£100,000-£104,999	1	2	3	2	1	3
£105,000-£109,999	0	0	0	3	0	3
£110,000-£114,999	4	4	8	0	2	2
£115,000-£119,999	0	0	0	0	2	2
£120,000-£124,999	0	0	0	1	0	1
£125,000-£129,999	1	0	1	1	0	1
£130,000-£134,999	1	0	1	0	0	0
£135,000-£139,999	0	0	0	1	0	1
£140,000-£144,999	0	0	0	0	0	0
£145,000-£149,999	1	1	2	0	0	0
£150,000-£154,999	0	0	0	1	1	2
£155,000-£159,999	0	0	0	0	0	0
£160,000-£164,999	0	0	0	1	0	1
£165,000-£169,999	0	0	0	0	0	0
£170,000-£174,999	0	0	0	1	0	1
<b>Total</b>	<b>121</b>	<b>56</b>	<b>177</b>	<b>163</b>	<b>53</b>	<b>216</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.

#### 2023/24 Senior Officers Emoluments

Post Holder Information	Salary	Expense Allowances	Pension Contribution	Total Remuneration
	£	£	£	£
Chief Executive	147,639	0	28,494	176,133
Director of Social Services	113,004	0	21,810	134,814
Director of Environment and Housing Services	113,004	0	21,810	134,814
Director of Learning and Skills	113,004	0	21,810	134,814
Head of Finance/Section 151 Officer	94,944	0	18,324	113,268
Head of Legal Services (Monitoring Officer) *	111,147	0	21,451	132,598
Operational Manager Legal Services/Acting Head of Legal Services	75,407	0	14,554	89,961
Head of Digital (Started 23/10/2023)	36,132	0	6,973	43,105
Head of Human Resources and Organisational Development	86,164	0	16,630	102,794
Director of Place	104,680	0	20,203	124,883
Director of Corporate Resources	104,680	0	20,203	124,883
Head of Strategy, Community Learning and Resources (Left SLT January 2024)	86,164	0	16,630	102,794

#### 2024/25 Senior Officers Emoluments

Post Holder Information	Salary	Expense Allowances	Pension Contribution	Total Remuneration
	£	£	£	£
Chief Executive	151,330	0	29,207	180,537
Director of Social Services	115,830	0	22,355	138,185
Director of Environment and Housing Services	115,830	0	22,355	138,185
Director of Learning and Skills (Left 30/06/24)	36,955	0	5,589	42,543
Director of Learning and Skills (Started 1/07/24) previously Head of ALN	78,338	0	15,119	93,457
Head of Finance/Section 151 Officer	99,477	0	19,199	118,676
Head of Legal Services (Left 16/06/24)	32,548	0	5,268	37,816
Acting Head of Legal Services/Head of	88,805	0	17,139	105,944



Legal Services (appointed to Head 17/06/24)				
Head of Human Resources and Organisational Development	88,319	0	17,046	105,365
Head of Digital	86,029	0	16,604	102,633
Director of Place	110,140	0	21,257	131,397
Director of Corporate Resources	110,140	0	21,257	131,397

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

The Monitoring Officer was employed as the Interim Monitoring Officer for Cardiff County Council for the period commencing 27th October 2023 as part of the arrangements the Operational Manager for Legal Services was Acting Monitoring Officer on a part time basis and became a member of the Senior Leadership Team. This arrangement ceased on 16th June 2024 when the Monitoring Officer left the Council. The remuneration disclosed here includes this sum. The Council was paid approximately £9,634 per month by Cardiff Council as part of these arrangements the total relating to the period to 16th June 2024 is £24,337.

Election Expenses as follows were paid during 2024/25.

Post Holder Information		2024/25
		£
Chief Executive		6,770
Head of Finance		150
Acting Head of Legal Services/Head of Legal Services (appointed to Head 17th June 2024)		1,833
Head of Human Resources		1,043
Head of Digital		134
Director of Resources		395

### 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.

2023/24				2024/25		
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
		£	£			£
18	18	135,823	0-20,000	11	11	81,138
16	16	452,552	20,001-40,000	1	1	20,337
2	2	96,018	40,001-60,000	1	1	57,409
1	1	75,675	60,001-80,000	1	1	66,846
1	1	93,097	80,001-100,000	0	0	0
0	0	0	100,001-150,000	0	0	0
38	38	853,165	Total	14	14	225,729
2024/25 Analysis						£
Schools Exit Packages				8		81,678
Corporate Exit Packages				6		144,051
Total				14		225,729

### 32. Grant Income

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

	2023/24 £000's	2024/25 £000's
Capital Grants		
Cardiff and Vale University Health Board	182	320
Cardiff City Region	1,542	0
Lottery/Heritage Lottery	85	106
Innovate Trust	79	106
Local Tennis Association Tennis Foundation	35	0
Local Transport Fund	50	40
NRW	35	66
S106 Contributions	11,210	4,137
Sports Wales	197	134
UK Government	891	4,963
Other Capital Grants	37	18
Welsh Councils Voluntary Association	391	429
Welsh Government	31,594	37,188
WLGA	20	114
Joint Committee Capital Grants	1,047	0
<b>Total Capital Grants</b>	<b>47,395</b>	<b>47,621</b>
<b>Revenue Grants</b>	<b>£'000</b>	<b>£'000</b>
Arts Council	18	132

HM Treasury	0	26
Department for Works and Pensions	26,706	25,571
Ministry for Housing, Communities and Local Government	1,778	6,218
Cardiff and Vale University Health Board Include RIF (Distributed by RPB)	118	3,373
Police & Crime Commissioner	225	240
Public Health Wales	136	244
Ministry of Defence	0	148
Rural Payments Agency	0	141
Sports Wales/Disability Sports Wales	589	318
Welsh Government (Incl Medr)	40,450	62,105
Welsh Local Government Association	205	213
Youth Justice Board	196	185
Home Office	546	1,420
Ministry of Justice	49	49
Other	1,825	1,207
Dept. for Business, Energy & Industrial Strategy	301	0
Grants via Central South Consortium	12,927	0
Cardiff Capital Region	10	10
Monmouthshire CC - Bus Services Support Grant	406	2,564
<b>Total Specific Revenue Grants</b>	<b>86,485</b>	<b>104,164</b>
Revenue Support Grant	160,013	161,928
Non Domestic Rates Contribution	42,784	47,853
<b>Total Unhypothecated Grants</b>	<b>202,797</b>	<b>209,781</b>

#### Capital Grants Received in Advance

	2023/24	2024/25
	£'000	£'000
Section 106 agreements – unapplied	21,177	18,183
Other Capital Grants Received in Advance	304	305
S106 Administration Fees	390	380
<b>Total Capital Grants Received in Advance</b>	<b>21,871</b>	<b>18,868</b>
The amount has been apportioned as follows:		
To be applied within one year	2,189	2,923
To be applied after one year	19,681	15,945
<b>Total</b>	<b>21,871</b>	<b>18,868</b>

### 33. Joint Committees

The Council is a member of a number of Joint Committees and the unaudited accounts have been consolidated into the Council's Financial Statements on a line

by line basis calculated using a reasonable apportionment methodology e.g. population, Education Indicator Based Assessment Share. The Joint Committees consolidated are:

## 1. Shared Regulatory Service

The Shared Regulatory Service was created on 1st May 2015 to provide a range of regulatory services across Cardiff, Bridgend and the Vale of Glamorgan. The Council is the host authority for the service. The Income and Expenditure and Balance Sheet for 2023/24 have been updated to reflect the outcome of the 2023/24 audit.

Restated Shared Regulatory Service 2023/24	Restated Vale of Glamorgan Council Share 2023/24	Income and Expenditure Statement	Shared Regulatory Service 2024/25	Vale of Glamorgan Council Share 2024/25
£'000	£'000		£'000	£'000
11,058	2,115	Operating Expenditure	11,089	2,174
(1,181)	(233)	Operating Income	(1,235)	(276)
<b>9,877</b>	<b>1,882</b>	<b>Net Cost of Services</b>	<b>9,853</b>	<b>1,899</b>
(9,400)	(1,853)	Finance and Investment Income and Expenditure	(9,866)	(1,899)
<b>477</b>	<b>29</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(13)</b>	<b>0</b>
(2,790)	(530)	Other Comprehensive Income and Expenditure	(30)	(6)
<b>(2,313)</b>	<b>(501)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(43)</b>	<b>(6)</b>

Shared Regulatory Service 31/03/24	Vale of Glamorgan Council Share 31/03/24	Balance Sheet	Shared Regulatory Service 31/03/25	Vale of Glamorgan Council Share 31/03/25
£'000	£'000		£'000	£'000
72	14	Property, Plant and Equipment	115	56
0	0	Intangible Assets	0	0
0	0	Long Term Debtors	0	0
<b>72</b>	<b>14</b>	<b>Total Long-Term Assets</b>	<b>115</b>	<b>56</b>
1,316	97	Short Term Debtors	997	85
0	0	Short Term Payment in Advance	0	0
0	195	Cash Owed from Host Authority	432	220
<b>1,316</b>	<b>292</b>	<b>Current Assets</b>	<b>1429</b>	<b>305</b>
(388)	(75)	Short Term Creditors	(519)	(97)
(57)	0	Cash Owed to Host Authority	0	0
<b>(445)</b>	<b>(75)</b>	<b>Total Current Liabilities</b>	<b>(519)</b>	<b>(97)</b>
(780)	(148)	Long Term Pension Liability	(700)	(134)
(490)	(100)	Other Long-Term Liabilities	(609)	(126)
<b>(1,270)</b>	<b>(248)</b>	<b>Total Long-Term Liabilities</b>	<b>(1309)</b>	<b>(260)</b>
<b>(327)</b>	<b>(17)</b>	<b>Net Assets</b>	<b>(284)</b>	<b>(4)</b>

535	146	Usable Reserves	505	121
(862)	(163)	Unusable Reserves	(789)	(117)
<b>(327)</b>	<b>(17)</b>	<b>Total Reserves</b>	<b>(284)</b>	<b>(4)</b>

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

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

VVC Service 2023/24	Vale of Glamorgan Council Share 2023/24 15.7%	Income and Expenditure Statement	VVC Service 2024/25	Vale of Glamorgan Council Share 2024/25 16.3%
£'000	£'000		£'000	£'000
2,590	389	Operating Expenditure	2,513	398
(2,643)	(397)	Operating Income	(2,528)	(400)
<b>(53)</b>	<b>(8)</b>	<b>Net Cost of Services</b>	<b>(15)</b>	<b>(2)</b>
20	3	Finance and Investment Income and Expenditure	10	1
<b>(33)</b>	<b>(5)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(5)</b>	<b>(1)</b>
(360)	(57)	Other Comprehensive Income and Expenditure	0	0
<b>(393)</b>	<b>(62)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(5)</b>	<b>(1)</b>

VVC Adoption Service 31/03/24	Vale of Glamorgan Council Share 31/03/24 15.7%	Balance Sheet	VVC Adoption Service 31/03/25	Vale of Glamorgan Council Share 31/03/25 16.3%
£'000	£'000		£'000	£'000
1,014	6	Short Term Debtors	834	0
<b>1,014</b>	<b>6</b>	<b>Current Assets</b>	<b>834</b>	<b>0</b>
(849)	20	Short Term Creditors*	(675)	26
<b>(849)</b>	<b>20</b>	<b>Total Current Liabilities</b>	<b>(675)</b>	<b>26</b>
<b>(170)</b>	<b>(27)</b>	<b>Long Term Pension Liability</b>	<b>(150)</b>	<b>(24)</b>
<b>(5)</b>	<b>(1)</b>	<b>Net Assets</b>	<b>9</b>	<b>2</b>
186	29	Usable Reserves	189	31
(191)	(30)	Unusable Reserves	(180)	(29)
<b>(5)</b>	<b>(1)</b>	<b>Total Reserves</b>	<b>9</b>	<b>2</b>

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

## 3. Glamorgan Archives

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

Glamorgan Archives 2023/24	Vale of Glamorgan Council Share 2023/24	Income and Expenditure Statement	Glamorgan Archives 2024/25	Vale of Glamorgan Council Share 2024/25
	12%			12%
£'000	£'000		£'000	£'000
1,081	130	Operating Expenditure	1,256	151
(1,074)	(129)	Operating Income	(1,214)	(146)
<b>7</b>	<b>1</b>	<b>Net Cost of Services</b>	<b>42</b>	<b>5</b>
(3)	0	Finance and Investment Income and Expenditure	(9)	(1)
<b>4</b>	<b>1</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>33</b>	<b>4</b>
0	0	Other Comprehensive Income and Expenditure	0	0
<b>4</b>	<b>1</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>33</b>	<b>4</b>

Glamorgan Archives 31/03/24	Vale of Glamorgan Council Share 31/03/24	Balance Sheet	Glamorgan Archives 31/03/25	Vale of Glamorgan Council Share 31/03/25
	12%			12%
£'000	£'000		£'000	£'000
6,052	726	Land and Buildings	5,985	718
<b>6,052</b>	<b>726</b>	<b>Long Term Assets</b>	<b>5,985</b>	<b>718</b>
17	2	Inventories	20	2
37	4	Short Term Debtors	157	19
129	15	Cash and Cash Equivalents	68	8
<b>183</b>	<b>21</b>	<b>Current Assets</b>	<b>245</b>	<b>29</b>
(14)	(1)	Short Term Creditors	(42)	(5)
<b>(14)</b>	<b>(1)</b>	<b>Total Current Liabilities</b>	<b>(42)</b>	<b>(5)</b>
<b>6,221</b>	<b>746</b>	<b>Net Assets</b>	<b>6,188</b>	<b>742</b>
174	21	Usable Reserves	207	25
6,047	725	Unusable Reserves	5,981	717
<b>6,221</b>	<b>746</b>	<b>Total Reserves</b>	<b>6,188</b>	<b>742</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 2023/24	Vale of Glamorgan Council Share 2023/24	Income and Expenditure Statement	Prosiect Gwyrdd 2024/25	Vale of Glamorgan Council Share 2024/25
	20%			20%
£'000	£'000		£'000	£'000
206	41	Operating Expenditure	223	45
(175)	(35)	Operating Income	(177)	(36)
<b>31</b>	<b>6</b>	<b>Net Cost of Services</b>	<b>46</b>	<b>9</b>
(31)	(6)	Transfer to(from) Joint Committee Reserve	(46)	(9)
<b>0</b>	<b>0</b>	<b>Total</b>	<b>0</b>	<b>0</b>

Prosiect Gwyrdd 31/03/24	Vale of Glamorgan Council Share 31/03/24	Balance Sheet	Prosiect Gwyrdd 31/03/25	Vale of Glamorgan Council Share 31/03/25
	20%			20%
£'000	£'000		£'000	£'000
0	0	Short Term Debtors	0	0
239	48	Cash and Cash Equivalents	193	39
<b>239</b>	<b>48</b>	<b>Current Assets</b>	<b>193</b>	<b>39</b>
(2)	(1)	Short Term Creditors	(2)	(1)
<b>(2)</b>	<b>(1)</b>	<b>Total Current Liabilities</b>	<b>(2)</b>	<b>(1)</b>
<b>237</b>	<b>47</b>	<b>Net Assets</b>	<b>191</b>	<b>38</b>
237	47	Usable Reserves	191	38
		Unusable Reserves		
<b>237</b>	<b>47</b>	<b>Total Reserves</b>	<b>191</b>	<b>38</b>

## 5. Central South Consortium

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

Central South Consortium 2023/24	Vale of Glamorgan Council Share 2024/24	Income and Expenditure Statement	Central South Consortium 2024/25	Vale of Glamorgan Council Share 2024/25
	14.82%			14.92%
£'000	£'000		£'000	£'000
55,819	8,271	Operating Expenditure	10,563	1,576
(55,508)	(8,225)	Operating Income	(10,624)	(1,585)
<b>311</b>	<b>46</b>	<b>Net Cost of Services</b>	<b>(61)</b>	<b>(9)</b>
(479)	(71)	Finance and Investment Income and Expenditure	(509)	(76)

(168)	(25)	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(570)</b>	<b>(85)</b>
607	90	Other Comprehensive Income and Expenditure	4,862	725
<b>439</b>	<b>65</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>4,292</b>	<b>640</b>

Central South Consortium 31/03/24	Vale of Glamorgan Council Share 31/03/24	Balance Sheet	Central South Consortium 31/03/25	Vale of Glamorgan Council Share 31/03/25
	14.82%			14.92%
£'000	£'000		£'000	£'000
4,944	733	Long Term Asset - Defined Benefit Pension Asset	54	8
<b>4,944</b>	<b>733</b>	<b>Long Term Assets</b>	<b>54</b>	<b>8</b>
2,141	317	Short Term Debtors	2,810	419
<b>2,141</b>	<b>317</b>	<b>Current Assets</b>	<b>2,810</b>	<b>419</b>
(439)	(65)	Short Term Creditors	(510)	(76)
<b>(439)</b>	<b>(65)</b>	<b>Total Current Liabilities</b>	<b>(510)</b>	<b>(76)</b>
<b>1,702</b>	<b>252</b>	<b>Net Current Assets</b>	<b>2,300</b>	<b>343</b>
<b>6,646</b>	<b>985</b>	<b>Net Assets/Liabilities</b>	<b>2,354</b>	<b>351</b>
1,744	258	Usable Reserves	2,349	350
4,902	727	Unusable Reserves	5	1
<b>6,646</b>	<b>985</b>	<b>Total Reserves</b>	<b>2,354</b>	<b>351</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 City Region has become constituted as a Corporate Joint Committee. The draft figures are included below for 2024/25 and are subject to audit.

City Deal 2023/24 Restated	Vale of Glamorgan Council Share 2023/24 Restated	Income and Expenditure Statement	City Deal 2024/25	Vale of Glamorgan Council Share 2024/25
	8.48%			8.48%
£'000	£'000		£'000	£'000
40,274	3,414	Operating Expenditure	26,538	2,249
(3,286)	(279)	Operating Income	(6,571)	(557)
<b>36,988</b>	<b>3,135</b>	<b>Net Cost of Services</b>	<b>19,967</b>	<b>1,692</b>
<b>0</b>	<b>0</b>	Other Operating Expenditure	1,011	86
(2,567)	(218)	Finance and Investment Income and Expenditure	(4,300)	(364)
(52,904)	(4,484)	Taxation and Non Specific Grant Income	(59,674)	(5,058)
<b>(18,483)</b>	<b>(1,567)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(42,996)</b>	<b>(3,644)</b>
(2,012)	(171)	Other Comprehensive Income and Expenditure	16,436	1,393



<b>(20,495)</b>	<b>(1,737)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>(26,560)</b>	<b>(2,251)</b>
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City Deal 31/03/24 Restated	Vale of Glamorgan Council Share 31/03/24 Restated	Balance Sheet	City Deal 31/03/25	Vale of Glamorgan Council Share 31/03/25
	8.48%			8.48%
£'000	£'000		£'000	£'000
62,520	5,299	Investment Properties	62,712	5,315
825	70	Assets Under Construction	449	38
4,680	397	VPFE	3,536	300
		Defined Benefit Pension Asset	2,612	221
20,419	1,731	Equity	11,184	948
21,595	1,830	Long Term Investments	41,224	3,494
11,602	983	Long Term Debtors	10,171	862
<b>121,641</b>	<b>10,310</b>	<b>Long Term Assets</b>	<b>131,888</b>	<b>11,178</b>
668	57	Financial Assets and Bonds	69,552	5,895
7,590	643	Short Term Debtors	2,978	252
64,390	5,458	Cash and Cash Equivalents	5,628	477
<b>72,648</b>	<b>6,158</b>	<b>Current Assets</b>	<b>78,158</b>	<b>6,624</b>
(25,733)	(2,181)	Short Term Creditors	(18,195)	(1,542)
<b>(25,733)</b>	<b>(2,181)</b>	<b>Current Liabilities</b>	<b>(18,195)</b>	<b>(1,542)</b>
0	0	Long Term Borrowing	(10,000)	(848)
(36,607)	(3,103)	Long Term Creditors	(30,892)	(2,618)
0	0	Long Term Pension Liabilities	(2,612)	(221)
(28,219)	(2,392)	Provisions for Liabilities	(18,055)	(1,530)
<b>(64,826)</b>	<b>(5,495)</b>	<b>Long Term Liabilities</b>	<b>(61,559)</b>	<b>(5,217)</b>
<b>103,730</b>	<b>8,792</b>	<b>Net Assets/Liabilities</b>	<b>130,292</b>	<b>11,043</b>
10,890	923	Usable Reserves	21,025	1,782
92,840	7,869	Unusable Reserves	109,267	9,261
<b>103,730</b>	<b>8,792</b>	<b>Total Reserves</b>	<b>130,292</b>	<b>11,043</b>

### 34. Pooled/Joint Budgets Arrangements

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

#### Older People Care Accommodation Pooled Budget

Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between Cardiff and Vale local authorities and the Cardiff and Vale University Health Board in relation to the provision of care home accommodation for older people. The arrangement came into effect on 1st April 2018. Cardiff Council is currently acting as host authority. The processes for commissioning and payment for services has remained unchanged and is still undertaken by the individual partners. 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 2024/25 are £19.5m.

### 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. £416k was paid into the pool in respect of 2024/25.

### Regional Integration Fund (RIF)

RIF grant is provided to the Cardiff and Vale University Health Board by Welsh Government. The funding allows various initiatives to be undertaken by the Cardiff and Vale University Health Board, Cardiff County Council and the Vale of Glamorgan Council. This fund is being used to build effective working practices across health, social services and housing, to take forward schemes which demonstrate an effectiveness across community and acute environments and linking out-of-hospital care and social care to strengthen the resilience of the unscheduled care system. The Vale of Glamorgan Council undertook revenue schemes to the value of £3.329m during 2024/25 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 £207k to the service in 2024/25.

### Coroner

There is a South Wales Central Joint Coroner Service for Rhondda Cynon Taf, Cardiff, Powys, Bridgend, Merthyr Tydfil and the Vale of Glamorgan Councils. The service is hosted by Rhondda Cynon Taf. During 2024/25 the Council made contributions of £420k.

### Internal audit

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 2024/25 was £871k with a contribution of £379k from the Vale of Glamorgan, £0k from Rhondda Cynon Taf and £232k Merthyr Tydfil and £260k from Bridgend. As at 31st March 2025 a reserve to the value of £326k was held by the Vale of Glamorgan Council on behalf of the service.

## Local Resilience Forum

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

The Local Resilience Forum is no longer consolidated into the Council's accounts. The Council's share of the LRF's balance is 8% and the overall reserve balances stood at £170k at 31st March 2025.

## 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 £184k at 31st March 2025 due to a WG grant that has been carried forward.

## 35. Other Related Parties

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

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

As part of the Senior Leadership Team disclosure a Director of the Council has disclosed a close family relationship with a tyre supplier for the Council. The Director is not party to negotiations or approvals in respect of this contract the value of the expenditure with this supplier in 2024/25 was £256k (2023/24 £275k).

The Director of Social Services is Chair of the Association of Directors of Social Services Cymru. The Council has expenditure of £14,244 with this organisation in 2024/25.

Welsh Government effect influence on the Authority via legislation and grant funding. As at 31st March 2025 there was a debtor balance of £41.796m. During 2024/25 the Council received revenue grants as set out in Note 31.

The Council also receives grant funding direct from UK Government Ministry of Housing Communities & Local Government Shared Prosperity Fund the revenue income of £5.465m and capital income of £4.963m are reflected in the 2024/25 accounts.

The Authority has material transactions with the Cardiff and Vale University Health Board in respect of Social Service matters whereby the Health Board reimburses the Authority for Continuing Health Care costs. The Council also receives Regional Integration Funding and other grant income for capital and revenue expenditure from the Health Board. During 2024/25 there were income transactions with the Health Board totalling £7.870m and as at 31st March 2025 there was a debtor balance of £5.884m.

Until 16th June 2024 in the 2024/25 financial year the Monitoring Officer also acted as the Monitoring Officer for Cardiff Council. In year the Council's Income from Cardiff Council in respect of this arrangement was £24,337. The Debtor balance relating the Cardiff Council at year end was £5.999m and the Creditor Balance at year end relating to Cardiff Council was £6.197m

The Big Fresh Catering Company (BFCC) was established on 1st January 2020 and the Vale of Glamorgan Council is sole shareholder. The Council has included income of £664k and expenditure of £8.134m in its 2024/25 single entity accounts. A number of Council Officers and Members were named as directors of BFCC during the 2024/25 financial year, Cabinet Member for Learning and Skills Cllr Rhiannon Birch, Head of Strategy, Community Learning and Resources, the Headteacher at Victoria Primary School and the Headteacher St Richard Gwyn. None of these Directors are remunerated in excess of the sum included in the Single Entity accounts for their role.

At 31st March 2025 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 £3.652m in 2024/25 (£3.407m in 2023/24 and are included in the Comprehensive Income and Expenditure Statement.

A Councillor of the Council works for Llamau Limited, the Council has payments of £2.031m in the 2024/25 accounts relating to this organisation.

A Councillor of the Council sit on the board for Newydd Housing Association the Council has payments of £13k in the 2024/25 accounts relating to this organisation.

A Councillor sits on the board for the Castleland Community Association and the Council awarded funding of £2.9k in 2024/25.

A Councillor of the Council sits on the board for City Deal Energy Company the Council has consolidated the draft 2024/25 group accounts as part of these audited accounts.

### **36. 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 31st March 2014 being linked to final salary. Benefits after 31st 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 31st March 2022 and the contributions to be paid until 31st March 2025 resulting from that valuation are set out in the Fund's rates and adjustment certificate.

The funds consolidated for 2024/25 predominantly have a net pensions asset before calculation of a surplus restriction as required by IAS19. The standard states that when an entity has a surplus in a defined benefit plan, the defined benefit should be measured at the lower of the surplus in the defined benefit plan and the asset ceiling determined using the discount rate. The asset ceiling is the present value of any benefits available in the form of refunds in the plan or reductions in future contributions to the plan.

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 31st March 2025. 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 in 2023/24 as at 31st August 2024 the Foundation School's pension fund was transferred into the main Vale of Glamorgan's as at 31st August 2024 when the school ceased to be a Foundation School and became a Community School. The Council's share of the Joint Committees and Foundation School's pension liabilities is 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 2023/24 position and the opening 2024/25 position for some of the notes included in this analysis.

Pension Liability	31 March 2024	31 March 2025
	£'000	£'000
Vale of Glamorgan Council Pension (Liability)	(11,089)	(17,160)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(27)	(24)
Shared Regulatory Service Joint Committee Pension (Liability)	(148)	(134)
Central South Consortium Joint Committee Pension Asset	732	8
Foundation School Pension (Liability)/Asset (transferred into main Vale of Glamorgan liability in 2024/25)	10	0
<b>Total Pension Liability</b>	<b>(10,522)</b>	<b>(17,310)</b>

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

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

## Key issues impacting the actuarial calculation

### Actuarial Valuation

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

(England, Wales and Northern Ireland) with effect from 31st March 2025, which is due to complete by 31st March 2026 and new contributions effective from 1st April 2026.

### McCloud Judgement

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

### Virgin Media Judgement

In June 2023 the High Court handed down a decision which was subsequently upheld by the court of appeal in July 2024. The ruling potentially has implications for the validity of amendments made by pension schemes, including the LGPS, which were contracted-out on a salary related basis. The ruling related to the requirement on the trustees to obtain the scheme actuary's confirmation that a scheme continued to provide a minimum level of benefits following certain types of rule amendments.

At time of writing the Government has not yet confirmed that they have been able to locate the actuarial confirmations from the Government Actuary's Department for all LGPS amendments between 1997 and 2016. The Department for Work and Pensions intends to legislate to amend section 37 to allow retrospective actuarial confirmation.

Given the uncertainty, the actuary has not made any allowance for the possible impact of the ruling as it is currently unclear whether any additional liabilities might arise, and if they were to arise, how they would be reliably measured. A contingent liability has been included in the accounts reflecting this uncertainty.

### Assets Returns

Asset Returns over the accounting period have been lower than expected. This has led to a loss on assets over the accounting period and a worsening 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 1.00%, the CPI inflation assumption has reduced by 0.10% and the salary increase assumption has reduced by 0.10%.

This has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income and Expenditure

Over this accounting period the CPI Inflation adjustment is based on actual CPI



inflation of 2.8% between 29th February 2024 and 28th February 2025.

### Demographic Assumptions

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

### Impact of Covid-19 on Mortality

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

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

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

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

At this accounting date the actuary adopts the latest CMI 2023 projected mortality model with smoothing factor and reduces the rate longevity improvement rate from 1.5% to 1.25% per annum this change is expected to reduce liabilities by 0.6% to 1% for most employers.

### Estimated Employer Payments 2025/26

The estimated Employer payments for the year ended 31st March 2026 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 2025/26	Year ended 31st March 2026 (£M)
Vale of Glamorgan	17.530



Vale of Glamorgan share of Shared Regulatory Service	0.277
Vale of Glamorgan share of Vale, Valleys and Cardiff Regional Adoption Service	0.051
Vale of Glamorgan share of Central South Consortium	0.033
<b>Total</b>	<b>17.891</b>

The expected employer payments direct to beneficiaries in 2025/26 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		
	31/03/23	31/03/24	31/03/25	31/03/23	31/03/24	31/03/25
	%	%	%	%	%	%
Discount Rate	4.7	4.8	5.8	4.7	4.8	5.8
CPI Rate	2.7	2.6	2.5	2.7	2.6	2.5
Rate of increase to pensions (1)	2.7	2.6	2.5	2.7	2.6	2.5
Pension accounts revaluation rate (2)	2.7	2.6	2.5			
Rate of general increase in salaries (3)	3.7	3.6	3.5			

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

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

- The defined benefit obligation has been adjusted to allow for salary increases. This impacts the value of active members' liabilities that remain linked to final salary.
- The mortality tables shown apply to normal health retirements. Different rates may apply to retirements in ill health

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

	<b>Joint Committees Vale Valleys and Cardiff Regional Adoption Service and Shared Regulatory Service (Funded)</b>		
	<b>31/03/23</b>	<b>31/03/24</b>	<b>31/03/25</b>
	%	%	%
Discount Rate	4.6%	4.7%	5.8%
CPI Rate	2.6%	2.6%	2.5%
Rate of increase to pensions (1)	2.6%	2.6%	2.5%
Pension accounts revaluation rate (2)	2.6%	2.6%	2.5%
Rate of general increase in salaries (3)	3.6%	3.6%	3.5%

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

	<b>Central South Consortium (Funded)</b>		
	<b>31/03/23</b>	<b>31/03/24</b>	<b>31/03/25</b>
	%	%	%
Discount Rate	4.7%	4.8%	5.8%
CPI Rate	2.7%	2.6%	2.5%
Rate of increase to pensions (1)	2.7%	2.6%	2.5%
Pension accounts revaluation rate (2)	2.7%	2.6%	2.5%
Rate of general increase in salaries (3)	3.95%	3.85%	3.75%

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>Funded (excluding CSC)</b>		<b>CSC Funded</b>		<b>Unfunded</b>	
<b>Post Retirement Mortality</b>	<b>31/03/24</b>	<b>31/03/25</b>	<b>31/03/24</b>	<b>31/03/25</b>	<b>31/03/24</b>	<b>31/03/25</b>
<b>Males</b>						

Future lifetime from age 65 (aged 65 at accounting date)	22.1	21.9	21.0	20.9	22.1	21.9
Future lifetime from age 65 (aged 45 at accounting date)	22.7	22.2	22.3	21.8		
<b>Females</b>						
Future lifetime from age 65 (aged 65 at accounting date)	24.3	24.2	23.8	23.7	24.3	24.2
Future lifetime from age 65 (aged 45 at accounting date)	25.3	25.0	25.2	24.8		

The majority of the Fund's obligations are to provide benefits for the life of a member following retirement, so increases in life expectancy will result in an increase in 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 2024 (%)	Asset split at 31 March 2025 (%)	Asset split at 31 March 2024 (%)	Asset split at 31 March 2025 (%)
Equities	70.3	67.6	63.97	65.10
Property	6.3	5.8	6.49	6.08
Government Bonds	8.4	7.5	12.21	10.88
Corporate Bonds	7.3	5.1	15.64	14.75
Cash	2.3	0.5	0.39	0
Multi Asset Credit	0	5.2	0	0
Infrastructure	0	0	1.30	2.67
Other	5.4	8.3	0	0.52
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## Reconciliation of Funded/Unfunded Status to Balance Sheet

As at 31/03/24	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£M's
Fair Value of Assets	567.450	7.920	5.149	8.524	0.956	0	589.999
Present Value of Defined Benefit Obligation	(568.510)	(7.760)	(3.866)	(8.602)	(0.964)	(10.030)	(599.732)
<b>Funded/Unfunded status</b>	<b>(1.060)</b>	<b>0.160</b>	<b>1.283</b>	<b>(0.078)</b>	<b>(0.008)</b>	<b>(10.030)</b>	<b>(9.734)</b>
Unrecognised asset	0	(0.150)	(0.550)	0	0	0	(0.700)
Impact of minimum funding requirement / asset ceiling	0	0	0	(0.082)	(0.019)	0	(0.101)
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(1.060)</b>	<b>0.010</b>	<b>0.733</b>	<b>(0.160)</b>	<b>(0.027)</b>	<b>(10.030)</b>	<b>(10.535)</b>

As at 31/03/25	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	594.050	0.000	5.195	8.471	1.041	0.000	<b>608.757</b>
Present Value of Defined Benefit Obligation	(500.950)	0.000	(3.386)	(6.699)	(0.809)	8.680	<b>(520.524)</b>
<b>Funded/Unfunded status</b>	<b>93.100</b>	<b>0.000</b>	<b>1.809</b>	<b>1.772</b>	<b>0.232</b>	<b>(8.680)</b>	<b>88.233</b>
Unrecognised asset	(93.100)	0.000	(1.801)	(1.772)	(0.232)	0.000	<b>(96.905)</b>
Impact of minimum funding requirement / asset ceiling	(8.480)	0.000	0.000	(0.134)	(0.024)	0.000	<b>(8.638)</b>
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(8.480)</b>	<b>0.000</b>	<b>0.008</b>	<b>(0.134)</b>	<b>(0.024)</b>	<b>(8.680)</b>	<b>(17.310)</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	CSC	SRS	VVC
	%	%	%	%
Active Members	38	n/a	73	70

Deferred Pensioners	17	n/a	11	15
Pensioners	45	n/a	16	15

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

#### Maturity Profile of the Defined Benefit Obligation

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

Duration of Liabilities (in years)	Vale of Glamorgan	Foundation School	CSC	SRS	VVC
2023/24	16.7	18.1	n/a	22.1	23
2024/25	14.9	n/a	n/a	20.1	20.8

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

Year Ending 31/03/24	Funded					Unfunded	Total
	Vale	Found School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's	£M's
Comprehensive Income and Expenditure Cost of Services							
Service Cost Comprising							
Current Service Cost*	16.94	0.23	0.139	0.277	0.046	0	17.632
Past Service Cost (including curtailments)	0.04	0.10	0	0	0	0	0.140
(Gain)/Loss on Settlements	0	0	0	0	0	0	0
Financing and Investment Income							
Net Interest Expense	2.13	0.02	(0.042)	0.025	0.003	0.49	2.626
Total post-employment benefits charged to the surplus or deficit on the provision of services	19.11	0.35	0.097	0.302	0.049	0.49	20.398
Remeasurements in Other Comprehensive Income and Expenditure							
Return on plan assets (in excess of) /below that recognised in net interest	(33.99)	(0.48)	(0.302)	(0.509)	(0.057)	0	(35.338)
Actuarial (gains)/ losses due to change in financial assumptions	(19.32)	(0.28)	(0.060)	(0.187)	(0.020)	(0.11)	(19.977)

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

For Year Ending 31/03/25	Funded					Unfunded	Total
	Vale	Found 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*	15.47	0.09	0.12	0.256	0.044	0	15.98
Past Service Cost (including curtailments)	0.23	0	0	0	0	0	0.23
(Gain)/Loss on Settlements	(0.7)	0.7	0	0	0	0	0
Financing and Investment Income							
Net Interest Expense	(1.21)	(0.01)	(0.063)	(0.002)	0	0.45	(0.835)
Total post-employment benefits charged to the surplus or deficit on the provision of services	13.79	0.78	0.057	0.254	0.044	0.45	15.375
Remeasurements in Other Comprehensive Income and Expenditure							
Return on plan assets (in excess of) /below that recognised in net interest	7.850	(0.050)	0.200	0.088	0.011	0.000	8.099
Actuarial (gains)/ losses due to change in financial assumptions	(95.450)	(0.400)	(0.700)	(1.862)	(0.248)	(0.550)	(99.210)
Actuarial (gains)/ losses due to changes in demographic assumptions	(4.170)	(0.070)	(0.028)	(0.067)	(0.008)	(0.050)	(4.393)
Actuarial (gains) / losses due to liability experience	0.990	(0.010)	0.006	0.010	0.000	(0.050)	0.946
Actuarial (gains) / losses due to restriction of surplus	93.100	(0.150)	1.247	1.772	0.237	0.000	96.206
Minimum Funding Guarantee	8.480	0.000	0.000	0.053	0.003	0.000	8.537
Total post-employment benefits charged to the comprehensive income and expenditure statement	10.800	(0.680)	0.725	(0.005)	(0.005)	(0.650)	10.185
Total Amount Recognised	24.590	0.100	0.782	0.249	0.039	(0.200)	25.560
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(13.790)	(0.78)	(0.057)	(0.254)	(0.044)	(0.45)	(15.375)
Actual amount charged against General Fund and HRA balances for Pensions in year							
Employers' contributions payable to scheme	17.17	0.09	0.053	0.267	0.049	0	17.629
Retirement benefits payable to pensioners	0	0	0	0	0	1.18	1.18

*The current service cost included an allowance for the administration expenses	0.53	0	n/a	0.008	0.002	0	0.54
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### Changes to the Present Value of Defined Benefit Obligation during the Period

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

Year Ended 31/03/25	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>568.510</b>	<b>7.760</b>	<b>3.893</b>	<b>7.999</b>	<b>1.001</b>	<b>10.03</b>	<b>599.193</b>
Current Service Cost	15.470	0.090	0.12	0.256	0.044	0	15.980
Interest Expense on defined benefit obligation	27.030	0.150	0.185	0.376	0.047	0.45	28.238
Contributions by Participants	5.480	0.030	0.074	0.094	0.018	0	5.696
Actuarial (gains)/ losses on liabilities financial assumptions	(95.450)	(0.400)	(0.700)	(1.862)	(0.248)	(0.55)	(99.210)
Actuarial (gains)/ losses on liabilities demographic assumptions	(4.170)	(0.070)	(0.028)	(0.067)	(0.008)	(0.05)	(4.393)
Actuarial (gains)/ losses on liabilities experience	0.990	(0.010)	0.006	0.01	0	(0.05)	0.946
Net Benefits Paid Out	(24.540)	(0.150)	(0.149)	(0.107)	(0.015)	(1.15)	(26.111)
Past Service Cost (including curtailments)	0.230	0.000	0	0	0	0	0.230

Settlements	7.400	(7.400)	0	0	0	0	0.000
Closing Defined Benefit Obligation	<b>500.950</b>	<b>0.000</b>	<b>3.401</b>	<b>6.699</b>	<b>0.839</b>	<b>8.680</b>	<b>520.569</b>

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

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

Year ended 31/03/25	Funded					Unfunded	Total
	Vale	Foundation School	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's		£M's
<b>Opening Fair Value of Assets</b>	567.450	7.920	5.184	7.927	0.993	0.000	<b>589.474</b>
Interest Income on Assets	28.240	0.160	0.248	0.378	0.047	0.000	<b>29.073</b>
Remeasurement gains/ (losses) on Assets	(7.850)	0.050	(0.200)	(0.088)	(0.011)	0.000	<b>(8.099)</b>
Contributions by the Employer	17.170	0.090	0.053	0.267	0.049	1.150	<b>18.779</b>
Contributions by Participants	5.480	0.030	0.058	0.094	0.018	0.000	<b>5.680</b>
Net Benefits Paid Out	(24.540)	(0.150)	(0.149)	(0.107)	(0.015)	(1.150)	<b>(26.111)</b>
Net increase in assets from disposals/ acquisitions	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Settlements	8.100	(8.100)	0.000	0.000	0.000	0.000	<b>0.000</b>
<b>Closing Fair Value of Assets</b>	<b>594.050</b>	<b>0.000</b>	<b>5.194</b>	<b>8.471</b>	<b>1.081</b>	<b>0.000</b>	<b>608.796</b>

### Actual Return on Assets

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

Year ended 31/03/25	Funded					Total
	Vale	Foundation School	CSC	SRS	VVC	
	£M's	£M's	£M's	£M's	£M's	£M's
Interest Income on Assets	28.240	0.160	0.248	0.378	0.047	29.073
Remeasurement gains/ (losses) on Assets	(7.850)	0.050	(0.200)	(0.088)	(0.011)	(8.099)
<b>Actual Return on Assets</b>	<b>20.390</b>	<b>0.210</b>	<b>0.048</b>	<b>0.290</b>	<b>0.036</b>	<b>20.974</b>

### Sensitivity Analysis of Projected Service Costs

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

Projected service cost in the sensitivity analysis below is the projected service cost for the period ending 31st March 2026.

The Sensitivity Analysis is only shown below relating to the main Vale of Glamorgan LGPS pension fund however a similar analysis has been compiled as part of the actuarial report for each pension fund that has been consolidated as part of these accounts.

### Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	493.44	500.95	508.46
% change in present value of total obligation	-1.5%		+1.5%
Projected service cost (£M)	10.63	11.13	11.64
Approx. % change in projected service cost	-4.5%		+4.6%

### 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)	501.95	500.95	499.95
% change in present value of total obligation	0.2%		-0.2%
Projected service cost (£M)	11.13	11.13	11.13
Approx. % change in projected service cost	0%		0%

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

Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	507.46	500.95	494.44
% change in present value of total obligation	1.3%		-1.3%
Projected service cost (£M)	11.64	11.13	10.63
Approx. % change in projected service cost	4.6%		-4.5%

### Post retirement mortality assumption\*

Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	512.49	500.95	489.43
% change in present value of total obligation	2.3%		-2.3%
Projected service cost (£M)	11.53	11.13	10.73
Approx. % change in projected service cost	3.6%		-3.6%

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

### Teacher's Pension Scheme

The total employer contributions to the Teacher's Pension Scheme in 2024/25 made by the Council were £19.053m, (2023/24 contributions were £15.037m). This includes contributions for all teachers with the Vale of Glamorgan.

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

It is projected that the total employer contributions to the Teacher's Pension Scheme in 2025/26 will be approximately £20m.

### **37. 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 historical 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.

#### **Virgin Media Ruling and Pension Liability**

There are potential financial impacts associated with a recent Virgin Media ruling in respect of Pension Funds. The Council's Actuary have advised that there is no consideration of any potential impact as part of the review reflected in the 2024/25 accounts. The Government Actuaries Department (GAD) are the Scheme Actuary to the LGPS and so they will be advising the Ministry for Housing and Local Government if the appropriate Section 37 documentation is in place and therefore if there is likely to be any impact from the ruling.

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

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

#### **Social Services S117 Adult Services**

Section 117 places a duty on health authorities and local social services authorities to provide aftercare services for people who have left hospital following compulsory detention for treatment for mental disorder under the Mental Health Act (for example, under section 3). There is a disputed case related to this legislation which the Council is contending with another Local Authority.

### **38. 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 2024/25 and 2023/24 and the Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Authority has a cautious approach to risk, with its priority to safeguard capital. During 2023/24 and 2024/25 investments were made with the Debt Management Account Deposit Facility which is guaranteed by the UK Government and UK Local Authorities however due to reducing reserve balances investments were constrained when compared with previous years. The maximum investment sum per Local Authority was £5m and the maximum investment period was 12 months. The Authority also utilised Money Market Funds and Call Accounts with Lloyds (the Council's bankers). The maximum investment sum with UK institutions was £10m. The investment position at 31st March 2025 is set out below:

	31 March 2024	31 March 2025
	£'000	£'000
UK Debt Management Account Deposit Facility	0	5,625
UK Local Authorities	27,500	2,000
Federated Hermes Money Market Fund	6,625	6,050
CCLA Money Market Fund	50	3,150
Lloyds Instant Access Deposit Account	20	365
<b>Total</b>	<b>34,195</b>	<b>17,190</b>
Reconciliation of Investment Balances		
Short Term Investment	27,500	4,800
Overnight Investments shown as Cash and Cash Equivalents	6,695	12,390
<b>Total</b>	<b>34,195</b>	<b>17,190</b>
Short Term Investment Accrued Interest	566	121
Short Term Investment Joint Committees	374	254
	<b>35,135</b>	<b>17,565</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 was given the opportunity to repay £4m in respect of LOBOs (Lenders Option Borrowers Option) in August 2024 without penalty and having taken advice from MUFG Treasury Management advisors decided to exercise the option. The maturity analysis of financial liabilities is as follows:

	31 March 2024	31 March 2025
	£'000	£'000
Less than one year	7,961	8,480
Between one and two years	6,355	9,460
Between two and five years	22,578	35,557
More than five years	106,418	116,354
<b>Total</b>	<b>143,312</b>	<b>169,851</b>

This analysis excludes £6k of Borrowing relating to the City Region CJC.

### 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	0
Increase in interest receivable on variable rate investments	(20)
Increase in government grant receivable for financing costs	0
<b>Impact on (Surplus) or Deficit on the Provision of Services</b>	<b>(20)</b>
Share of overall impact credited to the HRA	(8)
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	0
Decrease in fair value of fixed rate borrowings liabilities (no impact on the (Surplus) or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(10,083)

To compile the above analysis the Council reviews the following:

- The interest chargeable on variable rate loans.
- The interest received on investment income in 2024/25.
- 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.

2023/24		2024/25	2024/25
£'000		£'000	£'000
	<b>Expenditure</b>		
5,805	Repairs and Maintenance	6,582	
6,663	Supervision and Management	6,366	
228	Rents, Rates, Taxes, & Other Charges	261	
10,179	Revaluation charged to CIES	37,597	
1,712	Non-Current Assets Depreciation /Impairment	3,335	
41	Debt Management Costs	56	
294	Increase in Provision for Bad and Doubtful Debts	307	
257	Revenue Expenditure Funded from Capital Under Statute	226	
<b>25,179</b>	<b>Total Expenditure</b>		<b>54,730</b>
	<b>Income</b>		
(22,662)	Dwelling Rents	(25,284)	
(172)	Non Dwelling Rents	(188)	
(770)	Charges for Services and Facilities	(846)	
(100)	Contributions towards expenditure	(94)	
(277)	Grant Income	(249)	
<b>(23,981)</b>	<b>Total Income</b>		<b>(26,661)</b>
<b>1,198</b>	<b>Net Expenditure of HRA Services as Included in the Whole Authority CIES</b>		<b>28,069</b>
0	HRA share of other amounts included in the whole authority Net Expenditure of Continuing Operations but not allocated to specific services		0
<b>1,198</b>	<b>Net Expenditure of HRA Services</b>		<b>28,069</b>
	HRA share of the operating income and expenditure included in the CIES		
(548)	(Gain)/ loss on sale of HRA assets		0
3,503	Interest payable and similar charges		3,565
(448)	Interest and Investment Income		(179)
18	Interest on net defined benefit liability/ (asset)		(20)
(15,271)	Capital Grants		(16,496)
<b>(11,548)</b>	<b>(Surplus) or deficit for the year on HRA services</b>		<b>14,939</b>

## Movement on the HRA Statement

2023/24		2024/25
£'000		£'000
(16,486)	<b>Balance on the HRA at the end of the previous year</b>	<b>(3,525)</b>
(11,548)	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	14,939
24,509	Adjustments between accounting basis and funding basis under statute	(15,299)
<b>12,961</b>	<b>(Increase)/Decrease during the financial year</b>	<b>(360)</b>
<b>(3,525)</b>	<b>Balance on the HRA at the end of the current year</b>	<b>(3,885)</b>

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

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

	2023/24	2024/25
	£'000	£'000
Revaluation Loss/ Gain on Property, Plant and Equipment	(10,180)	(37,597)
Charges for depreciation and Impairment of Non Current Assets	(1,712)	(3,335)
Capital Grants and Contributions	15,271	16,496
Statutory Provision for the Financing of Capital Investment	1,621	1,734
Revenue Expenditure Funded from Capital Under Statute	(257)	(227)
Capital Expenditure charged against HRA	19,256	7,549
Gains / (Losses) on sales of non current assets	548	0
Pensions Reserve	(22)	36
Accumulated Absences	(16)	45
<b>Total Adjustments</b>	<b>24,509</b>	<b>(15,299)</b>

## Summary

The Housing Revenue Account revenue balance at 31st March 2025 was £3.885m

### 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 2.31% of the total dwelling rent due was uncollectable due to lettable properties being vacant; in 2023/24 the figure was 1.32%. Average dwelling rents were £122.12 a week in 2024/25 an increase of 9.04% over the previous year.

## H2 Rent Rebates

Assistance with rents is available under the Housing Benefit Scheme for those on low incomes. 36.16% of the Council's tenants receive some help with the costs of rent charges.

## H3 Housing Stock

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

2015/16	3,930
2016/17	3,909
2017/18	3,891
2018/19	3,883
2019/20	3,868
2020/21	3,894
2021/22	3,916
2022/23	3,940
2023/24	3,977
2024/25	4,159

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

Number of Dwellings by Type	At 31st March 2024	At 31st March 2025	Changes 2024/25
1 Bedroom Houses	0	0	
2 Bedroom Houses	351	371	+20
3 Bedroom Houses	1,566	1,592	+26
4 or more Bedroom Houses	90	90	
1 Bedroom Bungalows	272	358	+86
2 Bedroom Bungalows	71	71	
3 Bedroom Bungalows	33	34	+1
4 or more Bedroom Bungalows	2	2	
1 Bedroom Flats	893	935	+42
2 Bedroom Flats	591	597	+6
3 Bedroom Flats	93	94	+1
Other – Hostel	15	15	
<b>Total</b>	<b>3,977</b>	<b>4,159</b>	<b>182</b>

The change in stock can be summarised as follows:

<b>Housing Stock 31st March 2024</b>	<b>3,977</b>
Less: Sold	0
Change of Use	0
New Build & Acquisitions	182
<b>Housing Stock 31st March 2025</b>	<b>4,159</b>

#### H4 Rent Arrears

During the year 2024/25 rent arrears as a proportion of gross rent income was 12.28% of the amount due, compared to 11.26% in 2023/24. The figures are as follows: -

	2023/24	2024/25
	£'000	£'000
Arrears at 31st March	2,736	3,031

Amounts written off during the year amounted to £5k. The aggregate provision in respect of uncollectable rent and other housing debts is £2.347m (£2.040m in 2023/24).

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

There were no sales of council dwellings during the year. The right to buy scheme was abolished on 26th January 2019.

#### H6 Water Rates

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

#### H7 Capital Expenditure

Capital Expenditure of £26.707m has been spent in 2024/25 improving Council Dwellings and building new Council Dwellings, this Capital Expenditure has been taken into account at arriving at the Council Dwellings valuation.

#### H8 Capital Funding

	2023/24	2024/25
	£'000	£'000
Unsupported Borrowing	5,486	3,542
Supported Borrowing – Affordable Housing Grant	0	0
Usable Capital Receipts	720	0
Revenue Contributions	19,276	7,420
Major Repairs Reserve	2,770	4,770
Non HRA Reserve	87	129
Section 20 contributions	0	0
Other Capital Grants	12,526	10,846
<b>Total</b>	<b>40,865</b>	<b>26,707</b>

#### H9 Assets - Depreciation / Impairment

The charge is broken down as follows:

	2023/24	2024/25
	£'000	£'000
Depreciation of Dwellings	1,514	3,118
Depreciation of Other Land and Buildings	116	125
Depreciation of Equipment	35	52
<b>Total</b>	<b>1,665</b>	<b>3,295</b>

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

### H10 Pension Reserve

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

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

	2023/24	2024/25
	£'000	£'000
IAS 19 Adjustment	22	16
Interest on net defined benefit liability/ (asset)	18	20
<b>Contribution from Pension Reserve</b>	<b>40</b>	<b>36</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.

	2023/24	2024/25
	£'000	£'000
<b>Opening Balance brought forward</b>	<b>0</b>	
Grant Received in Year	2,770	4,770
Grant Utilised in Year	(2,770)	(4,770)
<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.

Restated	Balance at 31 March 2024	Acquisitions / Disposals	Revaluation	Surplus/ (Deficit)	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Accumulated Fund	6,509	0	(81)	(2)	6,426

The non-current assets of the fund are included at their 31st March 2025 value. The external investments held by the fund are included at their fair value at 31st March 2025.

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 2024/25 Local Authority Accounting Code requires the consolidation of material interests on subsidiaries into group accounts in addition to the preparation of single entity accounts.

The Big Fresh Catering Company (BFCC) is a Local Authority Owned Trading Company that was established on 1st January 2020, the principal purpose of the organisation is the provision of school meals and other catering services. The Council is the sole shareholder and its shares in the company are valued at £1. The accounts for the Big Fresh Catering Company have been prepared for the period ended 31st March 2025. At the date of authorising these draft accounts, the audit of the BFCC accounts has been undertaken and is substantially complete but not finalised therefore the accounts remain in draft status.

A board of directors is in place for the Company and is made up of a number of Council Officers and Members.

### **Basis of Consolidation**

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

The BFCC Accounts that have been consolidated into the Group Accounts reflect the 12 months of operation for the Trading Company in 2024/25.

### **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

2023/24			Expenditure on Services	2024/25		
Gross Expt.	Income	Net Expt.		Gross Expt.	Income	Net Expt.
£'000	£'000	£'000		£'000	£'000	£'000
178,861	44,562	134,299	Learning and Skills	193,331	58,052	135,279
124,019	26,043	97,976	Social Services	129,692	22,721	106,971
60,151	23,418	36,733	Visible and Housing Services	66,793	24,509	42,284
25,182	23,986	1,196	Housing Revenue Account (HRA)	55,080	26,662	28,418
9,616	3,790	5,826	Place	13,409	6,944	6,465
5,1650	32,480	19,170	Corporate Resources	48,229	28,896	19,333
9,776	978	8,798	Policy	4,082	3,315	767
6,848	332	6,516	Big Fresh Catering Company (BFCC)	7,693	557	7,135
<b>466,103</b>	<b>155,589</b>	<b>310,514</b>	<b>Cost of Services</b>	<b>518,308</b>	<b>171,657</b>	<b>346,651</b>
			<b>Other operating expenditure</b>			
3,407	0	3,407	Town and Community Council Precepts	3,652	0	3,652
20,226	0	20,226	South Wales Police Authority	22,358	0	22,358
7,778	0	7,778	South Wales Fire Authority	8,302	0	8,302
128	0	128	Other Levies and Contributions	143	0	143
160	0	160	(Gains)/losses on the disposal of non-current assets	0	758	(758)
			<b>Financing and investment income and expenditure</b>			
6,723	0	6,723	Interest payable and similar charges	6,823	0	6,823
2,694	0	2,694	Net interest on defined benefit liability	0	834	(834)
	368	(368)	Revaluation of Investment Properties and Equities	0	116	(116)
0	4,258	(4,258)	Interest receivable and other income	54	2,228	(2,174)
			<b>Taxation and non-specific grant income</b>			
0	107,464	(107,464)	Council Tax income (Note 13)	0	115,985	(115,985)
0	42,784	(42,784)	Non domestic rates (Note 14)	0	47,853	(47,853)
0	160,013	(160,013)	Revenue Support grants	0	161,928	(161,928)
0	0	0	Council Tax grant	0	0	0
94	0	94	Deferred Tax	0	0	0
0	0	0	Corporation Tax (Note G16)	177	0	177
0	43,351	(43,351)	Capital grants and contributions	0	51,040	(51,040)
<b>507,313</b>	<b>513,828</b>	<b>(6,514)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>559,817</b>	<b>552,399</b>	<b>7,418</b>
		(14,296)	(Surplus)/Deficit on revaluation of non current assets (Note 15)			(22,079)
			(Surplus) or Deficit on Revaluation of Financial Instrument Assets			1,393
		18	Impairment losses on non current assets charged to Revaluation Reserve (Note 15)			1,268
		(57,200)	Remeasurements of the net defined benefit liability/(asset) (Note G14)			10,328

		171	Income Tax Relating to Other Comprehensive Income			(34)
		(71,307)	<b>Other Comprehensive Income and Expenditure</b>			<b>(9,124)</b>
		(77,821)	<b>Total Comprehensive Income and Expenditure</b>			<b>(1,706)</b>

## Group Accounts Movement in Reserves Statement 2023/24 and 2024/25

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 31st March 2023</b>	<b>96,388</b>	<b>16,486</b>	<b>10,634</b>	<b>7,429</b>	<b>130,937</b>	<b>627,066</b>	<b>516</b>	<b>758,519</b>
Total Comprehensive Income and Expenditure	(5,310)	11,548	0	0	6,238	70,795	789	77,822
Adjustments between accounting basis and funding basis under regulations (Note 10)	(17,047)	(24,509)	(2,987)	(4,043)	(48,586)	48,586	0	0
<b>Increase/(Decrease) in 2023/24</b>	<b>(22,357)</b>	<b>(12,961)</b>	<b>(2,987)</b>	<b>(4,043)</b>	<b>(42,348)</b>	<b>119,381</b>	<b>789</b>	<b>77,822</b>
<b>Balance as at 31st March 2024</b>	<b>74,031</b>	<b>3,525</b>	<b>7,647</b>	<b>3,386</b>	<b>88,589</b>	<b>746,447</b>	<b>1,305</b>	<b>836,341</b>
<b>Opening Adjustment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>
<b>Amended Opening Balance</b>	<b>74,031</b>	<b>3,525</b>	<b>7,647</b>	<b>3,386</b>	<b>88,589</b>	<b>747,447</b>	<b>1,305</b>	<b>837,341</b>
Total Comprehensive Income and Expenditure	7,651	(15,289)	0	0	(7,638)	9,226	118	1,706
Adjustments between accounting basis and funding basis under regulations ( <a href="#">Note 10</a> )	(20,174)	15,649	1,975	(299)	(2,849)	2,849	0	0
<b>Increase/(Decrease) in 2024/25</b>	<b>(12,523)</b>	<b>360</b>	<b>1,975</b>	<b>(299)</b>	<b>(10,487)</b>	<b>12,075</b>	<b>118</b>	<b>1,706</b>
<b>Balance as at 31st March 2025</b>	<b>61,508</b>	<b>3,885</b>	<b>9,622</b>	<b>3,087</b>	<b>78,102</b>	<b>759,522</b>	<b>1,423</b>	<b>839,047</b>

## Group Accounts Balance Sheet

31 March 2024		Notes	31 March 2025
£'000			£'000
954,334	Property, Plant and Equipment	<a href="#">G7</a>	974,894
5,390	Joint Committee Investment Properties		5,315
1,004	Equity		948
271	Intangible Assets		322
2	Long Term Investments		2
0	Deferred Tax Asset		0
5,387	Long Term Debtors		8,283
<b>966,388</b>	<b>Long Term Assets</b>		<b>989,764</b>
28,319	Short Term Investment		10,684
623	Assets Held for Sale	15	203
1,039	Inventories		1,088
152	Deferred Tax Asset		0
59,808	Short Term Debtors	<a href="#">G9</a>	88,979
15,340	Cash and Cash Equivalents	<a href="#">G10</a>	15,180
<b>105,281</b>	<b>Current Assets</b>		<b>116,134</b>
8,568	Short Term Borrowing		9,810
45,409	Short Term Creditors	<a href="#">G11</a>	39,740
0	Short Term Liabilities (Leasing)	<a href="#">18</a>	728
2,321	Provisions (Short Term)	<a href="#">G12</a>	4,013
8	Donated Inventory Account		0
2,190	Grants Receipts in Advance – Capital	<a href="#">31</a>	2,923
<b>58,496</b>	<b>Current Liabilities</b>		<b>57,214</b>
3,118	Provisions (Long Term)	<a href="#">G12</a>	1,518
135,786	Long Term Borrowing		162,084
0	Other Long Liabilities (Leasing)	18	2,194
7,848	Other Long Term Liabilities		10,585
10,399	Other Long Term Liabilities (Pensions)	<a href="#">G14</a>	17,310
19,681	Grants Receipts in Advance - Capital (Long Term)	<a href="#">31</a>	15,945
<b>176,832</b>	<b>Long Term Liabilities</b>		<b>209,636</b>
<b>836,341</b>	<b>Net Assets</b>		<b>839,047</b>
88,589	Usable Reserves	25	78,101
747,752	Unusable Reserves	<a href="#">G13</a>	760,946
<b>836,341</b>	<b>Total Reserves</b>		<b>839,047</b>

## Group Accounts Cash flow Statement

31 March 2024		Notes	31 March 2025
£'000			£'000
6,514	<b>Net surplus or (deficit) on the provision of services</b>		(7,418)
20,486	Adjustments to net surplus or deficit on the provision of services for non-cash movements	G15	27,5074,587
	<b>Adjustments for items that are investing and financing activities</b>		
(949)	Proceeds from the sale of property, plant and equipment and intangible assets.		(4,483)
(47,394)	Any items which the cash effects are investing or financing cashflows		(55,953)
(48,343)	<b>Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>		(60,436)
(21,343)	<b>Net cash flows from Operating Activities</b>		(40,3473,267)
	<b>Investing Activities</b>		
(81,535)	Purchase of property, plant and equipment and intangible assets.		(62,51359,593)
949	Proceeds from the sale of property, plant and equipment and intangible assets.		2,615
0	Purchase of short term/long term investments		0
(1,187)	Other payments for investing activities		0
55,031	Proceeds from short term/long term investments		22,699
49,568	Other Receipts from Investing Activities		48,1355
22,826	<b>Net Cashflow from Investing Activities</b>		10,9363,856
	<b>Financing Activities</b>		
(5,132)	Repayments of Short and Long Term Borrowing		27,388
(2,234)	Other Payments for Financing Activities		1,863
(7,366)	<b>Net cash flows from Financing Activities</b>		29,251
(5,884)	<b>Net increase or decrease in cash and cash equivalents</b>		(160)
21,223	<b>Cash and cash equivalents at the beginning of the reporting period</b>		15,340
15,340	<b>Cash and cash equivalents at the end of the reporting period</b>		15,180

## 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	2024/25 Number of Teaching Employees	2024/25 Number of Non Teaching Employees	2024/25 Number of BFCC Employees	2024/25 Total Number of Employees
£60,000-£64,999	56	14	0	70
£65,000-£69,999	24	18	0	42
£70,000-£74,999	19	2	1	22
£75,000-£79,999	16	1	0	17
£80,000-£84,999	11	3	0	14
£85,000-£89,999	14	6	0	20
£90,000-£94,999	8	1	0	9
£95,000-£99,999	4	2	0	6
£100,000-£104,999	2	1	0	3
£105,000-£109,999	3	0	0	3
£110,000-£114,999	0	2	0	2
£115,000-£119,999	0	2	0	2
£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	1	0	0	1
£140,000-£144,999	0	0	0	0
£145,000-£149,999	0	0	0	0
£150,000-£154,999	1	1	0	2
£155,000-£159,999	0	0	0	0
£160,000-£164,999	1	0	0	1
£165,000-£169,999	0	0	0	0
£170,000-£174,999	1	0	0	1
<b>Total</b>	<b>163</b>	<b>53</b>	<b>1</b>	<b>217</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.

<b>Director</b>	<b>Date Appointed</b>
Head of Strategy, Community Learning	11/09/2019
Cabinet Member for Learning and Culture (Councillor)	01/06/2022
Headteacher St Richard Gwyn Catholic School	02/03/2023
Headteacher Victoria Primary School	24/04/2024
BFCC Managing Director	01/01/2020

## **G2. Exit Payments**

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

## **G3. Members Allowances**

The Members allowances for 2024/25 are as shown in Note 28 of the Single Entity Accounts.

## **G4. Related Parties**

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

## **G5. External Audit Costs**

	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	209	203
Fees payable to Audit Wales in respect of performance work	112	114
Fees payable to Audit Wales for the certification of grant claims and returns	45	74
Fees payable in respect of External Audit of BFCC by Advantage Accountancy and Advisory Limited	16	17
<b>Total</b>	<b>382</b>	<b>408</b>

## **G6. Leases**

	<b>2023/24 Land and Buildings</b>	<b>2023/24 Other Leases</b>	<b>2024/25 Land and Buildings</b>	<b>2024/25 Other Leases</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within 1 year	410	0	333	0
Between 1 and 5 years	1,074	0	798	0
After 5 years	7,959	0	4,361	0
<b>Total</b>	<b>9,443</b>	<b>0</b>	<b>5,492</b>	<b>0</b>

There is no lease expenditure in the Group other than those shown in Notes 18 of the single

entity accounts.

Lease Income includes £190k from Big Fresh Catering Company to the Vale for kitchen equipment that is excluded from the Group Accounts as an intercompany transaction and £221k projected for 2025/26 excluded from the disclosure note above.

#### **G7. Property Plant and Equipment**

In addition to the Property Plant and Equipment shown in Note 15 of the single entity accounts. The BFCC holds £23k of Equipment as a Tangible Asset.

Summary of Property Plant and Equipment Group Accounts	Council Dwelling s	Land & Buildings	Vehicle Plant & Equipme nt	Commun ity Asset	Assets under Construc tion	Surplus Assets	ROU Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation as at 31 March 2025 Single Entity	237,585	553,118	38,218	3,868	19,834	615	6,798	860,036
BFCC Cost or Valuation			54					53
Cost or Valuation as at 31 March 2025 Group Accounts	237,585	553,118	38,272	3,868	19,834	615	6,798	860,089
Accumulated Depreciation and Impairment as at 31 March 2025 Single Entity	-1	-1,795	-21,692	0	0	-1	-1371	-24,860
BFCC Accumulated Depreciation			-31					-31
Accumulated Depreciation and Impairment as at 31 March 2025 Group	-1	-1,795	-21,723	0	0	-1	-1,371	-24,891
Net Book Value 2024/25	Council Dwelling s	Land & Buildings	Vehicle Plant & Equipme nt	Commun ity Asset	Assets under Construc tion	Surplus Assets	ROU Assets	Total
At 31 March 2025	237,584	551,323	16,549	3,868	19,834	614	5,427	835,199

Reconciliation to Balance Sheet	2024/25
	£'000
Infrastructure Assets	139,693
Other Property, Plant and Equipment	835,199
<b>Total Property Plant and Equipment Assets</b>	<b>974,894</b>

### G8. Financial Instruments

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

### G9. Debtors

	31 March 2024	31 March 2025
	£'000	£'000
Central government bodies	26,157	59,430
Other local authorities	8,579	7,386
NHS bodies	5,013	435
Council Tax Payers	10,525	11,123
General	19,804	21,269
Provision for Bad Debts	(10,271)	(10,665)
<b>Total</b>	<b>59,807</b>	<b>88,978</b>

### G10. Cash and Cash Equivalents

	31 March 2024	31 March 2025
	£'000	£'000
Cash held by the Authority and at Bank	2,529	(79)
Joint Committee Cash	4,054	525
Short-term Investment	6,697	12,391
BFCC Cash	2,060	2,343
<b>Total Cash and Cash Equivalents</b>	<b>15,340</b>	<b>15,180</b>

### G11. Creditors

	31 March 2024	31 March 2025
	£'000	£'000
Central government bodies	8,475	6,599
Other local authorities	9,500	11,134
NHS bodies	1,072	146
Prepayments of Council Tax	1,325	15,801
General	20,588	1,553
Receipts in advance	609	643
Accumulated absences	3,840	3,864
<b>Total</b>	<b>45,409</b>	<b>39,740</b>

### G12. Provisions



	<b>Total Single Entity £'000</b>	<b>BFCC</b>	<b>Total Group Provisions</b>
<b>Balance at 1st April 2024</b>	<b>5,404</b>	<b>35</b>	<b>5,439</b>
Additional provisions made	2,088		<b>2,088</b>
Amounts used / Transfer out	(1,966)	-30	<b>(1,996)</b>
<b>Balance at 1st April 2025</b>	<b>5,526</b>	<b>5</b>	<b>5,531</b>
Short Term Provisions	<b>1,513</b>	<b>0</b>	<b>1,513</b>
Long Term Provisions	<b>4,013</b>	<b>5</b>	<b>4,018</b>

### **G13. Unusable Reserves**

<b>31/03/24</b>		<b>31/03/25</b>
<b>£'000</b>		<b>£'000</b>
149,019	Revaluation Reserve	165,341
611,651	Capital Adjustment Account	613,279
(240)	Financial Instruments Adjustment Account	(170)
11	Deferred Capital Receipts Reserve	1,879
368	Revaluation of Equity Reserve	368
(10,399)	Pensions Reserve	(17,310)
(3,840)	Accumulated Absences Account	(3,866)
1,182	Group Entity BFCC Reserves	1425
<b>747,752</b>	<b>Total Unusable Reserves</b>	<b>760,947</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.

<b>Pension Liability</b>	<b>31 March 2024</b>	<b>31 March 2025</b>
	<b>£'000</b>	<b>£'000</b>
Vale of Glamorgan Council Pension (Liability) Funded and Unfunded	(11,089)	(17,160)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(27)	(24)

Shared Regulatory Service Joint Committee Pension (Liability)	(148)	(134)
Central South Consortium Joint Committee Pension Asset/(Liability)*	732	8
Foundation School Pension Asset/(Liability)	10	0
BFCC Pension Asset/(Liability)	123	0
<b>Total Pension Liability</b>	<b>(10,399)</b>	<b>(17,310)</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 31st March 2026 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 31st March 2026 (£M)
Single Entity Accounts	17.890
BFCC	0.660
<b>Total</b>	<b>18.550</b>

There are no Unfunded Pensions in the Group Accounts other than those included in Note 37 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 31st March 2024	Vale of Glamorgan Single Entity Accounts	Big Fresh Catering Company	Total
	£M's	£M's	£M's
Fair Value of Assets	589.999	7.233	597.232
Present Value of Defined Benefit Obligation	(599.732)	(7.11)	(606.842)
<b>Funded/Unfunded status*</b>	<b>(9.733)</b>	<b>0.123</b>	<b>(9.610)</b>
Unrecognised Asset	(0.700)	0	(0.700)
Impact of minimum funding requirement / asset ceiling	(0.101)	0	(0.101)
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(10.534)</b>	<b>0.123</b>	<b>(10.411)</b>

As at 31st March 2025	Vale of Glamorgan Single Entity Accounts	Big Fresh Catering Company	Total
	£M's	£M's	£M's
Fair Value of Assets	608.757	8.150	616.907
Present Value of Defined Benefit Obligation	(520.524)	(6.570)	(527.094)
<b>Funded/Unfunded status*</b>	<b>88.233</b>	<b>1.580</b>	<b>89.813</b>
Unrecognised Asset	(96.905)	(1.580)	(98.485)
Impact of minimum funding requirement / asset ceiling	(8.638)	0.000	(8.638)
<b>Asset / (Liability) recognised on the Balance Sheet</b>	<b>(17.310)</b>	<b>0.000</b>	<b>(17.310)</b>

Active Members	Vale Funded	SRS	RAS	BFCC
	%	%	%	%
Active Members	38	73	70	79
Deferred Pensioners	17	11	15	10
Pensioners	45	16	15	11

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

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

Duration of liabilities	Vale of Glamorgan *	CSC	SRS	RAS	BFCC
Liability in years	14.9	n/a	20.1	20.8	17.1

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

For Year Ending 31st March 2024	£M's	£M's	£M's
Comprehensive Income and Expenditure	Single Entity Accounts	BFCC	Total Group Pensions
Cost of Services			
Service Cost Comprising			
Current Service Cost*	17.632	0.631	18.263
Past Service Cost (including curtailments)	0.140	0	0.140
(Gain)/Loss on Settlements	0	0	0
Financing and Investment Income			
Net Interest Expense	2.626	0.009	2.635
<b>Total post-employment benefits charged to the surplus or deficit on the provision of services</b>	<b>20.398</b>	<b>0.64</b>	<b>21.038</b>
Remeasurements in Other Comprehensive Income and Expenditure			
Return on plan assets (in excess of) /below that recognised in net interest	(35.338)	(0.416)	(35.754)
Actuarial (gains)/ losses due to change in financial assumptions	(19.977)	(0.274)	(20.251)
Actuarial (gains)/ losses due to changes in demographic assumptions	(9.445)	(0.098)	(9.543)
Actuarial (gains) / losses due to liability experience	7.450	0.105	7.555
Actuarial (gains) / losses due to restriction of surplus	0.700	0	0.700
<b>Total post-employment benefits charged to the comprehensive income and expenditure statement</b>	<b>(56.610)</b>	<b>(0.683)</b>	<b>(57.293)</b>
<b>Total Amount Recognised</b>	<b>(36.212)</b>	<b>(0.043)</b>	<b>(36.255)</b>
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(20.398)	(0.64)	(21.038)
Actual amount charged against General Fund and HRA balances for Pensions in year			
Employers' contributions payable to scheme	16.805	0.574	17.379
Retirement benefits payable to pensioners	1.180	0	1.180
Administration Allowance *The current service cost included an allowance for the administration expenses	0.560	0.018	0.578

For Year Ending 31st March 2025	£M's	£M's	£M's
Comprehensive Income and Expenditure	Single Entity Accounts	BFCC	Total Group Pensions
Cost of Services			
Service Cost Comprising			
Current Service Cost*	15.980	0.645	16.625
Past Service Cost (including curtailments)	0.230	0.000	0.230
(Gain)/Loss on Settlements	0.000	0.000	0.000
Financing and Investment Income			
Net Interest Expense	(0.835)	(0.021)	(0.856)
<b>Total post-employment benefits charged to the surplus or deficit on the provision of services</b>	<b>15.375</b>	<b>0.624</b>	<b>15.999</b>
Remeasurements in Other Comprehensive Income and Expenditure			
Return on plan assets (in excess of) /below that recognised in net interest	8.099	0.089	8.188
Actuarial (gains)/ losses due to change in financial assumptions	(99.210)	(1.476)	(100.686)
Actuarial (gains)/ losses due to changes in demographic assumptions	(4.393)	(0.066)	(4.459)
Actuarial (gains) / losses due to liability experience	0.946	0.009	0.955
Actuarial (gains) / losses due to restriction of surplus	96.206	1.580	97.786
Minimum Funding Guarantee	8.537	0.000	8.537
<b>Total post-employment benefits charged to the comprehensive income and expenditure statement</b>	<b>10.185</b>	<b>0.136</b>	<b>10.321</b>
<b>Total Amount Recognised</b>	<b>25.560</b>	<b>0.760</b>	<b>26.320</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	(15.375)	(0.624)	(15.999)
Actual amount charged against General Fund and HRA balances for Pensions in year			
Employers' contributions payable to scheme	17.629	0.637	18.266
Retirement benefits payable to pensioners	1.180	0	1.180
Administration Allowance *The current service cost included an allowance for the administration expenses	0.540	0.020	0.560

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

Year Ended 31st March 2024	Single Entity Accounts	BFCC	Total Group Pension
	£M's	£M's	£M's
<b>Opening Defined Benefit Obligation</b>	594.668	6.324	600.992
Current Service Cost	17.632	0.631	18.263
Interest Expense on defined benefit obligation	27.529	0.3	27.829
Contributions by Participants	5.541	0.169	5.710
Actuarial (gains)/ losses on liabilities financial assumptions	(19.977)	(0.274)	(20.251)
Actuarial (gains)/ losses on liabilities demographic assumptions	(9.445)	(0.098)	(9.543)
Actuarial (gains)/ losses on liabilities experience	7.450	0.105	7.555
Net Benefits Paid Out	(23.786)	(0.047)	(23.833)
Past Service Cost (including curtailments)	0.140	0	0.140
<b>Closing Defined Benefit Obligation</b>	<b>599.752</b>	<b>7.110</b>	<b>606.862</b>

Year Ended 31st March 2025	Single Entity Accounts	BFCC	Total Group Pension
	£M's	£M's	£M's
<b>Opening Defined Benefit Obligation</b>	<b>599.193</b>	<b>7.110</b>	<b>606.303</b>
Current Service Cost	15.980	0.645	16.625
Interest Expense on defined benefit obligation	28.238	0.342	28.580
Contributions by Participants	5.696	0.187	5.883
Actuarial (gains)/ losses on liabilities financial assumptions	(99.210)	(1.476)	(100.686)
Actuarial (gains)/ losses on liabilities demographic assumptions	(4.393)	(0.066)	(4.459)
Actuarial (gains)/ losses on liabilities experience	0.946	0.009	0.955
Net Benefits Paid Out	(26.111)	(0.181)	(26.292)
Past Service Cost (including curtailments)	0.230	0.000	0.230
<b>Closing Defined Benefit Obligation</b>	<b>520.569</b>	<b>6.570</b>	<b>527.139</b>

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

Year ended 31st March 2024	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
<b>Opening Fair Value of Assets</b>	530.040	5.830	535.870
Interest Income on Assets	24.903	0.291	25.194
Remeasurement gains/ (losses) on Assets	35.338	0.416	35.754
Contributions by the Employer	17.985	0.574	18.559
Contributions by Participants	5.518	0.169	5.687
Net Benefits Paid Out	(23.786)	(0.047)	(23.833)
<b>Closing Fair Value of Assets</b>	<b>589.998</b>	<b>7.233</b>	<b>597.231</b>

Year ended 31st March 2025	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
<b>Opening Fair Value of Assets</b>	589.474	7.233	596.707
Interest Income on Assets	29.073	0.363	29.436
Remeasurement gains/ (losses) on Assets	(8.099)	(0.089)	(8.188)
Contributions by the Employer	18.779	0.637	19.416
Contributions by Participants	5.680	0.187	5.867
Net Benefits Paid Out	(26.111)	(0.181)	(26.292)
<b>Closing Fair Value of Assets</b>	<b>608.796</b>	<b>8.150</b>	<b>616.946</b>

### Actual Return on Assets

Year ended 31st March 2024	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Interest Income on Assets	24.903	0.291	25.194
Remeasurement gains/ (losses) on Assets	35.338	0.416	35.754
<b>Actual Return on Assets</b>	<b>60.241</b>	<b>0.707</b>	<b>60.948</b>

Year ended 31st March 2025	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Interest Income on Assets	29.073	0.363	29.436
Remeasurement gains/ (losses) on Assets	(8.099)	(0.089)	(8.188)
<b>Actual Return on Assets</b>	<b>20.974</b>	<b>0.274</b>	<b>21.248</b>

## G15. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2023/24		2024/25
£'000		£'000
3,992	Interest Received	2,256
(6,648)	Interest Paid	(6,568)

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

2023/24		2024/25
£'000		£'000
27,860	Depreciation and Impairment and Downward Valuations	60,834
87	Amortisation	86
0	Soft Loans (non-subsidiary)	0
0	Deferred revenue/deferred payment agreements (IFRS 15)	0
(11,620)	Increase / (Decrease) in creditors	(5,629)
750	Increase in provisions	0
1,824	(Increase) / Decrease in debtors	(31,024)
(262)	(Increase) / Decrease in inventories	(57)
2,305	Movement in pension liability	(3,382)
(1,567)	Other non-cash items charged to the net surplus or deficit on the provision of services	22
1,109	Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	3,737
<b>20,486</b>	<b>Adjustments to net surplus or deficit on the provision of services for non-cash movements.</b>	<b>24,587</b>

## G16. Taxation

Big Fresh Catering Company	31/3/2024	31/3/2025
	£'000	£'000
Corporation Tax	110	142
Current Tax on Profits for the year	0	
<b>Total Current Tax</b>	<b>110</b>	<b>142</b>
Deferred Tax	(16)	4
Changes to Tax Rates	0	0
Adjustments in Respect of Prior Year	0	0
<b>Total Deferred Tax</b>	<b>(16)</b>	<b>4</b>
<b>Taxation on Ordinary Activities</b>	<b>94</b>	<b>146</b>



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

<b>Deferred Taxation 2024/25</b>	<b>Asset</b>	<b>Liability</b>
	<b>£'000</b>	<b>£'000</b>
Deferred Tax Asset on Pension Deficit	0	0
Accelerated Capital Allowances	0	6
<b>Total Deferred Taxation</b>	<b>0</b>	<b>6</b>

## Glossary

### Accounting Period

The period of time covered by the accounts, typically a period of twelve months commencing on 1st 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 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 31st 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); and
- 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.

**Peppercorn Lease**

A peppercorn lease, or peppercorn rent, refers to a lease agreement where a very small, often nominal amount of rent is paid.

**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.

### **Right of Use Asset (ROU)**

A ROU asset represents a lessee's contractual right to use an underlying asset e.g. land, property, equipment or vehicles, for a specified period, as outlines in a lease agreement. It is recognised on the lessee's balance sheet, alongside a corresponding lease liability, reflecting the obligation to make lease payments.

### **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.





## Vale of Glamorgan Council

ANNUAL GOVERNANCE STATEMENT 2024/25

October 2025

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## Draft Annual Governance Statement 2024/25

### Executive Summary

The Council is required to demonstrate it has good and effective governance arrangements in place in line with the “Delivering Good Governance in Local Government Framework” (CIPFA/SOLACE, 2016). This Annual Governance Statement (AGS) explains how the Council has complied with the terms of this Framework for the year ended 31st March 2025. It outlines what has changed, improved or developed in year and identifies any areas for improvement to further strengthen the sound governance arrangements already in place. The Council's Code of Corporate Governance forms part of its Constitution and details the governance framework arrangements it has in place to support the AGS.

Generally, there are good governance arrangements at the Vale of Glamorgan Council. There is demonstrable evidence of compliance with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016) and how the Council meets the requirements of the Accounts and Audit (Wales) Regulations 2014.

Appropriate policies and procedures are in place to support good governance and a significant amount of relevant information is published on the Council's website demonstrating transparency and openness.

Appropriate action was taken to address the Significant Governance Issues identified in 2023/24 (page 33) in order to improve the overall governance arrangements, although some issues are ongoing, are impacted by external influences and not totally within the control or capacity of the Council. Many of the issues identified are as a result of financial pressures on the Council.

Governance and risk issues for 2024/25 have been identified (page 34) and action will be taken to either improve the arrangements or minimise the risk during 2025/26.

### What did we do well in terms of governance in 2024/25?

A Panel Performance Assessment (PPA) was undertaken in November 2024. This was a constructive exercise timed to fit with the development of the new Corporate Plan (Vale 2030). The PPA report and response were approved by Council in March 2025 and considered alongside the budget for 2025/26 and the new Corporate Plan for 2025-30, Vale 2030. The report has already led to a number of changes and action is underway to take forward the recommendations of the PPA report.

The Panel concluded that overall, the Council exercises its functions effectively... and there were no identified areas of concern, and that from the evidence they heard and within the current high levels of service demand and financial pressures

faced by all local authorities across Wales the Council is using its resources effectively and efficiently. The Panel also concluded that the Council has effective governance arrangements in place but there are areas which could be further developed.

Key recommendations were made by the Panel in relation to the Council's Governance arrangements, including:

- Reviewing and revising the cycle of formal democratic meetings and formal reporting requirements, exploring ways to better engage members in more proactive and cross chamber collaboration – in both formal and informal ways including reviewing the effectiveness of online meetings.
- Reviewing the balance between the internal corporate demands placed on members and their role as representatives of their constituents to deliver the Council's vision of place.
- Using the strong local politics as a force for good, whilst ensuring civility in public life is promoted and kept front and centre to encourage respectful and constructive debate including online and in-person meetings.
- Enhancing the effectiveness of the Council's scrutiny arrangements, specifically meetings, by assessing current practices to identify opportunities for improvement to make them more effective.

In response to this, the Council has undertaken a significant amount of engagement with elected members, and embarked upon a journey of "Reshaping Scrutiny", which was agreed by Full Council in 2024/25 to be implemented in the 2025/26 municipal year.

#### What do we need to improve?

From a review of the Council's governance arrangements and their effectiveness for 2024/25, no significant governance issues were identified. However, for each Principle we have identified further areas we would like to develop and improve on moving into 2025/26; for ease of reference and to monitor their progress, they have been collated and shown at Appendix B.

The Council continues to operate in a challenging environment financially and in terms of service demands and expectations.

## Introduction

The Council is required to demonstrate it has good and effective governance arrangements in place in line with the “Delivering Good Governance in Local Government Framework” (CIPFA/SOLACE, 2016). This Annual Governance Statement (AGS) explains how the Council has complied with the terms of this Framework for the year ended 31st March 2025. It outlines what has changed, improved or developed in year and identifies any areas for improvement to further strengthen the sound governance arrangements already in place. The Council's Code of Corporate Governance forms part of its Constitution and details the governance framework arrangements it has in place to support the AGS. The AGS is included within the annual Statement of Accounts.

The Council promotes a culture rooted in shared values, ethical principles, and good conduct. This culture shapes the implementation of the long-term vision and influences the day to day actions of members and officers. Its values are Ambitious, Open, Proud, Together.

The behaviour of elected members and officers is regulated by codes of conduct, which include a mandate for declaring any conflicts of interest. The roles and responsibilities of are outlined in procedural standing orders, delegation schemes, and contract and financial procedure rules. These Codes of Conduct set high ethical standards to ensure public business is conducted with fairness and integrity.

The Council's Code of Conduct for Elected Members is based on the seven principles of public life. This leads to good, effective governance.

A significant part of that framework is the Council's system of internal control. This helps to manage and control the business risks that the Council encounters in delivering its operations. Not all risks can be eliminated but they can be reduced and mitigated by implementing effective systems of control. This can only provide reasonable and not absolute assurance of the effectiveness of the environment. The Council's Governance Framework, including the Council's system of internal control, has been in place for the year ended 31st March 2025 and up to the date of the approval of the Statement of Accounts and is a continuous process.

The key internal controls that were in place in 2024/25 are shown at Appendix A.

The Council's Code of Corporate Governance is the framework which positions the attainment of sustainable economic, social, and environmental outcomes as a key focus of good governance processes and structures. The focus on sustainability and the links between governance and public financial management are crucial – local authorities must recognise the need to focus on the long term.

As with all work undertaken by the Council, the Annual Governance Statement reflects the Council's responsibilities under the Well-being of Future Generations (Wales) Act 2015. The Council recognises the need to ensure that in line with the sustainable development principle it takes account of how its decisions may impact on future generations. The Council has embedded the five ways of working across

its activities and in delivering its priorities from Vale 2030 it will maximise its contribution to the seven national Well-being Goals.

## Scope of Responsibility

The Vale of Glamorgan Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for and used economically, efficiently and effectively. This is reflective of the duties under the Local Government & Elections (Wales) Act (2021), Part Six, also. The Council sees Corporate Governance as doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Strong, transparent and responsive governance enables the Council to put citizens first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain citizens confidence, these mechanisms must be sound and be seen to be sound.

The 7 principles of the CIPFA and SOLACE Framework - Delivering Good Governance in Local Government 2016 are set below:

### Governance Principles:

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

The Council's detailed framework of its governance arrangements are set out in the Code of Corporate Governance, which forms part of our Constitution and is available on our website at [Code of Corporate Governance](#); in accordance with Delivering Good Governance in Local Government 2016.

The overarching governance framework in place for the Council is shown at Fig.1.

The important relationship between the Governance Principles and Internal Controls are shown at Fig.2.



Fig. 1.

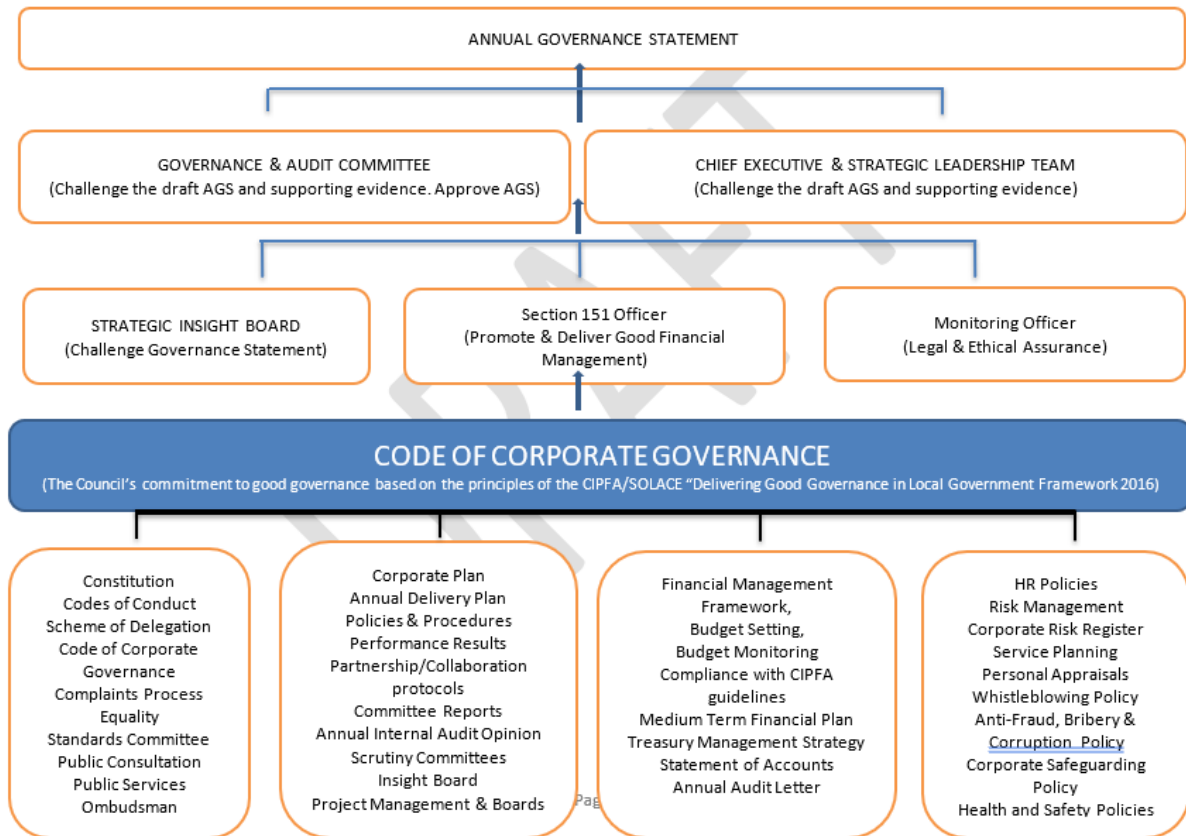
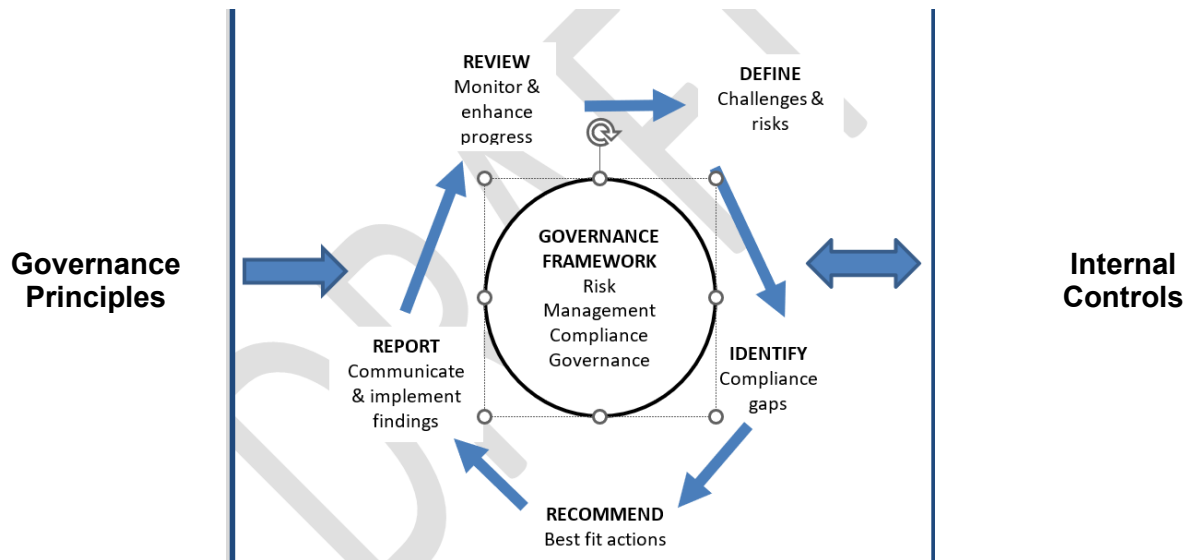


Fig.2

## Relationship Between Governance Principles and Internal Controls



The following sets out for each of the Principles, the changes, improvements and developments in year and areas for improvement in 2025/26,.

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

<p><b>Changes, improvements or developments in year</b></p>	<ul style="list-style-type: none"> <li>• The Council promotes shared values. The roles and responsibilities of Elected Members and officers, including adherence to Codes of Conduct and managing personal and conflict of interests are outlined in the Council's Constitution.</li> <li>• The Standards Committee, chaired by an independent co-opted member, oversees ethical standards, Member training, and complaints, while the Monitoring Officer (Head of Legal and Democratic Services) has statutory duties to report any illegal activities or maladministration.</li> <li>• During 2024/25, the Standards Committee met six times, reviewed reports with political Group Leaders, approved its Annual Report, and reviewed reports from the Public Services Ombudsman for Wales and the Adjudication Panel for Wales.</li> <li>• The Committee also received updates on the Civility in Public Life work programme and reinstated Independent Members' observation meetings of town and community councils .</li> <li>• Members of the Standards Committee observed Full Council meetings on a cyclical basis and fed back to Members accordingly surrounding standards within the Council Chamber.</li> <li>• The Monitoring Officer received six complaints about Member conduct: four involved community councils and two involved Vale of Glamorgan Council members. The Public Services Ombudsman for Wales found no evidence of a breach in two cases, is investigating one, considering another for investigation, and referred the remaining two to the Standards Committee for hearings anticipated in July and December.</li> </ul>
<p><b>Areas for Improvement 2025/26</b></p>	<ul style="list-style-type: none"> <li>• Review the Local Dispute Resolution Procedure, procedures for hearing complaints, and refresher training, as well as section 19 of the Council's Constitution.</li> <li>• The Standards Committee will: <ul style="list-style-type: none"> <li>– aim to broaden its representation</li> <li>– enhance Independent Members' observations of TCC meetings</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>– improve access to e-learning and member briefings</li> <li>• Prepare for Member development and induction ahead of the May 2027 elections, alongside a review of the Council's Constitution and the Whistleblowing Policy, with more outcome-focused reports to the G&amp;A Committee.</li> <li>• Undertake further observations of Town and Community Council meetings across the Vale of Glamorgan to promote high standards of conduct by Town and Community Councillors.</li> </ul>
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## **Principle B: *Ensuring openness and comprehensive stakeholder engagement***

<b>Changes, improvements or developments in year</b>	<ul style="list-style-type: none"> <li>• The Council is committed to understanding and learning from the views of the public. The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.</li> <li>• The Council has a Public Participation Strategy which explains how we will encourage and facilitate public participation in the Vale of Glamorgan. It also sets out how we will be diverse in our engagement methods, using social media platforms, community connectors and face-to-face engagement, to take an integrated approach to public participation. Our strategy seeks to provide as many stakeholders as possible the opportunity to participate and become involved in the decision-making process, enabling people to shape what we do and how we do it.</li> <li>• The Public Participation Strategy was approved in May 2022 and is split into three key workstreams which are: <ul style="list-style-type: none"> <li>• Reach. Maximising opportunities for as many voices as possible to be heard, using variety of mechanisms.</li> <li>• Involve. Targeting activity to ensure different communities are offered different opportunities to participate.</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>• Represent. Making sure the views gathered are presented to decision makers at the right level, and that elected members are effective advocates for participation and have skills and tools to fulfil their role in increasing involvement.</li> <li>• The Council has always sought to develop the methods used to engage with stakeholders in a way that is accessible and convenient, seen during the year relating to the Corporate Plan and Place Making Plans.</li> <li>• The Council has also expanded its use of social media to include social media polls and encouraging residents to leave 'comments' expressing their views. Data from both the polls and comment section have then been used in reports such as the budget. We have also used social media to promote Council meetings, consultations, alongside bespoke videos to promote greater understanding of the issues in question.</li> <li>• The Council hosts face to-face engagement sessions where possible and provides consultation documents online.</li> <li>• Members of the public can ask questions at Full Council, with a number of questions being answered during the year.</li> <li>• The Council enables members of the public to speak at Scrutiny meetings and Planning Committee, to provide Members with the public's viewpoint surrounding any initiatives being undertaken. They can also make written representations to Committee. These opportunities were undertaken numerous times throughout the year, with a notable example being Environment and Regeneration Committee (28th January 2025).</li> <li>• Youth Voice is embedded within Scrutiny arrangements surrounding Learning and Skills, as representatives of Vale Youth Forum, regularly attended Learning and Skills Scrutiny Committee as a co-opted member and participated in discussions.</li> <li>• Since 2018 the Council has carried out Staff Surveys every two years, providing all staff with the opportunity to engage and rate on several factors, also providing the opportunity to pulse check staff wellbeing. Following the publication of the results, a corporate action plan is created to make improvements.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Staff Wellbeing Champions and Mental Health champions continued working together to organise virtual activities to support staff wellbeing, working in collaboration with the Health &amp; Safety and occupational health teams to continue to develop the wellbeing offering. 2024/25 saw further development of stress risk assessments to support the mental wellbeing of our staff to stay in work and reduce absenteeism. This has been enhanced through the evolution of the Learning Café, which has seen the development of a number of key workstreams in 2024/25, including Wellbeing. This cross-functional group leads on a number of wellbeing themes across the year, including physical, emotional and financial wellbeing. In 2024/25 learning opportunities and courses included financial wellbeing, how to budget and plan, digital tools to support wellbeing and a wider campaign for Stress Awareness Month.</li> <li>• A revised reward offering 'My Vale Rewards', which included an employee wellbeing hub, was developed in 2024/25.</li> <li>• The Council also has a number of staff networks with whom Corporate Resources colleagues collaborates closely with to shape policy changes and foster an open dialogue. 2024/25 saw the newly formed group 'Abl', supporting employees with disabilities. Feedback is sought on matters impacting various groups within the council, ensuring an inclusive and responsive approach and the creation of inclusive workspaces where all staff feel safe to contribute, celebrate our differences and be the best the Council can be. 2024 has included the review of the Special Leave Policy, Recruitment and Retention Strategy and Hybrid Working arrangements.</li> <li>• Decisions made by the Council and/or Cabinet are documented in the public domain along with reasons for those decisions.</li> <li>• "Let's Talk about life in the Vale" was a survey exercise run in partnership with Data Cymru to understand residents' experiences of life in the Vale of Glamorgan and identify their priorities to inform future service delivery. This has featured in developing the Council's Financial Strategy and budget decision making. There were 4,009 responses to the survey.</li> <li>• The Council's Public Participation Strategy is now being refreshed and its actions reprioritised in line with the survey results.</li> </ul>
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	<ul style="list-style-type: none"> <li>The Council has engaged with Members across the Chamber on a frequent basis in shaping proposals surrounding the future of the Scrutiny functions, ensuring that all Members across the political divide had the opportunity to contribute to the Council's future direction.</li> </ul>
<b>Areas for Improvement 2025/26</b>	<ul style="list-style-type: none"> <li>The e-petitions function is being reviewed in 2025/26 as to how best raise awareness, as the number of petitions received by the Council is minimal.</li> <li>The Council regularly engages Members beyond Cabinet within its decision making and is seeking to enhance this further during 2025/26 because of the Reshaping Scrutiny workstream and revised Members' Communication Strategy.</li> <li>As the Council seeks to embed Task and Finish as part of its new Scrutiny arrangements, it is exploring alternative means to encourage participation from the wider public.</li> <li>Improvement in the completion rates of our performance appraisal process, a wider review on the reason for the decline in completion in 2024/25 will take place.</li> <li>The Let's Talk About Life in the Vale survey will run again, making use of the standard question set (with some local additions) in collaboration with Data Cymru.</li> </ul>

### **Principle C : *Defining outcomes in terms of sustainable economic, social and environmental benefits***

<b>Changes, improvements or developments in year</b>	<b>Defining outcomes</b> <ul style="list-style-type: none"> <li>The Corporate Plan (Vale 2030) is the Council's key strategic document and sets out how the Council's vision of Strong Communities with a Bright Future will be delivered.</li> <li>Work was undertaken through 2024/25 to develop Vale 2030 which was approved by Council in March 2025. Vale 2030 details outcomes that will be delivered against each of the five new well-being objectives and this has framed conversations throughout the development of Vale 2030 focusing on what the Council is working to achieve and the outcomes that will be delivered. This builds on recent work with Audit Wales on more outcome focused performance reports and this approach has continued</li> </ul>
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	<p>to be developed through the year in the 2024/25 performance reports and new Directorate Plans for 2025/26.</p> <p><b>Sustainable economic, social and environmental benefits</b></p> <p><u>Annual Delivery Plan (ADP) 2024/25</u></p> <ul style="list-style-type: none"> <li>• The ADP 2024/25 was informed by what residents, partners, elected members and staff told us through various engagement and consultation activities including our residents' survey, Let's Talk. The ADP reflected the findings from the work of our regulators, our Annual Self-Assessment Reports and the Council's performance in the national context. The 2024/25 ADP set out actions to deliver the final year of the Corporate Plan and detailed three critical challenges for the year. The critical challenges were: <ul style="list-style-type: none"> <li>– Organisational Resilience (our people, finances, assets and public engagement)</li> <li>– Cost of Living Crisis</li> <li>– Climate and Nature Emergencies</li> </ul> </li> </ul> <p><u>Developing new Objectives for Vale 2030</u></p> <ul style="list-style-type: none"> <li>• Vale 2030 is a further evolution of the previous Corporate Plan and the ADP. Achievements from the previous plan, local needs and available resources and the views of residents, partners, and staff informed the new Plan. The Council has embraced the Well-being of Future Generations (Wales) Act 2015 (WFGA), and Vale 2030 has been framed around five new Well-being Objectives that are aligned to the well-being goals of the WFGA: <ul style="list-style-type: none"> <li>– Creating great places to live, work and visit</li> <li>– Respecting and celebrating the environment</li> <li>– Giving everyone a good start in life</li> <li>– Supporting and protecting those who need us</li> <li>– Being the best Council we can be</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>• Vale 2030 is underpinned by a set of enabling strategies including the Asset Management Plan, Medium Term Financial Plan, People Strategy, Workforce Plan, Digital Strategy, Strategic Equalities Plan, Performance Management Framework and Risk Management Strategy and Register.</li> <li>• Throughout 2024/25 there was a strong emphasis on partnership working. Work was undertaken with Cwmpas to engage with external partners and council officers to explore how work could be enhanced to deliver better outcomes and respond to the Audit Wales recommendations; this has led to a strong emphasis on tackling poverty and the inclusion of a Partnership Statement in Vale 2030. Partners have been engaged throughout the development of Vale 2030 and there has been support for its direction. How the Council works in partnership was also explored as part of the PPA and led to a stronger emphasis in the final plan on the importance of partnership working to successfully deliver the outcomes detailed in Vale 2030.</li> </ul> <p><u>Annual Self-Assessment</u></p> <ul style="list-style-type: none"> <li>• Both the Local Government &amp; Elections (Wales) Act (2021) and the Well-being of Future Generations (Wales) Act 2015, place specific duties on objective setting, self-assessment and performance reporting. The Annual Self-Assessment Report is one of the most significant documents produced by the Council that is used to demonstrate effective accountability and transparency.</li> <li>• The Annual Self-Assessment Report presents a position statement on the Council's performance retrospectively over the past year in delivering the Council's priorities as set out in the ADP aligned to the Corporate Plan. The Council's self-assessment judgements and areas for improvement are subject to internal peer challenge via the Leader, Chief Executive, cabinet portfolio holders and relevant Scrutiny Chairs, followed by a moderation exercise to ensure consistency in approach. External challenge is sought via engagement with staff and key partners including the public. This ensures that improvement areas are reflective of emerging insight. Vale 2030 will be supported by annual Directorate Plans and associated performance targets as well as a published Annual Statement.</li> <li>• The draft Annual Self-Assessment 2024/25 will be considered by Cabinet in July 2025 before consultation is undertaken with the public and relevant committees including Governance and Audit</li> </ul>
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	<p>Committee. It comprises three main judgements as listed below and has reached an initial judgement of ‘good’ against all three areas. This may change following consultation.</p> <ul style="list-style-type: none"> <li>– How well is the Council performing?</li> <li>– How well is the Council using its resources?</li> <li>– How effective is the Council’s governance?</li> </ul> <ul style="list-style-type: none"> <li>• The Annual Self-Assessment Report for the period 2024/25 represents the final year of the Corporate Plan 2020-2025 and will be published in Autumn 2025.</li> </ul> <p><u>Panel Performance Assessment</u></p> <ul style="list-style-type: none"> <li>• The Local Government and Election (Wales) Act 2021 (LG&amp;E) requires the Council to arrange and respond to an independent Panel Performance Assessment (PPA) at least once during an electoral cycle. The PPA was undertaken in November 2024 by an independent peer panel which was supported by the WLGA. The Panel considered how well is the Council performing, how well is it using its resources and how effective is the Council’s governance. The Panel concluded that overall, the Council exercises its functions effectively and there were no identified areas of concern, and that from the evidence they heard and within the current high levels of service demand and financial pressures faced by all local authorities across Wales the Council is using its resources effectively and efficiently. The Panel also concluded that the Council has effective governance arrangements in place but there are areas which could be further developed.</li> <li>• The Panel were also asked to look specifically at whether the Council’s approach to developing the Corporate Plan and the associated performance arrangements set an ambitious but realistic vision for the Vale and enable the Council to demonstrate delivery of key outcomes. The PPA and the subsequent report are positive, and work is already underway in response to the recommendations. In their report the Panel describe the Corporate Plan as “ambitious” and that “the Council has been astute in timing the PPA to assist in the development of the draft corporate plan”. The Panel conclude the Council “is at an early stage of demonstrating outcomes” and “whilst staff are behind the ambition in the Corporate Plan, some expressed concern about the capacity to deliver it.</li> </ul>
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	<ul style="list-style-type: none"> <li>• The Panel made four recommendations relating to: Planning for Place, Signalling Change, building on existing strong partnerships and governance and using resources effectively. In response, a number of changes were made to Vale 2030 to help with communicating the vision and ambition and to emphasise the importance of partnership working. A Communications Plan was developed to support publication of the Corporate Plan both internally and externally including a stakeholder event with partners hosted by the Leader and Chief Executive. This formed part of the Signalling Change Plan which has been developed and includes activities around member development, Learning Cafes, performance reporting and scrutiny. Changes have also been made to scrutiny committees in response to the report and aligned to Vale 2030.</li> </ul> <p><u>Strategic Insight Board</u></p> <ul style="list-style-type: none"> <li>• The Strategic Insight Board is a cross-directorate management Board which provides a strategic focus on the key corporate issues being taken forward by the organisation and is chaired by the Chief Executive. The Board meets monthly, and its work supports integrated planning across the organisation. One of the roles of the Board is to track regulatory recommendations and ensure there is appropriate discussion and monitoring of our response to recommendations in local and national reports. The work of the Board is set out in a forward programme and reports into SLT.</li> </ul> <p><u>Programmes and Projects</u></p> <ul style="list-style-type: none"> <li>• To support the work of Cabinet and SLT and to take forward key projects within the organisation a number of boards exist. Some boards are Council wide and include elected Members. Examples of some of the established boards are the Information Governance Board, the Project Zero Board, the Barry Partnership, School Investment Board, Strategic Housing Board, Waste Management Project Board and the Families First Management Board. Some of these boards will be partnership boards and others will consist of Council officers.</li> <li>• Cabinet and SLT form the Reshaping Board which maintains operational oversight of the delivery of the overall Reshaping Programme. A number of supporting programme boards and project teams have been established for specific workstreams and they will report to the Reshaping Board.</li> <li>• Where projects are of particular interest to Scrutiny Committees, some have established work or groups or undertaken task and finish scrutiny to understand an area further and seek to develop a</li> </ul>
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	<p>proposal or function via recommendations to Cabinet. Examples of this during 2024/25 include a Task and Finish group related to procurement to review the Council's approach (reflecting upon recently introduced legislation).</p> <p><u>Finance/Budget</u></p> <ul style="list-style-type: none"> <li>• The Council has a successful track record of delivering a balanced budget made possible by its robust approach to managing finances which incorporates an effective corporate framework for financial planning, financial management and control.</li> <li>• The Council published its Financial Strategy in July 2024 reviewing the Medium Term Financial Plan Assumptions as well as setting out the approach to budget setting alongside the Reshaping Transformation programme and development of the new Corporate Plan – Vale 2030. The Reshaping Prospectus was approved by Cabinet in October 2024 which is key to the move to sustainable finances and a fully populated five year Medium Term Financial Plan.</li> <li>• A further refresh of assumptions and update on funding was provided to Cabinet in November, relatively late due to the timing of the new Government's first budget Statement.</li> <li>• The Council's HRA Business Plan and Rent Setting report were subject to scrutiny ahead of being recommended through to Council by Cabinet in the first week of January. Despite the tight timeframe, the scrutiny process was judged to having added value.</li> <li>• The Council's Budget for Consultation came forward to Cabinet in mid January allowing a four week period for public consultation and scrutiny before Cabinet reviewed the draft budget in late February for Council approval on 10 March ahead of the statutory deadline. The consultation was more meaningful than in previous years with Equality Impact Assessments in place for all of the savings proposals. The draft/final budget proposals included a clear vision for how the various Reshaping themes would combine to balance the budget over the medium term.</li> <li>• There was regular monitoring of the Council's financial position in year through quarterly monitoring to Cabinet and Scrutiny and management through the Savings Tracker developed ahead of the start of the financial year. There were significant overspends in schools and social care and a shortfall in</li> </ul>
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	<p>the delivery of savings. The school overspends are of concern with their reserves in overall deficit requiring an underwrite from the Council's overall reserves.</p> <p><b>Improvements made in 2024/25</b></p> <ul style="list-style-type: none"> <li>• The development of Vale 2030 involved partners and staff and was informed by public engagement and consultation and the PPA.</li> <li>• Detailed outcomes included in Vale 2030 set out what people can expect to be delivered.</li> <li>• Stronger emphasis on partnership working throughout Vale 2030, including a dedicated Partnership Statement.</li> <li>• A draft People Strategy has been developed and will be consulted on in the summer 2025 for ratification in the autumn.</li> <li>• Portfolio of Reshaping projects and programme management arrangements have been agreed.</li> <li>• A central Reshaping Transformation Team has been established in Corporate Resources to support services to deliver projects.</li> <li>• Guidance regarding terms of reference for Boards has been issued.</li> <li>• Equality Impact Assessments were in place for all budget proposals for public consultation and scrutiny.</li> <li>• A vision for the delivery of sustainable finances has been established through the Reshaping Programme's five themes.</li> </ul>
<b>Areas for Improvement 2025/26</b>	<ul style="list-style-type: none"> <li>• Ongoing communications about Vale 2030 as part of the Signalling Change plan and the development of a new Communications Strategy to raise awareness with residents, staff and partners about the priorities detailed in the new Corporate Plan.</li> <li>• Stronger emphasis on outcomes when reporting progress through 2025/26 both at Officer and Member level and making connections with the new Communications Strategy.</li> <li>• Promotion of the partnership statement to partners and officers.</li> </ul>

	<ul style="list-style-type: none"> <li>• Review of the approach to the Annual Self Assessment to reflect feedback and align to Vale 2030 and Directorate Plans.</li> <li>• Review of the Strategic Insight Board in light of developments across the Council, including through Reshaping.</li> <li>• It is anticipated that changes to Scrutiny ways of working will see an increase in the amount of task and finish activity during 2025/26.</li> <li>• Early budget decision making to ensure full delivery of savings programmes.</li> </ul>
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<b>Principle D: <i>Determining the interventions necessary to optimise the achievement of the intended outcomes</i></b>	
<b>Changes, improvements or developments in year</b>	<ul style="list-style-type: none"> <li>• The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. The Council must have robust decision-making mechanisms in place to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. The Council recognises that informed decision making is a fundamental part of good governance. Decision makers receive objective analysis of a variety of options indicating how intended outcomes would be achieved together with the risks associated with those options. In determining how services and other courses of action should be planned and delivered, the Council is increasingly engaging with internal and external stakeholders more.</li> </ul> <p><u>Working in Partnership</u></p> <ul style="list-style-type: none"> <li>• The Council fosters effective relationships, partnership and collaborative working and contractual arrangements with other public, private and voluntary organisations in delivering services that meet the needs of the local community as stated in Vale 2030. The Section 16 Forum is a good example</li> </ul>

	<p>of the Council working with partners to improve outcomes and commissioning arrangements within social care.</p> <ul style="list-style-type: none"> <li>• The Council participates in number of key partnerships including the Public Services Board and the Regional Partnership Board. An internal officer group within the Council ensures that connections are made across these partnerships and information shared. In 2024/25 this group commenced work to map partnership activity, consider effectiveness and how the different partnerships could assist in delivering Vale 2030 priorities. Cabinet receives a six-monthly report on Strategic Collaborations to maintain oversight of these and there is a Strategic Partnerships Group of Officers in operation.</li> <li>• One of the Council's key strengths is its ability to explore opportunities to work in partnership with others and it has developed a robust approach to collaborative working to enable it to maximise benefits for its customers and residents. The Council has developed and hosts several regional services, including the Shared Regulatory Service, Regional Adoption Service and the Regional Internal Audit Service.</li> </ul> <p><u>Performance Management</u></p> <ul style="list-style-type: none"> <li>• The Council aims to deliver high quality services that provide value for money, and which are aligned to the needs and priorities of the local community. The Council is committed to ensuring that the relevance of the Well-being Objectives in the Corporate Plan continue to reflect the priorities for the Vale of Glamorgan.</li> <li>• The Annual Performance Calendar of activities is the Council's key means of complying with the WBFG Act and the Local Government &amp; Election Act to demonstrate achievement of our Corporate Plan Well-being Objectives and contribution to the national well-being goals. The completion of the key activities outlined in the 2024/25 Annual Performance Calendar culminated in the approval and publication the Annual Delivery Plan and Service Plans in March 2024 for the period 2024/25 and the Council's third Self-Assessment under the LG&amp;E Act (published in January 2025).</li> <li>• Engagement work with Elected Members, key partners, other stakeholders and council officers throughout the year (as part of a planned programme of collaboration) continues to help shape the key plans and activities within the performance calendar to further strengthen our approach to self-assessment and the evidence base/insight for identifying our improvement areas and ensuring</li> </ul>
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	<p>appropriate and timely action is taken to address them. This process is reviewed annually at the start of the year to identify further enhancements to the approach that will further strengthen the extent to which the Council is meeting the performance requirements and contributing to the national well-being goals.</p> <ul style="list-style-type: none"> <li>Throughout the life of the 2020-25 Corporate Plan the Council has undertaken annual Service Planning that is aligned to the commitments set out in the Annual Delivery Plan (ADP) 2024/25 and Corporate Plan. Service Plans have been the delivery arm of the ADP specific to each service area. Service plans include detailed actions and performance targets that contribute towards the achievement of Corporate Plan and ADP priorities and set out how resources will be used to support this work.</li> <li>Throughout 2024/25 Scrutiny Committees have reviewed the progress of Service Plans on a quarterly basis, including the achievement of set targets and actions. Performance has been presented as a singular report, by Well-being Objectives; this integrated and cross-cutting approach has enabled a more holistic approach to monitoring. Regular briefing sessions with Members on performance management enables them to further develop their skills and understanding, and to shape how performance is reported.</li> <li>During 2024/25, as part of the development of Vale 2030 performance arrangements have been reviewed; the above approach has been revised to further strengthen the arrangements that will support delivery of the commitments in Vale 2030. Additionally, performance reports are being streamlined, making them sharper and more outcome focussed. Work is underway with Members to develop a thematic scrutiny committee structure to further enhance accountability and transparency.</li> </ul> <p><b>Improvements made in 2024/25</b></p> <ul style="list-style-type: none"> <li>Replacement of the ADP and 15 service plans with an Annual Statement and 5 Directorate Plans for 2025/26.</li> </ul>
<b>Areas for Improvement 2025/26</b>	<ul style="list-style-type: none"> <li>Development of new performance reports aligned to Vale 2030 and the new Directorate Plans and new scrutiny arrangements and reflecting Audit Wales recommendations regarding service user perspective, more outcome focused reports and alignment with financial information.</li> </ul>

	<ul style="list-style-type: none"> <li>• From April 2025/26, an Annual Statement will replace the current Annual Delivery Plan outlining some of the key outcomes to be achieved in the coming year informed by the ASA, resident voice and political priorities. Strategic annual Directorate Plans will replace existing Service Plans.</li> <li>• Progress work associated with the Partnership Statement in the delivery of Vale 2030.</li> </ul>
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**Principle E: *Developing the entity's capacity, including the capability of its leadership and the individuals within***

<b>Changes, improvements or developments in year</b>	<ul style="list-style-type: none"> <li>• The Strategic Leadership Team consists of the Chief Executive, five Corporate Directors, the Monitoring Officer, the Section 151 Officer, the Head of Digital and the Head of Human Resources. The roles and responsibility of Corporate Officers are defined in agreed job profiles and set out in the Council's Constitution. Chief Officer Performance is reviewed on an annual basis in accordance with the Chief Officer Appraisal process, this was reviewed for 2023, and further embedded considering feedback in 2024, with a revised process introducing greater touchpoints and more robust methods of reviewing performance including peer-to-peer review and 360° feedback.</li> <li>• The Chief Executive is responsible and accountable to the Council for all aspects of management including promoting sound governance, providing quality information / support to inform decision-making and scrutiny, supporting other statutory officers, and building relationships with all Councillors.</li> <li>• The Council aims to ensure that Members and officers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well-trained and competent people in effective service delivery.</li> <li>• All new Members and staff undertake an induction to familiarise them with protocols, procedures, values and aims of the Council. Following the Local Government Elections Act 2021 a full comprehensive induction programme for Members, Co-opted Members and Lay Members was put in place with a number of elements of the training determined as mandatory training by the Council e.g. Code of Conduct. Work to review these arrangements commenced in parallel with Reshaping Scrutiny activity.</li> </ul>
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	<ul style="list-style-type: none"> <li>• A Member Development Strategy provides a framework for supporting Members in the numerous roles that they are required to undertake both within, and outside, the Council. This programme identifies a range of topics to support Members in their development based upon feedback received from Members during a Learning Needs Self-Assessment Exercise. This exercise resulted in a <a href="#">revised Development Programme</a> being agreed in February 2025. Members are also able to reflect upon their training and knowledge needs during the personal development review process.</li> <li>• The Council operates an Executive decision-making system, with Scrutiny Committees being a key avenue of informing policy development within the Council. During 2024/25, the Council operated with five Committees, with their outcomes reported via a Scrutiny Committee <a href="#">Annual Report</a>. Alongside this, the Scrutiny Chairs and Vice-Chairs group also regularly met to share best practice.</li> <li>• Alongside the Scrutiny Chair and Vice-Chairs Group, all Members were engaged during 2024/25 to co-produce work to enhance the scrutiny function, entitled <a href="#">Reshaping Scrutiny</a>. This work was commissioned to address feedback, such as Audit Wales recommendations, resident and Member feedback, and most notably, the Council's Performance Panel Assessment. Changes were agreed by Full Council in April 2025.</li> <li>• Changes being introduced to enhance the role and functioning of Scrutiny will become effective in 2025/26.</li> <li>• Members continue to receive refresher training and support (including Co-opted / Lay Members and observers on Committees) on the use of virtual / hybrid meeting software. Democratic Services officers continue to support all Members and the public who are registered to speak on the use of the virtual /hybrid meeting platforms as required prior to and during meetings. A trouble shooting / quick guide and useful aide memoire has been made available to all Members and Co-opted/ Lay Members.</li> <li>• The Training following the Local Government Elections 2022 included both Mandatory and non-Mandatory training, for example: <ul style="list-style-type: none"> <li>– Finance</li> <li>– Induction Event</li> <li>– Ethics and Standards</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>- Equality and Diversity</li> <li>- Corporate Safeguarding</li> <li>- Rules of Debate</li> <li>- GDPR – e-learning on IDEV</li> <li>- Chairing skills – if a chair of a committee</li> <li>- Specific Training in respect of a member's role on a committee e.g. Planning.</li> </ul> <ul style="list-style-type: none"> <li>• Cabinet receives an annual report providing an update on progress being made with strategic collaborative working initiatives. The Council continues to work proactively with a range of partners to transform how services will be delivered as well as considering new and innovative models of delivery in line with the Council's transformational change agenda.</li> <li>• Through the established workforce planning and staff engagement processes, the Council continues to maintain a highly skilled and resilient workforce that is responsive to the constantly changing environment.</li> <li>• During 2024/25 the OD and Learning Team have taken further steps to support the development of the Council's people by improving the scope and capacity of the Online Learning System, iDev. In 2023 the Learning Café was revamped and relaunched to provide more opportunities for staff to engage with development opportunities and focus on areas they are interested in developing further, this has continued in 2024 with the development of nine key channels for staff to engage, share best practice and develop these include Project Zero, Community Power, Digital, Leadership and Management, Wellbeing and Project Transformation. This year the Learning Café has held further 'Ask the Chief Executive' along with wider engagement sessions around the development of the new Corporate Plan (Vale 2030) and the Reshaping Programme.</li> <li>• The Council's blended Onboarding and Induction Programme, continues to develop, providing all new starters with key information to ensure they feel welcomed and valued in the Council, whilst ensuring they have the core knowledge to reach competency. All new starters are enrolled from day one in the Council, ensuring they have access to mandatory learning, key information about the Council and access to sign up to our half day in-person induction session, "Welcome to the Vale".</li> </ul>
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	<ul style="list-style-type: none"> <li>• Management development sessions were also held in the Autumn 2024 and Spring 2025 focusing on the development of senior staff and those with line management responsibility. The sessions focused on the development of Vale 2030 and the Signalling Change Plan, including information relating to new Tone of Voice Guidance and the draft 'Brilliant Basics Charter'.</li> <li>• Focus has also been given to enhancing the capability and competency of the Council through wider learning and training initiatives, such as Data Protection Bobi and Cyber security in addition to more robust safeguarding practice, leading to the development of further mechanisms to improve safeguarding awareness training across the Council.</li> </ul>
<b>Areas for Improvement 2025/26</b>	<ul style="list-style-type: none"> <li>• The effectiveness of the revised Scrutiny arrangements will be evaluated at the end of the 2025/26 municipal year.</li> <li>• Further development of digital competence for Members and officers.</li> <li>• A Council wide Skills Mapping exercise as part of the new People Strategy and Target Operating Model, looking at the requirement for skills of the future, gaps identified and pathway to achieve and close the gaps.</li> <li>• Delivery of the Signalling Change Plan.</li> </ul>

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

<b>Changes, improvements or developments in year</b>	<p><b>Managing risk</b></p> <ul style="list-style-type: none"> <li>• Risk management is an important feature of the Council's governance arrangements, and successful risk management relies on a corporate approach to ensure that all risks are identified and managed systematically and consistently across the Council. The Risk Management Strategy sets out the approach to the identification of and responses to strategic and operational risks and provides essential input to the determination of Council priorities, targets and objectives. During 2024/25, the</li> </ul>
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	<p>Council reviewed and revised its Risk Management Strategy as part of the development of Vale 2030.</p> <ul style="list-style-type: none"> <li>• There is a well-established risk management process in place for corporate and service risks which clarifies the process for escalation of operational risks to reflect the Council's risk appetite. The move to Directorate Plans in 2025/26 will ensure a focus on higher level directorate contributions on corporate themes such as risk and reduce duplication within its Plan. Consideration of corporate themes at DMT level will promote a more integrated and outcome focussed approach to working both within and across directorates.</li> <li>• A key feature of corporate risk management continues to be horizon scanning of emerging risks which are outlined quarterly in a Corporate Risk Summary Report. This supports the role of the Strategic Insight Board, Strategic Leadership Team, Cabinet and Governance and Audit Committee by providing them with an overview of any issues associated with emerging risks and provides an opportunity to scrutinise potential risks in greater detail.</li> <li>• The Corporate Risk Summary Report identifies a small number of risks on the register each quarter where a more detailed brief of the issues is highlighted. This gives both officers and Members a spotlight for discussion prompting more detailed scrutiny and analysis and enabling the identification of any further action where required. Quarterly monitoring of service risks identified through the service planning process enables risk owners to reduce, eliminate and manage their service risks. As part of quarterly monitoring emerging areas of concern specific to each scrutiny committee's remit is detailed enabling Members to have ongoing oversight of emerging issues, challenges and risk associated with well-being objectives.</li> <li>• Assurance is sought annually on a sample of corporate risks and corporate risk management oversight arrangements as part of the Annual Internal Audit Plan. Reasonable and Substantial audit opinions have been provided on our corporate risks and our risk management oversight arrangements over the past four years. A Substantial opinion was issued by Internal Audit during 2024/25 following implementation of the revised strategy. The review highlighted that the Council's corporate risks continue to be appropriately managed with progress effectively reported. During the audit, strengths and areas of good practice were identified as follows:</li> </ul>
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	<ul style="list-style-type: none"> <li>- The Corporate Risk Management Policy 2024 to 2028 clearly defines the roles and responsibilities of boards, committees, and staff at different levels.</li> <li>- Oversight and Governance at both a corporate level and individual risk level was in place.</li> <li>- There is evidence of challenge from Governance and Audit Committee being responded to.</li> <li>- No recommendations were made indicating that the Council has sound systems/processes in place in terms of how those risks were being managed.</li> </ul> <p><b>Managing performance</b></p> <ul style="list-style-type: none"> <li>• There are robust performance management arrangements, to monitor the Corporate Plan and annual commitments as outlined in the Annual Delivery Plan 2024/25. Reports are presented in a focused and accessible way that highlights performance by areas of exception thus promoting more effective scrutiny. Members can also influence the information they receive to support their scrutiny roles through Member workshops aligned to the annual performance calendar. Following a proof of concept using the existing Corporate Performance Framework of measures and actions, Power BI has been further developed to support performance reporting and feedback from Members over the year is informing future enhancements.</li> <li>• A self-reflective approach is taken by Directorates to reviewing their performance as part of corporate quarterly performance monitoring arrangements for the ADP culminating with an end of year position statement that dovetails with the Annual Directorate Self-Assessment. Key insights on performance, achievements, challenges and areas for improvement provide an evidence base that informs the Council's Annual Self-Assessment findings. That approach is reviewed every year to ensure the Council continues to improve and embed good practice across all service areas. The success of this approach has helped shape the move from service plans to directorate plans to provide more synergy and integrated activity within Directorates and opportunity for reflection and outcome focused thinking.</li> </ul> <p><b>Robust internal control</b></p> <ul style="list-style-type: none"> <li>• The Council has approved an Executive/Scrutiny model of decision making. Full Council sets the policy and budget framework. Within this framework, most key decisions are made by the Cabinet. Cabinet meetings are open to the public. The decision-making process was scrutinised by five</li> </ul>
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	<p>Scrutiny Committees, which support the work of the Cabinet as Executive and the Council as a whole.</p> <ul style="list-style-type: none"> <li>One of the key functions of internal Audit is to ensure there are robust and effective controls in place across the Council's governance, risk management and internal control arrangements. The Internal Audit Plan 2024/25 included broad coverage of key systems and services provided across all Directorates. As noted below, the overall level of assurance was <i>Reasonable</i>; no major issues identified.</li> </ul> <p><b>Managing data</b></p> <ul style="list-style-type: none"> <li>The Council's Digital Strategy 2023-28 has four key themes: Community and Involvement, Organisation and Processes, Digital People and Skills and Data and Insight. The Strategy sets out how digital progress will be monitored, through a series of indicators with regular progress reports being taken to the Digital Board and the Strategic Insight Board. In response to the Digital Strategy, a Data Strategy has been agreed to further support the development of data derived insight and evidence-based decision making. The Data Strategy was approved in June 2024 and sets out four key themes: Embedding a Data Culture, Taking Forward Insight and Analytics, Ensuring Robust Data Governance and Management and Designing Infrastructure for Data. Against these themes, commitments are set out to ensure delivery of the Data Strategy. Digital Innovation is one of the Reshaping themes and is key to how the Council transforms services and will include activity around payments as well as artificial intelligence.</li> </ul> <p><b>Strong public financial management</b></p> <ul style="list-style-type: none"> <li>The Head of Finance/Section 151 Officer is responsible for the proper administration of all aspects of the Council's financial affairs. The Council's system of internal financial control is based on a framework of the Financial and Contract Procedure Rules in the Constitution.</li> <li>The Council has an integrated approach to its Corporate and Financial Planning and wider management. This has been particularly prevalent in 2024/25 with the development of Vale 2030 alongside the Reshaping Programme. the Budget and Medium Term Financial Plan.</li> </ul>
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	<ul style="list-style-type: none"> <li>• The Council's self assessment against the CIPFA Financial Management Code was taken to Cabinet and Governance and Audit Committee in April 2024. There was full compliance but the assessment also identified potential areas for further improvement via an action plan and reviewed progress to date on previous actions; it was felt that good progress had been made in demonstrating collective responsibility and transparency in budget setting. Building on the feedback from the previous Financial Management Code a review by Internal Audit was undertaken of elements provide an independent view.</li> <li>• The Council has a proactive, holistic approach to tackling fraud, bribery, theft, corruption and crime, as an integral part of protecting public finances, safeguarding assets, and delivering services effectively and sustainably. The Council investigates matches arising from the National Fraud Initiative and has a Fraud Strategy and Framework in place.</li> <li>• Fraud policies were revised and updated in 2024/25 and taken through Governance &amp; Audit Committee and Cabinet.</li> </ul> <p><b>Improvements made in 2024/25</b></p> <ul style="list-style-type: none"> <li>• Revised risk register and corporate risk strategy.</li> <li>• Identification of risks at Directorate level leading to a more focused and integrated approach to risk management.</li> <li>• Introduction of Directorate Plans.</li> <li>• Use of Power BI within performance reports.</li> </ul>
<b>Areas for Improvement 2025/26</b>	<ul style="list-style-type: none"> <li>• Further integration of risks within Directorate Plans to reduce duplication.</li> <li>• Development of performance reporting in line with Vale 2030, feedback form Members and new scrutiny arrangements.</li> <li>• Development of ongoing Member briefings to address short term training needs alongside to compliment wider, more strategic Member Development Programme.</li> </ul>

	<ul style="list-style-type: none"> <li>Delivery of the digital theme of Reshaping, aligned with the further use of data to inform strategic decision making.</li> </ul>
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## **Principle G: *Implementing good practices in transparency, reporting and audit to deliver effective accountability***

### **Changes, improvements or developments in year**

#### **Complaints**

- The Council seeks feedback from the public through its complaints procedure for both Corporate and Social Services areas, responding to the outcomes as appropriate and reporting the results at least annually to the Governance and Audit Committee.

<b>Corporate Complaints</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Complaints received	532	835	944
Resolved at Stage 1	94.7%	91%	95.3%
Complaints received by the Public Services Ombudsman for Wales	49	77	63
Investigated by PSOW	0	0	0
Resolved through the early resolution process	15	19	16

- The Council remains committed to implementing good practices in transparency, reporting and audit to deliver effective accountability. This is demonstrated by:
  - Mechanisms which are in place for reporting progress against key regulatory recommendations / improvement proposals via the Strategic Insight Board, Governance & Audit Committee, all Scrutiny Committees, and Cabinet.
  - All Committees have clear Terms of Reference and work programmes.
  - Procedures are in place for sign-off of Cabinet Reports ensuring legal and financial implications have been appropriately assessed and are consistent with corporate policy.



	<ul style="list-style-type: none"> <li>– The Council reports at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.</li> <li>• The Internal Audit Service is a key means of assurance. Since 1st April 2019 the Council has hosted a Regional Internal Audit Service (RIAS). This has operated effectively throughout the year and the service operated in compliance with the Public Sector Internal Audit Standards (PSIAS). The Governance &amp; Audit Committee reviewed the RIAS Internal Audit Charter and approved the 2024/25 Internal Audit Annual Plan in June 2024. Progress against the 2024/25 plan was reported quarterly.</li> <li>• The 2024/25 Internal Audit Plan outlined the assignments to be carried out to enable the Head of Internal Audit to form an annual opinion of the Council’s overall control environment including, governance, risk management and internal control.</li> <li>• The work completed by the RIAS for the financial year was sufficient for the Head of Audit to be able to give an annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2024/25:</li> </ul> <p style="text-align: center;"><b><u>Head of Internal Audit Opinion Statement 2024/25</u></b></p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p>From the work undertaken during the financial year 2024/25 and taking into account other sources of assurance, such as Head Teacher and Chair of Governor Assurance Statements, the Head of Internal Audit’s annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2024/25 is:</p> <p style="text-align: center;"><b>“Reasonable Assurance”</b></p> <p>The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council’s overall control environment. The weaknesses that have been identified are service specific.</p> </div>
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	<div data-bbox="813 193 2098 663"> <p>Many Council staff are continuing to work remotely, and systems &amp; processes have had to be adjusted to cater for these ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.</p> <p>The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation.</p> <p>Andrew Wathan CPFA Head of Regional Internal Audit Service May 2025</p> </div> <ul style="list-style-type: none"> <li>• The opinion states that, based on the work completed by the RIAS, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific</li> <li>• Of the 53 opinions issued by Internal Audit during 2024/25: <ul style="list-style-type: none"> <li>– 50 (94%) were finalised with either <i>Substantial</i> or <i>Reasonable Assurance</i> opinion levels.</li> <li>– 3 (6%) of the assignments were given an opinion of <i>Limited Assurance</i>. <ul style="list-style-type: none"> <li>i. Tender Evaluation &amp; Award Follow Up - Building Services (Project &amp; Planned Team Services)</li> <li>ii. ICT Business Continuity Follow Up</li> <li>iii. Office Equipment Inventory</li> </ul> </li> <li>– Zero No Assurance opinions</li> </ul> </li> <li>• 85% of the Internal Audit Plan had been achieved against a target of 80%.</li> <li>• The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Every year schools not subject to an audit are sent a control risk self-assessment and a governance assurance statement by Internal Audit. For 2024/25 the return rate was 100%; the Headteacher and Chair of Governors of each school confirmed they were managing risks effectively, satisfied that statutory obligations have been met and that the overall governance arrangements of the school are satisfactory. <ul style="list-style-type: none"> <li>– Total of 53 schools; 3 schools were visited and 49 received and completed a CRSA. 1 school's visit was delayed to April 25 hence they did not complete a CRSA or have a visit during 2024/25</li> </ul> </li> <li>• <i>Limited Assurance</i> audit opinions will be followed up in 2025/26.</li> <li>• The Council responds to the findings and recommendations of Internal Audit, External Audit and other inspection bodies. The Governance &amp; Audit Committee is integral to overseeing independent and objective assurance and monitoring improvements in internal control and governance.</li> </ul>
<b>Areas for Improvement 2025/26</b>	<ul style="list-style-type: none"> <li>• Review the governance cycle for Audit Wales reports to minimise duplication between Scrutiny Committees and Governance and Audit Committee.</li> </ul>

## Review of Effectiveness

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

The review of effectiveness is informed by:

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

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

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

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

The Council's Annual Self-Assessment under the Local Government and Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015 informed the development of the Council's Annual Delivery Plan for 2024/25. The Council's Annual performance calendar (which includes key activities such as the Quarterly ADP Performance reports, the Annual Directorate Self-Assessments including Internal Peer Challenge and moderation of the DSAs) and the Council Annual Self-Assessment Report for the

period 2024/25 are significant documents used to demonstrate effective accountability and transparency and are key sources of information supporting this Annual Governance Statement.

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

### Panel Performance Assessment

The Local Government and Election (Wales) Act 2021 (LG&E) requires the Council to arrange and respond to an independent Panel Performance Assessment (PPA) at least once during an electoral cycle. The PPA was undertaken in November 2024 by an independent peer panel which was supported by the WLGA. The Panel considered how well is the Council performing, how well is it using its resources and how effective is the **Council's** governance. The Panel concluded that overall, the Council exercises its functions effectively and there were no identified areas of concern, and that from the evidence they heard and within the current high levels of service demand and financial pressures faced by all local authorities across Wales the Council is using its resources effectively and efficiently. The Panel also concluded that the Council has effective governance arrangements in place but there are areas which could be further developed.

### Governance

This Annual Governance Statement and the Council's Code of Corporate Governance complies with the Delivering Good Governance in Local Government Framework 2016.

During the year, core financial and administrative systems were reviewed by Internal Audit through specific reviews across all directorates.

The Council's external auditors, Audit Wales, have advised that they have completed most of their planning work for the 2024/25 financial year. They have confirmed that there are no significant issues arising from their work to date.

### Statement of Accounts 2023/24

In December 2024 the Council's External Auditor, Audit Wales, provided the Council with an **unqualified opinion** on the Council's 2023/24 accounts within their Annual Audit and Inspection Letter.

### Internal Audit Opinion

Based on the assurance, work undertaken by Internal Audit, the Head of Audit has provided an overall Reasonable Assurance opinion on the adequacy and effectiveness of the Council's control environment, governance arrangements and risk management process in place; an opinion of Substantial Assurance on the adequacy and effectiveness of the Council's framework of risk management arrangements was given.

The Head of Audit's annual opinion report was presented to the Council's Governance & Audit Committee on 23rd June 2025. 94% of audit opinions were either Substantial or Reasonable Assurance. No significant or material concerns were identified through the work of Internal Audit.

## Significant Governance Issues 2023/24

### Action Taken/Planned

#### General Financial Position

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

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

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

#### Management of Major IT implementations

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

#### Workforce

Workforce continues to be a key risk for the Council and as such a multi-faceted approach has continued to be adopted. This includes policy and strategy development, for example the reward strategy and work underway in relation to the currently being developed People Strategy, Reshaping Programme, and recruitment and attraction strategy, in addition to the operational elements of absence and attendance management, with more focus on staff wellbeing.

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

In addition, in accordance with the Council's Learning Plan a refreshed Learning Café approach has been introduced, with a growing membership as part of a

commitment to the development of a learning culture, succession plans and growth of apprenticeship opportunities.

### Emerging issues

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

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

### Significant Governance Issues 2024/25

From a review of the Council's governance arrangements and their effectiveness for 2024/25, no significant governance issues were identified. However, for each Principle area further developments have been identified and will be addressed and improved on moving into 2025/26; for ease of reference and to monitor their progress, they have been collated and shown at Appendix B.

The Council continues to operate in a tough, challenging financial environment and in terms of service demands and expectations. Of major concern are the persistent inflation in the UK economy, social Care demand and the pressures on school budgets.

### Conclusion

The 2024/25 Annual Governance Statement has comprehensively been updated to clearly demonstrate the Council continues to have good and effective governance arrangements in place and complies with its own Code of Corporate Governance across all 7 Principles. Examples have been given confirming it is in line with the "Delivering Good Governance in Local Government: Framework" (CIPFA/SOLACE, 2016), the Accounts and Audit Regulations 2014, Local Government and Election (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015.



## Approval of the Annual Governance Statement 2024/25

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

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

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

D.R. Thomas	L. Burnett
<i>Chief Executive</i>	<i>Leader of the Council</i>
Date:	Date:

### Internal Controls

Below are the key internal controls that were in place in 2024/25 some of these have subsequently been amended as part of work associated with Vale 2030 our new Corporate Plan and in response to the Panel Performance Assessment.

#### Leadership, Culture and Planning

- Organisational priorities and outcomes
- Corporate Plan & Annual Delivery Plan
- Directorate and Service/Team plans
- Performance Management Framework
- Medium term financial plan

#### Policies and Procedures

- Constitution, Codes of Conduct
- Anti-fraud, Bribery and Corruption Policy, Whistleblowing Policy
- HR and OD Policies/Procedures, Corporate Safeguarding Policy, Health and Safety Policies and Procedures, Risk Management Strategy

#### People, Knowledge, Finance, Assets

- Robust HR, Payroll and H&S practices
- Information governance
- Performance monitoring and improvement
- Member Development Programme
- Financial management and reporting
- Ethical & legal practices

#### Scrutiny and Transparency

- Information management requests including Freedom of Information (FOI) and Environmental Information (EIR) requests
- Complaints procedure
- Reports considered by Legal and Finance experts
- Equality impact assessments

#### Partnership Working

- Partnership Statement

## Further Areas for Improvement in 2025/26

<b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>	
	<ul style="list-style-type: none"> <li>• Review the Local Dispute Resolution Procedure, procedures for hearing complaints, and refresher training, as well as section 19 of the Council's Constitution.</li> <li>• The Standards Committee will: <ul style="list-style-type: none"> <li>– aim to broaden its representation</li> <li>– enhance Independent Members' observations of TCC meetings</li> <li>– improve access to e-learning and member briefings</li> </ul> </li> <li>• Preparations for Member development and induction ahead of the May 2027 elections will begin, alongside a review of the Council's Constitution and the Whistleblowing Policy, with more outcome-focused reports to the G&amp;A Committee.</li> <li>• Undertake further observations of Town and Community Council meetings across the Vale of Glamorgan to promote high standards of conduct by Town and Community Councillors.</li> </ul>
<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>	
	<ul style="list-style-type: none"> <li>• The e-petitions function is being reviewed in 2025/26 as to how best raise awareness, as the number of petitions received by the Council is minimal.</li> <li>• The Council regularly engages members beyond Cabinet within its decision making and is seeking to enhance this further during 2025/26 because of the Reshaping Scrutiny workstream and revised Members Communication Strategy.</li> <li>• As the Council seeks to embed Task and Finish as part of its new Scrutiny arrangements, it is exploring alternative means to encourage participation from the wider public.</li> <li>• Improvement in the completion rates of our performance appraisal process, a wider review on the reason for the decline in completion in 2024/25 will take place.</li> </ul>

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#### **Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits**

- Ongoing communications about Vale 2030 as part of the Signalling Change Programme to raise awareness with all partners about priorities detailed in the new Corporate Plan
- Stronger emphasis on outcomes when reporting progress through 2025/26
- Promotion of the partnership statement to partners and officers
- Review of the approach to the Annual Self Assessment to reflect feedback and align to Vale 2030 and Directorate Plans
- Review of the Strategic Insight Board
- It is anticipated that changes to Scrutiny ways of working will see an increase in the amount of task and finish activity during 2025/26
- Early budget decision making to ensure full delivery of savings programmes

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

- Development of new performance reports aligned to Vale 2030 and the new Directorate Plans and new scrutiny arrangements and reflecting Audit Wales recommendations regarding service user perspective, more outcome focused reports and alignment with financial information.
- From April 2025/26, an annual statement will replace the current Annual Delivery Plan outlining some of the key outcomes to be achieved in the coming year informed by the ASA, resident voice and political priorities. Strategic annual Directorate Plans will replace existing Service Plans.

7 -00000	
	<ul style="list-style-type: none"> <li>• The effectiveness of the revised Scrutiny arrangements will be evaluated at the end of the 2025/26 municipal year.</li> <li>• Further development of digital competence</li> <li>• A Council wide Skills Mapping exercise as part of the new People Strategy and Target Operating Model, looking at the requirement for skills of the future, gaps identified and pathway to achieve and close the gaps.</li> </ul>

Principle F: Managing risks and performance through robust internal control and strong public financial management	
	<ul style="list-style-type: none"> <li>• Further integration of risks within Directorate Plans to reduce duplication</li> <li>• Development of performance reporting in line with Vale 2030, feedback form members and new scrutiny arrangements</li> <li>• Development of ongoing Member briefings to address short term training needs alongside to compliment wider, more strategic Member Development Programme.</li> </ul>

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability	
	<ul style="list-style-type: none"> <li>• Review the governance cycle for Audit Wales reports to minimise duplication between Scrutiny Committees and Governance and Audit Committee.</li> </ul>

1 Capital Quarter  
Tyndall Street / Stryd Tyndall  
Cardiff / Caerdydd  
CF10 4BZ  
Tel / Ffôn: 029 2032 0500  
Fax / Ffacs: 029 2032 0600  
Textphone / Ffôn testun: 029 2032 0660  
[info@audit.wales](mailto:info@audit.wales) / [post@archwilio.cymru](mailto:post@archwilio.cymru)  
[www.audit.wales](http://www.audit.wales) / [www.archwilio.cymru](http://www.archwilio.cymru)

19 May 2025

Dear Matt,

### **Audit enquiries to those charged with governance and management**

The Auditor General's Statement of Responsibilities sets out that he is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It also sets out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on our audit of your financial statements. These considerations are relevant to both the management of the Vale of Glamorgan Council and 'those charged with governance' (the full Council, although in practice the Governance and Audit Committee may be better placed to comment on these matters).

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

1. Matters in relation to fraud
2. Matters in relation to laws and regulations
3. Matters in relation to related parties
4. General matters
5. Matters in relation to financial reporting
6. Matters in relation to IT systems

The information you provide will inform our understanding of the Council's business processes and support our work in providing an audit opinion on your 2024-25 financial statements.

I would be grateful if you could update the attached table in [Appendix 1 to Appendix 6](#) for 2024-25.

The completed [Appendix 1 to Appendix 6](#) should be formally considered and communicated to us on behalf of both management and those charged with governance by 19 July 2025. In the meantime, if you have queries, please contact me (via 02920320631 or [mark.jones@audit.wales](mailto:mark.jones@audit.wales)).

Yours sincerely

Mark Jones

Audit Manager

Cc

Gemma Jones

## Appendix 1

### Matters in relation to fraud

International Standard for Auditing (UK) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance'.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

### What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

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

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud, management's process for identifying and responding to the risks and the internal controls established to mitigate them.



## Enquiries of management – in relation to fraud

Question	2024-25 Response
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud? What is the nature, extent and frequency of management's assessment?	<p>There have been no specific fraud issues identified during 2024-25 relating to the financial statements. The Head of Audit's Annual Opinion report provides satisfactory assurance with regards to the key financial systems.</p> <p>The issue of Fraud remains integral part of the Governance and Audit Committee remit. The Committee members have regard to the reports laid before them by internal and external audit/regulators. This informs their review of the financial statements and the level to which there may be a risk of material misstatements.</p> <p>The risk that the financial statements may be materially misstated due to fraud is low</p>
2. Do you have knowledge of any actual, suspected or alleged fraud affecting the audited body?	<p>Instances of potential fraud or error were identified via the National Fraud Initiative or the Council's Speak Out service. These have been dealt with through appropriate processes and any monies incorrectly paid are in the process of being recovered.</p> <p>Not aware of anything material.</p>

Audit enquiries to those charges with governance and management.

## Enquiries of management – in relation to fraud

Question	2024-25 Response
3. What is management's process for identifying and responding to the risks of fraud in the audited body, including any specific risks of fraud that management has identified or that have been brought to its attention?	<p>The Council's Regional Internal Audit Service has a key role in the identification of and responding to the risk of fraud. The Annual Audit Plan is based on risk and includes an annual review of key financial systems and contingency provision for fraud work as it arises. Auditors are mindful of the potential presence of fraud when undertaking audits. All issues of possible fraud are reported and allegations are investigated by Internal Audit and/or the Council's Corporate Fraud Officer and potential weaknesses in the control environment are identified and reported. Any matters of significance are reported to the Chief Executive, Head of Finance and relevant Director.</p> <p>The Council's updated Counter Fraud Strategy &amp; Framework 2021 to 2024 was considered by the Governance &amp; Audit Committee and approved by Cabinet, together with the updated Anti Fraud, Bribery and Corruption Policy, Anti Money Laundering Policy and an Anti Tax Evasion policy along with an Enforcement Policy in 2023. The Speak Out hub was also launched in 2023 which enables staff to confidentially and easily report any concerns which are initially reviewed by the Corporate Fraud Officer. The Whistleblowing Policy is reviewed annually and reported to the Governance and Audit Committee.</p> <p>The Corporate Fraud Officer also undertakes fraud awareness training across the Council which includes raising awareness of the policies in place. A fraud awareness training package is now available for all staff via the intranet; this was launched in April 2025</p>

Audit enquiries to those charges with governance and management.

### Enquiries of management – in relation to fraud

Question	2024-25 Response
4. What classes of transactions, account balances and disclosures have you identified as most at risk of fraud?	Matches from the 2024 NFI exercise are currently being reviewed; nothing material identified. We are in the process of updating our Fraud Risk Assessment which will be taken into account for our 2025/26 planning process.
5. Are you aware of any whistleblowing or complaints by potential whistle blowers? If so, what has been the audited body's response?	<p>Each allegation is recorded and investigated where appropriate. If it is found that there is a case to answer a fact-finding report is presented to a Chief Officer for further action under the various Council policies. The Governance and Audit Committee receive an annual Fraud Report which incorporates issues identified through the Council's Whistleblowing Policy. The Governance and Audit Committee also receives an annual Corporate Complaints Report.</p> <p>Nothing material identified.</p>
6. What is management's communication, if any, to those charged with governance regarding their processes for identifying and responding to risks of fraud?	Any concerns regarding internal controls, fraud or misappropriation are reflected in Audit recommendations and the level of assurance given at the end of the audit. Progress reports are taken to the Council's Governance and Audit Committee highlighting where there is Limited Assurance and identifies if this impacts on the overall system of internal control.

Audit enquiries to those charges with governance and management.

## Enquiries of management – in relation to fraud

Question	2024-25 Response
	<p>An Annual Corporate Fraud report is presented to the Governance and Audit Committee to inform on progress made against the Counter Fraud Strategy and the number and nature of investigations carried out.</p> <p>Governance and Audit Committee also receive reports in relation to the number of complaints received and any whistleblowing incidents reported.</p>
7. What is management's communication, if any, to employees regarding their views on business practices and ethical behaviour?	<p>Principles of good governance and ethical behaviour are embedded in key policy documents including Codes of Conduct for Members and Employees. The Regional Internal Audit Service has a Code of Ethics which all auditors have to sign to state that they have read, understood and will abide by the Code.</p> <p>Internal Audit and the Corporate Fraud Officer have developed a fraud awareness training session which is being rolled out to key functions within service areas. This will become part of the corporate i-dev suite of training packages by the end of 2024/25.</p> <p>The Council's Governance Arrangements are also included within the annual internal audit plan. The Monitoring Officer ensures that each Councillor and Co-opted Member (with voting rights) receive training regarding ethics and standards and this is embedded as business as usual.</p>

Audit enquiries to those charges with governance and management.

### Enquiries of management – in relation to fraud

Question	2024-25 Response
8. For service organisations, have you reported any fraud to the user entity?	An Annual Corporate Fraud report is presented to the Governance and Audit Committee.

### Enquiries of those charged with governance – in relation to fraud

Question	2024-25 Response
1. Do you have any knowledge of actual, suspected or alleged fraud affecting the audited body?	<p>All allegations are taken seriously and investigated. Whilst issues are reported, they will be deemed significant where they can be substantiated and reflected in the Council's Annual Governance Statement if appropriate.</p> <p>Nothing material.</p>

Audit enquiries to those charges with governance and management.

### Enquiries of those charged with governance – in relation to fraud

Question	2024-25 Response
2. What is your assessment of the risk of fraud within the audited body, including those risks that are specific to the audited body's business sector?	Nothing material.
3. How do you exercise oversight of: <ul style="list-style-type: none"><li>• management's processes for identifying and responding to the risk of fraud in the audited body, and</li><li>• the controls that management has established to mitigate these risks?</li></ul>	This is reflected in the Governance and Audit Committee's Terms of Reference and the reports as set out in the Forward Work Programme for the Committee.

Audit enquiries to those charges with governance and management.

## Appendix 2

### Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, is responsible for ensuring that the operations of the Council are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

### What are we required to do?

As part of our risk assessment procedures we are required to make enquiries of management and those charged with governance as to whether the Council is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Audit enquiries to those charges with governance and management.

### Enquiries of management – in relation to laws and regulations

Question	2024-25 Response
1. Is the audited body in compliance with relevant laws and regulations? How have you gained assurance that all relevant laws and regulations have been complied with? Are there any policies or procedures in place?	Through the work of the Internal Audit Shared Services, Legal Services and oversight by the Monitoring Officer/Head of Legal and Democratic Services.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations in the financial year, or earlier with an ongoing impact on this year's audited financial statements?	We can confirm that, to the best of our knowledge and based on the information available to us at this time there have been no instances of non-compliance or suspected non-compliance with laws and regulations during the reporting period, or in prior years, that have had, or are expected to have, a material impact on the Council's audited financial statements for the year ended 2024/25.
3. Are there any potential litigations or claims that would affect the financial statements?	There are no legal claims which would affect the Council's financial statements save for those in respect of which provision has been made in the audited accounts.
4. Have there been any reports from other regulatory bodies, such as HM Revenues	No – not to our knowledge.

Audit enquiries to those charges with governance and management.



### Enquiries of management – in relation to laws and regulations

Question	2024-25 Response
and Customs which indicate non-compliance?	
5. Are you aware of any non-compliance with laws and regulations within <b>service organisations</b> since 1 April of the financial year?	No – not to our knowledge

Audit enquiries to those charges with governance and management.

### Enquiries of those charged with governance – in relation to laws and regulations

Question	2024-25 Response
1. Are you aware of any non-compliance with laws and regulations that may be expected to have a fundamental effect on the operations of the entity?	No, not to our knowledge.
2. How does the Council, in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	Through the Internal Audit Shared Service. Also, through the application of Council policies, such as the Contract and Financial Procedure Rules.

Audit enquiries to those charges with governance and management.

## Appendix 3

### Matters in relation to related parties

International Standard for Auditing (UK) 550 covers auditors' responsibilities relating to related party relationships and transactions.

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

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

### What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Audit enquiries to those charged with governance and management.

### Enquiries of management – in relation to related parties

Question	2024-25 Response
1. Have there been any changes to related parties from the prior year? If so, what is the identity of the related parties and the nature of those relationships? Confirm these have been disclosed to the auditor.	No changes from the prior year, no new joint committees or arrangements in place over the past twelve months.
2. What transactions have been entered into with related parties during the period? What is the purpose of these transactions? Confirm these have been disclosed to the auditor.	There are transactions with statutory partners which have been disclosed as part of the related parties submissions of which Audit Wales are aware.
3. What controls are in place to identify, account for and disclose related party transactions and relationships?	Regular discussion with Accountants, finance and democratic services staff to identify related parties and put together the required disclosures. Further work to identify any related parties for close family relationships was carried out.
4. What controls are in place to authorise and approve significant transactions and arrangements: <ul style="list-style-type: none"><li>• with related parties, and</li></ul>	Officers and members are required to declare any transactions in line with the Council's Code of Conduct.

Audit enquiries to those charges with governance and management.

### Enquiries of management – in relation to related parties

Question	2024-25 Response
<ul style="list-style-type: none"><li>• outside the normal course of business?</li></ul>	<p>There is also a manual end of year process that reviews transactions against any organisation that has been declared.</p> <p>For 2023/24 the new end of year process with members of the Senior Leadership Team declaring transactions on a non exceptions basis has continued and is now embedded practice.</p>

### Enquiries of those charged with governance – in relation to related parties

Question	2024-25 Response
<ol style="list-style-type: none"><li>1. How does the full Council, in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?</li></ol>	<p>Related party disclosures are reviewed by Governance and Audit Committee as part of the review of the statement of accounts.</p>

Audit enquiries to those charges with governance and management.

Audit enquiries to those charges with governance and management.

## Appendix 4

### General matters

Enquiries of management – general matters	
Question	2024-25 Response
1. Are there any matters and events which have occurred during the year which could influence our audit approach or the entity's financial statements?	No, not to our knowledge.
2. Provide details of any professional advisors (e.g. solicitors, consultants etc.) consulted in the year and the issue consulted on.	<p>During the year, the only professional advisers (e.g. solicitors) consulted were external legal firms instructed to advise on individual legal matters (e.g. planning, employment, contractual disputes, procurement challenges) on a case-by-case basis. These engagements were for operational purposes and do not relate to matters of governance, financial reporting, or management that would have a material impact on the financial statements.</p> <p>No professional advisers were engaged during the year to advise on general matters of corporate governance, financial reporting, or internal controls.</p>

Audit enquiries to those charges with governance and management.

### Enquiries of those charged with governance – general matters

Question	2024-25 Response
1. Are you aware of any actual, suspected or alleged irregularity affecting the entity?	No, not to our knowledge.
2. Are those charged with governance aware of any significant communications with regulators?	No, not to our knowledge.

Audit enquiries to those charges with governance and management.



## Appendix 5

### Matters in relation to financial reporting

#### Enquiries of management – in relation to financial reporting

Question	2024-25 Response
1. Have you considered the appropriateness of the accounting policies adopted by the organisation? Have there been any events or transactions that may cause you to change or adopt new accounting policies?	The Accounting Policies have been subject to annual review and updated for IFRS16.
2. Are you aware of significant transactions that are outside the normal trading activities of the business?	No, not to our knowledge.
3. Are you aware of any transactions, events or changes in circumstances that would cause major impairments of non-current assets?	No, not to our knowledge.
4. Are you aware of any new transactions, events or conditions (or changes in these) that may give rise to recognition or	No, not to our knowledge.

Audit enquiries to those charges with governance and management.

### Enquiries of management – in relation to financial reporting

Question	2024-25 Response
disclosure of significant accounting estimates that require significant judgement?	
5. Do you have knowledge of events or conditions beyond the period of the going concern assessment that may cast significant doubt on the entity's ability to continue as a going concern?	No, not to our knowledge.
6. Are there any issues around the use of service organisations or common functions, including uncorrected misstatements from service organisations?	No, not to our knowledge.
7. Are you aware of any guarantee contracts?	No, not to our knowledge.
8. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements?	No, not to our knowledge.

Audit enquiries to those charges with governance and management.

## Appendix 6

### Matters in relation to IT systems

Enquiries of management – in relation to IT systems	
Question	2024-25 Response
Have there been any changes to significant IT systems or applications in the period?	No, not for 2024/25, a new accounts receivable, Oracle Fusion AR has been brought into operation from the start of 2025/26 replacing the Sundry Debtors module in Academy.

Audit enquiries to those charges with governance and management.

# **Audit of Accounts Report – Vale of Glamorgan Council**

**Audit year: 2024-25**

**Issued: November 2025**

Document reference: 5069A2025



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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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# Introduction

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**Adrian Crompton**

Auditor General for  
Wales

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of the Council's 2024-25 Statement of Accounts. My team has already discussed these findings with the relevant senior officers.

My team has substantially completed the audit work as set out in my Audit Plan that I issued in June 2025. My team has reviewed the final draft set of the accounts, which identified casting misstatements and cross-referencing anomalies. We will therefore be receiving and reviewing a further set of the accounts to check. Also, the auditors<sup>1</sup> of the Council's wholly-owned subsidiary, the Big Fresh

Catering Company, are yet to certify the Company's 2024-25 accounts. This delay has arisen because an audit request for pension actuarial information that remains outstanding. I can confirm that while this matter is potentially material to the Company's accounts, it is not material to my audit of the Council's group account, and it therefore does not prevent my scheduled certification<sup>2</sup>.

Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. I have also identified a new risk of material misstatement with regard to the completeness of the Big Fresh Catering Company's related

<sup>1</sup> Advantage Accounting.

<sup>2</sup> Subject as usual to all my standard ongoing checks up to the day of my certification.

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party disclosures. My responses to the previously identified risks and the new risk are set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared and give a materially true and fair view. My proposed audit opinion and basis for it is outlined on page 5.

It is the responsibility of those charged with governance, being the Council Members, to address any matters raised in my report and to provide me with a Letter of Representation (as set out in **Appendix 4**).

I would like to thank officers for their cooperation and help throughout the audit process, within the finance team and beyond.



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# Your audit at a glance

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We intend to issue an **unqualified opinion** on the accounts.

See [Appendix 3](#)



There are no **other significant matters** to report.

See [Audit findings](#)



There is one non-trivial **uncorrected misstatement** in the accounts, which we wish to draw to your attention.

See [Audit findings](#)



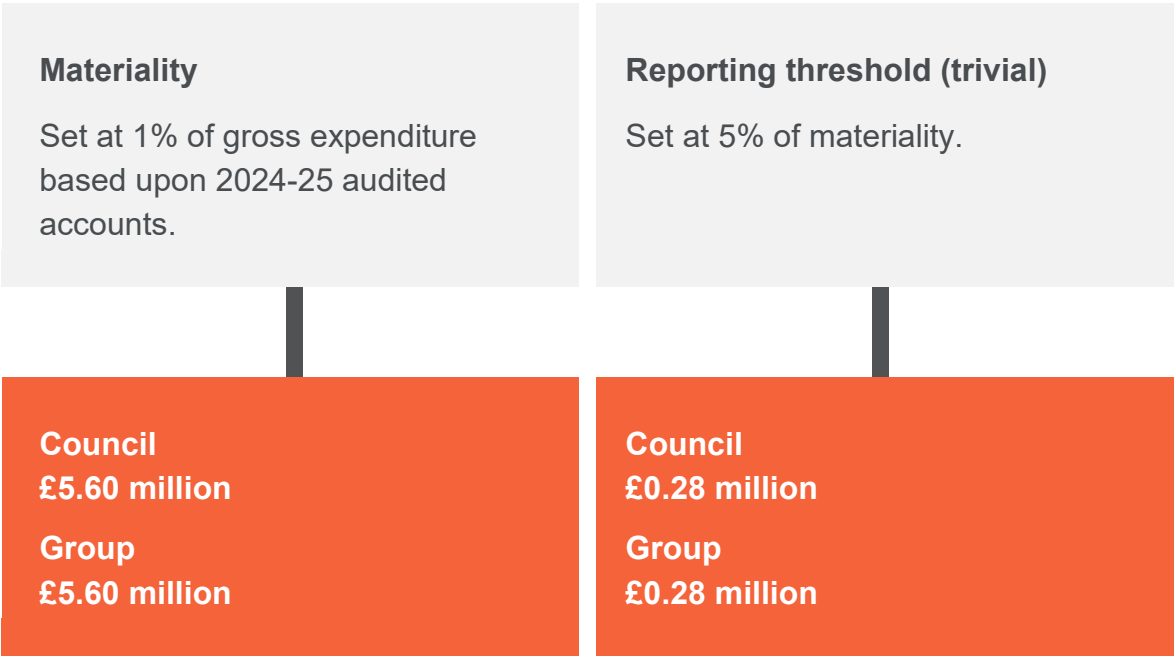
We will be raising **audit recommendations** as a result of our work. The recommendations will be set out in an Accounts Addendum Report, which will include management's responses to each recommendation. We will present the report to a future meeting of the Council's Governance and Audit Committee.



We are aiming to certify your accounts on 3 December 2025, being later than the target date of 31 October 2025.

# Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users’ decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:



There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:

<b>Remuneration report</b>	<b>Related party disclosures</b>
£1,000	£10,000

# Audit Findings

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## Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

### Uncorrected misstatements

We set out below a misstatement we identified in the accounts, which we discussed with management but remains uncorrected. We request that this misstatement be corrected.

If you decide not to correct the misstatement, we ask that you provide us with the reasons in writing for not correcting it. The reason is also set out in the Letter of Representation **Appendix 4**.

The misstatement relates to two houses that were transferred in 2024-25 from the housing revenue account (HRA) to the Social Services Division. The houses, which have a value of £580,000, were originally purchased using 2023-24 HRA grant. The 2024-25 transfer was permitted by the HRA grant-awarding body on the basis that replacement houses would be purchased for the HRA.

To recognise this arrangement, £580,000 should have been transferred from Capital Grants Applied to the Capital Grants Unapplied Reserve, to be used to purchase of replacement houses for the HRA. However, officers have not processed the necessary accounting transfers for 2024-25, and the balances for the Capital Grants Applied and Capital Grants Unapplied Reserve are therefore misstated by the £580,000.

We understand that replacement houses are to be purchased in 2025-26 and that officers intend to use revenue or borrowing to fund it.

### Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention. These are set out in **Appendix 2**.

## Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of the Council's financial reporting process. The following significant issue was experienced during the audit.

### **Audit deadline not met**

As noted earlier in the report, we have not been able to meet the original deadline for certification of your 2024-25 accounts (31 October). We have encountered some delays in receiving audit evidence and responses to audit enquiries this year. The delays unfortunately led to the audit being extended beyond the deadline.

The proposed deadline for certification of your 2025-26 accounts will be brought forward by a month to 30 September 2026 (assuming that robust draft accounts and working papers are provided to us by 30 June 2026). This will represent a significant challenge, and we are committed to working with finance staff to identify improvements and efficiencies going forward. To that end we will present an Addendum Report to a later Governance and Committee meeting, setting out recommendations for improvement for future audits.

## Proposed audit opinion

### Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 3**.

### Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 4** [the contents of which are in line with our standard request for representations]. The letter includes an additional representation regarding the one non-trivial uncorrected misstatement. This additional representation reads:

We acknowledge that there is one non-trivial uncorrected misstatement relating to capital grant accounting, as set out in Audit Wales' Audit of Accounts Report. The misstatement has not been corrected because it is not material and will be corrected as part of the 2025/26 accounts. The amendment would affect many figures within the financial statements, if it had been corrected.

## Recommendations

Further to my certification of the accounts, I will issue a separate Accounts Addendum Report to explain where improvements could be made in the Council's processes, records and engagement. The report will include audit recommendations for improvement; and management's responses with regard to intended actions and implementation dates. We will present the report to a future meeting of the Governance and Audit Committee.

# Audit team and ethical compliance

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The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

## Exhibit 1: my local audit team

<b>Audit Director</b>	Gareth Lucey <a href="mailto:gareth.lucey@audit.wales">gareth.lucey@audit.wales</a>
<b>Audit Manager</b>	Mark Jones <a href="mailto:mark.jones@audit.wales">mark.jones@audit.wales</a>
<b>Audit Lead</b>	John Llewellyn <a href="mailto:john.llewellyn@audit.wales">john.llewellyn@audit.wales</a>
<b>Senior Auditor</b>	Helen Parkhouse <a href="mailto:helen.parkhouse@audit.wales">helen.parkhouse @audit.wales</a>

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## Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

# Appendix 1 – Audit risks and outcomes

Since the issue of my Audit Plan in June 2025, my team identified an additional risk of material misstatement that should be brought to your attention as listed below.

**Exhibit 2: new audit risk identified following the issue of my Audit Plan**

Audit risk	Work done	Outcome
The risk that the related party disclosures relating to the Big Fresh Catering Company are incomplete.	We reviewed the adequacy of the Company’s process to identify and account for its related party disclosures; and we reviewed the testing undertaken by its auditors. This work resulted in the Company seeking, with the Council’s help, signed declarations of interest from its senior managers.	My audit work did not identify any omitted related party disclosures.

My Audit Plan set out the risks of material misstatement for the audit of Council's accounts. **Exhibit 3** lists these audit risks and sets out how they were addressed as part of the audit.

### Exhibit 3: audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
<p><b>Risk of management override</b></p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>My audit team:</p> <ul style="list-style-type: none"> <li>• tested the appropriateness of journal entries and other adjustments made in preparing the accounts;</li> <li>• reviewed accounting estimates for bias; and</li> <li>• evaluated the rationale for any significant transactions outside the normal course of business.</li> <li>• Further to these audit procedures, I may add additional procedures to address any specific risks of management override that are not addressed by the mandatory work above.</li> </ul>	<p>My audit work has not identified any instances of management override of controls. I did not need to apply any additional procedures.</p>
<p><b>Valuation of the pension fund net liability/surplus</b></p> <p>The Local Government Pension Scheme (LGPS) liability as reflected in the financial statements are material estimates. The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small</p>	<p>My audit team:</p> <ul style="list-style-type: none"> <li>• evaluated the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary's work;</li> <li>• assessed the competence, capabilities and objectivity of the actuary who carried out the valuations;</li> </ul>	<p>My audit work has not identified any material misstatement.</p>



adjustments in the assumptions used in its calculation. The impact of economic conditions, particularly interest rate levels, also has a significant impact on the liability as at 31 March 2024 for example. There are also several legal cases potentially impacting on the valuation of the net liability. There is a risk therefore that the liability is materially misstated.

- assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability;
- tested the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary;
- assessed the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (the auditor's expert) and undertaking any additional procedures required; and
- assessed whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.

### **Valuation of land and buildings**

The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates. Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity, depending

My audit team:

- reviewed the information provided to the valuer to assess for completeness;
- evaluated the competence, capabilities and objectivity of the professional valuer;
- tested a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements; and

My audit work has not identified any material misstatement.

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on the specialist and management assumptions, and changes in these can result in material changes to valuations. Assets are required to be revalued every five years, but values may also change year on year, and there is a risk that the carrying value of assets recognised in the accounts could be materially different to the current value of assets as at 31 March 2025, particularly in the current economic environment.

- tested the reconciliation between the financial ledger and the asset register.

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### **Senior officer remuneration**

There were some changes to senior posts during 2024-25 in respect to starters and leavers. There is a risk that these are not appropriately disclosed in the financial statements as remuneration paid to senior officers continues to be of high interest and is material by nature. Therefore, there is a risk that even low value errors in the disclosure could result in a material misstatement.

My audit team:

- gained an understanding of the movements in the Council's senior management team during 2024-25;
- ensured that remuneration disclosed is consistent with supporting evidence;
- ensured that amounts paid are consistent with those approved by the Council; and
- ensured that disclosures are complete based on the team's knowledge and are prepared in accordance with requirements

My audit work has identified some material corrections as set out in **Appendix 2**. As set out at page 6, materiality for senior officer remuneration is £1,000.

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### **Implementation of International Accounting Standard (IFRS) 16 – Leases**

Local Government bodies are required to adopt IFRS16 Leases from 1 April 2024. This significantly changes the accounting treatment and disclosures required for leased assets and means that most leases will result in an asset and liability on balance sheets. There is a risk that the requirements of the IFRS are not appropriately adopted and as a result the financial statements are materially misstated.

My audit team:

- reviewed the Council's working papers to ensure that all leases falling within the scope of the Standard have been included in calculations;
- tested a sample of asset and liability calculations to ensure that the assumptions are reasonable, and the calculations have been correctly prepared; and
- confirmed that asset and liability values have been correctly accounted for and disclosed in the financial statements.

My audit work has not identified any material misstatement.

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### **Impact of Renting Homes (Wales) Act 2016 - Electrical Safety Certificates**

In November 2024, the High Court clarified the requirements of the Renting Homes (Wales) Act 2016 and the associated regulations concerning landlord obligations relating to completion of electrical inspection safety reviews and reports. This has

My audit team:

- reviewed the latest position of the judicial review and associated appeals; and
- ensured that the financial statements contain the appropriate accounting and disclosure.

My audit work has not identified any material misstatement.

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potential implications for bodies and their financial statements and is likely to be subject to further legal considerations and challenge

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**South East Wales Corporate Joint Committee (SEWCJC) transactions and balances**

The transactions and balances of SEWCJC may need to be recognised in the financial statements of the Council. The Council will need to decide how to account for these in its financial statements and accounting for such arrangements is complex and requires judgement. The SEWCJC transactions and balances are also becoming increasingly complex and therefore there is a risk of material misstatement in the Council's financial statements.

My audit team:

- reviewed the Council's judgement relating to how the SEWCJC has been accounted for and confirmed that it complies with the requirements of the LG Code; and
- reviewed the process of the consolidation into the Council's financial statements, and confirmed that the transactions, balances and disclosures are complete and accurate

My audit work has not identified any material misstatement.

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**Related party disclosures**

The financial statements must disclose any related party relationships along with the transactions and

My audit team:

- reviewed the Council's process for identifying related party relationships and associated transactions and balances;

My audit work has identified some material corrections as set out in **Appendix 2**. As set out at page 6,

balances between the Council and the other body/party. The Council has many relationships that could be considered a related party. Many are well known for example, Welsh Government as funder. However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and I judge them to be material by their nature. There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value.

- undertook procedures to confirm the completeness of related party relationships; and
- ensured that the disclosures are complete, accurate, consistent with evidence and are in accordance with the Local Government Code

materiality for related parties is £10,000.

### **Completeness of year end debtors**

Due to the implementation of a new debtors' system (Oracle) on 1 April 2025, from 14 March 2025 a freeze was put on raising debtors in the old debtors' system (Academy). Debtors which ordinarily would have been raised within the debtors' system between 14 March and the year-end, will (for 2024-

My audit team:

- discussed the circumstances around the freeze on the debtors' system and the processes put in place to ensure that appropriate accruals are raised; and
- undertook additional testing to provide assurance over the completeness of year-end debtors.
- analytically reviewed the debtors against the prior year; and

My audit work has not identified any material misstatement.

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25) need to be accrued. A risk is therefore identified in respect of the completeness and accuracy of debtors at year end, should accruals be missed.

- undertook additional testing to provide assurance over cut-off around the financial year-end .

## Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention. Overall, the corrections have increased the Council's General Fund balance by £40,000, as at 31 March 2025.

### Exhibit 4: corrections made to the accounts

Value of correction	Accounts area	Explanation
£819,000	<b>Balance sheet</b> Cash and cash equivalents decreased by £819,000. Short term creditors decreased by £819,000.  Note 22 (cash and cash equivalents) and Note 23 (short term creditors) are also amended for the above.	To remove the agency stewardship bank balances from the Council's 'cash and cash equivalents' balance, because the monies are held on behalf of third parties and is therefore not the Council's monies.
£7,894,000	<b>Balance sheet</b> Cash and cash equivalents decreased by £7.894 million and short-term creditors increased by £7.894 million.	To correctly classify the balance due to HMRC for tax and national insurance as at 31 March 2025.
£nil (net)	<b>Note 26 – Pensions reserve</b> Amendments made to the following lines:	To disclose the correct amounts against each line within the pensions reserve. No impact on

	<ul style="list-style-type: none"> <li>• Remeasurements of the net defined benefit liability amended from -£1,648,000 to -£1,654,000.</li> <li>• Minimum Funding Guarantee amended from £8,537,000 to -£8,537,000.</li> </ul>	the closing reserve balance.
Narrative	<p><b>Note 30 – Employee emoluments</b></p> <p>Within the table for ‘Officers remunerated in excess of £60,000’ the following amendments were made to bandings:</p> <ul style="list-style-type: none"> <li>• One employee moved from the £155,000 - £159,999 band into the £170,000 - £174,999 band.</li> <li>• One employee moved from the £155,000 - £159,999 band into the £160,000 - £164,999 band.</li> </ul>	To classify employees within the correct bandings according to their salary.
Disclosure only	<p><b>Note 18 – Leasing - Operating leases (Lessor)</b></p> <p>A table disclosing payments to be received under operating leases as lessor has been included.</p> <p>This includes £5,492,000 for land and buildings and £221,000 for other leases.</p>	Note included to disclose operating leases as a lessor. This had been incorrectly omitted due to the changes to lease accounting from 2024-25.
£19,112,000 in total, relating to 8 corrections	<p><b>Note 35 – Other related parties</b></p> <p>Four additional disclosures were added, totalling £30,000.</p> <p>Amendments totalling £19.082 million were made to existing disclosures.</p>	To include omitted disclosures and to correct inaccurate disclosures.



£2,411,000	<p><b>Note 34 – Pooled/joint budget arrangements</b></p> <p>The figure included within the section headed ‘Regional integration fund 9 RIF’) amended from £918,000 to £3.329 million.</p>	To correct the figure so that it agrees with the underlying documentation.
£700,000	<p><b>Balance sheet</b></p> <p>Short term debtors increased by £700,000.</p> <p>Short term creditors increased by £700,000.</p> <p>Note 21 (short term debtors) and Note 23 (short term creditors) also amended for the above.</p>	To correctly disclose an amount in respect of the debtors control account within the short-term debtors’ balance, which had been incorrectly included within short-term creditors.
Overall impact on Comprehensive income and expenditure statement £3,900,000	<p><b>Comprehensive Income and Expenditure Statement</b></p> <p>Overall impact on total Comprehensive income and Expenditure £3,900,000</p> <p><b>Balance sheet</b></p> <p>Overall impact on total reserves £3,900,000.</p> <p>Amendments also made to various notes and disclosures throughout the financial statements</p>	To bring in the transactions and balances relating to Southeast Wales Corporate Joint Committee (Cardiff Capital Region City Deal)
£26,342	<p><b>Note 30 – Employee emoluments</b></p> <p>Within the ‘2024/25 Senior Officer Emoluments’ table the following amendments have been made to the line for ‘Director of Learning</p>	To correctly reflect the salary and pension costs for the period they held the Director post.

and Skills (started 1/07/24)  
previously Head of ALN’:

- Salary decreased by £22,080;  
and
- Pension contribution decreased  
by £4,262.

£Nil	<p><b>Expenditure and Funding Analysis (EFA)</b></p> <p>Adjustments between Funding and Accounting Basis column (line for 'other income and expenditure') decreased by -£4,155,000</p> <p>Net Expenditure in the Comprehensive Income and Expenditure Statement column (line for 'other income and expenditure') decreased by -£17,199,000</p>	Amendments to reflect correct figures and ensure that the EFA balanced.
£1,130,000	<p><b>Comprehensive income and Expenditure Account (CIES)</b></p> <p>Individual lines within ‘Cost of Services’ section of the CIES (in the column for Gross Expt.) increased by a total of £1,130,000</p> <p><b>Balance sheet</b></p> <p>Property, plant and Equipment decreased by £1,130,000</p> <p>Unusable reserves decreased by £1,130,000</p> <p>Expenditure and funding analysis, Movement in reserves statement 2024/25, Note 10 (adjustments</p>	To take account of depreciation on right of use (IFRS16) assets which had been omitted from the draft accounts.

between accounting basis and funding basis under regulations), Note 15 (property, plant and equipment), and Note 26 (unusable reserves – capital adjustment account) also amended for the above

£2,218,000

**Note 15 Property Plant and Equipment**

Within the column for 'Land and buildings' the line for 'Transfers between asset classes' was decreased by £2,078,000

Within the column for 'Council dwellings' the line for 'Transfers between asset classes' was increased by £2,078,000 and the line for "Revaluation increase/(decrease)" was decreased by £2,128,000.

Within the column for 'Vehicles, plant and equipment' the line for disposals (cost or valuation) was decreased by £593,000 and the line for disposals (accumulated depreciation) was decreased by £593,000

To account for asset transfers and revaluation of land, which had been double counted within Council dwellings; land building buildings; and disposals of nil net-book value assets

£nil

**Note 15 Property Plant and Equipment**

Within the column for 'Land and buildings' the following adjustments have been made:

Adjustments to the section for 'Cost or Valuation'

Adjustments resulting from the incorrect processing of non-enhancing expenditure within the fixed asset register.

	<ul style="list-style-type: none"> <li>• Derecognition of accumulated depreciation and impairment to general carrying amount (GCA) decreased by £1,328,000</li> <li>• Revaluation increase/(decrease) increased by £1,328,000</li> </ul> <p>Adjustments to the section for 'Accumulated depreciation and impairment'</p> <ul style="list-style-type: none"> <li>• Derecognition of accumulated depreciation to the GCA increased by £1,328,000</li> <li>• Impairment losses decreased by £1,328,000</li> </ul>	
£1,076,000	<b>Note 27 Capital Adjustment Account</b> Opening balance adjustment decreased by £1,076,000	To correct the opening balance adjustment relating to right of use assets
£2,088,000	<b>Note 24 Provisions</b> Other Additional provisions made increased by £2,088,000	To account for costs to dismantle, remove or repair right of use assets.
£580,000	<b>Note 10 Adjustments between Accounting Basis and Funding Basis</b> Adjustments made to 'Council Fund Balance' <ul style="list-style-type: none"> <li>• Statutory provision for the repayment of debt decreased by £580,000</li> </ul>	To account for the appropriation of properties between HRA and Social Services

- Application of capital grants to finance capital expenditure increased by £580,000

**Note 27 Capital Adjustment Account**

- Capital grants and contributions decreased by £580,000
- Statutory provision for the financing of capital investment increased by £580,000

Various	Minor amendments were made to the financial statements relating to revisions to disclosures, narrative changes, casting errors and typographical mistakes.	To ensure accuracy of the financial statements.
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# Appendix 3 – Proposed audit report

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

### **Opinion on financial statements**

I have audited the financial statements of the:

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

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

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

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

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

- give a true and fair view of the financial position of the Vale of Glamorgan Council and Vale of Glamorgan Council's Group as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

## **Basis of opinion**

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

My staff and I are independent of the Vale of Glamorgan Council and the group, in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard; and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

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

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

My responsibilities and the responsibilities of the Responsible Financial Officer with respect to going concern are described in the relevant sections of this report.

## **Other Information**

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

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

financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025;
- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

### **Matters on which I report by exception**

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

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

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

### **Responsibilities of the Responsible Financial Officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Responsible Financial Officer is responsible for:

- the preparation of the statement of accounts, including the Vale of Glamorgan Council's Group financial statements, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;



- internal controls as the Responsible Financial Officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Vale and Glamorgan Council and group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Responsible Financial Officer anticipates that the services provided by the Vale and Glamorgan Council and group will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

My procedures included the following:

- Enquiring of management, the Council's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Vale of Glamorgan Council and group's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas:

revenue recognition, expenditure recognition, posting of unusual journals;

- Obtaining an understanding of the Vale of Glamorgan Council and group's framework of authority as well as other legal and regulatory frameworks that Vale of Glamorgan Council and group operate in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Vale of Glamorgan Council and group.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

### **Other auditor's responsibilities**

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

### **Certificate of completion of audit**

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

**Adrian Crompton**  
**Auditor General for Wales**  
**3 December 2025**

**1 Capital Quarter**  
**Tyndall Street**  
**Cardiff, CF10 4BZ**

# Appendix 4 – Letter of representation

Letter of representation

[Required to be on the Council's letterhead]

Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Cardiff  
CF10 4BZ

1 December 2025

## **Representations regarding the 2024-25 financial statements**

This letter is provided in connection with your audit of the financial statements of the Vale of Glamorgan Council for the year ended 31 March 2025, for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## **Management representations**

### **Responsibilities**

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

### **Information provided**

We have provided you with:

- full access to;

- all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Council and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
  - our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
  - our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
  - the identity of all related parties and all the related party relationships and transactions of which we are aware.

### **Financial statement representations**

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial

statements taken as a whole. We acknowledge that there is one non-trivial uncorrected misstatement relating to capital grant accounting, as set out in Audit Wales' Audit of Accounts Report. The misstatement has not been corrected because it is not material and will be corrected as part of the 2025/26 accounts. The amendment would affect many figures within the financial statements, if it had been corrected.

### **Representations by the Council**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Council members on 1 December 2025.

We confirm that we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

**Matt Bowmer**

**Chair of the Council**

**Section 151 Officer**

**Signed on behalf of  
councillors as those charged  
with governance**

**Date: 1 December 2025**

**Date: 1 December 2025**

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



## Our People

- Selection of right team
- Use of specialists
- Supervisions and review



## Arrangements for achieving audit quality Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



## Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

# Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

Visit our website to find:



Our publications which cover our audit work at public bodies.



Information on our upcoming work and forward work programme for performance audit.



Data tools to help you better understand public spending trends.



Details of our Good Practice work and events including the sharing of emerging practice and insights from our audit work.



Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.





Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

