Agenda Item No: 9

Meeting of:	**Governance and Audit Committee**
Date of Meeting:	**Monday, 20 July 2026**
Relevant Scrutiny Committee:	Resources Scrutiny Committee
Item which the Chair has decided is urgent (Part I) **(If yes, why)**	**Not applicable**
Urgent Decision Procedure Used (15.14 of the Constitution) **(If yes, why)**	Not applicable
Item Type	Part I
Report Title:	Unaudited Statement of Accounts 2025/26
Portfolio Holder:	Executive Leader and Cabinet Member for Performance and Resources
Strategic Leadership Team:	Head of Finance/Section 151 Officer
Lead Officer:	Head of Finance

1.0 What is this report about?

1.1 The Draft 2025/26 Vale of Glamorgan Statement of Accounts, Shared Regulatory Services Statement of Accounts are now complete. The Council completed the draft accounts by 30th June 2026 which reflects the amended timetable for accounts closure.

1.2 The preparation of the 2024/25 and 2025/26 Regional Adoption Collaborative Accounts has commenced following confirmation by Audit Wales that full accounts will be required following a national review.

1.3 The 2025/26 Vale of Glamorgan Statement of Accounts will be subject to external audit and the audited accounts will be presented to Audit Committee once the audit is finalised along with the external auditor's ISA260 report prior to being submitted for approval by Council. The final audited accounts must be signed by the Auditor General before 30th September 2026; however this may be impacted by the requirement for Full Council approval in the Vale of Glamorgan.

1.4 The audits of the 2025/26 Vale of Glamorgan Council are now underway with the audits of the Shared Regulatory Service and the 2024/25 and 2025/26 Regional Adoption Collaborative Accounts due to take place later in the calendar year.

1.5 Audit Wales are working to a 30th June and 30th September for 2025/26 accounts, with the resourcing for the Vale of Glamorgan it is intended that the majority of the audit will be undertaken by the end of August 2026.

2.0 What are the Recommendations?

	Recommendations – What and How?	Reason for Recommendation – Why?
2.1	That the unaudited Vale of Glamorgan Council Statement of Accounts for 2025/26 be reviewed and any comments of the Committee be referred to the Head of Finance as Section 151 Officer for subsequent discussion with the Council's external auditors, Audit Wales.	To allow for the initial review of the unaudited Vale of Glamorgan Council 2025/26 Statement of Accounts by those charged with governance.
2.2	That the unaudited Joint Committee Shared Regulatory Services Statement of Accounts for 2025/26 and the Shared Regulatory Services Annual Governance Statement are provided for information and any comments of the Committee be referred to the Head of Finance as Treasurer of the Joint Committee for subsequent discussion with the external auditors, Audit Wales.	To ensure Governance and Audit Committee and informed of the unaudited 2025/26 Shared Regulatory Services Joint Committee Account

3.0 What is the background to this report?

3.1 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).

3.2 In accordance with these regulations, the unaudited Statement of Accounts for 2025/26 required approval and signature by the responsible finance officer by 30th June 2026 certifying that it presents a true and fair view of the financial position of the Council.

3.3 For the 2025/26 Accounts Audit Wales are working to a 30th June and 30th September framework for the 2025/26 accounts. The unaudited accounts were signed by the responsible finance officer on 30th June 2026 and sent to Audit Wales the same day.

3.4 The 2025/26 Vale of Glamorgan Statement of Accounts are now subject to external audit and it is planned that the audited accounts will be presented to Governance and Audit Committee in September 2026 along with the external auditor's ISA260 report prior to being submitted for approval by Council and signed by the Auditor General.

3.5 The 2025/26 Shared Regulatory Services Joint Committee Statement of Accounts has been reported to the Joint Committee on 18th June 2026 and will also be subject to external audit and presented to the Joint Committees once the audit of the accounts is complete.

3.6 The external audit extends to the Annual Governance Statements for the Vale of Glamorgan Council the Shared Regulatory Service. The Annual Governance Statement for the Vale of Glamorgan Council is not included in the version attached at Appendix A as it is included under a separate item on the Committee agenda. The Annual Governance Statement for the Shared Regulatory Service is included in Appendix B.

3.7 The Vale, Valleys and Cardiff Regional Adoption Service accounts will be subject to a full external audit by Audit Wales for both 2024/25 and 2025/26 as it has exceeded the threshold for full audit and the full Statement of Accounts will need to be completed and once complete will be shared with Governance and Audit Committee and the External Auditors for review.

4.0 What issues are there to be considered?

4.1 The 2025/26 Vale of Glamorgan Council Statement of Accounts is attached at Appendix A and has been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS). This is intended to provide for comparable accounts across all accounting boundaries, public and private, national and international.

4.2 The Shared Regulatory Service Joint Committee 2025/26 unaudited Statement of Accounts is also attached at Appendix B.

4.3 It is proposed that any comments made by the Committee on the Vale of Glamorgan Council 2025/26 unaudited Statement of Accounts, Shared Regulatory Joint Committee Statement of Accounts 2025/26 be referred to the Head of Finance as Section 151 Officer and Treasurer of the Joint Committees respectively for discussion with Council's external auditors, Audit Wales.

4.4 The accounts are prepared in accordance with the CIPFA Code of Practice for 2025/26 Accounts. Usable Reserves remain at an adequate level totalling £89.975m. This includes the Council Fund £11.953m, HRA Reserve £9.913m, Earmarked Reserves of £38.955m, and also includes Capital Grants Unapplied of £18m reflecting grant funding received in advance that will be utilised in 2026/27 and 2027/28 as part of the challenging capital programme proposals.

4.5 The Council delivered a £73.8m capital programme, including:

- £22.1m invested in schools through the Sustainable Communities for Learning programme;
- £19.2m invested in council housing;
- Significant highways, transport and infrastructure improvements

4.6 The value of Property Plant and Equipment has increased to £1.018bn reflecting significant increases in Capital Investment in Schools and Housing stock during the period and a reduction in the valuation of Council Dwellings and an increase in land and building assets. The Council carried out a full revaluation of the building assets in 2025/26.

4.7 Included in this value was a prior period adjustment of £7.898m which was made to recognise previously omitted assets that were predominantly land. This increased balance sheet values but had no impact on revenue budgets or Council tax.

4.8 The Pension Liability and corresponding Unusable reserve have reduced to nil for funded schemes following the recent triennial valuation across the main Vale accounts and the Joint Committee accounts having made consideration of the asset ceiling and the minimum funding guarantee. The unfunded Pension Fund has a liability of £8.2m.

4.9 The 2025/26 Statement of Accounts for the Shared Regulatory Service Joint Committee shows that Usable Reserves have increased to £775k, an increase of £270k on 31st March 2025. The overspend in 2025/26 primarily relates to authority specific services so will be discussed with the relevant partner authorities, with the remaining core element overspend outlined within the 2025/26 SRS outturn report. The SRS Pension liability has also reduced within the year, down from £0.70m in 2024/25 to a nil value in 2025/26.

5.0 How has evidence been used to inform the report, including the views of others?

5.1 There is continuous review of the Council's finances which are reported through to Cabinet in Budget and Medium Term Financial Planning updates and quarterly monitoring of revenue and capital budget and treasury forecasts.

6.0 What are the next steps if the recommendations are approved?

6.1 The External Audit will be ongoing until the end of September 2026. Once finalised an amended set of accounts and Audit of Accounts report will be brought to Governance and Audit Committee for discussion. The accounts will then be taken to Full Council for approval prior to signing by the Auditor General.

6.2 The Accounts are currently open for Public Inspection with the day of Electors Rights of Inspection set as 1st September 2026.

7.0 How does this report support Vale 2030 and Reshaping?

7.1 Vale 2030 sets out the Council's ambitions form 2025 through to 20230 and there has been demonstrable Integration in its development with the Reshaping Programme and Medium Term Financial Plan.

7.2 The Council works well with its partners and this collaboration also plays a part in the joint delivery of services, most notably Shared Regulatory Service, Adoption Service and Regional Internal Audit Service.

8.0 How does this demonstrate the Five Ways of Working?

8.1 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

Resources

9.0 Finance

9.1 The key financial considerations are set out in the main body of the report.

10.0 Workforce

10.1 None as a direct consequence of this report.

11.0 Legal and Equalities

11.1 No Equalities Impact Assessment has been completed at this time. The Council's budget preparation process has due regard to the requirements of the Council's Strategic Equality Plan including the Equalities Act 2010 and Public Sector Equality Duty for Wales.
The subsequent development of specific proposals and strategies that form the Council's budget including savings proposals have had Equality Impact Assessments completed as part of budget setting.

11.2 The provisional outturn figures for the Council have been used in the preparation of the Statements of Accounts. Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires the Responsible Financial Officer to sign and date the Statement of Accounts and certify that they present a true and fair view of the financial position at the end of the year. This means that for 2025/26 the Statement of Accounts were certified by the Section 151 Officer by 30th June 2026.

12.0 Key Contacts

12.1 **Who are the primary officers to contact with any comments and/or queries on the report?**

Lead Officer: Matt Bowmer Head of Finance/s151 Officer	Democratic Services Officer

Appendix

Appendix A – Unaudited Statement of Accounts Vale of Glamorgan Council

Appendix B - Unaudited Statement of Accounts Shared Regulatory Services

Background Documents

Appendix A

Vale of Glamorgan County Borough Council

Draft Statement of Accounts 2025/26 Year Ended 31st March 2026.

Published Subject to Audit.

Statement of Accounts 2025/26

Contents

Narrative Report

Introduction

This document presents the Statement of Accounts for The Vale of Glamorgan County Borough Council for 2025/26 and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

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 135,743, making it the 11th largest authority by population size of the 22 local authorities in Wales. In the last 10 years, the population of the Vale of Glamorgan has grown by 7%, in the next 10 years, the population is projected to grow by 9.9%, the third largest projected population growth in Wales.

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

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

Governance Structure

The Vale of Glamorgan Council had 54 elected members during 2025/26, representing 24 wards. The political make-up of the Council during the 2025/26 financial year was 24 Labour, 13 Conservative, 8 Plaid Cymru, 4 Llantwit First Independent, 4 Independent Elected Members and 1 Reform UK Member. 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.

The Head of Paid Service is the Chief Executive. 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 2025/26 Cabinet meetings, Scrutiny Committees and Governance and Audit Committee continue to 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 2025/26 will be reported to Cabinet on 9th July 2026 and can be accessed on the Council Website.

The 2025/26 settlement from Welsh Government was published on 20th February 2025 and represented an increase of 3.8% for the Vale following the introduction of a floor. The Council received Revenue Support Grant of £176.793m and National Non-Domestic Rate of £47.654m which equates to total funding, referred to as the Aggregate External Finance (AEF) of £224.447m. This represented an increase in funding of £8.217m (3.8%) including £1.110m top up funding from the previous year. Based on this funding level, the Council was ranked 21st out of 22 councils in Wales as in 2024/25 on a funding per head of population, which is £274 per head below the Welsh average (£255 per head below in 2024/25).

Despite this positive settlement, cost pressures reported by services across the Council particularly within Social Services, Additional Learning Needs and Homelessness were so significant, that savings targets totalling £8.771m were set for 2025/26 included £1.2m set against Schools budgets. In addition, a number of savings targets not achieved in 2023/24 and 2024/25 continued to be monitored in 2025/26. Service areas have made some good progress towards achieving these savings during the financial year reporting 79% achievement or mitigation of the 2025/26 targets, and 61% of the combined outstanding targets for 2023/24 and 2024/25. These savings will clearly need to be monitored carefully during 2026/27 with a lower savings target there is some opportunity for consolidation of the existing position.

Directorate	Amount Proposed	Amount Achieved in Year	Amount Mitigated Other	% Achieved/ Mitigated	RAG
Learning and Skills	512	512	-	100%	Green
Social Services	3,624	2,680	74	76%	Red
Neighbourhood Services and General Fund Housing	2,322	780	680	63%	Red
Place	238	168	-	71%	Amber
Corporate Resources and Policy	875	665	150	93%	Amber
Delegated Schools	1,200	1,200	-	100%	
Total 2025/26	**8,771**	**6,005**	**904**	**79%**	**-**

The anticipated level of funding to be received from Council Tax in 2025/26 was £105.877m (£99.080m in 2024/25) with an additional provision of £1.250m for Council Tax arrears. This was based on a Band D rate of £1,655.10 (£1,562.85 in 2024/25), 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 £1,655.10 which is 5.63% below the median for Welsh counties.

The Council received revenue grant funding totalling £94m including allocations from Welsh Government and UK Government (approximately £104m in 2024/25) which included sums to support a number of initiatives during the year 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 £55m in 2025/26, a significant proportion is distributed by other councils and entities such as funding received via Monmouthshire Council for the Bus Services Support Grant.

The Council's revenue budget at year end was a small deficit of £46k after some unplanned use of Service Reserves £2.980m and a reduction in reserves of £6.690m for schools leaving schools in an overall net deficit position which is offset by a specific reserve in the Council's accounts. There was a transfer to reserves for the Housing Revenue Account (HRA) due to some changed relating to funding and delivery of schemes in the capital programme. Overall there was a net transfer from reserves of £4.613m. A breakdown by Directorate is shown in the following table.

	Amended Revenue Budget	**Actual**	**Variance +Favourable**	**Net Transfer to /(From) Reserve**
			() Adverse	
	£'000	£'000	£'000	£'000
Learning & Skills (Schools)	128,568	135,258	(6,690)	(63)
Learning and Skill (Central)	13,544	13,715	(171)	(198)
Social Services	106,707	109,920	(3,213)	(240)
Environment and Housing	30,964	32,812	(1,848)	438
Place	3,021	3,197	(176)	(200)
Corporate Resources	15,519	16,077	(558)	927
General Policy	20,916	18,196	2,720	(1,508)
Council Tax Reduction Scheme and Arrears	12,335	12,585	(250)	-
Council Tax Surplus	-	(469)	469	-
Total Provisional Outturn (Excl Unplanned Reserves)	331,574	341,291	(9,717)	(844)
Unplanned Use of Reserves Schools	0	(6,690)	6,690	6,690
Unplanned Use of Reserves Other	0	(2,980)	2,980	2,980
Total Provisional Outturn	331,574	331,621	(47)	8,826
Movement on General Fund				47
Capital Programme Funded from Reserves				1,767
Movement on Housing Revenue Account				(6,028)
Total Movement on Council Fund and Specific Reserves				4,612

Table 2 – Council Fund and Reserves

Council Fund and Specific Reserves	Opening £000's	Movement £000's	Closing £000's
Council Fund	13,000	(1,047)	11,953
Earmarked Reserves	46,340	(9,593)	36,746
Housing Revenue Account	3,885	6,028	9,913
Total	63,225	(4,612)	58,612

The total movement on the Council Fund and Specific Reserves including the Housing Revenue Account was a reduction of £4.612m after adjusting for Joint Committees (increase of £40k).

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 and an additional contribution from central Learning and Skills of £700k distributed on a formula basis. Schools had to draw down £6.69m from reserves in order to outturn at the 2025/26 budget. The opening position on school balances was a £4.1m deficit and as a result schools balances carried forward to 2026/27 are now in an overall deficit position of £10.827m. Some schools were able to achieve a balanced budget in year (21 schools) and the reminder (32) with a net deficit.

The closing position identifies that 32 schools (60% of all schools) were in a deficit position as at 31st March 2026, and that total deficit balances amounted to £14.3m. Whilst 21 schools (40% of all schools) were in a surplus position as at 31st March with total surplus balances amounting to £3.47m. The overall net deficit of £10.827m amounts to just under 8% of the school's budget share.

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 2025/26 and along with frequent displays of challenging behaviour the cost of this transport have risen. The number of requests for pupils to travel alone to accommodate their needs has greatly increased. Mainstream transport continues to run for pupils who are not able to obtain a place in 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 is increasing, all 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 2025/26 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. There are a number of pressures; chief drivers are the External placement budget which overspent by £1.06m and bespoke accommodation arrangements costing £634k. Again, this position reflects pressures seen across local government nationally and has been mitigated by Welsh Government grant including in 2025/26.

An overspend was also reported in Adult Services in respect of Domiciliary Care and Residential and Nursing Home Payments of approximately £3.5m. An increase in spend across nursing home and residential care, particularly for older people is reflective of the rising cost of care in this area. Complex cases and some cases in dispute were not resolved until late on in the year. This is offset by deferred income receipts, as past costs are recouped from house sales which was £1.4m above the target level.

There was also a £383k variance associated with Council run care homes in 2025/26, however this was in part offset by staff vacancies within the service area in year.

In Environment and Housing, key pressures for the service included £399k on additional pothole and patching works, £170k on street lighting energy costs. In addition, there is significant pressure in the service in relation to the lag in implementation of savings relating to car parks, parks and enforcement which totals approximately £1.016m across the service which has been offset in part by staff vacancies and additional income across the service. The enforcement saving has been impacted by the late delivery of the camera car and income levels will be kept under close review in 2026/27.

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 service also incurred some additional one off cost associated with exiting the contract with the Holiday Inn Express. This will be funded from the Homelessness & Housing reserve and the legal risk reserve.

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 2025/26.
Whilst the Council Tax team continued to make significant progress on arrears this was offset by some provision for arrears now built into the budget and an increase provision for bad debts which was required and reflects some increase in the quantum of arrears due to the introduction of premiums on empty homes and second homes.

The closing balance on the Council Fund as at 1st April 2026 was £11.953m with a drawdown of £47k in year and a transfer of £1m out to increase balances to offset schools deficits. Whilst there is no set requirement for the minimum level for the Council Fund, local authorities often use 5% of the net budget as a guide. For the Vale this is around £17m, however, in view of the prudent approach the Council takes with regard to Specific Reserves and the contingency of £1m now built back in the budget, it is considered that £11m should be the minimum level for this reserve. The Council also holds earmarked reserves which stood at £36.746m (excluding Joint Committees and HRA) as at 31st March 2026 with £10.827m ringfenced for schools to offset deficit balances. The schools balances reduced by £6.7m in year but were supplemented by transfers out of other earmarked reserves to offset the increased deficits in 2026/27. Other services reserves reduced by £2.2m for unplanned usage and planned schemes and projects and £1.797m for capital. These reserves are allocated for both capital and revenue purposes.

Summary of Financial Performance – Capital

The General Capital Funding received from Welsh Government in 2025/26 was £7.606m which was an increase of £620k in funding from 2024/25. 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, in 2025/26 the Capital Programme was financed from £16.866m borrowing of which £9.196m related to HRA capital schemes and £7.670 related to general fund capital schemes.

Despite capital schemes facing continued challenges due to a number of issues, including significant cost increases and shortages of resources, the 2025/26 Capital Programme outturned at £73.765m.

Due to various economic factors, there has been a continued increase in the cost of materials and labour during 2025/26, this has resulted in delays to schemes where negotiations and project re-engineering have 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 2025/26 is shown by service area in the table below.

Directorate	Approved Programme 2025/26	Additions to Approved Programme 2025/26	Adjusted Approved Programme 2025/26	Actual Spend 2025/26	Variance at Outturn 2025/26
	£000	£000	£000	£000	£000
Learning & Skills	39,031	93	39,124	32,721	(6,403)
Social Services	4,593	1,214	5,807	3,458	(2,349)
Housing	23,347	0	23,347	19,162	(4,185)
Environment	14,525	29	14,554	11,493	(3,061)
Place	6,380	177	6,557	5,228	(1,329)

Corporate Resources	1,475	0	1,475	796	(679)
Pipeline Schemes	1,853	0	1,853	907	(946)
Total	**91,204**	**1,513**	**92,717**	**73,765**	**(18,952)**

Of the capital expenditure incurred in the year, £22.1m was spent on the Sustainable Communities for Learning programme (including pipeline projects). This programme is a collaboration between 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.

Within Social Services, £1.192m was spent in respect of grant adaptation works to help fund essential home adaptations, allowing people to continue living safely and independently in their own homes.

The Council undertook Highways Improvements, footways and street lighting schemes during the year with a value of over £4.8m. Capital investment of over £19.16m was made as part of a continuing Housing Improvement Programme. New vehicles were purchased during the year costing £879k.

Many of the UK Government Shared Prosperity fund schemes completed in 2025/26 totalling £1.9m including works at the Memo Arts Centre and the Great Glamorgan Way. The Council continues to work with partners delivering other UK Government structural funds including Levelling Up, Plan for Neighbourhood and Pride in Place fund.

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 included on the balance sheet from 1st April 2024. The opening finance lease liabilities was £2.920m as at 1st April 2025, with a closing finance lease liability of £3.506m as at 31st March 2026.

The following table shows the resources used in 2025/26 to fund the capital programme:

Source of Funding	Outturn (£000)
General Capital Funding Grant	2,964
General Fund Borrowing	7,669
Housing Borrowing	9,196
Capital Receipts – Housing	0
Capital Receipts – General fund including education, vehicles and Social Services	33
WG Grants	45,248
Reserves & Revenue contributions	2,885
Other e.g., Section 106, other grants	5,770
Total	**73,765**

As at 31st March 2026 the Council held general capital receipts with a value of £7.512m, and

£1.296m ringfenced for Social Services.

The Council's assets at 31st March 2025 have a book value of £1.018bn. The Council Dwellings and Other Land and Buildings are revalued on a rolling 5 year programme normally by a MRICS external valuer and for the years in between a revaluation indexation will be applied. During 2025/26 the Council revalued all property assets and all land assets associated with a building. There is also a Prior Period adjustment for a group of (predominantly) land assets that have previously been excluded from the Council's asset valuations.

Housing Revenue Account (HRA)

The Council retains its stock of Council Houses and as at 31st March 2026 had 4,213 dwellings. The HRA transferred £6.028m into its reserve in 2025/26 leaving a balance on the HRA reserve of £9.914m as at 31st March 2026. This balance is significantly higher than the Housing Business Plan 2026/27. 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 13th January 2026. The Council has invested over £109.1m in its housing stock and new builds between 2022/23 and 2025/26 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 2026/27 allocates a total of £45.336m towards maintaining and improving the existing housing stock. This includes a significant investment of £7.308m in energy efficiency works, directly supporting the WHQS focus on decarbonisation and environmental sustainability. Further allocations include £5.064m for internal works, £3.197m for external works, and £900k for common parts, ensuring homes and communal areas meet the required physical and safety standards. The plan also provides £2.856m for environmental improvements ensuring climate change and the wildlife emergency focus is addressed, £500k for housing adaptations to support accessibility and tenant independence, £6.923m for individual schemes, and £420k 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. The Shareholders have met with the Managing Director and the Council's Director throughout the year, including two formal Shareholder Meetings. At these meetings, the Company's current trading position (including consideration of Teckal exemption levels) has been discussed, alongside the community benefits and social value delivered by Big Fresh. A new Company Secretary has been identified from the Council to assist the Company, and a review of the way in which the Company is paid for services provided to schools has been agreed. This will be formalised in a revised Agreement between the Council and Company in the coming year.

Treasury Management – Borrowing and Investments

Before the commencement of the 2025/26 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 10th March 2025 and can be accessed on the Council Website: Treasury Management and Investment Strategy Cabinet Report.

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 2025/26 £296.207m, which was revised to £265.800m during the year. The actual external borrowing as at 31st March 2026 excluding adjustments was £181,871m as shown in the following table.

	31 March 2025	31 March 2026
Source of Loan	**£'000**	**£'000**
Public Works Loan Board (PWLB)	165,952	173,935
Long Term Loans	3,899	7,936
Other	0	0
Total External Borrowing	**169,851**	**181,871**
Accrued Interest	1,330	1,453
Accounting Adjustments	(135)	(285)
Joint Committee Borrowing	848	540
Total Borrowing as per Balance Sheet	**171,894**	**183,579**

The Council has a cautious approach to risk, with its priority to safeguard capital. Throughout 2025/26 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 2026 is set out below and includes Money Market Fund (MMF) balances and Lloyds Call account balances held overnight as at 31st March 2026 which are included under the Cash and Cash Equivalent heading in the Balance Sheet.

There was an increase in investments held as 31st March 2026 when compared with the balance at 31st March 2025 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 but also an increase in capital grants held on a temporary basis. In addition, the Council has maintained the sums utilised 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 2025	31 March 2026
Short Term Investments Held By	**£'000**	**£'000**
UK Debt Management Account Deposit Facility (DMADF)	5,625	0
UK Local and Police Authorities	2,000	16,500
Treasury Bills	0	0
Federated Hermes Money Market Account	6,050	7,850
CCLA Money Market Account	3,150	10,000
Lloyds Instant Access Deposit Account	365	2,750
Total Short Term Investments	**17,190**	**37,100**
Short Term Investment Accrued Interest	121	259
Short Term Investment Joint Committees	254	3,791
Total Short Term Investments as per Balance Sheet	**17,565**	**41,150**

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 the Corporate Joint Committee for Cardiff Capital Region and the Glamorgan Archives. The Central South Consortium Joint Committee ceased during the 2025/26 financial year and a Professional Learning and Support Service has been established therefore the Central South Consortium accounts have not been consolidated for 2025/26. For Prosiect Gwyrdd the balances are no longer consolidated in 2025/26 due to the relatively low value of this Joint Committee share. The Council's share of the transactions and balances for the other Joint Committees are incorporated in these financial statements. Separate financial statements are also available. In addition, the Council participates in a number of shared services which are detailed under Related Parties.

City Deal/CRC

The Vale of Glamorgan Council is a participant in the Cardiff Capital Region City Deal (CCR) which has been established between the UK Government, the Welsh Government and 10 local authorities in South East Wales. The 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 2025/26 with pay awards negotiated during the year in excess of the sum budgeted and the amended National Insurance contributions this was offset in the main across the Council due to a high number of vacant posts although this was broadly mitigated by Welsh Government grant. 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 is 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 £355.303m for 2026/27 was approved by Council on 9th March 2026. The revenue settlement from Welsh Government of £240.134m represented an increase of £9.883m (4.3%) over 2025/26 £15.443m after allowing for adjustments for the Council tax base and including transfers in for teachers and non teaching pay and pensions and of specific grant for National Insurance. The Council's per capita funding continued to be 21st of the 22 Welsh Local Authorities, £288 per capita below the Welsh average. The Council Tax was increased by 6.5%. from 1st April 2026 which includes the continuation 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 savings and efficiency target of £2.772m was set for the year this slightly lower savings target is intended to allow capacity to catch up on outstanding savings build a pipeline of transformational schemes across the Medium Term Financial Period to 2030/31.

The full Council report can be accessed on the Council website:
2026/27 Budget and 2026/27 to 2030/31 Medium Term Financial Plan

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 2026/27 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 £9.453m in 2026/27 and £28.380m across the period to 2030/31. 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 2026/27 is £7.739m which is an increase of £133k from the previous year. The 2026/27 Capital Programme was approved by Council on 9th March 2026 and had a gross value of £138.9m. The programme is briefly summarised below:

Schemes	**2026/27 Gross £000**
Learning and Skills	33,989
Social Services	2,254
Environment and Housing	18,532
HRA	45,336
Place	24,576
Resources	709
City Deal	438
Pipeline Schemes	13,092
Total Capital Programme	**138,926**

There will be investment in the Council’s Schools as part of the Sustainable Communities for Learning programme of £42m in 2026/27 (including the pipeline schemes which are subject to a full business case), £3.07m investment in road resurfacing and £3.72m for Council’s vehicles. Even though the Housing stock meets WHQS, further work totalling £45.3m 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 2026/27 and Final Capital Programme Proposals 2026/27 to 2030/31.

Over the coming years major capital investment will continue for the Sustainable Communities for Learning programme which will require capital investment between 2026/27 and 2030/31. The remaining funding included in the overall capital programme is £85.56m 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 unearmark 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 2025. The value of the pension liability as at 31st March 2026 is £8.2m after adjusting for the asset ceiling for the Council's pension fund the underlying valuation reflects a pension asset as at 31st March 2026. 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 (2025-2030) Vale 2030 reflects the requirements of the Well-being of Future Generations (Wales) Act 2015 and identifies 5 Well-being Objectives.

The 5 Well-being Objectives from Vale 2030 are:

- Creating great places to live, work and visit;
- Respecting and celebrating the environment;
- Giving everyone a good start in life;
- Supporting and protecting those who need us; and
- Being the best council we can be.

Progress against Vale 2030 commitments and the Wellbeing objectives is monitored throughout the year through performance reports, which are subject to challenge quarterly via the Strategic Leadership Team and twice yearly by elected members through Cabinet, and a Joint Scrutiny for Performance and also Governance & Audit Committee for year end. Monitoring of progress against annual commitments helps identify what is on track and where further work is needed.

A new performance report format has been developed to enable Members to holistically review performance in meeting the Vale 2030 commitments through the lens of the three annual self-assessment questions, which are:

- How well is the Council performing?
- How well is the Council using its resources? and
- How effective is the Councils' governance?

The mid year performance was reported through SLT and Joint Scrutiny Performance, further details can be found here:
[Q2 Performance Monitoring Report]

Progress against 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.

Overall, the Council has made good progress in delivering Year 1 of Vale 2030, with high levels of delivery against planned actions (91%) and demonstrable progress in priority areas:

- Increased delivery of affordable housing and sustained homelessness prevention outcomes.
- Improved primary school attendance and earlier intervention for learners needing support.
- Expanded preventative and reablement services, supporting independence.
- Continued strong environmental performance, including recycling and biodiversity initiatives.
- Strengthened performance management and reporting arrangements.

However, performance is not yet consistent across all services. In particular:

- Some outcomes remain partially evidenced or are not yet fully demonstrable.
- A significant proportion of measures cannot be RAG-rated, reflecting a performance framework still bedding in, however, this limits our ability to fully assess impact.
- Ongoing demand, financial pressures and workforce capacity continue to affect pace and consistency of improvement across services.

Moderation concluded that the Council's performance is 'Good', reflecting strong delivery and positive outcomes overall, but not yet the consistent, sustained and fully evidenced impact required for a higher rating

The end of year position will be presented to Cabinet on 9th July 2026 in the Draft Vale of Glamorgan Council Annual Self-Assessment 2025/26. This is a pre consultation draft to be scrutinised by the Performance Joint Scrutiny Committee and Governance & Audit Committee. The final version of the Annual Self-Assessment will be considered by Cabinet and thereon Council for approval before the end of the calendar year.

Further Information

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

Introduction to the Financial Statements

Statement of Accounting Policies

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

Statement of Responsibilities for the Statement of Accounts

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

Expenditure and Funding Analysis

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

Movement in Reserves Statement

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

Comprehensive Income and Expenditure Statement (CIES)

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

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (Assets less Liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserve and any statutory limitations on their use (for example the Capital Receipts may only be used to fund Capital expenditure or repay debt). The second category of reserves are those that the

Authority is not able to use to provide services called Unusable Reserves. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold and also reserves that hold timing differences shown in the Movement in Reserves Statement line “Adjustments between accounting basis and funding basis and regulations”.

Cash Flow Statement

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

Annual Governance Statement

The statement sets out the framework within which the Vale of Glamorgan Council manages and reviews 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: 30th June 2026

Head of Finance/Section 151 Officer

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

Expenditure and Funding Analysis

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

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)
(Surplus) or Deficit	**12,163**	(4,524)	7,639
Opening General Fund and HRA Balance at 31 March 2024	**(77,556)**		
Plus Deficit on General Fund and HRA Balance in Year	12,163		
Closing General Fund and HRA Balance 31 March 2025	**(65,393)**		
2025/26	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	149,451	7,319	156,770
Social Services	109,680	8,081	117,761
Visible and Housing Services	33,740	3,619	37,359
Housing Revenue Account (HRA)	(6,030)	17,466	11,436
Place	3,187	1,774	4,961
Corporate Resources	17,005	1,786	18,791
Policy	14,775	(8,093)	6,682
Net Cost of Services	321,808	31,952	353,760
Other Income and Expenditure	(317,236)	(60,187)	(377,423)
(Surplus) or Deficit	**4,572**	**(28,235)**	**(23,663)**
Opening General Fund and HRA Balance at 31 March 2025	**(65,393)**		
Plus Deficit on General Fund and HRA Balance in Year	4,572		
Closing General Fund and HRA Balance 31 March 2026	**(60,821)**		

Movement in Reserves Statement 2024/25

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 is shown on pages 14 and 15. The 2024/25 statement has been restated to include assets with a value of £7.898m that were previously omitted from the accounts.

Movement in Reserves Statement RESTATED	Council Fund	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31st March 2024	**11,106**	**62,925**	**3,525**	**7,647**	**3,386**	**88,589**	**746,447**	**835,036**
Opening Adj	0	0	0	0	0	0	1,000	1,000
Amended Opening Balance	**11,106**	**62,925**	**3,525**	**7,647**	**3,386**	**88,589**	**747,447**	**836,036**
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
Prior Period Adjustment	**0**	**0**	**0**	**0**	**0**	**0**	**7,898**	**7,898**
Increase/(Decrease) in 2024/25	**1,894**	**(14,417)**	**360**	**1,975**	**(299)**	**(10,487)**	**19,972**	**9,485**
Balance as at 31st March 2025	**13,000**	**48,508**	**3,885**	**9,622**	**3,087**	**78,102**	**767,419**	**845,521**

Movement in Reserves Statement 2025/26

Movement in Reserves Statement	Council Fund	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31st March 2025	**13,000**	**48,508**	**3,885**	**9,622**	**3,087**	**78,102**	**767,419**	**845,521**
Total Comprehensive Income and Expenditure	38,741	(9,553)	(5,525)	0	0	**23,663**	21,514	**45,177**
Adjustments between accounting basis and funding basis under regulations (Note 10)	(39,788)	0	11,553	1,282	15,163	**(11,790)**	**11,790**	0
Increase/(Decrease) in 2025/26	**(1,047)**	**(9,553)**	**6,028**	**1,282**	**15,163**	**11,873**	**33,304**	**45,177**
Balance as at 31st March 2026	**11,953**	**38,955**	**9,913**	**10,904**	**18,250**	**89,975**	**800,723**	**890,698**

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.

2024/25			Expenditure on Services	2025/26		
Gross Expt.	**Income**	**Net Expt.**		**Gross Expt.**	**Income**	**Net Expt.**
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
201,447	58,589	142,858	Learning and Skills	212,943	56,173	156,770
129,699	22,721	106,978	Social Services	146,477	28,716	117,761
66,793	24,509	42,284	Visible and Housing Services	69,709	32,350	37,359
55,080	26,662	28,418	Housing Revenue Account (HRA)	39,459	28,023	11,436
13,410	6,952	6,458	Place	10,118	5,157	4,961
48,230	28,912	19,318	Corporate Resources	43,877	25,086	18,791
4,090	3,520	570	Policy	8,277	1,595	6,682
518,749	**171,865**	**346,884**	**Cost of Services**	**530,860**	**177,100**	**353,760**
			Other operating expenditure			
3,652	0	3,652	Town/Community Council Precepts	3,851	0	3,851
22,358	0	22,358	South Wales Police Authority	24,224	0	24,224
8,302	0	8,302	South Wales Fire Authority	8,752	0	8,752
143	0	143	Other Levies and Contributions	129	0	129
0	758	(758)	(Gains)/losses on the disposal of non- current assets	475	0	475
			Financing and investment income and expenditure			
6,823	0	6,823	Interest payable and similar charges	8,399	0	8,399
0	834	(834)	Net interest on defined benefit liability/asset	440	0	440
116	0	116	Revaluation of Investment Properties and Equities	130	0	130
54	2,324	(2,270)	Interest receivable and Trading surplus/deficit	265	4,088	(3,823)
			Taxation and non-specific grant			
0	115,985	(115,985)	Council Tax income (Note 13)	0	123,017	(123,017)
0	47,853	(47,853)	Non domestic rates (Note 14)	0	47,654	(47,654)
0	161,928	(161,928)	Revenue Support grants (Note 12)	0	176,793	(176,793)
30	0	30	Corporation Tax	0	0	0
0	51,041	(51,041)	Capital grants and contributions	0	72,536	(72,536)
560,227	**552,588**	**7,639**	**(Surplus) or Deficit on Provision of Services**	**577,525**	**601,188**	**(23,663)**
		(22,079)	(Surplus) on revaluation of non-current assets (Note 26)			(19,056)
		1,268	Impairment losses on non-current assets Revaluation (Note 26)			0
		1,393	Deficit on Revaluation of Financial Instrument Assets			0
		10,192	Remeasurements of the net defined benefit liability/(asset) (Note 37)			(2,458)
		(9,226)	**Other Comprehensive Income and Expenditure**			**(21,514)**
		(1,587)	**Total Comprehensive Income and Expenditure**			**(45,177)**

Balance Sheet as at 31st March 2026

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. The 2024/25 Balances have been restated to include omitted land assets.

RESTATED 31st March 2025		Note	**31st March 2026**
£'000			**£'000**
982,769	Property, Plant and Equipment	15	1,017,744
5,315	Joint Committee Investment Properties		4,872
948	Equity		1,130
322	Intangible Assets		185
2	Long Term Investments		2
0	Joint Committee Deferred Tax Asset		453
8,283	Long Term Debtors		8,662
997,639	**Long Term Assets**		**1,033,048**
10,684	Short Term Investment	20	20,550
203	Assets Held for Sale		50
990	Inventories		1,223
89,418	Short Term Debtors	21	93,683
12,837	Cash and Cash Equivalents	22	17,264
114,132	**Current Assets**		**132,770**
9,810	Short Term Borrowing	20	18,454
39,146	Short Term Creditors	23	47,726
728	Short Term Liabilities (Leasing)	18	1,107
4,013	Provisions (Short Term)	24	1,999
2,923	Grants Receipts in Advance – Capital	32	6,782
56,620	**Current Liabilities**		**76,068**
1,513	Provisions (Long Term)	24	3,838
162,084	Long Term Borrowing	20	165,125
10,585	Other Long Term Liabilities	25	8,926
2,194	Long Term Liabilities Leasing	18	2,399
17,310	Other Long Term Liabilities (Pensions)	36	8,200
15,945	Grants Receipts in Advance - Capital (Long Term)	32	10,564
209,631	**Long Term Liabilities**		**199,052**
845,520	**Net Assets**		**890,698**
78,101	Usable Reserves	26	89,975
767,419	Unusable Reserves	27	800,723
845,520	**Total Reserves**		**890,698**

The 2024/25 Accounts have been restated to include previously omitted land assets totalling £7.898m in value.

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 2025		Notes	**31st March 2026**
£'000			**£'000**
(7,639)	**Net surplus or (deficit) on the provision of services**		**23,663**
27,513	Adjustments to net surplus or deficit on the provision of services for non-cash movements	28	38,673
	Adjustments for items that are investing and financing activities		
(4,483)	Proceeds from the sale of property, plant and equipment and intangible assets.		(899)
(55,953)	Any items which the cash effects are investing or financing cashflows		(57,372)
(60,436)	**Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities**		**(58,271)**
(40,562)	**Net cash flows from Operating Activities**		**4,065**
	Investing Activities		
(62,581)	Purchase of property, plant and equipment and intangible assets.		(59,390)
2,615	Proceeds from the sale of property, plant and equipment and intangible assets.		1,399
0	Purchase of short term/long term investments		(11,655)
22,699	Proceeds from short term/long term investments		1,928
48,135	Other Receipts from Investing Activities		57,023
10,868	**Net Cashflow from Investing Activities**		**(10,695)**
	Financing Activities		
27,388	Cash Receipts/(Repayments) of Short and Long Term Borrowing and Leases		10,467
1,863	Other Payments for Financing Activities		590
29,251	**Net cash flows from Financing Activities**		**11,057**
(443)	**Net increase or decrease in cash and cash equivalents**		**4,427**
13,280	Cash and cash equivalents at the beginning of the reporting period		12,837
12,837	**Cash and cash equivalents at the end of the reporting period**		**17,264**

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 2025/26 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 2025/26 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 31st 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 1st April 2025 and the weighted average incremental borrowing is 5.23%.

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 2025/26 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, the Council procured a full valuation of all property assets and all land assets associated with a building as at 31st March 2026. The majority of stand alone land assets are not impacted by valuation as there has been no material increase in this category of land and building asset in 2024/25 or 2025/26.

Council Dwellings are regarded by the Authority as operational and have also been revalued as at 31st March 2026 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 all expenditure has been enhanced and then the asset has been revalued by a FRICs qualified valuer. There are some minor exceptions to this approach for instance where the capital spend is on an acquisition in year, in which case the asset value is the market value.

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 2025/26 is £16.012m.

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 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 2025/26.

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 2025/26.

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

At the balance sheet date, there are some standards introduced by the 2026/27 Code that have not been adopted and these are listed below, however, they are expected to have very little impact on the Shared Regulatory Services accounts.

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

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 2026.

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 2026 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 2025/26; 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 2025/26 the Council has procured a full valuation of all property assets and all land assets associated with a building as at 31st March 2026. The majority of stand alone land assets are not impacted by valuation as there has been no material increase in this category of land and building asset in 2024/25 or 2025/26.

A number of HRA new build schemes were completed during 2025/26 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 2025/26 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 2025.

The demographic and financial assumptions used in arriving at the 2025/26 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 2026 for the Council's financial assets and liabilities have been provided by the Council's Treasury Management advisor Arlingclose 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 2026.

5. Material Items of Income and Expenditure

All material income and expenditure in 2025/26 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) 30th June 2026. 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 is a Prior Period adjustment for a group of predominantly land assets that have previously been excluded from the Council's asset valuations. As the exclusion of these assets was an error the prior period comparators have been amended for the inclusion of this group of assets.

The nature of these assets mean that they are not impacted by valuation as there has been no material increase in this category of land and building asset in 2024/25 or 2025/26 there is also no depreciation accounted for on these land assets.

The value of the adjustment in the accounts is £7.898m and increases the value of Property Plant and Equipment on the Council's balance sheet as at 31st March 2025 it is also increases the value of the Capital Adjustment Account (an Unusable Reserve that absorbs capital adjustments in the Council's accounts). This adjustment also amends the Movement in Reserves statement given the value of the change the amendment is separately disclosed. There is no impact on the Comprehensive Income and Expenditure Statement and Expenditure and Funding Analysis.

The amendments to the statements are set out in the tables below.

Summary Restated Balance Sheet

31st March 2025		Restated 31st March 2025	Increase Prior Period Adjustment for Ommitted Land
£'000		**£'000**	**£'000**
974,871	Property, Plant and Equipment	982,769	7,898
14,870	Other Long Term Assets	14,870	0
989,741	**Long Term Assets**	**997,639**	7,898
114,132	**Current Assets**	**114,132**	0
56,620	**Current Liabilities**	**56,620**	0
209,631	**Long Term Liabilities**	**209,631**	0
837,622	**Net Assets**	**845,520**	**7,898**
78,101	Usable Reserves	78,101	0
759,521	Unusable Reserves	767,419	7,898
837,622	**Total Reserves**	**845,520**	**7,898**

Summary Movement in Reserves Statement

	Original			Restated		
Movement in Reserves Statement	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance as at 31st March 2024	**88,589**	**746,447**	**835,036**	**88,589**	**746,447**	**835,036**
Opening Adjustment	0	1,000	1,000	0	1,000	1,000
Amended Opening Balance	**88,589**	**747,447**	**836,036**	**88,589**	**747,447**	**836,036**
Total Comprehensive Income and Expenditure	(7,639)	9,226	1,587	(7,639)	9,226	1,587
Adjustments between accounting basis and funding basis under regulations (Note 10)	(2,848)	2,848	0	(2,848)	2,848	0
Prior Period Adjustment	**0**	**0**	**0**	**0**	**7,898**	**7,898**
Increase/(Decrease) in 2024/25	**(10,487)**	**12,074**	**1,587**	**(10,487)**	**19,972**	**9,485**
Balance as at 31st March 2025	**78,102**	**759,521**	**837,623**	**78,102**	**767,419**	**845,521**

There is an impact on disclosure notes for Property Plant and Equipment summarised below

2024/25	Land and Buildings	2024/25 Restated	Increase Prio Period Adjustment
£000		**£000**	**£000**
546,209	**Cost or Valuation as at 1 April**	**546,209**	**0**
13,956	Additions	13,956	0
0	Joint Committee Additions	0	0
(10,049)	Derecognition of accumulated depreciation & impairment to GCA	(10,049)	0
9,635	Revaluation increase	9,635	0
(1,494)	Disposals	(1,494)	0
(4,932)	Transfers between asset classes	(4,932)	0
(206)	Assets reclassified (to) held for sale	(206)	0
0	Prior Period Adjustment	7,898	7,898
553,119		**561,017**	**7,898**

There is also an impact on the Capital Adjustment Account disclosure note also summarised below.

2024/25	Capital Adjustment Account	2024/25 Restated	Increase Prior Period Adjustment
£'000		**£'000**	**£'000**
611,651	**Balance at 1st April**	**611,651**	**0**
1,000	Opening Balance Adjustment	1,000	0
612,651	**Adjusted Balance 1st April**	**612,651**	**0**
(68,683)	Reversal of items relating to capital expenditure	(68,683)	0
	debited or credited to the CIES		0
69,311	Capital financing applied in year:	69,311	0
	Prior Period Adjustment for Omitted Land	7,898	7,898
613,279	**Balance at 31st March**	**621,177**	**7,898**

The Group accounts have also been amended by this sum and a summary of the impact on the balance sheet is set out below.

31st March 2025	Group Balance Sheet	Restated 31st March 2025	Increase Prior Period Adjustment
£'000		**£'000**	**£'000**
966,996	Property, Plant and Equipment	974,894	7,898
14,870	Other Long Term Assets	14,870	0
981,866	**Long Term Assets**	**989,764**	7,898
116,134	**Current Assets**	**116,134**	0
57,214	**Current Liabilities**	**57,214**	0
209,636	**Long Term Liabilities**	**209,636**	0
831,150	**Net Assets**	**839,048**	**7,898**
78,101	Usable Reserves	78,101	0
753,049	Unusable Reserves	760,947	7,898
831,150	**Total Reserves**	**839,048**	**7,898**

8. Note to the Expenditure and Funding Analysis

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
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Learning and Skills	(7,595)	8,384	(369)	1,121	1,541
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	(13,477)	49,180	(765)	186	35,124
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	**0**	**(3,111)**	**(1,600)**	**186**	**(4,525)**

2025/26 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts	Category Transfer	Adjustments for Capital Purposes	Net Change for Pensions Adjustment	Other Differences	Total Adjustment
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Learning and Skills	(7,763)	17,262	(3,432)	1,252	7,319
Social Services	7,003	2,468	(1,707)	317	8,081
Visible and Housing Services	(1,187)	5,568	(927)	165	3,619
Housing Revenue Account (HRA)	(3,301)	20,945	(185)	7	17,466
Place	(140)	2,283	(375)	6	1,774
Corporate Resources	1,733	867	(1,037)	223	1,786
Policy	(7,648)	(438)	572	(579)	(8,093)
Net Cost of Services	**(11,303)**	**48,955**	**(7,091)**	**1,391**	**31,952**
Other Income and Expenditure	11,303	(72,060)	440	130	(60,187)
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure statement surplus or Deficit	**0**	**(23,105)**	**(6,651)**	**1,521**	**(28,235)**

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 2025 £'000		31st March 2026 £'000
211,969	Employee Expenditure	221,411
14,532	Employee Expenditure (Aided Schools)	15,536
270,039	Other Service Expenditure	270,862
22,208	Depreciation, Amortisation, Impairments & Other Capital Adjustments	23,052
6,823	Interest Payments	8,398
34,455	Precepts & Levies	36,955
30	Taxation	0
0	Loss on Disposal of Non-Current Assets	476
0	Interest on net defined benefit liability/ (asset)	440
116	Revaluation on Investment Properties	130
54	Trading Deficit	265
560,226	**Total Expenditure**	**577,525**
(67,362)	Fees Charges & Other Service Income	(83,229)
(2,324)	Interest, Investment Income	(4,067)
(115,985)	Income from Council Tax	(123,017)
(365,325)	Government Grants and Contributions	(390,854)
(757)	Gains Disposal of Non-Current Assets	0
0	Dividend Income	(21)
(834)	Interest on net defined benefit liability/ (asset)	0
0	Trading Surplus	0
(552,587)	**Total Income**	**(601,188)**
7,639	**(Surplus) or Deficit on the Provision of Services**	**(23,663)**

10. Adjustments between Accounting Basis and Funding Basis under Regulations

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
Adjustments to Revenue Resources	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements					
Reversal of items relating to retirement benefits debited or credited to the CIES	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)
Total Adjustments to Revenue Resources	26,889	41,428	0	0	(68,317)
Adjustments between Revenue and Capital Resources					
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
Total Adjustments between Revenue and Capital Resources	(13,412)	(9,284)	2,615	0	20,081
Adjustments to Capital Resources					
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					
Total Adjustments to Capital Resources	(33,833)	(16,312)	(641)	(299)	51,085
Total Adjustments	(20,356)	15,832	1,974	(299)	2,849

Adjustments between Accounting Basis and Funding Basis under Regulations 2025/26	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapp	Mvmt in Unusable Reserves
Adjustments to Revenue Resources	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements					
Reversal of items relating to retirement benefits debited or credited to the CIES	12,889	224	0	0	(13,113)
Employers pension contributions and direct payments to pensions payable in the year	(19,362)	(403)	0	0	19,765
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(458)	0	0	0	458
Holiday pay (transfers to the Accumulated Absences Reserve)	1,971	7	0	0	(1,978)
Charges for depreciation/impairment of non-current assets	19,201	3,793	0	0	(22,994)
Revaluation (surplus)/deficit on Property Plant and Equipment	954	18,891	0	0	(19,845)
Revaluation of Equity Assets	58	0	0	0	(58)
Amortisation of intangible assets	0	0	0	0	0
Amounts of non-current assets written off on disposal to CIES	1,374	0	0	0	(1,374)
Revenue Expenditure funded from capital under statute	15,208	804	0	0	(16,012)
Total Adjustments to Revenue Resources	**31,835**	**23,316**	**0**	**0**	**(55,151)**
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(899)	0	899	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)	0	0	0	0	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(5,262)	(1,806)	0	0	7,068
Capital Expenditure financed from revenue balances (transferred to the Capital Adjustment Acc.)	(2,146)	(738)	0	0	2,884
Total Adjustments between Revenue and Capital Resources	**(8,307)**	**(2,544)**	**899**	**0**	**9,952**
Adjustments to Capital Resources					
Use of Capital Receipts Reserve to finance capital expenditure	0	0	(117)	0	117
Application of capital grants to finance capital expenditure	(63,316)	(9,219)	0	15,163	53,372
Cash payments in relation to deferred capital receipts	0	0	500	0	(500)
Total Adjustments to Capital Resources	**(63,316)**	**(9,219)**	**383**	**15,163**	**56,989**
Total Adjustments	**(39,788)**	**11,553**	**1,282**	**15,163**	**11,790**

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 2025/26.

Name	31/03/2024	Tfr In	Tfr Out	31/03/2025	Tfr In	Tfr Out	31/03/2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Fund	11,106	1,894	0	13,000	0	(1,047)	11,953
Insurance Fund	4,877	77	0	4,954	0	(703)	4,251
Schools Reserves							
Schools Reserves	2,309	0	(6,446)	(4,137)	0	(6,690)	(10,827)
Other Schools Reserves	858	776	(230)	1,405	0	(1,034)	371
Provision for School Deficits	2,000	2,100	0	4,100	6,727	0	10,827
Service Specific Reserves							
Learning and Skills Reserves	2,228	0	(647)	1,581	0	(800)	781
Social Services Reserves	5,814	893	(4,707)	2,000	0	(1,000)	1,000
Neighbourhood Services Reserve	3,067	0	(826)	2,241	297	(2,197)	341
Place Reserve	1,921	228	(318)	1,831	0	(638)	1,193
Corporate Resources Reserve	529	28	(56)	500	0	(322)	178
Other Service Reserves	1,863	52	(692)	1,223	0	(282)	941
Other Corporate Reserve	698	44	(215)	527	0	(40)	487
Donations	69	10	0	79	16	0	95
Risk and Smoothing Reserves							
Homelessness and Housing Reserve	5,449	840	(2182)	4,107	1,402	(1,309)	4,200
Cost of Living	371	0	(247)	124	0	(104)	20
Pay Pressures	3,868	0	(104)	3,764	0	(139)	3,625
Energy Pressures	1,485	0	(486)	999	0	(999)	0
Legal	1,090	276	(366)	1,000	0	(586)	414
Project Zero and Ash Die Back	929	0	(429)	500	0	(55)	445
Energy Management Fund	440	127	(27)	540	0	(91)	449
Investment and Growth Fund	1	0	(1)	0	0	0	0
Reshaping, Risk and Investment	2,575	0	(278)	2,297	0	(167)	2,130
Corporate Landlord	4,947	0	(2,124)	2,823	999	(620)	3,202

Name	31/03/2024	Tfr In	Tfr Out	31/03/2025	Tfr In	Tfr Out	31/03/2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Digital Reshaping	1,412	0	(144)	1,268	0	(337)	931
Budget Risk	1,000	2,000	(1,000)	2,000	0	(2,000)	0
ALN Reshaping	0	250	0	250	0	0	250
Reshaping Assets	0	552	0	552	0	(500)	52
Capital Reserves							
Capital Committed Schemes and Other Amalgamated Capital Reserves	4,144	0	(1,027)	3,117	0	1,762	4,879
School Investment Strategy Reserve	1,132	169	(453)	848	0	(456)	392
Waste Transfer Station	44	0	(33)	11	0	(11)	0
Telecare	1,013	112	(725)	400	0	0	400
Social Service Vehicles and Licences	341	0	(341)	0	0	0	0
Vehicle Repairs and Renewals	1,618	1,308	(827)	2,099	1,352	(653)	2,798
Country Park Capital	287	244	0	531	82	0	613
Capital Grants	535	352	(129)	758	0	(758)	0
Independent Living Reserve	500	14	(500)	14	424	(14)	424
Capital Regeneration and Levelling Up	1,458	576	0	2,034	0	(150)	1,884
Sub Total Earmarked Reserves	**60,872**	**11,028**	**(25,560)**	**46,340**	**11,299**	**(20,893)**	**36,746**
Joint Committee Reserves	2,052	125	(9)	2,168	40	0	2,209
Sub Total Earmarked Reserves Incl Joint Committees	**62,924**	**11,153**	**(25,569)**	**48,508**	**11,339**	**(20,893)**	**38,955**
Housing Revenue Account Reserve	3,525	360	0	3,885	6,028	0	9,913
Total Funds and Earmarked Reserves	**77,555**	**13,407**	**(25,569)**	**65,393**	**17,367**	**(21,940)**	**60,821**

12. Revenue Support Grant

The amount of Revenue Support Grant recorded as income is a total figure of £176.793m.

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 (£24.224m) and Town and Community Councils (£3.851m) 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 £1,655.10 (£1,562.85 in 2024/25) is multiplied by the proportion specified for the particular band to give the individual amount due. In 2025/26 Council Tax bills were based on the following proportions for Bands A to I:

Council Tax Band	Proportion	No. of Properties
Band A	2.50%	1,563
Band B	10.73%	6,720
Band C	23.26%	14,564
Band D	19.08%	11,946
Band E	17.25%	10,798
Band F	12.40%	7,764
Band G	9.47%	5,927
Band H	3.63%	2,271
Band I	1.70%	1,062
Total		62,615

Council Tax Collectable	**2024/25**	**2025/26**
	£'000	**£'000**
Council Tax Collectable	128,486	135,030
Council Tax Reduction Scheme and Care Leaver	(12,313)	(12,814)
Provision for non payment of Council Tax	(188)	801
Amount Due From Taxpayers Before Rebates	**115,985**	**123,017**
Allocated to:		
South Wales Police Precept	22,358	24,224
Vale of Glamorgan County Council	102,288	107,756
Council Tax Reduction Scheme and Care Leaver	(12,313)	(12,814)
Town and Community Councils Precepts	3,652	3,851
Total	**115,985**	**123,017**

14. National Non-Domestic Rates

NNDR is organised on a national basis. The Government specifies an amount, 56.8p in 2025/26 this was 56.2p in 2024/25 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 £47.654m in 2025/26 (£47.853m in 2024/25).

The NNDR billed to ratepayers, after reliefs etc. was £35,171,593 for 2025/26

(£33,510,986 in 2024/25) and was based on year end rateable value for both 2025/26 at 31/03/26 being £80,705,503 and 2024/25 at 31/03/25 being £80,505,059.

15. Property, Plant and Equipment

Movement on Balance in 2024/25	**Council Dwellings**	**Land & Buildings**	**Vehicle Plant & Equipment**	**Community Asset**	**Assets under Construction**	**Surplus Assets**	**ROU Asset**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost or Valuation as at 1 April 2024	**213,160**	**546,209**	**38,915**	**3,868**	**37,356**	**3,131**	**0**	**842,639**
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	(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)
Prior Period Adjustment	0	7,898	0	0	0	0	0	7,898
Cost or Valuation as at 31 March 2025	**237,584**	**561,017**	**38,218**	**3,868**	**19,835**	**614**	**6,798**	**867,934**
Accumulated depreciation and impairment as at 1 April 2024	**(1)**	**(1,208)**	**(21,251)**	**0**	**0**	**(1)**	**0**	**(22,461)**
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
Accumulated Depreciation and Impairment as at 31 March 2025	**(0)**	**(1,795)**	**(21,692)**	**0**	**0**	**(0)**	**(1,372)**	**(24,858)**
Net Book Value 2024/25	**Council Dwellings**	**Land & Buildings**	**Vehicle Plant & Equipment**	**Community Asset**	**Assets under Construction**	**Surplus Assets**	**ROU Asset**	**Total**
At 31 March 2024	**213,159**	**545,001**	**17,664**	**3,868**	**37,356**	**3,132**		**820,180**
At 31 March 2025	**237,584**	**559,222**	**16,527**	**3,868**	**19,835**	**614**	**5,426**	**834,076**

Movement on Balance in 2025/26	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Community Asset	Assets under Construction	Surplus Assets	ROU Asset	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation as at 1 April 2025	**237,584**	**561,017**	**38,218**	**3,868**	**19,835**	**614**	**6,798**	**867,934**
Additions	13,575	13,471	3,125	0	16,847	0	2,054	49,072
Joint Committee Additions	0	0	0	0	0	0	0	0
Derecognition of accumulated depreciation & impairment to GCA	(3,552)	(11,343)	0	0	0	(106)	(23)	(15,024)
Revaluation increase/(decrease)	(14,161)	14,384	(53)	0	(8)	(945)	18	(764)
Disposals	0	(702)	(1,356)	0	0	0	(259)	(2,317)
Transfers between asset classes	15,780	(6,815)	0	0	(12,127)	3,163	0	0
Assets reclassified (to) held for sale	0	0	0	0	0	0	0	0
Cost or Valuation as at 31 March 2026	**249,226**	**570,012**	**39,934**	**3,868**	**24,547**	**2,726**	**8,588**	**898,901**
Accumulated depreciation and impairment as at 1 April 2025	**0**	**(1,795)**	**(21,692)**	**0**	**0**	**0**	**(1,372)**	**(24,858)**
Depreciation charge	(3,542)	(9,706)	(4,423)	0	0	(13)	(1,717)	(19,401)
Derecognition of accumulated depreciation to GCA	3,552	11,343	0	0	0	106	23	15,024
Impairment Losses	0	0	82	0	0	0	0	82
Transfers between asset classes	(10)	103	0	0	0	(93)	0	0
Disposals	0	29	1,251	0	0	0	176	1,456
Accumulated Depreciation and Impairment as at 31 March 2026	**0**	**(26)**	**(24,782)**	**0**	**0**	**0**	**(2,890)**	**(27,698)**
Net Book Value 2025 /26	**Council Dwellings**	**Land & Buildings**	**Vehicle Plant & Equipment**	**Community Asset**	**Assets under Construction**	**Surplus Assets**	**ROU Asset**	**Total**
At 31 March 2025	**237,584**	**559,222**	**16,527**	**3,868**	**19,835**	**614**	**5,426**	**843,076**
At 31 March 2026	**249,226**	**569,986**	**15,152**	**3,868**	**24,547**	**2,726**	**5,699**	**871,204**

Infrastructure Assets

In accordance with the temporary relief that has been offered by the update to the 2025/26 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:

Infrastructure Net Book Value	**2024/25**	**2025/26**
	£'000	**£'000**
Net Book Value 1 April	**134,135**	**139,693**
Additions	9,788	10,789
Disposals	(670)	(593)
Depreciation charge	(3,643)	(3,596)
Depreciation Disposal	83	247
Net Book Value 31 March	**139,693**	**146,540**

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

Reconciliation to Balance Sheet	**2024/25**	**2025/26**
	£'000	**£'000**
Infrastructure Assets	139,693	146,540
Other Property, Plant and Equipment	835,178	871,204
Total Property Plant and Equipment Assets	**974,871**	**1,017,744**

Depreciation

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

Asset Class	Indicative Asset Life
Council Dwellings	48-50 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 2026, 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 2025 were £14.192m. The major commitments are listed below.

Scheme	**£'000**
Sustainable Communities for Learning	59,397
Other Education Schemes	550
Social Services Schemes	162

Housing Schemes	6,632
Highways and Transport Schemes	3,190
Leisure Schemes	19
Flood Schemes	476
Other Neighbourhood Services schemes	374
Vehicles	877
Place Schemes	768
Resources Schemes	118
Total	**72,563**

Revaluations

The Council Dwellings and Other Land and Buildings etc. are revalued on a rolling 5 year programme by a MRICS external valuer. For general fund assets indexation will be applied between revaluations.

Asset Class	Most Recent Valuation	Valuation Completed By	Next Valuation Due
Surplus Assets (Reviewed annually)	2025/26	FRICS valuer Avison Young	2026/27
Council Dwellings	2025/26 Desktop valuation	Savills	2026/27 – Full Valuation
Schools and Social Service Assets	2025/26 Full Revaluation	FRICS valuer Avison Young	Schools 2027/28 Social Services Assets 2028/29
Other Land and Buildings	2025/26 Full Revaluation on buildings and land associated with buildings.	FRICS valuer Avison Young	Land only assets 2027/28 Other land and buildings 2029/30

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 Clos Holm View Cwrt Y Chwarel and the development at The Olives in Barry.

In 2025/26 the Council has procured a full valuation by a RICS qualified valuer from Avison Young of all property assets and all land assets associated with a building as at 31st March 2026.

A number of HRA new build schemes were completed during 2025/26 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 2025/26 financial year. Whereas land asset values have typically remained unchanged the majority of building assets particulary 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 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 2025/26 were subject to revaluation as at 31st March 2026 there are minimal impairments.

Retentions

As at 31st March 2026 £2.512m 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 2026 (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 2025	0	614	0	614
Total 31st March 2026	0	2,726	0	2,726

Transfers between levels of the Fair Value Hierarchy

There were no movements in the valuation hierarchy during 2025/26.

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

	2024/25	2025/26
	£’000	£’000
5 St Pauls Avenue, Barry	153	0
Retained Land at Hood Road	50	50
Total Assets Held for Sale	**203**	**50**

18. Leasing

Operating Leases (Lessor)

	2024/25 Land and Buildings	2024/25 Other Leases	2025/26 Land and Buildings	2025/26 Other Leases
	£’000	£’000	£’000	£’000
Within 1 year	333	221	405	343
Between 1 and 5 years	798	0	1,147	340
After 5 years	4,361	0	9,553	0
Total	**5,492**	**221**	**11,105**	**683**

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 2025 and the weighted average incremental borrowing is 5.23%.

The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short term leases i.e. leases with a duration of less than 12 months. The value of annual payments associated with low value leases is £344k 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	**2025/26**
Leasing Liability Analysis	**£'000**	**£'000**
Value at 1 April 2025	3,462	2,920
Additions/Remeasurements during the year	255	1,750
Disposals	0	(69)
Principal repaid in year	(797)	(1,095)
Value at 31st March	**2,920**	**3,506**

	2024/25	2025/26
Leasing Right of Use Asset Analysis	**£'000**	**£'000**
Other Land and Buildings	2,432	2,900
Vehicles, Plant, Equipment	488	606
Value at 31st March 2026	**2,920**	**3,506**
Analysed by:		
Current	727	1,107
Non-Current	2,193	2,399
	2,920	**3,506**
Finance Lease Liabilities		
Within one year	727	1,107
Between 2 and 5 years	965	1,238
Over 5 years	1,228	1,161
Total Liabilities	**2,920**	**3,506**

19. Capital Expenditure and Capital Financing

	2024/25	2025/26
	£'000	£'000
Opening Capital Financing Requirement	**198,792**	**199,235**
Plus: Capital Investment		
Council Dwellings	18,040	13,575
Other Land and Buildings	13,956	13,471
Vehicle, Plant and Equipment	3,478	3,125
Infrastructure	9,788	10,788
Assets Under Construction	12,967	16,847
Disposal and Demolition Costs	14	1
Community Assets	0	0
Intangible Assets	145	5
Revenue Expenditure Funded from Capital under Statute	7,120	15,953
Less: Sources of Finance		
Capital Receipts	(641)	(33)
Government Grants and Other Contributions	(47,042)	(53,981)
Less: Sums set aside from revenue		
Direct Revenue Contributions	(10,843)	(2,885)
Minimum Revenue Provision (inc. Voluntary)	(6,539)	(5,973)
Closing Capital Financing Requirement	**199,235**	**210,128**
Explanation of movements in year		
Increase /(Decrease) in underlying need to borrow (unsupported by Government Financial Assistance)	443	10,893

Increase /(Decrease) in Capital Financing Requirement	**443**	**10,893**
Closing Capital Financing Requirement Excluding Leasing	**199,235**	**210,128**
Leasing Liability	3,461	2,920
Additions	255	2,054
Less Disposals	0	(69)
Less Dilapidations/restore/removal costs	0	(304)
Minimum Revenue Provision Leasing	(797)	(1,095)
Closing Capital Financing Requirement Including Leasing	**202,154**	**213,634**

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**	
	31/03/25	**31/03/26**	**31/03/25**	**31/03/26**
	£'000	**£'000**	**£'000**	**£'000**
Financial Assets at Amortised Cost				
Investments	2	2	10,684	20,550
Debtors	8,283	8,239	76,365	76,594
Cash and Cash Equivalents	0	0	12,837	17,264
Total Financial Assets	**8,285**	**8,241**	**99,886**	**114,408**
Financial Liabilities at Amortised cost				
Borrowings	162,084	165,125	9,810	18,454
Leasing Liability	2,194	2,847	728	1,107
Creditors	10,585	8,926	37,593	46,238
Total Financial Liabilities	**174,863**	**176,898**	**48,131**	**65,799**

- The above short term debtors balance at 31st March 2026 excludes £17.088m of non contractual balances (£20.335m in 2024/25) that do not meet the definition of financial assets at amortised cost.
- The above short term creditors balance at 31st March 2026 excludes £1.488mm of non contractual balances (£1.553m in 2024/25) that do not meet the definition of financial liabilities at amortised cost.

Financial Liabilities at Amortised Cost (Borrowing) Reconciliation	**PWLB**	**Market Loans**	**Other**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Principal Amount	173,935	5,500	2,976	182,411
Accruals	1,341	112	0	1,453

Other Accounting Adjustments	0	0	(285)	(285)
Total Borrowing measured at Amortised Cost	**175,276**	**5,612**	**2,151**	**183,579**
Short Term Borrowing	14,379	3,612	463	18,454
Long Term Borrowing	160,897	2,000	2,228	165,125
Financial Liabilities at Amortised Cost	**175,276**	**5,612**	**2,151**	**183,579**

Income, Expense, Gains and Losses

2024/25		**2025/26**			
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
(6,791)	Interest Expense	(8,398)	0	0	(8,398)
(6,791)	**Total Expense in Deficit on the Provision of Services**	**(8,398)**	**0**	**0**	**(8,398)**
1,811	Interest Income	4,067	0	0	4,067
1,811	**Total Income in Deficit on the Provision of Services**	**4,067**	**0**	**0**	**4,067**
(4,980)	**Net gains/losses from financial instruments**	**(4,331)**	**0**	**0**	**(4,331)**

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 2026 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 2025	Carrying Amount 31 March 2025	Fair Value 31 March 2025	Loan Principal 31 March 2026	Carrying Amount 31 March 2026	Fair Value 31 March 2026
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Liabilities	169,851	171,052	156,106	181,871	183,579	167,946

The fair values as at 31st March 2025 and 2026 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 2025				
Financial Liabilities	0	156,106	0	156,106
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
Total	**0**	156,106	**0**	156,106
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 2026				
Financial Liabilities	0	167,946	0	167,946
Loans and Borrowings	0	0	0	0
Long Term Creditors	0	0	0	0
Total	**0**	167,946	**0**	167,946

Valuation Techniques used to Determine Level 2 and 3 Fair Values

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

21. Debtors

31/03/2025		31/03/2026
£'000		£'000
59,430	Central government bodies	51,019
7,386	Other local authorities	11,668
435	NHS bodies	4,759
11,123	Council Tax Payers	13,288
21,709	General	22,246
(10,665)	Provision for Bad Debts	(9,298)
89,418	**Gross Total**	**93,683**

22. Cash and Cash Equivalents

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

31/03/2025		31/03/2026
£'000		£'000
(79)	Cash held by the Authority and at Bank	(4,022)
525	Joint Committee Cash	686
12,391	Cash Held Overnight as Short Term Investments	20,600
12,837	**Total Cash and Cash Equivalents**	**17,264**

23. Creditors

31/3/2025		31/3/2026
£'000		£'000
6,153	Central government bodies	8,052
11,134	Other local authorities	12,211
146	NHS bodies	455
15,652	General	19,329
1,553	Prepayments of Council Tax	1,488
643	Receipts in advance	347
3,864	Accumulated absences	5,844
39,146	**Total**	**47,726**

24. Provisions

	Insurance and MMI	Reinstatement ROU Asset	City Deal	Other	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1st April 2024	**1,913**	**0**	**2,612**	**879**	**5,404**
Additional provisions made	0	2,088	0	0	2,088

Amounts used / Transfer out	(134)	0	(1,082)	(750)	(1,966)
Balance at 1st April 2025	**1,779**	**2,088**	**1,530**	**129**	**5,526**
Additional provisions made	72	304		222	598
Amounts used / Transfer out			(287)		(287)
Balance at 1st April 2026	**1,851**	**2,392**	**1,243**	**351**	**5,837**

The closing provision balance of £5.837m is made up of £3.838m considered to be long term and £1.999m expected to fall due within 12 months.

1. Insurance - This provision covers all known claims as at 31 March 2026. 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 2025/26 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. Reinstatement ROU Asset - £2.392m associated with reinstatement costs on assets included as part of the IFRS16 Leasing standard.
4. Included within this figure is a sum of £1.243m in respect of the Vale of Glamorgan Council's share of the City Deal Long Term Provisions.
5. Other - Included within this figure is a sum of £128k for Housing Committed Bonds, and £223k for redundancies agreed in year but not finalised.

25. Other Long Term Liabilities

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

31/03/25		31/03/26
£'000		£'000
2,618	City Deal Joint Committee	1,463
1,616	Welsh Government Home Improvement Loans	1,616
1,300	Welsh Government Town Centre Improvement Loans	1,300
5,051	Long Term Receipts in Advance including commuted sums and S278 contributions	4,547
10,585	**Total**	**8,926**

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

26. Usable Reserves

31/03/25		31/03/26
£'000		£'000
13,000	Council Fund	11,953
48,508	Earmarked General Fund Reserves	38,955
3,885	Housing Revenue Account	9,913

9,621	Capital Receipts Reserve	10,904
3,087	Capital Grants Unapplied Account	18,250
78,101	**Total Usable Reserves**	**89,975**

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

27. Unusable Reserves

Restated 31/03/25		31/03/26
£'000		£'000
165,341	Revaluation Reserve	181,330
621,545	Capital Adjustment Account	631,770
(170)	Financial Instruments Adjustment Account	288
1,879	Deferred Capital Receipts Reserve	1,379
(17,310)	Pensions Reserve	(8,200)
(3,866)	Accumulated Absences Account	(5,844)
767,419	**Total Unusable Reserves**	**800,723**

Revaluation Reserve

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

2024/25	Revaluation Reserve	2025/26
£'000		£'000
149,019	**Balance at 1st April**	**165,341**
(**6,263)**	Downward revaluation of assets and Impairment losses not charged to the Provision of Services	(11,101)
27,073	Upward revaluation of assets	30,156
(1,393)	Downward Revaluation of Financial Instrument	0
(2,356)	Difference between fair value depreciation and historical cost depreciation	(2,760)
(739)	Amount written off to the Capital Adjustment Account following disposal	(306)
165,341	**Balance at 31st March**	**181,330**

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.

Restated 2024/25	Capital Adjustment Account	2025/26
£'000		£'000
611,651	**Balance at 1st April**	**621,177**
1,000	Opening Balance Adjustment	0
612,651	**Adjusted Balance 1st April**	**621,177**
	Reversal of items relating to capital expenditure debited or credited to the CIES	
(22,295)	Charges for depreciation and impairment of non current Assets	(22,994)
(86)	Amortisation of intangible assets	(58)
(7,120)	Revenue expenditure funded from capital under statute	(16,012)
(3,737)	Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(1,374)
(35,445)	Other (Adjusting amounts written out of the Revaluation Reserve etc.)	(16,411)
	Capital financing applied in year:	
641	Use of the Capital Receipts Reserve to finance new capital expenditure	117
4,770	Use of the Major Repairs Reserve to finance new capital Expenditure	3,687
45,375	Capital grants and contributions credited to the CIES that have been applied to capital financing	53,685
299	Application of grants to capital financing from the Government Grants Unapplied Account	0
7,337	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	7,068
10,889	Capital Expenditure charged against the Council Fund and HRA balances	2,885
368	Joint Committee Adjustment	0
7,898	Prior Period Adjustment	0
621,545	**Balance at 31st March**	**631,770**

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.

2024/25	Financial Instruments Account	2025/26
£'000		**£'000**
(240)	**Balance at 1st April**	**(170)**
70	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	150
	Joint Committee Adjustments	308
(170)	**Balance at 31st March**	**288**

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.

2024/25	The Pensions Reserve	2025/26
£'000		**£'000**
(10,522)	**Balance at 1st April**	**(17,310)**
(1,654)	Remeasurements of the net defined benefit liability	2,458
(8,537)	Minimum Funding Guarantee	0
(15,372)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(13,113)
18,775	Employer's pension contributions and direct payments to pensioners payable in the year	19,765
(17,310)	**Balance at 31st March**	**(8,200)**

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 2026 is included in note 36 to the accounts.

2024/25	Pension Reserve by Pension Fund	2025/26
£'000		**£'000**
(17,160)	Vale of Glamorgan Council	(8,200)
(134)	Joint Committee Shared Regulatory Services	0
(24)	Joint Committee Vale, Valleys and Cardiff Regional Adoption Service	0
8	Joint Committee Central South Consortium	0
(17,310)	**Balance at 31st March**	(8,200)

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.

2024/25	Deferred Capital Receipts Reserve	2025/26
£'000		**£'000**
11	**Balance at 1st April**	**1,879**
1,868	Transfer of Deferred Capital Receipt	(500)
1,879	**Balance at 31st March**	**1,379**

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.

2024/25	Accumulated Absences Account	2025/26
£'000		**£'000**
(3,840)	**Balance at 1st April**	**(3,866)**
(3,866)	Amounts accrued at the end of the current year	(5,845)
3,840	Reversal of prior year accrual	3,866
(3,866)	**Balance at 31st March**	**(5,845)**

28. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2024/25		2025/26
£'000		**£'000**
2,769	Interest Received	3,492
(6,600)	Interest Paid	(8,276)
0	Dividends Received	21

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

2024/25		2025/26
£'000		**£'000**
60,834	Depreciation and Impairment and Downward Valuations	42,838
86	Amortisation	58
(2,970)	Increase/(Decrease) in creditors	6,458

(30,851)	(Increase)/Decrease in debtors	(5,023)
(42)	(Increase)/Decrease in inventories	(233)
(3,403)	Movement in pension liability	(6,652)
122	Other non-cash items charged to the net surplus or deficit on the provision of services	1,374
3,737	Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	(147)
27,513	**Adjustments to net surplus or deficit on the provision of services for non-cash movements.**	**38,673**

29. Members Allowances

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

	2024/25	2025/26
	£'000	£'000
Salaries	1,024	1,079
Allowances	276	279
Expenses	1	0
Total	**1,301**	**1,358**

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.

	2024/25	**2025/26**
	£'000	**£'000**
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	203	213
Fees payable to Audit Wales in respect of performance audit	114	120
Fees payable to Audit Wales for the certification of grant claims and returns	74	77
Total	**391**	**410**

31. Employees Emoluments

Remuneration Ratio

The remuneration ratio is arrived at by taking the median amount of remuneration for 2025/26 for all Vale of Glamorgan employees (excluding those employed by a Voluntary Aided) as at 31st March 2026. 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 2025/26 the remuneration ratio is 1:5.03 and in 2024/25 the remuneration ratio was 1:5.20

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	2024/25 Number of Teaching Employees	2024/25 Number of Non Teaching Employees	2024/25 Total Number of Employees	2025/26 Number of Teaching Employees	2025/26 Number of Non Teaching Employees	2025/26 Total Number of Employees
£60,000-£64,999	56	14	70	94	19	113
£65,000-£69,999	24	18	42	38	23	61
£70,000-£74,999	19	2	21	23	8	31
£75,000-£79,999	16	1	17	21	1	22
£80,000-£84,999	11	3	14	15	1	16
£85,000-£89,999	14	6	20	7	3	10
£90,000-£94,999	8	1	9	15	6	21
£95,000-£99,999	4	2	6	8	3	11
£100,000-£104,999	2	1	3	4	1	5
£105,000-£109,999	3	0	3	4	0	4
£110,000-£114,999	0	2	2	0	1	1
£115,000-£119,999	0	2	2	1	3	4
£120,000-£124,999	1	0	1	0	0	0
£125,000-£129,999	1	0	1	1	0	1
£130,000-£134,999	0	0	0	3	0	3
£135,000-£139,999	1	0	1	0	0	0
£140,000-£144,999	0	0	0	1	0	1
£145,000-£149,999	0	0	0	0	0	0
£150,000-£154,999	1	1	2	0	0	0
£155,000-£159,999	0	0	0	0	1	1
£160,000-£164,999	1	0	1	1	0	1
£165,000-£169,999	0	0	0	0	0	0
£170,000-£174,999	1	0	1	0	0	0
£175,000-£179,999	0	0	0	2	0	2
£180,000-£184,999	0	0	0	0	0	0
Total	163	53	216	**238**	**70**	**308**

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

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	42,544
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 Legal Services (appointed to Head 17/06/24)	88,805	0	17,139	105,944
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

2025/26 Senior Officers Emoluments

Post Holder Information	Salary	Expense Allowances	Pension Contribution	Total Remuneration
	£	£	£	£
Chief Executive	156,173	0	30,141	186,314
Director of Social Services	119,537	0	23,071	142,608
Director of Environment and Housing Services (Left 12-10-2025)	63,625	0	12,280	75,905
Interim Director of Environment and Housing Services (Started 02-02-2026)	17,645	0	3,405	21,050
Director of Learning and Skills	110,731	0	21,371	132,102
Head of Finance/Section 151 Officer	97,529	0	18,823	116,352
Head of Legal Services	98,212	0	18,955	117,167
Head of Human Resources and Organisational Development	91,146	0	17,591	108,737
Head of Digital	91,146	0	17,591	108,737

Director of Place	116,602	0	22,504	139,106
Director of Corporate Resources	116,602	0	22,504	139,106

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

There were no election expenses incurred during 2025/26.

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.

		2024/25				2025/26
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
		£	£			£
11	11	81,138	0-20,000	22	22	190,052
1	1	20,337	20,001-40,000	8	8	214,925
1	1	57,409	40,001-60,000	2	2	118,346
1	1	66,846	60,001-80,000	0	0	0
0	0	0	80,001-100,000	0	0	0
0	0	0	100,001-150,000	0	0	0
14	14	225,730	Total	32	32	523,323
2025/26 Analysis						£
Schools Exit Packages				25	25	473,117
Corporate Exit Packages				7	7	50,206
Total				32	32	523,323

32. Grant Income

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

	2024/25 £000's	**2025/26 £000's**
Capital Grants		
Cardiff and Vale University Health Board	320	402
Cardiff City Region	0	0
Lottery/Heritage Lottery	106	406
Innovate Trust	106	0

Local Tennis Association Tennis Foundation	0	0
Local Transport Fund	40	0
NRW	66	46
S106 Contributions	4,137	1,875
Sports Wales	134	99
UK Government	4,963	2,122
Other Capital Grants	18	365
Welsh Councils Voluntary Association	429	399
Welsh Government	37,188	48,212
WLGA	114	56
Joint Committee Capital Grants	0	0
Total Capital Grants	**47,621**	**53,982**
Revenue Grants	**£'000**	**£'000**
Arts Council	132	4
HM Land Registry	0	68
HM Treasury	26	0
PAKUK (UK Government)	0	2,733
Department for Works and Pensions	25,571	19,360
Ministry for Housing, Communities and Local Government	6,218	8,085
Cardiff and Vale University Health Board Include RIF (Distributed by RPB)	3,373	3,383
Police & Crime Commissioner	240	199
Public Health Wales	244	142
Ministry of Defence	148	11
Rural Payments Agency	141	0
Sports Wales/Disability Sports Wales	318	0
Welsh Government (Incl Medr)	62,105	55,397
Welsh Local Government Association	213	369
Youth Justice Board	185	200
Home Office	1,420	514
Ministry of Justice	49	0
Other	1,207	138
Grants via Central South Consortium	0	363
Cardiff Capital Region	10	0
Monmouthshire CC - Bus Services Support Grant	2,564	2,905
Total Specific Revenue Grants	**104,164**	**93,871**
Revenue Support Grant	161,928	176,793
Non Domestic Rates Contribution	47,853	47,654
Total Unhypothecated Grants	**209,781**	**224,447**

Capital Grants Received in Advance

	2024/25	2025/26
	£'000	**£'000**
Section 106 agreements – unapplied	18,183	16,705
Other Capital Grants Received in Advance	305	305
S106 Administration Fees	380	336
Total Capital Grants Received in Advance	**18,868**	**17,346**
The amount has been apportioned as follows:		
To be applied within one year	2,923	3,782
To be applied after one year	15,945	13,564
Total	**18,868**	**17,346**

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 2024/25 have been updated to reflect the outcome of the 2024/25 audit.

Shared Regulatory Service 2024/25	Vale of Glamorgan Council Share 2024/25	Income and Expenditure Statement	Shared Regulatory Service 2025/26	Vale of Glamorgan Council Share 2025/26
£'000	£'000		£'000	£'000
11,103	2,177	Operating Expenditure	11,057	2,318
(1,235)	(276)	Operating Income	(1,474)	(358)
9,867	**1,901**	**Net Cost of Services**	**9,583**	**2,027**
(9,866)	(1,900)	Finance and Investment Income and Expenditure	(10,322)	(2,000)
2	**1**	**(Surplus) / Deficit on Provision of Services**	**(739)**	**27**
(30)	(6)	Other Comprehensive Income and Expenditure	(260)	(52)
(28)	**(5)**	**Total Comprehensive Income & Expenditure**	**(999)**	**(25)**

Shared Regulatory Service 31/03/25	Vale of Glamorgan Council Share 31/03/25	Balance Sheet	Shared Regulatory Service 31/03/26	Vale of Glamorgan Council Share 31/03/26
£'000	£'000		£'000	£'000
115	56	Property, Plant and Equipment	84	40
0	0	Intangible Assets	0	0
0	0	Long Term Debtors	0	0
115	**56**	**Total Long-Term Assets**	**84**	**40**
997	85	Short Term Debtors	1,395	157
0	0	Short Term Payment in Advance	0	0
432	220	Cash Owed from Host Authority	397	186
1429	**305**	**Current Assets**	**1,792**	**343**
(533)	(99)	Short Term Creditors	(599)	(58)
0	0	Cash Owed to Host Authority	0	0
(533)	**(99)**	**Total Current Liabilities**	**(599)**	**(58)**
(700)	(134)	Long Term Pension Liability	0	0
(609)	(127)	Other Long-Term Liabilities	(576)	(116)
(1309)	**(261)**	**Total Long-Term Liabilities**	**(576)**	**(116)**
(298)	**(1)**	**Net Assets**	**701**	**209**
491	118	Usable Reserves	775	202
(789)	(117)	Unusable Reserves	(74)	7
(298)	**(1)**	**Total Reserves**	**701**	**209**

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 2024/25	Vale of Glamorgan Council Share 2024/25 16.3%	Income and Expenditure Statement	VVC Service 2025/26	Vale of Glamorgan Council Share 2025/256 17.32%
£'000	£'000		£'000	£'000
2,513	398	Operating Expenditure	2,914	516
(2,528)	(400)	Operating Income	(2,994)	(530)
(15)	**(2)**	**Net Cost of Services**	**(80)**	**(14)**
10	1	Finance and Investment Income and Expenditure	0	0
(5)	**(1)**	**(Surplus) / Deficit on Provision of Services**	**(80)**	**(14)**
0	0	Other Comprehensive Income and Expenditure	0	0
(5)	**(1)**	**Total Comprehensive Income & Expenditure**	**(80)**	**(14)**

VVC Adoption Service 31/03/25	Vale of Glamorgan Council Share 31/03/25 16.3%	Balance Sheet	VVC Adoption Service 31/03/26	Vale of Glamorgan Council Share 31/03/26 17.32 %
£'000	£'000		£'000	£'000
834	0	Short Term Debtors	669	60
834	**0**	**Current Assets**	**669**	**60**
(675)	26	Short Term Creditors*	(570)	(43)
(675)	**26**	**Total Current Liabilities**	**(570)**	**(43)**
(150)	**(24)**	**Long Term Pension Liability**	**(0)**	**(0)**
9	**2**	**Net Assets**	**99**	**17**
189	31	Usable Reserves	132	23
(180)	(29)	Unusable Reserves	(33)	(6)
9	**2**	**Total Reserves**	**99**	**17**

*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 2024/25	Vale of Glamorgan Council Share 2024/25	Income and Expenditure Statement	Glamorgan Archives 2025/26	Vale of Glamorgan Council Share 2025/26
	12%			12%
£'000	£'000		£'000	£'000
1,256	151	Operating Expenditure	1,587	190
(1,214)	(146)	Operating Income	(1,654)	(198)
42	**5**	**Net Cost of Services**	**(67)**	**(8)**
(9)	(1)	Finance and Investment Income and Expenditure	(4)	(1)
33	**4**	**(Surplus) / Deficit on Provision of Services**	**(71)**	**(9)**
0	0	Other Comprehensive Income and Expenditure	0	0
33	**4**	**Total Comprehensive Income & Expenditure**	**(71)**	**(9)**

Glamorgan Archives 31/03/25	Vale of Glamorgan Council Share 31/03/25	Balance Sheet	Glamorgan Archives 31/03/26	Vale of Glamorgan Council Share 31/03/26
	12%			12%
£'000	£'000		£'000	£'000

5,985	718	Land and Buildings	5,920	710
5,985	**718**	**Long Term Assets**	**5,920**	**710**
20	2	Inventories	21	3
157	19	Short Term Debtors	274	33
68	8	Cash and Cash Equivalents	124	15
245	**29**	**Current Assets**	**419**	**51**
(42)	(5)	Short Term Creditors	(80)	(10)
(42)	**(5)**	**Total Current Liabilities**	**(80)**	**(10)**
6,188	**742**	**Net Assets**	**6,259**	**751**
207	25	Usable Reserves	343	41
5,981	717	Unusable Reserves	5,916	710
6,188	**742**	**Total Reserves**	**6,259**	**751**

4. Cardiff Capital Region CJC

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.

City Deal 2024/25	Vale of Glamorgan Council Share 2024/25	Income and Expenditure Statement	City Deal 2025/26	Vale of Glamorgan Council Share 2025/26
	8.48%			8.48%
£'000	£'000		£'000	£'000
26,295	2,229	Operating Expenditure	22,301	1,890
(6,344)	(538)	Operating Income	(9,148)	(775)
19,951	**1,691**	**Net Cost of Services**	**13,153**	**1,115**
1,011	86	Other Operating Expenditure	-	-
(3,414)	-289	Finance and Investment Income and Expenditure	(4,453)	(377)
(61,949)	-5,251	Taxation and Non Specific Grant Income	(61,231)	(5,190)
(44,401)	**(3,763)**	**(Surplus) / Deficit on Provision of Services**	**(52,531)**	**(4,452)**
12,269	1,040	Other Comprehensive Income and Expenditure	3,173	269
(32,132)	**(2,723)**	**Total Comprehensive Income and Expenditure**	**(49,358)**	**(4,183)**

City Deal 31/03/25	Vale of Glamorgan Council Share 31/03/25	Balance Sheet	City Deal 31/03/26	Vale of Glamorgan Council Share 31/03/26
,	8.48%			8.48%
£'000	£'000		£'000	£'000
59,846	5,072	Investment Properties	57,484	4,872
313	27	Assets Under Construction	381	32
3,536	300	VPFE	3,104	263

0	0	Defined Benefit Pension Asset	0	0
11,184	948	Equity	13,329	1,130
41,710	3,535	Long Term Investments	50,538	4,284
12,648	1,072	Long Term Debtors	11,124	943
129,237	**10,954**	**Long Term Assets**	**135,960**	**11,524**
69,595	5,899	Financial Assets and Bonds	68,715	5,824
2,931	248	Short Term Debtors	23,961	2,031
5,628	477	Cash and Cash Equivalents	7,920	671
78,154	**6,624**	**Current Assets**	**100,596**	**8,526**
(15,635)	(1,325)	Short Term Creditors	(7,205)	(611)
(15,635)	(1,325)	**Current Liabilities**	**(7,205)**	**(611)**
(6,058)	(513)	Long Term Borrowing	(6,369)	(540)
(33,478)	(2,838)	Long Term Creditors	(24,623)	(2,087)
0	0	Long Term Pension Liabilities	0	0
(17,887)	(1,516)	Provisions for Liabilities	(14,667)	(1,243)
(57,423)	(4,867)	**Long Term Liabilities**	**(45,659)**	**(3,870)**
134,333	**11,386**	**Net Assets/Liabilities**	**183,692**	**15,569**
19,066	1,616	Usable Reserves	30,468	2,582
115,267	9,770	Unusable Reserves	153,224	12,987
134,333	**11,386**	**Total Reserves**	**183,692**	**15,569**

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 2025/26 are £21.724m.

Shared Lives

The Shared Lives program offers support for individuals with various needs including learning disabilities, physical disabilities, autism, mental health issues and dementia. Carers re matched with individuals and provide accommodation and support from their homes. The Council receives £150k per annum from Bridgend

Council to operate the service across Bridgend and the Vale of Glamorgan.

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. £407k was paid into the pool in respect of 2025/26.

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 £3.191m during 2025/26 from this fund. Two projects continue that are no longer RIF funded but continue to be funded by Cardiff and Vale UHB totalling £308k in 2025/26.

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 £159k to the service in 2025/26.

Central South Consortium (CSC) and Professional Learning and Support Service (PLSS)

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. The Joint Committee ceased in 2025/26 and has been replaced by Professional Learning and Support Service (PLSS).

Income and Expenditure 2025/26	CSC 1ST April 2025-31st August 2026	PLSS 1st Sept to 31st March
	£'000s	£'000s

Expenditure	548	458
Income	(73)	(290)

The residual balance for distribution of Central South Consortium will be subject to finalisation of the audit. The PLSS year end underspend of approximately £67k will also be subject to the finalisation of the 2025/26 external audit.

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 2025/26 the Council made contributions of £474k.

Internal audit

The Council is the lead authority for a Shared Internal Audit Service covering the Vale of Glamorgan, Merthyr Tydfil and Bridgend Councils. The total cost of the service for 2025/26 was £896k with a contribution of £400k from the Vale of Glamorgan, £245k from Merthyr Tydfil, and £261k from Bridgend. As at 31st March 2026 a reserve to the value of £314k 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 £138k at 31st March 2026.

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. As the value is not material to the Council’s accounts it is no longer consolidated.

The Council’s share of the balance is 20% and the overall reserve balances stood at £132k at 31st March 2026.

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 £152k at 31st March 2026 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 2025/26 was £359k (2024/25 £256k).

The Director of Social Services is Chair of the Association of Directors of Social Services Cymru. The Council has expenditure of £14k with this organisation in 2025/26.

Welsh Government effect influence on the Authority via legislation and grant funding. As at 31st March 2026 there was a debtor balance of £40m excluding NDR. During 2025/26 the Council received grants as set out in Note 32.

The Council also receives grant funding direct from UK Government, revenue income of £11.5m and capital income of £734k are reflected in the 2025/26 accounts. At 31st March 2026 there were Debtors for UK Government totalling £3.261m. The Council also received £19.360m of income from Department for Work and Pensions as part of the benefits function.

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 2025/26 there were income transactions with the Health Board totalling £9.070m and as at 31st March 2025 there was a debtor balance of £4.759m.

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 £349k and expenditure of £8.491m in its 2025/26 single entity accounts. A number of Council Officers and Members were named as directors of BFCC during the 2025/26 financial year, Cabinet Member for Learning and Skills Cllr Rhiannon Birch, Director of Environment and Housing, the Headteacher at Victoria Primary School and the Headteacher St Richard Gwyn(resigned in 2025/26 financial year) Rhys Angle-Jones (appointed during the 2025/26 financial year). None of these Directors are remunerated in excess of the sum included in the Single Entity accounts for their role.

At 31st March 2026 there are 32 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 £3.851m in 2025/26 (£3.652m in 2024/25 and are included in the Comprehensive Income and Expenditure Statement.

A Councillor of the Council works for Llamau Limited, the Council has payments of £2.068m in the 2025/26 accounts relating to this organisation.

A Councillor of the Council sit on the board for Newydd Housing Association, the Council has payments of £12k in the 2025/26 accounts relating to this organisation.

A Councillor of the Council sit on the board for The Vale of Glamorgan Agricultural Society, the Council has payments of £330.00 in the 2025/26 accounts relating to this organisation.

A Councillor sits on the board for the Castleland Community Association and the Council awarded funding of £2k in 2025/26.

A Councillor of the Council sits on the board for City Deal Energy Company the Council has consolidated the draft 2025/26 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 2025 and the contributions to be paid until 31st March 2028 resulting from that valuation are set out in the Fund's rates and adjustment certificate.

The funds consolidated for 2025/26 predominantly have a nil net pensions asset at year end after adjusting for the asset ceiling. 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 unfunded pension liability at 31st March 2026 is £8.2m.

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 Council's share of the Joint Committees. The Central South Consortium Joint Committee ceased operations during 2025/26 and therefore the 2025/26 figures exclude the entries for this Joint Committee. The table below sets out the reconciliation of the pension liability figure included on the Council's balance sheet.

The Shared Regulatory Service and Vale, Valleys and Cardiff Regional Adoption Service Joint Committees are consolidated using different percentages each year this means that there are small discrepancies between the closing 2024/25 position and the opening 2025/26 position for some of the notes included in this analysis.

Pension Liability	31 March 2025	31 March 2026
	£'000	£'000
Vale of Glamorgan Council Pension (Liability)	(17,160)	(8,200)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(24)	0
Shared Regulatory Service Joint Committee Pension (Liability)	(134)	0
Central South Consortium Joint Committee Pension Asset	8	0
Total Pension Liability	(17,310)	(8,200)

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 2025 Actuarial Valuation of the Fund. The effect of allowing for this is shown in the Actuarial (gains)/losses due to the liability experience and the Return on plan assets (in excess of)/below that recognised in net interest and is reflected in the balance sheet position. The Current Service Cost has been updated to reflect the employer's membership data at the 2025 valuation.

The demographic assumptions have also been adjusted, and the Current Service Cost has also been updated to reflect the employer's membership data as at the valuation.

McCloud Judgement

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

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.

The Council's Actuary have advised that there is no consideration of any potential impact as part of the review reflected in the 2025/26 accounts. The Government is proposing to legislate to allow retrospective validation of certain scheme changes through the 2024 Pension Schemes Bill which is expected to be a significant step forward in addressing potential issues arising from the ruling. A contingent liability has been included in the accounts reflecting this uncertainty.

Roll Forward Approach

The roll forward approach is a method of approximately calculating pension scheme assets and liabilities by adjusting the results of the last full actuarial valuation exercise.

Assets Returns

Asset Returns over the accounting period have been higher than expected. This has led to an increase on assets over the accounting period and an improvement on the balance sheet position before allowance for the 2025 valuation.

Financial Assumptions

There has been a change to the financial assumptions over the period. The discount rate has increased by 0.40%, the CPI inflation assumption has increased by 0.30%, and the salary increase assumption has reduced by 0.30%. This has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.

Demographic Assumptions

There has been a change to the demographic assumptions at this accounting date. The impact of this change has been recognised in Other Comprehensive Income.

All mortality assumptions are based on an analysis of the Fund’s recent mortality experience that was carried out in advance of the 2025 Valuation of the Fund using Aon’s Demographic Horizons longevity model. Different rates may apply in respect of those that have retired or are assumed to retire due to ill health retirement.

At this accounting date the actuary has adopted the CMI_2025 mortality projection model with core parameters with the exception of the A parameter (initial addition to mortality improvements) which they recommend is set at 0.5% to recognise that members of defined benefit schemes generally experience faster rates of longevity improvement relative to the UK population this is consistent with the approach last year.

The actuary also recommends a long term improvement rate of 1.25% per annum which is consistent with last year.

The other demographic assumptions are the rates of withdrawal and ill health retirement (for active members) the allowances made for cash commutation on retirement the proportion of members whose death gives rise to a dependents pension and the assumed levels of promotional salary increases.

Estimated Employer Payments 2026/27

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 2026/27	Year ended 31st March 2027 (£M)
Vale of Glamorgan	14.70
Vale of Glamorgan share of Shared Regulatory Service	1.16
Vale of Glamorgan share of Vale, Valleys and Cardiff Regional Adoption Service	0.25
Total	**16.11**

The expected employer payments direct to beneficiaries in 2026/27 for unfunded pensions is £1.18m

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**		
	31/03/24	**31/03/25**	**31/03/26**	**31/03/24**	**31/03/25**	**31/03/26**
	%	%	%	%	%	%
Discount Rate	4.8	5.8	6.2	4.8	5.8	6.2
CPI Rate	2.6	2.5	2.8	2.6	2.5	2.8
Rate of increase to pensions (1)	2.6	2.5	2.8	2.6	2.5	2.8
Pension accounts revaluation rate (2)	2.6	2.5	2.8			
Rate of general increase in salaries (3)	3.6	3.5	3.8			

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:

	Joint Committees Vale Valleys and Cardiff Regional Adoption Service and Shared Regulatory Service (Funded)		
	31/03/24	**31/03/25**	**31/03/26**
	%	%	%
Discount Rate	4.7%	5.8%	6.2
CPI Rate	2.6%	2.5%	2.8
Rate of increase to pensions (1)	2.6%	2.5%	2.8
Pension accounts revaluation rate (2)	2.6%	2.5%	2.8
Rate of general increase in salaries (3)	3.6%	3.5%	3.8

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

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

Post retirement mortality (retirement in normal health)

	Funded		CSC Funded		Unfunded	
Post Retirement Mortality	**31/03/25**	**31/03/26**	**31/03/25**	**31/03/26**	**31/03/25**	**31/03/26**
Males						
Future lifetime from age 65 (aged 65 at accounting date)	21.9	22.3	20.9	0	21.9	22.3
Future lifetime from age 65 (aged 45 at accounting date)	22.2	22.6	21.8	0		
Females						
Future lifetime from age 65 (aged 65 at accounting date)	24.2	24.6	23.7	0	24.2	24.6
Future lifetime from age 65 (aged 45 at accounting date)	25.0	25.3	24.8	0		

The majority of the Fund's obligations are to provide benefits for the life of a member following retirement, so increases in life expectancy will result in an increase in 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 2025 (%)	Asset split at 31 March 2026 (%)	Asset split at 31 March 2025 (%)	Asset split at 31 March 2026 (%)
Equities	67.6	68.1	65.10	0
Property	5.8	5.2	6.08	0
Government Bonds	7.5	7.2	10.88	0

Corporate Bonds	5.1	4.4	14.75	0
Cash	0.5	0.5	0	0
Multi Asset Credit	5.2	5.1	0	0
Infrastructure	0	0	2.67	0
Other	8.3	9.5	0.52	0
Total	**100.0**	**100.0**	**100.0**	**0**

Reconciliation of Funded/Unfunded Status to Balance Sheet

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	£'Ms
Fair Value of Assets	594.050	0.000	5.195	8.471	1.041	0.000	**608.757**
Present Value of Defined Benefit Obligation	(500.950)	0.000	(3.386)	(6.699)	(0.809)	(8.680)	**(520.524)**
Funded/Unfunded Status	**93.100**	**0.000**	**1.809**	**1.772**	**0.232**	**(8.680)**	**88.233**
Unrecognised asset	(93.100)	0.000	(1.801)	(1.772)	(0.232)	0.000	**(96.905)**
Impact of minimum funding requirement / asset ceiling	(8.480)	0.000	0.000	(0.134)	(0.024)	0.000	**(8.638)**
Asset / (Liability) recognised on the Balance Sheet	**(8.480)**	**0.000**	**0.008**	**(0.134)**	**(0.024)**	**(8.680)**	**(17.310)**

As at 31/03/26	Funded				Unfunded	Total
	Vale	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£'Ms
Fair Value of Assets	686.370	0.000	10.180	1.151	0.000	**697.701**
Present Value of Defined Benefit Obligation	(525.600)	0.000	(7.688)	(0.857)	(8.200)	**(542.345)**
Funded/Unfunded Status	160.770	0.000	2.492	0.294	(8.200)	**155.356**
Unrecognised asset	(160.770)	0.000	(2.492)	(0.294)	0.000	**(163.556)**
Impact of minimum funding requirement /asset ceiling	0.000	0.000	0.000	0.000	0.000	**0.000**
Asset / (Liability) recognised on the Balance Sheet	0.000	0.000	0.000	0.000	(8.200)	**(8.200)**

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	SRS	VVC
	%	%	%
Active Members	35	62	62
Deferred Pensioners	17	14	14
Pensioners	48	24	24

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

Maturity Profile of the Defined Benefit Obligation

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

Duration of Liabilities (in years)	Vale of Glamorgan	SRS	VVC
2024/25	14.9	20.1	20.8
2025/26	15.5	17.9	18.9

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

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 change in financial 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	8.536
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	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

For Year Ending 31/03/26	Funded				Unfunded	Total
	Vale	CSC	SRS	VVC		
	£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*	11.56	0	0.205	0.029	0	11.794
Past Service Cost (including curtailments)	0.88	0	0.002	0	0	0.882
(Gain)/Loss on Settlements	0	0	0	0	0	0
Net Interest Expense	(5.92)	0	(0.120)	(0.017)	0.47	(5.587)
Total post-employment benefits charged to the surplus or deficit on the provision of services	6.52	0	0.087	0.012	0.47	7.089
Return on plan assets (in excess of) /below that recognised in net interest	(61.700)	0.000	(0.129)	0.014	0.000	(61.815)
Actuarial (gains)/ losses due to change in financial assumptions	(6.880)	0.000	(0.127)	(0.017)	(0.050)	(7.074)
Actuarial (gains)/ losses due to changes in demographic assumptions	4.200	0.000	0.062	0.007	0.200	4.469
Actuarial (gains) / losses due to liability experience	8.470	0.000	(0.162)	(0.029)	0.040	8.319
Actuarial (gains) / losses due to restriction of surplus	62.270	0.000	1.926	0.241	0.000	64.437
Minimum Funding Guarantee	(8.970)	0.000	0.058	0.003	0.000	(8.909)
Total post-employment benefits charged to the comprehensive income and expenditure statement	(2.610)	0.000	1.628	0.220	0.190	(0.573)
Total Amount Recognised	3.910	0.000	1.714	0.231	0.660	6.516
Reversal of net charges made to the surplus or deficit on the provision of services for post- employment benefits in accordance with the Code	(12.410)	0.000	(0.207)	(0.029)	(0.470)	(13.116)
Employers' contributions payable to scheme	18.28	0	0.299	0.054	0	18.633
Retirement benefits payable to pensioners	0	0	0	0	1.180	1.18
*The current service cost included an allowance for the administration expenses	0.57	0	0.04	0.01	0	0.620

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

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	**568.510**	**7.760**	**3.893**	**7.999**	**1.001**	**10.03**	**599.193**
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	**500.950**	**0.000**	**3.401**	**6.699**	**0.839**	**8.680**	**520.569**

Year Ended 31/03/26	Funded				Unfunded	Total
	Vale	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's	£M's	£M's
Opening Defined Benefit Obligation	**500.950**	**3.401**	**6.699**	**0.839**	**8.680**	**520.569**
Current Service Cost	11.560	0	0.205	0.029	0	11.794
Interest Expense on defined benefit obligation	28.440	0	0.423	0.052	0.47	29.385
Contributions by Participants	5.900	0	0.104	0.023	0	6.027
Actuarial (gains)/ losses on liabilities financial assumptions	(6.880)	0	(0.127)	(0.017)	(0.05)	(7.074)
Actuarial (gains)/ losses on liabilities demographic assumptions	4.200	0	0.062	0.007	0.2	4.469

Actuarial (gains)/ losses on liabilities experience	8.470	0	(0.162)	(0.029)	0.04	8.319
Net Benefits Paid Out	(27.920)	0	(0.098)	(0.01)	(1.14)	(29.168)
Past Service Cost (including curtailments)	0.880	0	0.002	0	0	0.882
Joint Committee Adjustments	0.000	(3.401)	0	0	0	(3.401)
Closing Defined Benefit Obligation	**525.600**	**0.000**	**7.108**	**0.894**	**8.200**	**541.802**

Changes to the Fair Value of Assets during the Accounting Period

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 Fair Value of Assets	567.450	7.920	5.184	7.927	0.993	0.000	**589.474**
Interest Income on Assets	28.240	0.160	0.248	0.378	0.047	0.000	**29.073**
Remeasurement gains/ (losses) on Assets	(7.850)	0.050	(0.200)	(0.088)	(0.011)	0.000	**(8.099)**
Contributions by the Employer	17.170	0.090	0.053	0.267	0.049	1.150	**18.779**
Contributions by Participants	5.480	0.030	0.058	0.094	0.018	0.000	**5.680**
Net Benefits Paid Out	(24.540)	(0.150)	(0.149)	(0.107)	(0.015)	(1.150)	**(26.111)**
Net increase in assets from disposals/ acquisitions	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Settlements	8.100	(8.100)	0.000	0.000	0.000	0.000	**0.000**
Closing Fair Value of Assets	**594.050**	**0.000**	**5.194**	**8.471**	**1.081**	**0.000**	**608.796**

Year ended 31/03/26	Funded				Unfunded	Total
	Vale	CSC	SRS	VVC		
	£M's	£M's	£M's	£M's		£M's
Opening Fair Value of Assets	594.050	5.194	8.471	1.081	0.000	**608.796**
Interest Income on Assets	34.360	0	0.544	0.069	0.000	**34.973**
Remeasurement gains/ (losses) on Assets	61.700	0	0.129	(0.014)	0.000	**61.815**
Contributions by the Employer	18.280	0	0.299	0.054	1.140	**19.773**
Contributions by Participants	5.900	0	0.104	0.023	0.000	**6.027**
Net Benefits Paid Out	(27.920)	0	(0.098)	(0.010)	(1.140)	**(29.168)**
Net increase in assets from disposals/ acquisitions	0.000	0	0.000	0.000	0.000	**0.000**
Joint Committee Adjustments	0.000	(5.194)	0.000	0.000	0.000	**(5.194)**
Closing Fair Value of Assets	**686.370**	**0**	**9.449**	**1.203**	**0.000**	**697.022**

Actual Return on Assets

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)
Actual Return on Assets	**20.390**	**0.210**	**0.048**	**0.290**	**0.036**	**20.974**

Year ended 31/03/26	Funded				Total
	Vale	CSC	SRS	VVC	
	£M's	£M's	£M's	£M's	£M's
Interest Income on Assets	31.360	0	0.544	0.069	31.973
Remeasurement gains/ (losses) on Assets	61.700	0	0.129	(0.014)	61.815
Actual Return on Assets	**93.060**	**0**	**0.673**	**0.055**	**93.788**

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)	517.72	525.60	534.01
% change in present value of total obligation	(1.5%)		1.6%
Projected service cost (£M)	11.20	11.74	12.29
Approx. % change in projected service cost	(4.6%)		4.7%

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)	526.13	525.60	525.07
% change in present value of total obligation	0.1%		(0.1%)
Projected service cost (£M)	11.74	11.74	11.74
Approx. % change in projected service cost	0.0%		0.0%

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

Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	533.48	525.60	518.24
% change in present value of total obligation	1.5%		(1.4%)
Projected service cost (£M)	12.29	11.74	11.20
Approx. % change in projected service cost	4.7%		(4.6%)

Post retirement mortality assumption*

Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	537.69	525.60	513.51
% change in present value of total obligation	2.3%		(2.3%)
Projected service cost (£M)	12.15	11.74	11.32
Approx. % change in projected service cost	3.5%		(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 2025/26 made by the Council were £20.054m, (2024/25 contributions were £19.053m). 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 £20.330m.

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 2025/26 accounts. The Government is proposing to legislate to allow retrospective validation of certain scheme changes through the 2024 Pension Schemes Bill which is expected to be a significant step forward in addressing potential issues arising 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

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 2025/26 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 2024/25 and 2025/26 investments were made with the Debt Management Account Deposit Facility which is guaranteed by the UK Government and UK Local While reserve balances continued to reduce, the receipt of additional grant funding, including Levelling Up grants, increased temporary cash balances and created further investment opportunities during the year. 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 2026 is set out below:

	31 March 2025	31 March 2026
	£'000	£'000
UK Debt Management Account Deposit Facility	5,625	0
UK Local Authorities	2,000	16,500
Federated Hermes Money Market Fund	6,050	7,850
CCLA Money Market Fund	3,150	10,000
Lloyds Instant Access Deposit Account	365	2,750
Total	**17,190**	**37,100**
Reconciliation of Investment Balances		
Short Term Investment	4,800	16,500
Overnight Investments shown as Cash and Cash Equivalents	12,390	20,600
Total	**17,190**	**37,100**
Short Term Investment Accrued Interest	121	259
Short Term Investment Joint Committees	254	254
	17,565	**37,613**

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.

	31 March 2025	31 March 2026
	£'000	£'000
Less than one year	8,480	17,001
Between one and two years	9,460	17,343
Between two and five years	35,557	42,432
More than five years	116,354	105,095
Total	**169,851**	**181,871**

This analysis excludes £540k 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	(87)
Increase in government grant receivable for financing costs	0
Impact on (Surplus) or Deficit on the Provision of Services	**(87)**
Share of overall impact credited to the HRA	(37)
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)	10,946

To compile the above analysis the Council reviews the following:

- The interest chargeable on variable rate loans.
- The interest received on investment income in 2025/26.
- 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.

2024/25		2025/26	2025/26
£’000		**£’000**	**£’000**
	Expenditure		
6,582	Repairs and Maintenance	7,874	
6,366	Supervision and Management	7,540	
261	Rents, Rates, Taxes, & Other Charges	206	
37,597	Revaluation charged to CIES	18,891	
3,335	Non-Current Assets Depreciation /Impairment	3,793	
56	Debt Management Costs	52	
307	Increase in Provision for Bad and Doubtful Debts	299	
226	Revenue Expenditure Funded from Capital Under Statute	804	
54,730	**Total Expenditure**		**39,459**
	Income		
(25,284)	Dwelling Rents	(26,492)	
(188)	Non Dwelling Rents	(185)	
(846)	Charges for Services and Facilities	(1,020)	
(94)	Contributions towards expenditure	(75)	
(249)	Grant Income	(251)	
(26,661)	**Total Income**		(28,023)
28,069	**Net Expenditure of HRA Services as Included in the Whole Authority CIES**		**11,436**
0	HRA share of other amounts included in the whole authority Net Expenditure of Continuing Operations but not allocated to specific Services		0
28,069	**Net Expenditure of HRA Services**		11,436
	HRA share of the operating income and expenditure included in the CIES		
0	(Gain)/ loss on sale of HRA assets		
3,565	Interest payable and similar charges	3,613	
(179)	Interest and Investment Income	(312)	
(20)	Interest on net defined benefit liability/ (asset)	6	
(16,496)	Capital Grants	(9,218)	
14,939	**(Surplus) or deficit for the year on HRA services**		**5,525**

Movement on the HRA Statement

2024/25 £'000		2025/26 £'000
(3,525)	**Balance on the HRA at the end of the previous year**	**(3,885)**
14,939	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	5,525
(15,299)	Adjustments between accounting basis and funding basis under Statute	(11,553)
(360)	**(Increase)/Decrease during the financial year**	**(6,028)**
(3,885)	**Balance on the HRA at the end of the current year**	**(9,913)**

Note to the Statement of Movement on the HRA Balance

Adjustments between Accounting Basis and Funding Basis under Statute

	2024/25 £'000	2025/26 £'000
Revaluation Loss/ Gain on Property, Plant and Equipment	(37,597)	(18,891)
Charges for depreciation and Impairment of Non Current Assets	(3,335)	(3,793)
Capital Grants and Contributions	16,496	9,219
Statutory Provision for the Financing of Capital Investment	1,734	1,806
Revenue Expenditure Funded from Capital Under Statute	(227)	(804)
Capital Expenditure charged against HRA	7,549	738
Gains / (Losses) on sales of non current assets	0	
Pensions Reserve	36	179
Accumulated Absences	45	(7)
Total Adjustments	**(15,299)**	**(11,553)**

Summary

The Housing Revenue Account revenue balance at 31st March 2026 was £9,913m

H1 Gross Dwelling Rent Income

This is the total dwelling rent income due for the year after allowance is made for voids. During the year 1.77% of the total dwelling rent due was uncollectable due to lettable properties being vacant; in 2024/25 the figure was 2.31%. Average dwelling rents were £123.82 a week in 2025/26 an increase of 1.39% over the previous year.

H2 Rent Rebates

Assistance with rents is available under the Housing Benefit Scheme for those on low incomes. 28.98% 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
2025/26	4,213

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 2025	At 31st March 2026	Changes 2025/26
1 Bedroom Houses	0	0	0
2 Bedroom Houses	371	375	4
3 Bedroom Houses	1,592	1596	4
4 or more Bedroom Houses	90	100	10
1 Bedroom Bungalows	358	310	(48)
2 Bedroom Bungalows	71	72	1
3 Bedroom Bungalows	34	57	23
4 or more Bedroom Bungalows	2	2	0
1 Bedroom Flats	935	948	13
2 Bedroom Flats	597	618	21
3 Bedroom Flats	94	120	26
Other – Hostel	15	15	0
Total	**4,159**	**4,213**	**54**

The change in stock can be summarised as follows:

Housing Stock 31st March 2025	**4,159**
Less: Sold	0
Change of Use	0
New Build & Acquisitions	54
Housing Stock 31st March 2026	**4,213**

H4 Rent Arrears

During the year 2025/26 rent arrears as a proportion of gross rent income was 13.84% of the amount due, compared to 12.28% in 2024/25. The figures are as follows: -

	2024/25	2025/26
	£'000	**£'000**
Arrears at 31st March	3,031	3,417

Amounts written off during the year amounted to £30k. The aggregate provision in respect of uncollectable rent and other housing debts is £2.645m (£2.347m in 2024/25).

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 £19.162m has been spent in 2025/26 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

	2024/25	2025/26
	£'000	**£'000**
Unsupported Borrowing	3,542	9,196
Supported Borrowing – Affordable Housing Grant	0	0
Usable Capital Receipts	0	0
Revenue Contributions	7,420	704
Major Repairs Reserve	4,770	3,687
Non HRA Reserve	129	43
Section 20 contributions	0	120
Other Capital Grants	10,846	5,412
Total	**26,707**	**19,162**

H9 Assets - Depreciation / Impairment

The charge is broken down as follows:

Council Dwellings	2024/25	2025/26
	£'000	**£'000**
Depreciation of Dwellings	3,118	3,542
Depreciation of Other Land and Buildings	125	167
Depreciation of Equipment	52	86
Total	**3,295**	**3,795**

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.

	2024/25	2025/26
	£'000	£'000
IAS 19 Adjustment	16	197
Interest on net defined benefit liability/ (asset)	20	(6)
Contribution from Pension Reserve	**36**	**191**

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.

	2024/25	2025/26
	£'000	£'000
Opening Balance brought forward		
Grant Received in Year	4,770	3,687
Grant Utilised in Year	(4,770)	3,687
Closing Balance Carried Forward	**0**	**0**

Trust Funds

Welsh Church Acts

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

	Balance at 31 March 2025	Acquisitions / Disposals	Revaluation	Surplus/ (Deficit)	Balance at 31 March 2026
	£'000	£'000	£'000	£'000	£'000
Accumulated Fund	6,426	0	(20)	(15)	6,391

The non-current assets of the fund are included at their 31st March 2026 value. The external investments held by the fund are included at their fair value at 31st March 2026.

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 2025/26 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 2026. At the date of publishing these draft accounts, the audit of the BFCC accounts has not been undertaken 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 2025/26.

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

2024/25			Expenditure on Services	2025/26		
Gross Expt.	Income	Net Expt.		Gross Expt.	Income	Net Expt.
£'000	£'000	£'000		£'000	£'000	£'000
193,331	58,052	135,279	Learning and Skills	204,829	56,084	148,745
129,692	22,721	106,971	Social Services	146,470	28,716	117,754
66,793	24,509	42,284	Visible and Housing Services	69,709	32,349	37,360
55,080	26,662	28,418	Housing Revenue Account (HRA)	39,459	28,023	11,436
13,409	6,944	6,465	Place	10,117	5,149	4,968
48,229	28,896	19,333	Corporate Resources	43,877	25,070	18,807
4,082	3,315	767	Policy	8,278	1,360	6,918
7,693	557	7,135	Big Fresh Catering Company (BFCC)	8,134	516	7,618
518,308	**171,657**	**346,651**	**Cost of Services**	**530,873**	**177,267**	**353,606**
			Other operating expenditure			
3,652	0	3,652	Town and Community Council Precepts	3,851	0	3,851
22,358	0	22,358	South Wales Police Authority	24,224	0	24,224
8,302	0	8,302	South Wales Fire Authority	8,752	0	8,752
143	0	143	Other Levies and Contributions	129	0	129
0	758	(758)	(Gains)/losses on the disposal of non-current assets	475	0	475
			Financing and investment income and expenditure			
6,823	0	6,823	Interest payable and similar charges	8,399	0	8,399
0	834	(834)	Net interest on defined benefit liability	440	19	421
0	116	(116)	Revaluation of Investment Properties and Equities	130	0	130
54	2,228	(2,174)	Interest receivable and other income	265	4,159	(3,894)
			Taxation and non-specific grant income			
0	115,985	(115,985)	Council Tax income (Note 13)	0	123,017	(123,017)
0	47,853	(47,853)	Non domestic rates (Note 14)	0	47,654	(47,654)
0	161,928	(161,928)	Revenue Support grants	0	176,793	(176,793)
0	0	0	Council Tax grant	0	0	0
0	0	0	Deferred Tax	0	0	0
177	0	177	Corporation Tax (Note G16)	8	0	8
0	51,040	(51,040)	Capital grants and contributions	0	72,536	(72,536)
559,817	**552,399**	**7,418**	**(Surplus) or Deficit on the Provision of Services**	**577,546**	**601,445**	**(23,899)**
		(22,079)	(Surplus)/Deficit on revaluation of non current assets (Note 15)			(19,055)
		1,393	(Surplus) or Deficit on Revaluation of Financial Instrument Assets			0
		1,268	Impairment losses on non current assets charged to Revaluation Reserve (Note 15)			0
		10,328	Remeasurements of the net defined benefit liability/(asset) (Note G14)			(2,232)
		(34)	Income Tax Relating to Other Comprehensive Income			0

		(9,124)	**Other Comprehensive Income and Expenditure**			**(21,287)**
		(1,706)	**Total Comprehensive Income and Expenditure**			**(45,186)**

Group Accounts Movement in Reserves Statement 2024/25 and 2025/26

Movement in Reserves Statement	Council Fund & Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Group Entity Unusable Reserves	Total Group Reserves
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance as at 31st March 2024	**74,031**	**3,525**	**7,647**	**3,386**	**88,589**	**747,447**	**1,305**	**837,341**
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 (Note 10)	(20,174)	15,649	1,975	(299)	(2,849)	2,849	0	0
Prior Period Adjustment						7,898		7,898
Increase/(Decrease) in 2024/25	(12,523)	360	1,975	(299)	(10,487)	19,973	118	9,604
Balance as at 31st March 2025	**61,508**	**3,885**	**9,622**	**3,087**	**78,102**	**767,420**	**1,423**	**846,945**
Amended Opening Balance	**61,508**	**3,885**	**9,622**	**3,087**	**78,102**	**767,420**	**1,423**	**846,945**
Total Comprehensive Income and Expenditure	29,188	(5,525)	-	-	23,663	21,514	9	45,186
Adjustments between accounting basis and funding basis under regulations (Note 10)	(39,788)	11,553	1,282	15,163	(11,790)	11,790	0	0
Increase/(Decrease) in 2025/26	(10,600)	6,028	1,282	15,163	11,873	33,304	9	45,186
Balance as at 31st March 2026	**50,908**	**9,913**	**10,904**	**18,250**	**89,975**	**800,724**	**1,432**	**892,131**

Group Accounts Balance Sheet

31 March 2025		Notes	31 March 2026
£'000			**£'000**
974,894	Property, Plant and Equipment	G7	1,017,786
5,315	Joint Committee Investment Properties		4,872
948	Equity		1,130
322	Intangible Assets		185
2	Long Term Investments		2
0	Deferred Tax Asset		453
8,283	Long Term Debtors		8,662
989,764	**Long Term Assets**		**1,033,090**
10,684	Short Term Investment		20,550
203	Assets Held for Sale	15	50
1,087	Inventories		1,316
0	Deferred Tax Asset		0
88,979	Short Term Debtors	G9	92,934
15,180	Cash and Cash Equivalents	G10	19,727
116,133	**Current Assets**		**134,577**
9,810	Short Term Borrowing		18,454
39,740	Short Term Creditors	G11	48,132
728	Short Term Liabilities (Leasing)	18	1,107
4,013	Provisions (Short Term)	G12	1,999
0	Donated Inventory Account		0
2,923	Grants Receipts in Advance – Capital	32	6,782
57,214	**Current Liabilities**		**76,474**
1,518	Provisions (Long Term)	G12	3,848
162,084	Long Term Borrowing		165,125
2,194	Other Long Liabilities (Leasing)	18	2,399
10,585	Other Long Term Liabilities		8,926
17,310	Other Long Term Liabilities (Pensions)	G14	8,200
15,945	Grants Receipts in Advance - Capital (Long Term)	32	10,564
209,636	**Long Term Liabilities**		**199,062**
839,047	**Net Assets**		**892,131**
78,101	Usable Reserves	25	89,975
760,946	Unusable Reserves	G13	802,156
839,047	**Total Reserves**		**892,131**

Group Accounts Cash flow Statement

31 March 2025		Notes	31 March 2026
£'000			**£'000**
(7,418)	**Net surplus or (deficit) on the provision of services**		**23,899**
27,507	Adjustments to net surplus or deficit on the provision of services for non-cash movements	G15	38,579
	Adjustments for items that are investing and financing activities		
(4,483)	Proceeds from the sale of property, plant and equipment and intangible assets.		(899)
(55,953)	Any items which the cash effects are investing or financing cashflows		(57,372)
(60,436)	**Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities**		**(58,271)**
(40,347)	**Net cash flows from Operating Activities**		**4,207**
	Investing Activities		
(62,513)	Purchase of property, plant and equipment and intangible assets.		(59,410)
2,615	Proceeds from the sale of property, plant and equipment and intangible assets.		1,399
0	Purchase of short term/long term investments		(11,656)
0	Other payments for investing activities		0
22,699	Proceeds from short term/long term investments		1,928
48,135	Other Receipts from Investing Activities		57,023
10,936	**Net Cashflow from Investing Activities**		**(10,716)**
	Financing Activities		
27,388	Repayments of Short and Long Term Borrowing		10,466
1,863	Other Payments for Financing Activities		590
29,251	**Net cash flows from Financing Activities**		**11,056**
(160)	**Net increase or decrease in cash and cash equivalents**		**4,547**
15,340	**Cash and cash equivalents at the beginning of the reporting period**		**15,180**
15,180	**Cash and cash equivalents at the end of the reporting period**		**19,727**

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	2025/26 Number of Teaching Employees	2025/26 Number of Non Teaching Employees	2025/26 Number of BFCC Employees	2025/26 Total Number of Employees
£60,000-£64,999	94	19	0	113
£65,000-£69,999	38	23	0	61
£70,000-£74,999	23	8	0	31
£75,000-£79,999	21	1	1	23
£80,000-£84,999	15	1	0	16
£85,000-£89,999	7	3	0	10
£90,000-£94,999	15	6	0	21
£95,000-£99,999	8	3	0	11
£100,000-£104,999	4	1	0	5
£105,000-£109,999	4	0	0	4
£110,000-£114,999	0	1	0	1
£115,000-£119,999	1	3	0	4
£120,000-£124,999	0	0	0	0
£125,000-£129,999	1	0	0	1
£130,000-£134,999	3	0	0	3
£135,000-£139,999	0	0	0	0
£140,000-£144,999	1	0	0	1
£145,000-£149,999	0	0	0	0
£150,000-£154,999	0	0	0	0
£155,000-£159,999	0	1	0	1
£160,000-£164,999	1	0	0	1
£165,000-£169,999	0	0	0	0
£170,000-£174,999	0	0	0	0
£175,000-£179,999	2	0	0	2
£180,000-£184,999	0	0	0	0
Total	**238**	**70**	**1**	**309**

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

Director	Date Appointed
Head of Strategy, Community Learning	11/09/2019
Cabinet Member for Learning and Culture (Councillor)	01/06/2022
Headteacher St Richard Gwyn Catholic School (resigned August 2025)	02/03/2023
Headteacher Victoria Primary School	24/04/2024
BFCC Managing Director	01/01/2020
Headteacher Ysgol Gymraeg Bro Morgannwg (appointed in 2025/26)	09/08/2025

G2. Exit Payments

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

G3. Members Allowances

The Members allowances for 2025/26 are as shown in Note 29 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

	2024/25	2025/26
	£'000	£'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor.	203	213
Fees payable to Audit Wales in respect of performance work	114	120
Fees payable to Audit Wales for the certification of grant claims and returns	74	77
Fees payable in respect of External Audit of BFCC by Advantage Accountancy and Advisory Limited	17	16
Total	**408**	**426**

G6. Leases

	2024/25 Land and Buildings	2024/25 Other Leases	2025/26 Land and Buildings	2025/26 Other Leases
	£'000	£'000	£'000	£'000
Within 1 year	333	0	405	0
Between 1 and 5 years	798	0	1,147	0
After 5 years	4,361	0	9,553	0
Total	**5,492**	**0**	**11,105**	**0**

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

Lease Income includes £220k from Big Fresh Catering Company to the Vale for kitchen equipment that is excluded from the Group Accounts as an intercompany transaction and £343k projected for 2026/27, £340k projected for 2027/28 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 £43k of Equipment as a Tangible Asset.

Summary of Property Plant and Equipment Group Accounts	Council Dwellings	Land & Buildings	Vehicle Plant & Equipment	Community Asset	Assets under Construction	Surplus Assets	ROU Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation as at 31 March 2026 Single Entity	**249,226**	**570,012**	**39,934**	**3,868**	**24,547**	**2,726**	**8,588**	**898,901**
BFCC Cost or Valuation	**0**	**0**	**85**	**0**	**0**	**0**	**0**	**85**
Cost or Valuation as at 31 March 2026 Group Accounts	**249,226**	**570,012**	**40,019**	**3,868**	**24,547**	**2,726**	**8,588**	**898,986**
Accumulated Depreciation and Impairment as at 31 March 2026 Single Entity	**0**	**(26)**	**(24,782)**	**0**	**0**	**0**	**(2,890)**	**(27,698)**
BFCC Accumulated Depreciation	**0**	**0**	**(42)**	**0**	**0**	**0**	**0**	**(42)**
Accumulated Depreciation and Impairment as at 31 March 2026 Group	**0**	**(26)**	**(24,824)**	**0**	**0**	**0**	**(2,890)**	**(27,740)**
Net Book Value 2025/26								
At 31 March 2026	**249,226**	**569,986**	**15,195**	**3,868**	**24,547**	**2,726**	**5,698**	**871,246**

Reconciliation to Balance Sheet	2025/26
	£'000
Infrastructure Assets	146,540
Other Property, Plant and Equipment	871,246
Total Property Plant and Equipment Assets	**1,017,786**

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 2025	31 March 2026
	£'000	**£'000**
Central government bodies	59,430	51,019
Other local authorities	7,386	10,042
NHS bodies	435	4,759
Council Tax Payers	11,123	13,288
General	21,269	23,124
Provision for Bad Debts	(10,665)	(9,298)
Total	88,978	92,934

G10. Cash and Cash Equivalents

	31 March 2025	31 March 2026
	£'000	**£'000**
Cash held by the Authority and at Bank	(79)	(4,022)
Joint Committee Cash	525	686
Short-term Investment	12,391	20,600
BFCC Cash	2,343	2,463
Total Cash and Cash Equivalents	15,180	19,727

G11. Creditors

	31 March 2025	31 March 2026
	£'000	**£'000**
Central government bodies	6,599	8,287
Other local authorities	11,134	12,211
NHS bodies	146	455
General	15,801	19,500
Prepayments of Council Tax	1,553	1,488
Receipts in advance	643	347
Accumulated absences	3,864	5,844
Total	**39,740**	**48,132**

G12. Provisions

	Total Single Entity £'000	BFCC	Total Group Provisions
Balance at 1st April 2025	**5,526**	**5**	**5,531**
Additional provisions made	599	5	**604**
Amounts used / Transfer out	(287)		**(287)**
Balance at 1st April 2026	**5,838**	**10**	**5,848**
Short Term Provisions	**1,999**	**0**	**1,999**
Long Term Provisions	**3,838**	**10**	**3,848**

G13. Unusable Reserves

31/03/25 RESTATED		31/03/26
£'000		**£'000**
165,341	Revaluation Reserve	181,330
612,019	Capital Adjustment Account	631,770
(170)	Financial Instruments Adjustment Account	288
1,879	Deferred Capital Receipts Reserve	1,379
(17,310)	Pensions Reserve	(8,200)
(3,866)	Accumulated Absences Account	(5,844)
1425	Group Entity BFCC Reserves	1,433
760,947	**Total Unusable Reserves**	**802,156**

G14. Pension Assets and Liabilities

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

Pension Liability	31 March 2025	31 March 2026
	£'000	£'000
Vale of Glamorgan Council Pension (Liability) Funded and Unfunded	(17,160)	(8,200)
Vale, Valleys and Cardiff Regional Adoption Service Joint Committee Pension (Liability)	(24)	0
Shared Regulatory Service Joint Committee Pension (Liability)	(134)	0
Central South Consortium Joint Committee Pension Asset/(Liability)*	8	0
BFCC Pension Asset/(Liability)	0	0
Total Pension Liability	(17,310)	(8,200)

The Employer's regular contributions to the Fund for the accounting period ending 31st March 2027 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 2027 (£M)
Single Entity Accounts	16.11
BFCC	0.54
Total	16.65

There are no Unfunded Pensions in the Group Accounts other than those included in Note 36 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 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)
Funded/Unfunded status*	**88.233**	**1.580**	**89.813**
Unrecognised Asset	(96.905)	(1.580)	(98.485)
Impact of minimum funding requirement / asset ceiling	(8.638)	0.000	(8.638)
Asset / (Liability) recognised on the Balance Sheet	**(17.310)**	**0.000**	**(17.310)**

As at 31st March 2026	Vale of Glamorgan Single Entity Accounts	Big Fresh Catering Company	Total
	£M's	£M's	£M's
Fair Value of Assets	697.701	10.332	708.033
Present Value of Defined Benefit Obligation	(542.346)	(7.627)	(549.973)
Funded/Unfunded status*	**155.355**	**2.705**	**158.060**
Unrecognised Asset	(163.556)	(2.705)	(166.261)
Impact of minimum funding requirement / asset ceiling	(8.480)	0.000	(8.480)
Asset / (Liability) recognised on the Balance Sheet	**(16.681)**	**0.000**	**(16.681)**

Active Members	Vale Funded	SRS	RAS	BFCC
	%	%	%	%
Active Members	35.1	54.9	58.6	54.1
Deferred Pensioners	43.4	30.5	27.6	41.7
Pensioners	21.5	14.6	13.8	4.2

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	15.5	0	17.9	18.9	16.3

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

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)
Total post-employment benefits charged to the surplus or deficit on the provision of services	**15.375**	**0.624**	**15.999**
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
Total post-employment benefits charged to the comprehensive income and expenditure statement	**10.185**	**0.136**	**10.321**
Total Amount Recognised	**25.560**	**0.760**	**26.320**
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

For Year Ending 31st March 2026	£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*	11.794	0.465	12.259
Past Service Cost (including curtailments)	0.882	0.002	0.884
(Gain)/Loss on Settlements	0.000	0.000	0.000
Financing and Investment Income			
Net Interest Expense	(5.588)	(0.115)	(5.703)
Total post-employment benefits charged to the surplus or deficit on the provision of services	**7.088**	**0.352**	**7.440**
Remeasurements in Other Comprehensive Income and Expenditure			
Return on plan assets (in excess of) /below that recognised in net interest	(61.815)	(0.590)	(62.405)
Actuarial (gains)/ losses due to change in financial assumptions	(7.074)	(0.115)	(7.189)
Actuarial (gains)/ losses due to changes in demographic assumptions	4.469	0.062	4.531
Actuarial (gains) / losses due to liability experience	8.319	(0.087)	8.232
Actuarial (gains) / losses due to restriction of surplus	64.437	0.957	65.394
Minimum Funding Guarantee	(8.909)	0.000	(8.909)
Total post-employment benefits charged to the comprehensive income and expenditure statement	**(0.573)**	**0.227**	**(0.346)**
Total Amount Recognised	**6.516**	**0.579**	**7.095**
Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(13.116)	(0.448)	(13.564)
Actual amount charged against General Fund and HRA balances for Pensions in year			
Employers' contributions payable to scheme	18.633	0.675	19.308
Retirement benefits payable to pensioners	1.180	0.000	1.180
Administration Allowance *The current service cost included an allowance for the administration expenses	0.650	0.021	0.671

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

Year Ended 31st March 2025	Single Entity Accounts	BFCC	Total Group Pension
	£M's	£M's	£M's
Opening Defined Benefit Obligation	**599.193**	**7.110**	**606.303**
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
Closing Defined Benefit Obligation	**520.569**	**6.570**	**527.139**

Year Ended 31st March 2026	Single Entity Accounts	BFCC	Total Group Pension
	£M's	£M's	£M's
Opening Defined Benefit Obligation	**520.569**	**6.570**	**527.139**
Current Service Cost	11.794	0.465	12.259
Interest Expense on defined benefit Obligation	29.385	0.399	29.784
Contributions by Participants	6.027	0.197	6.224
Actuarial (gains)/ losses on liabilities financial assumptions	(7.074)	(0.115)	(7.189)
Actuarial (gains)/ losses on liabilities demographic assumptions	4.469	0.062	4.531
Actuarial (gains)/ losses on liabilities Experience	8.319	(0.087)	8.232
Net Benefits Paid Out	(29.168)	(0.143)	(29.311)
Past Service Cost (including curtailments)	0.882	0.002	0.884
Joint Committee Adjustments	(3.401)	0.000	(3.401)
Closing Defined Benefit Obligation	**541.802**	**7.350**	**549.152**

Changes to the Fair Value of Assets during the Accounting Period

Year ended 31st March 2025	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Opening Fair Value of Assets	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)
Closing Fair Value of Assets	**608.796**	**8.150**	**616.946**

Year ended 31st March 2026	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Opening Fair Value of Assets	608.796	8.150	616.946
Interest Income on Assets	34.973	0.514	35.487
Remeasurement gains/ (losses) on Assets	61.815	0.590	62.405
Contributions by the Employer	19.773	0.675	20.448
Contributions by Participants	6.027	0.197	6.224
Net Benefits Paid Out	(29.168)	(0.143)	(29.311)
Joint Committee Adjustments	(5.194)	0.000	(5.194)
Closing Fair Value of Assets	**697.022**	**9.983**	**707.005**

Actual Return on Assets

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)
Actual Return on Assets	**20.974**	**0.274**	**21.248**
Year ended 31st March 2026	Single Entity Accounts	BFCC	Total
	£M's	£M's	£M's
Interest Income on Assets	31.973	0.514	32.487
Remeasurement gains/ (losses) on Assets	61.815	0.590	62.405
Actual Return on Assets	**93.788**	**1.104**	**94.892**

G15. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2024/25		2025/26
£'000		**£'000**
2,256	Interest Received	3,563
(6,568)	Interest Paid	(8,276)

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

2024/25		2025/26
£'000		**£'000**
60,834	Depreciation and Impairment and Downward Valuations	42,838
86	Amortisation	58
(2,709)	Increase / (Decrease) in creditors	6,270
(31,024)	(Increase) / Decrease in debtors	(4,713)
(57)	(Increase) / Decrease in inventories	(228)
(3,382)	Movement in pension liability	(6,878)
22	Other non-cash items charged to the net surplus or deficit on the provision of services	(142)
3,737	Carrying amount of non-current assets and non current assets held for sale, sold or de-recognised	1,374
27,507	**Adjustments to net surplus or deficit on the provision of services for non-cash movements.**	**38,579**

G16. Taxation

Big Fresh Catering Company	31/3/2025	31/03/2026
	£'000	**£'000**
Corporation Tax	142	3
Current Tax on Profits for the year		0
Total Current Tax	**142**	**3**
Deferred Tax	**4**	**5**
Changes to Tax Rates	0	0
Adjustments in Respect of Prior Year	0	0
Total Deferred Tax	**4**	**8**
Taxation on Ordinary Activities	**146**	**8**

Deferred Taxation 2024/25	Asset	Liability
	£'000	**£'000**

Deferred Tax Asset on Pension Deficit	0	0
Accelerated Capital Allowances	0	6
Total Deferred Taxation	**0**	**6**

Deferred Taxation 2025/26	**Asset**	**Liability**
	£'000	**£'000**
Deferred Tax Asset on Pension Deficit	0	0
Accelerated Capital Allowances	0	11
Total Deferred Taxation	**0**	**11**

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.

Appendix B

Shared Regulatory Service Joint Committee

Draft Statement of Accounts 2025/26 Year Ended 31st March 2026 Published Subject to Audit

Contents Page

Shared Regulatory Service Joint Committee

Statement of Accounts 2025/26 Year Ended 31st March 2026

Narrative Report

Introduction

This document presents the Statement of Accounts for the Shared Regulatory Service in respect of financial year 2025/26 and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (IFRS), and the Accounts and Audit (Wales) Regulations 2014 (as amended).

The Shared Regulatory Service (SRS) produces its Statement of Accounts to explain the SRS's finances, to give assurance that public money has been properly accounted for, and that the financial standing of the Service is on a secure basis. The Statement of Accounts must provide a "true and fair" view of the SRS's financial position as at 31st March 2026, and its income and expenditure for the 2025/26 financial year.

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

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

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

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

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

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

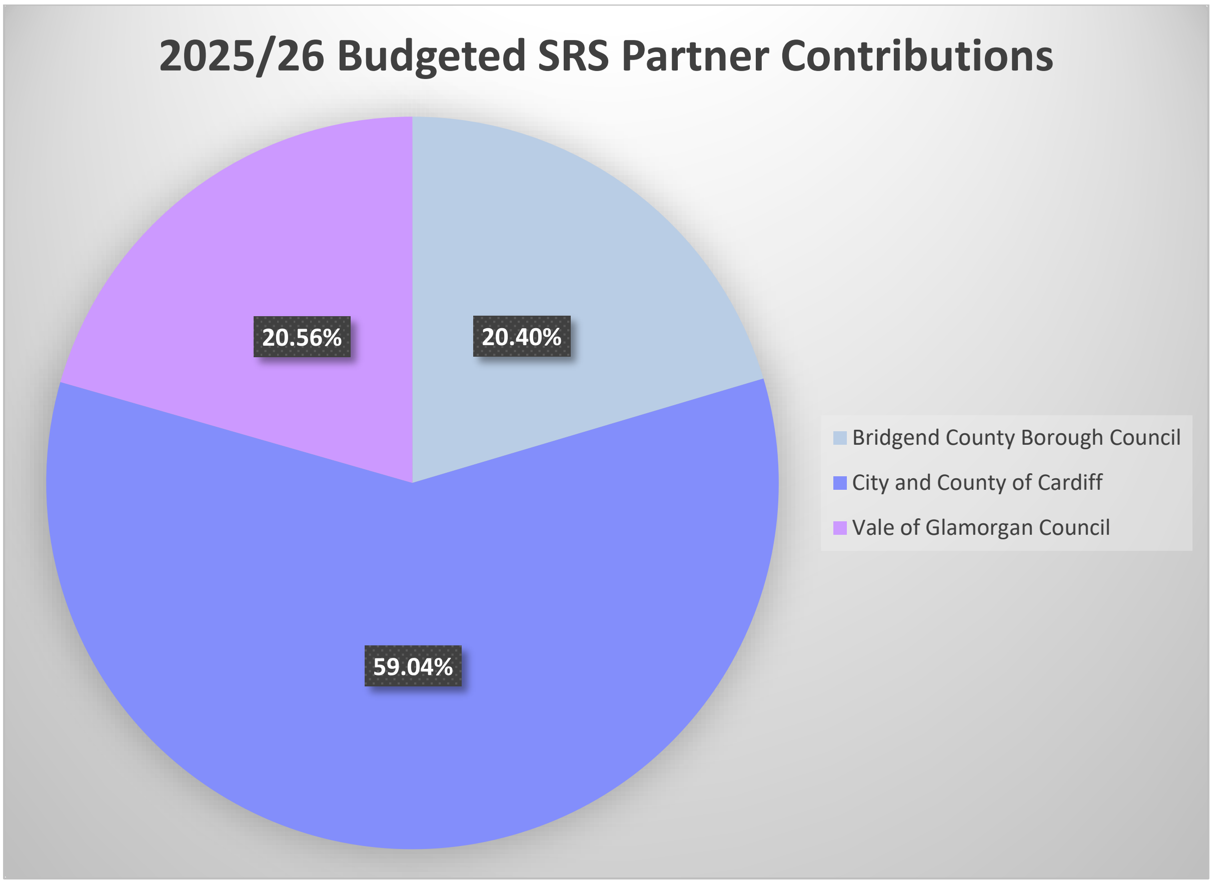
The narrative report provides insight into the funding and expenditure appertaining to the SRS in the year, the key financial issues and pressures and a look to future years.

Information contained within these accounts provides the user with clarity on the nature of transactions in respect of the financial year ended 31st March 2026, and its financial composition as at that date.

These accounts present:

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

The following chart graphically represents the 2025/26 total budgeted contribution made to the SRS by the Partner Authorities, to include both Core and Authority Specific Services.



Summary of Financial Performance

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

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

The SRS 2025/26 gross expenditure budgets are shown on the following table.

Authority	Core Budget Participant Apportionment %	Core Services Budget 2025/26 £'000	Authority Specific Budget 2025/26 £'000	Agreed Budget 2025/26 £'000
Bridgend CBC	**22.07**	**1,358**	**445**	**1,803**
City and County of Cardiff	**57.67**	**3,534**	**1,684**	**5,218**
Vale of Glamorgan	**20.26**	**1,242**	**575**	**1,817**
Total	**100.00%**	**6,134**	**2,704**	**8,838**

The table below illustrates the budgeted expenditure against the actual expenditure incurred for the period 1st April 2025 to 31st March 2026.

Category	Budgeted Expenditure £'000	Actual Expenditure £'000	Variance £'000
Authority Specific	**2,704**	**2,929**	**225**
Core Services	**6,134**	**6,153**	**19**
Total	**8,838**	**9,082**	**244**

The 2025/26 revenue position of the SRS is summarised as follows:

Service	**Agreed Budget £'000**	**Net Revenue Expenditure Chargeable to General Fund Balances £'000**	**Variance £'000**
Authority Specific – Licensing	1,642	1,914	(272)
Authority Specific - Other	1,062	1,015	47
Core Services			
Animal Services	401	371	30
Environmental Services	242	287	(45)
Food Services	1,667	1,609	58
Health & Safety & Communicable Disease	677	668	9
Housing Services	727	765	(38)
Pollution	949	944	5
Trading Standards	1,471	1,509	(38)
	8,838	**9,082**	**(244)**
Net Recovery of 2025/26			243
Reserve Transfers in year			267
Movement in Proceeds of Criminal Activity reserve			18
Movement in General Fund Balance			**284**
General Reserve position as of 31st March 2026			**758**

The below table shows the reconciliation of the Net revenue and expenditure chargeable to general fund balances per the outturn against the EFA:

	Net Expenditure Chargeable to General Fund Balances per **Outturn**	Net Expenditure Chargeable to General Fund Balances per **EFA**	Variance	LA income	Interest	25/26 Overspend recovery Drawdown	25/26 Overspend Recovery	Final Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Authority Specific Licensing	1,914	1,914	0	0	0	0	0	0
Authority Specific - Other	1,015	1,079	64	(64)	0	0	0	0
Animal Welfare Services	371	371	0	0	0	0	0	0
Environmental Services	287	298	11	(11)	0	0	0	0
Food Services	1,609	1,609	0	0	0	0	0	0
Health & Safety and Communicable Disease	668	1,120	452	(443)	0	0	0	9
Housing Services	765	1,110	345	(355)	0	0	0	(10)
Pollution	944	944	0	0	0	0	0	0
Trading Standards	1,509	1,603	94	(64)	(29)	243	(243)	1
Total	9,082	10,048	966	(937)	(29)	243	(243)	0

The 25/26 savings target was replaced with a self-funded pay award in order to satisfy a stand still budget for the 2025/26 financial year, which equated to £245k being taken from the Core and Authority Specific budgets. The make-up of the 2025/26 budget is illustrated in the following table:

2025/26 Budget Reconciliation	Budgeted Expenditure £'000
2024/25 Agreed Revenue Budget	8,813
2024/25 Adjustment for Pay Award Shortfall (not previously funded)	39
2025/26 Self-funded pay award as saving target	(245)
2025/26 Adjustment for £1200 Anticipated Pay Award	245
2025/26 Additional Budget saving Authority Specific (Bridgend only)	(14)
Total	**8,838**

The 2025/26 budget was agreed at the Special Meeting of the Shared Regulatory Services on 19th February 2025.

2025/26

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

Impact of the Current Economic Climate

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

2025/26 was a challenging year in terms of the macroeconomic environment within which the Council and Shared Regulatory Services operated in. Cost of living pressures continued to put pressure not only on the service, but also on those businesses and citizens that the Service supports. The squeeze on budgets whether relating to individuals or businesses has increased the level of risk within society, and from a regulatory perspective, this manifests itself in a number of ways, notably increased rogue trader and illegal money lending activity. It is also the case that traditionally reputable businesses are being tempted to take riskier decisions across a range of sectors. The state of public finances and notably pay increases have put further pressure on the SRS budget at a time when another 3% saving was found coming into the financial year. All of this makes it more important than ever for the Shared Service to deliver value for money for the partners

Non-Financial Performance

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

- **Neighbourhood Services**
- **Commercial Service**
- **Enterprise & Specialist Services**

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

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

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

Improving Health and Wellbeing

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

Safeguarding the Vulnerable

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

Protecting the Environment

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

Supporting the Local Economy

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

Maximising the use of Shared Regulatory Service's Resources

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

The SRS Annual Report 2025/26 details a range of activities undertaken by the Service in its support of these priorities. During 2025/26, the Service, working with the three-partner Council Legal Servies teams, achieved 35 successful prosecutions in support of these strategic priorities.

Looking Forward

A revenue budget of £9.032m for 2026/27 was approved by the SRS Committee on 4th February 2026.

This report can be accessed on the Vale of Glamorgan Council's website,

SRS does not hold a capital budget.

Further Information

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

The Vale of Glamorgan Council (as Host) Responsibilities

The Council is required:

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

The Joint Committee's Responsibilities

- To approve the Statement of Accounts.

Signature:

Date:

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

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

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

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

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

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

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

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

I certify the Statement of Accounts give a true and fair view of the financial position of the Joint Committee as at 31st March 2026, and its income and expenditure for the period then ended.

Signature:

Date: 30th June 2026

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

Shared Regulatory Service Expenditure and Funding Analysis 2025/26

The objective of the Expenditure and Funding Analysis is to demonstrate to the partners how funding available to the SRS in the year and has been used on the provision of services in comparison with those resources consumed or earned by the service in accordance with generally accepted accounting practices. The detailed breakdown of the adjustments between accounting and funding are illustrated for both 2024/25 and 2025/26 in Notes 7. Further information is shown about this note on page 17.

Expenditure and Funding Analysis 2025/26	Net Expenditure Chargeable to General Fund Balances £'000	Adjustments Between Accounting and Funding Basis £'000	Comprehensive Income and Expenditure £'000
Authority Specific - Licensing	1,914	(74)	1,840
Authority Specific - Other	1,079	(40)	1,039
Animal Welfare Services	371	(12)	359
Environmental Services	298	(16)	282
Food Services	1,609	(87)	1,522
Health & Safety and Communicable Disease	1,120	(61)	1,059
Housing Services	1,110	(33)	1,077
Pollution	944	(46)	898
Trading Standards	1,603	(96)	1,507
Net Cost of Services	**10,048**	**(465)**	**9,583**
<u>Financing and Investment Income and Expenditure</u>			
Contribution from Other Local Authorities	(9,775)		(9,775)
Interest Receivable	(29)		(29)
Movements of General Reserves	(236)		(267)
Movement of POCA Reserve	(49)		(18)
Recovery of Prior Year Overspend	(243)		(243)
Pension Past service cost		10	10
(Surplus) or Deficit on the Provision of Services	**(284)**	**(455)**	**(739)**
Opening General Fund Balance at 31st March 2025	(474)		
Less Deficit on General Fund Balance in Year	(284)		
Closing General Fund Balance at 31st March 2026	**(758)**		

Shared Regulatory Service Expenditure and Funding Analysis 2024/25

Expenditure and Funding Analysis 2024/25	**Net Expenditure Chargeable to General Fund Balances**	**Adjustments Between Accounting and Funding Basis**	**Comprehensive Income and Expenditure**
	£'000	**£'000**	**£'000**
Authority Specific – Licensing	1,803	2	1,805
Authority Specific - Other	1,099	-40	1,059
Animal Welfare Services	415	6	421
Environmental Services	267	-1	266
Food Services	1,610	-2	1,608
Health & Safety and Communicable Disease	992	-1	991
Housing Services	1,035	-2	1,033
Pollution	966	-1	965
Trading Standards	1,733	-14	1,719
Net Cost of Services	**9,920**	**(53)**	**9,867**
Financing and Investment Income and Expenditure			
Contributions from Local Authorities	(9,641)	0	(9,641)
Interest Receivable	(36)		(36)
Recovery of Ringfenced funding	(88)	0	(88)
Recovery of Prior Year Overspend	(7)	0	(7)
Pensions Interest Payable	(104)	0	(104)
	0	10	10
(Surplus) or Deficit on the Provision of Services	**44**	**(43)**	**1**
Opening General Fund Balance as at 31st March 2024	(518)		
Less Deficit on General Fund Balance in Year	44		
Closing General Fund Balance as at 31st March 2025	**(474)**		

SRS Movement in Reserves Statement 2024/25 and 2025/26

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

Movement in Reserves in Reserves		**Shared Regulatory Service**							
Shared Regulatory Service	**Notes**	**SRS Reserves £’000**	**Usable Capital Receipts £’000**	**Total Usable Reserves £’000**	**Accumulated Absence Account £’000**	**Pensions Reserve £’000**	**Capital Adjustment Account £’000**	**Total Unusable Reserves £’000**	**Total Reserves £’000**
Balance at 31 March 2024 Carried Forward	**17,19**	**518**	**17**	**535**	**(153)**	**(780)**	**71**	**(862)**	**(327)**
Movement in Reserves during 2024/25									
Total Comprehensive Income & Expenditure		**(1)**	**0**	**(1)**	**0**	**30**	**0**	**30**	**29**
Adjustments between Accounting Basis & Funding Basis	**9**	**(43)**	**(0)**	**(43)**	(51)	50	44	43	0
Increase/(Decrease) in Year		**(44)**	**(0)**	**(44)**	**(51)**	**80**	**44**	**73**	**29**
Balance as at 31st March 2024/25 Carried Forward		**474**	**17**	**491**	**(204)**	**(700)**	**115**	**(789)**	**(298)**
Movement in Reserves during 2025/26									
Total Comprehensive Income & Expenditure		**739**	**0**	**739**	**0**	**260**	**0**	**260**	**999**
Adjustments between Accounting Basis & Funding Basis		**(455)**	**0**	**(455)**	46	440	(31)	455	0
Increase / (Decrease) in Year		**284**	**0**	**284**	**46**	**700**	**(31)**	**715**	**999**
Balance as at 31st March 2026 Carried Forward		**758**	**17**	**775**	**(158)**	**0**	**84**	**(74)**	**701**

SRS Comprehensive Income and Expenditure Statement 2025/26

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

Period Ended 31st March 2026				Period Ended 31st March 2025		
Gross Expt. £000's	**Gross Income £000's**	**Net Expt. £000's**		**Gross Expt. £000's**	**Gross Income £000's**	**Net Expt. £000's**
1,842	(2)	**1,840**	Authority Specific – Licensing	1,812	(7)	**1,805**
1,153	(113)	**1,040**	Authority Specific – Other	1,105	(46)	**1,059**
392	(34)	**358**	Animal Welfare Services	452	(31)	**421**
348	(66)	**282**	Environmental Services	309	(43)	**266**
1,567	(45)	**1,522**	Food Services	1,649	(41)	**1,608**
1,159	(82)	**1,077**	Health & Safety and Communicable Disease	1,011	(20)	**991**
1,057	2	**1,059**	Housing Services	1,037	(4)	**1,033**
895	3	**898**	Pollution	971	(6)	**965**
2,644	(1,137)	**1,507**	Trading Standards	2,756	(1,037)	**1,719**
11,057	**(1,474)**	**9,583**	**Net Cost of Services (Note 8)**	**11,102**	**(1,235)**	**9,867**
			Finance & Investment Income and Expenditure			
0	(9,775)	**(9,775)**	Contributions from Local Authorities	0	(9,641)	**(9,641)**
0	0	**0**	Profit/Loss on Disposal of Assets	0	0	**(0)**
0	(29)	**(29)**	Interest Receivable (**Note 25**)	0	(36)	**(36)**
0	(243)	**(243)**	Recovery of Prior Year Overspend	0	(104)	**(104)**
	(18)	**(18)**	Increase in POCA Reserve		(7)	**(7)**
0	(267)	**(267)**	Transfer to Reserve in year	0	(88)	**(88)**
10	0	**10**	Pension Past Service Costs **(Note 23)**			
0	0	**0**	Pension Interest Payable (**Note 23)**	10	0	**10**
10	**(10,332)**	**(10,322)**	**Financing & Investment Income & Expenditure**	**10**	**(9,876)**	**(9,866)**
11,068	**(11,807)**	**(739)**	**(Surplus) / Deficit on Provision of Services**	**11,112**	**(11,111)**	**1**
			Other Comprehensive Income & Expenditure			
		(260)	Re-measurement of Pension Liability (**Note 23**)			(30)
		(260)	**Other Comprehensive Income & Expenditure**			**(30)**
		(999)	**Total Comprehensive Income & Expenditure**			**(29)**

SRS Balance Sheet as at 31st March 2026

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the SRS (Assets less Liabilities) are matched by the reserves held by the SRS. Reserves are reported in two categories: Usable and Unusable Reserves. Further information on this statement in notes 17 and 18 of this report.

31st March 2026 £'000	Note	Balance Sheet as at 31st March 2025 Shared Regulatory Service	31st March 2025 £'000
		Long Term Non-Current Assets	
84	10	Property, Plant and Equipment	115
	11	Intangible Assets	0
84		**Total Non-Current Assets**	**115**
1,395		Short Term Debtors	997
397		Short Term Debtors Cash Owing from Host Authority	432
1,792	15	**Current Assets**	**1,429**
(441)		Short Term Creditors	(329)
(158)		Accumulated Absence Provision	(204)
0		Short Term Creditors Cash Owing to Host Authority	(0)
(599)	16	**Current Liabilities**	**(533)**
0	20	Pension Liability	(700)
(576)	18	Other Long-Term Liabilities	(609)
(576)		**Long Term Liabilities**	**(1,309)**
701		**Net Assets**	**(298)**
775	17	**Usable Reserves**	**491**
(158)	21	Accumulated Absences	(204)
84	22	Capital Adjustment Account	115
0	20	Pensions Reserve	(700)
(74)		**Unusable Reserves**	**(789)**
701		**Total Reserves**	**(298)**

SRS Cash Flow Statement 2024/25 and 2025/26

The Cash Flow Statement shows the change in cash and cash equivalents of the SRS during the reporting period. The statement shows how the SRS generates and uses cash and cash equivalents by classifying cash flows into operating and investing and financing activities. The function of this statement is detailed on page 19 of this report.

31st March 2026 £'000		**31st March 2025 £'000**
739	**Net Surplus/(Deficit) on the provision of service**	**(1)**
	Adjust net surplus or deficit on the provision of services for non-cash movements	
31	Depreciation	21
0	Amortisation	0
0	Carrying Value on Asset	0
33	Increase/ (Decrease) in Creditors	264
(398)	(Increase)/Decrease in Debtors	319
(440)	Movement on Pension Liability	(50)
(774)	**Total adjustments to net surplus or deficit on the provision of services for non-cash movements.**	**554**
(0)	**Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities**	**(0)**
(35)	**Net Cash-flows from operating activities**	**553**
	Investing activities	
0	Purchase of property, plant and equipment, investment property and intangible assets	(64)
	Other receipts from investing activities	0
0	**Total Investing Activities**	**(64)**
0	**Financing activities**	**0**
(35)	**Net (increase)/decrease in cash and cash Equivalents**	**489**
432	Cash and cash equivalents at the beginning of the reporting period	(57)
397	**Cash owed To /(From) Host Authority as at 31st March**	**432**

Introduction to the Financial Statements

Statement of Accounting Policies

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

Statement of Responsibilities for the Statement of Accounts

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

Expenditure and Funding Analysis

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

Movement in Reserves Statement

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

Comprehensive Income and Expenditure Statement

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

Balance Sheet

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

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

Cash Flow Statement

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

Annual Governance Statement

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

Notes to the Financial Statements

1. Accounting Policies

1.1 Accounting Policies

The SRS is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (Amended), which require them to be prepared in accordance with proper accounting practices. These practices under Section 21 of the Local Government Act 2003, primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) supported by International Financial Reporting Standards (IFRS). Following the UK withdrawal from the remit of the EU-endorsed framework, the Code will be based on standards adopted for the UK application under the terms of the International Accounting Standards and European Public Limited Company (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019/685). These accounts have been prepared on a going concern basis. The financial statements are presented in UK/GB pounds.

1.2 Revenue Income and Expenditure

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

- Revenue from the sale of goods is recognised when the SRS transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the SRS;
- Revenue from the provision of services is recognised when the SRS can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the SRS;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made; and
- 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 change made to revenue for the income that might 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 12 months are included; and
(b) The amount included in the accounts for the Budgeted Contributions are on the basis of cash received.

The difference between the amounts charged annually to the Revenue Accounts in respect of items (a) and (b) and the amounts that would be charged if they were accrued to the 31st March each year is not significant.

1.3 Cash and Cash Equivalents

Cash includes any cash in hand, overnight deposits and bank overdrafts. All cash transactions are administered by the Vale of Glamorgan Council as the Shared Regulatory Service does not operate its own Bank Account.

1.4 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

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

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

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

1.5 Charges to Revenue for Non-Current Assets

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

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

The Budgeted Contributions are not required to fund depreciation, revaluation, impairment losses or amortisations; however, an annual contribution is required from revenue.

1.6 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 SRS to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or where applicable to non-distributed costs.

Post-Employment Benefits

Employees of the Joint Committee are members of the Local Government Pension Scheme, administered by Cardiff County Council Pension Authority. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Joint Committee.

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 Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., plus projections of projected earnings for current employees.
- 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 SRS are included in the Balance Sheet at their fair value.
- The actuarial valuation carried out at 31st March 2026 has been adjusted to exclude both the Vale of Glamorgan Council and the Vale and Valley's Adoption Service. The SRS's share of this fund has been consolidated back into the accounts and is set out in the net pension's liability is analysed into the following components.

Service Cost Comprising of

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

Re-measurements Comprising of

- The return on plan assets, excluded in net interest on the net defined liability (asset), charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- 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. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  Statutory provisions require the Joint Committee Fund balance be charged with the amount payable by the SRS to the pension fund or directly to pensioners in the year in relation to retirement benefits.

Discretionary Benefits

The Shared Service also has restricted powers to make discretionary awards of retirements benefits in the event of early retirements.

1.7 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; and
- Those that are indicative of conditions that arose after the reporting period, the Statement of Accounts is then adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
- There are no post-balance sheet events to report.

1.8 Government Grants and Contributions

Government Grants, Third Party Contributions and Donations are recognised as due to the SRS when there is reasonable assurance that:

- The SRS will comply with the conditions attached to the payments; and
- The grant(s) 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.

1.9 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the SRS is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the SRS.

The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement.

Assets are maintained in the Balance Sheet at fair value.

1.10 Leases

The Shared Regulatory Service does not have any operating or finance leases in 2025/26.

1.11 Overheads and Support Costs

The cost of SRS Overheads and Support services are apportioned out within the Comprehensive Income and Expenditure Statement. These costs sit with the relevant groupings within the statements concerned.

1.12 Inventories

The Shared Regulatory Service did not hold any inventory as at 31st March 2026.

1.13 Property Plant and Equipment

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

Expenditure on the acquisition or creation of Property, Plant and Equipment is capitalised on an accrual's basis, provided that the future economic benefits or service potential associated with the item will flow to the SRS and the cost of the item can be measured reliably.

A de-minimis rule for capital has been applied – generally no capital expenditure valued at under £10,000 is included within the capital spend. Where a group of assets exceed £10,000 these would normally be considered de-minimis for capital expenditure.

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; and
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
- When decreases in value for individual assets are identified, they are accounted for either by setting it off against gains for the asset in the Revaluation Reserve, or against the relevant service lines in the Comprehensive Income and Expenditure Statement.

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 Plant and Equipment assets over their useful lives which is determined as being five years.

Depreciation is calculated on the following basis:

- Vehicles, plant, furniture and equipment – over the five-year life of the asset

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.

1.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made when an event has taken place that gives the SRS a legal or constructive obligation that probably requires settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount of the obligation.

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. The Shared Regulatory Service did not hold any provisions as at 31st March 2026.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the SRS a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly in the control of the SRS. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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 SRS a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the SRS.

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.

1.15 Specific Reserves

These reserves represent sums of money that are voluntarily set aside for specific purposes.

1.16 Value Added Tax

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

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

At the balance sheet date, there are some standards introduced by the 2026/27 Code that have not been adopted and these are listed below, however, they are expected to have very little impact on the Shared Regulatory Services accounts.

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

3. Critical Judgements in Applying Accounting Policies

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

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

4. Events after the Balance Sheet Date

The Unaudited Statement of Accounts was authorised for issue by the Head of Finance (Section 151 Officer) on 24th June 2026.

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

- Those that provide evidence of conditions that existed at the end of the reporting period, the Statement of Accounts is adjusted to reflect such events.

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

5. Prior Period Adjustments

A change in accounting policies or to correct a material error can result in a prior period adjustment. Changes in accounting estimates do note give rise to a prior period adjustment but are accounted for prospectively.
Changes in accounting policies are only made when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of the transactions, other events and condition of the SRS's financial position or financial performance. When a change is made it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied.

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

There are no prior period adjustments to report within the 2024/25 financial statements.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the SRS about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Joint Committee's Balance Sheet as at 31st March 2026 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Property Plant and Equipment

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

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

Debtors

There are no significant debts held by the Shared Regulatory Service in excess of a year old as at 31st March 2026. However, a provision of £33k in respect of bad and doubtful debts has been included within the 2025/26 Statements, with all other debts considered to be recoverable.

Pensions Liability

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

A triennial valuation is caried out on the fund. The value of the pension liability as at 31st March 2026 being £nil, which represents a reduction of £0.7m from the previous year as illustrated on the balance sheet.

Estimation of the net liability to pay pensions depends on a number of complex judgements related to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the Cardiff and Vale Pension Fund with expert advice about assumptions to be applied. The actuarial report is based on the newest triennial valuation carried out at 31st March 2025.

Future Period Budget Pressures

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

Material Items of Income and Expenditure

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

7. Note to the Expenditure and Funding Analysis

Notes to the Expenditure and Funding Analysis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts

	Pension Interest Adjustment £'000	**Adjustments for Capital Purposes £'000**	**Net Change for Pensions Adjustment £'000**	**Accrued Annual Leave £'000**	**Total Adjustment £'000**
Authority Specific – Licensing	(1)	0	(7)	9	**1**
Authority Specific – Other	(1)	(42)	(4)	7	**(40)**
Animal Welfare Services	(1)	7	(2)	2	**6**
Environmental Services	0	0	(1)	1	**0**
Food Services	(2)	(0)	(8)	7	**(3)**
Health & Safety and Communicable Disease	(1)	0	(5)	4	**(2)**
Housing Services	(1)	0	(6)	6	**(1)**
Pollution	(1)	0	(5)	5	**(1)**
Trading Standards	(2)	(9)	(12)	10	**(13)**
Net Cost of Services	**(10)**	**(44)**	**(50)**	**51**	**(43)**
Contributions from LAs	0	0	0	0	**0**
Profit on Disposal of Asset	0	0	0	0	**0**
Pensions Interest Payable	10	0	0	0	**(10)**
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or deficit	**0**	**(44)**	**(50)**	**51**	**(43)**

Notes to the Expenditure and Funding Analysis 2025/26

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts

	Pension Interest Adjustment £'000	**Adjustments for Capital Purposes £'000**	**Net Change for Pensions Adjustments £,000**	**Accrued Annual Leave £'000**	**Total Adjustment £'000**
Authority Specific – Licensing	(1)	0	(65)	(8)	**(74)**
Authority Specific – Other	(1)	8	(42)	(5)	**(40)**
Animal Welfare Services	0	6	(16)	(2)	**(12)**
Environmental Services	(2)	0	(13)	(1)	**(16)**
Food Services	(1)	0	(78)	(8)	**(87)**
Health & Safety and Communicable Disease	(1)	0	(56)	(4)	**(61)**
Housing Services	(1)	0	(29)	(3)	**(33)**
Pollution Services	(1)	0	(41)	(4)	**(46)**
Trading Standards	(2)	17	(100)	(11)	**(96)**
Net Cost of Services	**(10)**	**31**	**(440)**	**(46)**	**(465)**
Contributions from LAs	0	0	0	0	**0**
Interest Receivable	0	0	0	0	**0**
Past Service costs Payable	10	0	0	0	**10**
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or deficit	**0**	**31**	**(440)**	**(46)**	**(455)**

Adjustments for Capital Purposes

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

Net Change for the Pensions Adjustments

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

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

Accrued Annual Leave

- Adjustments are made for accrued staff annual leave. The balances of leave held at 31st March 2026 reflect a decrease from 2024/25 levels.

8. Note to the Comprehensive Income and Expenditure Statement

2025/26	Employee Expenses £'000	Other Expenses £'000	Depreciation/ Amortisation £'000	Gross Expenditure £'000	Grant Income £'000	Fees & Charges £'000	Gross Income £'000	Net Expenditure £'000
Authority Specific – Licensing	1,549	293	0	**1,842**	0	(2)	**(2)**	**1,840**
Authority Specific – Other	1,041	104	8	**1,153**	0	(113)	**(113)**	**1,040**
Animal Welfare Services	312	74	6	**392**	0	(34)	**(34)**	**358**
Environmental Services	288	60	0	**348**	0	(66)	**(66)**	**282**
Food Services	1,477	90	0	**1,567**	0	(45)	**(45)**	**1,522**
Health & Safety and Communicable Disease	827	332	0	**1,159**	0	(82)	**(82)**	**1,077**
Housing Services	1,003	54	0	**1,057**	(7)	9	**2**	**1,059**
Pollution	834	61	0	**895**	0	3	**3**	**898**
Trading Standards	2,083	544	17	**2,644**	(923)	(214)	**(1,137)**	**1,507**
Net Cost of Services	**9,414**	**1,612**	**31**	**11,087**	**(930)**	**(544)**	**(1,474)**	**9,583**
<u>**Finance & Investment Income & Expenditure**</u>								
Contributions from Local Authorities				**0**			**(9,775)**	**(9,775)**
(Profit)/Loss on Disposal of Asset				**0**			**0**	**0**
Transfer to Reserves				**0**			**(267)**	**(267)**
Increase in POCA reserve							**(18)**	**(18)**
Interest Receivable (**Note 25**)				**0**			**(29)**	**(29)**
Recovery of Prior Year Overspend				**0**			**(243)**	**(243)**
Pension Past service (**Note 23**)				**10**			**0**	**10**
Financing & Investment Income & Expenditure				**10**			**(10,332)**	**(10,322)**
(Surplus)/Deficit on Provision of Services				**11,097**			**(11,806)**	**(739)**

2024/25	Employee Expenses £'000	Other Expenses £'000	Depreciation/ Amortisation £'000	Gross Expenditure £'000	Grant Income £'000	Fees & Charges £'000	Gross Income £'000	Net Expenditure £'000
Authority Specific – Licensing	1,536	276	0	**1,812**	0	(7)	**(7)**	**1,805**
Authority Specific – Other	1,008	96	1	**1,105**	0	(46)	**(46)**	**1,059**
Animal Welfare Services	369	76	7	**452**	0	(31)	**(31)**	**421**
Environmental Services	247	62	0	**309**	0	(43)	**(43)**	**266**
Food Services	1,542	107	0	**1,649**	0	(41)	**(41)**	**1,608**
Health & Safety and Communicable Disease	979	32	0	**1,011**	0	(20)	**(20)**	**991**
Housing Services	967	70	0	**1,037**	(3)	(1)	**(4)**	**1,033**
Pollution	919	52	0	**971**	0	(6)	**(6)**	**965**
Trading Standards	2,332	411	13	**2,756**	(871)	(166)	**(1,037)**	**1,719**
Net Cost of Services	**9,899**	**1,182**	**21**	**11,102**	**(874)**	**(361)**	**(1,235)**	**9,867**
<u>Finance & Investment Income & Expenditure</u>				**0**				**(9,641)**
Contributions from Local Authorities				**0**			**(0)**	**(0)**
(Profit)/Loss on Disposal of an Asset				**0**			**(88)**	**(88)**
Repayment of Prior Year Underspend				**0**			**(7)**	**(7)**
Interest Receivable (**Note 25)**				**0**			**(36)**	**(36)**
Recovery of Prior Year Overspend				**0**			**(104)**	**(104)**
Pension Interest Payable (**Note 23**)				**10**				**10**
Financing & Investment Income & Expenditure				**10**			**(9,876)**	**(9,866)**
(Surplus)/Deficit on Provision of Services				**11,112**			**(11,111)**	**1**

9. Adjustments between Accounting Basis and Funding Basis Analysis

2024/25	**SRS Reserves £'000**	**Capital Receipts Reserve £'000**	**Total Usable Reserves £'000**	**Total Unusable Reserves £'000**
Accrued Staff Annual Leave	(51)	0	**(51)**	**51**
Reversal of Items Relating to retirement benefits debited or credited to the CIES	(1,350)	0	**(1,350)**	**1,350**
Employers pension contributions and direct payments to pensions payable in year	1,400	0	**1,400**	**(1,400)**
Capital Expenditure funded from Revenue Balances	65	0	**65**	**(65)**
Amounts of non-current assets written off on disposal to CIES	0	0	**(0)**	**0**
Charges for Depreciation/Amortisation of Non-Current Assets	(21)	0	**(21)**	**21**
	43	**(0)**	**43**	**(43)**

2025/26	**SRS Reserves £'000**	**Capital Receipts Reserve £'000**	**Total Usable Reserves £'000**	**Total Unusable Reserves £'000**
Accrued Staff Annual Leave	46	0	**46**	**46**
Reversal of Items Relating to retirement benefits debited or credited to the CIES	(990)	0	**(990)**	**(990)**
Employers pension contributions and direct payments to pensions payable in year	1,440	0	**1,440**	**1,440**
Employers pension contributions related to Past service costs	(10)	0	**(10)**	**(10)**
Capital Expenditure funded from Revenue Balances	0	0	**0**	**0**
Amounts of non-current assets written off on disposal to CIES	0	0	**0**	**0**
Charges for Depreciation/Amortisation of Non-Current Assets	(31)	0	**(31)**	**(31)**
	455	**0**	**455**	**(455)**

10. Property, Plant & Equipment

	2025/26			2024/25		
	Vehicles £'000	Equipment £'000	Total £'000	Vehicles £'000	Equipment £'000	Total £'000
Cost/Valuation as at 1 April	393	82	**475**	328	82	**410**
Additions	0	0	**0**	65	0	**65**
Deletions	0	0	**0**	0	0	**0**
Cost/Valuation as at 31 March	**393**	**82**	**475**	**393**	**82**	**475**
Accumulated Depreciation and impairment as at 1 April	(278)	(82)	**(360)**	(257)	(81)	**(338)**
Depreciation charge	(31)	(0)	**(391)**	(21)	(1)	**(22)**
Write out Disposal Depreciation	0	0	**0**	0	0	**0**
Accumulated Depreciation and Impairment as at 31 March	**(309)**	**(82)**	**(391)**	**(278)**	**(82)**	**(360)**

Net Book Value	**Vehicles £'000**	**Equipment £'000**	**Total £'000**	**Vehicles £'000**	**Equipment £'000**	**Total £'000**
At 31 March 2025				**115**	**0**	**115**
At 31 March 2026	**84**	**0**	**84**			

11. Intangible Assets

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

	Purchased Assets 2025/26 £'000	Purchased Assets 2024/25 £'000
Balance at start of year		
Gross carrying amounts	117	117
Accumulated Amortisation	(117)	(117)
Net carrying amount at start of year	**0**	**0**
Additions	0	0
Purchases	0	0
Amortisation	0	0
Other Disposals	0	0
Amortisation written off on disposal	0	0
Net carrying amount at end of year	**0**	**0**
Comprising		
Gross carrying amounts	117	117
Accumulated Amortisation	(117)	(117)
Net carrying amount at end of year	**0**	**0**

12. Related Party Transactions

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

All cash transactions are administered by the Vale of Glamorgan Council (Host Authority) as the Shared Regulatory Service does not operate its own bank account. As at 31st March 2026, the Joint Committee was owed £397k from the Council relating to these transactions. During the year, transactions with Related Parties arose and are shown in the following table while debtor and creditor balances at year end are detailed in **Notes 15 and 16.**

2025/26 Expenditure £'000	2025/26 Income £'000		2024/25 Expenditure £'000	2024/25 Income £'000
23	(1,859)	Bridgend CBC	69	(1,937)
170	(5,779)	The City of Cardiff Council	173	(5,734)
378	(1,879)	Vale of Glamorgan Council	436	(1,769)
571	**(9,517)**	**Total**	**678**	**(9,440)**

The Shared Regulatory Service also delivers rechargeable services on behalf of other Local Authorities of £62k in 2025/26.

The SRS continues to provide support to the Cardiff and Vale health board. In the 2025/26 financial year we have delivered £519k of rechargeable services.

Welsh Government effect and influence the SRS via legislation and grant funding. As at 31st March 2026 there are no sums in respect of grants outstanding from Welsh Government.

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

13. Audit Fees

2025/26 £'000		2024/25 £'000
19	Audit Wales Fees	28
19	**Total**	**28**

The 2024/25 fee reflects the charge by Audit Wales for the completion of the audit. Due to additional time needed to complete the audit an additional charge of £10k was included.

14. Leases

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

15. Debtors

2025/26 £'000		**2024/25 £'000**
5	Central Government Bodies	13
31	Bridgend County Borough Council	18
589	City and County of Cardiff Council	538
56	Other Local Authorities	5
0	Vale of Glamorgan Council	0
618	NHS Bodies	393
129	Public Corporations and Trading Accounts	47
0	Other Entities and Individuals (including trade debtors)	0
1,428	**Total**	**1,014**
(33)	Provision for Bad and Doubtful Debts	**(17)**
1,395	**Balance as at 31st March**	**997**
397	Cash Owed from the host authority	**432**
1,792	**Balance as at 31st March (including cash owed from host authority)**	**1,429**

There are 92 unpaid debtor balances that are in excess of a year old, therefore, a £33k provision for Bad and Doubtful Debt has been made within the 2025/26 accounts. The SRS periodically receives a portion of any seized funds from proceeds of crime, however as these timings and values are unknown until confirmation via the home office these cannot be included as debtors at year-end.

16. Creditors

2025/26 £'000		**2024/25 £'000**
(20)	Central Government Bodies	(12)
(116)	Bridgend County Borough Council	(69)
(197)	City And County of Cardiff Council	(133)
0	Vale of Glamorgan (Host Authority)	(0)
0	NHS Bodies	(0)
0	Public Corporations and Trading Funds	(0)
(158)	Accumulated Absences	(204)
(53)	Receipts in Advance	(37)
(55)	Other Entities and Individuals	(78)
(599)	**Balance as at 31st March**	**(533)**
0	Cash Owed to the host authority	**0**
(599)	**Balance as at 31st March (including cash owed to the host authority)**	**(533)**

17. Movement on Usable Reserves

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

	General Reserves £'000	Earmarked Reserves £'000	Other Reserves £'000	Total Usable Reserves £'000
Balance as at 1st April 2024	**(494)**	**(24)**	**(17)**	**(535)**
POCA Reserve movements	0	(8)	**0**	(8)
Recovery of 24/25 overspend	(103)	0	**0**	**(103)**
Recovery of Ringfenced income	0	(88)	**0**	**(88)**
2024/25 Overspend	243	0	**0**	**243**
Balance as at 31st March 2025	**(354)**	**(120)**	**(17)**	**(491)**
Balance as at 1st April 2025	**(354)**	**(120)**	**(17)**	**(491)**
POCA Reserve movements	0	(18)	**0**	(18)
Recovery of 24/25 overspend	(243)	0	**0**	**(243)**
Reserve movements in year	59	(327)	**0**	**(268)**
2025/26 Overspend	245	0	**0**	**245**
Balance as at 31st March 2026	**(293)**	**(465)**	**(17)**	**(775)**

18. Movement on Other Long-Term Liabilities

2025/26 £'000	Other Long-Term Liabilities	2024/25 £'000
(609)	**Balance as at the 1st April**	(490)
	Drawdown to fund Operating Activities	0
33	Increase to funds received in the year	(119)
576	**Balance as at the 31st March**	**(609)**

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

These funds also include the deferred element of a new SRS income source. Previously all licensing income was collected and held by the partner authorities, but a new 3-year license was required this year for some businesses. The carry value of income due to be released in later financial years is split between short-term and long-term liabilities.

19. Movement on Unusable Reserves

	Pension Reserves £'(000	Accumulated Absences £'000	Capital Adjustment £'000	Total Unusable Reserves £'000
Balance as at 1st April 2024	**(780)**	**(153)**	**71**	**(862)**
Increase/(Decrease)	80	(51)	44	73
Balance as at 31st March 2025	**(700)**	**(204)**	**115**	**(789)**
Balance as at 1st April 2025	**(700)**	**(204)**	**115**	**(789)**
Increase/(Decrease)	700	46	(31)	715
Balance as at 31st March 2026	**0**	**(158)**	**84**	**(74)**

20. Pension Reserve

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

2025/26 £'000	Pensions Reserve	2024/25 £'000
(700)	**Balance as at the 1st April**	**(780)**
260	Re-measurements of net defined liability/(asset)	30
(10)	Past service costs	0
(990)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(1,350)
1,440	Employers pension contribution and direct payments to pensioners payable in the year	1,400
0	**Balance as at the 31st March**	**(700)**

21. Short Term Accumulated Absence Account

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

During 2025/26 we have seen a change in the recent trend and a return to greater utilisation of annual leave available to staff. We believe this to be as a result of the relief of some pressures within the service due to a reduction in vacant posts and have therefore noted a subsequent decrease in the accumulated absences carrying value for the period.

2025/26 £'000	Accumulated Absences Account	2024/25 £'000
(204)	**Balance as at 1st April**	**(153)**
(158)	Amounts accrued at the end of the current year	**(204)**
204	Reversal of prior year accrual	153
(158)	**Balance as at 31st March**	**(204)**

22. Capital Adjustment Account

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

2025/26 £'000	Capital Adjustment Account	2024/25 £'000
115	**Balance as at 1st April**	**71**
(31)	Charges for depreciation of Non-Current Assets	(21)
0	Amortisation of Intangible Assets	0
	Write out vehicle net disposal costs	0
0	Capital Expenditure charged against the Joint Committee Balance (CERA)	65
84	**Balance as at 31st March**	**115**

23. Retirement Benefits Defined Benefit Schemes

Local Government Pension Scheme Funded Benefits

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

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions is set out in the 'LGPS Regulations 2013' and the Fund's Funding Strategy Statement. The last actuarial valuation was on 31st March 2025.

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

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

2025 Actuarial Valuation

These results allow for the 2025 Actuarial Valuation of the Fund. The effect of allowing for this is shown in the Actuarial (gains)/losses due to the liability experience and the Return on plan assets (in excess of)/below that recognised in net interest and is reflected in the balance sheet position. The Current Service Cost has been updated to reflect the employer's membership data at the 2025 valuation.

Roll Forward Approach

The roll forward approach is a method of approximately calculating pension scheme assets and liabilities by adjusting the results of the last full actuarial valuation exercise.

Assets Returns

Asset Returns over the accounting period have been higher than expected. This has led to an increase on assets over the accounting period and an improvement on the balance sheet position before allowance for the 2025 valuation.

Financial Assumptions

There has been a change to the financial assumptions over the period. The discount rate has increased by 0.40%, the CPI inflation assumption has increased by 0.30%, and the salary increase assumption has reduced by 0.30%. This has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.

Demographic Assumptions

There has been a change to the demographic assumptions at this accounting date. The impact of this change has been recognised in Other Comprehensive Income.

All mortality assumptions are based on an analysis of the Fund's recent mortality experience that was carried out in advance of the 2025 Valuation of the Fund using

Aon's Demographic Horizons longevity model. Different rates may apply in respect of those that have retired or are assumed to retire due to ill health retirement.

At this accounting date we propose to adopt the CMI_2025 mortality projection model with core parameters with the exception of the A parameter (initial addition to mortality improvements) which we recommend is set at 0.5% to recognise that members of defined benefit schemes generally experience faster rates of longevity improvement relative to the UK population this is consistent with the approach last year.

We also recommend a long-term improvement rate of 1.25% per annum which is consistent with last year.

The other demographic assumptions are the rates of withdrawal and ill health retirement (for active members) the allowances made for cash commutation on retirement the proportion of members whose death gives rise to a dependents pension and the assumed levels of promotional salary increases.

Key Assumptions

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

	31st March 2026 % per annum	**31st March 2025 % per annum**
Discount Rate	6.20%	5.80%
CPI Inflation	2.80%	2.50%
Rate of Increase to Pensions in Payment	2.80%	2.50%
Pension Accounts Revaluations Rate	2.80%	2.50%
Rate of Increase in Salaries	3.80%	3.50%

- 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.

Post Retirement Mortality (Retirement in Normal Health)

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2025 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectations at age 65 in normal health resulting from these mortality assumptions are shown below.

Post Retirement Mortality	31st March 2026	31st March 2025
Males		
Pensioner Member Aged 65 at Accounting Date	22.3	21.9
Active Member Aged 45 at Accounting Date	22.6	22.2
Females		
Pensioner Member Aged 65 at Accounting Date	24.6	24.2
Active Member Aged 45 at Accounting Date	25.3	25.0

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

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

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

Asset Allocation

	Asset Split as at 31st March 2026	Asset Split as at 31st March 2025
Quoted Equities	68.10%	67.60%
Property	5.20%	5.80%
Government Bonds	7.20%	7.50%
Corporate Bonds	4.40%	5.10%
Multi Asset Credit	5.10%	5.20%
Cash	0.50%	0.50%
Other	9.50%	8.30%
Total	**100.00%**	**100.00%**

Reconciliation of Funded Status to Balance Sheet

	Value at 31st March 2026 £M	Value at 31st March 2025 £M
Fair Value of Assets	49.060	44.350
Present Value of Funded Defined Benefit Obligation	(37.050)	(35.070)
Funded Status	**12.010**	**9.280**
Unrecognised Asset	(12.010)	(9.280)
Additional liability due to minimum funding requirement	0	(0.700)
(Liability) Recognised on the Balance Sheet	**0.00**	**(0.700)**

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

Active Members	62%
Deferred Pensioners	14%
Pensioners	24%

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

Duration of Liabilities

The Employer's regular contribution to the Fund for accounting period ended 31st March 2026 are estimated to be £1.16m, with the duration of liabilities being 17.9 years.

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

	Period Ending 31st March 2026	Period Ending 31st March 2025
Operating Cost	**£M**	**£M**
Current Service Cost	0.99	1.34
Past Service Cost (including curtailments)	0.01	0.00
Settlement Cost	0.00	0.00
Financing Cost		
Interest on Net Defined Benefit Liability/(Asset) before asset restriction	(0.58)	(0.01)
Interest on unrecognised asset	0.54	0.00
Interest on additional liability due to minimum funding requirement	0.04	0.02
Pension Expense Recognised in Surplus or Deficit	**1.00**	**1.35**
Re-measurements in Other Comprehensive Income		
Return on Plan Assets (in excess of)/below that recognised in Net Interest	(0.62)	0.46
Actuarial (Gains)/Losses due to Changes in Financial Assumptions	(0.61)	(9.75)
Actuarial (Gains)/Losses due to Changes in Demographic Assumptions	0.30	(0.35)
Actuarial (gains) losses due to liability experience	(0.78)	0.05
Actuarial loss/ (Gain) due to restriction surplus	2.19	9.28
Actuarial (Gains)/Losses due to minimum funding requirement	(0.74)	0.28
Total Amount Recognised in Other Comprehensive Income	**(0.26)**	**(0.03)**
Total Amount Recognised in Comprehensive Income & Expenditure	**0.74**	**1.32**

The current service costs included an allowance for the administration expenses of £0.04M at 31st March 2026.

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

	Period Ending 31st March 2026 £M	Period Ending 31st March 2025 £M
Opening Defined Benefit Obligation	**35.07**	**41.88**
Current Service Cost	0.99	1.34
Interest Expense on Defined Benefit Obligation	2.04	1.97
Contribution by Participants	0.50	0.49
Actuarial (Gains)/Losses due to Changes in Financial Assumptions	(0.61)	(9.75)
Actuarial (Gains)/Losses due to Changes in Demographic Assumptions	0.30	(0.35)
Actuarial (Gains)/Losses due to Liability Experience	(0.78)	0.05
Net Benefits Paid Out	(0.47)	(0.56)
Past Service Cost Including Curtailments	0.01	0.00
Net Increase in Liabilities from Disposals/Acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing Defined Benefit Obligation	**37.05**	**35.07**

Changes to the Fair Value of Assets during the Accounting Period

	Period Ending 31st March 2026 £M	Period Ending 31st March 2025 £M
Opening Fair Value of Assets	**44.35**	**41.50**
Interest Income on Assets	2.62	1.98
Re-measurements Gains/(Losses) on Assets	0.62	(0.46)
Contributions by the Employer	1.44	1.40
Contribution by the Participant	0.50	0.49
Net Benefits Paid out	(0.47)	(0.56)
Net increase in Assets from Disposals/Acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing Fair Value of Assets	**49.06**	**44.35**

Actual Return on Assets

	Period Ending 31st March 2026 £M	Period Ending 31st March 2025 £M
Interest Income on Assets	2.62	1.98
Re-measurements Gains/(Losses) on Assets	0.62	(0.46)
Actual Return on Assets	**3.24**	**1.52**

Estimated Pension Expense in Future Periods

Detailed below in an estimate of the charges to the profit and loss account in future periods, based on the actuarial assumptions as at 31st March 2026.

Funded Benefits	Period Ending 31st March 2028 £M	Period Ending 31st March 2027 £M
Interest on net defined benefit liability	(0.04)	(0.04)
Current Service cost	1.10	1.01
Actual Return on Assets	**1.06**	**0.97**
Allowance for administration expenses included in Current Service Cost (£M)	**0.05**	**0.05**
Estimated pensionable payroll over the period (£M)	**8.02**	7.73

Sensitivity Analysis of Projected Service Costs 2025/26

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be inter-related. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those in the previous period. Projected service cost in the sensitivity analysis below is the projected service cost for the period ending 31st March 2026.

Discount Rate Assumption

Adjustment to Discount Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Obligation (£M)	36.38	37.05	37.72
% Change in Present Value of Total Obligation	(1.8%)		1.8%
Projected Service Cost (£M)	0.97	1.01	1.05
Approximate % Change in Projected Service Cost	(4.1%)		4.2%

Rate of General Increase in Salaries

Adjustment to Salary Increase Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Total Obligation (£M)	37.16	37.05	36.94
% Change in Present Value of Total Obligation	0.3%		(0.3%)
Projected Service Cost (£M)	1.01	1.01	1.01
Approximate % Change in Projected Service Cost	0.0%		0.0%

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

Adjustment to Pension Increase Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Total Obligation (£M)	37.61	37.05	36.49
% Change in Present Value of Total Obligation	1.5%		(1.5%)
Projected Service Cost (£M)	1.05	1.01	0.97
Approximate % Change in Projected Service Cost	4.2%		(4.1%)

Post Retirement Mortality Assumption

Adjustment to Mortality Age Rating Assumption	- 1 year	Base Figure	+ 1 year
Present Value of Total Obligation (£M)	37.90	37.05	36.20
% Change in Present Value of Total Obligation	2.3%		(2.3%)
Projected Service Cost (£M)	1.05	1.01	0.97
Approximate % Change in Projected Service Cost	3.5%		(3.5%)

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

24. Employee Emoluments

Officers Remunerated in Excess of £60,000

The number of employees whose remuneration, excluding employer's pension contributions but including redundancy costs, were over £60,000 or more in bands of £5,000 are shown below. This includes the members of senior leadership within the service.

Remuneration Band	2025/26 No of Employees	2024/25 No of Employees
£60,000 - £64,999	2	1
£65,000 - £69,999	3	3
£70,000 - £74,999	0	0
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	0	0
£95,000 - £99,999	0	1
£100,000 - £104,499	0	0
£105,000 - £109,999	1	0
£110,000 - £114,999	0	0

Senior Management

Four senior officers within Shared Regulatory Services breached the £60,000 salary threshold in both 2024/25 and 2025/26. As shown in the tables below:

Senior Officer Emoluments 2025/26	Salary £	Pension Contributions £	Total Remuneration £
SRS Head of Service	106,158	19,814	**125,972**
Commercial Services OM	67,087	12,948	**80,035**
Neighbourhood Services OM	67,087	12,948	**80,035**
Enterprise & Specialist Services OM	67,087	12,948	**80,035**
Total	**307,419**	**58,658**	**366,077**

Senior Officer Emoluments 2024/25	Salary £	Pension Contributions £	Total Remuneration £
SRS Head of Service	97,319	18,783	**116,102**
Neighbourhood Services OM	65,006	12,546	**77,552**
Enterprise & Specialist Services OM	65,006	12,546	**77,552**
Commercial Services OM	65,006	12,546	**77,552**
Total	**292,337**	**56,421**	**348,758**

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

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

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

Exit Packages

There were no exit packages paid in either 2025/26 or 2024/25.

25. Interest

Interest is paid based on monthly average cash balances due to/from the Vale of Glamorgan Council. The decrease in the 2025/26 average interest earned is the direct result of an increase on asset balances held by the SRS.

	2025/26 £	%	2024/25 £	%
Interest (Charged)/Received on the SRS Account Balances	29,090	4.01	£36,180	4.8%

26. Contingent Liability

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 2025/26 accounts. The Government is proposing to legislate to allow retrospective validation of certain scheme changes through the 2024 Pension Schemes Bill which is expected to be a significant step forward in addressing potential issues arising from the ruling.

Comprehensive Glossary

Accounting Period

The period of time covered by the accounts, typically a period of 12 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 on behalf on the Joint Committee in preparing and presenting its financial statements.

Accruals

Amounts included in the final accounts to recognise revenue and capital income and expenditures earned of 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 of events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses); or the actuarial assumptions have varied.

Amortisation

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

Asset

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

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

Balance Sheet

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

Capital Financing

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

Cash Equivalents

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

Comprehensive Income and Expenditure Account

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

Creditor

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

Current Service Cost (Pensions)

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

Debtor

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

Defined Benefit Pension Scheme

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

Depreciation

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

Discretionary Benefits (Pensions)

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

Effective Interest Rate

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

Employee Benefits

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

Events After the Balance Sheet Date

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

Exceptional Items

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

Expected Return on Pension Assets

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

Extraordinary Items

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

Fair Value

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

Financial Instruments

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

Going Concern

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

Impairment

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

Intangible Assets

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

Liability

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

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

Materiality

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

Net Book Value

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

Past Service Cost (Pensions)

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

Pension Scheme Liabilities

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

Prior Year Adjustment

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

Provision

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

Related Parties

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

Re-measurement of Pension Liability

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

Reserves

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

Residual Value

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

Useful Economic Life (UEL)

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

Annual Governance Statement 2025/26

About Shared Regulatory Services

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

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

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

Scope of Responsibility

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

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

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

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

The Shared Regulatory Service is *not* responsible for:

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

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

The purpose of the governance framework

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

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

The system of internal control is an ongoing process designed to identify and prioritise the risks to the achievement of aims and objectives. It also evaluates the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically. The following paragraphs summarise the overall governance framework and the system of internal control, which has been in place for the Shared Regulatory Services for the period covering 1st April 2025 to 31st March 2026.

The Governance Framework

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

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social, and environmental benefits.

- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

This Governance Statement has used these principles to demonstrate how the overall governance arrangements for the Shared Regulatory Service for the period covering 1st April 2025 to 31st March 2026 are deemed to be satisfactory. The Governance Statement does not document policies, procedures and working practices under each of these principles, but instead provides an overview of the governance and internal control processes and systems.

Joint Working Agreement (Legal Agreement)

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

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

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

- The role of the Joint Committee and Management Board including Terms of Reference;
- The role of the Head of Regulatory Services;
- Financial matters and Lead Finance Officer role;
- Levels of service to be provided;
- Employees;
- Records and access to information including Data Protection and information governance;
- Termination and rights to withdraw; and
- Governing law and jurisdiction.

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

The Host Authority

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

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

The Management Board

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

- Chief Officer Legal, HR and Regulatory Services (BCBC)
- Assistant Director Street Scene (CCC)
- Director of Environment and Housing (VoGC)
- Head of Shared Regulatory Services (VoGC)

Financial Management

Section 11 of the Joint Working Agreement provides the framework within which the finances of the Shared Regulatory Services operate. The Joint Committee has adopted the Financial Regulations and Standing Orders for Contracts (however expressed) of the Host Authority. In accordance with the requirements of the Joint Working Agreement, the Joint Committee considered SRS annual budget for 2026/27 at its December 2025 meeting, and by agreement deferred confirmation of the draft budget until an extraordinary meeting of the Joint Committee in January 2026.

Service Structure

At the commencement of the Shared Regulatory Service on 1st May 2015, some 170 “in- scope” employees had successfully transferred from BCBC and CC to the host employer (VoGC). The new structure for the Shared Regulatory Service was fully completed by 1st December 2015. The Service has approximately 178 Full Time

Equivalent (FTE) employees in total and is currently accessed and delivered through delivery hubs across the Bridgend, Cardiff and Vale boundaries.

Review of Effectiveness

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

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

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

During 2025/26 the Joint Committee received regular reports as set out in their "Dates and Deadlines" timetable which shows the meetings scheduled quarterly for a period up to twelve months. In addition, the Joint Committee's Terms of Reference are clearly set out in the JWA.

Service delivery

The continued squeeze on public sector finances, and the resultant need to make additional savings continues to be a significant challenge for the Service. This at a time of new areas of Government legislation and enforcement expectation which comes with no dedicated funding associated with it.

SRS continue to adopt a 'growing our own' approach in response to wider recruitment and retention pressures. This is already delivering positive outcomes.

Service challenges

The focus for 2026/27 will be on the following challenges:

- Recruitment and retention;
- The cost-of-living crisis;
- Climate change agenda and related enforcement

- The enactment of new areas of public protection law and government expectations around their enforcement without dedicated funding being made available to support this work; and
- Managing complex financial processes

Internal Audit

During 2025/26, Internal Audit undertook a review of the Shared Regulatory Services governance framework. The purpose of the audit is to provide assurance to the SRS Joint Committee, at its Annual General Meeting, on the adequacy and effectiveness of internal control, governance, and risk management arrangements. This includes assurance that financial controls and governance processes are operating effectively and in compliance with the Council's policies and procedures, including Financial Procedure Rules and Contract Procedure Rules.

The objectives of the review were to assess whether risks relating to internal control, governance and financial management have been appropriately identified and managed, and to evaluate the design and effectiveness of controls within systems and processes to mitigate those risks, ensuring they have operated consistently and in accordance with the Council's policies and procedures throughout the period under review.

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

The Audit identified a number of strengths that are set out below -

- A Joint Working Agreement (JWA) is in place between the three local authorities in the Shared Regulatory Service (SRS). Additionally, a term of reference (TOR), clearly stating the delegated functions of Joint Committee & Management Board, is set out within the JWA.
- Joint Committee has held quarterly meetings during the 2025/26 financial year, as well as an extraordinary meeting held in December 2025 & February 2026. All agendas, minutes and reports pertaining to these meetings are publicly available on the Council's external website.
- As required in the JWA, the first meeting held after 31st May was the Annual Meeting on 25th June 2025.
- All Joint Committee meetings held in 2025/26 were quorate with at least one member present from each of the Partner Authorities.
- A Management Board, comprising of one Officer representative nominated by each Partner Authority along with the Head of SRS, is in place to support the Joint Committee.
- The 2025/26 SRS fees & charges were agreed by the Joint Committee on 18th December 2024, as evidenced in meeting minutes.

The Internal Audit was very comprehensive, and ten issues were identified and associated recommendations were made by internal audit.

- A review of all Partner Authorities respective Cabinet meeting minutes noted that the respective Cabinets of Bridgend County Borough Council and Vale of Glamorgan Council did not receive a report on the content of the Joint Committee Annual Meeting covering the 12-month period ending 31/03/2025.

- A review of all Partner Authorities respective scrutiny committee meeting minutes noted that the scrutiny committees of Bridgend County Borough Council and Vale of Glamorgan Council did not receive any reports (such as the SRS Business Plan) during the 2025/26 financial year.

- The Management Board meeting held on the 6th June 2025 was not quorate as a representative from one Partner Authority was not present. In line with the Management Board Terms of Reference, if the quorum necessary for a meeting is not reached the meeting should be re-convened.

- Sample testing of purchasing card spend identified that £50 (1 transaction) of gift vouchers had been purchased to reward volunteers for participating in underage test purchase operations. Evidence of approval from the S151 Officer to purchase the gift vouchers was provided however, this authorisation was not obtained prior to the purchase of the gift cards.

- No balance sheet, providing an up-to-date balance of transactions, is maintained for the cash float held in respect of the Cardiff Taxi Unit Imprest Account. Additionally, no access was available to the balance sheet retained in respect of the Wales Illegal Money Lending Unit Imprest Account due to the Account Holder being on maternity leave.

- Examination of petty cash expenditure identified 5 payments totalling £225.66 for fuel receipts. Whilst the records retained provided clarity that the fuel was for pool cars vehicles, Council guidance and the SRS Financial Control Briefing Note states that pool cars should be refuelled using either a Council fuel pump, assigned fuel card or, in emergency situations only, fuel expenses can be reclaimed through the iExpense system.

- Where petty cash is not accepted by external businesses subject to sample test purchases, staff will use their personal credit / debit cards and reclaim the costs back via Fusion’s iExpense Self Service.

- Sample testing of non-mileage staff expense claims identified 10 claims totalling £206.36 including 3 death certificates for Public Health Funerals, postage and printing costs, and USB sticks which are general business not staff expenses.

- Sample testing on non-mileage expense claims identified one expense claim charged to the SRS cost centre for an Officer that is not in a role within the SRS service area. A wider review of the SRS cost centres noted that the above Officer’s payroll costs

(£16,191.99 during 2025/26) have been incorrectly charged to an SRS cost centre since the Officer commenced employment with the Council in September 2025.

- Sample testing of 17 mileage claims totalling £1,556.35 (3,459 miles) in respect of 10 SRS Officers was undertaken. The re-calculation of the journey mileage claimed, based on the start / end journey narrative supporting the claims, identified 360 miles (£162.01 in respect of 8 Officers) which could not be verified.

The recommendations following the audit are set out below and a Management Action Plan will be completed in response to these recommendations.

1. The report presented at the Joint Committee annual meeting, outlining the functions delegated to Joint Committee for the 12-months ending 31st March of that year, should be presented to the Cabinet of each Participant as per the Joint Working Arrangement.

2. To strengthen current oversight arrangements, the SRS should ensure that it participates in scrutiny exercises for all Partner Authorities.

3. All Management Board meetings held should be quorate with a representative from all three Participant Authorities present and, where this is not met, the meeting should be re-convened.

4. The SRS should ensure prior approval for the purchase of gift vouchers should be obtained from the S151 Officer or Deputy S151 Officer in each instance and evidence retained.

5. In line with Financial Procedure Notes, a balance sheet, providing an up-to-date balance of transactions, should be maintained for the cash float held in respect of all Imprest Accounts and retained within a shared file.

6. In line with the SRS Financial Controls Briefing Note and Council guidance, the Imprest / Petty Cash Account(s) should not be used to reimburse staff for fuel expenses.

7. As recommended in the previous audit, the SRS should explore the use of corporate purchasing card(s) as a payment method for test purchases and establish with the Procurement Section if the appearance of such charge card has the potential to meet the requirements of covert test purchases.

8. The SRS should ensure that all general business expenditure is made within existing controls (i.e., Corporate Purchasing Cards) as opposed to being reclaimed through the iExpense system.

9. To facilitate accurate monitoring of expenditure, current arrangements should be strengthened by ensuring that expenditure charged to the SRS cost centres are periodically checked to confirm that all spend is relevant to the SRS service area.

10. All Officers & Expense Approvers should be reminded that mileage claims must be supported by full details of the visit undertaken, including all addresses / locations visited and whether the visit relates to overtime, as per Financial Procedure Rules.

Steps will now be taken through the Management Action Plan to address the areas identified with recommendations for improvement as part of the audit and steps taken to review processes and procedures.

Internal Audit has also completed a review of the Illegal Money Lending Unit. The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Illegal Money Lending Grant 2025/26. This review has determined substantial assurance in respect of the controls in this area, meaning that a sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied.

The 2025/26 Statement of Accounts will be audited by the Vale of Glamorgan's External Auditors – Auditor General for Wales and reported to the Joint Committee in accordance with the Joint Working Agreement.

Shared Regulatory Service Joint Committee

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

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

In accordance with clause 5.1 of the Joint Working Agreement, the Head of Shared Regulatory Services and the Section 151 Officer are to prepare the Annual Report for the period 2025/26, which is to be presented to the Joint Committee in June 2025. Following the completion of the audit, the final Statement of Accounts will be presented to Committee to be approved and signed by the Committee Chair.

Significant Governance Issues

There were no significant governance issues to raise during 2025/26.

Definitions

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

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

Areas Identified for Improvement in 2026/27 (as per the 2025/26 AGS)

- Recruitment and retention building on successful growth your own strategy;
- Focus on new and emerging work streams such as;
    - The cost-of-living crisis;
    - Climate change agenda and related enforcement
    - The enactment of new areas of public protection law and government expectations around their enforcement without dedicated funding being made available to support this work; and
- Managing complex financial processes – develop new payment routes and income streams to support the sustainability of the service
- Improve reporting of SRS position to partner authority scrutiny committees.
- Improve adherence to Financial Procedure Notes for areas such as petty cash and expense claims.
- Utilise purchase cards for ad hoc low value expenditure
- Improve the quality and frequency of monitoring information for budget holders.

Certification of Annual Governance Statement

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

Signed:

Chair of the Shared Regulatory Services Joint Committee

Signed:
Matt Bowmer – Section 151 Officer