

Public Document Pack
**Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr
Bridgend County Borough Council**

Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB / Civic Offices, Angel Street, Bridgend, CF31 4WB



Rydym yn croesawu gohebiaeth yn Gymraeg. Rhowch wybod i ni os mai Cymraeg yw eich dewis iaith.

We welcome correspondence in Welsh. Please let us know if your language choice is Welsh.



Cyfarwyddiaeth y Prif Weithredwr / Chief Executive's Directorate
Deialu uniongyrchol / Direct line /: 01656 643148 / 643694 / 643513
Gofynnwch am / Ask for: Democratic Services

Ein cyf / Our ref:
Eich cyf / Your ref:

Dyddiad/Date: Tuesday, 6 January 2026

Dear Councillor,

COUNCIL

A meeting of the Council will be held Hybrid in the Council Chamber - Civic Offices, Angel Street, Bridgend, CF31 4WB / remotely via Microsoft Teams on **Wednesday, 14 January 2026 at 16:00**.

AGENDA

1 Apologies for absence

To receive apologies for absence from Members.

2 Declarations of Interest

To receive declarations of personal and prejudicial interest from Members/Officers in accordance with the Members' Code of Conduct adopted by Council from 1 September 2008.

3 Approval of Minutes

5 - 18

To receive for approval the minutes of 19/11/2025

4 Presentation To Council by the Chief Executive Officer of Halo Leisure

19 - 20

5 To receive announcements from:

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	(i) Mayor (or person presiding)	
	(ii) Chief Executive	
6	<u>To receive announcements by the Leader</u>	
7	<u>Children's Residential Home</u>	21 - 26
8	<u>Council Tax Reduction Scheme 2026-27</u>	27 - 34
9	<u>Outdoor Recreation Facilities Supplementary Planning Guidance</u>	35 - 88
10	<u>A Review of the Statement of Licensing Policy</u>	89 - 112
11	<u>Information Report for Noting</u>	113 - 234
12	<u>To receive the following Questions from: Councillor</u>	

Alex Ulberini-Williams to the Cabinet Member for Regeneration, Economic Development and Housing

Will the Cabinet Member outline her vision for the regeneration of Pencoed?

Tim Thomas to The Cabinet Member Climate Change & the Environment

Does the Cabinet Member agree that more can be done to tackle littering and fly-tipping in residential streets and key areas, and what further plans are in place to improve cleanliness standards borough-wide.

13	<u>Urgent Items</u>
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To consider any item(s) of business in respect of which notice has been given in accordance with Part 4 (paragraph 4) of the Council Procedure Rules and which the person presiding at the meeting is of the opinion should by reason of special circumstances be transacted at the meeting as a matter of urgency.

Note: This will be a Hybrid meeting and Members and Officers will be attending in the Council Chamber, Civic Offices, Angel Street Bridgend / Remotely via Microsoft Teams. The meeting will be live and recorded for subsequent transmission via the Council's internet site. If you would like to view this meeting live, please contact cabinet_committee@bridgend.gov.uk or tel. 01656 643148 / 643694 / 643513 / 643159.

Yours faithfully

K Watson

Chief Officer, Legal and Regulatory Services, HR and Corporate Policy

Councillors:

All Members

COUNCIL - WEDNESDAY, 19 NOVEMBER 2025MINUTES OF A MEETING OF THE COUNCIL HELD HYBRID IN THE COUNCIL CHAMBER CIVIC OFFICES, ANGEL STREET, BRIDGEND, CF31 4WB ON WEDNESDAY, 19 NOVEMBER 2025 AT 16:00Present

Councillor HJ David – Mayor and Chairperson

H T Bennett	A R Berrow	F D Bletsoe	S J Bletsoe
JPD Blundell	E L P Caparros	N Clarke	O Clatworthy
RJ Collins	C Davies	P Davies	S Easterbrook
M J Evans	N Farr	J Gebbie	W R Goode
RM Granville	GC Haines	M L Hughes	D M Hughes
P W Jenkins	M Jones	W J Kendall	RL Penhale-Thomas
JC Spanswick	T Thomas	A Ulberini-Williams	AJ Williams
HM Williams	I Williams	MJ Williams	E D Winstanley
T Wood			
H Griffiths			

Present Virtually

S Aspey	P Ford	S J Griffiths	D T Harrison
RM James	M R John	M Lewis	J Llewellyn-Hopkins
J E Pratt	I M Spiller	G Walter	A Wathan
R Williams			

Officers:

Mark Galvin	Senior Democratic Services Officer - Committees
Laura Griffiths	Group Manager – Legal and Democratic
Lindsay Harvey	Corporate Director - Education, Early Years & Young People
Carys Lord	Chief Officer - Finance, Housing & Change
Claire Marchant	Corporate Director - Social Services and Wellbeing
Jake Morgan	Chief Executive
Janine Nightingale	Corporate Director - Communities

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Kelly Watson
Michael Pitman
Oscar Roberts

Chief Officer - Legal & Regulatory Services, HR & Corporate Policy
Technical Support Officer – Democratic Services
Business Administrative Apprentice - Democratic Services

210. Apologies for absence

Decision Made	Apologies were received from Councillors Chris Davies, Rob Smith and Jefferson Tildesley
Date Decision Made	19 November 2025

211. Declarations of Interest

Decision Made	<p>The following declarations of interest were made:-</p> <p>Members declared a universal personal declaration of interest in Agenda item 13, as members of the LGPS.</p> <p>All Officers present at the meeting declared a prejudicial interest in Agenda item 13, as members of the LGPS, other than the Senior Democratic Services Officer – Committees who remained in the meeting to take a note of proceedings on this item.</p> <p>Councillor E Winstanley declared a personal interest in Agenda item 8 as it mentions premises that are under the ownership of her employer.</p> <p>The Chief Officer – Legal, HR, Regulatory Services and Corporate Policy and Chief Officer – Finance, Housing and Change declared a prejudicial interest in Agenda item 7 and left the meeting whilst this item was being considered.</p> <p>Councillor E Caparros declared a prejudicial interest in Agenda Item 13, as the motion had potential to impact partners, suppliers or customers of his employer. Whilst indirect, to avoid any potential issue he declared an interest.</p> <p>Councillor M Jones declared a prejudicial interest in Agenda Item 13.</p>
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	Councillor Amanda Williams declared a personal interest in Agenda Item 8, as she is Chair of Governors at Coity Primary School as a Community Council Governor.
Date Decision Made	19 November 2025

212. Approval of Minutes

Decision Made	<u>RESOLVED:</u> That the minutes of a meeting of Council dated 22 October 2025, be approved as a true and accurate record.
Date Decision Made	19 November 2025

213. Presentation to Council by Mental Health Matters

Decision Made	<p>The Chief Executive and Leader presented a report that introduced Michaela Moore and Mark Williams of Mental Health Matters Wales, who in celebration of their 40th year providing mental health support to residents in Bridgend and beyond across the region gave a presentation outlining their services and summarising their work.</p> <p>The presentation went into detail on MHM's services offered across Bridgend and other services delivered across Wales, including a wide variety of community support and direct aid for those suffering from poor mental health, veterans and groups struggling to access community activities. Emphasis was given to the role of directly involving residents in the creation, naming and running of services offered to ensure that community needs and requirements are being appropriately met.</p> <p>The organisers also went into detail on future schemes including an effort to introduce an AI assistant to aid carers with questions around mental health that is ethically sourced and backed by trusted research, to be rolled out in the future pending further development.</p> <p>Following Ms Moore's and Mr Williams' submission, the Mayor opened up questions, examples of which were as follows:</p>
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	<ul style="list-style-type: none"> • Information regarding integration with other connected services throughout the community. • Whether unused land owned by BCBC could be used by community groups or as allotments. • What therapeutic models are used to help with counselling clients. • How local residents can gain access to resources to aid with dementia and other common ailments. • Support for LGBTQIA+ parents. • The number of veterans and veteran's groups being supported in Bridgend County. • How Mental Health Matters Wales will implement the Mental Health and Wellbeing Strategy Wales 2025-2035. <p>The questions and queries raised above (as well as others) that Ms Moore and Mr Williams could not sufficiently respond to, they confirmed that they would follow-up and respond to outside of the meeting.</p> <p><u>RESOLVED:</u> That the report of the Leader and Chief Executive together with the presentation by representatives of Mental Health Matters, be noted.</p>
Date Decision Made	19 November 2025

214. To receive announcements from:

Decision Made	<p>Announcements were received from the following Cabinet Members and Chief Executive (No decisions required/made):-</p> <ul style="list-style-type: none"> • Mayor; • Chief Executive
Date Decision Made	19 November 2025

215. To receive announcements by the Leader

Decision Made	Announcements were received from the Leader (No decisions required/made).
Date Decision Made	19 November 2025

216. Initial Response to PPA Assessment and Proposed Changes to the JNC Senior Management Structure

Decision Made	<p>The purpose of this report, presented by the Leader, was to set out the initial response to the Panel Performance assessment (PPA) including the recommendation regarding the need for the development of a transformation strategy. It also proposed amendments to the JNC senior management structure to support change and ensure risk is managed effectively to enable such change.</p> <p>Various sections of feedback and takeaways from the assessment were shared with Council, as well as recommendations made that the Council will now take forward to address any potential future challenges and avoid what has been termed as a possibility of managed decline.</p> <p>Members posed questions on:</p> <ul style="list-style-type: none">• Whether the report can come before Scrutiny at an early stage to be examined and scrutinised.• Short-term measures that can be used to address funding gaps within the Council structure. <p>These questions were addressed by the Chief Executive, who agreed to go into further detail on plans and proposals raised by any member outside of the meeting, in order to comply with organisational and legislative requirements and to not divulge any information that may be otherwise regarded as exempt.</p> <p><u>RESOLVED:</u> That Council:-</p> <ol style="list-style-type: none">1. Noted the initial response to the PPA recommendations with progress to be monitored through the corporate planning structures;2. Delegated authority to relevant Corporate Directors and the Chief Executive to commence a formal consultation with relevant JNC officers;3. Delegated authority to the Chief Executive to determine the final JNC senior management structure following the formal consultation and appoint to it in accordance with the Officer Employment Procedure Rules within the Constitution;4. Delegated authority to the Monitoring Officer to make minor amendments to the Constitution and the Scheme of Delegation of Functions in relation to references to the portfolio and job title of the relevant JNC officers following the appointment processes.
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297. Capital Programme Quarter 2 Update 2025-26

Date Decision Made	19 November 2025
Decision Made	<p>The purpose of this report, presented by the Cabinet Member for Finance and Performance, was to provide an update to Council on the Capital Programme position for 2025-26 as at 30 September 2025, as well as for Council to note and approve various slippages, virements, additions and reductions to the Programme.</p> <p>Members posed questions on:</p> <ul style="list-style-type: none">• The timescale for keeping earmarked reserves.• What revenue pressures are generated from the capital spend.• How much of the Capital Programme has been spent in the year to date.• The Council's confidence in whether the agreed-upon programme that has not been earmarked for slippage will be delivered in the current financial year.• Details of the Bridgend Heat Scheme.• The Council's capacity financially speaking to borrow further should this be deemed necessary. <p>These questions were addressed by the Cabinet Member for Finance and Performance, the Chief Officer – Finance, Housing and Change, the Corporate Director - Communities and the Leader. The Corporate Director – Communities agreed to answer further questions regarding the report, outside of the meeting.</p> <p><u>RESOLVED:</u> That Council:-</p> <ul style="list-style-type: none">• Noted the Council's Capital Programme 2025-26 Quarter 2 update to 30 September 2025 (at Appendix A to the report)• Noted the slippage of £84.515 million to 2026-27 as detailed in Appendix B.• Approved the virements between schemes as detailed in Appendix B.• Approved the new additions/reductions to the capital programme in 2025-26 totalling £6.119 million as outlined in Appendix B.• Noted the actual Prudential and Other Indicators for 2024-25 and the projected indicators for 2025-26 (Appendix C).

218. Treasury Management Half Year Report 2025-26

Date Decision Made	19 November 2025
Decision Made	<p>The purpose of this report, presented by the Cabinet Member for Finance and Performance, was to update Council on the treasury management activities and treasury management indicators for the half year ending 30 September 2025.</p> <p><u>RESOLVED:</u> That Council:-</p> <p>(1) Noted the treasury management activities for the half year ending 30 September 2025.</p> <p>(2) Noted the Treasury Management Indicators for the period 1 April 2025 to 30 September 2025 against those approved in the Treasury Management Strategy 2025-26.</p>
Date Decision Made	19 November 2025

219. Council Tax Base 2026-27

Decision Made	<p>The purpose of this report, presented by the Cabinet Member for Finance and Performance, was to seek Council approval for the estimated council tax base and collection rate for 2026-27. This included approval of the individual tax bases for the town and community areas as detailed in Appendix A to the report.</p> <p>Members posed questions on:</p> <ul style="list-style-type: none">• Whether the current collection rate of 97.5% was realistic.• Potential risks to the Council were the current collection rate not to be maintained.• How Bridgend's collection rate compares both to the start of the current administrative term as well as compared to other local authorities.• Whether households at risk of not making payments are aware of potential help they can receive from BCBC. <p>These questions were addressed by the Cabinet Member for Finance and Performance and the Chief</p>
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	<p>Officer – Finance, Housing and Change.</p> <p><u>RESOLVED:</u> That Council:-</p> <ul style="list-style-type: none">• Approved the council tax base and collection rate for 2026-27 as shown in paragraph 3.1 of the report.• Approved the tax bases for the town and community areas set out in Appendix A to the report.
Date Decision Made	19 November 2025

220. To receive the following Question from:

Decision Made	<p>Councillor Ian Williams to the Leader (response previously circulated to Members).</p> <p>A supplementary question was asked by Councillor Williams which was responded to at the meeting.</p>
Date Decision Made	19 December 2025

221. To receive the following Question from:

Decision Made	<p>Councillor Ross Penhale-Thomas to the Cabinet Member for Regeneration, Economic Development and Housing (response circulated previously to Members).</p> <p>A supplementary question was asked by Councillor Penhale-Thomas which was responded to at the meeting.</p>
Date Decision Made	19 December 2025

222. Notice of Motion Proposed by Councillor Jane Gebbie

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

Decision Made	<p>Members debated the Notice of Motion as detailed at Agenda item 13. on today's meeting agenda.</p> <p>The Deputy Leader, Councillor Jane Gebbie, gave a statement outlining a proposed amendment to the Notice of Motion following cross-party consultation, as follows:-</p> <p>"This Council notes:</p> <ol style="list-style-type: none">1. BCBC employees are able to join the Rhondda Cynon Taf Pension Fund, which, as part of the Wales Pension Partnership (WPP), manages over £3 billion on behalf of local government employees and retirees.2. That current investments include holdings in fossil fuel companies, arms manufacturers, and multinational corporations accused of contributing to human rights violations or environmental degradation.3. That Local Government Pension Scheme (LGPS) funds have a fiduciary duty to act in the best long-term interests of members, which includes managing environmental, social, and governance (ESG) risks.4. That numerous other public bodies, including city and county councils across the UK, have adopted Responsible Investment policies with stronger commitments to divest from harmful sectors and align with international human rights and climate goals.5. That the Wales Pension Partnership has adopted a Responsible Investment policy but currently allows fund managers significant discretion over ethical criteria and sector exclusions. <p>This Council resolves to:</p> <ol style="list-style-type: none">1. Write to the RCT Pension Fund and the Wales Pension Partnership requesting:<ul style="list-style-type: none">o Greater transparency on current investments, including sector exposure (e.g. fossil fuels, arms, surveillance tech).• A strengthened Responsible Investment Policy with clear exclusion criteria for companies involved in:<ul style="list-style-type: none">§ Fossil fuel extraction§ Arms manufacturing or sales to regimes involved in war crimes as defined in international law§ Human rights abuses (e.g. violations of UN Global Compact principles)§ Environmental destruction or systemic deforestation2. Call on the Pension Committee and Local Pension Board to:
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	<ul style="list-style-type: none"> o Explore options to accelerate decarbonisation of the fund's portfolio in line with a 1.5°C climate target. o Engage with asset managers to develop a plan for phased divestment from the most harmful sectors, where consistent with fiduciary duty. o Ensure active member representation in future policy reviews concerning ethical or responsible investment. 3. Support the development of a transparent Ethical Investment Charter for the fund, published annually, reporting on progress toward socially responsible and climate-aligned investments. 4. Send this motion to the Local Government Association (LGA) and the Welsh Local Government Association (WLGA), urging a coordinated LGPS-wide approach to ethical investment. 5. This Council expresses concern over investments in companies from territories subject to international sanction and urges fund managers to align holdings with international humanitarian and human rights law." <p>Members outlined their thoughts on the amended Motion, indicating a general agreement aside from a minority, who were against aspects of the submission and requesting further clarity in what investments should be restricted, as referenced to in the motion.</p> <p>An electronic vote was then conducted on the amended Notice of Motion, the result of which was as follows:-</p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 33.33%;"><u>For (the motion)</u></td><td style="width: 33.33%;"><u>Against</u></td><td style="width: 33.33%;"><u>Abstentions</u></td></tr> <tr> <td>30</td><td>1</td><td>12</td></tr> </table> <p><u>RESOLVED:</u> That the amended Notice of Motion put forward by the Deputy Leader as announced verbally out at the meeting, be supported.</p>	<u>For (the motion)</u>	<u>Against</u>	<u>Abstentions</u>	30	1	12
<u>For (the motion)</u>	<u>Against</u>	<u>Abstentions</u>					
30	1	12					
Date Decision Made	19 December 2025						

223. Notice of Motion proposed by Councillor Rhys Goode

Decision Made	<u>RESOLVED:</u> That this Notion of Motion as was detailed on the meeting agenda, be supported.
Date Decision Made	19 December 2025

4. Urgent Items

Decision Made	There were no urgent items.
Date Decision Made	19 November 2025

225. Exclusion of the Public

Decision Made	<u>RESOLVED:</u>	<p>The report relating to the following item was not for publication as it contained exempt information as defined in Paragraph 12 of Part 4 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.</p> <p>Following the application of the public interest test Council resolved pursuant to the Act to consider this item in private, with the public being excluded from the meeting during such consideration.</p>
Date Decision Made	19 November 2025	

226. Approval of Exempt Minutes

Decision Made	<u>RESOLVED:</u>	That the exempt minutes of a meeting of Council dated 22 October 2025, be approved as a true and accurate record.
Date Decision Made	19 November 2025	

COUNCIL - WEDNESDAY, 19 NOVEMBER 2025

To observe further debate that took place on the above items, please click this [link](#)

The meeting closed at 19:30.

Meeting of:	COUNCIL
Date of Meeting:	14 JANUARY 2026
Report Title:	PRESENTATION TO COUNCIL BY THE CHIEF EXECUTIVE OFFICER OF HALO LEISURE
Report Chief Officer / Cabinet Member:	CHIEF EXECUTIVE & LEADER OF THE COUNCIL
Responsible Officer:	MARK GALVIN SENIOR DEMOCRATIC SERVICES OFFICER - COMMITTEES
Policy Framework and Procedure Rules:	There is no effect upon the Policy Framework and Procedure Rules.
Executive Summary:	The report will invite a presentation from the organisation of Halo Leisure

1. Purpose of Report

1.1 The purpose of this report is to advise Council of a presentation proposed to be delivered to Council by Halo Leisure.

2. Background

2.1 Council will be accustomed to receiving presentations from its key partners, stakeholders and other organisations periodically in the past.

3. Current situation / proposal

3.1 The presentation will be led at its January meeting by Scott Rolfe, Chief Executive Officer of the above organisation.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there

will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change and Nature Implications

6.1 There are no climate change or nature implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 Council is recommended to note the presentation as referred to at paragraph 3.1 of the report.

Background documents

None.

Agenda Item 7

Meeting of:	COUNCIL
Date of Meeting:	14 JANUARY 2026
Report Title:	CHILDREN'S RESIDENTIAL HOME
Report Owner: Responsible Chief Officer / Cabinet Member	JOINT REPORT CABINET MEMBER FOR FINANCE AND PERFORMANCE AND CHIEF OFFICER FINANCE, HOUSING AND CHANGE AND DEPUTY LEADER AND CABINET MEMBER FOR SOCIAL SERVICES, HEALTH AND WELLBEING AND CORPORATE DIRECTOR OF SOCIAL SERVICES AND WELLBEING
Responsible Officer:	JADE JONES – CHILDREN'S COMMISSIONING & SUFFICIENCY LEAD
Policy Framework and Procedure Rules:	There is no effect upon the policy framework or procedure rules.
Executive Summary:	This report seeks Council approval requesting a capital budget for the acquisition and refurbishment of a residential property with the intention that it is developed and registered as a Children's Residential Home. The project would be included in the Capital Programme and initially funded from Bridgend County Borough Council resources, with the expectation that costs will be fully recovered from the Welsh Government Housing with Care Fund administered by the Cwm Taf Morgannwg Regional Partnership Board.

1. Purpose of Report

- 1.1 The purpose of this report is to seek Council approval for the inclusion of a capital budget of £1,620,450 in the Capital Programme for the proposed acquisition and refurbishment of a residential home to be registered with Care Inspectorate Wales (CIW) as a children's residential care home. Bridgend County Borough Council (BCBC) will fund the scheme initially, but there is an assumption that some or all of the costs will be recovered from the Housing with Care Fund.

2. Background

2.1 The Health and Social Care (Wales) Act 2025 strengthens Welsh Government's commitment to eliminating profit from the care of looked after children. Its phased implementation will prevent new for-profit registrations from April 2026, restrict expansion of existing providers from April 2027, and prohibit new placements with for-profit providers from April 2030 (ministerial approval required). The Act will also strengthen local authorities' sufficiency duties, reinforcing the need to secure local, needs-led accommodation. This national direction places increased emphasis on developing in-house provision and reducing reliance on externally commissioned placements.

2.2 In 2022, a population needs assessment and market stability report informed local and regional planning, including the Children, Young People and Transition Commissioning Strategy, which identifies placement sufficiency as a key priority. The development of a Placements Commissioning Strategy builds on this work, setting out how the Council will meet its statutory duties through the development of additional residential provision for children with complex needs, reducing reliance on private and out-of-county placements, and supporting the Not-for-Profit agenda. Updated placement modelling undertaken with Practice Solutions and the Institute of Public Care confirms the need for a minimum of four internal residential homes providing at least ten additional in-house beds, with all scenarios supporting this investment as a priority.

3. Current situation / proposal

3.1 BCBC proposes to purchase a property on the open market and convert it into a children's residential home accommodating up to four children.

3.2 A capital bid to the value of £1,620,450 was endorsed by the Regional Capital Board on 19th December 2025 to allow consideration by Welsh Government Capital Scrutiny Panels in January 2026. Missing this deadline would have deferred the project until at least June 2026, risking the loss of the identified property.

3.3 The property's value is estimated at £995,000 and there will also be a requirement to pay Land Transaction Tax at £110,450. The cost of the property reflects the requirement for a larger, rural property specifically suited to the needs of these children. In addition to the acquisition cost, preliminary feasibility work is expected to be approximately £15,000. Refurbishment and furniture costs are anticipated to be in the region of £500,000. All figures are indicative and will be subject to further exploration, detailed design, and procurement. Final contractual arrangements will be subject to Council approval and legal processes. No binding commitment will be entered into until such approvals are in place.

3.4 While the usual Housing with Care Fund split is 35% Local Authority and 65% grant, the Welsh Government Capital Team has expressed full support for this

project and confirmed they could fund up to 100% of the capital costs, subject to timely bid submission and approval.

- 3.5 If fully funded by the Housing with Care Fund, these combined costs would represent a long-term asset at no net capital cost to the Council, increasing placement sufficiency, reducing reliance on profit-making external providers, and supporting children to remain close to their local communities.
- 3.6 There is currently a significant projected underspend within the Regional Housing with Care Fund for 2025/26 and 2026/27. Officers remain confident that the capital bid already submitted will be supported by Welsh Government. Corporate Landlord colleagues are confident the purchase can be completed in this financial year (2025/2026). Welsh Government grant approval will need to be secured in advance of completion. Should completion occur after 31st March, the expenditure would fall into 2026/27; however, sufficient regional capital funds can be secured in 2026/2027 to address this if required and the risk is therefore considered low. This position will continue to be closely monitored.
- 3.7 To meet the planned timeline, the Council will need to proceed “at risk” with the acquisition while submitting a planning application in parallel. The property previously had planning permission for use as a care home, which provides some confidence, but a new application will be required for a children’s residential home.
- 3.8 Formal Welsh Government approval of the Housing with Care application will not be received until after the New Year, which would make it challenging to complete the acquisition by 31 March 2026 if the acquisition was dependent on its approval. The grant is profiled at £1,120,450 (acquisition) in 2025/26 and £500,000 (refurbishment) in 2026/27.
- 3.9 A report will be presented to Cabinet on 13 January 2026 seeking agreement to present this report to Council for approval of a capital budget and noting the risks associated with Welsh Government approval, and subject to Council approval, supporting proceeding “at risk” with the acquisition to meet the 2025/26 timeline, with refurbishment planned for 2026/27.
- 3.10 Council approval is sought to seek approval of a capital budget, funded from BCBC resources initially, ensuring the property can be secured within the required timescale (2025/2026). The capital budget would be funded from uncommitted capital resources, with the expectation that costs will be fully recovered from the Housing with Care Fund once Welsh Government approval is received. While the risk of non-approval is considered low, should this occur, the Council would be required to fully fund the capital costs of £1,620,450.

4. Equality implications (including Socio- economic Duty and Welsh Language)

4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal at this stage.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The proposed acquisition and refurbishment of a children's residential home contributes to the Council's well-being objectives by:

- **Supporting vulnerable children:** Providing additional in-house residential capacity ensures children can remain close to their families and local communities, promoting their safety, stability, and long-term well-being.
- **Reducing reliance on external providers:** Developing Council-owned provision supports the Not-for-Profit agenda and reduces dependence on profit-making providers, contributing to more sustainable and equitable local services.
- **Long-term asset and service sustainability:** The property will become a long-term Council asset, supporting future service delivery and increasing placement sufficiency, aligning with the corporate objective of providing quality, sustainable services.
- **Alignment with Well-being Goals:** The proposal supports the Welsh Government's Well-being of Future Generations Goals, including a healthier, more equal, and cohesive Wales, by ensuring that children's needs are met within their local communities.

6. Climate Change and Nature Implications

6.1 The proposed acquisition and refurbishment of the property has several climate-related considerations:

- **Energy efficiency:** Refurbishment works will incorporate energy-efficient measures wherever possible, including insulation, low-carbon heating systems, and energy-efficient lighting, in line with the Council's sustainability objectives.
- **Reduced travel emissions:** By providing local residential provision, the proposal may reduce the need for children to be placed in out-of-county homes, decreasing travel distances and associated carbon emissions.
- **Sustainable building standards:** The project will consider sustainable construction and refurbishment practices to minimise environmental impact and support the Council's commitment to reducing its carbon footprint.

6.2 Overall, while the primary purpose of the project is to meet children's care needs, opportunities to support the Council's climate change and sustainability objectives will be actively considered during refurbishment.

7. Safeguarding and Corporate Parent Implications

7.1 The proposed acquisition and refurbishment of a children's residential home directly supports the Council's responsibilities as a Corporate Parent:

- **Enhancing placement sufficiency:** By increasing in-house residential capacity, the Council can better meet the needs of children in care, ensuring placements are appropriate, stable, and close to their communities.
- **Promoting safeguarding:** Owning and managing the provision allows the Council to maintain robust safeguarding standards, monitoring, and oversight, reducing reliance on external providers and ensuring children's safety.
- **Supporting corporate parenting duties:** The project demonstrates the Council's commitment to fulfilling its statutory corporate parenting responsibilities by providing high-quality, locally based care for children with complex needs.

7.2 Overall, the proposal strengthens the Council's ability to safeguard vulnerable children and deliver on its corporate parenting obligations.

8. Financial Implications

8.1 Capital

The proposed acquisition and refurbishment of the children's residential home is expected to cost approximately £995,000 for the property acquisition and up to £500,000 for refurbishment and furniture. Additional costs include Land Transaction Tax of £110,450 and preliminary feasibility work of £15,000. Funding is anticipated to be fully covered by the Housing with Care Fund (HCF), in which case there would be no net capital cost to the Council.

	Estimated Cost (£)
Acquisition	£995,000
Land Transaction Tax	£110,450
Refurbishment & Furniture	£500,000
Feasibility	£15,000
Total	£1,620,450

8.2 Revenue - Comparing external costs against internal provision

The table below demonstrates that in comparing average external placement costs as at the 31st March 2025 with estimated internal costs that there will be anticipated revenue cost savings of £292,707 per annum.

Property	Estimated Internal Revenue cost		Average Annual External Residential Cost as at Mar-25	Annual Cost reduction/ cost avoidance
4 bed (multi occupancy)	Total costs Per annum if 4 children are placed	£820,169	£1,112,876	£292,707
	Annual cost Per child	£205,042	£278,219	£73,177
Annual cost reduction/ avoidance (based on 100% occupancy)				£292,707

8.3 The Medium Term Financial Strategy 2025/26 to 2028/29 approved by Council in February 2025 included a budget pressure of £885,000 to address gaps in the placement provision in Bridgend in relation to addressing the Health and Social Care Bill to reform the children's social care system. Running costs for Home 1 are £779,528 per annum, which leaves £105,472 from the budget pressure available towards the costs of this second home. A further budget pressure has been submitted as part of the Medium Term Financial Strategy process for 2026-27 to 2029-30, and officers will continue to work with colleagues in finance to review and manage the revenue budget.

9. Recommendation

9.1 It is recommended that Council approves a capital budget of £1,620,450 be included in the Council's Capital Programme for the acquisition and refurbishment of a children's residential home to be initially funded from BCBC resources, on the assumption that some or all of the costs will be recovered via the Welsh Government Housing with Care Fund.

Background Documents

None

Agenda Item 8

Meeting of:	COUNCIL
Date of Meeting:	14 JANUARY 2026
Report Title:	COUNCIL TAX REDUCTION SCHEME 2026-27
Report Owner: Responsible Chief Officer / Cabinet Member	CHIEF OFFICER – FINANCE, HOUSING AND CHANGE CABINET MEMBER FOR FINANCE AND PERFORMANCE
Responsible Officer:	JANICE JENKINS BENEFITS AND FINANCIAL ASSESSMENTS MANAGER
Policy Framework and Procedure Rules:	The Council Tax Reduction Scheme is set in accordance with the Policy Framework and Budget Procedure Rules.
Executive Summary:	<p>The report outlines the requirement for the Council to adopt a Council Tax Reduction (CTR) scheme for 2026-27 by 31 January 2026. The scheme provides vital assistance for those on low incomes with a liability to pay council tax.</p> <p>Amendment regulations have been laid by Welsh Government uprating the financial figures used in the CTR schemes and making amendments to:</p> <ul style="list-style-type: none"> • the definition of 'pensioner' to ensure that individuals migrating from Working Tax Credit to Universal Credit (UC) continue to qualify for pension-age CTR. • ensure that Neonatal Care Leave and Pay is treated in the same way as Statutory Maternity, Paternity and Parental Bereavement Leave and Pay when calculating CTR. • disregard any compensation or support payment received from: <ul style="list-style-type: none"> ○ The Miscarriage of Justice Compensation Schemes in England and Wales, Scotland and Northern Ireland. ○ The LGBT Financial Recognition Scheme. ○ Any payment made from the estate of a deceased person from an approved infected blood support scheme, or the Scottish Infected Blood Support Scheme. • ensure that displaced persons arriving in the UK from conflict in Israel, the West Bank, the Gaza Strip or East

	<p>Jerusalem are able to meet the residency conditions for access to CTR.</p> <ul style="list-style-type: none"> • make generalised provisions to provide CTR support without the need for new legislation in overseas crisis situations that meet defined criteria. • enable individuals receiving UC to be treated as meeting the requirements of the Habitual Residence Test for CTR purposes. • make minor technical amendments to correct omissions in relation to disregards for Windrush payments and Post Office compensation payments. <p>The 2026-27 scheme maintains the maximum level of support at 100% for eligible claimants. The cost of the CTR scheme for 2026-27 is estimated at £17.8m, which includes the cost of disregarding war pensions in full when calculating CTR entitlement (estimated at £7,117).</p>
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1. Purpose of Report

1.1 The purpose of this report is to provide Council with information regarding the proposed 2026-27 Council Tax Reduction (CTR) Scheme, and seeks Council approval to adopt this CTR scheme by 31 January 2026.

2. Background

2.1 CTR provides assistance for those on low incomes with a liability to pay council tax.

2.2 Under Part 1 of the Welfare Reform Act 2012 (chapter 3, section 33) the UK government abolished Council Tax Benefit (CTB) with the intention of localising support for council tax from 31 March 2013.

2.3 From this date the responsibility to provide support for council tax and the funding associated with it, was devolved to local authorities in England, to the Scottish Government and to the Welsh Government, with a commitment from the UK government to also reduce UK government expenditure on the benefit by 10%. The Welsh Government was thereafter responsible for the establishment of localised schemes in Wales.

2.4 The Welsh Government decided to develop a single nationally defined scheme set out in regulations for the provision of council tax support in Wales. The scheme also provided for a small number of discretionary elements which individual councils can choose to adopt; any additional associated costs were to be locally funded.

2.5 On 15 January 2025, the Council adopted the Council Tax Reduction Scheme for 2025-26 in accordance with The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013. This scheme will end on 31 March 2026.

2.6 From the latest data, there are currently 12,007 households receiving CTR; 7,863 of these are of working age and 4,144 are of pensionable age. Out of the 12,007 households receiving CTR, 9,672 are entitled to a full reduction.

3. Current situation/ proposal

3.1 The Council Tax Reduction Scheme 2026-27

3.2 The CTR Scheme in Wales is set by regulations made under Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012).

3.3 On 27 November 2013, the Welsh Assembly laid regulations that implemented the arrangements to support those who will pay council tax. The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 and Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013 prescribe the main features of the scheme to be adopted by all councils in Wales. Minor amendments to these regulations have since been made each financial year.

3.4 The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Miscellaneous Amendments) (Wales) Regulations 2026 have now been laid before the Senedd for approval. Subject to the approval of the Senedd, these Regulations will uprate the financial figures in the 2013 Regulations to ensure that the scheme in place for the 2026-27 financial year reflects increases in the cost-of-living. These regulations uprate the financial figures used in the CTR schemes and make amendments to:

- the definition of 'pensioner' to ensure that individuals migrating from Working Tax Credit to Universal Credit (UC) continue to qualify for pension-age CTR.
- ensure that Neonatal Care Leave and Pay is treated in the same way as Statutory Maternity, Paternity and Parental Bereavement Leave and Pay when calculating CTR.
- disregard any compensation or support payment received from:
 - The Miscarriage of Justice Compensation Schemes in England and Wales, Scotland and Northern Ireland.
 - The LGBT Financial Recognition Scheme.
 - Any payment made from the estate of a deceased person from an approved infected blood support scheme, or the Scottish Infected Blood Support Scheme.
- ensure that displaced persons arriving in the UK from conflict in Israel, the West Bank, the Gaza Strip or East Jerusalem are able to meet the residency conditions for access to CTR.
- make generalised provisions to provide CTR support without the need for new legislation in overseas crisis situations that meet defined criteria.
- enable individuals receiving UC to be treated as meeting the requirements of the Habitual Residence Test for CTR purposes.
- make minor technical amendments to correct omissions in relation to disregards for Windrush payments and Post Office compensation payments.

3.5 The new Regulations do not contain any significant changes, from the claimants' perspective, to the current scheme and the maximum level of support that eligible claimants can receive remains at 100%. The Regulations can be found at: [The Council Tax Reduction Schemes \(Prescribed Requirements and Default Scheme\) \(Miscellaneous Amendments\) \(Wales\) Regulations 2026.](#)

3.6 Within the Prescribed Requirements Regulations there is limited discretion given to the Council to apply discretionary elements that are more generous than the national scheme. These are:

- The ability to increase the standard extended reduction period of 4 weeks given to persons after they return to work (where they have previously been receiving CTR that is to end as a result of their return to work);
- Discretion to increase the amount of War Disablement Pensions and War Widows Pensions which is to be disregarded when calculating income of the claimant; and
- The ability to backdate the application of CTR with regard to late claims prior to the new standard period of three months before the claim.

3.7 The Council must adopt a CTR Scheme regardless of whether it applies any of the discretionary elements. If the Council fails to approve a scheme, then a default scheme shall apply. The Council can only apply discretion if it makes its own scheme in accordance with the Prescribed Requirements Regulations.

3.8 It is proposed that the discretionary elements remain as follows:

- The extended payment period is maintained at the minimum standard of 4 weeks.
- War Disablement Pensions and War Widows Pensions are fully disregarded when calculating entitlement to CTR. The estimated cost of this proposal within the financial year is £7,117.
- Backdating is maintained at the minimum standard of 3 months.

3.9 The total estimated cost to the Council for these three proposals is £7,117 for 2026-27.

3.10 Main Issues

3.11 The Council must consider whether to replace or revise its CTR scheme and is obliged to make a scheme under the requirements of the Prescribed Requirements Regulations. The obligation is a statutory duty and applies even if the Council chooses not to apply any of the discretions available to it.

3.12 The recommended approach to the available discretions is to apply the recommendations in Table 1 at paragraph 3.20 of this report. It should be noted that there are no additional monies available from the Welsh Government to fund the discretionary elements.

3.13 The scheme must be administered by local authorities within a fixed budget. There are significant difficulties adequately funding a service which is demand led with a fixed cost budget provision. The Welsh Government has confirmed there will be no

additional funding to bridge any gap and each authority will be expected to meet any shortfall.

3.14 The Council continues to have powers to support hardship on an individual basis or in respect of a defined group. Such arrangements cannot, however, form part of the CTR Scheme itself.

3.15 Adoption of the Council Tax Reduction Scheme

3.16 The Council is required to adopt a scheme by 31 January 2026 in accordance with The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013, regardless of whether it chooses to apply any of the discretionary elements. If the Council fails to make a scheme, then a default scheme will apply.

3.17 It is recommended that the Council adopts:

- a Scheme under The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013, which includes all the elements that must be included in the scheme, as set out in the Regulations; and with regard to the discretionary elements, includes the recommendations in Table 1 set out at Paragraph 3.20 below; and
- The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014 to 2025; and
- The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Miscellaneous Amendments) (Wales) Regulations 2026.

3.18 Part 5 of The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (Other matters that must be included in an Authority's Scheme) identifies which elements of the prescribed requirements of a scheme are minimum only requirements and in respect of which local authorities have an element of discretion.

3.19 The recommendation in relation to the available discretionary elements is contained in Table 1 below, and takes into account the following:

- The current local scheme in relation to the treatment of War Disablement Pensions, War Widows Pensions and War Widowers Pensions for Housing Benefit and 2025-26 CTR scheme, which disregards these payments in full; and,
- The fixed funding available.

3.20 Table 1 – Discretionary elements

Part 5 – Other matters that must be included in an authority's scheme	Prescribed Requirement Regulations (Minimum Requirements)	Recommended Details to be Adopted with regard to discretionary elements
Ability to increase the standard extended reduction period of 4 weeks given to applicants where they have previously been receiving a council tax reduction that is to end, as they have	4 weeks	Pensioners: The 4 weeks period specified in paragraph 33 Schedule 1 will apply, and

<p>ceased receiving qualifying benefits as a result of returning to work, increasing their hours of work, or receiving increased earnings. Regulation 32 (3) and Regulation 33 (3), paragraph 33 Schedule 1 and paragraph 35 and paragraph 40 Schedule 6.</p>		<p>Non-pensioners: The 4 weeks period specified in paragraph 35 and 40 Schedule 6 will apply.</p>
<p>Ability to backdate applications of CTR for the minimum requirements specified in the Regulations will apply periods longer than the standard period of 3 months before the claim is made. Regulation 34 (4) and paragraph 3 and 4 of Schedule 13.</p>	<p>3 months</p>	<p>Pensioners: The period of 3 months specified in paragraph 3 Schedule 13 will apply, and</p> <p>Non-pensioners: The period of 3 months specified in paragraph 4, Schedule 13 will apply.</p>
<p>Ability to disregard more than the statutory weekly £10 of income received in respect of War Disablement Pensions and War Widows Pensions and War Widowers Pensions (disregarded when calculating income of the applicant); Regulation 34 (5), paragraphs 1(a) and 1(b) Schedule 4 and paragraphs 20(a) and 20(b) of Schedule 9.</p>	<p>£10</p>	<p>Pensioners: The total value of any pension specified in paragraph 1(a) and 1(b) Schedule 4 will be disregarded.</p> <p>Non-pensioners: The total value of any pension specified in paragraph 20(a) and 20(b) Schedule 9 will be disregarded.</p>

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

4.2 The Welsh Government has undertaken a detailed regulatory impact assessment, which includes an equality impact assessment; the findings reported were in line with their expectations.

4.3 The Council has previously undertaken a consultation exercise and this consultation assists the Council in satisfying the public sector equality duty in the Equality Act 2010.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The Act provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change and Nature Implications

6.1 There are no climate change or nature implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding and corporate parent implications arising from this report.

8. Financial Implications

8.1 The 2026-27 Provisional Local Government Settlement shows that the sum provided for CTR across Wales is at the same level as 2025-26, a total of £244 million, a sum that has not changed in recent years. Bridgend County Borough Council's 2026-27 provisional settlement from Welsh Government includes £12.272 million to fund the CTR scheme, a reduction of £268,000 from the allocation of £12.540 million in 2025-26. This amount does not take into account any increase in council tax charges but is distributed based on expenditure on council tax reduction schemes in previous years. This amount is unlikely to change in the final settlement.

8.2 Any shortfall between the amount provided in the settlement and the amount of CTR awarded, including any discretionary elements, will fall on the Council. The proposed budget for 2026-27 is £17.804 million, which is £0.750 million higher than the 2025-26 budget. Additional funding has been provided through the Medium Term Financial Strategy (MTFS) over the years to meet demographic changes and changes arising as a result of the increase in council tax. Based on the current caseload the estimated total cost of the scheme for 2026-27 is around £17.8 million (including the cost of the discretionary elements), based upon the proposed council tax increase included within the draft MTFS report to Cabinet on 13 January 2026, which is £5.528 million higher than the funding provided by Welsh Government but in line with the proposed CTR budget. Likely spend could change depending upon changes to the number of claimants and the final council tax increase for 2026-27, which will be presented to Council for approval on 25 February 2026. However, with the ongoing cost of living crisis, and the impact of this on people's financial and economic circumstances, along with Welsh Government's strategy to improve take up of benefits through the Welsh Benefits Charter, demand may well increase, so this budget will be kept under review during the financial year and the position reported through the quarterly revenue monitoring reports to Cabinet.

9. Recommendations

9.1 It is recommended that Council notes the information in the report and adopts the Council Tax Reduction Scheme 2026-27 as set out in paragraphs 3.15 to 3.20 of this report.

Background documents

None

Agenda Item 9

Meeting of:	COUNCIL
Date of Meeting:	14 JANUARY 2026
Report Title:	OUTDOOR RECREATION FACILITIES SUPPLEMENTARY PLANNING GUIDANCE
Report Owner: Cabinet Member / Responsible Chief Officer	CABINET MEMBER FOR REGENERATION, ECONOMIC DEVELOPMENT AND HOUSING CORPORATE DIRECTOR - COMMUNITIES
Responsible Officer:	JACK DANGERFIELD SENIOR STRATEGIC PLANNING POLICY OFFICER
Policy Framework and Procedure Rules:	There is no impact on the Policy Framework or Procedure Rules.
Executive Summary:	The purpose of this report is to provide Council with an overview of the public consultation exercise on the draft Outdoor Recreation Facilities Supplementary Planning Guidance (SPG) document following approval (with amendments) by Cabinet at its meeting on 23rd September 2025. It also seeks Council approval to adopt the final form Outdoor Recreation Facilities SPG. Adoption of this SPG will enable effective implementation of the Outdoor Recreation Facilities policies within the adopted Replacement Local Development Plan (RLDP), the Council's statutory land-use planning document.

1. Purpose of report

- 1.1 The purpose of this report is to inform Council of the outcome of the public consultation exercise on the draft Outdoor Recreation Facilities Supplementary Planning Guidance (SPG) document following approval (with amendments) by Cabinet at its meeting on 23rd September 2025.

1.2 The report also seeks Council approval to adopt the final form Outdoor Recreation Facilities SPG (**Appendix 1**) in order to support the Outdoor Recreation Facilities (**ORFs**) policies within the adopted Replacement Local Development Plan (**RLDP**, March 2024), subject to any necessary minor changes necessary prior to its publication. Council approval is also sought to periodically update the links to best practice guidance in Section 7 of the SPG and the capital and maintenance costs set out in Table 1, Appendix A and Appendix B of the SPG to ensure they remain current.

2. **Background**

2.1 The adopted Replacement Local Development Plan (**RLDP**, March 2024) plays a key role in ensuring new housing developments incorporate the appropriate amount and mix of ORFs to alleviate the additional pressure placed upon existing facilities. This helps to ensure that developments remain sustainable and can support the needs of the community long-term.

2.2 While there is an existing adopted SPG in place (*SPG 05: Outdoor Recreation Facilities and New Housing Development*, adopted on 9th March 2022), this was prepared to expand upon the previous Local Development Plan's (**LDP**) ORFs policy and now requires updating to support the adopted RLDP. Other contextual changes also need to be incorporated within the replacement SPG for ORFs. Firstly, new '*Fields in Trust*' (**FiT**) standards, which define a target for the quantity of recreation space provision, have been introduced. These FiT standards are universally accepted as the recommended benchmark for the provision of ORFs and will prove key to implementing RLDP Policy *COM10: Provision of Outdoor Recreation Facilities*. The SPG also needs revising to provide current evidence-based cost figures to inform commuted sums (both for the maintenance of on-site facilities and for the provision and maintenance of off-site facilities when the full policy requirement cannot be met on-site). This will ensure that any commuted sums secured through the planning system will better reflect the actual cost of providing such facilities. Regular review of the cost figures used to inform the SPG will enable them to be updated periodically to ensure they remain current in terms of value.

2.3 The replacement Outdoor Recreation Facilities SPG will support and provide further direction on the implementation of Policy COM10. This policy requires developments to provide a specific quantity of recreation space *on-site*, thus helping to create sustainable, cohesive and inclusive communities where everyone has access to good quality recreation spaces and facilities.

2.4 The revised Outdoor Recreation Facilities SPG provides updated, specific guidance on:

- How developers should calculate the required quantity of the five ORF typologies defined by Policy COM10 for on-site provision;

- How developers should calculate the split between on-site provision and a financial contribution for the enhancement/provision of off-site ORFs, if required;
- How to calculate a suitable financial contribution to cover the long-term maintenance of either/both on-site and off-site ORFs;
- The use of planning obligations (via s106 agreements) to secure ORF provision off-site;
- Information on the Council's accessibility benchmark standards for each ORF typology;
- Design guidance for the five typologies of ORF to encourage best practice when providing new facilities on-site;
- Information on the Council's preferred approach to the management and maintenance of on-site ORFs; and
- How issues relating to development viability may be considered in respect of ORF provision.

2.5 Policy COM10 defines five categories of ORF to reflect those set out in the *Fields in Trust's (FiT) 'Beyond the Six Acre Standard'*. It sets a spatial requirement (hectares) per 1,000 population for each ORF typology. These include:

- **Playing Pitches** – Areas marked for formal, pitch-based outdoor recreation activities such as football, rugby union/league and cricket pitches;
- **Other Outdoor Sports** – Non-pitch sports facilities, such as tennis courts, bowling greens and athletics tracks;
- **Equipped/Designated Play Areas** – Either Local Areas for Play (**LAPs**), Local Equipped Areas for Play (**LEAPs**) or Neighbourhood Equipped Areas for Play (**NEAPs**);
- **Other Outdoor Provision** – Other types of sports facilities not included in the above categories, such as Multi-Use Games Areas (**MUGAs**) and skate parks; and
- **Allotment provision** - Open space dedicated to food growing.

2.6 The revised SPG converts the policy requirement from hectares per 1,000 population to square metres per dwelling to enable planning officers and applicants to calculate the spatial requirement on-site. In cases where proposed development is not able to deliver the required quantity of outdoor recreation space on-site, financial contributions may be acceptable in lieu to support and/or enhance provision elsewhere in the vicinity of the development. The evidenced-based costings contained in Table 1 of the SPG are reflective of how much it would cost to both provide the different types of ORF off-site and to maintain on-site and off-site facilities over a 25-year period. With the inclusion of these costings, the Council will be able to justify seeking appropriate planning contributions to cover the cost of the provision

and maintenance of high quality, inclusive and accessible ORFs throughout the County Borough.

- 2.7 Where developers adequately justify that the full policy requirement cannot be met on-site, the LPA will refer to the results of the latest Outdoor Sport and Children's Playing Space Audit and/or the Allotments and Community Gardens Audit to determine which typologies should be prioritised on-site. These audits will also be used to inform how commuted sums should be allocated to meet local need.
- 2.8 The Outdoor Recreation Facilities SPG also includes design guidance for the provision of ORFs and links to a range of external best practice guidance documents. This section was informed by a Health Impact Assessment led by Public Health Wales and involved several internal and external local stakeholders. It is intended to ensure that the ORFs delivered are inclusive, accessible, environmentally sustainable, and maximise health and well-being benefits to all. This approach is key to ensuring balanced, socially cohesive and sustainable communities.
- 2.9 Policy COM10 requires developments to provide the following quantities of outdoor recreation space for each typology:
 - 1.2 hectares of Playing Pitches per 1,000 population;
 - 1.6 hectares of Other Outdoor Sports (non-pitch) per 1,000 population;
 - 0.25 hectares of Equipped/Designated Play Areas per 1,000 population;
 - 0.3 hectares of Other Outdoor Provision per 1,000 population; and
 - 0.2 hectares of Allotment Provision per 1,000 population.

- 2.10 The Development Control Committee were informed of the need to revise the Outdoor Recreation Facilities SPG at their meeting of 8th August 2024, with two members of the DC Committee volunteering to champion the production of the updated Outdoor Recreation Facilities SPG and work alongside the Senior Strategic Planning Policy Officer to progress the SPG.

3. Current situation / proposal

- 3.1 On 13th May 2025, Cabinet provided approval for a six-week public consultation on the draft Outdoor Recreation Facilities SPG to take place. Cabinet also authorised officers to make appropriate arrangements for that public consultation before reporting the outcome of the consultation back to Cabinet to seek their approval to send this report to Council to seek adoption of the final form SPG.
- 3.2 The public consultation was launched on 22nd May 2025 and closed on 2nd July 2025, and was promoted through a variety of channels to ensure wide engagement. The consultation was hosted on the Council's consultation portal, supported by a social media campaign and an accompanying press release to maximise public awareness. In addition, targeted emails were issued to approximately 100 stakeholders, including all elected Members, Town and Community Councillors, developers, planning agents and Registered Social Landlords. This ensured that a broad range of community and

development sector representatives were directly invited to comment, providing a robust and inclusive approach to the public consultation.

3.3 A total of four representations were received on the Outdoor Recreation Facilities SPG during the consultation period. This low number reflects the fact that there were no fundamental objections to the draft SPG. All representations, together with the Local Planning Authority's response to each and the reasons for not incorporating some suggestions, are set out in the consultation report attached as **Appendix 2** to this report. Copies of the full representations are held by the Council's planning department and can be viewed upon request. The comments submitted related to relatively minor points, resulting in two changes being made to the draft SPG document:

- Insertion of a reference to the '*Including Disabled Children in Play Provision Position Statement*' by the 'Play Safety Forum' under the *Local Community Needs and Accessibility* heading within Section 7.0 *Designing Outdoor Recreation Facilities* of the draft SPG.
- Updated web-link to Play Wales' document, '*Creating Accessible Play Spaces toolkit*' under the heading '*Design Guidance by Outdoor Recreation Facility Typology*' within Section 7.0 *Designing Outdoor Recreation Facilities* of the draft SPG.

3.4 There were no other changes considered necessary to the SPG following the public consultation and the above amendments have now been incorporated within the final form SPG which is attached as **Appendix 1**.

3.5 On 23rd September 2025, Cabinet noted the officer's responses to the consultation representations received on the draft Outdoor Recreation Facilities SPG, together with the resultant amendments set out in **Appendix 2**.

3.6 Cabinet also approved presenting the final form Outdoor Recreation Facilities SPG to Council to seek its adoption, subject to two minor amendments to Table 2 on page 12 of the SPG.

3.7 One of these amendments was to reformat Table 2 to show more clearly how different sized equipped play areas will be required on different sized sites. Instead of showing each type of play area (LAP, LEAP and NEAP) in separate rows, these have been amalgamated into a single row in the final form Outdoor Recreation Facilities SPG (**Appendix 1**), for enhanced clarity.

3.8 The second amendment was to include a requirement for an allotment contribution (commuted sum) on smaller sized developments in the '11-50', '51-100' and '101-200' dwelling ranges, which would necessitate an additional financial payment. The impacts of an additional financial contribution for smaller sites were duly considered for a range of notional sites. It became evident that this amendment would generate significant commuted sums beyond the means of smaller sites, which are already

relatively marginal in viability terms. The per square metre capital and maintenance cost for allotments (as detailed in Table 1 of the SPG) is high on a relative basis due to allotment plot sizes being smaller than other types of ORF covered by Policy COM10, such as playing fields. Hence, applying such allotment contributions to smaller sites would have a significant impact on such sites' viability, while potentially impacting upon each site's ability to fund other necessary infrastructure. Adopted RLDP policies have already sought to maximise planning contributions across a range of thematic policy areas, including affordable housing, education, highways and outdoor recreation. Smaller developments only have limited headroom to fund these contributions, and so an additional allotment contribution would likely lead to many viability challenges from developers. The scope for this approach to deliver new allotment sites would therefore be very limited. Instead, the RLDP's strategy seeks to enable delivery of strategic sites that are sufficient in critical mass to fund a range of supporting infrastructure, including community growing space. This is a more viable and deliverable means for the RLDP to contribute to growing space provision through planning obligations.

- 3.9 Adopted Policy COM12 aims to promote the provision of additional allotment gardens throughout the County Borough, thereby setting the land use planning framework for any future allotment strategy. Specific allocations for new allotments can also be reconsidered in future local development plan reviews, to this end. However, the RLDP or SPG does not prevent proposals for allotments being submitted as planning applications in the short term and such proposals can be progressed through the development management process.
- 3.10 The challenges outlined above were presented to Cabinet Members on 25th November 2025. The implications of the original Cabinet resolution (to alter the allotment threshold in Table 2 of the SPG) were discussed and considered further. The most appropriate course of action was deemed to be to retain Table 2 in its original form. The final form SPG (**Appendix 1**) therefore does not propose to alter the threshold for an allotment contribution within Table 2 and is presented to Council for adoption on this basis. Community growing space will continue to be sought on strategic sites as per the RLDP's original strategy and new allotment sites can be brought forward through alternative and more appropriate routes as outlined above.
- 3.11 If adopted, the new SPG will add weight to the interpretation and application of RLDP Policy COM10, provide more detailed advice to planning applicants and will become a *material consideration* in the determination of planning applications. It will update and replace the previous SPG 05: *Outdoor Recreation Facilities & New Housing Development* (adopted March 2022).

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 An initial Equality Impact Assessment (**EIA**) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on

socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The Outdoor Recreation Facilities SPG will provide additional guidance and material weight to support adopted RLDP Policy *COM10: Provision of Outdoor Recreation Facilities*, which seeks to enhance the supply and standard of ORFs. This is a key contributory factor to delivering Local Well-being Objective One: '*A prosperous place with thriving communities*'.

5.2 The Outdoor Recreation Facilities SPG will also contribute to the following goals within the Well-being of Future Generations (Wales) Act 2015:

- *A resilient Wales* – The SPG will help enable residents to access opportunities for food growing close to where they live, live closer to nature, and for socialising. By designing in natural habitats, wherever possible, the SPG also supports wildlife to thrive.
- *A more equal Wales* – By providing accessible and inclusive ORFs, the SPG will help ensure that everyone has the opportunity to exercise and participate in sports and in play activities.
- *A healthier Wales* – Providing equitable access to ORFs close to where people live is essential for ensuring that residents have the opportunity to socialise, play and exercise, all important contributors to health and well-being.
- *A Wales of cohesive communities* – Enabling well-connected, accessible and inclusive spaces for people to meet and socialise together will foster sustainable, socially cohesive communities.

6. Climate change and nature implications

6.1 There are no direct climate change or nature implications from this report, although the Outdoor Recreation Facilities SPG will provide additional guidance to secure ORFs as part of planning applications. ORFs play an important role in meeting the challenge of climate change and flooding through integrating sustainable drainage systems (**SuDS**) and providing opportunities for conserving and enhancing the natural environment. The SPG will enable the provision of appropriate ORFs in accessible locations (close to new dwellings and/or active travel routes). This will help reduce dependence upon private vehicles, minimise the need for residents to travel to access ORFs and therefore help reduce carbon emissions. The SPG will also promote well-designed ORFs that utilise durable materials, thereby minimising the future maintenance burden and the need for replacement materials in the medium to long-term. Enabling community food-growing spaces close to where people live will

also provide residents with the opportunity to source food with minimal impact on the environment.

7. Safeguarding and Corporate Parent implications

7.1 There are no Safeguarding and Corporate Parent implications from this report.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Recommendations

9.1 It is recommended that Council:

- a. Note the contents of the report and approve the officer's consultation responses to the representations received in response to the public consultation on the draft Outdoor Recreation Facilities SPG, together with resultant amendments set out in attached **Appendix 2**.
- b. Approve the final form Outdoor Recreation Facilities SPG (**Appendix 1**) and agree its adoption for immediate application as a *material consideration* in making development management decisions and in the determination of planning applications along with the adopted RLDP, subject to the provisions of recommendations 'c', 'd' and 'e'.
- c. Authorise the Corporate Director - Communities and Group Manager - Planning and Development Services to make minor presentational changes, typographical or factual corrections as necessary prior to publication of the adopted Outdoor Recreation Facilities SPG;
- d. Authorise the Corporate Director – Communities and Group Manager – Planning and Development Services to update, as necessary, the web links to external best practice guidance documents listed under the 'Design Guidance by Outdoor Recreation Facility Typology' heading in Section 7.0 of the Outdoor Recreation Facilities SPG, to ensure they remain current and accurate; and
- e. Authorise the Corporate Director – Communities and Group Manager – Planning and Development Services to update the costs set out in Table 1 (page 11), Appendix A and Appendix B of the Outdoor Recreation Facilities SPG periodically to ensure such costs remain up-to-date and reflective of current costs.

Background documents

None.



**Bridgend County Borough
Local Development Plan
2018-2033**

**Outdoor Recreation Facilities
Supplementary Planning Guidance
January 2026**

Cyngor Bwrdeistref Sirol



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Bryngarw Country Park

Bridgend Local Development Plan 2018-2033
Outdoor Recreation Facilities Supplementary Planning Guidance

1.0 Introduction

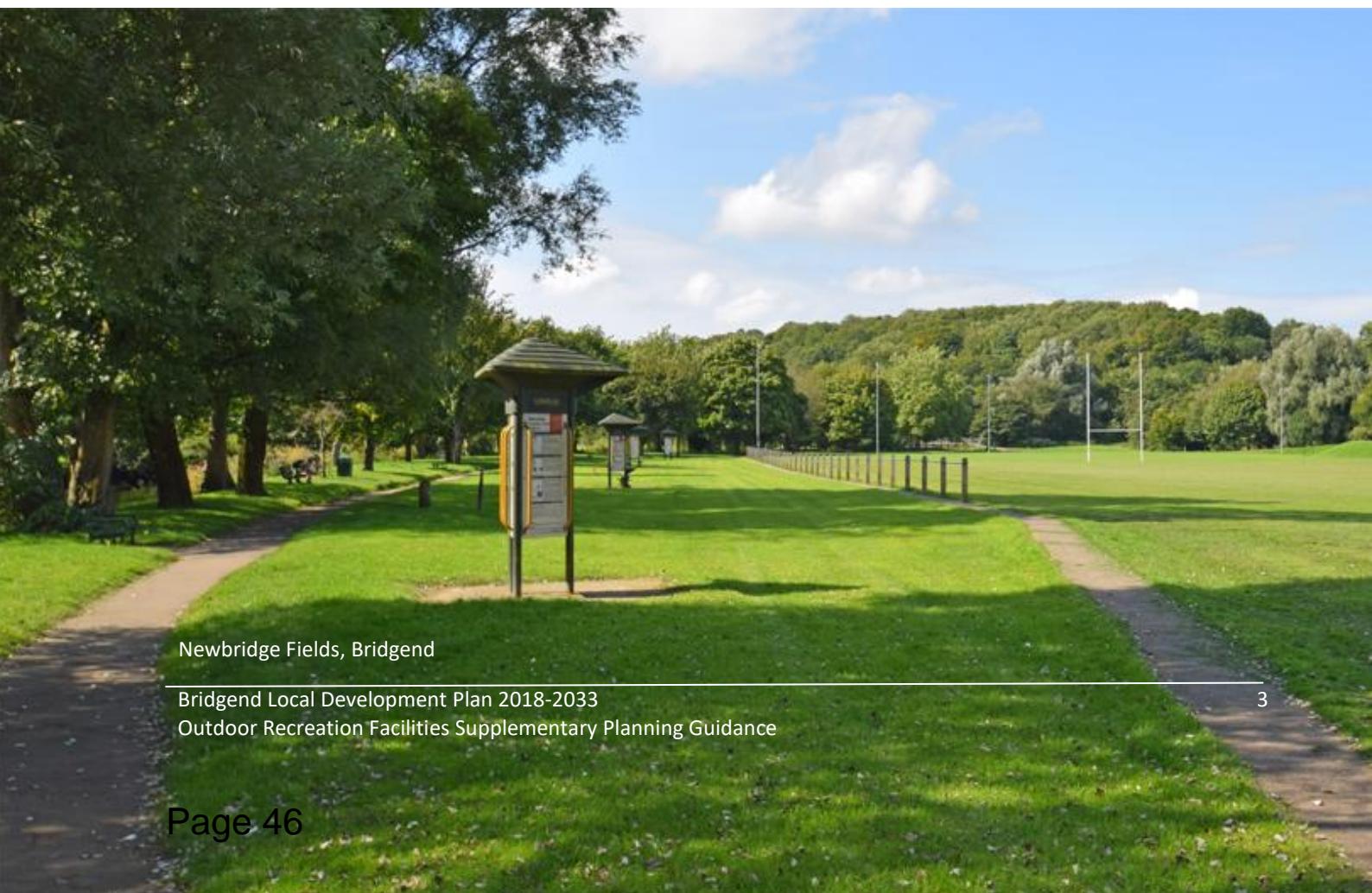
- 1.1 The purpose of this Supplementary Planning Guidance (**SPG**) is to support and provide further direction on the implementation of the policies for Outdoor Recreation Facilities (**ORFs**) contained within the adopted (March 2024) Replacement Local Development Plan (**RLDP**). It outlines how ORFs (to accompany new residential development) should be delivered through the planning system throughout Bridgend County Borough. New ORFs should be delivered on-site in the first instance; however an equivalent financial contribution may be accepted in lieu where it is robustly justified. This will help to alleviate the additional pressure created by new development while enabling placemaking-led sustainable development. This multi-faceted approach is key to ensuring balanced, socially cohesive and sustainable communities.
- 1.2 Once adopted, this SPG will be a material consideration in the determination of all planning applications for residential development including applications for renewal of consents. It will update and replace the previous SPG 05: Outdoor Recreation Facilities and New Housing Development (2022).
- 1.3 Anyone wishing to submit an application for residential development within Bridgend County Borough is urged to consider this SPG and to contact the Local Planning Authority (**LPA**), in advance of submitting an application, to discuss the issues that are raised in this document on a site-specific basis.
- 1.4 This SPG provides specific guidance on:
 - Definitions of the ORF typologies listed within Policy COM10;
 - How to calculate the requirement for each type of ORF on-site, as well as the expected financial contribution if some or all of the required ORFs cannot be provided on-site;
 - Designing each ORF typology;
 - The management and maintenance of on-site ORFs; and
 - How issues surrounding development viability may be considered in respect of ORF provision.

2.0 Policy Context

- 2.1 National Planning Policy for the provision of ORFs through the planning system is set out in Future Wales: The National Plan 2040, Planning Policy Wales (PPW) and Technical Advice Note 16 (TAN): Sport, Recreation and Open Space.
- 2.2 **Future Wales: The National Plan 2040** is the national development framework setting out the direction for development in Wales to 2040. The 'Future Wales Outcomes' include '*A Wales where people live and work in connected, inclusive and healthy places*'. Under this outcome, Future Wales states that '*high quality homes meeting the needs of society will be well located in relation to jobs, services and accessible green and open spaces. Places will meet and suit the needs of a diverse population, with accessible community facilities and services*'.
- 2.3 **PPW (Edition 12)** recognises recreation facilities and spaces as important components of placemaking, as well as their contribution towards improving people's health, well-being and amenity. It states that LPAs should provide a framework for well-located, good quality sport, recreation and leisure facilities and develop clear policies for the provision, protection and enhancement of these facilities.
- 2.4 **TAN 16: Sport, Recreation and Open Space** provides practical guidance on the role of the planning system in delivering recreation facilities. It sets out the policy framework for the provision and protection of sport, recreation and open space facilities. It equally provides guidance on incorporating sport, recreation, and open space into development plans and ensuring these amenities are accessible, high quality, and meet the needs of the community. It also emphasises the importance of assessing the current and future needs of the community, of setting design standards for open space/recreation facilities, while encouraging community involvement in the planning and management of facilities to ensure they meet local needs.

2.5 Cwm Taf Morgannwg Public Services Board (PSB) Local Well-being Plan

2023-28 outlines how the PSB will work together to deliver the seven well-being goals for Wales as referenced in the Well-being of Future Generations (Wales) Act 2015. The PSB Local Well-being Plan is framed around the sustainable development principles and focusses on addressing the underlying causes of problems and helping to prevent them worsening or occurring in the future. There are two key objectives: *Healthy Local Neighbourhoods* and *Sustainable and Resilient Local Neighbourhoods*. Delivery of inclusive and accessible ORFs through the planning system alongside new development will significantly contribute to both well-being objectives and foster cohesive, more sustainable communities. The RLDP expresses, in land-use terms, the objectives of the Well-Being of Future Generations (Wales) Act 2015 and priorities of the PSB's Local Well-being Plan.



Newbridge Fields, Bridgend

3.0 Background

3.1 ORFs are vital for people's health, well-being and amenity, and are often an integral part of an area's network of green infrastructure (multi-functional green space and features), and blue infrastructure (water features). They provide spaces for play, sport, physical activity and opportunities to relax close to nature. They also make an important contribution towards people's quality of life, can help to tackle health inequalities and are a key ingredient of good 'place-making'. Networks of high quality, accessible green spaces and ORFs should also promote nature conservation, biodiversity enhancements and provide opportunities for participation in a wide range of physical activities. Ensuring that ORFs are provided within walking distance to where people live is crucial to tackling climate change by reducing the need to travel and improving the resilience of communities to cope with future climate change impacts. ORFs and spaces can also incorporate Sustainable Drainage Systems (**SuDS**), into their design which play an important role in reducing the impact of flooding. These benefits play a key role in supporting the social, environmental, cultural and economic prosperity of Bridgend and Wales. In providing ORFs, community engagement is key to ensuring that provision reflects the needs and aspirations of local people. The Council places great importance upon working in partnership with the community to deliver essential services and facilities where they are needed.

3.2 The RLDP's Sustainable Housing Strategy makes provision for 8,628 homes to meet the housing requirement of 7,575 homes. In order to ensure associated pressure upon existing ORFs is effectively managed, it is imperative to ensure they are maintained and/or enhanced as appropriate. Equally, provision of well-maintained, new ORFs close to where people live is a key component of delivering sustainable communities. The LPA's adopted minimum standards for ORFs are calculated per 1,000 population and are detailed in Section 4. They are derived from Field in Trust's (**FiT**) widely used *Guidance for Outdoor Sport and Play – Beyond the Six Acre Standard*

(Wales). The term, 'ORF', in the context of this guidance, is comprised of and defined using the following terminology:

Playing Pitches

3.3 '*Playing Pitches*' are defined as areas marked for formal, pitch-based recreation activities, including (but not limited to) association football, rugby union, rugby league, hockey, lacrosse and cricket. This typology also includes facilities ancillary to the purposes of outdoor sports such as changing rooms, toilets, pavilions, clubhouses and, where appropriate, for the level of sport played, spectator areas, lighting and training facilities.

Other Outdoor Sports (non-pitch)

3.4 '*Other Outdoor Sports (non-pitch)*' are defined as areas for non-pitch based recreation activity, including courts and greens comprising natural or artificial surfaces, such as tennis courts, bowling greens, athletics tracks and similar outdoor sports areas.

Equipped/Designated Play Areas

3.5 '*Equipped/Designated Play Areas*' are areas designated for children and young people, containing a range of facilities and an environment that has been designed to provide focused opportunities for outdoor play. They typically comprise casual or informal playing space within housing developments, including areas containing recreation equipment, grassy areas for children of different ages to enjoy recreation activities, along with equipped playing areas. This category includes Local Areas for Play (**LAPs**), Local Equipped Areas for Play (**LEAPs**) and Neighbourhood Equipped Areas for Play (**NEAPs**).

Other Outdoor Provision

3.6 '*Other Outdoor Provision*': this category refers to facilities such as Multi-Use Games Areas (**MUGAs**) and skateboard parks.

Allotment Provision

3.7 These are areas of open space within and accessible to the urban

environment that can provide moderate exercise, relaxation and the production of fresh fruit and vegetables. They are recognised as areas that provide multi-functional benefits to communities in terms of enhanced sustainability, well-being, leisure opportunities and biodiversity. They also provide community, health and social benefits, encouraging interaction between users of all ages, providing the opportunity to teach and learn, while enhancing local biodiversity.



Great Western Avenue Allotment, Bridgend

4.0 Planning Framework

4.1 PPW emphasises the planning system's role in providing a framework for well-located, good quality sport, recreational and leisure facilities. This is key to facilitating the well-being of children and adults alike, and for the social, environmental, cultural and economic life of the County Borough's communities. The strategic planning framework for the provision, protection and enhancement of sport, recreation and leisure facilities is set out within Strategic Policy 9 (SP9) and supported by Development Management Policies COM9-13:

SP9: Social and Community Infrastructure

COM9: Protection of Social and Community Facilities

COM10: Provision of Outdoor Recreation Facilities

COM11: Provision of Accessible Natural Greenspace

(including public open space)

COM12: Provision of Allotments and Community Food Networks

COM13: Provision of Cemeteries

4.2 All new housing developments (including 100% affordable housing sites) will be expected to include an appropriate level of ORFs for public amenity purposes in the interest of good design. COM10 is based on the benchmark standards endorsed by FiT, the National Society of Allotment and Leisure Gardeners Policies and Natural Resources Wales' Green Space Toolkit, for the provision of Accessible Natural Green Space. The LPA will work with developers to maintain an optimal level and balance of good quality ORFs and space for all residents. The standards required by COM10 are supported by the Outdoor Sport and Children's Playspace Audit and the Allotment Audit, which will be updated periodically. Provision of ORFs, in accordance with COM10, will also support the wider green infrastructure network in accordance with DNP8. Provision should be delivered on-site in the first instance.

4.3 Financial contributions equivalent to the value that would otherwise be expected on-site, may be acceptable where the developer is able to

demonstrate robustly that it is not possible to deliver the full requirement on-site.

4.4 In some circumstances, it may be appropriate to utilise off-site financial contributions for larger than local purposes, such as upgrading key facilities that serve both the site in question and a wider catchment area. For example, the centrally located Bryngarw Country Park draws visitors from a wide catchment area, thereby serving residents across the County Borough. Off-site financial contributions could be used in full or in part for projects such as (although not limited to), play area improvements, accessibility improvements, pathway upgrades and restoration of the park's natural heritage. The scope for individual sites to provide planning contributions to this end would be determined on a case-by-case basis, although the strategic sites allocated within the adopted RLDP could provide the greatest scope to provide ORF contributions for larger than local purposes.



Maesteg Welfare Park

5.0 Calculating the Requirement

5.1 This section sets out how to calculate ORF provision as part of planning submissions in order to achieve compliance with Policy COM10. Worked examples for different development sizes are provided in Appendices A and B.

5.2 Policy COM10 details five ORF typologies, together with the standards expected per 1,000 population, as follows:

1. 1.2 hectares per 1,000 population for Playing Pitches;
2. 1.6 hectares per 1,000 population for Other Outdoor Sports (non-pitch);
3. 0.25 hectares per 1,000 population for Equipped/Designated Play Areas;
4. 0.3 hectares per 1,000 population for Other Outdoor Provision; and
5. 0.2 hectares per 1,000 population for Allotment provision.

On-Site Provision

5.3 The average household size in the County Borough is 2.3 persons (based on Welsh Government's average household size estimates, 2023). This equates to 435 dwellings per 1,000 population, which has been used to calculate the quantum of ORF provision (in square metres) per dwelling. These requirements are set out in Column A of Table 1 below, which should be used to calculate the total quantity of provision required.

5.4 An additional financial contribution will be sought alongside on-site provision to cover maintenance costs for a 25-year period; these costs are shown in Column D of Table 1. However, subject to agreement with the LPA, it is acknowledged that there may be instances where the developer may transfer on-site ORFs to a private management company. The maintenance contributions shown in Column D of Table 1 would not be applicable in these instances.

5.5 Table 2 illustrates the form of ORF provision (on-site provision/off-site contribution) for different sized sites that the LPA would typically consider acceptable to meet the requirements of COM10. Applicants should refer to the column that corresponds to the total number of dwellings planned for the development. Where more than one Equipped Play Area is required on-site, the total spatial requirement for Equipped Play Areas should typically be apportioned using the ratio; 1(LAP): 4(LEAP): 10(NEAP). For large development sites, opportunities to co-locate new ORFs within school sites should be considered.



Tennis Courts, Griffin Park, Porthcawl

Table 1: Cost of On-Site Provision and Off-Site Contributions (Outdoor Recreation Facilities)

Type of ORF	ON-SITE PROVISION		OFF-SITE CONTRIBUTIONS	APPLICABLE TO ON-SITE & OFF-SITE PROVISION
	A: Requirements per dwelling (sqm)	B: Trigger	C: Capital Contribution per sqm	D: Maintenance Contribution per sqm (25 years) *
Playing Pitches	27.6	See Table 2	£12.04	£18.18
Other Outdoor Sports (non-pitch)	36.8	See Table 2	£153.39	£144.63
Equipped/Designated play areas (LAPs, LEAPs & NEAPs)	5.7	See Table 2	LAP: £71.14	£184.93
			LEAP: £43.29	£37.68
			NEAP: £60.97	£34.70
Other outdoor provision (MUGAs, skateboard parks, etc.)	6.9	See Table 2	£64.13	£61.03
Allotments	4.6	See Table 2	£557.13	£105.30

*For information on the requirements for on-site maintenance, please refer to Section 8 of this guidance.

Table 2: Development Thresholds

Size of Site (Number of Dwellings)	1-10	11-50*	51-100	101-200	201-500	500+
Other Outdoor Provision (MUGAs, skateboard parks, etc.)	No	No	Contribution	Contribution	Contribution	Yes
Playing pitches	No	No	Contribution	Contribution	Contribution	Yes
Other outdoor sports (non-pitch)	No	No	No	No	No	Contribution
Allotments	No	No	No	No	Contribution	Yes/ Contribution
Local Area for Play (LAP), Local Equipped Area for Play (LEAP) and/or Neighbourhood Equipped Area for Play (NEAP)	Contribution for LAP	LAP	LEAP	LAP & LEAP	LAP, LEAP & contribution for NEAP	LAP, LEAP & NEAP

*For developments towards the upper end of the 11-50 dwelling range, the LPA may consider it appropriate to require additional on-site provision where there is a lack of accessible ORFs in the local vicinity. This will be assessed on a case-by-case basis.

Off-Site Provision

5.6 The LPA recognises that, in some cases, it may not be possible for the required on-site provision set out in Table 2 to be delivered on-site, due to either physical/environmental constraints unique to the site, or issues regarding development viability. In such cases, the applicant must demonstrate this robustly to the LPA and detail the quantum of provision that can be delivered on-site, if any. Where supporting justification is agreed, the LPA will refer to the latest Outdoor Sport and Children's Playing Space Audit and/or the Allotments and Community Gardens Audit to determine which typologies should, where possible, be prioritised on-site to contribute towards local need.

5.7 The remaining balance (in square metres) will then be calculated for each of the typologies required by Table 2. A financial contribution will be acceptable in lieu of on-site provision in accordance with the total off-site contribution per square metre in Table 1, Columns C+D (consisting of the capital cost and 25-year maintenance fee). Where more than one Equipped Play Area is required on-site, the financial contribution should be apportioned using the ratio; 1(LAP): 4(LEAP): 10(NEAP).

5.8 Table 2 also indicates where a financial contribution is acceptable in the first instance; contributions for these ORFs should be calculated using the same method. The financial contributions in Table 1 will be reviewed periodically to take account of inflation.

5.9 In certain instances, it may be more appropriate to upgrade existing ORF provision than to provide new facilities on-site. This can be considered if an existing ORF equivalent to the typology required on-site (by Table 2), lies within the walking distance guidelines outlined in Table 3 below. This should be measured from a central point within the red line boundary of the development site (this must take into account any barriers to pedestrians such as railway lines and main roads). The acceptability of an off-site contribution in such instances will be considered on a case-by-case basis, however particular

regard will be given to whether the developer is able to demonstrate either of the following:

- The existing ORF has the capacity to support the increase in population created by the development; or
- The existing ORF is in need of enhancement/expansion (and there is the opportunity to do so).

Accessibility Benchmark Standards

5.10 Accessibility benchmark standards will be applied to ORFs. These standards are derived from FiT guidance and are set accordingly for each typology. These are indicative walking distances only, as they do not take into account any localised physical barriers. Nevertheless, they provide an indication of the LPA's desired maximum distances between residential dwellings and each type of ORF. On-site provision must comply with these standards in accordance with Policy COM10 in the RLDP. Localised accessibility factors (such as the existence of safe and accessible walking and cycling routes), will need to be duly considered by the applicant in justifying off-site contributions in lieu of on-site provision.

Table 3: Accessibility Guidance

ORF Typology	Walking Guideline	
	Walking Distance: Metres from dwellings	Walking Distance: Time from dwellings
Playing Pitches	1,200m	15 mins
All Outdoor Sports	1,200m	15 mins
Equipped / Designated Play Areas	100m from LAPs	1-1.5 mins from LAPs
	400m from LEAPs	5 mins from LEAPs
	1,000m from NEAPs	Approx 12.5 mins from NEAPs
Other Outdoor Provision (MUGAs and skate parks)	700m	Approx. 9 mins

6.0 Section 106 (S106) Agreements

6.1 S106 agreements are legal agreements between a planning authority and a landowner/developer, or undertakings offered unilaterally by a landowner/developer, that ensure certain planning obligations related to a development are secured and complied with. ORFs are one such type of planning obligation which will normally be secured by means of a legal agreement under s106 of the Town and Country Planning Act 1990 (as amended). S106 agreements bind the land, are registerable as a local land charge and apply to successive owners of the land.

6.2 In order to frontload provision, details of the design, size, siting and standard of each ORF will typically be agreed upfront and conditioned as part of the planning consent rather than agreed as a scheme under the s106 agreement. S106 agreements will typically specify the following in relation to ORFs:

6.2.1 **Trigger points when ORFs are to be provided on-site.** The trigger points will conventionally be tied to the occupation of open market dwellings. Different forms of ORFs will either need to be delivered in full on or prior to the defined trigger point or at phased stages on or before several trigger points (for larger sites with several types of ORFs).

6.2.2 **Transfer arrangements to a management company or to the Council.** Provisions will be included in the s106 agreement to detail by when the management company or the Council will adopt the respective on-site ORFs. The point(s) by which the developer must transfer each ORF will also be specified in the s106 agreement.

6.2.3 **The amount and timing of maintenance sums to be paid and any financial contribution in lieu of on-site delivery (if appropriate).** Maintenance sums and any financial contribution in lieu of on-site delivery (**Commuted Sums**) will be calculated in accordance with the guidance detailed in Section 5 of this SPG, and will be payable at a defined trigger point

or phased proportionately over several trigger points (for larger sites). The trigger points will normally be tied to the occupation of open market dwellings. Commuted Sums will be managed by the local authority to maintain ORFs and enable effective off-site provision within the vicinity of the development or, in some instances, for larger than local purposes. Opportunities will also be explored to co-locate ORFs with health and social care provision or community facilities.



7.0 Designing Outdoor Recreation Facilities

7.1 Policy COM10 seeks to ensure a certain quantity of ORF space is delivered alongside new development and these facilities should be designed upfront for determination as part of each planning application. The design of these ORFs should be of a quality and form that supports the needs of the whole community, promoting accessibility across all typologies. This section begins by setting out design considerations applicable to all ORFs and also signposts to external guidance for each typology.

FiT Design Standards

7.2 The FiT Standards '*Creating Great Spaces for All*' should be used by developers as a starting point to inform the design of ORFs provided. The guidance sets out six 'themes' for their design which build on the FiT benchmark standards. The themes covered include:

- Accessible, safe, and inclusive;
- Promote active, healthy lifestyles;
- Support mental well-being;
- Resilient to climate change;
- Provide space for nature to thrive; and
- Adaptable to community needs.

Outdoor Recreation Facilities as Green and Blue Infrastructure

7.3 Green links to and from new ORFs should be included as part of their design from the outset, as per the requirements of SPG19: Biodiversity and Development. In designing development layouts, developers should look to contribute to improving the accessibility and naturalness of ORFs. In providing ORFs, developers should have particular regard to ensuring that such facilities are designed to be accessible to all.

7.4 The use of SuDS as part of on-site ORFs will be supported where there is a clear recreation and amenity function such as providing a walkway/path, or benches, trees and bins. SuDS areas that are fenced off, with no path or bench will not be accepted as ORFs. Basins, ponds and lagoons will be

expected to be shallow and may offer the potential to plant reedbeds and other types of wetland habitat. Design and layout could connect a series of spaces linking within or to adjacent off-site provision, which would be seen as a positive development and could be agreed for adoption. Land that has protected status, for example Scheduled Ancient Monuments, woodlands with Tree Preservation Orders or Sites of Importance for Nature Conservation (**SINCs**), are also considered unsuitable for designation. Installing formal Equipped Play Areas on land within such areas would have demonstrable harm upon their primary function. In addition, areas that have separate functions, e.g. balancing ponds, attenuation areas or other engineered features, cannot be considered towards formal play provision unless its use as such can be reasonably guaranteed throughout the year. Where SuDS are provided, developers should carefully consider how they can be designed to provide children with opportunities to play and learn about nature/wildlife.

- 7.5 Providing it does not conflict with the primary recreational function of a space/facility, developers should consider how Net Benefit for Biodiversity can be incorporated into schemes. Wherever there is the opportunity, green walls should be created to prevent such a conflict between these functions. Where this is the case, native plant species should be carefully selected and management/maintenance arrangements put in place to ensure their longevity.

Mitigating and Adapting to Climate Change

- 7.6 New ORFs should be designed to both mitigate and adapt to climate change, while supporting biodiversity. The following principles should be applied where appropriate, based on the scale and type of ORF:
 - Design and manage external space to support local biodiversity and climate change adaptation (i.e. incorporating 'no mow' areas, insect hotels and/or dead wood areas to support local biodiversity);
 - Incorporate strategically placed SuDS to help alleviate flooding when it occurs;

- Maintain existing green spaces to encourage outdoor activity within existing settlements, while minimising the need to travel to partake in outdoor sport and recreation;
- Incorporate community food growing spaces to enhance 'locally grown' options for communities;
- Ensure ORFs capitalise on and link in with new and/or existing active travel routes to promote sustainable travel options;
- Enhance carbon storage within urban areas by increasing tree planting and vegetation, which will also help keep ORFs cool during warm weather and help purify the air; and
- Provide opportunities for community composting schemes.

Secured by Design (SBD) Principles and Security

7.7 SBD principles should be applied to the design of ORFs to minimise anti-social behaviour and crime levels. SBD is the official police security initiative that works to improve the security of buildings and their immediate surroundings, such as ORFs. Opportunities to install CCTV for ORFs should be considered, where possible, to help combat anti-social behaviour.

Local Community Needs and Accessibility

7.8 ORFs should be designed to reflect the needs of local communities at different life stages in order to maximise community benefit. Dialogue should be initiated with the community early in the development process, supplemented by use of local health indicators and population profiles to inform the design of ORFs. ORFs should also be designed to promote gender equality and be safe and accessible for all users. Spaces should be appropriately designed to cater for the needs of children with additional learning needs and disabilities. Particular regard should be given to the *Including Disabled Children in Play Provision Position Statement* by the Play Safety Forum and UK Children's Play Policy Forum when designing new play facilities.

7.9 Major development proposals must be supported by a Health Impact Assessment (**HIA**), where appropriate, in accordance with Policy SP8. This mechanism should be used to demonstrate how the proposal will result in

beneficial effects (and avoid adverse impacts), on the key determinants of health in the County Borough. The location, density and play activities provided should seek to address local health and environmental inequalities.

- 7.10 When locating ORFs, care should be taken to ensure that both light and noise impacts on local residents are minimised, for example by installing lighting with sensor/timed switches. Whether on-site or off-site, active travel connections should also be provided to these facilities to enable pedestrian and cycle connectivity in the first instance, together with access to public transport facilities.
- 7.11 When designing ORFs, developers should refer to the Council's latest adopted Play Sufficiency Action Plan and seek to incorporate its recommendations, where appropriate.

Design Guidance by Outdoor Recreation Facility Typology

- 7.12 External best practice guidance documents for each ORF typology are referenced below. These are recommended for use as a reference point to inform the design of on-site ORFs as part of wider residential and mixed-use developments.
 - 7.12.1 **Playing Pitches and Other Outdoor Sports (non-pitch):**
 - Sport England - [Outdoor Surfaces Design Guidance](#)
 - Sport England - [Clubhouses Design Guidance](#)
 - Sport England - [Comparative Sizes of Sports Pitches & Courts \(Outdoor\)](#)
 - Cymru Football Foundation - [Changing Room Guidance](#)
 - Cymru Football Foundation - [Artificial Grass Football Pitches \(3G\) Guidance](#)
 - Sport England - [Accessible and Inclusive Design of Facilities](#)
 - Sport England - [Sport-Specific Guidance](#)
 - Sports and Play Construction Association (**SAPCA**) - [The SAPCA Code of Practice for the Design, Construction and Improvement of Natural Sports Turf](#)
 - SAPCA - [The SAPCA Code of Practice for the Construction and Maintenance of Synthetic Turf Sports Pitches](#)

- The Football Association - [Guide to Artificial Grass Pitches](#)
- SAPCA - [The SAPCA Code of Practice for the Construction and Maintenance of Tennis Courts](#)
- Basketball England - [Basketball England – Outdoor Technical Guidance](#)

7.12.2 Children's Play Areas (Equipped/Designated Play Areas):

- Play Wales – [Creating Accessible Play Spaces: A Toolkit](#)
- Play England - [Design for Play: A Guide to Creating Successful Play Spaces](#)
- HAGS – [Guide to Designing Inclusive Playgrounds](#)
- BSI – [Children's Play Areas: A guide to standards for playground equipment and surfacing \(BS EN 1176 series: 2017\)](#)

7.12.3 Other Outdoor Provision (i.e. Multi-Use Games Areas and Skate Parks):

- SAPCA - [The SAPCA Code of Practice for the Construction of Outdoor Multi-Use Games Areas](#)
- A guide to the Design, Specification & Construction of Multi-Use Games Areas (MUGAs)
- Skateboard GB – [Skateboarding: Design and Development Guidance for Skateboarding – Creating Quality Spaces and Places to Skateboard](#)

7.12.4 Allotments:

- [21st Century Allotments in New Developments](#)
- [Growing in the Community \(second edition\)](#)



Bryntirion Fields, Bridgend

8.0 Management and Maintenance of On-site Outdoor Recreation Facilities

Management Arrangements

8.1 The Council will adopt and maintain land as public open space within residential areas where the primary function of that land is public open space. This will be conditional upon the land fulfilling one or more of the following criteria by:

- Ensuring the health and safety of the public;
- Enabling or supporting a sport or leisure function; or
- Providing environmental protection or strategic landscape and visual enhancement.

8.2 The Council will not adopt, under the heading of ORFs, apparatus or structures including their surface areas and standoff zones that have a primary function that is not open space. This includes incidental open space associated with underground installations and engineering features, storm water cells, balancing ponds and landform for storm water drainage. The Council will consider adopting SuDS as part of the drainage system, in its role as the SuDS Approving Body (**SAB**), and in accordance with the provisions of the Flood and Water Management Act 2010.

8.3 Land offered as public open space that has potential historic liabilities associated with a former use, such as contaminated land, may be considered for adoption. Any such application within a development site will need to be supported by impartial assessment based on its proposed long-term use as open space. Each application will be subject to separate risk assessments of historic liabilities in relation to the proposed use as an open space.

8.4 Each potential ORF will be considered for adoption on its own merits on a case-by-case basis. Full discussions on what land could be eligible for adoption should be held at an early stage in the development process. It is advised that proposed adoption be fully explored with the relevant officers prior to submission of a planning permission, with detailed designs being undertaken

upfront. The Council reserves the right to explore opportunities to transfer responsibility for the management and maintenance of ORFs to a community-based organisation i.e. a local sports club, in line with the Council's Community Asset Transfer policy.

8.5 The adoption of land will always be subject to a payment by the developer of a Commuted Sum to cover the cost of future maintenance. The Commuted Sum for maintenance is payable on the transfer of the land. The figure is calculated using up-to-date costings for the maintenance of each ORF for 25 years (these costings will be updated periodically to account for inflation). Column D in Table 1 shows these figures calculated per square metre for each ORF typology. Where developers make a financial contribution in-lieu of on-site ORFs, a Commuted Sum based on the equivalent cost of providing the required facility on-site will be sought (i.e. the equivalent capital and maintenance costs as detailed in Columns C-D of Table 1).



9.0 Development Viability

- 9.1 The policy requirements for ORFs have been based on the FiT standards, the Plan-Wide Viability Assessment and site-specific viability testing. Deviation from the requirements set out in Policy COM10 should not therefore be necessary and will only be acceptable in exceptional circumstances.
- 9.2 For allocations supported by site-specific viability appraisals at the plan-making stage, applicants citing viability issues must clearly demonstrate what variables have now changed that may warrant deviation from Policy COM10. Appropriate supporting evidence must be provided to substantiate any such claim and this evidence must be comprehensive. For example, it would not be acceptable to solely highlight a change in one variable (such as build costs), without clearly evidencing how other variables (such as house prices), may have also changed. A comprehensive refreshed viability appraisal must therefore be provided, with all inputs and assumptions being robustly evidenced. Unsubstantiated commentary will not be acceptable.
- 9.3 For windfall sites, applicants must robustly demonstrate that site-specific constraints, abnormal costs and/or other viability challenges necessitate a reduction from the policy requirements set out within Policy COM10. The LPA will work collaboratively with developers in such instances to agree an appropriate level of ORF provision, subject to appropriate evidence being provided. The LPA reserves the right to reject any development viability claims without comprehensive supporting evidence being provided.
- 9.4 In all cases, it is recognised that some information necessary to demonstrate viability may be commercially sensitive. However, this is not a sufficient reason to avoid providing the appropriate evidence to the LPA and this information will be used solely to consider whether deviation from Policy COM10 is justifiable.
- 9.5 There is a common viability appraisal model in use across the South-East Wales Region known as the '*Burrows-Hutchinson Ltd Development Viability Model*' (**DVM**). The DVM has been created as a comprehensive, user-friendly

model to assess the financial viability of development proposals. The LPA is able to make the DVM available to applicants to appraise the financial viability of a proposed development and demonstrate any necessary deviation from Policy COM10. The primary inputs required to undertake a financial viability appraisal through the DVM are provided in Appendix C to this SPG.

- 9.6 The DVM and user guide can be released to any applicant subject to the Council receiving payment of a standard fee. The fee is intended to cover the Council's administrative costs of locking and distributing the model, verifying the completed appraisal and providing a high-level review to the applicant. However, payment of a fee will **not** guarantee that a reduced quantity of ORFs will be deemed acceptable or directly result in the granting of planning permission. The fee will enable the LPA to consider whether:
 - a) the DVM has been completed correctly and appropriately;
 - b) the evidence supplied to support the costs and values submitted is sufficient and proportionate;
 - c) the suggested timescales for the development are realistic; and the appraisal accords with policy requirements of the RLDP and with other guidance and/or policy statements that are pertinent to the assessment of viability in a planning context.
- 9.7 The preliminary fee does not allow for any further time that an applicant might wish to spend debating the findings of the LPA's initial high-level review. It also does not allow for any officer time necessary to re-appraise subsequent submissions of the model and supporting evidence, which will be re-chargeable. Alternative viability models can be used subject to prior agreement with the LPA. In the event of any unresolvable disputes, the Council may need to draw upon expertise from a third party to act as an independent arbitrator. The costs associated with this must be met by the developer/site promoter. For larger sites (of several hundred units), mixed-use developments or sites of a strategic scale, it may be more appropriate for an applicant to commission an independent arbitrator from the outset, following discussion with the LPA.

Appendix A - Worked Example for 25 Dwellings

Development of 25 dwellings:

An illustrative worked example for 25 market houses using the guidance and standards set out in this SPG. This example illustrates the six-step approach used to determine the nature and amount of ORFs that the LPA would normally expect, including financial contributions in-lieu of on-site provision, if applicable.

STEP 1: Determine the ORF typologies required on-site

A development of 25 market dwellings would normally be expected to provide a LAP on-site (see Table 2). Provision would not be required, in this instance, for either Other Outdoor Provision, Playing Pitches, a LEAP, a NEAP, Other Outdoor Sports, or Allotments.

STEP 2: Calculate the quantity of ORFs required on-site

The size of the LAP is calculated by multiplying the number of dwellings associated with the development (25) by the quantity (in square metres) of recreational space required per dwelling (Table 1, Column A) for the 'Equipped/Designated Play Areas' typology.

$25 \times 5.7\text{m}^2 \text{ per dwelling} = 142.5\text{m}^2$

STEP 3: Determine whether all the ORFs requirement can be delivered on-site

If either none or part of the ORFs requirement can be met on-site (either due to physical/environmental or viability constraints), evidence will need to be provided to demonstrate this.

If only part of the ORFs requirement can be provided on-site - in this example, 100 m², then an off-site ORFs financial contribution will need to be made for the remaining 42.5m².

STEP 4: Calculate the total off-site financial contribution (for provision and maintenance)

The total cost per square metre for an off-site contribution should be calculated by combining the 'Capital Contribution per square metre' (Table 1, Column C) with the 'Maintenance Contribution per square metre' (Table 1, Column D) for a LAP. Therefore, the total off-site ORFs contribution in this example should be calculated as follows: **42.5m² x (£71.14 + £184.93) = £10,882.98**

STEP 5: Calculate the on-site ORFs maintenance payment

In addition to the off-site contribution, a payment to cover the cost of the maintenance of on-site ORFs should be provided by the applicant. To calculate the maintenance payment, multiply the 'Maintenance Contribution per square metre' for a LAP in Table 1, Column D, by the total quantity (in square metres) of ORFs provided on-site (in this scenario, 100m²):

100m² x £184.93 (Table 1, Column D) = £18,493

STEP 6: Calculate the total ORFs financial contribution in addition to on-site provision of ORFs

The final step is to combine the total capital costs for off-site provision and maintenance of ORFs, as set out in step 4 (**£10,882.98**) with the total on-site maintenance cost set out in step 5 (**£18,493**), to provide the total ORFs contribution for this development.

In conclusion, the applicant would be required to make a total financial contribution of £29,375.98 alongside a 100m² LAP on-site.

Appendix B - Worked Example for 150 Dwellings

Development of 150 dwellings:

An illustrative worked example for 150 market houses using the guidance and standards set out in this SPG. This example illustrates the six-step approach used to determine the nature and amount of ORFs that the LPA would normally expect, including financial contributions in-lieu of on-site provision, if applicable.

STEP 1: Determine the ORF typologies required on-site

A development of 150 market dwellings would normally be expected to provide a LAP and a LEAP on-site (see Table 2). On-site provision would not be required, in this instance, for either Other Outdoor Provision, Playing Pitches, a NEAP, Other Outdoor Sports, or Allotments.

STEP 2: Calculate the quantity of ORFs required on-site

The combined spatial requirement to be split between the LAP and the LEAP on-site is calculated by multiplying the number of dwellings associated with the development (150) by the quantity (in square metres) of ORFs required per dwelling (Table 1, Column A) for the 'Equipped/Designated Play Areas' typology (5.7m²).

$$150 \times 5.7\text{m}^2 \text{ per dwelling} = 855\text{m}^2$$

The spatial requirements should be apportioned using a 1(LAPs):4(LEAPs) ratio. **Therefore, the LAP should equal 171m² (one part) in size and the LEAP should equal 684m² (four parts) in size.**

STEP 3: Determine whether all of the ORF spatial requirement can be delivered on-site

If either none or part of the requirement can be met on-site (either due to physical/environmental or viability constraints), evidence will need to be provided to demonstrate this.

A financial contribution will need to be made by the applicant for any of the ORF spatial requirement deemed not to be deliverable on-site. **In this example, only 685m² of the 855m² requirement can be delivered on-site. Therefore, an off-site financial contribution will need to be made for the remaining 170m².**

STEP 4: Calculate the total off-site financial contribution (for provision and maintenance)

The total cost per square metre for an off-site ORFs contribution should be calculated by combining 'Capital Contribution per square metre' (Table 1, Column C) with the 'Maintenance Contribution per square metre' (Table 1, Column D) for a LAP and a LEAP. An equivalent off-site ORFs contribution is also required for the Playing Pitches and Other Outdoor Provision typologies required by Table 2 for a development of this size.

As a LAP and a LEAP are required, the ORFs financial contribution should be apportioned using the ratio of 1(LAP):4(LEAP). Therefore, the off-site LAP equivalent should equal 34m² (one part) in size and the LEAP should equal 136m² (four parts) in size. This should be multiplied by the Capital and Maintenance Contribution per square metre (Table 1, Columns C+D).

In addition, the Capital and Maintenance Contribution per square metre (Table 1, Columns C+D) figure for Playing Pitches (£30.22 per sqm) should be multiplied by the requirements per dwelling (150 dwellings x 27.6m² = 4,140m²) to calculate the required ORFs financial contribution towards the Playing Pitches typology. The equivalent figure for the Other Outdoor Provision typology (£125.16 per sqm) should be multiplied by the requirements per dwellings (150 dwellings x 6.9 m² = 1,035 m²).

Therefore, the ORFs off-site contribution is calculated as follows:

1. **Off-Site LAP contribution:** 34m² x £256.07 = £8,706.38
2. **Off-Site LEAP contribution:** 136 m² x £80.97 = £11,011.92
3. **Off-Site Playing Pitches contribution:** 4,140m² x £30.22 = £125,110.80
4. **Off-Site Other Outdoor Provision contribution:** 1,035 m² x £125.16 = £129,540.60

Total = £274,369.70

STEP 5: Calculate the on-site ORFs maintenance payment

In addition to the off-site ORFs contribution, a payment to cover the cost of the maintenance of on-site facilities should be provided by the applicant. To calculate the ORFs maintenance payment, multiply the 'Maintenance Contribution per square metre' for a LAP in Table 1, Column D, by the total quantity (in square metres) apportioned to a LAP (in this scenario, using the 1:4 size ratio against the agreed on-site provision of 685m², this equals 137m²). The remaining 548m² (four

parts) should be used to calculate the total contribution towards the maintenance of the on-site LEAP, in the same way.

1. LAP maintenance contribution: $137\text{m}^2 \times £184.93 = £25,335.41$
2. LEAP maintenance contribution: $548\text{m}^2 \times £37.68 = £20,648.64$

Total = £45,984.05

STEP 6: Calculate the total ORFs financial contribution in addition to on-site provision of ORFs

The final step is to combine the total costs for off-site provision (capital) and maintenance of ORFs, as set out in step 4 (**£274,369.70**), with the total on-site maintenance cost set out in step 5 (**£45,984.05**), to provide the total ORFs contribution for this development.

In conclusion, the applicant would be required to make a total financial contribution of £320,353.75 alongside 685m² for a LAP and a LEAP on-site.

Appendix C - Data Inputs Required for Financial Viability Appraisals

- 1) List of open market dwelling types, specifying for each one:
 - a) Number of bedrooms;
 - b) Number of habitable rooms;
 - c) Gross/net internal floor areas;
 - d) Estimated open market value (freehold selling price) with supporting evidence;
 - e) Total number of each dwelling type within the proposed development;
- 2) List of affordable dwelling types, specifying for each one:
 - a) Number of bedrooms;
 - b) Number of habitable rooms;
 - c) Gross/net internal floor areas;
 - d) Estimated open market value (unrestricted freehold selling price) for intermediate dwellings;
 - e) Transfer values (with reference to Appendix A) for social rented dwellings;
 - f) Total number of each dwelling type within the proposed development;
- 3) Site layout plan for the development (outline, or detailed if available) with net developable areas and dwelling numbers for each element/phase of the proposed development;
- 4) Estimated construction and sales programmes for the development;
- 5) Details of current land ownership or details of the contractual terms and stage of transaction reached for its acquisition by the developer. This must include the land price paid (or, if estimated and not yet paid, the basis for that estimate), and allowance made for acquisition fees and Land Transaction Tax;
- 6) Planning costs and anticipated period before commencement of development (in months), after land acquisition has been completed;

- 7) Housing construction costs (plot costs), as a total sum or £/m², noting any additional allowance made for achieving compliance with forthcoming building regulations. Evidence must be provided to justify what these costs are based on;
- 8) Physical infrastructure costs, broken down between:
 - a) Off-site drainage, highway and/or other works, with detailed analysis/justification;
 - b) Normal on-site costs for providing road access and services to individual plots (including “externals” such as detached garaging and landscaping, which may be assessed on a fixed average sum per dwelling, or as a percentage of plot costs);
 - c) Abnormal site costs (if any) with detailed analysis/justification;
- 9) Allowance made for professional fees in connection with:
 - a) Planning and building regulations approvals;
 - b) Housing construction costs;
 - c) Physical infrastructure works;
- 10) Estimated sum (or percentage allowance) for contingencies;
- 11) S106 financial contributions necessary to achieve full RLDP policy compliance and anticipated timing of payments;
- 12) Sale and marketing costs for open market dwellings;
- 13) Finance costs, including interest rate(s) applied, and the basis for their calculation; and
- 14) Details of any proposed non-residential uses, including gross external and net internal floor areas, together with estimated costs and revenues associated with those parts of the development. This will include, where available, estimated freehold and rental values for each element/unit, the investment yield(s) on which estimated freehold values have been based/calculated, and details of any pre-lets or forward sale arrangements.

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Appendix 2: Consultation Representations, Responses and Resultant Actions

Section 5: Do you have any comments on the proposed guidance for on-site provision of Outdoor Recreation Facilities outlined in Section 5?	
Organisation	Pencoed Town Council
Representation	<p>With the recently proposed residential development to the East of Pencoed, which includes the construction of over 800 houses, I hope that this guidance takes such developments into account as the infrastructure and recreational facilities are already strained as things stand. For example, if there are 435 dwellings per 1,000 population, that would mean there would be over 2,000 people moving into the new residential development. Thus, is there room for 2.4 hectares of playing pitches, 3.2 hectares of other outdoor sports and so on? To me and the Council, it seems difficult to accommodate such demands.</p>
Local Planning Authority Response	<p>The SPG has been produced to provide supplementary guidance to adopted RLDP Policies, including the suite of allocations therein. This includes the strategic allocation at Land East of Pencoed. Land East of Pencoed will be subject to assessment against the full suite of adopted RLDP policies, notably the site-specific policy (PLA4) for this mixed-use strategic site. This policy states that 6 ha of Outdoor Recreation Facilities (ORFs) would be required on-site. This was based on a suite of evidence provided to inform development of the RLDP, including an illustrative masterplan, which is appended to the RLDP itself (Appendix 7) for purposes of visualisation. An outline planning application has recently been submitted for Land East of Pencoed and will be assessed against the RLDP. The precise nature of on-site recreation provision will be refined through the development management process. This draft SPG will only become a material consideration if adopted by Council, although will support RLDP policies rather than introducing new policy requirements.</p>
Resultant Action	Comments noted and on-site recreation provision at Land East of Pencoed will be assessed against the suite of RLDP policies and refined through the development management process.

Section 5: Do you have any comments on the proposed guidance for off-site provision of Outdoor Recreation Facilities and commuted sums (financial contributions) outlined in Section 5?	
Organisation	Pencoed Town Council
Representation	No significant comments. However, off-site provision may be in high demand with the proposed residential development in Pencoed, as stated above.
Local Planning Authority Response	This SPG is intended to provide developers with guidance on the level and type of new ORFs typically required by Policy COM10 of the adopted RLDP. The SPG provides clarity and will help to enable the consistent application of the adopted policy, thus ensuring an appropriate level of ORFs is provided for all development sites.
Resultant Action	No action necessary.
Organisation	House Builders' Federation
Representation	The HBF supports paragraph 5.4 - 'However, subject to agreement with the local planning authority (LPA), it is acknowledged that there may be instances where the developer may transfer on-site ORFs to a private management company. The maintenance contributions shown in Column D of Table 1 would not be applicable in these instances.'
Local Planning Authority Response	The above comments are noted.
Resultant Action	No action necessary.
Section 5: Do you have any comments on the proposed development thresholds set out in Table 2, Section 5?	
Organisation	Pencoed Town Council
Representation	No issues with the table itself, but when applied to Pencoed and the proposed developments, it seems that every single site stated would have to be provided in the area to accommodate the over

	2,000 new residents should the developments go ahead. It is important that this is considered alongside the draft planning guidance for ORFs.
Local Planning Authority Response	It is recognised that the delivery of the full quantity of ORFs required by Table 2 in the SPG may not be feasible in all cases. The thresholds provided in Table 2 are intended as a guide as to what the LPA would typically expect to see delivered on a site of that scale. It should be noted that Land East of Pencoed has its own site-specific policy (PLA4 within the adopted RLDP) and the precise nature of provision will be refined through the development management process. Once adopted, the SPG will add clarity to policy application, however it will not alter the adopted RLDP policy requirements for this site or any other site.
Resultant Action	Comments noted and on-site recreation provision at Land East of Pencoed will be assessed against the suite of RLDP policies and refined through the development management process.
Section 7: Do you have any comments on the design guidance for new Outdoor Recreation Facilities?	
Organisation	Pencoed Town Council
Representation	No opposition to this, in fact it is supported. But again, it is worth being mindful of the capacity of Pencoed to provide such ORFs.
Local Planning Authority Response	<p>The above comments are noted.</p> <p>The site in question (Land East of Pencoed) will be assessed against adopted RLDP Policy PLA4, which lists site-specific requirements for the provision of on-site ORFs. However, the LPA recognises that, for all development sites allocated in the RLDP, there may be competing policy demands on development sites. In some cases, site-specific constraints may necessitate off-site provision. Where off-site contributions are proposed, applicants will be required to robustly demonstrate why on-site provision cannot be achieved. Where such justification is accepted, the LPA will refer to the most up-to-date Outdoor Sport and Children's Playing Space Audit and/or the Allotments and Community Gardens Audit to help determine which typologies should, where possible, be prioritised for on-site</p>

	delivery. Any agreed commuted sums will be managed by the LPA to support the maintenance and enhancement of ORFs to help meet community needs.
Resultant Action	No action necessary.
Organisation	Cwm Taf Morgannwg Public Health Team, Cwm Taf Morgannwg University Health Board
Representation	Thank you for inviting me to comment on the public consultation of this policy. I have read through and have only identified one comment I would like to make in section 7 you mention the secure by design guidance published by the police. Could you reference their guidance on using edible landscaping such as rosemary and fruiting trees to encourage security but also support access to good quality food in green spaces across Bridgend.
Local Planning Authority Response	<p>While the SPG contains a section setting out design <i>principles</i> for new ORFs, it does not seek to introduce very specific design requirements such as that mentioned. Instead, it lists a suite of externally accessed best practice guidance documents to enable applicants to achieve optimal design of new recreation spaces that take account of each site's individual context. Council approval will be sought to update links to the latest guidance post adoption to ensure that guidance remains current. Each development proposal will be duly assessed, with reference to Secured by Design Principles and other best practice as referred to in this SPG.</p> <p>Moreover, the need to safeguard and enhance biodiversity and integrated multi-functional green infrastructure networks is already a key part of the RLDP as detailed within Policy SP3. The strategic site policies (PLA1-5) also reference the need for allocated strategic sites to support opportunities for formal and informal play in addition to community-led food growing. There is already considered to be appropriate adopted policy coverage in these respects.</p>
Resultant Action	No action necessary.
Organisation	Play Wales

Representation	<p>Play Wales recommends that the SPG references the <i>Including Disabled Children in Play Provision</i> Position Statement, from the UK Play Safety Forum and Children's Play Policy Forum, which can be accessed here.</p> <p>You may also be interested in our Creating accessible play spaces toolkit.</p>
Local Planning Authority Response	<p>The LPA has considered the suggestion to include a reference to the <i>Including disabled children in play provision</i> Position Statement and is satisfied that it makes a positive contribution to the SPG. Section 7 (design guidance) of the SPG fully supports the needs of all members of the community in accessing and using ORFs.</p> <p>The SPG already includes a reference to the Play Wales' <i>Creating Accessible Play Spaces</i> toolkit within the SPG. The web-link will be updated.</p>
Resultant Action	<p>Insert a reference to the <i>Including disabled children in play provision</i> Position Statement under the <i>Local Community Needs and Accessibility</i> heading within Section 7.0 <i>Designing Outdoor Recreation Facilities</i> of the SPG.</p> <p>Update web-link to Play Wales' <i>Creating Accessible Play Spaces</i> toolkit under the <i>Design Guidance by Outdoor Recreation Facility Typology</i> heading within Section 7.0 <i>Designing Outdoor Recreation Facilities</i> of the SPG.</p>
Organisation	House Builders' Federation
Representation	The HBF supports paragraph 9.1 – 'The Council will adopt and maintain land as public open space within residential areas, where the primary function of that land is public open space.'
Local Planning Authority Response	The above comments are noted.

Resultant Action	No action necessary.
Appendices A & B: Do you have any comments on the Worked Examples?	
Organisation	Pencoed Town Council
Representation	<p>It would be interesting to see the calculations of the required on and off site ORFs, the cost of the contribution and maintenance for 800 dwellings (over 2,000 residents). With just a cursory glance it seems that such costs would be considerably high.</p>
Local Planning Authority Response	<p>Costs and on-site provision requirements would be assessed in accordance with the guidance set out in Section 5.0 of the Outdoor Recreation Facilities SPG. This would be dependent on the nature of provision secured on a site-by-site basis. All on-site/off-site requirements contained within Table 2 are based upon the LPA's experience of historic planning applications. The costs set out in Table 2 are based on up-to-date evidence and reflect real-world examples of the costs of providing typical facilities. The figures were produced on behalf of Bridgend County Borough Council by Landscape Architects at Kirklees Council, who have extensive experience in the design and installation of ORFs. These costs are considered to provide a robust and realistic basis for planning purposes.</p>
Resultant Action	No action necessary.
Do you have any other comments to make on the proposed Outdoor Recreation Facilities SPG?	
Organisation	Pencoed Town Council
Representation	<p>I urge that such guidance takes into account the proposed residential developments to the East of Pencoed as such a development, along with the proposed ORFs calculations in this guidance, would have a significant impact on Pencoed and its infrastructure.</p>
Local Planning Authority Response	<p>Policy COM10, together with the Outdoor Recreation Facilities SPG, is intended to ensure that sufficient outdoor recreation provision is made to support the needs of a growing population. The LPA anticipates that this provision will be delivered either on-site or, where appropriate, within the vicinity of the development. As such, the proposed development is not expected to place additional</p>

	<p>pressure on existing facilities in the town. Instead, new infrastructure will be provided to fully mitigate any potential impacts – subject to the adoption of the SPG prior to the submission of any reserved matters application.</p> <p>Land East of Pencoed will be subject to the requirements of the site-specific Policy PLA4 of the RLDP, which includes requirements for the provision of ORFs on-site. Table 2 contained within the SPG is indicative only and the precise level and type of provision will be refined through the development management process.</p>
Resultant Action	Comments noted and on-site recreation provision at Land East of Pencoed will be assessed against the suite of RLDP policies and refined through the development management process.
Organisation	House Builders' Federation
Representation	The HBF supports paragraph 3.1 (Background) - 'ORFs and spaces can also incorporate Sustainable Drainage Systems (SuDS), into their design which play an important role in reducing the impact of flooding.'
Local Planning Authority Response	The above comments are noted.
Resultant Action	No action necessary.

Proposed SPG Changes as a Result of the Consultation

The paragraphs proposed for amendment following the consultation are detailed below, for the reasons explained in the previous table. Strikethrough text is used to indicate proposed deletions from the SPG, whereas blue text is used to indicate proposed additions to the SPG. Only paragraphs proposed for amendment are included below, there are no proposed changes to the remainder of the draft SPG following consultation. The final draft version of the SPG (**Appendix 1**) incorporates the proposed amendments below.

- Insert a reference to the *Including Disabled Children in Play Provision Position Statement* by the Play Safety Forum under the *Local Community Needs and Accessibility* heading within Section 7.0 *Designing Outdoor Recreation Facilities* of the SPG:

7.8 ORFs should be designed to reflect the needs of local communities at different life stages in order to maximise community benefit. Dialogue should be initiated with the community early in the development process, supplemented by use of local health indicators and population profiles to inform the design of ORFs. ORFs should also be designed to promote gender equality and be safe and accessible for all users. Spaces should be appropriately designed to cater for the needs of children with additional learning needs and disabilities. **Particular regard should be given to the *Including Disabled Children in Play Provision Position Statement* by the Play Safety Forum and UK Children's Play Policy Forum when designing new play facilities.**
- Update web-link to Play Wales' *Creating Accessible Play Spaces* toolkit under the *Design Guidance by Outdoor Recreation Facility Typology* heading within Section 7.0 *Designing Outdoor Recreation Facilities* of the SPG:

7.12.2 **Children's Play Areas (Equipped/Designated Play Areas):**

 - Play Wales – [Creating Accessible Play Spaces: A Toolkit](#)

Agenda Item 10

Meeting of:	COUNCIL
Date of Meeting:	14 JANUARY 2026
Report Title:	A REVIEW OF THE STATEMENT OF LICENSING POLICY
Report Owner: Responsible Chief Officer / Cabinet Member	CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND ELECTORAL CABINET MEMBER FOR FINANCE AND PERFORMANCE
Responsible Officer:	Will Lane Operational Manager, Environment Protection and Licensing, Shared Regulatory Services
Policy Framework and Procedure Rules:	The report content has no direct effect upon the policy framework and procedure rules.
Executive Summary:	<p>The Council is the licensing authority responsible for the regulation of premises which offer alcohol, regulated entertainment and the provision of late-night refreshment.</p> <p>The licensing authority must publish a Statement of Licensing Policy setting out how it intends to approach the granting of licences.</p> <p>A review of the Policy has been conducted following a consultation and amendments have been made to the Policy.</p> <p>The Policy has been agreed by the Licensing Committee at their meeting of 30 September 2025, noted by Cabinet on 16 December 2025 and requires Council approval.</p>

1. Purpose of Report

- 1.1 The purpose of this report is to ask Council to approve the publication of the revised Statement of Licensing Policy detailed in Annex A.

2. Background

2.1 Under section 5 of the Licensing Act 2003 each licensing authority must produce a Statement of Licensing Policy (SLP) with respect to the exercise of its licensing functions. This policy should outline the licensing authority's approach to licence applications and the processes used to address any issues associated with such applications.

2.2 The Statement of Licensing Policy (SLP) is required to be reviewed on a 5-year basis in consultation with:

- Chief Officer of Police for the area
- Fire and Rescue Authority for the area
- Local Health Board in Wales for an area any part of which is in the licensing authority's area
- Persons/bodies representative of local premises licence holders
- Persons/bodies representative of local club premises certificate holders
- Persons/bodies representative of local personal licence holders
- Persons/bodies representative of businesses and residents in its area

2.3 The Statement of Licensing Policy was last revised in 2019.

2.4 The Home Office Guidance, issued under Section 182 of the Licensing Act 2003, provides direction to local authorities on what should be contained within their Statement of Licensing Policy. The determination and publication of the Statement of Licensing Policy is a matter for the Authority and will require formal Council approval.

3. Current situation / proposal

3.1 A review has been undertaken of the Statement of Licensing Policy and other than administrative amendments, the following changes have been made to the policy:

- Removal of Council's wellbeing objectives as this is separate from the Licensing Act 2003 and is detailed in the Corporate Plan.
- Rewording of paragraph 8.2 which details the separation of regimes between Planning and Licensing.
- Rewording of paragraph 8.3 which relates to the Licensing Authority's duties under the Equality Act 2010.
- Clearer guidance in relation to Section 13 – Temporary Event Notices and the addition of Late Temporary Event Notices.
- The addition of Section 14 – Large Scale Events which provides details about the Council's Events Liaison Panel.
- Updated Cumulative Impact Assessment Summary

- 3.2 The draft Statement of Licensing Policy can be found in Appendix A.
- 3.3 A consultation was undertaken with those detailed in paragraph 2.2 on the draft Policy and one consultation response was received. As a result, the following changes were made to the policy:
 - The addition of measures relating to alcohol deliveries which applicants may wish to consider when drafting their operating schedules.
- 3.4 A summary of the comments received during the consultation exercise are detailed in Appendix B along with officers' comments.
- 3.5 At their meeting of 30 September 2025 the Licensing Committee resolved to approve the Statement of Licensing Policy and refer to Cabinet and Council for final approval.
- 3.6 Cabinet noted the report on 16 December 2025.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change and Nature Implications

- 6.1 There are no climate change or nature implications arising from this report.

7. Safeguarding and Corporate Parent Implications

- 7.1 There are no safeguarding and corporate parent implications arising from this report.

8. Financial Implications

- 8.1 There are no financial implications arising from the report.

9. Recommendations

- 9.1 It is recommended that Council approves the draft Statement of Licensing Policy detailed in Appendix A.

Background documents

None.

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Bridgend County Borough Council

Statement of Licensing Policy

Licensing Act 2003

Kelly Watson
Chief Officer – Legal, HR and Regulatory Services
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The approved policy document will be available in the Welsh Language, and in other formats on request, and at www.bridgend.gov.uk

Date of Approval: To be confirmed

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1. Introduction

- 1.1 Bridgend County Borough Council is the local licensing authority with responsibility for licensed premises under the Licensing Act 2003. This Statement of Licensing Policy sets out the policies the licensing authority will apply when deciding licensing applications and reviews. This policy has been prepared in accordance with the Licensing Act 2003 having regard to the [Statutory Guidance](#) issued under section 182 of the Act.
- 1.2 This Statement of Licensing Policy will be kept under review and published in line with Section 5 of the Licensing Act 2003. Further consideration and review may be required in response to changes in demographics and operating models they may develop in response to increasing financial pressures on local government.
- 1.3 To avoid duplication and to ensure that information is up to date, applicants, residents and other persons, members of the public and responsible authorities will be directed to [.Gov.uk](#) for information on the licensing processes.

2. Profile of Bridgend County Borough

- 2.1 The Council area contains a mix of urban and rural communities and has a population of approximately **145,500**.
The main towns are Bridgend, Maesteg, Porthcawl and Pencoed.
- 2.2 This policy links to many of the corporate themes and strategies of the Council but the ultimate duty of the Council, as the licensing authority is to promote the following licensing objectives.:
 - The Prevention of Crime and Disorder
 - Public Safety
 - The Prevention of Public Nuisance
 - The Protection of Children from Harm
- 2.3 To encourage more performances of live music, the Live Music Act 2012 amended the Licensing Act 2003 by deregulating aspects of the performance of live music so that in certain circumstances live music is not a licensable activity. However, event organisers and authorisation holders should visit [.Gov.uk](#) for further information before staging an event.
- 2.4 New businesses or businesses contemplating major refurbishments are also invited to discuss the proposals with the responsible authorities and other Council departments prior to applying.
- 2.5 Whenever possible, the Council will enter partnership arrangements, working closely with the South Wales Police, South Wales Fire and Rescue Service, local businesses, community representatives and local people in developing future Statements of Licensing of Policy and meeting the licensing objectives. The authority has adopted a Memorandum of Understanding and enforcement protocol

with partner responsible authorities. The licensing authority also holds responsible authority meetings to discuss best practice, share information and to promote the licensing objectives through a risk based and targeted approach to compliance. The group also supports measures to assist and work with the local licensed trade and key partner agencies. Copies of protocols can be accessed at www.bridgend.gov.uk

2.6 Organisers of local community events must be aware that the licensing authority must have respect and regard for the concerns of residents, and organisers must be aware of their legal responsibilities with regard to health and safety, noise pollution, temporary structures, pyrotechnics etc., and the sale of alcohol. Organisers should contact the Council's Events Safety Advisory Group for advice on planning and running an event.

3. Scope and Limitation

3.1 Bridgend County Borough Council ("the Council") is the licensing authority as defined in the Licensing Act 2003 ("the Act").

3.2 In discharging its functions under the Act, the licensing authority must promote the following four licensing objectives:

- The Prevention of Crime and Disorder
- Public Safety
- The Prevention of Public Nuisance
- The Protection of Children from Harm

Each objective is of equal importance.

3.3 The scope of the Statement of Licensing Policy covers the following licensable activities and any that are defined in the Licensing Act 2003.

- Retail sale of alcohol (including via the internet or mail order)
- The wholesale of alcohol to members of the public
- The supply of alcohol to members of registered clubs
- The provision of regulated entertainment when it is performed in the presence of an audience and is provided for the purpose, or for purposes which include the purpose, of entertaining that audience, including performance of a play; film exhibitions; indoor sporting events; boxing or wrestling events; live music; any playing of recorded music; a performance of dance; entertainment of a similar description; provision of facilities for dancing and provision of facilities for making music

This Statement of Licensing Policy applies to all applications in respect of:

- Personal licences
- Premises licences
- Club premises certificates
- Temporary Event Notices

3.4 The Statement of Licensing Policy sets out a general approach to the making of licensing decisions by the licensing authority but does not seek to undermine the

right of any individual to apply under the terms of the Act for a variety of permissions and to have any such application considered on its individual merits.

- 3.5 The Statement of Licensing Policy does not seek to override the right of any person to make representations in relation to an application or seek a review of a licence or certificate where there is provision in the Act to do so.
- 3.6 Nothing in this policy should be taken as indicating that any requirement of licensing law or any other law may be overridden by the terms of this policy.

4. Applications

- 4.1 An application or notice for licensing purposes will be accepted as being lawfully made only where it contains all of the required details specified by the Act and/or regulations. The licensing authority will, however, exercise appropriate discretion and not reject applications where they contain minor or factual errors which can easily be rectified.
- 4.2 To avoid unnecessary representations being made in respect of an application, applicants are advised to complete all relevant parts of an application form. Some parts of the form are mandatory and where matters have been considered, but are deemed not to be relevant to the application, it is suggested that, for the avoidance of doubt, the particular section is marked "not applicable".
- 4.3 The grant of an application does not obviate the need for the applicant to satisfy the requirements of any other regulatory regime or statutory requirement.
- 4.4 All persons preparing operating schedules, including those for temporary events, should note that a number of publications are available to assist in the planning of an event. Applicants are advised to contact the bodies shown at **Appendix A** for further information.

5. Decision Making – General Policy

- 5.1 In determining a licensing application, the overriding principle adopted by the licensing authority will be that any individual has a right to apply under the terms of the 2003 Act for a variety of permissions and has a right to have any such application considered on its individual merits. In discharging its functions, the licensing authority will have regard to this policy and the guidance issued under Section 182 of the Licensing Act but may depart from it when there are compelling reasons to do so and following receipt of relevant representations.
- 5.2 If an application for a premises licence or club premises certificate has been made lawfully and there have been no representations from responsible authorities or other persons, the licensing authority will grant the application, subject only to conditions that are consistent with the operating schedule and the relevant mandatory conditions.

Appendix A

- 5.3 This policy does not override the right of any person to make representations on an application or to seek a review of a licence or certificate where provision has been made to do so in the 2003 Act. Nothing within this policy will override the right of an individual to a right of appeal to the Magistrates' Court against the decisions of the licensing authority.
- 5.4 The licensing authority will not impose any conditions unless its discretion has been engaged following the making of relevant representations, and it has been satisfied at a hearing, of the necessity to impose conditions due to the representations raised. It will then only impose conditions as are necessary to promote the licensing objectives and will not impose standard conditions or those which duplicate other regulatory regimes as far as possible. Conditions will be tailored to individual premises, but the authority may draw on pools of conditions where deemed appropriate to do so.
- 5.5 Wherever practical, officers of the licensing authority will endeavour to forward any representations to the applicant as soon as they are received and not at the end of the period given for making representations. The licensing authority would expect responsible authorities to commence discussions with applicants at an early stage of the consultation process to seek clarification on any points and prior to submitting representations to the licensing authority. The authority has agreed with responsible authorities that it will accept electronic submission of representations.
- 5.6. In the interests of transparency and fairness, the licensing authority will normally make personal details of persons available as part of the hearing process unless the person withdraws permission or there are exceptional and compelling reasons why this is necessary. Each case will be determined on its merits in consultation with the party concerned.
- 5.7 Representations must be in written format and may be amplified at the subsequent hearing or may stand in their own right. Representations may be submitted electronically to the licensing authority via licensing@bridgend.gov.uk to include the name and postal address of the person or persons making representations. In the interests of transparency and fairness, the licensing authority will normally make personal details of residents and other parties available as part of the hearing process unless the person withdraws permission or there are exceptional and compelling reasons why this is necessary. Each case will be determined on its merits in consultation with the person concerned.
- 5.8 The licensing authority maintains a register of applications received at www.bridgend.gov.uk. The licensing authority and its officers have not adopted any measures for notifying persons of applications received beyond the statutory requirements.
- 5.9 Prior to the determination of an application, the licensing authority will determine whether any representation or objection is irrelevant, frivolous or vexatious. The licensing authority may delegate this function to a Sub-Committee or officer.
- 5.10 The decisions taken by the licensing authority will be focused on matters within the control of individual licensees and others granted relevant permissions. These matters will centre on the premises and places being used for licensable activities

and the vicinity of those premises and places. In addressing this matter, the authority will primarily focus on the direct impact of the activities taking place at the licensed premises on members of the public living, working or engaged in normal activity in the area concerned. The authority does not seek to define the term "vicinity" and will examine each case on its merits.

- 5.11 When carrying out its functions as a licensing authority under the 2003 Act the licensing authority will have regard to its obligations under Section 17 of the Crime and Disorder Act 1998.
- 5.12 The licensing authority is under a duty to protect the rights of residents to privacy and family life under Article 8 of the European Convention on Human Rights in accordance with the Human Rights Act 1998. At the same time, it respects the rights of commercial organisations to operate their premises without unnecessary restraint.
- 5.13 The licensing authority is mindful that, once away from the licensed premises, a minority of consumers will behave badly and unlawfully. As outlined in the Home Office Guidance, this policy recognises that there are other mechanisms both within and outside the licensing regime that are available for addressing such issues. These are listed within the Home Office guidance.
- 5.14 Policy in respect of determining variations of licences:

The licensing authority may not vary a licence so as to vary substantially the premises to which it relates. The authority considers that any physical addition to the footprint of the premises, including outside areas, where additional licensable activities could take place would constitute a substantial variation of the premises. Each case, however, must be examined on its merits and applicants are therefore encouraged to discuss the proposals with the licensing authority and fire authority prior to commissioning any works. Applicants are invited to consider whether the application falls within the definition of Minor Variation set out in the Licensing Act 2003. When assessing applications in this category, the licensing authority will assess each case on its merits having regard to the latest guidance issued by the Home Office under Section 182 of the Act.

- 5.15 General policy in respect of licensing hours:

In line with Home Office Guidance, shops, stores and supermarkets will normally be free to provide sales of alcohol for consumption off the premises at any times when the retail outlet is open for shopping unless there are good reasons. There are no local policies in place and each case will be determined on its merits.

- 5.16 Policy in respect of assessing applications to prevent public nuisance:

The following criteria will be considered when assessing applications within the context of preventing public nuisance:

- Environmental quality
- Residential amenity
- Character of function of a particular area
- Nature of the proposed activities to be provided at the premises

The licensing authority will normally consider favouring applicants wishing premises in noise sensitive areas to remain open after the regular closing time on a specified number of occasions (such as on Bank Holidays and weekends preceding Bank Holidays or special occasions) providing that:

The number of extensions has been included in their operating schedule and steps to address public nuisance have been considered;

AND

The authority is given prior notice of each proposed later opening.

In the absence of relevant representations, however, the authority will grant the application.

Applicants may also consider using the Temporary Event Notice procedure for special occasions or Bank or special Holidays.

Where relevant representations are received, the licensing authority will consider stricter conditions with regard to noise control in noise sensitive locations such as residential areas.

5.17 Policy in respect of the protection of children from harm:

Decision making will not seek to limit the access of children to any premises unless it is appropriate for the prevention of physical, moral or psychological harm to them. It is not possible for this licensing policy to anticipate every issue of concern that could arise in respect of children in relation to individual premises and therefore each case will be dealt with on its merits. However, this authority believes that it is completely unacceptable to sell alcohol to children or by proxy to children. Conditions relating to the access of children where alcohol is sold, and which are appropriate to protect them from harm, will be carefully considered on receipt of relevant representations. More detailed provisions are shown in Section 7.

6. Cumulative Impact Assessment

6.1 The Licensing Authority has not published any cumulative impact assessment under section 5A of the Act.

7. Provisions in Respect of the Protection of Children from Harm

7.1 The body designated to advise on the protection of children from harm is The Social Services and Wellbeing Directorate, Bridgend County Borough Council.

7.2 Where relevant representations are received, the licensing authority will consider imposing conditions restricting the access to children to premises in circumstances where:

- Entertainment or services of an adult nature are provided
- A member or members of the current management have been convicted for serving alcohol to minors or with a reputation for allowing under-age drinking

(other than in the context of the exemption in the 2003 Act relating to 16- and 17-year-olds consuming beer, wine and cider when accompanied by an adult during a table meal)

- It is known that unaccompanied children have been allowed access
- There is a known association with drug taking or dealing
- Premises where there is a strong element of gambling
- The supply of alcohol is the exclusive or primary purpose of the premises
- Premises where children's entertainment is provided and there is insufficient evidence that proper supervision of the access, egress, safety and welfare of children is provided

7.3 The licensing authority is also mindful that activities, such as adult entertainment, may take place at certain times on premises but not at other times. For example, premises may operate as a café bar during the day providing meals for families but also provide entertainment with a sexual content after 8.00pm. It is not possible to give an exhaustive list of what amounts to entertainment or services of an adult or sexual nature. Applicants and the responsible authorities are expected to consider this point carefully. The licensing authority considers this issue to broadly include topless bar staff, striptease, lap-, table- or pole-dancing, performances involving feigned violence or horrific incidents, feigned or actual sexual acts or fetishism, or entertainment involving strong and offensive language.

7.4 The licensing authority expects applicants to be clear in their operating schedules about the activities and times at which the events would take place to help determine when it is not appropriate for children to enter the premises. Consideration should also be given to the proximity of premises to schools and youth clubs so that applicants take appropriate steps to ensure that advertising relating to their premises, or relating to events at their premises, is not displayed at a time when children are likely to be near the premises.

7.5 The licensing authority will expect applicants, when preparing an operating schedule or club operating schedule, to set out the steps to be taken to protect children from harm when on the premises.

7.6 Conditions whether offered, or imposed following the receipt of relevant representations, should reflect the licensable activities taking place on the premises. In addition to the mandatory condition regarding age verification, the licensing authority may consider other conditions relating to the protection of children from harm, for example:

- Restrictions on the hours when children may be present
- Restrictions or exclusions on the presence of children under certain ages when particular specified activities are taking place
- Restrictions on the parts of the premises to which children may have access
- Age restrictions (below 18)
- Restrictions or exclusions when certain activities are taking place
- Requirements for an accompanying adult (including for example, a combination of
- Requirements which provide that children under a particular age must be accompanied by an adult)

- Full exclusion of people under 18 from the premises when any licensable activities are taking place

7.7 On receipt of relevant representations, the licensing authority will consider whether a condition should be attached to a premises licence or club premises certificate which requires the presence of a sufficient number of adult staff on the premises to ensure the wellbeing of the children during any emergency in a theatre offering entertainment aimed primarily for children.

8. Integrating Strategies

8.1 The Council will, as appropriate, take account of any relevant information in relation to community safety, substance misuse, disability, equality, transport, tourism, economic development and cultural issues. The Council will monitor these areas and where it is shown that licensing activities are impacting adversely on these areas it will be reported to the committee having responsibility for these areas.

8.2 The licensing authority will avoid as far as possible any duplication with other regulatory regimes. Planning and Licensing regimes will be properly separated to avoid duplication and inefficiency. Licensing application will not be a re-run of a planning application, and the licensing decisions will not be cut across decision taken by a planning committee or permissions granted on appeal. There is no legal basis for the licensing authority to refuse an application because it does not have planning permission.

8.3 The Council has due regard for the need to eliminate unlawful discrimination and to promote equality of opportunity and foster good relations between persons with different protected characteristics. The protected characteristics are age, disability, gender reassignment, marriage and civic partnership, pregnancy and maternity race, religion or belief, sex, and sexual orientation. The Licensing Authority in carrying out its duties, will uphold the Public Sector Equality Duty of the Council as required under the Equality Act 2010.

8.4 Licence conditions will not be imposed where they would duplicate other regulatory regimes or legislation; this includes health and safety at work, fire safety, disability or equalities legislation.

8.5 The licensing authority will have regard to cultural strategies which relate to the wider cultural and economic benefits to the community of the promotion of live music, dance and theatre. In coming to a decision, the potential for disturbance in neighbourhoods will be carefully balanced with these wider benefits and focus on the licensing objectives and the individual merits of the application.

8.6 Copies of Council policies are available on www.bridgend.gov.uk or from individual Council Departments. The licensing authority webpages can be found under Licensing in the A-Z of Services.

9. Steps to Promote the Licensing Objectives

9.1 These sections will be of relevance to all sectors within the licensed trade, including Club Premises, the retail sector and events to which Temporary Event Notices apply.

However, the licensing authority recognises that applicants, existing licensees and premises users should consider only those matters which are relevant to the individual style and characteristics of their premises and/or events. The licensing authority encourages liaison between applicants and responsible authorities when drafting operating schedules and risk assessments.

- 9.2 When drawing up an operating schedule applicants must comply with the regulations in respect of completing applications. They may also wish to consider the following points but are under no statutory obligation to do so. Applicants and responsible authorities are reminded that they should not offer conditions which duplicate offences set out in the Licensing Act 2003 or in existing legislation.
- 9.3 The responsibility for ensuring compliance with non-licensing legislation rests with the applicant. The authority considers the most up to date information to be available on the .GOV website.
- 9.4 The following licensing objectives have equal importance. Applicants should note that the licensing authority may also develop pools of conditions based on the Home Office Guidance from which necessary and proportionate conditions may be drawn should relevant representations be received.

9.5 The Prevention of Crime and Disorder

Section 17 of the Crime and Disorder Act 1998 imposes a duty on the Council and licensing authority to consider crime and disorder reduction in the exercise of their duties. When addressing crime and disorder, applicants should initially identify any particular issues (having regard to their particular type of premises and/or activities) which are likely to adversely affect the promotion of the crime and disorder objective. Such steps as are required to deal with these issues should be included within the operating schedule. Conditions should be targeted on deterrence and preventing crime and disorder, for example:

- a) The installation and maintenance of CCTV inside and outside the premises, to include the precise location of cameras on plans to ensure that areas are properly covered.
- b) A written drugs policy covering searches of patrons, seizures, and storage of seized drugs at the premises.
- c) The use of SIA registered Door Staff and an agreed per capita rate of door persons to customers.
- d) A training policy relating to the prevention of crime and disorder at the premises.
- e) Information on and/or the provision of transport for customers.
- f) The adoption of Nitenet or similar direct radio link.
- g) Membership of schemes with other licensees to prevent crime and disorder.
- h) Maintenance of incident books to record crime and disorder.

Appendix A

- i) Adherence to the best practice issued in relation to nightclubs, dance venues, outdoor dance events and the like.
- j) The use of plastic containers and toughened glass at all times or at specific times, or for specific events or periods during the year.
- k) A policy with regard to the management of patrons drinking outside the premises in order to minimise the potential for crime, disorder anti-social behaviour and nuisance to the public, which may include measures to prevent glasses and bottles being taken outside.
- l) A written policy to advise staff on protection of young persons and vulnerable adults.
- m) The use of clickers or other measures to prevent overcrowding.
- n) A last admission or re-admission policy at the premises including measures to manage customers who smoke where there is no suitable area within the premises curtilage for such customers.
- o) Measures to prevent crime and disorder arising if entertainment of an adult or sexual nature is provided and/or involves strong or offensive language.
- p) Measures to prevent under age sales, for example till prompts and refusals registers.
- q) Crime prevention/Get Home safely posters.
- r) A prohibition on the admittance of customers carrying open or sealed bottles into the premises.
- s) A prohibition on customers taking alcoholic and other drinks from the premises in glasses and open bottles to prevent the use of these containers as offensive weapons in surrounding streets after individuals have left the premises.
- t) Queue management systems inside and outside the premises.
- u) Internal patrols by management.

9.6 Public Safety

Where an applicant identifies an issue with regard to public safety (including fire safety) which is not covered by existing legislation, he or she should identify in their operating schedule the steps which will be taken to ensure public safety, for example:

- a) The number of people attending the premises.
- b) Customer profile (age, disability etc).
- c) Fire safety and fire prevention measures not covered by other regulatory regimes.

- d) Measures of management control within the premises.
- e) Design, construction and operation of premises, including toilets, lighting, strobe lighting etc.
- f) Staff training in disability awareness and evacuation procedures.
- g) The use of special effects such as pyrotechnics, lasers, smoke machines, foam machines.
- h) Regular testing of electrical systems and the provision of RCD protection.
- i) Awareness of the effect of alcohol and other substance misuse.

9.7 Public Nuisance

Licensed premises have the potential to have an adverse impact on the local community. The licensing authority recognises that a balance should be struck between local businesses, cultural diversity and the need to protect the local residents from nuisance.

The licensing authority understands public nuisance to include the following: noise and disturbance, odour, litter and anti-social behaviour.

When addressing public nuisance, the applicant should identify any particular issues (having regard to the vicinity of the premises, the type of premises and the type of entertainment or activity) which are likely to adversely affect the promotion of the objective to prevent public nuisance. The licensing authority will expect the operating schedule to indicate that, in respect of those premises which are located in primarily residential areas; steps will be taken to reduce the impact of noise from patrons congregating outside. Other measures could include:

- a) Measures to control amplified and non-amplified sound, music and speech within and outside the premises.
- b) Sound proofing measures to contain sound and vibration.
- c) Reducing sound levels and installing a sound limiting device to prevent amplified music exceeding the level agreed by the Council.
- d) Keeping doors and windows closed and providing adequate alternative mechanical ventilation (and ensuring the mechanical ventilation itself does not cause a noise problem).
- e) The management of gardens, play and other outside areas to ensure minimal disruption to the neighbourhood – this may include restricting areas where alcoholic drinks may be consumed or the times they may be consumed.
- f) Providing quieter areas for patrons.
- g) Where there are beer gardens or similar outdoor areas, ensuring the amplified music is not relayed to such areas and that these areas are properly screened.

- h) The operation of plant and machinery so as to minimise disruption to the neighbourhood.
- i) The impact of car parks at the premises and access roads on the local community.
- j) The impact of deliveries on the local community.
- k) The location of premises in relation to residential properties, hospitals, places of worship etc.
- l) The adoption of a “last admission” policy.
- m) Erecting prominent notices at the exists to premises asking customers to leave quietly and not to slam car doors and at appropriate times making announcements to the same effect.
- n) Instructing door staff or other staff to ask customers leaving the premises to leave the area quietly.
- o) Regular assessments by staff or managers to assess whether there are problems and how best to deal with them.
- p) Reducing the volume of music towards the end of the evening and, where appropriate, playing quieter more soothing music as the evening winds down.
- q) Considering excluding people from the premises who often leave in a noisy fashion.
- r) Increasing outside lighting levels (but in such a manner that does not cause a nuisance to the local residents).
- s) Vacating smoking shelters, patios or any other such areas where customers smoke, by no later than 11.00 pm.
- t) encouraging patrons to return indoors as quickly as possible e.g. preventing drinks from being taken outdoors, restricting the number of tables and chairs, refraining from erecting smoking shelters and from using patio heaters.
- u) Provision of door staff or other staff to supervise the smoking areas and to ensure that doors are kept closed when amplified music is being played.

9.8 The Protection of Children from Harm

Such steps as are required to address this licensing objective may include:

- a) Types of entertainment provided, especially if aimed primarily at children.
- b) Applicants should specify whether entertainment of an adult or sexual nature is involved or involves strong or offensive language to enable the Council to consider

the risk to the promotion of the licensing objectives, particularly the protection of children from harm.

- c) Staff training for awareness of offences.
- d) Staff training for the protection of children, young persons and vulnerable adults at the premises including proof of age measures and awareness of proxy sales of alcohol.
- e) Active support and enforcement of a Proof of age Scheme (e.g. Challenge 25). The Council's Trading Standards Department can give advice on Proof of Age Schemes.
- f) Age limitations.
- g) Exclusion of children from certain areas.
- h) Requirements for adult supervision.
- i) The location of cigarette machines in areas that can be easily seen by staff.
- j) Where alcohol deliveries take place the inclusion of age verification procedures at both the point of sale and delivery.
- k) In respect of alcohol deliveries consideration should be given to deliveries only being made to a fixed physical address.
- l) Not to provide alcohol deliveries to highly intoxicated customers and to provide adequate training to staff in that respect.

10. Compliance

- 10.1 Where necessary, enforcement action will be taken in accordance with the principles of the Enforcement Concordat issued by the Government and the Hampton Principles.
- 10.2 The Council is developing a strategy with responsible authorities which provides for the targeting of agreed problem and/or high-risk premises which require greater attention, while employing a "light touch" approach to low risk premises or those which are well run. The licensing authority and responsible authorities will give licence holders and businesses early warning of problems, clear explanations of what needs to be done, action plans, and timescales in order to resolve problems. Formal action will be taken if this is deemed essential to promote the licensing objectives.
- 10.3. The licensing authority will carry out inspections to determine if licence conditions are being complied with. These visits may be carried out as joint inspections with other statutory bodies or responsible authorities.
- 10.4 Although the review process is a key protection for the local community, local residents or businesses who have concerns about premises should contact the

relevant agency in the first instance. The Council can also act as the point of contact for concerns via licensing@bridgend.gov.uk

11. Administration, Exercise and Delegation of Functions

11.1 In determining applications, the licensing authority will adopt the principle of delegation as laid down in the Act and Guidance in the interests of speed, efficiency and cost effectiveness. The Council's Constitution, Scheme of Delegation to Officers and Member Code of Conduct can be accessed at www.bridgend.gov.uk

12. Reviews of Licence

12.1 Reviews of premises licences represent a key protection for the local community in respect of problems which may arise during the term of a premises licence. Any person and responsible authority has the right to make representations in respect of an application or seek a review of a licence or certificate within the provisions of the Act. Each case will be dealt with on its merits.

12.2 The licensing authority considers that it is good practice for responsible authorities to give licence holder's early warning of problems and of the need to improve.

12.3 Individuals or groups may request a representative to make representations on their behalf, for example a legal representative, friend, Member of Parliament, Member of the Senedd. Licensing authority Members are bound by the Member Code of Conduct when participating in the licensing process.

12.4 Where the licensing authority makes a decision on an application it will provide reasons in writing and in other formats on request.

12.5 In the interests of transparency and fairness, the licensing authority will normally make personal details of residents and other parties available as part of the hearing process unless the person withdraws permission or there are exceptional and compelling reasons why this is necessary. Each case will be determined on its merits in consultation with the person concerned.

12.6 Any person may submit representations electronically to the licensing authority via licensing@bridgend.gov.uk to include the name of the person or persons making the representations and a postal address. Accessibility enquiries should be addressed to the Licensing Section in the first instance.

13. Temporary Event Notices (TENs)

13.1 Certain small-scale events held in unlicensed premises and on an occasional basis are not required to be licensed but must be notified to the licensing authority at least 10 working days before the event.

13.2 Temporary Event Notices (TENs) can also be used for licensable activities to take place on licensed premises outside the permissions of the Premises Licence e.g., a pub may wish to extend the hours they can sell alcohol to cover a sporting event.

- 13.3 There are no special policies applicable to Temporary Event Notices. Full details of the process can be found on .GOV.uk. Event organisers should take particular notice of the references and meaning of the term “working days” when calculating when to serve a Temporary Event Notice; working days do not include the date the TEN was submitted, the first day of the event, weekends or bank holidays.
- 13.4 While not a mandatory requirement, early engagement and discussion with South Wales Police and Council Environmental Health team around proposed TENS may reduce the likelihood of an objection notice on the grounds of crime and disorder or public nuisance. The Council would strongly urge all persons to give the Council at least 28 days’ notice of an event (and at least two to three months’ notice or longer for larger outdoor events) in order that the organiser can access Events Safety Information, contact points and advice through the Council.
- 13.5 Unless a TEN is submitted electronically to licensing it should also be served on the Police and the Council’s Environmental Health team.
- 13.6 Where an objection notice is received from the Police or the Council’s Environment Health team, the matter will be referred to the Licensing Sub-Committee for a decision as to whether the event can take place. Where representations relate purely to the addition of conditions to the TEN which are consistent with an existing Premises Licence, a statement of conditions will be issued with the TEN by an authorised officer without the need for a Licensing Sub-Committee hearing, unless the applicant disagrees.

13.7 Late Temporary Event Notices

Late TENs are intended to be used by premises users who are required for reasons outside of their control to, for example change the venue at short notice.

- 13.8 Late TENs can be given up to five working days but no earlier than nine working days before the event is scheduled and, unless given electronically to the licensing authority, must also be sent by the premises user to the Police and the Council’s Environmental Health team.
- 13.9 It should be noted that in case of any relevant objections to a late TEN a counter notice will be served and the event cannot take place. This is because there is insufficient time for a hearing of the Licensing Sub-Committee.

14. Large Scale Events

- 14.1 Events with a capacity of over 500 people or more on the premises will require a Premises Licence if licensable activities are taking place.
- 14.2 Such events of a temporary or more permanent nature will generally require detailed planning and more consultation with Responsible Authorities and representatives of other organisations concerned with safety.
- 14.3 The Council operates an Events Liaison Panel consisting of various Council officers, Police, Fire and Emergency Services who provide advice and assistance to event

organisers to ensure they are aware of their responsibilities and that all events run safely. It is recommended that applicants contact licensing and the events team at their earliest opportunity to discuss their proposals so a decision can be made as to the suitability of the event and consideration by the Panel. The events team can be contacted on: events@bridgend.gov.uk

15. Special Notes

15.1 Where extracts from the Licensing Act 2003 are reproduced, they are provided as an information guide only. They are not a full and authoritative statement of the new licensing law. In particular, it must be noted that, although the Council has made every effort to ensure that the information in these pages is correct, changes to the law and the implementation of specific regulations for licensing mean that the supporting information in these pages may be subject to change.

16. Consultation

16.1 The draft policy statement, including the information provided by the South Wales Police at Appendix Two, was published via the Bridgend County Borough Council website between **XX/XX/XXXX** and **XX/XX/XXXX**. Consultation also took place with, amongst others, the Responsible Authorities, partner agencies, Members of Bridgend County Borough Council and Town and Community Councils and trade representatives.

16.2 This Statement of Licensing Policy was prepared by the Licensing Section, Bridgend County Borough Council and approved by the Bridgend County Borough Council at their meeting held on **XX/XX/XXXX**.

17. Appeals

17.1 In the case of a premises licence, an appeal should be made to the Magistrates' Court for the petty session's area in which the premises are situated (Cardiff Magistrates' Court).

17.2 In the case of a personal licence, an appeal should be made to the Magistrates' Court for the petty session's area where the personal licence was granted.

17.3 Entitlements to appeal for parties aggrieved by decisions of the licensing authority are set out in Schedule 5 to the Licensing Act 2003.

Responsible Authority contact details are published separately on the Licensing webpages at www.bridgend.gov.uk or are available by contacting licensing@bridgend.gov.uk

Statement of Licensing Policy (SLP) Consultation Responses

Date	Source	Summary of Consultation Response	Response	Details of Amendment
19.08.2025	Alcohol Change UK	The policy should address alcohol delivery services, including training, age verification and the delivery of alcohol to intoxicated customers.	Agree some considerations to be included.	Considerations added to Section 9.8 of the Statement of Licensing Policy

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Agenda Item 11

Meeting of:	COUNCIL
Date of Meeting:	14 JANUARY 2026
Report Title:	INFORMATION REPORT FOR NOTING
Report Owner: Responsible Chief Officer / Cabinet Member	CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY CABINET MEMBER – FINANCE AND PERFORMANCE
Responsible Officer:	MICHAEL PITMAN – TECHNICAL SUPPORT OFFICER DEMOCRATIC SERVICES
Policy Framework and Procedure Rules:	There is no effect upon the policy framework and procedure rules.
Executive Summary:	To update Council with an information report published since the last Cabinet meeting

1. Purpose of Report

1.1 The purpose of this report is to inform Council of the Information Report for noting that has been published since its last scheduled meeting.

2. Background

2.1 It was previously resolved to approve a revised procedure for the presentation to Cabinet and Council of Information Reports for noting.

3. Current situation / proposal

3.1 Information Report

The following Information Report has been published since the last meeting of Council:-

<u>Title</u>	<u>Date Published</u>
--------------	-----------------------

Audited Statement of Accounts 2024-25	14 January 2026
---------------------------------------	-----------------

3.2 Availability of Document

The document has been circulated to Elected Members electronically via

email and placed on the Bridgend County Borough Council website. The document is available from the above date of publication.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations Implications and Connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change and Nature Implications

6.1 There are no climate change and nature implications from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding and corporate parent implications from this report.

8. Financial Implications

8.1 There are no financial implications in relation to this report.

9. Recommendation

9.1 That Council acknowledges the publication of the report referred to in paragraph 3.1 above.

Background documents

None

Meeting of:	COUNCIL
Date of Meeting:	14 JANUARY 2026
Report Title:	AUDITED STATEMENT OF ACCOUNTS 2024-25
Report Owner / Corporate Director/ Cabinet Member:	CABINET MEMBER FOR FINANCE AND PERFORMANCE CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Responsible Officer:	NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	The Accounts and Audit (Wales) Regulations 2014 (as amended) require Local Authorities to publish audited statement of accounts.
Executive Summary:	The Council's Statement of Accounts 2024-25 were approved by the Governance and Audit Committee on 30 October 2025. Audit Wales have completed their audit of the accounts, and the Auditor General for Wales has signed the auditor's certification of the accounts. The Statement of Accounts will be published to the Council's website, along with the Annual Governance Statement which has been approved by the Council's Leader and Chief Executive.

1. Purpose of Report

1.1 The purpose of this report is to inform Council that the audit of the Council's Statement of Accounts 2024-25 has concluded, and the accounts have been certified by the Auditor General with an unqualified audit opinion.

2. Background

2.1 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). The audited Statement of Accounts 2024-25 are attached at **Appendix A**.

2.2 The audited Statement of Accounts 2024-25 was signed by the responsible financial officer as presenting a true and fair view of the financial position of the Council at 31 March 2025 on 30 October 2025 and were approved by the Governance and Audit Committee on 30 October 2025.

3. Current situation / proposal

- 3.1 The Auditor General for Wales signed the audit certification on 31 October 2025. The Audit General for Wales' Report to Members is included at pages 87-90 of the Accounts, which confirms that, in the Auditor General's opinion, the accounts give a true and fair view of the financial position of the Council as at 31 March 2025 and of its income and expenditure for the year then ended; and that they have been prepared in accordance with legislative requirements and appropriate accounting standards as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.
- 3.2 The certification of the accounts is in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice. This will give members assurance that the Statement of Accounts have been properly prepared and fairly represent the financial position of the Council for 2024-25.
- 3.3 **Appendix A** also includes the Council's Annual Governance Statement, approved by the Council Leader and Chief Executive. The Annual Governance Statement is reviewed by Audit Wales as part of the audit of the Statement of Accounts, to ensure consistency with the accounts and the auditor's knowledge and understanding of the Council.
- 3.4 The audited Statement of Accounts 2024-25, including the Annual Governance Statement, will be published on the Council's website.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report therefore it is not necessary to carry out an Equality Impact assessment. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives because of this report.

6. Climate Change and Nature Implications

- 6.1 The Climate Change and Nature implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the environment because of this report.

7. Safeguarding and Corporate Parent Implications

- 7.1 The Safeguarding and Corporate Parenting implications were considered in the preparation of this report. It is considered that there will be no significant or

unacceptable impacts upon Safeguarding and Corporate parenting because of this report.

8. Financial Implications

8.1 The Statement of Accounts 2024-25 sets out the Council's financial position as at 31 March 2025. There are no further financial implications as a result of this report.

9. Recommendation

9.1 It is recommended that the Council notes the audited Statement of Accounts 2024-25 including the Annual Governance Statement at **Appendix A**.

Background documents

None

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Statement of Accounts

Bridgend County Borough Council • 2024-25



Bridgend County Borough Council
Civic Offices
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Narrative report

Introduction

Bridgend County Borough Council's (BCBC) Statement of Accounts provides a record of the Council's financial position for the year. The Council produces its Statement of Accounts to explain the Council's finances, to give assurance that public money has been properly accounted for, and that the financial standing of the Council is on a secure basis. The Statement of Accounts must provide a 'true and fair' view of the Council's financial position as at 31 March 2025, and of its income and expenditure for the 2024-25 financial year.

When preparing these accounts consideration is given to the materiality of information. Materiality is a concept that determines whether an omission or misstatement of information in a financial report would impact a reasonable user's decision-making. If information is significant, it is material. If the information is insignificant or irrelevant, it is said to be immaterial. Audit Wales calculate materiality using 1% of the Council's gross expenditure. Audit Wales will also calculate a trivial level above which any misstatements are reported to those charged with governance, in particular the Governance and Audit Committee. The trivial level is set at 5% of the material level. Some areas of the accounts have a much lower level of materiality, in particular the remuneration disclosures, where materiality is set at £1,000; and related party disclosures, where materiality is set at £10,000 for individual's interests. The Council's overall materiality level is in the region of £5.85 million and any notes to the accounts below this value, which are not statutorily required, and where the Council believes they do not aid understanding, have been excluded. The different materiality thresholds are summarised in the table below:

Materiality	Based on 1% Gross expenditure of 2024/25 draft financial statements	£5.85 million
Reporting threshold ('trivial' level)	5% of materiality	£0.29 million
Areas of specific interest:		
Remuneration report	Based on significance of area	£1,000
Related party disclosures	£10,000 (per individuals)	£10,000

The Council's services will continue to be delivered by the public sector therefore the accounts are prepared on a 'going-concern' basis. The level of usable reserves excluding schools and Cardiff Capital Region City Deal (£124m) is sufficient to meet the cost of the provision of Council services over the medium term.

About Bridgend

The county borough of Bridgend

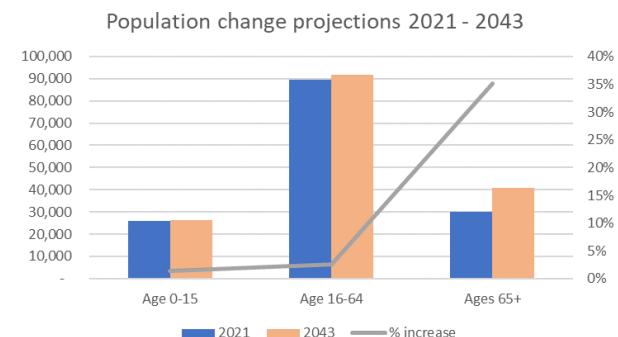


The county borough of Bridgend lies in South Wales and is conveniently situated between Wales' capital city, Cardiff, to the east and the city of Swansea to the west, approximately 20 miles from each. It is bordered by the counties of Neath Port Talbot, Rhondda Cynon Taf and the Vale of Glamorgan with a coastline to the Bristol Channel and covers an area of 98.5 miles². The County has a diverse geography with valleys in the north and 12.5 miles of coastline and beaches to the south. The M4 runs through the centre of the county borough, and there are main-line rail links to Cardiff, London and Swansea. Bridgend County Borough is at the heart of the South Wales industrial and coastal belt. To the north is the residential town of Maesteg, to the southwest is the coastal town of Porthcawl and to the east is Pencoed. Bridgend is one of 22 Councils in Wales, and accounts for approximately 4.7% of the country's population.

Demographic profile of Bridgend

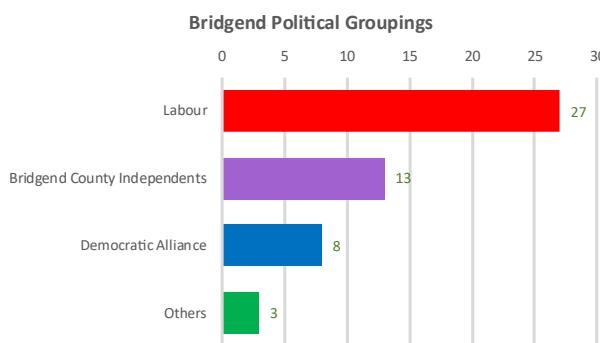
The census 2021 for Bridgend showed that there were 145,500 people living in the county. The population is projected to increase to 158,717 by 2043, with significant increases forecast in the population aged over 65, according to the 2018 principal population projections for local authorities. This will place increased pressure on the Council's budget if no additional funding is provided, particularly in terms of school places, waste collection, adult social care, infrastructure and transportation.

The profile of the population is an important determinant of the demand for services provided by the Council such as the need for adult and children's social care. The population change projections highlight the potential pressures facing the Council with a forecast increasing proportion of older people aged 65+.



Political and management structure

Council Democracy



As at 31 March 2025 the Council had 51 Councillors elected by the community to decide how the Council should carry out its various activities. They represent public interest as well as individuals living within the ward in which they have been elected to serve a term of office. They represent the people of Bridgend and set the overall Council strategy and budget framework.

The constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure decisions are effective, transparent and accountable to local people. Council elects a Mayor annually to perform a civic role and promote the County. Council also appoints a leader of the Council who appoints Cabinet Members, each with a responsibility for a specific portfolio of services.

The role of the Cabinet is to be responsible for most major decisions, provide leadership, and propose the budget framework and budget.

Overview and Scrutiny Committees support the work of the Cabinet and Council by:

- scrutinising decisions of the Cabinet;
- considering service provision, planning, management and performance of service areas;
- allowing all Councillors, citizens and stakeholders to have a say in matters concerning the Council;
- considering policies, protocols and plans and producing reports and recommendations thereon;
- contributing to the annual budget consultation process;
- having the opportunity to influence future Cabinet and Council decisions through pre-decision meetings; and
- having the ability to review a decision which has been made but not yet implemented.

Regulatory and other committees support the delivery of Council services. Council has given the Governance and Audit Committee the responsibility to review and approve the Financial Statements of the Council.

The Council's Corporate Management Board is led by the Chief Executive and includes the 3 Corporate Directors, the Monitoring Officer and Chief Officer – Finance, Housing and Change.

Bridgend County Borough Council Organisational Structure

The Council's operations are organised into Directorates, each of which report into the Chief Executive. The Chief Executive also manages the Chief Executive's Directorate. The Directorates are:

Education, Early Years and Young People: Schools, Learner Support, Early Years and Young People, Strategic Performance, Schools Support, and Sustainable Communities for Learning.

Social Services & Wellbeing: Adult Social Care - Residential Care, Domiciliary Care, Day Opportunities; Prevention and Wellbeing – Leisure Centres, Community Centres, Cultural Trust Partnership; Children's Social Care – Care Experienced Children, Family Support Services, Adoption, Early Help, Edge of Care and Social Work.

Communities: Planning & Development, Corporate Landlord, Strategic Regeneration, Economy, Natural Resources and Sustainability, Cleaner Streets & Waste Management, Highways & Green Spaces.

Chief Executives: Finance, Human Resources, Partnerships, Legal, Democratic and Regulatory Services, ICT, Elections, Housing & Homelessness, and Business Support.

Objectives and performance

Our ambition – How we will work differently for our communities

During the period 2023-28, the Council wants to invest in the right things, the things that make the biggest difference and are the most valued by our communities. We are faced with difficult choices about how we prioritise spending, we will not be able to do everything for everyone. Since the pandemic, and in the current economic crisis, what people want has changed. The Council has agreed how it will work differently to adapt to these changes as set out (right).



Better and more targeted use of resources



One council, working well together and with partners



Improving communication, engagement and responsiveness



Supporting and empowering communities



Protecting the services that matter to you the most

The Council's 7 Wellbeing Objectives

The Well-being of Future Generations (Wales) Act 2015 says that public bodies, including the Council, must work to improve the wellbeing of Wales. The Council has published a set of wellbeing objectives to demonstrate how the Council will contribute to the national wellbeing goals. The wellbeing objectives below are set out in the Council's [Corporate Plan 2023-28 – 'Delivering Together'](#).

Wellbeing Objective 1: A County Borough where we protect our most vulnerable

The main ways we will achieve this are:

- Providing high-quality children's and adult social services and early help services to people who need them
- Supporting people in poverty to get the support they need or help they are entitled to
- Supporting people facing homelessness to find a place to live
- Supporting children with additional learning needs to get the best from their education
- Safeguarding and protecting people who are at risk of harm

Wellbeing Objective 2: A County Borough with fair work, skilled, high-quality jobs and thriving towns

The main ways we will achieve this are:

- Helping our residents get the skills they need for work
- Making sure our young people find jobs or are in education or training
- Improving our town centres, making them safer and more attractive
- Attracting investment and supporting new and existing local businesses

Wellbeing Objective 3: A County Borough with thriving valleys communities

The main ways we will achieve this are:

- Investing in Maesteg town centre and creating more jobs in the valleys
- Improving community facilities and making them more accessible
- Improving education and skills in the valleys
- Investing in our parks and supporting tourism to the valleys

Wellbeing Objective 4: A County Borough where we help people meet their potential

The main ways we will achieve this are:

- Providing safe, supportive schools with high quality teaching
- Expanding Welsh medium education opportunities
- Modernising our school buildings
- Supporting and encouraging lifelong learning
- Being the best parents we can to our care experienced children
- Offering youth services and school holiday programmes for our young people

Wellbeing Objective 5: A County Borough that is responding to the climate and nature emergency

The main ways we will achieve this are:

- Moving towards net zero carbon
- Improving the energy efficiency of our buildings and services
- Protecting our landscapes and open spaces and planting more trees
- Reducing, reusing or recycling as much of our waste as possible
- Improving flood defences and schemes to reduce flooding of our homes and businesses

Wellbeing Objective 6: A County Borough where people feel valued, heard and part of their community

The main ways we will achieve this are:

- Improving the way we engage with local people, including young people, listening to their views and acting on them
- Offering more information and advice online and in your libraries and community buildings, not just in Civic Offices
- Helping clubs and community groups to take control of and improve their facilities and protect them for the future
- Making sure you can talk to us and hear from us in Welsh
- Celebrating and supporting diversity and inclusion and tackling discrimination

Wellbeing Objective 7: A County Borough where we support people to live healthy and happy lives

The main ways we will achieve this are:

- Improving active travel routes and facilities so people can walk and cycle
- Offering attractive leisure and cultural activities
- Improving children's play facilities and opportunities
- Providing free school meals and expanding free childcare provision
- Integrating our social care services with health services so people are supported seamlessly
- Improve the supply of affordable housing

Every year the Council must publish a Corporate self-assessment report. This report assures the public, Welsh Government and other regulators, that the Council is performing well, making decisions in a sensible, open way and using its money and other resources properly. Most importantly, the report tells local residents, businesses and stakeholders how the Council is performing. The Council's Corporate Self-Assessment 2024-25 will be published in due course and will outline how the Council has performed against each of its objectives as set out above.

Governance and risk

Governance

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in delivering its functions in terms of strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation. The Annual Governance Statement included at the end of the Statement of Accounts document, sets out in detail the Council's governance arrangements.

Risk management

In delivering services, the Council is faced with a range of risks, which can threaten the quality and availability of the services the Council provides. The Corporate Risk Register is regularly reviewed by the Corporate Management Board and is presented to Council as part of the Medium Term Financial Strategy and twice-yearly to the Governance and Audit Committee. Some of the most significant risks, and mitigating actions to deal with these, are listed below.

Risk description	Possible consequences	Mitigating actions
The Council is unable to deliver a balanced budget and sustain services into the medium term.	The more difficult decisions to cut or reduce service levels must be made or the Council will not deliver the changes necessary to achieve a balanced budget, which will result in the Council being in breach of its legal responsibilities.	The Council manages this risk through existing budget and business planning processes, which include early identification of savings targets and development of options for Cabinet, challenge from Scrutiny and formal and informal briefings of members and political groupings.
The Council is unable to deliver transformation and major service change, including projects and agreed financial savings.	If the Council is unable to change the way that staff work, including new roles, collaborations and the acquisition of new skills, it will be unsuccessful in delivering service transformation, which will lead to it not meeting its commitments within available budgets.	The Council has changed the way it operates in recent years. The new Service Delivery Programme and increased activity areas such as "Grow your Own" together with helping to change the way the Council does its business and other strategically important projects such as the Digital Transformation Programme continue to progress. To ensure the key transformation priorities for the Council are delivered, the key priorities must be reviewed and agreed.
The Council is unable to identify and deliver infrastructure improvements required in the medium to longer term due to the cessation of external grants, the increased cost of borrowing and the increased costs of construction and building works.	If the Council does not have sufficient capital to maintain, improve and replace infrastructure, including roads, street lights, school buildings and technology then they will deteriorate bringing financial and safety risks which could lead to adverse incidents, reports, publicity, fines and ultimately prosecution.	The Council has a 10-year capital programme. The development of this programme and arrangements for its review and updating are well established. The Council has identified scope to improve upon this to ensure that these needs are balanced with other demand for capital through the development of the new Capital Programme Board.
The Council fails to meet statutory responsibilities to respond to situations where individuals are at risk of neglect or abuse. This would include children, adults in need of social care, homeless individuals and others.	There is a risk that, without adequate budgets and due to the lack of a sufficiently experienced workforce, the Council's safeguarding arrangements will not be effective, and that children and adults at risk will not be kept safe and will experience harm. The demand for services continues to increase, which places additional pressures on services.	The Council continues to prioritise this area of work. Additional staff have been employed to ensure the service is able to meet the increasing demand for services; the Council's Market Supplement Policy has been invoked to support the recruitment of staff to the childcare teams; resource has been found to support increased numbers of staff accessing the social work training scheme and work has been done to establish an oversea recruitment programme. Working practices in the service are being reviewed and the Council continues to work effectively with key partners.

Risk description	Possible consequences	Mitigating actions
The Council is unable to attract, develop or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services.	If there is a continued reduction in the number of suitably skilled and experienced staff then there will not be the expertise in the workforce to deliver services and protect the interests of the Council. This could lead to the wellbeing of citizens suffering, a reduction in service quality, a delay to service provision and a loss of morale amongst the remaining staff if they feel unsupported and therefore seek to work elsewhere.	Measures have been taken to seek to mitigate and treat the risks including the Market Supplement Policy and further development of international recruitment. Use of agency staff continues to be high in some areas and direct work is being undertaken to improve this position.
Invigorating the economy and economic recovery following the cost of living crisis and local issues such as the closure of businesses in the area.	The ongoing cost of living crisis and political and market / financial uncertainty is impacting both individuals and local businesses. There has been increased demand for financial support with increased applications for Council Tax reduction, reduced payment of Council Tax and business rates and a corresponding increase for other relevant Council advice and support services. May local businesses are particularly impacted by the huge inflationary increases particularly in energy costs meaning it is inevitable that there will be increased fragility in this sector. The closure of TATA, and the consequential impact on the supply chain, is likely to impact in the Bridgend area going forward	Support the aims set out by the local economic recovery taskforce and identify and implement the recommended actions through the development of a new Economic Strategy. Liaise closely with colleagues in the Cardiff Capital Region and Welsh Government to identify and target opportunities for investment to add to investment provided by BCBC to stimulate and invigorate the economy. Seek to signpost opportunities for training, support and new jobs by targeting the work of the Council's Employability teams. Administer and target financial grant schemes and provide support to local businesses to adapt to new circumstances. Progress existing economic development schemes to provide more opportunities for business 'start up' by developing enterprise hubs throughout the County Borough. Implement proposals for the UK Government's Levelling Up Fund and the Shared Prosperity Fund which can be used to fund Employability/ skills based initiatives

Risk description	Possible consequences	Mitigating actions
Significant service pressures in the health and social care services could impact on the ability of services to support vulnerable individuals.	The health and social care system is not able to meet the health and care needs of people in a timely way resulting in harm and excess deaths. The immediate risk is that there is not sufficient capacity in community health and social care services to prevent hospital admissions and support timely discharge from hospital.	There are regular meetings at senior levels across Health and the Council to understand the current position and to agree the joint actions required to try to address the issues.
There is an increase in the financial fragility of schools in the Borough.	Whilst the Council seeks to mitigate the impact of the overall financial positions for schools, current financial planning includes the need to reduce the level of support previously given to schools. The consequences of this include schools having to use their balances to fund activity with increased risk of schools going into deficit. It is a requirement that schools address a deficit within 3 years, 5 years in exceptional circumstances. This will be more difficult as funding to schools reduces.	There are structures in place to escalate issues to senior officers and Members. There is a School Budget Forum in place that is a consultative body in relation to the schools funding formula and overall finance issues for schools. School governors are responsible for monitoring and reporting school finance positions. Schools are supported with the development and monitoring of individual school budgets by the central finance team.
There is a threat to business continuity if the Council is unable to procure and implement major ICT systems which support critical services such as a replacement system for Care Director (WCCIS) and the Capita One system for Education.	In social care the failure to procure and implement a new system by January 2026 will result in the Council having to rely on an unsupported database or a complex interim solution. Operating social care case management and safeguarding services without a functional system is not safe or viable option. Without a system the Council cannot fulfil its statutory safeguarding obligations and there is a risk to life of children and adults at risk of failing to do so. The Capita One system will provide a single comprehensive record for each child which supports the Council to manage education efficiently by connecting data securely resulting in more informed decisions and early intervention.	The Council is working with: <ul style="list-style-type: none"> - Association of Directors of Social Services (ADSS Cymru), the Welsh Local Government Association (WLGA) and a national programme to progress a national approach to contingency planning, procurement strategy, data migration and scoring resources from Welsh Government via a clear business case - The Cwm Taf Morgannwg Region Councils and the Vale of Glamorgan have formed a regional consortium to manage evaluation and implementation of a new supplier - A national or regional approach to procurement will enable better market management and should secure better value for money - The WCCIS regional team provide some capacity to support system change - The Council have formed a cross-directorate group to provide governance within the Council Education is working with schools and the ICT service to implement the new system.

Decarbonisation Programme

Welsh Government declared a Climate Emergency in April 2019. Following this the Welsh Government committed to achieving a carbon neutral public sector by 2030. In June 2020 Bridgend County Borough Council's Cabinet approved a report that set out the crucial role the Council has to play through the management of its own resources, organisations and businesses and the Council declared its own climate emergency in June 2020. Cabinet approved the Council's 2030 Net Zero Carbon Strategy on 13 December 2022. The Strategy includes six priority actions aimed at reducing the organisation's greenhouse gas emissions to achieve a net zero position by 1 April 2030. The Action Plans include carbon management, buildings, transport, procurement, land use and waste. This strategy will be an integral part of the Council's Corporate Plan, whilst policies, strategies and ongoing plans will all reflect the commitment to Net Zero. This will ensure it is fully embraced across the organisation. The Net Zero strategy was reviewed in 2024 and an updated version will be presented for public consultation in July 2025. Whilst Council agreed £0.4 million capital allocation to 2024-25 and £0.15 million annually from 2025-26 to 2030-31, the level of resources to deliver the strategy will be substantially more than this and, due to financial constraints, the Council's ambition to achieve Net Zero 2030 may be difficult to deliver.

The Council has already progressed schemes including:

- Energy efficient LED lighting in 17 buildings, including the Council's Civic Offices.
- Electric vehicle charging points across the Borough.
- Replacement of approximately 15% of the BCBC vehicle fleet with battery electric vehicles.
- The Council's Re:fit programme, which has been run in partnership with energy experts Ameresco, has seen schools and public buildings fitted with a range of measures including LED lighting, lighting controls, Building Management Systems and solar PV systems.
- Improved insulation levels on Council buildings
- Replacement of gas-fired boilers with Air Source Heat Pumps and installation of solar PV at two Council buildings – Bridgend Resource Centre and Bryn-y-Cae Residential Home.
- Installation of rooftop solar PV and ground-mounted battery storage at Bryncethin Depot in order to reduce electricity costs and reduce carbon emissions.

Future opportunities

The Council will continue to work towards achieving net zero carbon and has secured funding to progress the following schemes:

- Solar PV systems on 9 non-school buildings
- Replacement of direct electric heating systems with more efficient air source heat pumps
- Installation of a heat pump to provide hot water at the Civic Offices

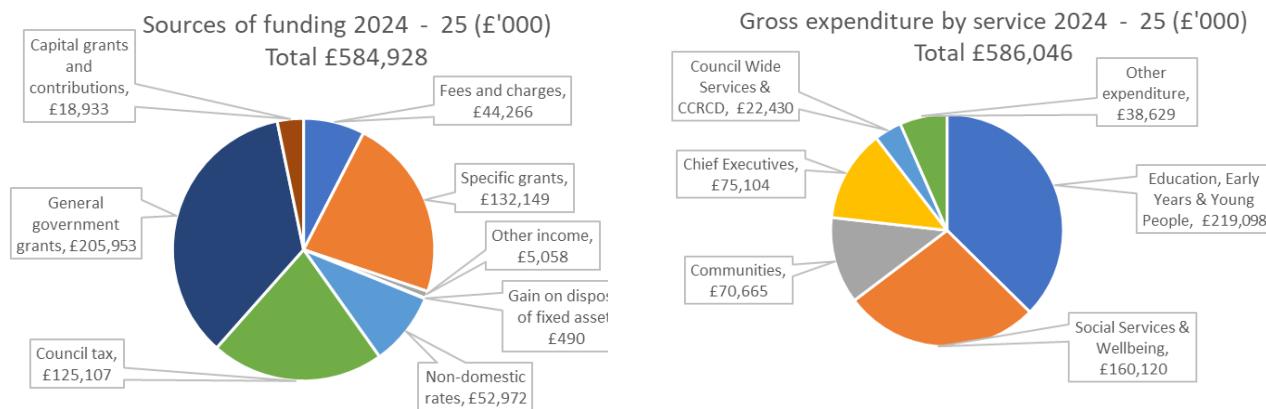
Financial Performance

Income and Expenditure

The Council receives funding from three main sources:

- Government grants, including the Welsh Government core funding to the Council, the Revenue Support Grant (RSG);
- Council tax; and
- Its share of business (non-domestic) rates

The Council also generates income from fees and charges for services it provides. The charts below show the funding received in 2024-25 and how it was spent on services and other expenditure, which includes precepts and levies and interest payable. The difference of £0.086 million is the surplus on the provision of services as shown in the Comprehensive Income and Expenditure Statement.

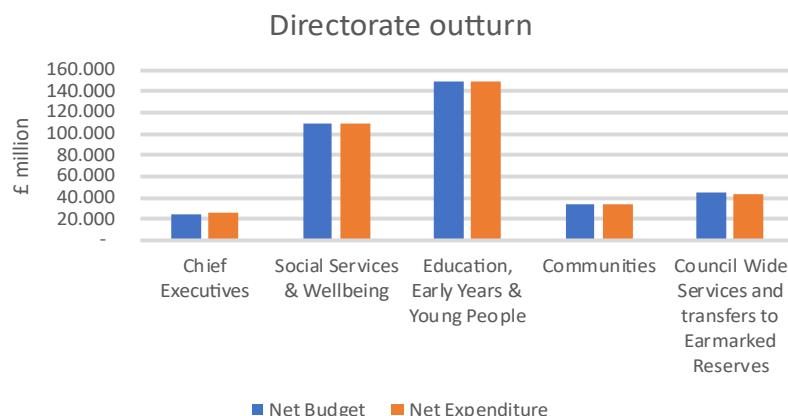


Revenue outturn

In February 2024 the Council approved a net revenue budget of £359.725 million based on the provisional local government settlement received from Welsh Government in December 2023. The Welsh Government announced its final settlement on 27 February 2024 which included an increase in the Revenue Support Grant for the Council of £0.650 million along with three grants being transferred (£0.297 million) into the final settlement, resulting in a net budget of £360.671 million for the year. The revenue budget shows the annual cost of delivering the Council's duties and responsibilities to the community, many of which are provided under statute. The Council's annual revenue budget covers the day-to-day running costs of the Council including staff, waste collection, schools, care workers, foster carers and leisure services. The final revenue outturn for the Council, excluding the Cardiff Capital Region City Deal, was a net underspend of £0.278 million which has been transferred to the Council Fund, leaving the Council Fund at £10.008 million as at 31 March 2025. The outturn position is shown below.

Directorate	Net Budget £ million	Net Expenditure £ million	(Under)/ overspend £ million	(Under)/ overspend %
Chief Executives	23.578	25.492	1.914	8.1%
Social Services & Wellbeing	109.463	109.952	0.489	0.4%
Education, Early Years and Young People	148.823	148.477	(0.346)	(0.2)%
Communities	33.271	33.611	0.340	1.0%
Council Wide Services and transfers to Earmarked Reserves	45.536	43.473	(2.063)	(4.5)%
Outturn subtotal	360.671	361.005	0.334	0.0%
Funding and Financing		(361.283)	(0.612)	(0.2)%
Total Council outturn	-	(0.278)	(0.278)	0.00%

The Council's net budget and net expenditure by Directorate is shown in the table below.



The Council received Revenue Support Grant from the Welsh Government of £205.953 million. The net Non-Domestic Rates (NDR) collectable on behalf of Welsh Government by the Council for the year was £45.043 million. The Council's share of NDR due for the year from Welsh Government was £52.972 million.

2024-25 has been a complex year for the council's finances. The Council made additions/reclassifications to revenue earmarked reserves of £17.685 million and drew down or unwind £13.811 million, a net increase in reserves of £3.874 million. The Council Fund increased by £0.278 million to £10.008 million. The Council's outturn report for the year can be found on the Council's website [here](#). The difference between the outturn report of £0.300 million and the above is a post-audit adjustment of £0.022 million relating to accrued pay related costs.

Capital Expenditure and Funding

Capital investment forms a large part of the Council's spending. The Council's original capital programme for 2024-25, approved by Council on 28 February 2024, was £66.058 million.

Budget adjustments take place during the year to reflect new schemes added to the Capital Programme, removal or reductions in schemes and slippage of schemes to future years. The final approved budget for the year was £58.381 million and the total expenditure was £29.331 million. Of the variance below, £27.265 million will be slipped into future years.



Directorate	Original approved budget £'000	Revised budget £'000	Outturn £'000	Variance (Under)/ over £'000
Education, Early Years and Young People	18,895	19,221	8,079	(11,142)
Social Services and Wellbeing	839	926	451	(475)
Communities	39,499	31,252	16,447	(14,805)
Chief Executives	5,830	5,921	4,354	(1,567)
Corporate/unallocated	995	1,061	-	(1,061)
TOTAL	66,058	58,381	29,331	(29,050)

The total expenditure for the year represents 50% of the final approved capital programme, and key projects included:

- Maesteg Town Hall
- Sustainable Communities for Learning Programme
- Bryntirion Comprehensive Classroom Extension
- Grand Pavilion in Porthcawl
- Porthcawl Metrolink
- Community Play Areas
- Disabled Facility Grants for adaptions to people's homes to support individuals to continue to live at home.

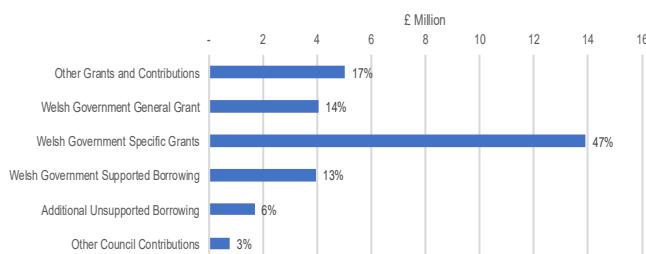
The revised budget as approved by Council for the year was £58.381 million. As at the year end £27,265 of the forecast expenditure was slipped into 2025-26. The main areas of slippage are as below:

- £6.323 million schools modernisation programme. This includes new schools, extension of existing schools as well as associated highways works.
- £3.061 million School Capital Maintenance Grant. There have been a number of delays on the individual projects within the scheme due to capacity issues, plus an additional £0.73 million grant was awarded by Welsh Government in January 2025.
- £2.827 million linked to infrastructure works in Porthcawl which are subject to the outcome of the consultation around the development Masterplan for the area.
- £2.570 million for a range of minor works schemes across Directorates that are now anticipated to be undertaken during 2025-26.
- £1.268 million CESP/Arbed Phase 1. Remedial works are progressing with work ongoing at all homes enrolled in the scheme to remove all original insulation material. Installation of new insulation or cement render has been delayed by walls taking longer to dry than initially expected, and so the delivery plan has been revised and expenditure
- £0.989 million for the Grand Pavilion in Porthcawl. The initial tender process was unsuccessful due to cost and a further tender process was successful leading to the main construction contract awarded later than anticipated.
- £1.332 million has been slipped into 2025-26 for homelessness, housing and affordable housing. One property was purchased during the year and the balance of funding has been slipped into next year to support the purchase of further properties, with two being assessed at the year end for suitability for the scheme.
- £0.771 million for fleet services due to the delivery of three vehicles delayed until 2025-26. One recycling vehicle was delivered in April 2025 and two highways vehicles are expected by September.

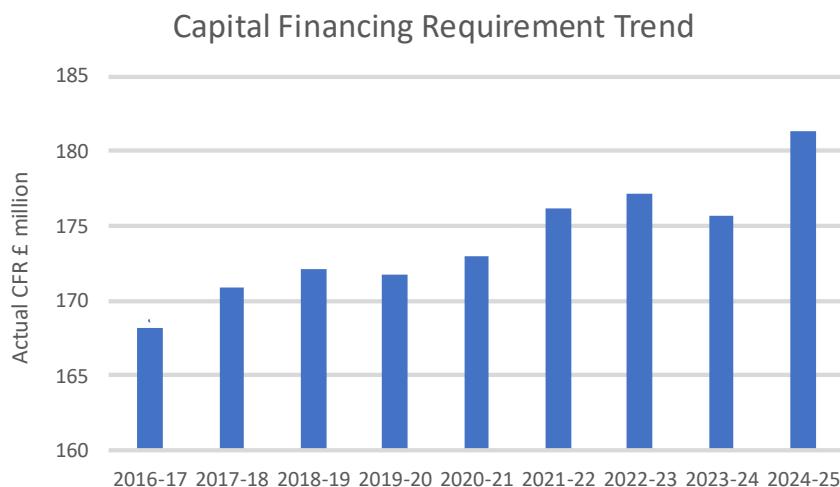
Capital expenditure is monitored on a regular basis and updates reported to Cabinet and Council on a quarterly basis, the meeting recordings and reports are available on the Council's internet.

The Council pays for its capital expenditure from a number of sources. The local government capital settlement for 2024-25 provided the Council with £7.980 million of capital funding, of which £3.937 million was supported borrowing and £4.043 million was capital grant. An analysis of the capital funding is shown to the right.

Sources of Capital Financing



Capital expenditure incurred historically by borrowing, but to be paid for from future revenue or capital income, is termed the Capital Financing Requirement (CFR). The CFR over the last 7 years is shown below with the dotted line representing the trend over that period.



Minimum Revenue Provision

Revenue amounts are set aside each year to repay the borrowing known as Minimum Revenue Provision (MRP) and is put aside over a 45-year period in line with the Minimum Revenue Provision Policy. During the year the Council changed the way in which it calculates the MRP from a straight-line method to an annuity method. In comparison to the straight-line method the annuity method means less MRP is made in earlier years and more is made in later years. However the annuity structure for MRP, when combined with interest costs, leads to a smoother profile of costs. It also takes into account the time value of money, whereby paying £1,000 in a year's time is less of a burden than paying £1,000 now. The annuity method is considered more prudent as it matches the benefit from the assets with the cost over time. Further information can be found in the [Council report](#).

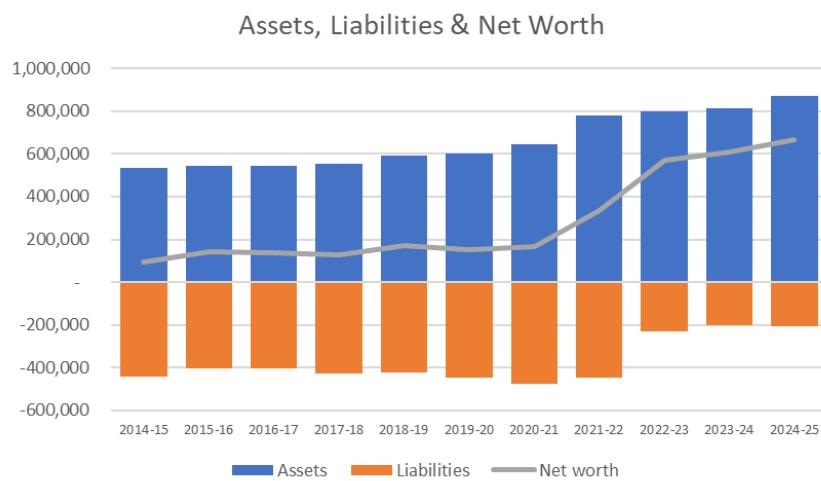
Assets and Liabilities

The balance sheet summarises the Council's financial position at the year-end, and reports the assets, liabilities and reserves of the Council, which shows how much the Council owns and how much it owes. The net assets of the Council have increased by £64.800 million from £607.437 million at 31 March 2024 to £672.237 million at 31 March 2025.

The key movements over the year are shown below:

	31 March 2024 £'000	31 March 2025 £'000	Movement £'000
What we own – assets	807,386	877,348	69,962
What we owe – liabilities	(199,584)	(205,111)	(5,527)
Net financial position – assets less liabilities	607,802	672,237	64,435
<i>The net financial position is held in reserves as follows:</i>			
General reserves held by the Council, including earmarked reserves – usable reserves	104,020	117,608	13,588
Other reserves held for statutory or specific purposes – unusable reserves	503,782	554,629	50,847
Total reserves	607,802	672,237	64,435

The Council's assets and liabilities can be used to show a 'net worth', as in the chart below. The major reduction in liabilities relates primarily to the pension fund liability, which is discussed later in the report.



Long term assets

Property, plant and equipment are revalued on a 3-year rotation. This is a shorter period than the Chartered Institute of Public Finance and Accountancy's 'Code of Practice on Local Authority Accounting' suggests but enables the Council to ensure values recorded in the accounts are materially correct. The valuation of assets involves a number of assumptions, however movements in asset values as well as accounting charges such as depreciation have no impact on council tax, as these charges are required to be reversed out from unusable reserves. Details of the movements in assets, capital expenditure and its financing are included at note 21.

- Assets revalued during 2024-25 as part of the Council's rolling programme included schools, enterprise and business centres, depots, sport centres, day care centres and public conveniences.
- Investment properties, surplus assets and assets held for sale are revalued annually.

Short term assets & liabilities

Short term assets include investments made in line with the approved [Treasury Management Strategy](#), to support the short term cash flow needs of the Council. The total investments and cash balances held for Treasury Management purposes was £36.75 million at 31 March 2025 and is primarily temporary cash balances deposited with financial institutions and Central Government Debt Management Office. The average rate of interest earned for the year was 4.81%.

Borrowing

The Council has long-term borrowing outstanding as at 31 March 2025 of £96.130 million including its share of Cardiff Capital Region City Deal (CCRCR) long-term borrowing of £0.944 million. The Council's borrowing of £95.186 million is a mixture of Public Works Loan Board (PWL) loans of £73.328 million, Lender Option Borrower Options (LOBOs) of £19.736 million, and £2.12 million of Salix loans to finance capital expenditure. More detail in relation to borrowing is provided in note 31. The borrowing should be seen in the context of the total value of the Council's long-term assets, which are shown in the Balance Sheet at £750 million. Borrowing is permitted in line with the CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential Code for Capital Finance in Local Authorities as long as, in the opinion of the Chief Officer – Finance, Housing and Change, the revenue costs are capable of being met and are in keeping with prudential indicators and guidelines. Should the opportunity arise for the Council to repay its LOBOs at a benefit to the Council, then it will look to do so.

Raising debt to finance Council investment

The Council has a borrowing requirement arising from current and past years' capital programmes. This is met via a mixture of long- and short-term borrowing, the balance of which can vary year on year depending upon investment and debt maturities and market conditions. Decisions made on borrowing will also affect investment levels. Councils can borrow to invest in property, plant or equipment or other infrastructure that supports the delivery of services, but they must ensure that they can pay this amount back. The Council sets out its approach to borrowing and investment in its annual Treasury Management Strategy, approved by Council in advance of each financial year, and monitored throughout the year by the Governance and Audit Committee, with advice from external treasury management advisors as appropriate. The Council took out new borrowing during the year of £10

million, £5m short term (3 months duration) and £5m for 16 months. Public Works Loan Board (PWLB) loans of £5.580 million were repaid in 2024-25.

Pensions Liability: £5.84 million

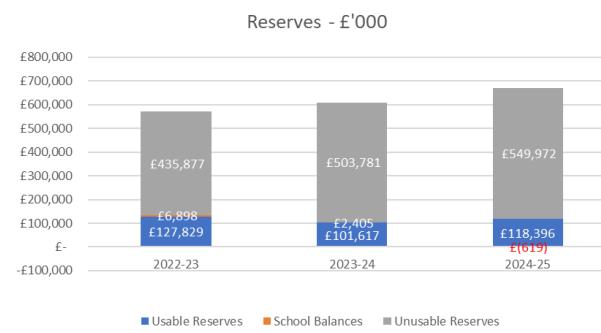
The requirements of International Accounting Standards 19 (IAS19) in relation to post-employment benefits – i.e., pensions, have been fully incorporated into the Comprehensive Income and Expenditure Statement, with actuarial gains and losses being recognised in Other Comprehensive Income and Expenditure, as note 30 explains in detail. The Local Government Pension Scheme (LGPS) is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings (CARE) scheme. The Council is part of the Rhondda Cynon Taff Pension Fund. The fund is revalued every 3 years by an independent firm of actuaries. The last valuation of the pension fund was 31 March 2025, and this is due to be completed by 31 March 2026.

A pensions reserve and a pension liability are incorporated within the Council's accounts, reflecting the amount by which the Bridgend element of the Rhondda Cynon Taff Pension Fund is under-funded compared with the assessed payment liabilities to pensioners now and in the future. The cost to the Council during the year for pension liabilities was £22.74 million. The overall pensions' liability of the Council at 31 March 2025 was £5.84 million, a reduction of £0.900 million from 31 March 2024 when the liability was £6.74 million. This takes into account the underpin liability following the McCloud remedy and the outcome of the McCloud/Sargeant case that the impact of transitional protection arrangements put in place when firefighters' and judges' pension schemes were reformed were age discriminatory.

In June 2023 the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with Section 37 of the Pensions Act 1993, and that changes without this certification are to be considered void. It is anticipated that there will not be any pension liability changes as a result of this case for the Council. Further information can be found in Note 30 to the accounts.

Reserves

The reserves of the Council represent the net worth of the Council and are split into usable and unusable amounts. **Usable reserves** are sums of money put aside for specific purposes or for general contingencies and cash flow management. Their use, creation and assessment of sufficiency also considers risks to financial resilience. The net under spend position of £13.341 million has enabled the establishment of a net £13.063 million of new earmarked reserves in 2024-25 along with a transfer of £0.278 million to the Council Fund. Earmarked reserves and other usable reserves are detailed in note 28 of the accounts, whilst unusable reserves are shown in note 29.



Unusable reserves have increased as a result of an increase in the valuation of assets in the current year (£57.6 million) and a reduction in the net liability of the pension fund (£0.9 million). As these are unusable, they represent accounting adjustments rather than actual cash flows.

Addressing future challenges

The Council faces significant challenges moving forward. It has in place a Medium Term Financial Strategy (MTFS) approved by Council which shows the required savings for the forthcoming year and indicative savings for the following three years. The key medium-term financial risks facing the Council are:

- Population growth and an ageing population, increasing dementia rates and an increased number of young people with complex disabilities living into adulthood.
- High numbers of children in care and the significant service and financial pressures within Children's Social Care services, as well as the financial impact of Welsh Government's legislative changes such as the eradication of profit from children's social care.
- Housing, in particular homelessness prevention duties and meeting the Welsh Government's commitment to

eradicate homelessness.

- Safeguarding the financial position of the Council. Whilst the Council has an agreed budget for 2024-25 and has in place a Medium Term Financial Strategy for the period 2025-26 to 2028-29, the level of expected savings the Council will need to make over that period is significant. Not all savings targets for future years are fully developed, and the Council will need to ensure it can meet those targets, looking at ways to improve efficiency through delivering services in different ways.
- The Council's outturn for 2024-25 is an underspend of £13.341 million before transfers to earmarked reserves of £13.063 million. This was due to a number of factors, namely receipt of unanticipated Welsh Government Grants, savings resulting from Minimum Revenue Provision Policy changes, and not needing to utilise budget built into the MTFS towards emerging budget pressures and as a contingency against non-deliverability of budget reduction proposals. These are one-off items which are not likely to reoccur in future years. The economic outlook going forward remains challenging for Local Authorities.

Whilst the Council continues to face increasing pressures on its budget, it approved a balanced budget for 2025-26 on 26 February 2025. The uncertain economic climate will require the Council to continually review its priorities and budgets.

The Financial Statements

The Statement of Accounts are included in this document, and consist of the following financial statements:

Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Council and the Chief Officer – Finance, Housing and Change for the preparation and approval of the Statement of Accounts.

The Comprehensive Income and Expenditure Statement (CIES)

This records the Council's income and expenditure in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements, which may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Movement in Reserves Statement (MiRS)

The Movement in Reserves Statement shows the movement from the start of the year to the end of the year on the different reserves held by the Council, analysed into 'usable reserves' - those that can be used to fund expenditure - and 'unusable' reserves, which must be set aside for specific purposes. Unusable reserves would include unrealised gains and losses (such as the Revaluation Reserve), where amounts would only become available if the assets are sold, and reserves that reflect 'adjustments between accounting basis and funding under regulations'. The surplus or deficit on the Provision of Services line shows the true economic cost of providing the Council'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 for council tax setting purposes. The Net Increase/Decrease line shows the statutory Council Fund balance movements in the year following those adjustments.

Balance Sheet

This records a snapshot of the Council's assets, liabilities, cash balances and reserves at the year-end date. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

Cash Flow Statement

The Cash Flow Statement shows the reason for changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, 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 Council 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 Council'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 Council.

Notes to the Financial Statements

These set out the Accounting Policies adopted for the Statement of Accounts and disclosures relating to the financial statements and include pensions and financial instruments disclosures. These include the Expenditure and Funding Analysis which shows how annual expenditure is used and funded from resources (government grants, fees and charges, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Directorates and Council wide areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Annual Governance Statement

The Annual Governance Statement sets out the governance structures of the Council and its key internal controls.

The 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 to secure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer is the Chief Officer – Finance, Housing and Change.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.



30 October 2025

Chair of Governance and Audit Committee

The Chief Officer – Finance, Housing and Change's Responsibilities

The Chief Officer – Finance, Housing and Change is responsible for the preparation of the Council's 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 this Statement of Accounts, the Chief Officer – Finance, Housing and Change 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 Chief Officer – Finance, Housing and Change has also:

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

Chief Officer – Finance, Housing and Change's Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of Bridgend County Borough Council as at 31 March 2025 and of its income and expenditure for the year ended 31 March 2025



30 October 2025



Comprehensive Income and Expenditure Statement

2023-24					2024-25				Notes
Gross Expenditure £'000	Govt Grants £'000	Other Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Govt Grants £'000	Other Income £'000	Net Expenditure £'000	
206,960	(40,024)	(7,863)	159,073	Education, Early Years and Young People	219,098	(49,086)	(8,067)	161,945	
156,544	(11,811)	(24,060)	120,673	Social Services and Wellbeing	160,120	(16,531)	(26,296)	117,293	
65,948	(10,019)	(7,545)	48,384	Communities	70,665	(18,832)	(7,381)	44,452	
77,560	(46,761)	(2,426)	28,373	Chief Executives	75,104	(44,977)	(2,547)	27,580	
21,154	(669)	(901)	19,584	Council Wide Services	22,430	(2,592)	25	19,863	
125	(38)	(100)	(13)	Cardiff Capital Region City Deal (CCRCRCD)	2,384	-	(621)	1,763	
528,291	(109,322)	(42,895)	376,074	Cost Of Services	549,801	(132,018)	(44,887)	372,896	
20,746			20,746	Other Operating Expenditure	22,749			22,749	7
9,181			9,181	Precepts payable	9,680	(131)		9,549	7
459			459	Levies payable			(490)	(490)	
				(Gain) / loss on disposal of non current assets				95	
				CCRCRCD (Gain) / loss on disposal of non-current assets	95				
30,386	-	-	30,386	Other Operating Expenditure	32,524	(131)	(490)	31,903	
				Financing and Investment Income and Expenditure					
4,851			4,851	Interest payable on debt	4,963			4,963	31
11			11	Interest element of finance leases (lessee)	191			191	31
1,018			1,018	Interest payable on PFI unitary payments	946			946	13
1,190			1,190	Net Interest on Net Defined Benefit Liability			(220)	(220)	30
		(5,108)	(5,108)	Investment Income & Other Interest Receivable			(4,771)	(4,771)	31
855			855	Changes in fair value of investment properties	100			100	22
				Interest payable & similar charges CCRCRCD	36			36	
				Interest & Investment Income CCRCRCD			(571)	(571)	
				Change in Fair Value of Investment Properties CCRCRCD	130			130	
7,925	-	(5,108)	2,817	Financing and Investment Income and Expenditure	6,366	-	(5,562)	804	
				Taxation and Non-Specific Grant Income					
	(202,556)		(202,556)	Revenue Support Grant		(205,953)		(205,953)	8
	(47,626)		(47,626)	National Non-Domestic Rates		(52,972)		(52,972)	9
	(114,405)		(114,405)	Council Tax		(125,107)		(125,107)	10
	(10,871)		(10,871)	Recognised capital grants and contributions		(18,933)		(18,933)	11
	38		38	Non service related government grants		(67)		(67)	
		19	19	Recognised revenue grants and contributions CCRCRCD		(758)		(758)	
				Recognised capital grants and contributions CCRCRCD		(4,788)		(4,788)	
				Tax Expenses CCRCRCD	34			34	
-	(213,389)	(162,012)	(375,401)	Taxation and Non-Specific Grant Income	34	(230,432)	(178,146)	(408,544)	

STATEMENT OF ACCOUNTS 2024-25

2024-2025

566,602	(322,711)	(210,015)	33,876	(Surplus) or Deficit on Provision of Services	588,725	(362,581)	(229,085)	(2,941)	
		(45,926)	(45,926)	(Surplus) or deficit on revaluation of Property, Plant and Equipment			(68,521)	(68,521)	29a
5,330			5,330	Impairment losses on non-current assets charged to the Revaluation Reserve	6,023			6,023	29a
		(30,070)	(30,070)	Actuarial (gains) / losses on pension liability	1,430			1,430	30
		(408)	(408)	Change in fair value of equity investments – CCRCD					
				(Surplus) / deficit on revaluation of financial instruments assets – CCRCD	1,551			1,551	
			(71,074)	Other Comprehensive (Income) and Expenditure				(59,517)	
			(37,198)	Total Comprehensive (Income) and Expenditure				(62,458)	

Movement in Reserves Statement

	Council Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserves £'000	Capital Grants Unapplied £'000	CCRCD Usable Reserves £'000	Total Usable Reserves £'000	CCRCD Unusable Reserves £'000	Council Unusable Reserves Restated £'000	Total Council Reserves Restated £'000
Balance at 31 March 2023 brought forward	9,832	92,496	25,728	4,511	2,160	134,727	5,284	430,593	570,604
<u>Movement in Reserves during 2023-24</u>									
(Surplus)/deficit on the provision of services	(33,833)				(44)	(33,876)	410	70,664	37,200
Adjustments between accounting basis & funding basis under regulations (Note 20)	5,232		257	(2,356)	38	3,169	(38)	(3,134)	(3)
Transfers to Earmarked Reserves (Note 28)	28,499	(28,499)							
Increase/(Decrease) in 2023-24	(102)	(28,498)	257	(2,356)	(6)	(30,707)	372	67,530	37,197
Balance at 31 March 2024 carried forward	9,730	63,998	25,985	2,155	2,154	104,020	5,656	498,123	607,801

	Council Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserves £'000	Capital Grants Unapplied £'000	CCRCD Usable Reserves £'000	Total Usable Reserves £'000	CCRCD Unusable Reserves £'000	Council Unusable Reserves £'000	Total Council Reserves £'000
Balance at 31 March 2024 brought forward	9,730	63,998	25,985	2,155	2,154	104,020	5,656	498,123	607,801
Rounding adjustment		(2)						3	1
Adjustment to brought forward balances							1,980		1,982
<u>Movement in Reserves during 2024-25</u>									
(Surplus)/deficit on the provision of services	(1,118)				4,059	2,941	(1,551)	61,063	62,453
Adjustments between accounting basis & funding basis under regulations (Note 20)	5,269		6,036	3,568	(4,228)	10,645	4,228	(14,873)	
Transfers to Earmarked Reserves (Note 28)	(3,873)	3,873							
Increase/(Decrease) in 2024-25	278	3,873	6,036	3,568	(169)	13,588	4,657	46,190	64,435
Balance at 31 March 2025 carried forward	10,008	67,871	32,021	5,723	1,985	117,608	10,313	544,316	672,237

The restatement of the above is to show the Council unusable reserves excluding CCRCD unusable reserves

Balance Sheet

31 March 2024 £'000		31 March 2025 £'000	Notes
679,344	Property, Plant & Equipment	731,094	21c/12
220	Heritage Assets	220	
4,990	Investment Property	4,890	22
6,003	CCRCRCD Investment Property	5,919	31
1,118	CCRCRCD Equity	1,056	
946	Intangible Assets	472	21d
-	Long term Investments	-	31
1,529	CCRCRCD Long Term Loans/Debtors	4,851	
	CCRCRCD Defined Benefit Pension Scheme	246	
694,150	Long Term Assets	748,748	
45,027	Short Term Investments	-	31
65	Assets Held for Sale	375	24
1,013	Inventories	799	
55,741	Short Term Debtors	83,451	23
63	Short Term Loans CCRCRCD	191	
6,018	Cash and Cash Equivalents	36,879	31
4,854	Cash and cash equivalents CCRCRCD	531	31
170	Deferred Tax CCRCRCD		
284	Financial Assets CCRCRCD		31
	Short Term Investments CCRCRCD	6,374	
113,236	Current Assets	128,600	
(618)	Bank overdraft	(2,664)	31
(13,636)	Short Term Borrowing	(10,152)	31
(53,724)	Short Term Creditors	(58,692)	25
(638)	Provisions due in 1 year	(517)	26
(68,617)	Current Liabilities	(72,025)	
(6,404)	Provisions due after 1 year	(3,453)	26
(94,120)	Long Term Borrowing	(95,186)	31
	Long Term Borrowing CCRCRCD	(944)	
(11,973)	Other Long Term Liabilities		
(1,630)	PFI & Other Long Term Liabilities	(14,362)	27
(6,740)	Long term creditors (CCRCRCD)	(2,916)	27
	Net Pensions Liability	(5,840)	30
(10,100)	Pensions Liability CCRCRCD	(246)	
	Capital Receipts in Advance	(10,139)	21h
(130,967)	Long Term Liabilities	(133,086)	
607,802	Net Assets	672,237	
	Usable reserves		
9,730	Council Fund	10,008	28b
63,996	Earmarked reserves	67,871	28b
25,985	Capital Receipts Reserve	32,021	28a
2,155	Capital Grants Unapplied	5,723	21i
2,154	Usable Reserves CCRCRCD	1,985	
	Unusable Reserves		
257,114	Revaluation Reserve	310,685	29a
(6,740)	Pensions Reserve	(5,840)	29b
257,836	Capital Adjustment Account	254,657	29c
(666)	Financial Instruments Adjustment Account	(655)	
(3,760)	Short-term Accumulating Compensated Absences Account	(4,758)	
(2)	Unusable Reserves CCRCRCD	540	
607,802	Total Reserves	672,237	

Cash Flow Statement

2023-24 £'000		2024-25 £'000	
33,876	Net (surplus)/deficit on the Provision of Services	(2,941)	34
(29,823)	Adjustments to net deficit on the provision of services for non-cash movements	(13,053)	
11,128	Adjustments for Items included in the net deficit on the provision of services that are investing and financing activities	31,649	
15,181	Net Cash Flows from Operating Activities	15,655	35
17,345	Investing Activities	(21,422)	36
(19,278)	Financing Activities	(17,503)	37
13,248	Net (Increase) / Decrease in Cash & Cash Equivalents	(23,270)	
(23,786)	Cash & Cash Equivalent at the beginning of the Reporting Period	(10,538)	
	CCRC adjustment to opening cash balance	(938)	
(10,538)	Cash & Cash Equivalent at the end of the Reporting Period	(34,746)	

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.



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Notes to the Financial Statements

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1. Accounting Policies

1.1 General principles

The Statement of Accounts summarises the Council's transactions for the 2024-25 financial year and its position at the year end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 and the Accounts and Audit (Wales) (Amendments) Regulations 2018, in accordance with proper accounting practices. These practices comprise the *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) 2024-25 and the *Service Reporting Code of Practice* 2024-25 supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Standards that have been issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 requires that the Council discloses information relating to the anticipated impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. At the balance sheet date there are no new relevant standards or amendments to existing standards that have been published but not yet adopted by the Code that will have any impact on the financial statements. However, the following details are provided for information purposes.

Standard	Effective date	Further details
IAS 21	01 January 2025	IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
IFRS 17	01 January 2025	IFRS 17 Insurance Contracts was issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
IAS 16 IAS 38	01 January 2025	The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4 of the CIPFA Code.

1.3 Accruals of income and expenditure

Activity is 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 Council 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 Council.
- Revenue from the provision of services is recognised when the Council 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 Council.

- 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.
- 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.
- Investment income and interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- 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 be impaired, the balance of debtors is written down by the difference between the carrying amount and revised future cash flows and a charge made for the impairment to revenue.

1.4 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For example, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council 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 and 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.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council 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 Council. 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 Council 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 Council.

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.

1.5 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, employee and retirement benefits and are 'Unusable' reserves as set out in Note 29 to the accounts.

1.6 Government grants and contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grant / contribution will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.7 Employee benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses for current employees. These are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlement earned by employees but not taken before the financial year-end which employees can carry forward into the next financial year. The accrual is charged to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement, but then reversed out through the Movement in Reserves Statement so that 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 Council to terminate an Officer's employment before the normal retirement date or an Officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement, when the Council is demonstrably committed to the termination of the employment of an Officer or group of Officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund

balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination 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.

Post-Employment Benefits

Employees of the Council are members of two separate pension schemes. Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

The *Teachers' Pension Scheme*, administered by Teachers' Pensions on behalf of the Department for Education (DfE). The arrangements for this scheme mean that liabilities for benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Education and Family Support line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The *Local Government Pension Scheme* - other employees are entitled to be members of the Rhondda Cynon Taf County Borough Council Pension Fund. The Local Government Scheme is accounted for as a defined benefit scheme:

- The liabilities of the pension scheme attributable to the Council 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, 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 pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Property – market value
- The change in the net pensions liability is analysed into the following components:
 - Current service cost – the increase in liabilities as result of the number of years of service earned this year – 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 the number of years of service earned in earlier years – debited to Central Services in the Comprehensive Income and Expenditure Statement
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – 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 liability (asset) during the period as a result of contribution and benefit payments.
 - Re-measurements comprising:
- The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve and 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 and Other Comprehensive Income and Expenditure:
 - Contributions to the pension fund – cash paid as employer's contribution to the pension fund in settlement of liabilities; not accounted for as an expense.
- In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting 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 for any amounts payable to the fund 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 cash flows rather than as benefits earned by employees.
- The Council 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.

1.8 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.9 Overheads and Support Services

In line with the Code of Practice on Local Authority Accounting overheads and support services are shown in the relevant service where they are incurred and are not recharged out to supported service areas. Any internal income as a result of transactions between departments is shown in the supplying service line with the corresponding charge being shown in the recipient service line.

1.10 Intangible Assets

The Council accounts for software as intangible assets to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The most significant intangible asset is the Wales Community Care Information System (WCCIS) software development costs and licence.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful life used by the Council for the WCCIS is 8 years. Amortisation of the intangible asset is charged on a straight line basis over the useful life and is charged to the Social Services and Wellbeing line in the Comprehensive Income and Expenditure Statement.

1.11 Property, Plant and Equipment

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

All expenditure on Property, Plant and Equipment is recognised irrespective of value. Expenditure below £40,000 is considered non-enhancing and is immediately impaired unless cumulatively over more than one year the expenditure would amount to more than this value.

Measurement

Assets are initially measured at cost, comprising its purchase price and all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the balance sheet using the following measurement bases:

- **Land and buildings** – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- **Non-specialised operational properties** – existing use value (EUV)
- **Specialised operational properties (such as schools)** – depreciated replacement cost (DRC)
- **Vehicles, plant and equipment** – depreciated historical cost
- **Community assets** – historical cost
- **Assets under construction** – historical cost (until they become operational)
- **Infrastructure assets** – depreciated historical cost
- **Surplus assets and investment properties** – fair value
- **Assets held for sale** – lower of carrying amount and fair value less costs of sale

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flow of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council. The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Revaluations

Assets included in the Balance Sheet at fair value or current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value or current value at the year-end. Revaluations of the Council's property assets are undertaken on a 3 year rolling programme basis. Additional asset valuations have been undertaken in 2024-25 to ensure that the values held in the balance sheet are materially correct. Revaluation gains since 1 April 2007 only are recognised in the Revaluation Reserve, the date of its inception. Previous revaluation gains have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where there have been previous revaluation gains against the asset held in the Revaluation Reserve, any subsequent loss is firstly written out against the accumulated Revaluation Reserve with any balance being charged against the Comprehensive Income and Expenditure Statement.

Depreciation

Depreciation is provided for on Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Exceptions are made for:

- Heritage assets
- Assets without a determinable finite useful life such as freehold land
- Assets that are not yet available for use i.e. assets under construction, and assets held for sale.

Depreciation is calculated on the value of the asset at the start of the year and on the following bases:

Asset	Policy	Life
Land	No depreciation charged	N/A
Buildings	Straight line depreciation on estimated remaining life	As advised by Valuer (between 1 - 79 years)
Vehicles, plant and equipment	Straight line depreciation on estimated remaining life	3 - 10 years
Infrastructure - Bridges	Straight line depreciation on estimated remaining life	30 years
Infrastructure - Roads	Straight line depreciation on estimated remaining life	15 years
Infrastructure - Other	Straight line depreciation on estimated remaining life	1 - 30 years

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.

Componentisation

Assets purchased or revalued during the year are reviewed to confirm whether any part of the asset will have a significantly different useful life and a material impact on depreciation. Where this is the case the asset will be componentised and the differing parts will be depreciated over their respective useful lives. Within the Council's asset portfolio there are a number of asset classes where componentisation is not considered, including:

- Equipment – as this is considered immaterial.
- Asset classes which are not depreciated – such as land, investment property, heritage assets, community assets and assets held for sale.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The criteria for recognising assets as being held for sale are:

- Available for immediate sale in present condition
- Sale highly probable
- Actively marketed
- Sale completion expected within 12 months.

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

1.12 Heritage Assets

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical worth. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. The Council recognises its Civic Regalia and a number of paintings in the Balance Sheet at insurance value. The value of the paintings were added to the Balance Sheet during 2017-18 based on an insurance valuation carried out by professional valuers during the year. According to the Code there is no prescribed minimum period between valuations and the Council does not intend to revalue its Heritage Assets in the near future unless there is evidence of impairment such as physical deterioration or damage, or doubts to their authenticity arise.

1.13 Charges to revenue for non-current assets

Services are debited with the following amounts to record the real cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

The Council is not required to raise council tax to fund depreciation, revaluation or impairment losses or amortisation. However, it is required to make an annual prudent provision from revenue to contribute towards the reduction in its overall borrowing requirement. This is detailed in the Council's annual Minimum Revenue Provision Policy, and differentiates between supported capital expenditure, unsupported capital expenditure, and Finance Leases / PFI. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by this *Minimum Revenue Provision* (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two. The Council previously charged MRP on a straight line basis over 45 years, but from 2024-25 onwards, adopted an annuity basis. This ensures that the costs of supported capital expenditure are spread evenly over the lifetime of assets, and that the debt is fully extinguished within forty-five years.

1.14 Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year 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. Examples of such expenditure include home improvement grants, such as Disabled Facilities Grants, town improvement grants and land feasibility studies. Where the Council has determined to meet the cost of these 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 there is no impact on the level of council tax. Where this expenditure is funded by grants or contributions, this is also taken to the relevant service area where the expenditure has been charged.

1.15 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as a Lessee

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a rent-free period at the commencement of the lease).

The Council as a Lessor

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

The Council adopted IFRS 16 (Leases) with effect from 1 April 2024, having elected not to take the option of early implementation but rather implementing from 1 April 2024 when it became a mandatory requirement. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short-term leases i.e. existing leases that expire on or before 31 March 2026, and new leases with a duration of less than 12 months. 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.

1.16 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash-flow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost as they are held solely for payment of principal and interest.

Financial Assets held at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value, which is normally the transaction cost. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) represent investment and interest income receivable. This means for the financial assets held by the Council, the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued investment and interest income).

Any gains or losses that arise on derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Council recognises expected credit losses on all its financial assets held at amortised cost, either on a 12 month or lifetime basis. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assumed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council. Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure Section of 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. For most of the borrowings that the Council has, the amount presented in the Balance Sheet is the outstanding principal repayable together with any accrued interest and interest charged to the Comprehensive Income and Expenditure Statement for the year according to the loan agreement.

The Council has three Lender's Option Borrower's Option loans (LOBOs) with stepped interest rates. An effective interest rate has been used for these so that these are re-measured amounts for the LOBOs on the Balance Sheet.

The Council does not hold any financial assets or liabilities at Fair Value, however it is required to provide fair value information as appropriate. The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs – unobservable inputs.

1.17 Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Work in progress is subject to an interim valuation at the year end and recorded in the Balance Sheet at cost plus any profit reasonably attributable to the works.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

1.18 Private Finance Initiatives (PFI)

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under the PFI scheme and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under these contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current Assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed as follows:-

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement
- payment towards the liability – applied to write down the Balance Sheet liability towards the PFI operator

PFI assets are subject to MRP. The Annual MRP Policy for the Council has deemed this charge to be equivalent to the finance lease liability written down for the year.

1.19 Joint Arrangements

The Council is part of a number of joint arrangements including the Joint Committee for the Cardiff Capital Region City Deal (CCRCD) which consists of 10 Partner Authorities: Blaenau Gwent; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda-Cynon-Taf; Torfaen; the Vale of Glamorgan and Bridgend. The Joint Committee has been established to oversee delivery of a range of programmes designed to secure sustainable economic growth for the region in order to improve the lives of all in the community, including increasing connectivity and improving physical and digital infrastructure. The contributions to the Joint Committee are classified as Revenue Expenditure Funded from Capital Under Statute (REFCUS). The Council has consolidated its share of the income and expenditure, and the assets and liabilities of the Joint Committee. The Council continues to have administrative responsibilities for Coychurch Crematorium and independent financial statements continue to be prepared and reviewed for this joint committee. The activities of the Coychurch Crematorium joint arrangement are excluded from the Council's single entity financial statements on the basis of materiality of both assets and population.

1.20 Council Tax Income

All Council Tax income is shown in the Comprehensive Income and Expenditure Statement of the Council with the major preceptors' precepts (principally Police and Crime Commissioner for South Wales) being included as expenditure. Council Tax Income is shown gross in the Comprehensive Income and Expenditure Statement with any amounts allocated as a result of the Council Tax Reduction Scheme recognised as an expense within net costs of services.

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

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. 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 on the Council'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.

1.22 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of notice of not more than 24 hours. Cash equivalents are investments that mature in no more than a month or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. 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 Council's cash management.

1.23 Events after the Balance Sheet date

Events after the Balance Sheet date are those 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. 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.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.24 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

The Council instructed external valuers Cooke & Arkwright to provide valuations annually as at 31 December for all of the Council's investment portfolio in line with IFRS13. When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (that is **Level 1 inputs**), their fair value is measured using the following valuation techniques:

Level 2 inputs: quoted prices for similar assets or liabilities in active markets at the valuation date

Level 3 inputs: based on most recent valuations, adjusted if necessary through the use of indexation and impairment review

The majority of the investment properties were valued at Level 2 inputs with a number valued at Level 3 inputs.

Rentals received in relation to investment properties are credited to the net Cost of Services and result in a gain for the Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.25 Local Authority Schools

The Code of Practice on Local Authority Accounting confirms that the balance of control for local Council maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the Council. The Code also stipulates that those schools' assets, liabilities and cash flows are recognised in the Council's financial statements (and not the Group Accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements as if they were of the Council.

2. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out above, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is a high degree of uncertainty about future levels of funding for local government and the final level of funding to the Council will not be known until nearer the end of the financial year. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

The Council is deemed to control the services provided under the outsourcing agreement for the provision of a Comprehensive School in Maesteg and also to control the residual value of the school at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the School has been recognised as Property, Plant and Equipment on the Council's Balance Sheet and is separately identified under note 21c. The school is the Council's only PFI asset.

The Council has a number of interests in other entities however these are not sufficiently material to include within the consolidated financial statements when reviewing both quantitative and qualitative information. In order to ensure compliance with the Code, a range of narrative disclosures have been made in other sections of the accounts.

3. Assumptions made about the future and other major sources of estimated uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council 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 Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Plant, Property and Equipment

Revaluation of the Council's assets is undertaken on a 3-year rolling programme. The value of those assets is based upon calculations and estimation techniques following the Royal Institute of Chartered Surveyors (RICS) guidance, and in accordance with IFRS. Revaluation takes account of the value and condition of the asset, relevant components and also de-recognition where appropriate. Additional valuations have been undertaken in the current year to ensure that the assets in the balance sheet are materially correct.

Depreciation of 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. The current economic climate may result in spending on repairs and maintenance having to be reduced thus bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets will fall.

Investment Properties, Surplus Assets and Assets Held for Sale

Fair Value estimations:

The Council instructed external valuers Cooke & Arkwright to provide valuations as at 31 December 2024 for all of the Council's investment portfolio and these were valued in line with IFRS13.

When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (**Level 1 inputs**), their fair value is measured using the following valuation techniques:

Level 2 inputs: quoted prices for similar assets or liabilities in active markets at the balance sheet date;

Level 3 inputs: valuations based on the most recent valuations adjusted to current valuation by the use of indexation and impairment review.

Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value. The external valuers used the most appropriate valuation techniques to determine fair value.

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 consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

4. Expenditure and Funding Analysis

The expenditure and funding analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It 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 are presented more fully in the Comprehensive Income and Expenditure Statement.

2023-24				2024-25		
Net Expenditure Chargeable to the Council Fund	Adjustments between the Funding and Accounting Basis & transfers to Earmarked Reserves (Note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the Council Fund	Adjustments between the Funding and Accounting Basis & transfers to Earmarked Reserves (Note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
147,213	11,860	159,073	Education, Early Years and Young People Social Services & Wellbeing Communities Chief Executives Council Wide Services Cardiff Capital Region City Deal (CCRCD)	148,477	13,468	161,945
111,792	8,881	120,673		110,478	6,815	117,293
34,504	13,881	48,384		33,603	10,849	44,452
25,371	3,002	28,373		24,777	2,803	27,580
16,117	3,466	19,584		33,783	(13,920)	19,863
	(13)	(13)		-	1,763	1,763
334,996	41,077	376,073	Net Cost Of Services	351,118	21,778	372,896
(334,894)	(7,360)	(342,254)	Other income and Expenditure Cardiff Capital Region City Deal (CCRCD)	(351,396)	(18,619)	(370,015)
	57	57			(5,822)	(5,822)
102	33,774	33,876	Surplus or Deficit	(278)	(2,663)	(2,941)
9,832			Opening Council Fund Balance	9,730		
(102)			Surplus or (Deficit) on Council Fund for year	278		
9,730			Closing Council Fund Balance as at 31 March	10,008		

5. Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2023-24				
Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£'000	£'000	£'000	£'000
Education, Early Years and Young People	3,213	(90)	8,737	11,860
Social Services & Wellbeing	2,292	(69)	6,658	8,881
Communities	10,935	(32)	2,978	13,881
Chief Executives	1,362	(39)	1,679	3,002
Council Wide Services	(3,269)	-	6,735	3,466
Cardiff Capital Region City Deal (CCRCRCD)				
Net cost of services	14,533	(230)	26,787	41,090
Other income and expenditure from the Expenditure and Funding Analysis				
Cardiff Capital Region City Deal (CCRCRCD)	(9,557)	1,190	1,007	(7,360)
			44	44
Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	4,976	960	27,838	33,774

Adjustments between Funding and Accounting Basis 2024-25				
Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£'000	£'000	£'000	£'000
Education, Early Years and Young People	9,404	(788)	4,852	13,468
Social Services & Wellbeing	5,915	(710)	1,610	6,815
Communities	9,632	(312)	1,529	10,849
Chief Executives	1,923	(300)	1,180	2,803
Council Wide Services	(929)		(12,991)	(13,920)
Cardiff Capital Region City Deal (CCRCRCD)			1,763	1,763
Net cost of services	25,945	(2,110)	(2,057)	21,778
Other income and expenditure from the Expenditure and Funding Analysis				
Cardiff Capital Region City Deal (CCRCRCD)	(19,323)	(220)	924	(18,619)
			(5,822)	(5,822)
Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	6,622	(2,330)	(6,955)	(2,663)

Note 1 - Adjustments for Capital Purposes

The adjustments for capital purposes column adds in depreciation and impairment, revaluation gains and losses and Revenue Expenditure Funded by Capital under Statute (REFCUS) in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing (i.e. the Minimum Revenue Provision) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note 2 - Net Change for the Pensions Adjustments

The net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs
- For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

Note 3 - Other Differences

Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable / receivable to be recognised under statute:

- For financing and investment income and expenditure the other differences column recognises adjustments to the Council Fund for the timing differences for premiums and discounts.
- The charge under Taxation and Non-Specific Grant Income represents the difference between what is chargeable under statutory regulations for council tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices.

6. Expenditure and Income Analysed by Nature

This table sets out how the funding to the Council has been used in providing services in line with generally accepted accounting practices. This will include cash and non-cash transactions including accounting adjustments in line with International Financial Reporting Standards. **A segmental analysis of fees, charges and other service income is presented on the face of the Comprehensive Income and Expenditure Statement.**

2023-24 £'000		2024-25 £'000
	Expenditure	
253,337	Employee expenses	260,735
246,866	Other services expenses	254,833
28,088	Depreciation, amortisation, impairment	31,849
7,071	Interest payments	6,100
29,926	Precepts and levies	32,429
459	(Gain)/Loss on disposal of assets	-
874	Other expenditure	100
566,619	Total expenditure	586,046
	Income	
(42,894)	Fees, charges and other service income	(44,266)
(162,030)	Income from council tax, non-domestic rates	(178,079)
(322,711)	Government grants and contributions	(357,035)
(5,108)	Investment Income and other Interest Receivable	(4,991)
-	(Gain)/Loss on disposal of assets	(490)
-	Other income	(67)
(532,743)	Total income	(584,928)
	CCRC net (surplus) or deficit on the provision of services	(4,059)
33,876	(Surplus) or Deficit on the provision of services	(2,941)

Notes to the Comprehensive Income and Expenditure Statement

7. Precepts and Levies

Precepts are the amounts collected on behalf of, and paid to, non-billing authorities (e.g. community councils) by billing authorities so that they can cover their expenses. Levies are the amounts payable when services are operated over areas covering more than one Council, either on a joint service basis, where one Council administers the service and other Councils contribute to the costs, or by external bodies who levy on the appropriate Councils. The amounts paid were as follows:

2023-24 £'000		2024-25 £'000
	Precepts	
17,848	Police and Crime Commissioner for South Wales	19,561
2,898	Community Councils	3,188
20,746	Total Precepts	22,749
	Levies	
8,523	South Wales Fire and Rescue Authority	9,089
513	Coroners Service	446
126	Archive Service	127
19	Swansea Bay Port Authority	18
9,181	Total Levies	9,680
29,927	Total Precepts and Levies	32,429

The Council received a grant from Welsh Government of £130,678 in 2024/25 towards the cost of the Fire and Rescue Authority SCAPE pension costs.

8. Revenue Support Grant (RSG)

This is the principal source of finance towards revenue expenditure received from Welsh Government. The amount received in 2024-25 was £205.953 million (£202.556 million for 2023-24).

9. National Non-Domestic Rates (NNDR)

NNDR is organized on a national basis. The Welsh Government (WG) specifies the rate in the pound to be charged (the multiplier) and, subject to the effects of transition arrangements, local businesses pay rates calculated by multiplying their rateable value by the rate in the pound (the multiplier). The multiplier was 56.2p in 2024-25 (53.5p in 2023-24). The total rateable value of the Council equaled £94,775,195 on 31 March 2025 (£97,831,709 on 31 March 2024). The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by WG. WG then redistributes the sums payable back to local authorities pro rata to adult population in each Council's area.

The Council receives a contribution directly from the NNDR pool. The income from this is reflected separately in the Comprehensive Income and Expenditure Statement. This amount was £52.972 million in 2024-25 (£47.626 million in 2023-24).

10. Council Tax

Council Tax Income derives from charges raised from residential properties, which have been classified into ten valuation bands based on the value the property is estimated to have been on 1 April 2003. Charges are calculated by taking the amount of income required for Bridgend County Borough Council, each Community Council and the Police and Crime Commissioner for South Wales (PCC) and dividing this by the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a factor to convert the number to a Band D equivalent, which is then adjusted for discounts. The gross tax base is then multiplied by the estimated collection rate to give the net tax base on which the budget is set – this was 55,465.69 Band D equivalents for 2024-25 (55,007.82 in 2023-24). The average charge for a Band D property, (including PCC and community council

precepts) is £2,244.55 in 2024-25 (£2,052.40 in 2023-24) and this is multiplied by the factor specified for the band to give the individual amount due for each band.

Council Tax bills were based on the following multipliers for bands A* to I and the number of properties in each band were as follows:

Band	A*	A	B	C	D	E	F	G	H	I
Factor	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
Chargeable Dwellings	30	10,282	15,028	14,514	10,930	7,788	4,335	1,440	291	91

A* - in Band A but affected by disability reduction. Analysis of the net proceeds from Council Tax is as follows:

2023-24 £'000		2024-25 £'000
(114,405)	Council Tax Collectable	(125,107)
	Less:	
2,898	Payable to Community Councils	3,188
17,848	Payable to Police and Crime Commissioner for South Wales	19,561
1,368	Provision for non-payment of Council Tax increase/(decrease)	1,607
(92,291)		(100,751)

11. Grants

In addition to the Revenue Support Grant, the Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement.

2023-24 £'000	Specific Grants credited to Services	2024-25 £'000
(32,320)	Housing Benefit Subsidy	(31,305)
(8,192)	Post 16 Grant	(8,719)
(5,056)	Education Improvement Grant	-
(6,424)	Pupil Development Grant	-
(8,003)	Housing Support Grant	(8,591)
(2,516)	Shared Prosperity Fund	(11,434)
(1,686)	Local Authority Education*	(29,502)
(1,666)	Universal Primary Free School Meals	-
(1,203)	Eliminating Profit	(1,586)
(8,745)	Other Education, Early Years and Young People	(3,823)
(3,991)	Other Social Services & Wellbeing	(5,204)
(7,762)	Others	(9,228)
(1,293)	Homelessness Prevention – No one left behind	(1,454)
(2,069)	Concessionary Fares Grant	(2,185)
(3,654)	Flying Start	(4,932)
(1,946)	Recruit Recover & Raise Standards (inc. Accelerated Learning Programme)	-
(2,001)	Social Care Workforce Grant (previously Sustainability Grant)	(2,006)
(488)	Housing/Council Tax Benefit Administration	(429)
(1,506)	Regional Integrated Fund (previously Integrated Care Fund)	(1,589)
(2,655)	Families First	(2,230)
(658)	Home for Refugees - Ukraine	(238)
-	Pay Pressures	(2,353)
(3,172)	General Capital Grant	(2,349)
(2,278)	Other Capital Grants	(2,992)
-	Cardiff Capital Region City Deal (CCRCRCD)	-
(109,284)	Total Specific Grants Credited to Services	(132,149)

2023-24 £'000	Other Government Grants credited to Taxation and Non-specific Grant Income	2024-25 £'000
(10,871)	Capital Grants and Contributions CCRCRD	(18,933) (5,546)
(10,871)	Total Other	(24,479)
(120,155)	Total Grants	(156,628)

*The Local Authority Education Grant (LAEG) now encompasses a number of grants that were previously treated separately. They include the Pupil Development grant, the Education Improvement grant and a number of other grants that were previously categorised as Other Education & Family Support.

12. Leases

In 2024/25, the authority applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (ie without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date
- a single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- the weighted average of the incremental borrowing rates used to discount liabilities was 5.15%
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- all leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 Balance Sheet.

This has resulted in the following additions to the Balance Sheet:

- £3,511,834 Property, plant and equipment – land and buildings (right-of-use assets)
- £3,355,379 Non-current creditors (lease liabilities)
- £145,548 Current creditors (lease liabilities)

The difference of £10,907 relates to peppercorn leases recognised in the balance sheet as per IFRS16.

The newly recognised lease liabilities of £3,500,927 compare with the operating lease commitments of £7,286,000 at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £3,511,834 (using the incremental borrowing rate at 1 April 2024), there is a difference of £3,774,166 from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025 and Peppercorn/Nil Consideration leases recognised in the balance sheet as per IFRS16.

Authority as lessee

The authority's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles. Most are individually immaterial or are short term not exceeding 12 months so have remained as originally treated.

Right-of-use assets

This table shows the change in the value of right-of-use assets held under leases by the authority:

	Land and buildings £000's	Motor Vehicles £000's	Total £000's
Balance at 1 April 2024	3,568	-	3,568
Additions	315	42	357
Total Cost 31 March 2025	3,883	42	3,925
Balance at 1 April 2024	-	-	-
Depreciation charge	(248)	(5)	(253)
Total depreciation 31 March 2025	(248)	(5)	(253)
Balance at 31 March 2025	3,635	37	3,672

Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases:

	2024-25 £000's
Comprehensive income and expenditure statement	
Interest expense on lease liabilities	191
Expense relating to short-term leases	72
Expense relating to exempt leases of low-value items	264
Cash flow statement	
Minimum lease payments	360

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	2024-25 £000's
Less than one year	(222)
One to five years	(876)
More than five years	(2,591)
Total undiscounted liabilities	(3,689)

Authority as lessor

The authority leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local business

Maturity analysis of lease receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts):

2023-24 £'000		2024-25 £'000
(105)	Operating Leases	
(38)	Less than one year	(108)
(39)	One to two years	(39)
(39)	Two to three years	(39)
(39)	Three to four years	(39)
(39)	Four to five years	(39)
(1,792)	More than five years	(1,781)
(2,052)	Total undiscounted receivables	(2,045)

13. Private Finance Initiative (PFI)

During the 2008-09 financial year, the Council commenced payment under a Private Finance Initiative (PFI) arrangement for the provision of a Secondary School in Maesteg – this contract was entered into in 2007-08 and will run until August 2033 with a commitment of £30.5 million (Net Present Value) over the duration of the contract, the costs being charged to the Education, Early Years and Young People Directorate and school delegated budget.

The total unitary payment is divided into the service charge element, the repayment of the liability element and the interest element. The charges are shown below:

2023-24 £'000	Unitary Charge	2024-25 £'000
870	Service Charge Element	907
1,018	Interest Element	946
929	Finance Lease Liability	1,001
2,817	Total	2,854

These payments will be made over the life of the PFI contract and estimates for subsequent years are as detailed below at current prices.

Unitary Charge	2025-26 £'000	2026-27 to 2030-31 £'000	2031-32 to 2033-34 £'000	TOTAL £'000
Service Charge Element	502	2,511	1,500	4,513
Interest Element	869	2,959	409	4,237
Finance Lease Liability	1,078	6,775	4,119	11,972
Total	2,449	12,245	6,028	20,722

14. Pooled Fund Arrangements

There are a number of formal pooled budget arrangements between the Council and Cwm Taf Morgannwg University Health Board under Section 33 NHS (Wales) Act 2006.

Purpose of Partnership	Partner	Year	Gross Income Of Partnership £'000	Gross Expenditure of Partnership £'000	Council's Contribution £'000
Provision of day opportunities for people recovering from mental health problems.	Cwm Taf-Morgannwg University Health Board	2023-24	(748)	748	374
		2024-25	(775)	775	388
Provision of specified community equipment for service users to enable them to continue to live in their own homes. Rhondda Cynon Taf are the lead partner	Rhondda Cynon Taff CBC Merthyr Tydfil CBC Cwm Taf Morgannwg University Health Board	2023-24	(3,444)	3,433	815
		2024-25	(3,510)	3,644	890
Provision of integrated community support services	Cwm Taf-Morgannwg University Health Board	2023-24	(5,529)	5,529	2,611
		2024-25	(5,124)	5,124	2,212
Cwm Taf Morgannwg Care Home Accommodation	Rhondda Cynon Taff CBC Merthyr Tydfil CBC Cwm Taf Morgannwg University Health Board	2023-24	(70,242)	60,991	16,381
		2024-25	(76,690)	76,258	17,107

15. Officers' Remuneration

Four separate disclosures are required to ensure compliance with the Accounts and Audit (Wales) Regulations 2014, the Accounts and Audit (Wales) (Amendments) Regulations 2018 and the CIPFA Code.

Disclosure 1 – Ratio of the Remuneration of the Chief Executive to the median remuneration of all the Council's employees

The ratio of the remuneration of the Chief Executive to the median remuneration of all the Council's employees was 5.45 (2023-24 5.57). The median remuneration of all employees was £28,624 (2023-24: £27,334).

Disclosure 2 – Table of Officers' Remuneration over £60,000

The number of employees (including teachers) whose remuneration, excluding pension contributions, was £60,000 or more for the year is as follows.

2023-24 including Redundancy Costs	Remuneration Band	Number of Employees			
		2024-25 inc Redundancy Costs (Note 1,3-4)	2024-25 exc Redundancy Costs (Note 2)	Number of Teachers inc in figures exc Redundancy (Note 2)	Number of Non-Teachers inc in figures exc Redundancy (Note 2)
52	£60,000 - £64,999	82	79	71	8
42	£65,000 - £69,999	56	48	39	9
26	£70,000 - £74,999	38	34	28	6
19	£75,000 - £79,999	27	26	23	3
17	£80,000 - £84,999	17	13	12	1
8	£85,000 - £89,999	13	10	10	-
4	£90,000 - £94,999	4	4	3	1
2	£95,000 - £99,999	3	3	2	1
2	£100,000 - £104,999	1	1	1	-
4	£105,000 - £109,999	-	-	-	-
-	£110,000 - £114,999	6	5	5	-
2	£115,000 - £119,999	1	1	1	-
4	£120,000 - £124,999	4	4	4	-
1	£125,000 - £129,999	1	-	-	-
-	£130,000 - £134,999	-	-	-	-
-	£135,000 - £139,999	1	1	1	-
-	£140,000 - £144,999	-	-	-	-
-	£145,000 - £149,999	-	-	-	-
-	£150,000 - £154,999	-	-	-	-
-	£155,000 - £159,999	1	-	-	-
-	£160,000 - £164,999	-	-	-	-
-	£165,000 - £169,999	-	-	-	-
-	£170,000 - £174,999	-	-	-	-
-	£175,000 - £179,999	-	-	-	-
-	£180,000 - £184,999	-	-	-	-
-	£185,000 - £189,999	1	-	-	-
-	£190,000 - £194,999	1	-	-	-
183		257	229	200	29

Note 1: These costs include redundancy costs and payments in lieu of notice at time of departure as well as any applicable pension strain costs, which are the costs of the early payment of benefit payable by the Council to the Pension Fund when a member of staff over 55 is made redundant.

Note 2: These are officers still in post, of which there are 229 individuals with remuneration of £60,000 or more, including:

- a) 200 Headteachers, Deputy Headteachers and Assistant Headteachers
- b) 29 Senior Managers of the Council, including the Senior Officers shown in Disclosure 3 below, and Heads of Service.

Note 3: The above includes employees from Voluntary-aided and Voluntary-controlled Schools.

Note 4: The figures above do not take account of leavers during the year.

Disclosure 3 – Table of Senior Officers’ Remuneration (including Pensions Contributions)

Job Title	Salary		Pension Contributions (note 1)		Total Remuneration including Pension Contributions	
	2023-24 £	2024-25 £	2023-24 £	2024-25 £	2023-24 £	2024-25 £
Chief Executive Officer & Head of Paid Service – Mark Shephard (Note 2)	152,170	155,974	29,521	30,259	181,691	186,233
Corporate Director – Education, Early Years and Young People (Note 3)	121,212	124,243	23,515	24,103	144,727	148,346
Corporate Director - Communities	121,212	124,243	23,515	24,103	144,727	148,346
Corporate Director - Social Services & Wellbeing	121,212	124,243	23,515	24,103	144,727	148,346
Chief Officer – Finance, Housing and Change	104,866	109,882	20,344	21,317	125,210	131,199
Chief Officer – Legal and Regulatory Services, Human Resources and Corporate Policy	104,866	109,882	20,344	21,317	125,210	131,199

Notes

Note 1 No ‘Taxable Expenses’ or ‘Benefits in kind’ were paid in the year. Pension Contributions relate to actual payments made.

Note 2 The Chief Executive Officer figures excludes payment for Election Duties which amounted to £10,112 in total, of which, £621 relates to Bridgend County local elections, £4,313 for national general elections and £5,178 for the election of the South Wales Police & Crime Commissioner in 2024-25.

Note 3 The title changed from “Corporate Director - Education and Family Support” to “Corporate Director - Education, Early Years and Young People” during the year.

Disclosure 4 – Table on Exit Packages

The number of exit packages approved in the year with total cost per band and total cost of compulsory and other redundancies are set out in the table below:

Exit Package Cost Band (including Special Payments)	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2023-24 £	2024-25 £	2023-24 £	2024-25 £	2023-24 £	2024-25 £	2023-24 £	2024-25 £
£0 - £20,000	7	28	5	6	12	34	57,021	259,212
£20,001 - £40,000	3	18	1	9	4	27	115,721	793,945
£40,001 - £60,000	1	9	-	8	1	17	45,661	848,267
£60,001 - £80,000	-	2	-	1	-	3	-	192,875
£80,000 – £100,000	-	1	-	-	-	1	-	80,922
£100,001 - £150,000	-	2	-	-	-	2	-	241,203
£150,001 - £200,000	-	2	-	-	-	2	-	328,751
	11	62	6	24	17	86	218,403	2,745,175

16. Members' Allowances

The allowances for Councillors are shown in the table below.

2023-24 £'000		2024-25 £'000
688	Basic Salary (all Members)	720
601	Senior Salary	656
58	Civic Salary	60
1,347	Total	1,436

Full details of the 'salary' arrangements are available on the Council's website, and details of all Member earnings are also published annually on the Council's website.

<https://www.bridgend.gov.uk/my-council/democracy-and-elections/councillors-remuneration/>

17. External Audit Costs

Bridgend County Borough Council incurred the following fees relating to external audit and inspection.

2023-24 £'000		2024-25 £'000
231	Financial Statement Audit	224
112	Performance Audit	114
343	External Audit Services	338
42	Grant Claims and Returns	48
385	Total	386

18. Participation in Joint Committees and Joint Arrangements

The Council participated in a number of Joint Committees and Joint Arrangements during the year. The amounts contributed by the Council are set out below.

	2023-24 £'000	2024-25 £'000
Cardiff Capital Region City Deal (CCRCRCD)	121	121
Central South Consortium Joint Education Service	535	499
Joint Adoption Service	949	699
Shared Regulatory Service	1,840	1,917
Shared Internal Audit Service	288	262
Glamorgan Archives	126	127
Joint Vehicle Maintenance	125	127
Coychurch Crematorium	-	-
Margam Crematorium	-	-
Total	3,984	3,752

The Council participated in Joint Committee's for Coychurch and Margam Crematorium and received a cash payment from Margam Crematoria in 2024-25 of £45,000 (£44,700 2023-24).

19. Related Party Transactions

The Council is required to disclose 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. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have been able to limit another party's ability to bargain freely with the Council.

Welsh Government

Welsh Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates; provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills). Grants received from government departments are set out in Notes 8 and 9 above.

Members

Members of the Council have direct control over the Council's financial and operating policies. Members' external interests are maintained in a register, which is available for inspection on the Council's website. The total of members' allowances paid is shown in Note 16. Payments made to organisations where Members had an interest included Care and Repair (Bridgend) £1,171,731 (£1,637,503 in 2023-24), Bridgend Association of Voluntary Organisations £478,723 (£568,365 in 2023-24) and Bridgend Citizens Advice Bureau £393,042 (£100,470 2023-24). In all instances, the grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Other payments made to organisations where members declared interests totalled £691,678 (£558,917 in 2023-24) as shown in the table below:

	2024-25 £
Cefn Cribwr Community Association	10,336
Peter Wood & Sons Butchers Ltd	17,362
ADSS Cymru	12,269
The Bridge Mentoring Plus Scheme	14,435
Caerau Development Trust	14,849
Coity Higher Community Council	16,297
Pyle Community Council	20,799
Bridgend Ravens Rugby Club Ltd	24,817
Bridgend Town Council	42,629
Garw Valley Community Council	56,447
Nantymoel Boys & Girls Club	58,529
Porthcawl Town Council	84,370
Maesteg Town Council	100,424
Welsh Local Government Association (WLGA)	157,764
Various less than £10,000	60,351
Total	691,678

Balances owed by the Council as at 31 March 2025 included Care & Repair £Nil (£279,286 in 2023-24), Bridgend Association Voluntary Organisation £Nil (£13,256 for 2023-24) and Bridgend Lifesavers Credit Union Ltd £Nil (£9,623 in 2023-24). Amounts owed to the Council as at 31 March 2025 included Cwm Taf Morgannwg University Health Board £1,758,498 (£1,912,373 2023-24) and Welsh Local Government Association £95,674 (£49,813 in 2023-24).

Chief Officers

During 2024-25 the Head of Adult Social Care sat on the Board of WSP Glamorgan Consultancy (previously known as Capita Glamorgan Consultancy Ltd). The Council owns 14.7% of the shares of the company and holds voting rights to this value on the Board. During 2024-25 the Council was charged £691,969 (2023-24: £532,470) in respect of goods, services and capital works. The balance owed by the Council at the 31 March 2025 was £Nil (£28,843 in 2023-24). A close family member of a Corporate Director is a Director of Aneurin Bevan University Health Board. A payment of £46,530 was made to the Board during the year. In addition, the Head of Operations Community

Services sits on the Board of CSC Foundry Ltd, a special purpose vehicle which is a wholly owned subsidiary of the City Deal Joint Committee. There were no transactions during the year between the Council and CSC Foundry Ltd. Details of the payments made to the Cardiff Capital Region City Deal are included in note 18 to the accounts.

Other Joint Committees

Details of the amounts paid under Joint Committees is shown in Note 18.

Glamorgan Archives Joint Committee

The Glamorgan Record Office is managed and administered by the Glamorgan Archives Joint Committee under powers conferred by the Local Government (Wales) Act 1994.

Coychurch Crematorium

Coychurch Crematorium is subject to the control of a Joint Committee of Members from Bridgend CBC, Rhondda Cynon Taf CBC and the Vale of Glamorgan CBC. Financial statements for this Joint Committee are available on the Bridgend CBC website (www.bridgend.gov.uk).

Margam Crematorium

Margam Crematorium is subject to the control of a Joint Committee of Members from Neath Port Talbot County Borough Council, who manage the Crematorium. Financial Statements for this Joint Committee are available on the Neath Port Talbot CBC website (www.npt.gov.uk)

Other Public Bodies

The Council has a number of pooled budget arrangements with Cwm Taf Morgannwg University Health Board as detailed in Note 14. It also pays a management fee to the Awen Trust for cultural related services which is a not for profit organisation. The amount paid to Awen in 2024-25 was £4,704,875 (2023-24: £4,359,852). The balance owed by the Council to Awen as at 31 March 2025 is £Nil (2023-24 - £64,567) and a balance outstanding of £56,779 was owed to the Council at the 31 March 2025 (2023-24 - £20,519).

Notes to the Movement in Reserves Statement

20. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

Council Fund Balance

This is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the Council Fund Balance, which is not necessarily in accordance with proper accounting practice. The Council Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit or resources that the Council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure, or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Unusable Reserves

This includes the Revaluation Reserve which contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment; the Pensions Reserve which absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions; the Capital Adjustment Account which absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing and acquisition, construction or enhancement of those assets under statutory provisions; the Financial Instruments Adjustment Account which 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 benefitting from gains per statutory provisions; and the Short-term Accumulated Compensated Absences Account which absorbs the differences that would otherwise arise on the Council Fund Balance from accruing holiday entitlements earned but not taken in the year.

The tables below detail the adjustments for 2023-24 for comparative purposes and the adjustments for 2024-25.

2023-24	Usable Reserves			Unusable Reserves £'000
	Council Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustment to the Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>				
Pensions costs (transferred to (or from) the Pensions Reserve)	960			(960)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(11)			11
Holiday Pay (transferred to the Accumulated Absences Reserve)	(693)			693
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (those items are charged to the Capital Adjustment Account)	30,025			(30,025)
Total Adjustments to Revenue Resources	30,281			(30,281)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(257)	257		-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(6,500)			6,500
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(7,421)			7,421
Total adjustments between Revenue and Capital Resource	(14,178)	257		13,291
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure				
Application of capital grants to finance capital expenditure	(10,871)			10,871
Cash payments in relation to deferred capital receipts			(2,356)	2,356
Total adjustments to Capital Reserves	(10,871)		(2,356)	13,227
CCRCRCD	-			(38)
Total Adjustments	5,232	257	(2,356)	(3,171)

2024-25	Usable Reserves			Unusable Reserves £'000
	Council Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustment to the Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>				
Pensions costs (transferred to (or from) the Pensions Reserve)	(2,330)			2,330
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(11)			11
Holiday Pay (transferred to the Accumulated Absences Reserve)	998			(998)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (those items are charged to the Capital Adjustment Account)	38,746			(38,746)
Total Adjustments to Revenue Resources	37,403			(37,403)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(6,342)	6,342		
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(4,240)			4,240
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(2,552)			2,552
Total adjustments between Revenue and Capital Resource	(13,134)	6,342		6,792
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure		(306)		306
Application of capital grants to finance capital expenditure	(18,933)			18,933
Cash payments in relation to deferred capital receipts			3,568	(3,568)
Other amounts	(67)			67
Total adjustments to Capital Reserves	(19,000)	(306)	3,568	15,738
CCRCD				
Total Adjustments	5,269	6,036	3,568	(14,873)

Notes to the Balance Sheet

21. Non-current Assets

a) Capital commitments

As at 31 March the Council had the following material capital commitments.

2023-24 £'000		2024-25 £'000
791 397	Porthcawl Metrolink Maesteg Town Hall	-
1,188	Total	-

b) Notes on Non-current Assets

Voluntary-aided & Voluntary-controlled Schools

The Council recognises the only Voluntary-controlled School on its Balance Sheet. This is Pen-y-Fai Church in Wales Primary School. The four voluntary-aided primary schools and one voluntary-aided comprehensive school are not assets of the Council and therefore not included in the Balance Sheet.

c) Non-current Assets valuation

Non-current Assets are included in the Balance Sheet on the valuation basis set out in the Statement of Accounting Policies. All assets are valued on a rolling 3-year basis as at 31 December with a review to 31 March, which confirmed no significant changes in value during that period. For 2024-25 additional valuations were carried out to ensure that the assets as stated in the Balance Sheet are materially correct. These valuations were undertaken by Council Surveyors in accordance with the Statements of Asset Valuation, Practice and Guidance Notes of the Royal Institution of Chartered Surveyors for non-investment assets, investment assets being valued independently by Cooke & Arkwright. Cooke & Arkwright also valued a number of surplus assets.

Summary of Property, Plant & Equipment (PPE)	Other Land and Buildings £'000	Vehicle, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE Assets £'000	PFI Assets Included in PPE £'000
Cost or Valuation							
At 1 April 2023	523,372	18,580	5,010	12,422	16,263	575,647	27,090
Additions	8,648	3,080	40		9,520	21,288	
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	(13,457)					(13,457)	(1,354)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	40,545			50		40,595	3,731
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(5,229)		(10)			(5,239)	
Derecognition - Disposals	(740)	(395)				(1,135)	
Derecognition - other	(2,080)	(91)				(2,171)	
Assets reclassified (to)/from Held for Sale							
Other Movements in Cost or Valuation	5,952			151	(6,103)		
At 31 March 2024	557,011	21,174	5,040	12,623	19,680	615,528	29,467
Accumulated Depreciation and Impairments							
At 1 April 2023	(5,687)	(10,973)	(42)		(42)	(16,744)	(7)
Depreciation Charge for the year	(12,559)	(1,975)	(3)			(14,537)	(1,316)
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	13,457					13,457	1,316
Accumulated impairment written off (where no account balance at 1 April)							
Acc. Depreciation WO to GCA							
Impairment Losses/(Reversals) recognised in the Revaluation Reserve							
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services							
Derecognition - disposals	24	395				419	
Derecognition - other							
Other Movements	62		(1)		(62)	(1)	
At 31 March 2024	(4,703)	(12,553)	(46)	0	(104)	(17,406)	(7)
NBV as at 1 April 2023	517,685	7,607	4,968	12,422	16,221	558,903	27,083
NBV as at 31 March 2024	552,308	8,621	4,994	12,623	19,576	598,122	29,460

Summary of Property, Plant & Equipment (PPE)	Other Land and Buildings £'000	Vehicle, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Right of Use Assets £'000	Total PPE Assets £'000	PFI Assets Included in PPE £'000
Cost or Valuation								
At 1 April 2024	557,011	21,174	5,040	12,623	19,680	3,568	619,096	29,468
Additions	5,853	4,233			9,271	357	19,714	
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	(13,760)						(13,760)	(1,422)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	58,172			4,358			62,530	5,508
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,108)						(7,108)	401
Derecognition - Disposals	(2,567)	(93)		(3,250)			(5,910)	
Derecognition - other	(2,156)	(94)					(2,250)	
Assets reclassified (to)/from Held for Sale				(311)			(311)	
Other Movements in Cost or Valuation	17,644				(17,644)			
CCRCD movements					(94)		(94)	
At 31 March 2025	613,089	25,220	5,040	13,420	11,213	3,925	671,907	33,955
Accumulated Depreciation and Impairments								
At 1 April 2024	(4,703)	(12,553)	(46)	0	(104)		(17,406)	(7)
Depreciation Charge for the year	(13,541)	(2,259)	(3)			(253)	(16,056)	(1,424)
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	13,760						13,760	1,422
Accumulated impairment written off (where no account balance at 1 April)								
Acc. Depreciation WO to GCA								
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	(32)						(32)	
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(263)						(263)	
Derecognition - disposals		57					57	
Derecognition - other								
Other Movements	(62)				62			
Other Movements - CCRCD		(86)					(86)	
At 31 March 2025	(4,841)	(14,841)	(49)	0	(42)	(253)	(20,026)	(9)
NBV as at 1 April 2024	552,308	8,621	4,994	12,623	19,576	3,512	601,634	29,460
NBV as at 31 March 2025	608,248	10,379	4,991	13,420	11,171	3,672	651,881	33,946

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

2023-24 £'000	Infrastructure	2024-25 £'000
82,171	Net Book Value at 1 April	81,222
4,709	Additions	4,010
(59)	Derecognition	(304)
(5,599)	Depreciation	(5,715)
-	Impairment	-
81,222	Net Book Value at 31 March	79,213

The Council has determined in accordance with Regulation 24L of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended) that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Summary of Property, Plant & Equipment (PPE)

2023-24 £'000	Property, Plant & Equipment (PPE) Reconciliation	2024-25 £'000
81,222	Infrastructure Assets	79,213
598,122	Other PPE assets	651,881
679,344	Total PPE Assets	731,094

d) Intangible Assets.

The Intangible asset refers to the Wales Community Care Information System, WCCIS. As at 31 March 2025 the remaining life of the asset was 1 year.

2023-24 £'000		2024-25 £'000
	Cost or valuation	
6,040	At 1 April	6,040
6,040	At 31 March	6,040
	Accumulated amortisation and impairments	
(4,612)	At 1 April	(5,094)
(482)	Amortisation for year	(474)
(5,094)	At 31 March	(5,568)
1,428	Net Book Value at 1 April	946
946	Net Book Value at 31 March	472

e) Sources of finance for Capital Expenditure

2023-24 £'000		2024-25 £'000
(5,716)	Loans	(5,767)
(17,072)	Government grants	(19,375)
-	Capital Receipts	(306)
(7,420)	Revenue contribution	(2,552)
(1,605)	Other contributions	(1,331)
(31,813)	Total	(29,331)

f) Revenue Expenditure Funded from Capital under Statute

These relate to capital expenditure that does not result in a tangible non-current asset. They include renovation grants and contributions towards capital expenditure incurred by other parties.

2023-24 £'000	2023-24 CCRCRCD £'000	2023-24 Total £'000		2024-25 £'000	2024-25 CCRCRCD £'000	2024-25 Total £'000
5,816	38	5,854	Revenue Expenditure Funded from Capital Under Statute Grants and Contributions	5,964		5,964
(5,450)	(38)	(5,488)		(5,341)		(5,341)
366	-	366	Total	623		623

g) Capital financing requirement and the financing of capital expenditure

2023-24 £'000	Capital Financing Requirement	2024-25 £'000
176,503	Opening Capital Financing Requirement	175,719
	Capital Investment	
25,997	Property, Plant and Equipment and Intangible Assets	23,367
5,816	Revenue Expenditure Funded from Capital under Statute	5,964
	Right of Use Assets recognised in year	3,924
	Sources of Finance	
(18,677)	Grants & Contributions	(20,773)
	Capital receipts applied	(306)
(7,420)	Revenue Contributions	(2,552)
(3,298)	Minimum Revenue Provision	(1,200)
(2,273)	Unsupported Borrowing MRP	(1,870)
(929)	PFI School MRP	(1,001)
	Right of Use Assets MRP	(169)
175,719	Closing Capital Financing Requirement	181,103
	Explanation for Movements in Year	
653	Increase/(Decrease) in Underlying Need to Borrow (supported by government financial assistance)	2,737
(508)	Increase/(Decrease) in Underlying Need to Borrow (unsupported by government financial assistance)	(40)
(929)	Assets acquired under PFI Contract	(1,001)
	Assets acquired under Finance Lease	3,688
(784)	Increase/(Decrease) in Capital Financing Requirement	5,384

h) Capital Receipts In Advance

This includes a combination of capital grants received in advance in respect of proposed capital schemes for 2024-25, which was £0.887 million (2023-24: £0.844 million) plus section 106 contributions received from developers which will be committed and used to fund current and future schemes in line with the specific requirements of the agreements of £9.252 million (2023-24: £9.256 million).

i) Capital Grants Unapplied

This includes a combination of capital grants received where the expenditure to be financed from the grants has yet to be incurred, therefore it is held for future use. This value of grants held is £5.723 million 2024-25 (£2.155 million 2023-24).

22. Investment Properties

The following table summarises the movement in the fair value of investment properties over the year:

2023-24 £'000	CCRCRCD £'000 restated	Total £'000 restated		2024-25 £'000	CCRCRCD £'000	Total £'000
5,845 (855)	6,003 -	11,848 (855)	Opening Balance at 1 April Net gain / (loss) from fair value adjustments	4,990 (100)	6,003 (84)	10,993 (184)
4,990	6,003	10,993	Balance as at 31 March	4,890	5,919	10,809

The 2023-24 CCRCRCD comparative has been restated due to rounding.

23. Short Term Debtors

These represent the monies owed to the Council after making provision for debts that might not be recovered and are analysed as follows;

2023-24 £'000		2024-25 £'000
9,236	Trade Receivables	14,819
3,047	Prepayments	2,403
42,472	Other Receivable Amounts	65,948
986	CCRCRCD	281
55,741	Balance as at 31 March	83,451

The Council collects NNDR payments on behalf of Welsh Government. As at 31 March 2025, the Council had paid over more cash than it collected, this excess was included in the Balance Sheet as a debtor of £6.412 million. The equivalent for 2023-24 was a debtor of £2.207 million. This figure is included in the Other Receivable Amounts figure above.

24. Assets Held for Sale

2023-24 £'000		2024-25 £'000
65	Balance at 1 April	65
-	Assets newly classified as held for sale: Property, Plant & Equipment	310
-	Assets Sold	-
65	Balance as at 31 March	375

25. Short Term Creditors

These represent monies owed by the Council and are analysed as follows:

2023-24 £'000		2024-25 £'000
(6,702)	Trade Payables	(8,620)
(43,815)	Other Payables	(48,355)
(3,207)	CCRCD	(1,717)
(53,724)	Balance as at 31 March	(58,692)

26. Provisions

The Council has provisions as detailed below:

	Insurance £'000	Other Provisions £'000	Total £'000
Balance at 1 April 2024	4,133	2,909	7,042
Movement of provision during year	(1,130)		(1,130)
Amounts used/released in 2024-25	(737)		(737)
CCRCD movement in year		(1,205)	(1,205)
Balance at 31 March 2025	2,266	1,704	3,970
Provisions < 1 yr	517		517
Provisions > 1 yr	1,749	1,704	3,453
Balance at 31 March 2025	2,266	1,704	3,970

Insurance Provision (Self-funding / MMI)

Self-Fund

The Council has a self-insurance fund. This Insurance Provision has been set aside to meet the estimated cost to the Council of outstanding liability for policy years up to 2024-25 for Employer's Liability, Public Liability and Property. However, the actual cost of individual claims and the timing of payments is uncertain. The Council also has an earmarked reserve for Insurance which acts as an additional contingency for the fund, over and above the total outstanding liability, to allow for unexpected events, worse than anticipated deterioration in the current reserves and higher than anticipated future losses both in frequency and cost.

27. PFI and Other Long Term Liabilities

2023-24 £'000		Movement in year £'000	Moved to Short Term Creditors £'000	2024-25 £'000
11,973	Maesteg School PFI Lease		(1,078)	10,895
1,630	CCRCD	-		1,630
13,603	Balance as at 31 March	-	(1,078)	12,525

The PFI Finance Lease Liability matches the fair value of the fixed asset for the PFI School as at the date the asset came onto the Council's Balance Sheet being £21.898 million (July 2008). This will be written down over the life of the PFI contract by the value of the unitary payment deemed to be the finance lease element each year. For 2024-25, the amount written down was £1.001 million and £1.078 million has been transferred to Short Term Creditors leaving an outstanding long term liability of £10.894 million on the PFI scheme at year end.

28. Usable Reserves

The following notes detail the Usable Reserves of the Council:

a) Usable Capital Receipts Reserve

This represents capital receipts available to finance capital expenditure in future years.

2023-24 £'000		2024-25 £'000
25,728	Balance at 1st April	25,985
257	Capital Receipts Received	6,343
-	Receipts Used to Finance Capital Expenditure	(307)
25,985	Balance as at 31 March	32,021

b) Earmarked Reserves

The Earmarked Reserves in the Balance Sheet as at 31 March 2025 are detailed below:

Opening Balance 2023-24 restated £'000	Reserve	Movement during 2024-25		Closing Balance 2024-25 £'000
		Additions/ Re-classification £'000	Drawdown/ unwound £'000	
9,730	Council Fund	278	-	10,008
40,223	Corporate Reserves:			
0	Capital Programme Contribution	8,507	(2,692)	46,038
1,892	Major Claims Reserve	1,000	-	1,000
8,803	Service Reconfiguration	-	-	1,892
	Other Corporate Reserves	2,674	(2,381)	9,096
50,918	Total Corporate Reserves	12,181	(5,073)	58,026
6,668	Other Reserves:			
6,668	Directorate Reserves	5,731	(4,822)	7,577
2,405	Total Directorate Reserves	5,731	(4,822)	7,577
	Delegated Schools Balance	-	(3,024)	(619)
59,991	Total Reserves excluding Equalisation Reserves	17,912	(12,919)	64,984
4,005	Equalisation and Grant Reserves	(228)	(890)	2,887
63,996	TOTAL EXCLUDING COUNCIL FUND	17,684	(13,809)	67,871
73,726	TOTAL INCLUDING COUNCIL FUND	17,962	(13,809)	77,879

The 2023-24 figures have been restated due to a misclassification within the major claims reserve and a rounding adjustment.

Council Fund

The transfer to the Council Fund for 2024-25 was £0.278 million. This has resulted in the balance on the fund being £10.008 million at 31 March 2025 (£9.730 million at 31 March 2024).

Other Earmarked Reserves

The balance on Earmarked Reserves excluding the Council Fund was a net increase of £3.875 million in 2024-25 (net decrease of £28.499 million in 2023-24). An overview of each earmarked reserve is explained below.

Corporate Reserves

Capital Programme Contribution

This earmarked reserve has been set up as a revenue contribution to the capital programme, to enable schemes to be progressed more quickly to alleviate pressure on the revenue budget and accelerate the realisation of capital receipts.

Major Claims Earmarked Reserve

This reserve has been created to mainly cover major capital contractual claims and mitigate against potential other claims against the Council.

Service Reconfiguration / Severance Costs

This reserve has been established to meet potential costs relating to service remodelling and consequential severance costs.

Directorate Reserves

These reserves relate to specific Directorate issues anticipated in 2025-26. Examples include reserves to support pressures within Social Services and Care Experienced Children, and wider regeneration investment.

Delegated School Balances

These balances represent the cumulative effect of over and under-spending on school delegated budgets not available to the Council.

Analysis of Delegated Schools Balance

2023-24 Closing Balance £'000	School Types	No's in Category	2024-25 Funding Available £'000	2024-25 Spend £'000	2024-25 Closing Balance £'000
283	Primary Schools	48	54,669	55,413	(744)
2,588	Secondary Schools	9	61,276	60,925	351
(466)	Special Schools	2	12,904	13,130	(226)
2,405	Total	59	128,849	129,468	(619)

The 2023-24 Closing Balance figure is included within the 2024-25 Budget. This accounting treatment of including the prior year's closing balance in the current year's 'Funding Available' applies solely to Schools and does not apply in any other area of the accounts.

Equalisation and Grant Reserves

This includes grant reserves where under proper accounting practice, all grants and contributions should be analysed to see whether there are specific conditions attached to them. When the conditions are actually satisfied, the grant is credited to the Comprehensive Income and Expenditure Statement regardless of whether the actual expenditure has been incurred. In these cases, the Council can decide to transfer the grant monies to an earmarked reserve to fund future expenditure. In 2024-25 there was a reduction of £0.228 million transfers to/from grant earmarked reserves (2023-24 - £0.756 million increase). In addition to grant reserves there are a small number of equalisation reserves that ensures expenditure that is incurred in a particular future year is

smoothed over the period of the Medium Term Financial Strategy. These include the costs of elections, the Special Regeneration Fund, the preparation of the Local Development Plan and the Building Control Earmarked Reserves.

29. Unusable Reserves

The following notes detail the Unusable Reserves of the Council.

a) Revaluation Reserve (RR)

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

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

2023-24			2024-25	
£'000	£'000		£'000	£'000
45,925	222,430	Balance at 1 April Upward Revaluation of Assets Downward Revaluation of Assets and Impairment Losses not charged to the Surplus/Deficit on the Provision of Services Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of services Difference between fair value depreciation and historical cost depreciation (charged to the Capital Adjustment Account) Accumulated gains on assets sold or scrapped Amount written off to the Capital Adjustment Account	68,520	257,114
(5,330)	40,595		(5,962)	62,558
(5,870)	(41)		(6,842)	
	(5,911)		(2,145)	
257,114		Balance as at 31 March		(8,987)
				310,685

b) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023-24 £'000		2024-25 £'000
(35,850)	Balance at 1 April	(6,740)
30,070	Actuarial gains or losses on pensions assets and liabilities	(1,430)
(22,360)	Reversal of Items relating to Retirement Benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(20,410)
21,400	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year	22,740
(6,740)	Balance as at 31 March	(5,840)

c) Capital Adjustment Account (CAA)

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 is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains going forward.

2023-24			2024-25	
£'000	£'000		£'000	£'000
	249,143	Opening Balance		252,178
	5,286	CCRCD Balance		5,658
	254,429	Total Balance at 1 April		257,836
(20,619)		Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	(22,514)	
(7,469)		Charges for depreciation and impairment of non-current assets	(9,619)	
(366)		Revaluation gain/(losses) on Property, Plant and Equipment	(623)	
(675)		Revenue Expenditure funded from Capital Under Statute		
		Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(3,813)	
	(29,129)	Adjusting amounts written out to the Revaluation Reserve		(36,569)
	5,870			6,846
	(23,259)	Net written out amount of the cost of non-current assets consumed in the year		(29,723)
-		Capital financing applied in the year:		
13,228		Use of the Capital Receipts Reserve to finance capital expenditure	306	
6,500		Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that has been applied to capital financing	15,431	
7,421		Statutory provision for the financing of capital investment charged against the Council Fund	4,240	
	27,149	Capital expenditure charged against the Council Fund	2,552	
				22,529
	(855)	Movement in the market value of Investment Properties credited to the Comprehensive Income and Expenditure Statement		(100)
	372	Movement in CCRCD Capital Adjustment Account balance		4,115
	257,836	Balance as at 31 March		254,657

30. Pensions Liabilities, IAS 19 disclosures

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

This Council participates in the Rhondda Cynon Taf County Borough Council Pension Fund, which is administered under the Regulations governing the Local Government Pension Scheme. This is a defined benefit scheme, meaning that the Council and employees pay contributions into a fund, at a rate determined by the Fund's Actuary based on triennial actuarial valuations, which aims to balance 100% of pension liabilities with investment assets. The last triennial valuation was on 31 March 2025, and this is due to be completed by 31 March 2026.

Further information can be found in Rhondda Cynon Taf CBC Pension Fund's Annual Report which is available upon request from the Director of Finance, Rhondda Cynon Taf County Borough Council, Bronwydd, Porth, Rhondda, Rhondda Cynon Taf. Information is also available at: <http://www.rctpensions.org.uk>

Any award of discretionary post-retirement benefits upon early retirement is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. No investment assets are built up to meet these pension liabilities, and cash has to be generated to meet the actual pension payments as they fall due.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields, and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the Council Fund with the amounts required by statute as described in the accounting policies note.

The disclosures required for 2024-25 include information provided by the pension administrators, Rhondda Cynon Taff CBC and Aon Hewitt Associates Limited as the pension fund scheme's actuary.

All mortality assumptions are based on an analysis of the Fund's recent mortality experience that was carried out in advance of the 2022 Valuation.

McCloud Judgement

In December 2018, the Court of Appeal held that transitional protection provisions contained in reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, amounted to direct age discrimination and were therefore unlawful. On 27 June 2019 the Supreme Court denied the Government's application for leave to appeal the decisions. The calculation of the liability incorporates the impact of the 'McCloud' judgement.

Section 37 Legal Case

In June 2023 the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pensions Schemes Act 1993, and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgment was appealed in June 2024 but the appeal was dismissed.

For the Local Government scheme GAD do not believe that there are any absent actuarial confirmations. Therefore, they do not expect any liability changes to arise following this judgement. GAD will confirm that actuarial confirmations are available in due course. The Department for Work and Pensions (DWP) have now confirmed that they are planning to legislate to allow pension schemes to obtain retrospective written actuarial confirmation for historic benefit changes, therefore there should be no impact on scheme obligations.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against Council Tax is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the Council Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund balance via the Movement in Reserves Statement during the year.

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total	Comprehensive Income & Expenditure Statement	Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
					2024-25 £m	2024-25 £m	2024-25 £m	2024-25 £m
2023-24	2023-24	2023-24	2023-24	Cost of Services :	2024-25	2024-25	2024-25	2024-25
21.05	-	-	21.05	Service cost comprising: Current service cost (Employer) Current service cost (Passthrough) Past service costs	19.94	-	-	19.94
-	-	-	0.12	Financing & Investment Income & Expenditure :-	0.02	-	-	0.02
0.07	0.03	0.02	0.12	Net interest expense	0.67	-	-	0.67
0.85	0.24	0.10	1.19		(0.52)	0.21	0.09	(0.22)
21.97	0.27	0.12	22.36	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	20.11	0.21	0.09	20.41
				Other Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement				
(47.21)	-	-	(47.21)	<i>Remeasurements of the net defined benefit liability comprising:</i> Return on plan assets (excluding the amount included in the net interest expense)	31.23	-	-	31.23
(25.99)	(0.06)	(0.02)	(26.07)	Actuarial (gains) / losses due to changes in financial assumptions	(127.61)	(0.30)	(0.09)	(128.00)
(11.89)	(0.10)	(0.04)	(12.03)	Actuarial (gains) / losses due to changes in demographic assumptions	(5.49)	(0.03)	(0.01)	(5.53)
8.68	(0.14)	(0.05)	8.49	Actuarial (gains) / losses due to liability experience	1.31	0.02	-	1.33
46.75	-	-	46.75	Adjustment loss (gain) due to restriction of surplus	102.4	-	-	102.4
(29.66)	(0.30)	(0.11)	(30.07)	Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	1.84	(0.31)	(0.10)	1.43
				Movement in Reserves Statement:-				
21.97	0.27	0.12	22.36	Reversal of net charges made for retirement benefits in accordance with IAS 19	20.11	0.21	0.09	20.41
				Actual amount charged against the Council Fund Balance for pensions in the year				
20.62	0.50	0.28	21.40	Employer's Contributions payable to the scheme	21.95	0.51	0.28	22.74
(29.83)	(0.50)	(0.28)	(30.61)	Retirement Benefits Paid Out	(30.58)	(0.51)	(0.28)	(31.37)

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amounts included in the Balance sheet arising from the Council's obligation in respect of its defined benefit plan are as follows:-

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total		Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total				
					2023-24 £m	2023-24 £m	2023-24 £m	2023-24 £m	2024-25 £m	2024-25 £m	2024-25 £m	2024-25 £m
(761.28)	(4.83)	(1.91)	(768.02)	Present value of defined benefit obligation	(662.27)	(4.22)	(1.62)	(668.11)				
808.03	-	-	808.03	Fair Value of Plan Assets	813.66	-	-	813.66				
(46.75)	-	-	(46.75)	Unrecognised Assets	(151.39)	-	-	(151.39)				
-	(4.83)	(1.91)	(6.74)	Net liability arising from defined benefit obligation	-	(4.22)	(1.62)	(5.84)				

Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets

2023-24 £m		2024-25 £m
729.33	Opening fair value of scheme assets at 1 April	808.03
34.23	Interest income on assets	38.75
47.21	The return on plan assets, excluding the amount included in the net interest expense	(31.23)
21.40	Contributions by Employer	21.95
6.47	Contributions by Participants	6.74
(30.61)	Net Benefits Paid Out	(30.58)
808.03	Balance as at 31 March	813.66

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total		Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
2023-24	2023-24	2023-24	2023-24		2024-25	2024-25	2024-25	2024-25
£m	£m	£m	£m		£m	£m	£m	£m
757.64	5.36	2.18	765.18	Opening balance at 1 April	761.28	4.83	1.91	768.02
21.05	-	-	21.05	Current Service Cost	19.96	-	-	19.96
35.08	0.24	0.10	35.42	Interest Cost	35.99	0.21	0.09	36.29
6.47	-	-	6.47	Contributions from scheme participants	6.74	-	-	6.74
(25.99)	(0.06)	(0.02)	(26.07)	<i>Remeasurement (gains) and losses:</i>	(127.61)	(0.3)	(0.09)	(128)
(11.89)	(0.10)	(0.04)	(12.03)	Actuarial gains / losses arising from changes in financial assumptions	(5.49)	(0.03)	(0.01)	(5.53)
8.68	(0.14)	(0.05)	8.49	Actuarial gains / losses arising from changes in demographic assumptions	1.31	0.02	-	1.33
0.07	0.03	0.02	0.12	Actuarial gains / losses arising from changes in liability experience	0.67	-	-	0.67
(29.83)	(0.50)	(0.28)	(30.61)	Past Service Cost	(30.58)	(0.51)	(0.28)	(31.37)
-	-	-	-	Benefits Paid	-	-	-	-
-	-	-	-	Liabilities extinguished on settlements	-	-	-	-
761.28	4.83	1.91	768.02	Balance as at 31 March	662.27	4.22	1.62	668.11

Local Government Pension Scheme assets comprised:

Fair Value of Scheme Assets 2023-24 £m	Asset Split 2023-24 %		Fair Value of Scheme Assets 2024-25 £m	Asset Split 2024-25 %
517.14	64.00	Equities	529.69	65.10
52.52	6.50	Property	49.63	6.10
98.58	12.20	Government bonds	88.69	10.90
126.05	15.60	Corporate bonds	119.61	14.70
13.74	1.70	Cash and cash equivalents	26.04	3.20
808.03	100.00	Total assets	813.66	100.00

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme (LGPS) and discretionary benefits liabilities have been estimated by Aon Hewitt, an independent firm of actuaries, in accordance with IAS 19.

The significant assumptions used by the Actuary were:

2023-24 % pa		2024-25 % pa
4.8	Discount rate	5.8
2.6	CPI Inflation	2.5
2.6	Rate of pension increases	2.5
3.85	Rate of salary increases	3.75
	<i>Mortality Assumptions:</i> Longevity at 65 for current pensioners :-	
21.0		Men 20.9
23.8		Women 23.7
	Longevity at 65 for future pensioners :-	
22.3		Men 21.8
25.2		Women 24.8

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. 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 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 of 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.

Increase in Assumption 2023-24 £m	Decrease in Assumption 2023-24 £m		Increase in Assumption 2024-25 £m	Decrease in Assumption 2024-25 £m
(12.94)	12.94	Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(9.93)	9.93
0.76	(0.76)	Rate of increase in salaries (increase or decrease by 0.1%)	0.66	(0.66)
12.18	(11.42)	Rate of increase in pensions (increase or decrease by 0.1%)	9.27	(9.27)
19.79	(19.03)	Longevity (increase or decrease in 1 year)	14.57	(14.57)

Impact on the Council's Cash Flows

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. The current Employer's contribution rate to achieve a funding level of 100% of scheme liabilities will be reviewed at this point. If there is a significant shortfall (liability) between the benefits earned by past and current employees and the resources the Council has set aside to meet them, the statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The expected employer's contributions to the Local Government Pension Scheme for the accounting period ending 31 March 2026 are:

	2025-26 £m
Local Government Pension Scheme	22.08
LGPS Unfunded	0.52
Teachers Unfunded	0.28
Total	22.88

The weighted average duration of the defined benefit obligation for the scheme members is 14.8 years.

Teachers

In 2024-25, the Council paid £18.738 million (£15.075 million for 2023-24) to the Teachers Pensions Agency in respect of teachers' pension costs. The increase was due to the pensions increase from 23.68% to 28.68% in 2024-25. In addition, the Council is responsible for all pension payments relating to added years awarded, together with the related increases. In 2024-25, these amounted to £0.686 million (£0.330 million for 2023-24).

31. Financial Instruments Disclosures

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

Financial Assets

31 March 2024				Total £'000		31 March 2025					
Current		Non-current				Current		Non-current			
Investments £'000	Debtors £'000	Investments £'000	Debtors £'000			Investments £'000	Debtors £'000	Investments £'000	Debtors £'000		
50,426	9,236			59,662	Amortised Cost	34,215	14,819		49,034		
5,138			1,529	6,667	CCRC	6,374	281		6,655		
55,564	9,236	1,529	66,329	Total financial assets	40,589	15,100			55,689		
		4,990		4,990	Non-financial assets			4,890	4,890		
		6,002		6,002	CCRC			5,919	5,919		
		10,992		10,992	Total Non-financial assets			10,809	10,809		
55,564	9,236	10,992	1,529	77,321	Total	40,589	15,100	10,809	66,498		

The current investments figure above includes accrued income receivable for long term investments in addition to short term interest.

The £14.819 million (2023-24: £9.236 million) debtors figure in the table above relates to trade debtors for goods and services delivered and is included in the overall debtors figure of £84.156 million (2023-24: £55.930 million) included in the balance sheet. More information in relation to debtors can be found at note 23.

Financial Liabilities

31 March 2024					31 March 2025			
Current		Non-current			Current		Non-current	
Borrowing £'000	Creditors £'000	Borrowing & Other Long-Term Liabilities £'000	Total £'000		Borrowing £'000	Creditors £'000	Borrowing & Other Long-Term Liabilities £'000	Total £'000
(13,636)	(7,875)	(106,086)	(127,597)	Amortised Cost	(10,152)	(3,155)	(109,554)	(122,861)
		(1,637)	(1,637)	CCRC			(3,860)	(3,860)
(13,636)	(7,875)	(107,723)	(129,234)	Total	(10,152)	(3,155)	(113,414)	(126,721)

The current borrowings figure above includes £1.848 million of accrued interest payable for the year.

The current creditors figure of £3.155 million (2023-24: £7.875 million) relates to trade creditors for goods and services received of £3.155 million (2023-24: £6.702 million) and £1.174 million (2023-24: £1.174 million) monies held by the Council on behalf of third parties and is included in the overall creditors figure of £56.115 million (2023-24: £54.107 million) on the balance sheet. More information in relation to creditors can be found at note 25.

Offsetting financial assets and liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The table below shows those instruments that have been offset on the balance sheet.

31 March 2024 Gross Assets (Liabilities) £'000	Offsetting of Financial Assets and Liabilities	31 March 2025 Gross Assets (Liabilities) £'000
2,948	Bank Accounts in Credit	3,333
2,948	Total Financial Assets	3,333
(3,812)	Bank Overdrafts	(5,826)
(3,812)	Total Financial Liabilities	(5,826)
(864)	Net Position	(2,493)
246	Bank uncleared amounts	(171)
(618)	Net position in Balance Sheet	(2,664)

Income, expense, gains and losses

The income, expense, gains and losses recognised in the Comprehensive Income and Expenditure Statement for financial instruments are shown below:

31 March 2024				31 March 2025		
Financial Liabilities Amortised Cost £'000	Financial Assets Amortised Cost £'000	Total £'000		Financial Liabilities Amortised Cost £'000	Financial Assets Amortised Cost £'000	Total £'000
5,881		5,881	Interest Expense	6,100		6,100
	(5,108)	(5,108)	Investment Income and Other Interest Receivable		(4,771)	(4,771)
	-	-	CCRC	36	(571)	(535)
5,881	(5,108)	773	Net (gain)/loss for the year	6,136	(5,342)	794

Fair Values of Financial Assets and Liabilities that are not measured at Fair Value

The Council does not have any financial assets or liabilities that are carried at fair value. In addition, there are no assets held at amortised cost for 2024-25.

31 March 2024		Financial Liabilities	31 March 2025	
Carrying amount £'000	Fair Value £'000		Carrying amount £'000	Fair Value £'000
(77,617)	(76,376)	Financial liabilities held at amortised cost:	(77,037)	(70,098)
(19,745)	(22,222)	PWLB	(19,736)	(21,037)
(2,735)	(2,291)	LOBOs	(2,517)	(2,171)
(11,973)	(14,642)	Salix loans	(5,000)	(5,048)
		Short term borrowing	(14,362)	N/A
(112,070)	(115,531)	Total	(118,652)	(98,354)

The fair value of **Financial Liabilities** is higher than the carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date.

The fair value of liabilities is calculated using other significant observable inputs (Level 2) as follows:

- PWLB – Public Works Loan Board – market rates for local authority loans of the same remaining term to maturity as at the Balance Sheet date
- LOBO – Lender's Option Borrower's Option – increased by the value of the embedded options. Lender's options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudian cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual rate.

Nature and extent of risks arising from Financial Instruments

The Council's activities expose it to a variety of financial risks including:

- **Credit risk** – the possibility that other parties may fail to pay amounts due to the Council;
- **Liquidity risk** – the possibility that the Council might not have funds available to meet its commitments to make payments;
- **Market risk** - the possibility that unplanned financial loss may arise for the Council as a result of changes in such measures as interest rates movements.

The Council's overall risk management strategy is approved by Council and set out within its annual Treasury Management Strategy. The Strategy sets out the parameters for the management of risks associated with financial instruments which covers specific areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The risk is minimised through the Annual Investment Strategy included in the Council's [Treasury Management Strategy](#).

The Council's credit risk management practices are set out within the Investment Strategy. In determining whether the credit risk of financial instruments has increased since initial recognition, the Council has reviewed the creditworthiness of its investments and has concluded that there has not been a significant increase in credit risk.

The Council's primary objective is to give priority to security and liquidity prior to consideration of yield. Counterparty limits are constantly reviewed and where market conditions dictated, limits are reduced. During the year there were no changes that required the Council to consider any investments having an increased credit risk.

Credit risk exposure

As at 31 March 2025 the Council had the following exposure to credit risk. £18 million of the £36.750 million investments outstanding at 31 March 2025 were invested with DMO, where an expected loss allowance is not required. For those financial assets where a 12-month expected credit loss is calculable, the calculated credit loss is £1,021. This has been calculated by reference to historic default data published by credit rating agencies as advised by our Treasury Management Advisors. Due to the immateriality of the expected credit loss, no adjustment has been made in the accounts for this.

	Credit risk rating (as used by the Council)	Gross carrying amount £ million
12 month expected credit losses	AAA	18.00
	AA+	-
	AA-	3.00
	AA	-
	A+	15.50
	A	0.25
Simplified approach	LA	-
TOTAL		36.75

Council does not generally allow credit for its customers (trade debtors) such that all the trade debtors are recognised as short term, however, £4.667 million balance of debtors is past due date for payment. These are not included in the credit risk table above.

Liquidity Risk

The Council manages its liquidity risk through its cash-flow management to ensure that cash is available when required. It has ready access to instant access deposit accounts, overdraft facilities and borrowing from the Money Markets or other local authorities to cover any day-to-day cash flow need. In addition, the Council can access Public Works Loan Board (PWLB) borrowing. The Council arranges fixed term loans and investments with a range of maturity dates within the framework and indicators approved each year. There is no perceived risk that the Council will be unable to raise finance to meet its commitments, instead the risk relates to replenishing a significant proportion of its borrowings at a time of unfavourable interest rates. The Council sets limits on the maturity structure of fixed rate borrowing such that no more than 50% of loans are due to mature in any one year through careful planning of new loans taken out and (where it is beneficial to do so) making early repayments. The maturity analysis of financial liabilities is as follows:

31 March 2024 £'000	Maturity Analysis Financial Liabilities	31 March 2024 £'000
(14,351)	Less than 1 year	(11,230)
(5,529)	Between 1 and 2 years	(10,218)
(8,974)	Between 2 and 5 years	(20,782)
(25,471)	Between 5 and 10 years	(17,423)
(10,000)	Between 10 and 20 years	(5,000)
(36,389)	More than 20 years	(36,389)
(19,745)	Uncertain date*	(19,736)
(120,459)	Total Financial Liabilities	(120,778)

* This refers to the Lender's Options Borrower's Options which may be rescheduled in advance of their maturity date of 2054, however, the Council does not anticipate this will occur due to the current low interest rates.

All trade and other payables are due to be paid in less than one year.

Market Risk

The Council is exposed to the risk that financial loss could potentially occur as a result of changes in such measures as interest rate movements, market prices or foreign currency exchange rates.

Interest Rate Risk

The Council is exposed to 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 Council. 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 fixed rate protects the Council from increased interest charges as an equivalent loan would now cost more. The fair value of the borrowing (liability) will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates – the fixed rate prevents the Council from receiving higher investment income from the same principal invested. The fair value of the asset 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 investment will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance.

The Council monitors market and forecast interest rates within the year to adjust exposures appropriately, to allow any adverse changes to be accommodated. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans may be repaid early to limit exposure to losses. According to this strategy, at 31 March 2025, if there had been a 1% change in interest rates with all other variables held constant, the financial effect would be approximately:

	Estimated £'000 + 1%	Estimated £'000 -1%
Interest payable on variable rate borrowings	133	0
Interest receivable on variable rate investments	(368)	(368)
Impact on Surplus or Deficit on Provision of Services	(235)	(368)

The figures for an approximate impact of a 1% fall in interest rates for borrowing are not the same figures as the 1% increase (but reversed) as the variable rate borrowing relates to our LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates.

Price risk

As the Council has not invested in instruments that are subject to price risk, such as bank certificates of deposit and Government Bonds, it is not subject to price risk.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Transition to IFRS9 Financial Instruments

The Council adopted the IFRS9 Financial Instruments accounting standard with effect from 1 April 2018. The main changes include the reclassification and re-measurement of financial assets and the earlier recognition of the impairment of financial assets.

The nature of the Council's financial instruments has meant no changes to the Council's balance sheet on transition.

32. Events after the Reporting Period

Where an event or information arises after the reporting period (i.e. after 31 March 2025) that relates to conditions existing at 31 March 2025, certain figures in the financial statements and notes would be adjusted if necessary, in all material respects, in order to reflect the impact of the event or information. There have been no such events after 31 March 2025 that required reporting.

33. Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council 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 Council. 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 with sufficient reliability.

Reinforced Autoclaved Aerated Concrete (RAAC) is a lightweight form of concrete used in many public buildings from the mid-1950s to the mid-1990s. During August 2023 the UK Government announced new guidance on RAAC as a result of heightened safety risks. As a result, the Council commenced surveys of its estate to determine the existence of RAAC. To date the presence of RAAC has been confirmed at one asset – Bridgend Indoor Market – that the Council leases on a long-term arrangement. As a result, the Council closed the Indoor Market and commissioned a surveyor to determine the extent of the RAAC at the market and the associated estimated cost of remedial works. A report has been received by the Council. The Council is considering options and at this time it is not possible to measure any potential obligation with sufficient reliability and as such a contingent liability exists.

Notes to the Cash Flow Statement

34. Adjustments for Non-cash Movements

2023-24 £'000		2024-25 £'000
(28,088)	Depreciation & Impairment of Assets	(32,171)
(3,538)	Movement in Inventories, Debtors & Creditors	19,354
(960)	Pension Fund Adjustments	2,330
4,378	Provisions	1,866
(716)	Disposal of Non Current Asset	(5,853)
(855)	Changes in Fair Value of Investment Property	(100)
	Other adjustments	59
(44)	CCRCRCD adjustments to net (surplus)/deficit on the provision of services for non-cash movements	1,462
(29,823)	Adjustments to net deficit on the provision of services for non-cash movements	(13,053)

35. Operating Activities

The cash flows for operating activities include the following items:

2023-24 £'000		2024-25 £'000
15,456	Cash Flow on Revenue Activities	9,823
3,154	Interest Paid	6,571
1,029	Interest element of finance lease and PFI rental payments	1,138
(4,458)	Interest Received	(5,654)
-	CCRCRCD	3,777
15,181	Net Cash Flows from Operating Activities	15,655

36. Investing Activities

The cash flows for investing activities include the following items:

2023-24 £'000		2024-25 £'000
25,997	Purchase of Property, Plant and Equipment and Intangibles	27,236
(8,395)	Purchase / (Proceeds) from Short Term Investments	(45,027)
(256)	Proceeds from sale of Property, Plant and Equipment and Investment	
	Property	(6,343)
	CCRCRCD Long Term Debtors/Investments	2,712
17,345	Net Cash Flows from Investing Activities	(21,422)

37. Financing Activities

The cash flows for financing activities include the following items:

2023-24 £'000		2024-25 £'000
(6,383)	Cash Receipts of short and long term borrowing	(8,167)
(12,895)	Other Receipts from financing activities	(18,972)
	Repayments of short and long term borrowing	10,580
	CCRCRCD – HMT and other grants received	(944)
(19,278)	Net Cash Flows from Financing Activities	(17,503)

The report of the Auditor General for Wales to the Members of Bridgend County Borough Council

Opinion on financial statements

I have audited the financial statements of Bridgend County Borough Council for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

Bridgend County Borough Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

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

- give a true and fair view of the financial position of Bridgend County Borough Council as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

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

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

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

Responsibilities of the responsible financial officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

My procedures included the following:

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

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

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

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Other auditor's responsibilities

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

Certificate of completion of audit

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



Adrian Crompton
Auditor General for Wales
31 October 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The maintenance and integrity of Bridgend County Borough Council's website is the responsibility of the Council; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Annual Governance Statement



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1 Foreword

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It has a duty under the Local Government and Elections (Wales) Act 2021 to make arrangements and keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and to have in place effective governance for securing these requirements.

In discharging this overall responsibility, the Council must put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk. It is necessary that our communities and those that use and pay for services, those who deliver services, and our partners and suppliers, have confidence in our governance arrangements. They must be assured that our services are provided effectively and efficiently and delivered on a consistent basis, that public money is safeguarded and properly accounted for, and that decisions are taken transparently and lawfully.

The Local Government and Elections (Wales) Act 2021 requires councils to undertake an annual assessment of performance, and answer the following questions:

- Is the Council exercising its functions effectively?
- Is the Council using its resources economically, efficiently and effectively?
- Does the Council have effective governance in place for securing the above?

The Council's [annual self-assessment](#) has been published and sets out responses to the questions above for the 2023-24 financial year - the self-assessment for 2024-25 will be reported in autumn 2025. The self-assessment confirms that the Council has good governance in place. This statement sets out the Council's assessment of its governance for 2024-25.

The Cabinet and Corporate Management Board are confident that the governance arrangements operated effectively in supporting the Council in meeting its obligations and responsibilities. There are always opportunities to make improvements, and these are set out within this statement and will be addressed during the forthcoming year.



Cllr John Spanswick
Leader of the Council



Jake Morgan
Chief Executive

2 Governance Framework

What is Corporate Governance?

The Council has a key role in governing and leading our community. Effective local government relies on public confidence in Elected Members and Council Officers. Corporate governance comprises the systems, processes, culture and values by which the Council is directed and controlled, led and held to account, and how it engages with stakeholders. It is also about the way that Councillors and employees think and act.

The Governance Framework enables the Council to monitor the achievement of its strategic objectives and to consider whether they have led to the delivery of appropriate, cost-effective services.

What this Statement tells you

This Statement describes the extent to which the Council has complied with its Code of Corporate Governance and the requirements of the Accounts and Audit (Wales) Regulations 2014 and the Accounts and Audit (Wales) (Amendment) Regulations 2018 for the year ended 31 March 2025.

It also sets out how the Council has responded to governance issues identified during 2024-25 and actions to be undertaken during 2025-26 following an annual review of the Governance Framework.

The Statement has been prepared in accordance with the 2016 guidance: '[Delivering Good Governance in Local Government Framework](#)' produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).



The Council's Governance Responsibilities

The Council must consider the longer-term impact of any decisions it makes and should work collaboratively with other public bodies to improve well-being in Wales.¹

As a public body the Council has to ensure it delivers sustainable social, cultural, environmental and economic outcomes as a key focus of its governance process and structures. This is achieved by:

- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
- ensuring openness and comprehensive stakeholder engagement.

The Council's Code of Corporate Governance sets out its commitment to, and responsibility for, ensuring that there is a sound system of governance in place. The [Code of Corporate Governance](#) is reviewed annually, and presented to the Governance and Audit Committee for approval, and is available on the Council's website.

The Council's Code of Corporate Governance sets out the seven principles of good governance in line with CIPFA's 'Delivering Good Governance in Local Government: Framework'.

Bridgend County Borough Council Code of Corporate Governance The Council's Governance Principles are based on the following:	
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social and environmental benefits
D	Determining the interventions necessary to optimise the achievement of the intended outcomes
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
F	Managing risks and performance through robust internal control and strong public financial management
G	Implementing good practice in transparency, reporting, and audit to deliver effective accountability

The Council's evaluation against these seven principles is detailed in the Code of Corporate Governance, highlighting the actions that demonstrate good governance and the evidence that supports these actions.

¹ Well-being of Future Generations (Wales) Act 2015

The Council's Governance Framework

The Governance Framework comprises the systems, processes and values by which the Council is directed and controlled and the means by which it accounts to, engages with and leads the local community. It enables the Council 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 make appropriate use of, and prevent loss of, public funds. It also assists with managing the risk of failure to achieve policies, aims and objectives. It does not eliminate all the risk; the system of internal control is designed to identify and prioritise risks, evaluate the likelihood of those risks materialising and manage their impact.

To review the effectiveness of the governance framework, assurances are provided to, and challenged by, the Governance and Audit Committee, Scrutiny Committees, Standards Committee, Council, Cabinet and Corporate Management Board as appropriate. In addition, the Chief Officer – Finance, Housing and Change promotes and delivers good financial management, and the Monitoring Officer promotes and delivers legal and ethical assurance.

Decision Making and Responsibilities

The Council consists of 51 elected Members with an elected Leader and Cabinet who are supported and held to account by Scrutiny Committees. The Council's [constitution](#) sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business and sets out a list of functions and decisions exercisable by officers under delegated powers. It also contains the rules and protocols by which the Council, Members and officers operate.

Local Government and Elections (Wales) Act 2021

The Local Government and Elections (Wales) Act received Royal Assent on 20 January 2021. The Act is a substantial piece of legislation covering electoral reform, public participation, governance and performance and regional working. There are many reforms within the Act, however, in summary the Act introduced:

- Reform of electoral arrangements for local government, including extending the voting franchise to 16- and 17-year olds;
- Introduction of a general power of competence;
- Reforming public participation in local government;
- Reforms around democratic governance and leadership;
- Collaborative working;
- Reform of the performance and governance regime; and
- Powers to facilitate voluntary mergers of principal councils.

The Act continues to have a wide-ranging impact on the organisation, powers, performance measurement and governance of the Council. From May 2022 the composition of the Governance and Audit Committee changed, and one-third of its members are required to be lay members, including the Chair of the Committee. For the Council the Governance and Audit Committee now comprises 8 elected

members and 4 lay members. Responsibilities assumed by the Committee include:

- a role in reviewing the Council's self-assessment report and making any recommendations for change;
- consideration of the outcome and response to a panel performance assessment of the Council; and
- responsibility for making reports and recommendations in relation to the authority's ability to handle complaints effectively.

Role of the Governance and Audit Committee

The **Governance and Audit Committee** is a statutory Committee that provides independent assurance on the Council's internal control environment. It consists of 8 Councillors and 4 Lay Members. Its main functions are:

- Review, scrutinise and issue reports and recommendations in relation to the Council's financial affairs.
- Review, scrutinise and issue reports and recommendations on the appropriateness of the Council's risk management, internal control, arrangements to secure value for money and corporate governance arrangements.
- To consider the report on the annual risk assessment, any interim reports and the Corporate Risk Management Policy.
- Oversee the Council's internal and external audit arrangements (including the performance of external providers of Internal Audit) and review its financial statements.
- To approve the Internal Audit Charter.
- To approve the risk-based internal audit plan and to approve significant interim changes to the risk-based internal audit plan.
- To consider and approve the Head of Internal Audit's annual report and opinion, a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider reports from Internal Audit on agreed recommendations not implemented within a reasonable timescale and approve necessary remedial action.
- To be responsible for ensuring effective scrutiny of the Treasury Management function, Strategy and Policies.
- To monitor the Council's Anti-Fraud and Bribery Strategy, Anti-Money Laundering Policy and Anti-Tax Evasion Policy
- To review and approve the Council's Annual Governance Statement and Code of Corporate Governance.
- To review and approve the Annual Statement of Accounts and appropriateness of the accounting policies and whether they have been followed correctly, and to consider whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- To review and consider reports from the External Auditor on the Council's performance, financial probity and corporate governance, and to receive reports from other external regulators as appropriate.
- To review and assess the Council's ability to handle complaints effectively and make recommendations in this respect.
- To review the Council's draft self-assessment report on its performance and, if deemed necessary, make recommendations for changes to the conclusions.

3 Corporate Governance Arrangements

Bridgend County Borough Council is committed to ensuring good governance principles and management practices are adopted in all business activities to ensure public trust. The arrangements the Council has for Corporate Governance is set out below.

1	Bridgend County Borough Council Code of Corporate Governance	The Council's Code of Governance provides a public statement that sets out the way in which the Council meets and demonstrates compliance with the CIPFA Governance principles.
2	The Governance Framework	The Council's Code is underpinned by a Governance Framework which comprises the policies, procedures, behaviours and values by which the Council is governed and controlled.
3	The Annual Governance Statement	The Annual Governance Statement provides assurances regarding the Council's Governance arrangements, together with identifying areas of future focus and improvement. The purpose of the Annual Governance Statement is to report publicly on the extent to which the Council complies with its Code of Corporate Governance. It identifies those areas which have been identified as needing improvement following self-assessment.
4	Annual Governance Statement Action Plan	The Council continues to review the areas for improvement identified within the Governance statement which are monitored through the Annual Governance Statement Action Plan.

4 Governance Assessment

Sources of assurance for the Governance assessment are set out below.

Assurance required	Sources of assurance	Assurances received
Delivery of Corporate Plan priorities	Corporate Plan Directorate Business Plans Service Plans Corporate Performance Framework Corporate Plan Delivery Plan Panel Performance Assessment	Corporate Self-Assessment report
Services are delivered economically, efficiently and effectively	Quarterly Performance monitoring at Cabinet/Corporate Management Board Corporate Overview and Scrutiny Committee	Corporate Self-Assessment report Scrutiny Committees and reviews Annual Self-Assessment of the Governance & Audit

	Regulatory Tracker.	Committee Audit Wales thematic reviews
Management of risk	Risk Management Framework	Governance and Audit Committee review of risk Audit Wales external challenge
Effectiveness of internal controls	Constitution and Scheme of Delegation, including contract procedure rules and financial procedure rules Strategic Leadership Team – Cabinet & Corporate Management Board	External audit reports Internal audit reports
Community engagement & public accountability	Forward Work Programme Complaints Policy Participation and Engagement Strategy	Community Engagement Feedback Ombudsman Reports
Procurement processes	Contract Procedure Rules	Value for money
Roles & responsibilities of Members & Officers	Head of Paid Service Monitoring Officer & S151 Officer	External Inspections eg Estyn, Audit Wales, Care Inspectorate Wales.
Standards of conduct & behaviour	HR Policies & procedures Members' Code of Conduct Officers' Code of Conduct	Complaints and compliments received
Training & development of Members & Officers	Corporate Learning & Development Plan Member Development Plan	Staff survey Performance Development Reviews – appraisal process
Compliance with laws & regulations, internal policies & procedures	Constitution Council Policies Welsh Language Standards Health & Safety Policy Internal Audit reports Whistleblowing Policy Anti-Fraud and Bribery Strategy Anti Money Laundering Policy Anti-Tax Evasion Policy	External Audit reviews Internal Audit reviews Independent external reviews – Estyn, Care Inspectorate Wales.

Audit Wales have undertaken and reported on a number of reviews during the year and these have been reported to the Governance and Audit Committee. The key outcomes of the reviews are set out below.

Report	Key outcomes
<u>Financial Sustainability Review – Bridgend County Borough Council (August 2024)</u>	<p>The purpose of this report was to provide assurance that councils have proper arrangements to support their financial sustainability and to explain councils' financial position and the key budget pressures and risks to their financial sustainability.</p> <p>Overall, the audit found that the Council understands its financial position with good arrangements to support its financial sustainability which it flexes and adapts but is at the early stage of developing its long-term approach.</p> <p>Two recommendations were put forward in the report, and these were :-</p> <ul style="list-style-type: none"> • To strengthen the Council's approach to financial sustainability, the Council should develop a savings plan across the timescale of the Medium Term Financial Plan, to clearly show how the funding gap will be addressed or clearly communicate the challenge where this is not possible. • The Council should strengthen its arrangements to ensure the impact of its financial position and Medium Term Financial Plan on communities and on the delivery of its well-being objectives is reported to members to enable them to monitor and address any impacts.
<u>Review of Decision Making Arrangements – Bridgend County Borough Council (September 2024)</u>	<p>The purpose of this report was to gain assurance that the Council has proper decision-making arrangements to secure value for money in the use of its resources.</p> <p>Overall, the audit found that the Council generally has proper decision-making arrangements in place but weaknesses in forward planning and pre-decision scrutiny are undermining their effectiveness.</p> <p>Five recommendations were proposed :-</p> <ul style="list-style-type: none"> • The Council should ensure that its published forward work programme for committees is accessible, comprehensive, and covers a longer time frame than the current 4-month period to give more opportunity for robust pre-decision scrutiny and provide greater transparency around the decision-making process for both Members and the public. • The Council should ensure that its scheme of delegation is updated, to mitigate the risk of decisions being taken without the proper authority. • The Council should ensure that there is clarity on the role of scrutiny in the decision-making process. The lack of clarity on the role of the Overview & Scrutiny committees, particularly in relation to pre-decision scrutiny is limiting Overview & Scrutiny committees' ability to contribute fully and effectively to the decision-making process. • The Council should ensure that it provides greater transparency regarding the remit of the different Overview & Scrutiny committees. Naming the Overview & Scrutiny committees 1, 2

	<p>and 3 does not help with transparency of the remit of the committees, particularly from a public perspective. It is also a potential barrier to encouraging public involvement in the scrutiny process.</p> <ul style="list-style-type: none"> • The Council should ensure that Members receive, and are encouraged to access, a relevant training programme to ensure they are well equipped to understand and undertake their role. This should include focussed training for specific roles, e.g. chairing skills.
<p><u>Setting of Wellbeing Objectives – Bridgend County Borough Council (September 2024)</u></p>	<p>The purpose of this report was to assess the extent to which Bridgend County Borough Council has acted in accordance with the sustainable development principle when setting its well-being objectives.</p> <p>The audit found the Council has applied the sustainable development principle when setting its well-being objectives, but there are opportunities to build on how it involves citizens and how it intends to work with partners.</p> <p>There were three recommendations :-</p> <ul style="list-style-type: none"> • The Council should ensure that it covers the full range of statutory requirements when developing its next well-being statement, including: <ul style="list-style-type: none"> • how it considers it has set well-being objectives in accordance with the sustainable development principle; and • how it proposes to ensure resources are allocated annually for the purpose of taking steps to meet its well-being objectives. • The Council should build on its current approach to engagement by considering ways to: <ul style="list-style-type: none"> • draw on citizens' views to inform the development of the Well-being objectives at an early stage; and • ensure that it is involving the full diversity of the population. • The Council should clearly set out in the corporate plan how it intends to work with partners to support the delivery of its well-being objectives.

Managing Risk

The Council faces a range of risks as would be expected from the broad range of services it delivers and activities it is engaged with. On a day-to-day basis operational risk arises from the challenge of ensuring sufficient capacity and capability to advise on, and to deliver, the key policy objectives of the Council.

The Council has developed a robust approach to the management of risk. The Corporate Risk Management Policy is aligned with Directorate Business Plans and the Council's performance management framework. The Council defines risk as: 'Any potential development or occurrence which, if it came to fruition, would jeopardise the Council's ability to:

- achieve its well-being objectives;
- provide services as planned; or
- fulfil its statutory duties, including the duty to make arrangements to secure continuous improvement.'

Risks are viewed from both a Service and Council-wide perspective which ensures the key risks are distilled in the [Corporate Risk Assessment](#). The Council has seen increasing uncertainty and risk, particularly in relation to the current economic climate and the financial challenges the Council faces. The Risk Assessment sets out how the Council is addressing these risks and the mitigating actions it will put in place to reduce them. It is regularly reviewed and challenged by both senior management and the Governance and Audit Committee. It is not possible to eliminate all risk of failure to meet the targets in the Council's policies, aims and objectives and cannot therefore provide absolute assurance of effectiveness, but one of reasonable assurance.

The Council has in place Risk Management policies and guidance used by all departments. This enables staff to identify risks, prioritise them and implement actions to mitigate them, in a consistent and timely manner. Training was rolled out to all directorate management teams and the roles and responsibilities at each stage of the process outlined. Directorate Business Plans were revised to ensure that processes and actions are aligned with the corporate risk management process.

Changes at a corporate level places risk upon the Council. A new Chief Executive has been appointed and will take up his role in July 2025. There may be an impact on the Council as the new Chief Executive settles in the role over the forthcoming period.

Financial Management

The financial management of the Council is conducted in accordance with all relevant legislation and the Constitution. The Council has in place Financial Procedure Rules, Contract Procedure Rules, a specific Financial Scheme for Schools, and the scheme of delegation of functions also provides the framework for financial control. The Chief Officer – Finance, Housing and Change is responsible for establishing a clear framework for the management of the Council's financial affairs and for ensuring that arrangements are made for their proper administration.

The Council's ability to deliver savings and contain its expenditure within its overall budget is well established. However, the Council faces significant challenges in the future in the face of uncertain funding levels and cost pressures, the ongoing impact of the cost-of-living crisis and the conflict in the Ukraine. The Council estimates that it will need to generate approximately £40 million of savings over the period 2025-26 to 2028-29. The Medium-Term Financial Strategy has taken account of known cost pressures and priority areas in line with the Corporate Plan and undertaken extensive consultation to ensure a robust process. To ensure greater involvement of stakeholders in the development of the Medium Term Financial Strategy a three week consultation 'Time To Talk' was undertaken between 6 January 2025 and 26 January 2025, the emphasis of which was to seek citizen's views on how we should address the budget situation. It was recognised that the budget planning for 2025-26 was still extremely difficult, and the Council is facing even more cost pressures than experienced in previous years. The results were collated and used to further inform final decisions on the Medium Term Financial Strategy. The Medium Term Financial Strategy can be found on the Council's website [here](#). Welsh Government has given no indication of funding levels for future years. Given this uncertainty, the Council has developed detailed budgets for 2025-26 but can only make assumptions for future years based on a range of funding scenarios.

The Council has in place robust arrangements for effective financial control through the Council's accounting procedures, key financial systems and the Financial Procedure Rules. Arrangements in place to demonstrate good financial control include established budget planning procedures and regular budget monitoring reports to Cabinet and Corporate Overview and Scrutiny Committee, as well as detailed information to budget holders. The Council prepares its Annual Accounts as required by the Accounts and Audit (Wales) Regulations and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

Compliance with the CIFPA Financial Management Code of Practice

The Chartered Institute of Public Finance and Accountancy (CIPFA) launched the Financial Management Code of Practice (FM Code) in November 2019. The FM Code was developed in the context of increasing concerns about the financial resilience and sustainability of local authorities.

The FM Code sets out the principles by which authorities should be guided in managing their finances and the specific standards that they should, as a minimum, seek to achieve. It clarifies how Chief Finance Officers should satisfy their statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972 and emphasises the collective financial responsibility of the whole leadership including the relevant elected members.

Whilst the Code is designed to be flexible to the nature, needs and circumstances of individual authorities, it is up to each authority to determine the extent to which it complies with the FM Code and to identify what action it may wish to take to better meet the standards that the FM Code sets out. In its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*) CIPFA stated that the Annual Governance Statement should include the overall conclusion of an assessment of the organisation's compliance with the principles of the FM Code. Also, that where there are outstanding matters or areas for improvement, these should be included in the action plan. The Regional Internal Audit Service undertook a review of the Council's compliance with the FM Code during 2024-25 and provided an audit opinion of Substantial Assurance, and that a number of strengths and areas of good practice were evident.

The Council's assessment of its compliance with the 19 Standards outlined in the FM Code for 2024-25 identified that the Council could demonstrate compliance with all of the Standards, but that further actions could be taken to enhance compliance during 2025-26. These actions are included in the Annual Governance Statement Action Plan for 2025-26 and are to:

- Review and update the Council's Financial procedures and policies as required e.g. Financial Procedure Rules, Financial Scheme for Schools, Fees and Charges Policy, to reflect changing circumstances and processes as a result of the challenging financial climate;
- Provide additional training to full Council and schools, as required, on Budget Management, Capital Strategy and Earmarked Reserves;
- Continue to develop budget reduction proposals for the full life of the MTFS and a high level of monitoring of achievement of existing reductions; and
- Try to improve and widen the reach of the budget consultation process to ensure more meaningful, and specific responses.

Progress against these are included in Section 6 – Improving Governance.

5 Audit Assurance

Audit and Audit Assurances

The Council is audited externally by the Auditor General for Wales, supported by Audit Wales. The objectives of this are to obtain assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; that the accounts have been prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom; and to issue an opinion thereon. They also assess our arrangements for securing economy, efficiency and effectiveness in the use of resources.

In 2024 the External Auditor gave an unqualified audit opinion on the financial statements for 2023-24. Audit Wales also audit a number of grant claims and in the year completed 5 audits of grants and returns. In addition, Audit Wales undertake reviews of various services and also performance reviews throughout the year, the outcome of which are reported to the Governance and Audit Committee.

Internal Audit is a statutory requirement within Local Government. The Council's internal audit is undertaken by the Regional Internal Audit Service, a partnership shared service between Bridgend County Borough Council, Merthyr Tydfil County Borough Council hosted by the Vale of Glamorgan Council.

The Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2024-25 is:

“Reasonable Assurance”

The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. 86% of the agreed plan has been achieved indicating good internal audit coverage across all service areas. The weaknesses that have been identified are service specific. Audit opinions have been presented to Governance and Audit Committee throughout the year as summarised below.

Audit Opinion	Number	%
Substantial assurance	10	23
Reasonable assurance	29	68
Limited assurance	4	9
No assurance	0	0
Total	43	100

91% of Internal Audit opinions issued were positive which provided a good level of assurance on the effectiveness of the control environment; there were no 'No Assurance' opinions issued.

All of the 6 audits that were deferred from 2023-24 have been completed. There are 3 planned audits ongoing at the end of 2024-25 and a further 4 have been deferred to the 2025-26 audit plan. All recommendations made to improve governance, risk management and control during 2024-25 have been accepted by operational management and are at various stages of implementation. Progress on implementation of agreed Internal Audit recommendations and the progress of completion of the Internal Audit Plan was reported quarterly to Governance and Audit Committee.

The Governance and Audit Committee also receives a regulatory tracker twice-yearly. This was introduced to cover all regulators and all completed inspections and their recommendations for the Council. The tracker focuses on amber and red rated recommendations, being adequate and unsatisfactory rated recommendations, whilst the Subject and Overview Scrutiny Committees receive the report to include all recommendations irrespective of rating.

6 Improving Governance

A number of significant issues were identified in the Council's 2023-24 Annual Governance Statement. The progress made on the significant issues is shown below:

6.1 Progress on issues raised in 2023-24 that were addressed in 2024-25

Issue	Governance Principle	What the issue was	Outcome of actions taken
Medium to long term financial management	F	The impact of budget reductions is no longer sustainable through top-slicing of budgets, and the focus will need to turn to reductions in service delivery and the potential for the Council to cease providing some services.	<p>The budget setting process was completed at the Council meeting on 26 February 2025. Meetings were held with political groups in December enabling them to comment on the proposals as they were at that time which enabled members to be better informed of the Council's budgets.</p> <p>Two focused meetings were held with Budget Research Evaluation Panel in December looking at Education / Schools and Social Care and Wellbeing. Members gained a better understanding of these areas to help support their roles in the budget setting process.</p>
Recruitment	E	Difficulties remain in certain areas for recruitment of staff.	<p>There has been continued improvement with the recruitment of Childrens Social Workers as result of efforts by the service. The service will need to develop longer term proposals over the next 12 months. Some of the principles need to be considered by other areas that are experiencing difficulty in recruiting. This includes alternatives such growing their own via apprentices or graduates.</p>
Decarbonisation (carried forward from 2023-24)	D	Whilst the Council has in place a Decarbonisation 2030 strategy, it has not fully identified the resources needed to implement the strategy nor how partners may help to deliver the strategy ambitions.	<p>The Carbon Trust have been commissioned to review our progress towards the 2030 zero carbon objective, governance arrangements linked to this task and to provide a high level cost for the objective. The first draft of their report was presented to Subject Overview and Scrutiny Committee 3 on the 7th April 2025. Officers will now review the report and scrutiny feedback and in due course present a report to Cabinet with changes to the action plan and governance on the 2030 journey. Of note the broad cost of £59.2 million pounds to implement proposed initiatives has</p>

Issue	Governance Principle	What the issue was	Outcome of actions taken
			highlighted the scale of the task and high level of Welsh government financial support that will be needed.
Use of performance information (service user perspective)	C	The Council's needs to ensure that performance information enables senior leaders to understand the service user perspective and to plan services accordingly.	We are participating in the new Welsh Council's Performance Information Community of Practice aimed at enhancing the quality of performance information (particularly focused on responding to the Audit Wales criticisms across Wales) and providing opportunities to review performance management arrangements, share best practice, and collaborate on data development. The National Resident Survey (WLGA/Data Cymru) ran in the Autumn and findings will now be analysed.
Improved Financial Management	G	The Council's assessment of its compliance with the 19 Standards outlined in the FM Code for 2023-24 identified that the Council could demonstrate compliance with all of the Standards, but that further actions could be taken to enhance compliance during 2024-25	<p>The revised Finance Procedure Rules were agreed by Cabinet and noted by Council in January 2025.</p> <p>The budget continues to be closely monitored and reported to Cabinet on a quarterly basis. More briefings for members have also been provided</p> <p>A series of social media posts were put out in the Autumn to raise awareness of the Council's budget position and explain how the money is spent in year. This preceded the full budget consultation which was completed in January 2025</p>
Digital Strategy	D	An Audit Wales review found weaknesses in the Council's strategic approach to managing and delivering its digital strategy. The Council's digital strategy 2020-24 is not expressed as a set of timebound measurable objectives and milestones. In the absence of clear objectives and measure of success, the Council cannot easily understand whether it is achieving its intended outcomes and value for money. The review also found that the Council has not consulted with all stakeholders, nor has costed the delivery of its digital strategy or savings achievable.	<p>The draft Digital Strategy is now complete and has taken account of the issues raised by Audit Wales together with the key priorities for the Council going forward.</p> <p>A consultation process on the document will start in May 2025</p>

6.2 Issues raised in 2024-25 that will be addressed in 2025-26

Based on a review of the governance framework, and an assessment of compliance with the CIPFA Financial Management Code, the following significant issues identified in 2024-25 will be addressed in 2025-26 with the links to the [Governance Principles](#) on page 5:

Issue	Governance Principle	What the issue was	Proposed actions to address issue
Value for Money	G	Update the Socially Responsible Procurement Strategy	<p>The Council has a Socially Responsible Procurement Strategy for 2021-2024, aimed at supporting the foundational economy, supporting implementation of the Council's 2030 Decarbonisation Strategy and the circular economy, maximising the delivery of social value and community benefits, and delivering value for money whilst considering the whole life cost, amongst others.</p> <p>The Strategy is being updated following the implementation of the Procurement Act 2023 to demonstrate how the Council will continue to secure value for money and manage demand. This will be finalised by the Autumn 2025. The strategy will be accompanied by a Development Plan with key milestones. This will be reviewed annually by CMB/ CCMB.</p>
Waste	E	Transfer of Waste Service back to Council	<p>The Waste Service arrangements will transfer back into the Council in July 2027. This project will be resource intensive and a number of officers will be involved from across the Council. An Internal Governance Board and a Waste Transition Board have been established to ensure the project is delivered on time and within the budget envelope.</p>
Financial Management and Sustainability	E	Provide additional training to full Council and Governance and Audit Committee Members as required on Budget Management, Capital Strategy, Treasury Management and Earmarked Reserves.	<p>A wide range of financial training has previously been provided to members, but to ensure members, including new members, maintain and develop their understanding of key financial issues, it is important to provide training on a regular basis.</p> <p>Member briefings will be provided on subjects such as the medium term financial strategy, budget monitoring, treasury management</p>

Issue	Governance Principle	What the issue was	Proposed actions to address issue
			<p>and earmarked reserves as needed.</p> <p>The Local Management of Schools Officer provides a dedicated Finance training session to new School Governors. There is also a planned Professional Development training session scheduled for Summer 2025 covering 'Managing a Deficit Budget' which will be available for Head teachers, Governors and School Finance Officer.</p>
Monitoring Financial Performance	E	A full review of Budget Research and Evaluation Panel (BREP), including its terms of reference, is undertaken at the start of the financial year.	<p>The Regional Internal Audit Service (RIAS) undertook an audit of 'Budget Savings 2023/24' and published its final report in April 2024. The RIAS provided an audit opinion of Substantial Assurance. One of the low level recommendations, which were agreed by the Chief Officer – Finance, Housing and Change, and will be implemented going forward:</p> <p>In line with the recommendations accepted by Cabinet, a full review of BREP, including its terms of reference, is undertaken at the start of the financial year.</p> <p>In addition, the structure of the Scrutiny committees has been amended this year. This will result in COSC taking the lead on the budget scrutiny process.</p>
School finances	F	There is an increase in the financial fragility of schools in the Borough and schools having to use their balances to fund activity with an increased risk of schools going into deficit.	<p>School governors are responsible for monitoring and reporting school finance positions. Work is being done with schools to understand the impact of any budget reductions on individual schools. A Schools Deficit Management Group, consisting of headteachers and officers, has been reviewing the position and will be providing updates and recommendations for next steps to informal Cabinet. The finance team are also working closely with schools on deficit recovery plans to bring the deficits back into balance in line with the criteria set out in the Financial Scheme for Schools.</p>
Recruitment	E	Difficulties remain in certain areas for recruitment of staff.	Targeted recruitment continues in certain key areas, with bespoke

Issue	Governance Principle	What the issue was	Proposed actions to address issue
			recruitment packages being developed as appropriate. We continue to work regionally and nationally to develop solutions that will not destabilise the job market

These issues will be monitored via a detailed action plan during 2025-26, with the responsible officer and deadline for implementation identified for each action and reported to Cabinet/Corporate Management Board and to the Governance and Audit Committee.

7 Assurance Statement

Governance arrangements have effectively supported the Council through the reporting period. Decisions are subject to effective external and internal scrutiny and where weaknesses are found, action plans are put in place and monitored. Based on this, subject to the above issues being resolved, we can provide an overall reasonable assurance that Bridgend County Borough Council's governance arrangements remain fit for purpose.

Steps to address the matters referred to above will be taken to further enhance our governance arrangements.



Date: 20 October 2025

Leader



Date: 20 October 2025

Chief Executive

Glossary Of Terms

Accrual

An accrual is a sum shown in the accounts representing income or expenditure for the accounting period but which was not actually received or paid as at the date of the balance sheet.

Actuary

An actuary is a person who works out insurance and pension premiums, taking into account factors such as life expectancy.

Amortisation

Reduction in value of capital expenditure which has not created an asset, through charges to revenue.

Audit

An audit is an independent examination of the Council's accounts.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the date of the end of the financial year, 31 March.

Budget

A budget (or estimate) is a plan of income and spending, based upon which council tax is set. Actual expenditure and income is subsequently monitored against this plan.

Capital expenditure

Capital expenditure is spending on fixed assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment and vehicles.

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.

Capital receipt

Capital receipts are proceeds from the sale of fixed assets such as land or buildings.

Cash flow Statement

This is a statement that summarises the movements in cash during the year.

Comprehensive Income and Expenditure Statement

This account records day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Contingent liabilities

A Contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence of uncertain future events.

Corporate and Democratic Core (CDC)

CDC is a service defined by the Best Value Accounting Code of Practice representing costs relating to Member activity (Democratic Representation and Management) and costs that provide the infrastructure to ensure that services can be provided (Corporate Management).

Creditor

A creditor is an organisation / someone owed money by the Council at the end of the financial year for goods / services received during the financial year or previous years.

Current assets

These are short-term assets that are available for the Council to use in the following accounting year.

Current liabilities

These are short-term liabilities that are due for payment by the Council in the following accounting year.

Debtor

A debtor is an organisation / someone who owed the Council money at the end of the financial year for goods / services received during the financial year or previous years.

Delegated schools balances

Under the Local Management of Schools provisions, any balances accrued at year end are delegated to individual schools. These funds are held outside of the Council's Council Fund balances.

Depreciation

Depreciation is the estimated loss in value of fixed assets that are presented in the Balance Sheet.

Earmarked reserves

These are reserves set aside for a specific purpose.

Escrow account

Escrow is a legal arrangement whereby money is delivered to a third party (called an escrow agent) to be held in trust pending a contingency or the fulfillment of a condition or conditions in a contract.

Expenditure and Funding Statement

This statement brings together local authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the Council Fund.

Financial Year

This is the accounting period. For local authorities it starts on 1 April and finishes on 31 March of the following year.

Finance leases

Finance leases are used to finance purchases where the Council takes on most of the risks associated with owning the asset.

Government grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in form of cash or transfers of assets to a Council in return for past or future compliance with certain conditions relating to the activities of the Council.

International Financial Reporting Standard (IFRS)

Financial regulations to be followed as set by the Accounting Standards Board (ASB).

International Financial Reporting Standards Interpretations Committee (IFRICs)

The interpretative body of the International Accounting Standards Board (IASB) designed to help the IASB improve financial reporting through timely identification, discussion and resolution of financial reporting issues within the framework of IFRS.

Inventories

Inventories are raw materials purchased for day to day use. The value of these items that have not been used at the end of the financial year are shown as current assets in the balance sheet.

Leasing

This is a method of financing capital expenditure by paying the owner to use property or equipment for a number of years.

Liability

A liability is an amount payable at some time in the future.

Minimum Revenue Provision (MRP)

This is an amount that has been set aside to repay loans. This should be a prudent amount.

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on different reserves held by the Council.

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge to occupiers of business premises. The money collected is paid to the Welsh Government and redistributed to individual authorities in proportion to their adult population.

Net Realisable Value

The selling price of an asset, reduced by the relevant (direct) cost of selling it.

Non Distributable Costs (NDC)

NDC is a category of costs defined by the Best Value Accounting Code of Practice and cannot be allocated to specific services. It represents:

- costs of unused I.T. facilities,
- costs of long term unused, unrealisable assets,
- certain pension fund costs

Open Market Value in Existing Use (OMVEU)

OMVEU is a basis for valuation of fixed assets.

Operating assets

These are assets used in the running / provision of services.

Operating leases

These are leases where risks of ownership of the asset remain with the owner.

Post balance sheet events

Post balance sheet items are those that arise after the Balance Sheet date. These are items that did not exist at the time the Balance Sheet was prepared but should be disclosed if they are relevant to the fair presentation of the accounts.

Precepts

This is the amount paid to a non-billing Council (for example a community council) so that it can cover its expenses (after allowing for its income).

Prior year adjustment

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors.

Provision

A provision is an amount we set aside in our accounts for expected liabilities which we cannot measure accurately.

Private Finance Initiative (PFI) – a central government initiative which aims to increase the levels of funding available for public services by attracting private sources of finance. The PFI is supported by a number of incentives to encourage authorities' participation.

Public Works Loan Board (PWLB)

This is a loan facility provided by the Government Debt Management Office (DMO), which provides longer term loans to local authorities.

Related party transactions

These are the transfer of assets or liabilities or the performance of services by, to or for a related party no matter whether a charge is made.

Revaluation Reserve

This represents the non-distributable increase/decrease in the valuation of fixed assets.

Revenue account

This is an account which records our day to day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Service Reporting Code of Practice (SeRCOP)

The Service Reporting Code of Practice provides a consistent framework for reporting local authority data. SeRCOP is reviewed annually by the appropriate regulating body to ensure that it develops in line with the needs of modern local government, Transparency, Best Value and public services reform.

Temporary borrowing or investment

This is money borrowed or invested for an initial period of less than one year.

Trust fund

Trust funds hold money on behalf of an individual or organisation. Trustees administer the funds for the owners.

Work in progress (WIP)

Work in progress is the value of work undertaken on an unfinished project at the end of the financial year, which has not yet been charged to the revenue account.

Picture back cover: Bryngarw Country Park

