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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



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*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: Gwasanaethau Democrataidd

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

**Dyddiad/Date:** Dydd Iau, 23 Hydref 2025

Annwyl Cyngorydd,

**PWYLLGOR LLYWODRAETHU AC ARCHWILIO**

Cynhelir Cyfarfod Pwyllgor Llywodraethu ac Archwilio Hybrid yn Siambr y Cyngor - Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr, CF31 4WB / O Bell Trwy Timau Microsoft ar **Dydd Iau, 30 Hydref 2025 am 10:00.**

**AGENDA**

1 Ymddiheuriadau am absenoldeb

Derbyn ymddiheuriadau am absenoldeb gan Aelodau.

2 Datganiadau o fuddiant

Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.

3 Cymeradwyaeth Cofnodion

3 - 26

I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 17/07/25 and 18/09/25.

4 Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio

27 - 30

5 Adroddiadau Pwyllgor Llywodraethu ac Archwilio Cymru

31 - 46

6 Datganiad Cyfrifon Archwiliedig 2024-25

47 - 206

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Cyfnwidiad testun: Rhowch 18001 o flaen unrhyw un o'n rhifau ffon ar gyfer y gwasanaeth trosglwyddo testun

Test relay: Put 18001 before any of our phone numbers for the text relay service

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# 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



7	<u>Llythyr Archwilio Blynnyddol Ffurflen Harbwr Porthcawl 2024-25</u>	207 - 210
8	<u>Cynnydd yn erbyn Cynllun Archwilio Mewnol yn Seiliedig ar Risg 2025-26</u>	211 - 220
9	<u>Monitro Argymhellion Archwilio Mewnol</u>	221 - 228
10	<u>Adroddiad Blynnyddol y Pwyllgor Llywodraethu ac Archwilio 2024/25 – DRAFFT</u>	229 - 248
11	<u>Diweddariad Traciwr Rheoleiddio</u>	249 - 264
12	<u>Asesiad Perfformiad Panel</u>	265 - 308
13	<u>Blaenraglen Waith wedi'i Diweddarau</u>	309 - 314
14	<u>Materion Brys</u>	

I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â Rhan 4 (pharagraff 4) o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad.

Nodyn: Bydd hwn yn gyfarfod Hybrid a bydd Aelodau a Swyddogion mynychu trwy Siambr y Cyngor, Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr / o bell Trwy Timau Microsoft. Bydd y cyfarfod cael ei recordio i'w drosglwyddo drwy wefan y Cyngor. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â [cabinet\\_committee@bridgend.gov.uk](mailto:cabinet_committee@bridgend.gov.uk) neu ffoniwch 01656 643148 / 643694 / 643513 / 643159.

Yn ddiffuant

**K Watson**

Prif Swyddog, Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol

**Dosbarthiad:**

Cynghorwr:

O Clatworthy  
C Davies  
S Easterbrook  
RM Granville  
S J Griffiths  
M L Hughes  
RL Penhale-Thomas  
MJ Williams

Aelodau Lleyg:

D Austin  
A Bagley  
G Chapman  
B Olorunnisola

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PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 17 GORFFENNAF 2025

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A GYNHALIWDY DRWY DDULL HYBRID YN SIAMBR Y CYNGOR – SWYDDFEYDD DINESIG, STRYD YR ANGEL, PEN-Y-BONT AR OGWR, CF31 4WB DDYDD IAU, 17 GORFFENNAF 2025 AM 10:00

Yn bresennol

G Chapman – Cadeirydd (Aelod Lleyg – Yn Bresennol yn Rhithiol)

C Davies  
RL Penhale-Thomas

O Clatworthy

M L Hughes

RM Granville

Yn bresennol yn rhithiol

MJ Williams

S J Griffiths

S Easterbrook

Aelodau Lleyg – Yn Bresennol

B Olorunnisola

Aelodau Lleyg – Yn Bresennol yn Rhithiol

D Austin

A Bagley

Ymddiheuriadau am Absenoldeb

Dim

Datgan Buddiant

Dim

**PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 17 GORFFENNAF 2025**

Swyddogion:

Carys Lord	Prif Swyddog - Cyllid, Tai a Newid
Lindsay Harvey	Cyfarwyddwr Corfforaethol - Addysg, Y Blynyddoedd Cynnar a Phobl Ifanc
Andrew Wathan	Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol
Joan Davies	Dirprwy Bennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol
Martin Morgans	Pennaeth Gweithrediadau Dros Dro - Gwasanaethau Cymunedol
Sara-Jane Byrne	Archwilio Cymru
Dafydd Williams	Archwilio Cymru
Rachel Harries	Archwilio Cymru
Deborah Exton	Dirprwy Bennaeth Cyllid
Nigel Smith	Rheolwr Grŵp - Prif Gyfrifydd
Rachel Keepins	Rheolwr Gwasanaethau Democrataidd
Simon Roberts	Uwch Ymchwilydd Twyll
Alex Rawlin	Rheolwr Polisi a Pherfformiad Corfforaethol
Kate Pask	Rheolwr Perfformiad Corfforaethol
Stephen Griffiths	Swyddog Craffu Dros Dro
Oscar Roberts	Prentis Gweinyddu Busnes – Gwasanaethau Democrataidd

**232. Cymeradwyo'r Cofnodion**

Penderfynwyd	<u>PENDERFYNWYD:</u>
	Cymeradwyo bod Cofnodion cyfarfod 19 Mehefin 2025 yn gywir.
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

Page 7 233. Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio

Penderfynwyd	<p>Diben yr adroddiad hwn oedd rhoi'r wybodaeth ddiweddaraf i'r Aelodau am Gofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio.</p> <p><u>PENDERFYNWYD:</u></p> <p>Nododd y Pwyllgor y Cofnod Gweithredu.</p>
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

234. Adroddiadau Archwilio Cymru i'r Pwyllgor Llywodraethu ac Archwilio

Penderfynwyd	<p>Diben yr adroddiad oedd cyflwyno un adroddiad gan Archwilio Cymru i'r Pwyllgor: '<i>Trefniadau ar gyfer Comisiynu Gwasanaethau – Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr</i>' (Atodiad A).</p> <p>Diben adroddiad Archwilio Cymru oedd rhoi sicrwydd bod gan gynghorau drefniadau priodol ar gyfer comisiynu gwasanaethau er mwyn sicrhau gwerth am arian wrth ddefnyddio adnoddau, rhoi sicrwydd bod cynghorau'n gweithredu yn unol â'r egwyddor datblygu cynaliadwy wrth gomisiynu gwasanaethau, ac egluro sut mae cynghorau'n mynd ati i gomisiynu gwasanaethau, ac ysbrydoli a grymuso cynghorau a chyrff eraill y sector cyhoeddus drwy nodi a rhannu enghreifftiau o arfer/dulliau nodedig lle bo'n berthnasol.</p> <p>Roedd Ffurflen Ymateb Rheolwyr y Cyngor ynghlwm yn Atodiad B.</p> <p>Ar y cyfan, canfu Archwilio Cymru nad oes gan y Cyngor drefniadau i'w sicrhau ei hun ei fod yn cyflawni gwerth am arian wrth gomisiynu gwasanaethau.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau sawl mater, gan gynnwys y canlynol:</p>
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	<ul style="list-style-type: none"> <li>• Nododd y Cadeirydd ei fod eisoes wedi ystyried adroddiad tebyg mewn Cyngor arall a bod y casgliadau yn yr adroddiad hwn yn debyg. Ceir arfer da mewn rhai meysydd, ac agweddau i'w gwella mewn meysydd eraill. O ran ymateb y rheolwyr, roedd y Cadeirydd o'r farn ei fod yn trafod cryn dipyn o'r materion yn gysylltiedig â chysondeb, sydd yn greiddiol i'r adroddiad.</li> <li>• A oedd dull y Cyngor o gomisiynu yn arwydd bod y cyfarwyddiaethau'n gweithredu mewn seilo, ac a fyddai'r camau unioni eu hunain yn y fantol oherwydd cyfyngiadau ariannol o fewn y gyllideb ganolog. Mewn ymateb i hyn, nododd y Prif Swyddog - Cyllid, Tai a Newid, nad oedd gan y Cyngor swyddogaeth gomisiynu ganolog, er bod ganddo uned gaffael ganolog a oedd yn ymestyn ar draws cyfarwyddiaethau, Fodd bynnag, nododd nad oedd Archwilio Cymru wedi edrych ar elfennau eraill o'r gwasanaeth, fel gofal cymdeithasol, lle ceir arfer da yn gysylltiedig â chomisiynu. Roedd angen dwyn ynghyd y swyddogion hynny sy'n gweithio ym maes comisiynu i baratoi canllawiau a rhannu'r arfer da sy'n digwydd, a sicrhau bod hyn wedyn yn digwydd ar draws pob tîm.</li> <li>• A oedd goblygiadau cyllidebol wrth geisio gwneud rhywbeth yn fwy canolog. Mewn ymateb i hyn, nododd y Prif Swyddog - Cyllid, Tai a Newid nad oedd hi'n credu hynny ond pe bai'r safbwynt hwnnw'n newid wrth barhau i weithredu newid, gellid bod angen edrych eto ar yr adnoddau sydd eu hangen.</li> <li>• Gofynnodd Aelod sut y gallem barhau i ofyn i drigolion dalu mwy o dreth gyngor pan na allai'r Cyngor warantu bod eu harian yn cael ei wario'n ddoeth nac yn strategol. Ychwanegodd fod Archwilio Cymru wedi nodi nad oedd fawr ddim tystiolaeth o gynllunio hirdymor. Mewn ymateb i hyn, nododd cynrychiolydd o Archwilio Cymru, er bod y term gwerth am arian yn cael ei ddefnyddio'n eithaf aml yn yr adroddiad, nad oedd Archwilio Cymru yn dod i'r casgliad nad yw gwasanaethau Comisiynu'r Cyngor yn cynnig gwerth am arian. Yn hytrach, canfuwyd nad oes gan y Cyngor y trefniadau ar waith i'w sicrhau ei hun bod cysondeb ar draws y sefydliad o ran ei drefniadau i sicrhau gwerth am arian wrth gomisiynu gwasanaethau.</li> <li>• Ailadroddodd y Cadeirydd mai craidd y mater dan sylw oedd yr angen i sicrhau cysondeb. Ychwanegodd fod cyllidebu llywodraeth leol yng Nghymru yn gweithredu ar gylch blyneddol ac, mewn gwirionedd, mai ychydig iawn o arian sydd gan awdurdodau lleol, ar wahân i'r hyn sydd ei angen i fodloni gofynion statudol o dan addysg a gofal cymdeithasol.</li> <li>• Nododd Aelod fod angen bod yn ofalus wrth ddefnyddio terminoleg gan fod un dehongliad o'r adroddiad yn awgrymu nad oedd unrhyw drefniadau comisiynu o fewn y Cyngor, er ei bod hi'n glir nad oedd hynny'n wir. Ychwanegodd fod arolygiadau gan Archwilio Cymru yn cael eu croesawu wrth gwrs er mwyn cynorthwyo'r awdurdod i wella'r modd y mae'n comisiynu gwasanaethau a phopeth arall y mae'n ei wneud. Fodd bynnag, mae'r Cyngor hwn wedi bodoli ers bron i ddeng mlynedd ar hugain ac, er ei fod yn gwerthfawrogi natur fanwl iawn yr arolygiad hwn, dim ond nawr yn 2025 yr oeddem yn cael trafodaeth ynghylch trefniadau'r Cyngor i'w sicrhau ei hun ei fod yn cyflawni gwerth am arian. Yn ogystal â hyn, gofynnodd yr Aelod a oedd Archwilio Cymru yn fodlon ag ymateb y rheolwyr i'r adroddiad a chadarnhawyd eu bod yn fodlon.</li> <li>• Tynnodd Aelod sylw at benderfyniadau diweddar i ddychwelyd gwasanaethau gwastraff a thorri gwair yn fewnol, a gofynnodd a oedd y rhain yn cynrychioli gwerth am arian. Ac ystyried y trafodaethau a gynhaliwyd yn</li> </ul>
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	<p>SOSC 3 ar 30 Medi 2024 ynghylch gwasanaethau gwastraff, nododd ei bod hi'n glir nad oedd digon o wybodaeth i gyfiawnhau penderfyniad o'r fath. Ychwanegodd ei fod o'r farn fod ymateb y rheolwyr yn 'wael iawn', a mynegodd syndod fod Archwilio Cymru yn fodlon â'r ymateb hwnnw.</p> <ul style="list-style-type: none"><li>• Nododd y Cadeirydd y byddai'r Aelodau'n cael hyd i gasgliadau ac ymatebion tebyg yn yr adroddiadau am awdurdodau lleol eraill. Yr hyn a oedd yn allweddol oedd rhoi rhywbeth ar waith a fyddai'n rhoi sicrwydd i ddinasyddion Pen-y-bont ar Ogwr fod system gadarn ar waith i oruchwyllo'r broses gomisiynu. Mewn ymateb i hyn, awgrymodd y Prif Swyddog - Cyllid, Tai a Newid y gallai hyn fod yn rhywbeth y gallai'r gwasanaeth archwilio mewnol ei gynnwys yn ei gynllun archwilio blynyddol, o bosib ar gyfer 2026/27. Cynigiodd y Cadeirydd fod hwn yn bwnc i'w ystyried gan bwyllgor Craffu.</li><li>• Roedd Aelod o'r farn ei bod hi'n bwysig i'r Pwyllgor beidio gorymateb i'r adroddiad. Hyd y gwelai, roedd Archwilio Cymru yn dweud wrth y Cyngor fod angen iddo sicrhau mwy o gysondeb a gwell trefniadau llywodraethu ar frig y sefydliad, er mwyn sicrhau bod cysondeb ac arfer gorau i'w gael ym mhob rhan ohono. Roedd yn cefnogi'r cais, ar y cyd ag Aelodau eraill, i gyfeirio'r mater i sylw Pwyllgor Craffu er mwyn edrych ar y cynlluniau wrth iddynt aeddfedu a gwneud yn siŵr eu bod yn gwbl addas i'r diben. Roedd o'r farn mai dyna oedd rôl y Pwyllgor Llywodraethu ac Archwilio: nodi problemau a chynnig atebion.</li><li>• Nododd Aelod Lleyg fod angen rhoi ystyriaeth lawn a sicrhau ymagwedd gyson at Oblygiadau Deddf Llesiant Cenedlaethau'r Dyfodol wrth lunio'r holl adroddiadau ar yr agenda. Roedd angen cynnal asesiad effaith llawn ar frys a oedd yn archwilio'r berthynas rhwng gwahanol faterion a'r effaith gyffredinol ar bolisïau a'u gweithrediad.</li><li>• Yn dilyn y cyfraniad blaenorol, ac ar sail yr adroddiad, yr ymateb gan y rheolwyr, a chyfraniadau'r Aelodau at y drafodaeth amdanynt, holodd un o'r Aelodau a oedd cyfle i oedi a chynllunio i gynnig ymateb ychydig yn ehangach na'r un gwreiddiol, gan roi ystyriaeth i Oblygiadau Deddf Llesiant Cenedlaethau'r Dyfodol, ac edrych ar gomisiynu a chaffael mewn modd mwy cyfannol, strategol a chynaliadwy.</li></ul> <p><u>PENDERFYNWYD:</u></p> <p>Bod y Pwyllgor yn nodi Adroddiad Archwilio Cymru i'r Pwyllgor Llywodraethu ac Archwilio, ynghyd â Ffurflen Ymateb Rheolwyr y Cyngor i'r adroddiad yn Atodiad B.</p> <p>Gofynnodd y Pwyllgor am gael cyfeirio comisiynu (gan gynnwys adroddiad Archwilio Cymru a'r ymateb gan y rheolwyr) i sylw'r Pwyllgor Craffu er ystyriaeth.</p> <p>Gofynnodd y Pwyllgor i'r Tîm Gwasanaethau Democrataidd gymryd camau i sicrhau bod awduron yn cryfhau'r adrannau o bob adroddiad sy'n crynhoi'r asesiadau effaith mewn perthynas â Chydraddoldeb, Llesiant Cenedlaethau'r Dyfodol, Y Newid Hinsawdd a Natur, Diogelu a Rhianta Corfforaethol, a Goblygiadau Ariannol.</p>
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Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

235. Monitro Argymhellion Archwilio Mewnol

Penderfynwyd	<p>Diben yr adroddiad hwn oedd rhoi datganiad safbwynt i aelodau'r Pwyllgor ar argymhellion archwilio mewnol a wnaed, a weithredwyd ac a oedd yn weddill ar 30 Mehefin 2025 ac ystyried yr wybodaeth a ddarparwyd mewn perthynas â statws yr argymhellion blaenoriaeth uchel a chanolig a wnaed gan y Gwasanaeth Archwilio Mewnol Rhanbarthol.</p> <ul style="list-style-type: none"><li>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion yn gysylltiedig â Gorfodi (a Strategaeth) Parcio, Milltiroedd o'r Cartref i'r Gwaith yng Ngherbydau'r Cyngor (gan gynnwys atebolrwydd treth), Harbwr Porthcawl (gan gynnwys cyfansoddiad a gweithrediadau'r Bwrdd, yr angen am gynrychiolaeth wleidyddol, i oruchwyllo'r cyfeiriad strategol, ac argaeledd y cofnodion), a'r materion a nodwyd mewn dwy ysgol, Ysgol Gynradd Pen-y-bont ac Ysgol Maesteg. Mewn ymateb i hyn, ymrwymodd y Cyfarwyddwr Corfforaethol - Addysg, Blynnyddoedd Cynnar a Phobl Ifanc a'r Pennaeth Gweithrediadau Dros Dro - Gwasanaethau Cymunedol i ddarparu'r wybodaeth y gofynnwyd amdani gan yr Aelodau i'r Pwyllgor.</li><li>Nododd y Cadeirydd ei fod wedi disgwyl y byddai adroddiadau ysgrifenedig yn cael eu cyflwyno i'r Pwyllgor ar y materion a nodwyd yn y cyfarfod blaenorol mewn perthynas ag agweddau a oedd yn destun pryder, yn hytrach na dim ond diweddariadau yng nghyd-destun adroddiad monitro argymhellion archwilio mewnol.</li></ul> <p><u>PENDERFYNWYD:</u></p> <p>Nododd aelodau'r Pwyllgor Llywodraethu ac Archwilio gynnwys yr adroddiad ac ystyried yr wybodaeth a ddarparwyd yn gysylltiedig â statws yr argymhellion blaenoriaeth canolig ac uchel a wnaed gan y Gwasanaeth Archwilio Mewnol Rhanbarthol.</p>
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**PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 17 GORFFENNAF 2025**

	<p>Gofynnodd y Pwyllgor i'r Cyfarwyddwyr cyfrifol gyflwyno adroddiadau ysgrifenedig ffurfiol, a fyddai'n cynnwys y rhesymau dros oedi cyn gweithredu argymhellion, lle bo'n briodol i gyfarfod nesaf y Pwyllgor, fel a ganlyn:</p> <ul style="list-style-type: none"><li>• Gorfodi Parcio</li><li>• Milltiroedd o'r Cartref i'r Gwaith yng Ngherbydau'r Cyngor.</li><li>• Harbwr Porthcawl.</li><li>• Y problemau a nodwyd mewn dwy ysgol, Ysgol Gynradd Pen-y-bont ac Ysgol Maesteg.</li></ul>
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

**236. Drafft o Ddatganiad Cyfrifon 2024-25**

Penderfynwyd	<p>Pwrpas yr adroddiad oedd cyflwyno'r Datganiad Cyfrifon anarchwiliedig ar gyfer 2024-25 i'r Pwyllgor Llywodraethu ac Archwilio, sydd ynghlwm yn <b>Atodiad A</b> i'w nodi.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau sawl mater, gan gynnwys y canlynol:</p> <ul style="list-style-type: none"><li>• Diolchodd y Cadeirydd i'r tîm am gyflwyno'r datganiad cyfrifon drafft i'r Archwilydd Cyffredinol erbyn y dyddiad cau, sef 30 Mehefin.</li><li>• Ac ystyried bod y Cyngor yn disgwyl cyfrifon drafft y Fargen Ddinesig, gofynnodd Aelod a oedd unrhyw beth y gellid ei wneud ynghylch hynny, gan mai dyma oedd yr ail flwyddyn i hynny ddigwydd. Mewn ymateb i hyn, nododd y Rheolwr Grŵp – Prif Gyfrifydd eu bod yn parhau i bwysu a gofyn pryd y byddant ar gael, a'u bod wedi'u cynhyrchu mewn pryd i Ben-y-bont ar Ogwr fodloni'r dyddiad cau archwilio y llynedd. Ac ystyried bod eraill wedi codi pryderon ynghylch yr oedi, cynigiodd y Cadeirydd y dylid anfon llythyr at yr Archwilydd Cyffredinol i fynegi pryder yr Aelodau ynghylch hyn.</li><li>• Nododd Aelod fod y dyddiadau cau yn cael eu tynhau o hyd, a gofyn a oedd y dyddiadau hynny'n ymarferol ac yn realistig.</li><li>• Nododd Aelod y cafwyd nifer sylweddol o ddiswyddiadau yn 2024/25 o gymharu â 2023/24, a chost y pecynnau ymadael.</li><li>• Awgrymodd Aelod arall y gallai'r nifer fwy o ddiswyddiadau fod yn gysylltiedig â cholli cyllid o'r Gronfa Ffyniant</li></ul>
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	<p>Gyffredin. Nododd y Cadeirydd mai awdurdodau lleol oedd yn gorfod talu cyllid diswyddo pan fyddai cyllid grant o ffynonellau'r llywodraeth, er enghraifft, yn cael ei ddarparu i ariannu prosiectau a mentrau.</p> <ul style="list-style-type: none"><li>• Nododd y Rheolwr Grŵp - Prif Gyfrifydd y byddai'n ystyried y sylwadau ynghylch diswyddiadau ac yn rhoi trosolwg i'r Aelodau cyn hir.</li><li>• Nododd Aelod, er mai'r gyllideb Cyfalaf a gymeradwywyd yn derfynol ar gyfer y flwyddyn oedd £56.110 miliwn, dim ond cyfanswm o £29.331 o wariant a gafwyd. Ac ystyried y gwahaniaeth rhwng y naill ffigur a'r llall, nododd Aelod y byddai wedi disgwyl mwy o esboniad yn yr adroddiad ynghylch pam bod hyn yn wir. Yn ogystal â hynny, nododd yr Aelod fod y rhan fwyaf o'n cyllid cyfalaf yn dod o grantiau allanol, a bod terfynau amser ar y grantiau hynny fel arfer. Mewn ymateb i hyn, nododd swyddogion ei bod hi bob amser yn anodd barnu faint o fanylion i'w darparu, ond tynnwyd sylw at y ffaith bod dadansoddiad llawn o wariant cyfalaf wedi'i gyflwyno mewn adroddiad (<i>Aldro Rhaglen Gyfalaf 2024-25 a Diweddariad Chwarter 1 2025-26</i>) i'r Cabinet a'r Cyngor ar 22 a 23 Gorffennaf, a chynigiodd gynnwys dolen i'r adroddiad yn fersiwn derfynol Datganiad Cyfrifon 2024-25.</li><li>• Nododd Aelod fod angen i'r Cyngor gael gafael gwirioneddol ar y rhaglen gyfalaf, ac roedd hynny'n golygu llunio rhagolygon priodol. Yn dilyn hyn, nododd cynrychiolydd o Archwilio Cymru eu bod wedi dechrau astudiaeth llywodraeth leol o gynllunio cyfalaf, ac y gallai'r canlyniadau fod o ddiddordeb i'r Aelodau.</li><li>• Tynnodd Aelod Lleyg sylw yn gyntaf at yr adran yn yr adroddiad ar risgiau, canlyniadau, a lliniaru ond nododd nad oedd unrhyw drafodaeth am eu heffaith. Yn ail, nododd fod yr adroddiad yn datgelu nifer y gweithwyr sy'n derbyn cyflog dros £60,000, sydd wedi codi o 183 y llynedd i 242 eleni. Credai y dylid cael rhyw fath o naratif i esbonio pam hynny. Yn drydydd, gofynnodd am y sgôr 'resymol' gyffredinol o ran llywodraethu, risg a rheolaeth a thrywydd y Cyngor. Mewn ymateb i'r trydydd pwynt, nododd Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol fod y farn gyfartalog yn seiliedig ar farnau unigol a gyhoeddwyd ar gyfer tasgau archwilio unigol. Roedd yn gobeithio y byddai'r Aelodau wedi sylwi o'r adroddiad blynyddol fod gwelliant a chynnydd yn nifer yr adroddiadau sylweddol yn 2024-25. Roedd o'r farn fod hynny'n gam i'r cyfeiriad cywir, ond byddai'n cymryd llawer o farnau archwilio sylweddol i beri bod y farn gyffredinol yn newid o resymol i sylweddol.</li><li>• Mewn ymateb i'r holl sylwadau, nododd swyddogion y byddent yn eu hystyried wrth baratoi fersiwn derfynol Datganiad Cyfrifon 2024-25.</li></ul> <p><u>PENDERFYNWYD:</u></p> <p>Nododd y Pwyllgor Llywodraethu ac Archwilio Ddatganiad Cyfrifon anarchwiliedig 2024-25 yn <b>Atodiad A</b>; a,</p> <p>Gofynnwyd am gael drafftio llythyr, i'w lofnodi gan y Cadeirydd, at yr Archwilydd Cyffredinol yn mynegi pryder ynghylch yr oedi unwaith eto yn gysylltiedig â chyfrifon Bargaen Ddinesig Prifddinas-Ranbarth Caerdydd.</p>
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PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 17 GORFFENNAF 2025

Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025
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237. Datganiad Harbwr Porthcawl 2024-25

Penderfynwyd	<p>Diben yr adroddiad oedd cyflwyno Datganiad anarchwiliedig Harbwr Porthcawl ar gyfer 2024-25 i'r Pwyllgor Llywodraethu ac Archwilio.</p> <p>Mewn ymateb i'r adroddiad, nododd y Cadeirydd fod yr awdurdod lleol wedi cyfrannu £148,027 at gostau cynnal Harbwr Porthcawl. Gofynnodd Aelod am gael eglurhau'r naratif ynghylch y costau staff yn gysylltiedig â Rhes 6 y datganiad cyfrifyddu.</p> <p><u>PENDERFYNWYD:</u></p> <p>Cymeradwyodd y Pwyllgor Llywodraethu ac Archwilio Ddatganiad anarchwiliedig Harbwr Porthcawl 2024-25 yn Atodiad A, yn amodol ar ddiwygio'r naratif ynghylch costau staffio yn gysylltiedig â Rhes 6 y Datganiad Cyfrifyddu.</p>
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

238. Datganiad Llywodraethu Blynyddol 2024-25

Penderfynwyd	<p>Diben yr adroddiad oedd cyflwyno Datganiad Llywodraethu Blynyddol 2024-25 (DLIB) i'r Pwyllgor Llywodraethu ac Archwilio i'w gymeradwyo a'i gynnwys yn Natganiad Cyfrifon anarchwiliedig 2024-25.</p> <p><u>PENDERFYNWYD:</u></p>
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**PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 17 GORFFENNAF 2025**

	Cymeradwyodd y Pwyllgor Llywodraethu ac Archwilio ddrafft y Datganiad Llywodraethu Blynyddol yn <b>Atodiad A</b> a chytuno i'w gynnwys yn Natganiad Cyfrifon anarchwiliedig 2024-25.
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

**239. Adroddiad Aildro Rheoli Trysorlys 2024-25**

Penderfynwyd	<u>PENDERFYNWYD:</u>  Ar gais y Cadeirydd, gohiriwyd yr eitem hon tan y cyfarfod nesaf.
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

**240. Adroddiad Blynyddol ar Dwyll Corfforaethol 2024-25**

Penderfynwyd	<u>PENDERFYNWYD:</u>  Ar gais y Cadeirydd, gohiriwyd yr eitem hon tan y cyfarfod nesaf.
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

241. Asesiad Risg Corfforaethol

Penderfynwyd	<u>PENDERFYNWYD:</u>  Ar gais y Cadeirydd, gohiriwyd yr eitem hon tan y cyfarfod nesaf.
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

242. Traciwr Rheoleiddiol

Penderfynwyd	<u>PENDERFYNWYD:</u>  Ar gais y Cadeirydd, gohiriwyd yr eitem hon tan y cyfarfod nesaf.
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

243. Hunanasesiad 2024/25

Penderfynwyd	<p>Diben yr adroddiad hwn oedd ceisio barn y Pwyllgor Llywodraethu ac Archwilio ar yr hunanasesiad drafft ar gyfer 2024/25.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, fel a ganlyn:</p> <ul style="list-style-type: none"><li>Yn rhan o'r amcanion llesiant, a chan fod Cymru bellach am fod yn 'Genedl Marmot', gofynnodd Aelod Lleyg beth</li></ul>
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	<p>oedd y Cyngor yn ei wneud i feddwl am y metrigau a oed yn gysylltiedig â mabwysiadu wyth egwyddor Syr Michael Marmot, sy'n anelu i gael gwared â gwahaniaethau annheg y gellir eu hosgoi o ran iechyd. Gall y gwahaniaethau hyn gael eu hachosi gan y math o swydd y mae pobl yn ei wneud, sut mae cymdeithas yn eu trin a ble maen nhw'n byw.</p> <ul style="list-style-type: none"><li>• Nododd yr un Aelod Lleyg fod y cyfeiriad at y targed ar gyfer nifer y disgyblion ar restrau aros am ddarpariaeth arbenigol Anghenion Dysgu Ychwanegol (ADY) yn amheus, ac ystyried y dylai darpariaeth o'r fath fod yn seiliedig ar Asesiad o Anghenion y Boblogaeth. Hefyd, roedd hi'n werth archwilio gwaith ieuencid yn rhan o'r ymyriadau a'r gwasanaethau a oedd yn cael eu dylunio i gefnogi addysg. Mewn ymateb i hyn, nododd y Rheolwr Polisi a Materion Cyhoeddus y byddai'n ymgynghori â chydweithwyr Addysg cyn cwblhau'r adroddiad i'r Cyngor.</li><li>• Holodd Aelod am yr amserlen ar gyfer ystyried yr adroddiad drafft cyn iddo gael ei gyflwyno i'r Cabinet a'r Cyngor, a thrafododd y camau a oedd y cael eu cymryd yn lleol ac ar raddfa Cymru gyfan o ran cynnwys y defnyddiwr gwasanaeth wrth asesu perfformiad.</li><li>• Trafododd Aelod a swyddogion y sgôr 'Da' (Amcan Llesiant 5.5) mewn perthynas â'r ymrwymiad i wella amddiffynfeydd rhag llifogydd a chynlluniau i leihau llifogydd mewn cartrefi a busnesau, a gwerth a digonolrwydd nodau a Dangosyddion Perfformiad. Ar yr un pwnc, holodd Aelod arall ynghylch cynnwys Systemau Draenio Cynaliadwy (SDCau) fel amod cynllunio ar gyfer datblygiadau mawr a rhai datblygiadau eraill.</li><li>• Gofynnodd Aelod Lleyg am y rheolaeth sydd gennym dros y system i asesu perfformiad ac a oedd matrices safonol er mwyn helpu i gymharu.</li><li>• Nododd Aelod efallai na fydd yr asesiad o'n perfformiad ein hunain o bosib yn apelio at y defnyddiwr gwasanaeth a chwestiynodd y farn 'Da' o ran gwneud y Cyngor yn lle deniadol i weithio. Yn amlwg, os oedd hi'n anodd recriwtio swyddogion cynllunio a pheirianwyr er enghraifft, nid oedd y Cyngor yn lle deniadol i bawb gael gweithio.</li><li>• Dywedodd Aelod Lleyg fod rhai o'r heriau'n gysylltiedig â chynnwys, cydweithredu ac ymgysylltu yn greiddiol i'r gwaith ar Ddeddf Llesiant Cenedlaethau'r Dyfodol, a meddyliodd a allai gweithredu hynny mewn modd strategol fod o gymorth wrth feddwl sut i ymgysylltu â rhanddeiliaid fel rhan greiddiol o'r broses benderfynu. Mewn ymateb i hyn, nododd y Rheolwr Polisi a Materion Cyhoeddus fod nifer o brosiectau perthnasol yn cael eu cynnal yn gysylltiedig â hyn, ac awgrymodd y gellid gwahodd y Rheolwr Grŵp - Cyfathrebu a Materion Cyhoeddus i roi briff i'r Aelodau amdanynt.</li></ul> <p><u>PENDERFYNWYD:</u></p> <p>Ystyriodd y Pwyllgor Llywodraethu ac Archwilio safbwyntiau a sylwadau i'w nodi gan swyddogion ar adroddiad drafft Hunanasesiad 2024/25 yn <b>Atodiad 1</b> a'r wybodaeth ategol am berfformiad yn <b>Atodiad 2</b>.</p>
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

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244. Asesiad Perfformiad Panel (PPA)

Penderfynwyd	<p>Diben yr adroddiad hwn oedd hysbysu'r Pwyllgor Llywodraethu ac Archwilio ei bod hi'n ofynnol i'r Cyngor gomisiynu a threfnu asesiad perfformiad panel cyn yr etholiadau llywodraeth leol nesaf, a goblygiadau'r gofyniad hwn. Mae'n darparu gwybodaeth am lywodraethu a rôl a chyfrifoldebau'r Pwyllgor Llywodraethu ac Archwilio.</p> <p>Mewn ymateb i'r adroddiad, nododd y Cadeirydd nad oedd yn cynnwys paragraff 3.9.</p> <p><u>PENDERFYNWYD:</u></p> <p>Ystyriodd y Pwyllgor Llywodraethu ac Archwilio eu rôl a'u cyfrifoldebau ym mhroses yr Asesiad Perfformiad Panel a oedd wedi'i hamlinellu ym mharagraffau 3.10 a 3.11.</p>
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

245. Blaenraglen Waith 2025-26

Penderfynwyd	<p>Pwrpas yr adroddiad hwn oedd ceisio cymeradwyaeth ar gyfer y Flaenraglen Waith ddiwygiedig ar gyfer 2025-26.</p> <p>Mewn ymateb i'r adroddiad, nododd y Cadeirydd fod pedwar adroddiad yn weddill yr oedd angen eu cyflwyno i gyfarfod nesaf y Pwyllgor.</p> <p>Nododd Aelod fod problemau'n gysylltiedig â goruchwyllo ac adroddiadau cyrff allanol yr ydym yn penodi aelodau ar eu cyfer. Er enghraifft, mae gan Fwrdd Gwarchodwyr Coety Walia, a sefydlwyd drwy Ddeddf Tiroedd Comin Coety Walia 1976, ddau aelod o'r Cyngor ac mae'n goruchwyllo gwaith rheoli, cynnal a chadw a gwella Tir Comin Coety Walia.</p>
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**PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 17 GORFFENNAF 2025**

	<p>Ac ystyried cyfrifoldebau'r pwyllgor mewn ymateb i 'lywodraethu', a'r ffaith bod cydbwyllgorau o'r fath yn cyflawni dyletswyddau ar ran y cynghorau cyfansoddol, cynigiodd y Cadeirydd mai'r hyn yr oedd ei angen oedd i'r Prif Swyddog - Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol, gyflwyno adroddiad maes o law i esbonio lle caiff holl gofnodion y cydbwyllgorau eu hadrodd, ac awgrymu bod hyn yn fater y gallai Archwilio Cymru ei ystyried.</p> <p>Mewn ymateb i hyn, nododd swyddog o Archwilio Cymru fod ymrwymiad i edrych ar 'lywodraethu partneriaeth' yn eu rhaglen waith ac y byddai'n holi ei chydweithwyr ynghylch ystyr hynny, ac yn adrodd yn ôl i'r pwyllgor yn y dyfodol.</p> <p><b><u>PENDERFYNWYD:</u></b></p> <p>Bod y Pwyllgor wedi ystyried a chymeradwyo'r Flaenraglen Waith a oedd wedi'i diweddaru ar gyfer 2025-26, yn amodol ar y diwygiadau canlynol yn gysylltiedig â'r cyfarfod nesaf ar 30 Hydref 2025:</p> <ul style="list-style-type: none"> <li>• Adroddiad gan y Cyfarwyddwr Corfforaethol - Addysg, Blynnyddoedd Cynnar a Phobl Ifanc yn esbonio'r ymdriniaeth â'r materion a nodwyd gan y Gwasanaeth Archwilio Mewnol Rhanbarthol mewn dwy ysgol, Ysgol Gynradd Pen-y-bont a Maesteg.</li> <li>• Tri adroddiad gan y Cyfarwyddwr Corfforaethol – Cymunedau ar Ffilltiroedd o'r Cartref i'r Gwaith yng Ngherbydau'r Cyngor, Gorfodi (a Strategaeth) Parcio, a Harbwr Porthcawl (gan gynnwys cyfansoddiad a gweithrediadau'r Bwrdd).</li> </ul>
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

**246. Eitemau Brys**

Penderfynwyd	Ni chafodd yr eitem agenda hon ei hystyried gan y Pwyllgor.
Dyddiad Gwneud y Penderfyniad	17 Gorffennaf 2025

**PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 17 GORFFENNAF 2025**

I weld y drafodaeth bellach a gynhaliwyd ar yr eitemau uchod, cliciwch y [ddolen hon](#).

Daeth y cyfarfod i ben am 13:15.

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**PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 18 MEDI 2025**

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A GYNHALIUYD YN HYBRID YN SIAMBR Y CYNGOR – Y SWYDDFEYDD DINESIG, STRYD YR ANGEL, PEN-Y-BONT AR OGWR, CF31 4WB DDYDD IAU, 18 MEDI 2025 AM 10.00

Presennol

G Chapman – Cadeirydd (Aelod Lleyg)

M L Hughes

RM Granville

O Clatworthy

Presennol yn Rhithwir

C Davies  
MJ Williams

S Easterbrook  
S J Griffiths

B Olorunnisola  
RL Penhale-Thomas

A Bagley

Presennol yn Rhithwir (Aelodau Lleyg)

A Bagley

B Olorunnisola

Presennol (Arweinydd ac Aelod o'r Cabinet)

J Spanswick

P Davies

Ymddiheuriadau am Absenoldeb

Dim

Datganiadau o Fuddiannau

G Chapman – Eitem 3 – Personol – Arolygwr Lleyg, ESTYN.

**PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 18 MEDI 2025**

S Easterbrook – Eitem 3 – Personol – Aelod Ward, Canol Pen-y-bont ar Ogwr.

Swyddogion:

Carys Lord	Prif Swyddog – Cyllid, Tai a Newid
Lindsay Harvey	Cyfarwyddwr Corfforaethol Addysg, y Blynnyddoedd Cynnar a Phobl Ifanc
Janine Nightingale	Cyfarwyddwr Corfforaethol y Cymunedau
Deborah Exton	Dirprwy Bennaeth Cyllid
Nigel Smith	Rheolwr Grŵp – Prif Gyfrifydd
Simon Roberts	Uwch Ymchwilydd Twyll
Martin Morgans	Pennaeth Gweithrediadau Dros Dro – Gwasanaethau Cymunedol
Andrew Wathan	Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol
Joan Davies	Dirprwy Bennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol
Lucy Herman	Archwilio Cymru
Stephen Griffiths	Swyddog Craffu Dros Dro
Oscar Roberts	Prentis Gweinyddu Busnes – Y Gwasanaethau Democrataidd

**247. Adroddiad Diweddarau yn Ymwneud â Gweithgaredd Archwilio Mewnol yn Ysgol Maesteg ac Ysgol Gynradd Pen-y-bont ar Ogwr**

Y Penderfyniad Wnaed	<p>Diben yr adroddiad oedd rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor ynghylch argymhellion Archwilio Mewnol diweddar yn dilyn ymweliadau ag ysgolion Pen-y-bont ar Ogwr, a'r camau a gymerwyd wedyn gan yr ysgolion hynny, yn ystod blwyddyn ysgol 2024-2025.</p> <p>Mewn ymateb i'r adroddiad, bu'r aelodau'n trafod y canlynol:</p> <ul style="list-style-type: none"><li>• Y cynnydd sydd wedi cael ei wneud, bod hyn yn cynrychioli canlyniad cadarnhaol, a'i fod yn tystio i werth y broses archwilio fewnol: Roedd penaethiaid yr ysgolion yn y ddwy ysgol dan sylw yn croesawu canfyddiadau'r archwiliad ac ail ymweliad archwilio mewnol yn y dyfodol. Dangosai hyn fod y ddwy ysgol wedi gwneud gwaith da iawn y dylid ei gydnabod. Adleisiodd aelodau eraill y sylwadau hyn.</li><li>• O ran Ysgol Maesteg, byddai'n ddefnyddiol cael gweld canllaw y weithdrefn ariannol.</li><li>• Er bod y broses archwilio fewnol wedi gweithio'n dda, roedd cwestiynau'n parhau ynghylch pam nad oedd penaethiaid yr ysgolion hyn yn gwybod beth yr oeddent i fod i'w wneud yn y lle cyntaf. Awgrymai hyn yr angen am hyfforddiant, yn enwedig o ran cyfrifoldebau penaethiaid, rheoli risg a</li></ul>
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	<p>rheolaethau ariannol. Mewn ymateb i hyn, nododd y Cyfarwyddwr Corfforaethol - Addysg, Blynyddoedd Cynnar a Phobl Ifanc fod digwyddiad hyfforddi wedi cael ei gynnal ers yr adroddiad cychwynnol ar gyfer uwch arweinwyr a bod Pennaeth a Dirprwy Bennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol wedi bod yn bresennol.</p> <ul style="list-style-type: none"> <li>• Roedd marc cwestiwn yn parhau ynghylch yr achosion sylfaenol ac a oedd y sicrwydd angenrheidiol wedi cael ei roi nad yw'r problemau hyn yn digwydd mewn ysgolion eraill. Mewn ymateb, tynnodd y Cyfarwyddwr Corfforaethol - Addysg, Blynyddoedd Cynnar a Phobl Ifanc sylw at rôl yr awdurdod lleol wrth sicrhau bod arferion effeithiol, o bob ffynhonnell, yn cael eu lledaenu a'u gweithredu. Mae Tîm Pen-y-bont ar Ogwr yn arbennig o bwysig ar gyfer hyn gan ei fod yn dod â'r holl benaethiaid ynghyd â swyddogion amrywiol, mewnol ac allanol, i rannu arfer gorau ac wedyn sicrhau ei fod wedi cael ei fabwysiadu.</li> <li>• Y rheolaethau ariannol ar ddefnyddio cardiau prynu.</li> <li>• Ble mae'r cyfrifoldeb i sicrhau bod gwiriadau Datgelu a Gwahardd (DBS) yn cael eu cynnal. Dywedodd y Cyfarwyddwr Corfforaethol - Addysg, Blynyddoedd Cynnar a Phobl Ifanc ei fod yn gyfrifoldeb sy'n cael ei rannu rhwng yr ysgolion, sy'n gyfrifol am staffio, a'r awdurdod lleol sy'n cyflogi, ac felly'n sicrhau bod staff yn cael eu cyflogi a'u gwirio'n briodol. Roedd Pen-y-bont ar Ogwr bellach yn cyd-fynd â phob awdurdod lleol arall yng Nghymru o ran cwrdd â'r disgwyliad cyfreithiol ar gyfer gwiriadau DBS.</li> <li>• Pwysigrwydd hyfforddiant diogelu. Nododd y Cyfarwyddwr Corfforaethol - Addysg, Blynyddoedd Cynnar a Phobl Ifanc, o safbwynt yr awdurdod lleol, er na ellir ei orfodi, fod disgwyl i gynifer o bobl â phosibl yn yr ysgolion gael eu hyfforddi, a bod yr hyn a wneir ym Mhen-y-bont ar Ogwr yn eithaf arloesol, gan fod archwiliadau a rennir yn digwydd gydag ysgolion bob blwyddyn o ran gweithdrefnau diogelu.</li> <li>• Pwysigrwydd cael gweithdrefnau clir, wedi eu diweddarw wrth i ganllawiau newydd ddod i law, a diffiniad o ran defnyddio arian preifat mewn ysgolion.</li> <li>• P'un a yw canfyddiadau archwiliad unrhyw ysgol benodol ar gael neu'n hawdd eu cyrchu gan benaethiaid eraill neu'r rhai sy'n gyfrifol am gyllid mewn ysgolion eraill. Nododd y Cyfarwyddwr Corfforaethol - Addysg, Blynyddoedd Cynnar a Phobl Ifanc nad yw ysgolion yn cael eu gwneud yn esiampl ond lle bydd problemau'n codi, eu bod yn cael eu rhannu ag ysgolion. Yn ei brofiad ef, cafodd hyn groeso da gan benaethiaid.</li> <li>• Defnydd a rôl hysbysiadau statudol wrth sicrhau rheolaeth effeithiol mewn ysgolion.</li> </ul> <p><u>PENDERFYNWYD:</u></p> <p>Nododd y Pwyllgor gynnwys yr adroddiad a gofynnodd am i'r system ar gyfer gwiriadau DBS mewn</p>
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**PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 18 MEDI 2025**

	ysgolion gael ei chyfeirio i'w hystyried gan y Pwyllgor Trosolwg a Chraffu ar Addysg a Gwasanaethau Ieuenctid.
Dyddiad Gwneud y Penderfyniad	18/09/25

**248. Datganiad Sefyllfa ar Argymhellion Archwilio Mewnol ar gyfer Gorfodi Parcio, Milltiroedd o'r Cartref i'r Gwaith ar gyfer Cerbydau'r Cyngor a Harbwr Porthcawl.**

Y Penderfyniad Wnaed	<p>Diben yr adroddiad oedd rhoi datganiad sefyllfa i Aelodau'r Pwyllgor Llywodraethu ac Archwilio ar yr argymhellion Archwilio Mewnol a wnaed, y rhai a weithredwyd, a'r rhai sydd heb eu gweithredu mewn perthynas â Gorfodi Parcio, Milltiroedd o'r Cartref i'r Gwaith ar gyfer Cerbydau'r Cyngor a Harbwr Porthcawl.</p> <p>Mewn ymateb i'r adroddiad, cododd yr aelodau y materion canlynol a buont yn eu trafod:</p> <ul style="list-style-type: none"> <li>O ran <b>Gorfodi Parcio</b>, p'un a oedd y capasiti i weithredu'r argymhellion cyn gynted â phosibl. Nododd Cyfarwyddwr Corfforaethol y Cymunedau fod gorfodi parcio yn digwydd yn ôl yr arfer. Roedd yr argymhelliad yn ymwneud â sefydlu strategaeth neu bolisi cyffredinol i amlinellu dyletswyddau, pwerau ac amcanion allweddol y Tîm Gorfodi Parcio, ac roedd hwn i fod i fynd gerbron y Cabinet ym mis Hydref.</li> <li>O ran <b>Milltiroedd o'r Cartref i'r Gwaith</b>: <ul style="list-style-type: none"> <li>Faint o gerbydau oedd y Cyngor yn eu defnyddio ac a oedd dull o olrhain ar waith i fonitro eu defnydd. Nododd Cyfarwyddwr Corfforaethol y Cymunedau fod mwy na thri chant ar draws yr holl gyfarwyddiaethau. Roedd cyfrwng olrhain i'w gael ar beiriannau cynnal a chadw gweithredol, ond y rheswm am hynny oedd optimeiddio llwybrau. Nid oedd yn ymwneud ag olrhain ble roedd pobl yn mynd â hwy, er ei bod yn hysbys ble roedd y cerbydau. Mae popeth yn cael ei fonitro yn y depo cynnal a chadw fflyd ar y cyd yng Nghyfleuster Cynnal a Chadw Cerbydau ar y Cyd Tŷ Thomas, y mae'r Cyngor yn ei rannu â Heddlu De Cymru.</li> <li>A oedd un mis ar ddeg yn gyfnod rhesymol o amser i gynnal adolygiad y fflyd. Dywedodd Cyfarwyddwr Corfforaethol y Cymunedau y gellid ei gyflawni'n gynt ond bod yna ffactorau oedd yn achosi cymhlethdod, gan gynnwys y ffaith fod rheoli gwastraff yn cael ei dynnu i</li> </ul> </li> </ul>
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	<p>mewn, ac a fyddai'r trefniadau cytundebol ar gyfer cynnal a chadw fflyd gyda Heddlu De Cymru yn aros yn eu lle o ystyried nad yw'r depo yn ddigon mawr ar hyn o bryd i gynnal cerbydau gwastraff.</p> <p>O ran <b>Harbwr Porthcawl</b>:</p> <ul style="list-style-type: none"> <li>• Y ddau argymhelliad archwilio mewnol: a) y dylai Bwrdd yr Harbwr dderbyn a chytuno ar y cyfrifon blyneddol yn ffurfiol, a hyn gael ei gofnodi yn y cofnodion; a b) yn unol â Strategaeth Ymgysylltu'r Harbwr, y dylid cyflwyno cynllun busnes i Fwrdd yr Harbwr a'i fonitro'n rheolaidd.</li> <li>• A oedd gan Harbwr Porthcawl y strwythur llywodraethu mwyaf addas ac a ddylai fod mwy o gynrychiolaeth, goruchwyliaeth ac atebolrwydd gwleidyddol. Mewn ymateb, hysbysodd Cyfarwyddwr Corfforaethol y Cymunedau'r Pwyllgor fod y strwythur fel y mae er mwyn gallu gweithredu'n effeithlon. Roedd dwy haen, bwrdd sy'n ofynnol yn ôl statud fel rhan o fod yn awdurdod harbwr ac yna grŵp rhanddeiliaid o'r bobl hynny sy'n chwarae rhan allweddol yn yr harbwr. Yn y ffordd hon, nid oedd yn wahanol i endidau eraill o'r math hwn.</li> <li>• A ddylai'r cynllun busnes gael ei gyfeirio at y Pwyllgor Trosolwg a Chraffu Corfforaethol, yn ogystal â chael ei ystyried gan y Cabinet. Dylid rhoi cyfle i gynrychiolwyr etholedig gael lefel briodol o graffu ar y cynllun busnes.</li> <li>• Yr angen am eglurder ynghylch a) y cynllun dirprwyo yn y maes hwn; b) terfynau gwariant; ac c) gwneud penderfyniadau strategol a gweithredol. Mewn ymateb, nododd y Prif Swyddog - Cyllid, Tai a Newid fod y cynllun dirprwyo yn y maes hwn yn glir, ond y byddai'n sicrhau ei fod yn cael ei anfon at yr Aelodau. Y prif her oedd sut y câi'r Aelodau eu hysbysu am faterion ynghylch yr harbwr, sy'n fater o adrodd o fewn y Cyngor.</li> </ul> <p><b><u>PENDERFYNWYD:</u></b></p> <p>Fe wnaeth y Pwyllgor:</p> <ul style="list-style-type: none"> <li>a) Nodi cynnwys yr adroddiad a ddarparwyd mewn perthynas â'r datganiad sefyllfa ar yr argymhellion archwilio mewnol a wnaed gan y Gwasanaeth Archwilio Mewnol Rhanbarthol, y rhai a weithredwyd, a'r rhai sydd heb eu cwblhau; a</li> <li>b) Cyfeirio mater Harbwr Porthcawl, a'i strwythur llywodraethu yn neilltuo, i'w ystyried gan y Pwyllgor Trosolwg a Chraffu ar y Cymunedau, Amgylchedd a Thai.</li> </ul>
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Dyddiad Gwneud y Penderfyniad	18/09/25
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249. Adroddiad Aildro Rheoli'r Trysorlys 2024-25

Y Penderfyniad Wnaed	<p>Diben yr adroddiad hwn oedd rhoi diweddariad ar weithgaredd Rheoli'r Trysorlys am y flwyddyn o 1 Ebrill 2024 hyd 31 Mawrth 2025.</p> <p>Mewn ymateb i'r adroddiad, fe wnaeth yr Aelodau y canlynol:</p> <ul style="list-style-type: none"><li>• Diolch i'r tîm am eu gwaith caled.</li><li>• Nodi ei bod yn amlwg bod rheoli trysorlys y Cyngor yn gweithio'n dda.</li><li>• Gofyn a gafwyd unrhyw ganllawiau newydd gan Lywodraeth y DU, o ystyried y sefyllfa ehangach ledled y byd, yn enwedig o ran y Dwyrain Canol ac Israel yn benodol, ynghylch sut i sicrhau bod buddsoddiadau'n parhau i fod yn foesebol. Mewn ymateb, nododd y Rheolwr Grŵp - Prif Gyfrifydd fod adran yn Strategaeth Rheoli'r Trysorlys ynghylch yr egwyddor o fuddsoddi sy'n rhoi blaenoriaeth i faterion amgylcheddol, materion cymdeithasol, a llywodraethu corfforaethol (ESG). Roedd swyddogion yn derbyn cyngor gan gynghorwyr rheoli'r trysorlys (gan gynnwys derbyn rhestrau o sefydliadau sy'n cwrdd â safonau ESG). Nodwyd hefyd fod y rhan fwyaf o fuddsoddiadau'r Cyngor gyda'r llywodraeth ganolog a hefyd mewn cronfeydd marchnad arian. Y ffocws oedd sicrhau diogelwch ac enillion.</li><li>• Ymhellach, ychwanegodd y Prif Swyddog - Cyllid, Tai a Newid fod Strategaeth Rheoli'r Trysorlys yn rhan o'r gyfres o ddogfennau a gyflwynir pan fydd y gyllideb yn cael ei gosod ym mis Chwefror, a bod swyddogion yn edrych i weld beth sydd wedi digwydd yn y farchnad ac a oes angen diweddarau'r strategaeth ai peidio.</li></ul> <p><u>PENDERFYNWYD:</u></p> <p>Fe wnaeth y Pwyllgor:</p> <ul style="list-style-type: none"><li>• Nodi gweithgareddau rheoli'r trysorlys am flwyddyn ariannol 2024-25.</li><li>• Nodi Dangosyddion Rheoli'r Trysorlys ar gyfer y cyfnod yn diweddu ar 31 Mawrth 2025 yn erbyn y rheiny a gymeradwywyd yn Strategaeth Rheoli'r Trysorlys 2024-25.</li></ul>
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Dyddiad Gwneud y Penderfyniad	18/09/25

250. Adroddiad Blynyddol ar Dwyll Corfforaethol 2024-25

Y Penderfyniad Wnaed	<p>Diben yr adroddiad hwn oedd cyflwyno'r Adroddiad Blynyddol ar Dwyll Corfforaethol 2024-25 i aelodau'r Pwyllgor. Mae hwn yn crynhoi'r camau a gymerwyd mewn perthynas â gwrth-dwyll. Mae'r adroddiad hefyd yn rhoi'r wybodaeth ddiweddaraf am ymarferiad y Fenter Twyll Genedlaethol (NFI) ac yn cynnwys rhestr wirio hunanasesiad wedi'i chwblhau, y gwnaeth Archwilio Cymru annog pob corff sy'n cymryd rhan i'w chwblhau.</p> <p>Mewn ymateb i'r adroddiad, cododd yr aelodau y canlynol:</p> <ul style="list-style-type: none"><li>• Diolchodd y Cadeirydd i'r tîm am y digwyddiad hyfforddi a drefnwyd ar gyfer yr Aelodau. Nododd Aelod yn ddiweddarach yn y cyfarfod ei fod yn credu bod y darluniau a ddefnyddiwyd yn glir ac yn rhoi syniad i'r Aelodau am ba mor soffistigedig yw rhai achosion o dwyll a'r her y mae hyn yn ei osod i staff.</li><li>• A oedd unrhyw gerrig yn cael eu gadael heb eu troi o ran chwilio am dwyll a chamgymeriadau, o ystyried bod y rhan fwyaf o amcangyfrifon yn rhoi'r golled trwy dwyll i awdurdodau lleol rhwng hanner y cant a 5%, fyddai'n awgrymu bod y Cyngor yn tanamcangyfrif faint o dwyll sy'n digwydd ar hyn o bryd. Mewn ymateb, nododd y Prif Swyddog - Cyllid, Tai a Newid fod hwn yn faes oedd yn cael ei ystyried yn barhaus a bod y Cyngor wedi buddsoddi mewn swydd ychwanegol yn delio â budd-daliadau tai i wneud yn siŵr bod y capasiti ar gael i wneud y gwiriadau angenrheidiol ac felly cyfyngu ar y posibilrwydd o dwyll. Nododd hefyd ei fod yn faes y gellid edrych arno eto o safbwynt cyllideb, ar sail 'buddsoddi i arbed', a bod yr Uwch Swyddog Twyll yn cysylltu â swyddogion o awdurdodau lleol eraill i rannu arfer da a dod â syniadau yn ôl a allai fod o fudd i'n dull o wrthweithio twyll.</li><li>• Mater mewn perthynas â'r disgownt i berson sengl ar gyfer talu'r Dreth Gyngor a'r gofrestr etholiadol. Gofynnodd y Prif Swyddog - Cyllid, Tai a Newid a ellid trafod y mater y tu allan i'r cyfarfod.</li></ul>
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	<ul style="list-style-type: none"><li>Nododd aelod lleyg fod 'le' ar goll yn rhestr wirio'r Hunanasesiad (atodiad 5) yn 19 a 22.</li></ul> <p><u>PENDERFYNWYD:</u></p> <p>Nododd y Pwyllgor yr Adroddiad Blynyddol ar Dwyll Corfforaethol 2024-25, y camau sydd ar waith i gefnogi gwelliant parhaus, y gwaith sy'n cael ei wneud i atal a chanfod twyll a gwallau a'r diweddariad ar y Fenter Twyll Genedlaethol gan gynnwys y rhestr wirio hunanasesiad wedi ei chwblhau.</p> <p>Diolchodd y Pwyllgor yn ffurfiol i'r tîm am y digwyddiad hyfforddi a ddarparwyd i'r Aelodau.</p>
Dyddiad Gwneud y Penderfyniad	18/09/25

251. Eitemau Brys

Y Penderfyniad Wnaed	Dim
Dyddiad Gwneud y Penderfyniad	18/09/25

I wyllo dadl bellach a gynhaliwyd ar yr eitemau uchod, cliciwch ar y [ddolen](#) hon.

Daeth y cyfarfod i ben am 11:41.



<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY</b>
<b>Responsible Officer:</b>	<b>STEPHEN GRIFFITHS</b> <b>INTERIM SCRUTINY OFFICER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<b>This report seeks to update Members of the Governance and Audit Committee on follow-up actions or further information requested on reports considered by Members and/or requested by Committee, including any other related information in relation to previous agenda items.</b>

## 1. Purpose of Report

- 1.1 The purpose of this report is to provide Members with an update on the Governance and Audit Committee Action Record.

## 2. Background

- 2.1 An Action Record has been devised to assist the Committee in tracking the decisions made by the Committee in the exercise of its functions.

## 3. Current situation / proposal

- 3.1 In order to assist the Governance and Audit Committee in ensuring that decisions made by the Committee are actioned and implemented, the Action Record is attached at **Appendix A**. The Action Record will be presented to each meeting of the Committee for approval.

## 4. Equality Impact Assessment (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 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 The Committee is recommended to note the Action Record and provide any comments, as appropriate.

**Background documents**

None.

Number	Date of Committee	Item	Lead	Target Date	Action	Date for action to be brought to GAC.	Response
1.	19 Sept 25	<b>Update Report in Relation to Internal Audit Activity at Maesteg School and Penybont Primary School.</b>	Democratic Services Manager/ Senior Democratic Services Officer - Scrutiny	Oct 25	The Committee requested that the system for Disclosure and Barring (DBS) checks in schools be referred for consideration by the Education and Youth Services Overview and Scrutiny Committee.	Oct 25	<b>ACTIONED</b> - Discussed at Scrutiny Chairs meeting with GAC Chair on 15 October. DS Manager/Scrutiny Officers have agreed to scope this out more with the Corporate Director – Education, Early Years and Young People to establish the extent of the issue for all schools across the Borough, and whether schools are abiding by the Council's DBS policy. Referral to then be considered by Committee for potential inclusion on FWP at next meeting of EYS OSC on 24 November 2025.
2.	19 Sept 25	<b>Position Statement on Internal Audit Recommendations for Parking Enforcement, Home to Work Mileage for Council Vehicles and Porthcawl Harbour</b>	Democratic Services Manager/ Senior Democratic Services Officer - Scrutiny	Oct 25	The Committee referred the issue of Porthcawl Harbour, and specifically its governance structure, for consideration by the Communities, Environment and Housing Overview and Scrutiny Committee.	Oct 25	<b>ACTIONED</b> - Discussed at Scrutiny Chairs meeting with GAC Chair on 15 October:  It was understood from this discussion that the GAC Chair wishes to receive an information report to the GAC, provided by the Corporate Director Communities and shared with Scrutiny, setting out the full governance structure and responsibilities.  The DSM also agreed to progress an all-Member briefing session to inform Members' understanding of the management process for Porthcawl Harbour.  Scrutiny Chairs proposed that if GAC feel that there should be political representation on the Porthcawl Harbour Board, it looks to recommend to Cabinet that this be explored.
3.	17 July 2025	<b>Audit Wales Governance and Audit Committee Reports</b>	Democratic Services Manager/ Senior Democratic Services Officer - Scrutiny	Oct 25	The Committee requested that the issue of commissioning (including the Audit Wales report and management response) be referred to a Scrutiny Committee for consideration.	Oct 25	<b>ACTIONED</b> - An Interim report was considered by COSC at its meeting on 23 October 2025. Following this, there can be a more thorough examination of the issue when the National Audit Wales report is available which will put the report on Bridgend into context.
4.	17 July 2025	<b>Audit Wales Governance and Audit Committee Reports</b>	CMB/ Democratic Services Manager	Oct 25	The Committee requested that measures be taken to ensure authors strengthen the sections of every report that summarise the impact assessments in respect of the Equality, Well-being of Future Generations, Climate Change and Nature, Safeguarding and Corporate Parenting, and Financial, Implications.	Oct 25	<b>ACTIONED</b> – DSM will raise with CMB and Finance Officers (for the Financial Implications) to action and cascade down to report authors, highlighting that Report template guidance contains this relevant information and is available on the intranet.

5.	17 July 2025	<b>Internal Audit Recommendation Monitoring</b>	Head of RIAS  Chief Officer - Finance, Housing & Change  Corporate Director - Education, Early Years & Young People  Corporate Director - Communities	Jul 25	The Committee requested that formal written reports, to include where appropriate the reasons for delays in implementing recommendations, be submitted by the responsible Directors to the next meeting of the Committee, as follows: <ul style="list-style-type: none"> <li>• Parking Enforcement</li> <li>• Home to Work Mileage in Council Vehicles.</li> <li>• Porthcawl Harbour.</li> <li>• The issues identified at two schools, Penybont Primary and Maesteg.</li> </ul>	Sept 25	<b>ACTIONED</b> - Reports clarifying the status of all outstanding recommendations were submitted to the Special meeting of the Committee on 19 September 2025.
6.	17 Jul 25	<b>Draft Statement of Accounts 2024-25</b>	Chair/ Chief Officer - Finance, Housing & Change	Jul 25	The Committee requested that a letter be drafted, for the Chairperson to sign to the Auditor General expressing concern at the delay again of the Cardiff Capital Region City Deal accounts.	Oct 25	<b>ACTIONED</b> – The letter was sent on 7 August and the response received on 14 August.
7.	17 Jul 25	<b>Porthcawl Harbour Return 2024-25</b>	Chair/ Chief Officer - Finance, Housing & Change	Oct 25	The Committee requested that the narrative about staffing costs in regard to Row 6 of the accounting statement be clarified.	Oct 25	<b>ACTIONED</b> – The narrative about staffing costs was clarified in the final audited return and the note amended.
8.	19 Jun 25	<b>Audit Wales' 'Audit Enquiries to Those Charged with Governance and Management' for the 2024-25 Audit</b>	Chief Officer - Finance, Housing & Change	TBD	The Committee noted that it would be useful to know why the Council had sought to purchase a shipping container.	TBD	<b>ACTIONED</b> – A detailed investigation is being carried out to determine what took place and why the Council purchases shipping containers. Members will be updated in due course.

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>AUDIT WALES GOVERNANCE AND AUDIT COMMITTEE REPORTS</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>DEBORAH EXTON DEPUTY HEAD OF FINANCE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Council’s external auditors, Audit Wales, undertake a range of financial and performance audit work during the financial year.</b></li> <li>• <b>They publish a number of reports in respect of the audit work undertaken. Some of the reports are national across all local authorities and others are local and specific to Bridgend.</b></li> <li>• <b>Audit Wales also present a quarterly work programme and timetable to the Governance and Audit Committee to outline work completed, audits in progress and those still due to be undertaken.</b></li> <li>• <b>This report provides details of a briefing note from Audit Wales on the National Fraud Initiative.</b></li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to submit to the Committee one report from Audit Wales.

## **2. Background**

- 2.1 Audit Wales undertakes a programme of work during the year to help the Auditor General discharge his duties under the Public Audit (Wales) Act 2004. The Auditor General’s functions include auditing accounts and undertaking local performance audit work at a broad range of public bodies, alongside conducting a programme of national value for money examinations and studies. The Auditor General also assesses the extent to which public bodies are complying with the

sustainable development principle when setting and taking steps to meet their well-being objectives.

- 2.2 Part 2 of the 2004 Act sets out the powers and duties of the Auditor General to undertake studies in relation to local government bodies in Wales. The most widely used of these provisions is section 41, which requires the Auditor General to undertake studies designed to enable him to make recommendations for, among other things, improving the value for money in the provision of services.
- 2.3 In accordance with Section 89 of the Local Government and Elections (Wales) Act 2021 the Authority is required to keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and ensuring its governance is effective for securing these performance requirements.

### **3. Current situation / proposal**

- 3.1 Audit Wales has produced one report for the Governance and Audit Committee to consider:-
  - **National Fraud Initiative 2024-25: update for Bridgend County Borough Council – (Appendix A)** - this briefing note provides an update on the latest NFI 2024-25 exercise at a national level and as at 31 July 2025. It also provides some local level data for Bridgend.

### **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 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 That the Committee notes the Audit Wales Governance and Audit Committee Report at **Appendix A**.

**Background documents**

None

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# Briefing Note

## National Fraud Initiative 2024-25: update for Bridgend County Borough Council

### About the National Fraud Initiative

- 1 The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. It helps prevent and detect fraud by electronically sharing and matching data sets. **Appendix 1** provides further information on how the NFI works.
- 2 In Wales, the NFI operates under the Auditor General's statutory powers. Participation is mandatory for unitary local authorities, NHS bodies, police forces, and fire and rescue authorities. Participating on a voluntary basis in the latest exercise are the Welsh Government, some Welsh Government arm's length bodies (Natural Resources Wales, Arts Council of Wales, Sport Wales, National Library of Wales, Transport for Wales), and South East Wales Corporate Joint Committee.
- 3 This briefing note provides an update on the latest NFI 2024-25 exercise at a national level and as at 31 July 2025. It also provides some local level data for your organisation, although we are encouraging those charged with governance to seek further local detail from lead officers.

### Data submission for 2024-25

- 4 The NFI 2024-25 exercise is underway. Participants submitted data for the biennial batch data matching exercise in October 2024. This included data on housing benefits, housing tenants and waiting lists, blue badge parking permits, licences, and various payments such as creditor payments, payroll, and pensions.
- 5 The UK Public Sector Fraud Authority released most data match reports to participants by the end of December 2024. Council tax and electoral register data are submitted annually. The most recent deadline for submitting this data was February 2025.
- 6 Supplementary data runs take place during the exercise to process new, incomplete or missing data submissions. For example, progress is being made to amend the Public Audit (Wales) Act 2004 through a Legislative Reform Order which will enable the NFI to resume the matching of adult social care data during the NFI 2024-25 exercise.

## National update

### Data matches and investigation

- 7 To date, almost 440,000 data matches have been identified for the Welsh NFI 2024-25 exercise participants. **Exhibit 1** shows that most of these matches are for unitary authorities and health bodies.

#### Exhibit 1: NFI 2024-25 Welsh participant data matches by type of organisation, at end of July 2025

Type of organisation	Number of data matches	% of data matches
Unitary authority	373,114	84.9
Health	50,409	11.5
Police	2,641	0.6
Fire and rescue	740	0.2
Other	12,749	2.9
<b>Total</b>	<b>439,653</b>	<b>100.0</b>

Source: Audit Wales analysis of NFI web-application data

Note: % total does not match the sum of the parts due to rounding.

- 8 Data matching identifies potentially fraudulent or erroneous claims and payments. No assumption can be made about whether there is fraud, error, or another explanation until an investigation is carried out. There can, for example, be false positives around creditor payments if bodies are deliberately making staged payments of the same amount.
- 9 We recognise it is not practical to investigate all data matches, particularly for bodies with large numbers of matches. Bodies are encouraged to take a risk-based approach to assessing data match reports and deciding what type of, and how many, data matches they review.
- 10 By the end of July 2025, five participating bodies had not yet closed any data matches. Some participants are making good progress with reviewing NFI 2024-25 data matches, while others have made limited progress.
- 11 **Exhibit 2** shows the total number of data matches for each data match area. It also shows the number of data matches closed in a data match area, along with the number of participants that have matches in that area.

The absence of closed matches indicates that the participant has not reviewed any matches in that area.

**Exhibit 2: NFI 2024-25 Welsh participant data matches processed and closed, at end of July 2025**

<b>Data match area</b>	<b>Data matches</b>	<b>Data matches closed</b>	<b>Participants with data matches</b>	<b>Participants with no closed statuses for their matches</b>
Council tax single person discount	198,146	5,385	22	11
Creditors	187,228	19,791	48	16
Council tax reduction scheme	16,578	3,547	22	1
Blue badges	10,377	5,849	22	3
Payroll	8,150	1,705	46	6
Housing waiting lists	6,359	1,392	18	5
Housing tenants	4,636	879	11	2
Pensions	2,962	1,098	12	4
Resident parking	2,405	2,368	8	1
Procurement	1,985	400	42	28
Housing benefit	826	483	22	2
Taxi drivers	1	1	1	0
<b>Total</b>	<b>439,653</b>	<b>42,898</b>	<b>49</b>	<b>5</b>

Source: Audit Wales analysis of NFI web-application data

Note: After risk assessing data match reports and any subsequent investigations, each data match should be 'closed' and given a match status. There are a range of 'closed' statuses. Matches not investigated should be given the status 'Closed – Not selected for investigation'. Assigning match statuses to data matches can be done individually or by bulk selection.

## Outcomes

- 12 Welsh participants recorded outcomes of £4.7 million for the period 1 April 2024 to 31 July 2025. **Exhibit 3** shows which matching process the outcomes relate to.

### Exhibit 3: Welsh participant reported NFI outcomes, 1 April 2024 to 31 July 2025

NFI exercise	Outcomes (£s)
NFI 2024-25 biennial exercise	1,719,037
Late savings from the NFI 2022-23 biennial exercise	867,157
Annual council tax data matching exercises	2,080,831
<b>Total</b>	<b>4,667,025</b>

Source: Audit Wales analysis of NFI web-application data

Note: Outcomes are made up of (i) actual amounts participants have recorded as fraud or error; and (ii) estimated elements which seek to capture the value of loss from a fraud or error detected, and the value of any future losses that bodies may have incurred without intervention following an NFI match. Most datasets have a methodology to calculate estimated savings. All methodologies are reviewed by the Cabinet Office's NFI Governance Board and approved by the Cabinet Office's Fraud Prevention Panel.

## Local update

- 13 Data matches are released in data match reports. Each report has a different purpose and compares data from two or more datasets. The reports are broken down into dataset types: for example, housing benefit, payroll, or creditors.
- 14 An organisation's risk assessment of the data match reports should determine the types and numbers of data matches to be investigated. To aid risk assessment, the NFI web application flags some data match reports as 'key reports' with historically high success rates in identifying fraud or error. Also, most individual data matches are assigned a fraud risk score.
- 15 **Exhibit 4** shows the total number of data matches identified for Bridgend County Borough Council, along with those recorded in key reports. **Appendix 2** provides some further analysis of these data matches by fraud risk score.



**Exhibit 4: Bridgend County Borough Council's NFI 2024-25 data matches, at end of July 2025**

<b>Data match area</b>	<b>Data matches in all reports</b>	<b>Data matches in key reports with historically high success rates</b>
Blue badges	484	327
Council tax single person discount	9,059	9,059
Council tax reduction scheme	942	846
Creditors	6,663	3,873
Housing benefit	34	28
Payroll	37	30
Procurement	35	35
Resident parking	1	-
<b>Total</b>	<b>17,255</b>	<b>14,198</b>

Source: Audit Wales analysis of NFI web-application data

Note: Council tax single person discount data match reports are not formally designated as 'key reports' but are treated as such in practice.

- 16 Various factors can influence which data match reports are reviewed and when this takes place. For example, an organisation may prioritise looking at data match reports linked to areas where it has concerns about internal controls or where there is a history of fraud or error. Also, local resourcing will dictate the pace of progress. For these reasons, this general update does not provide further detail on where processing work and outcomes are recorded by your organisation at this stage.
- 17 The NFI web application features a dashboard and provides various reports on outcomes and processing activity. We encourage those charged with governance to seek more detailed updates on processing work and outcomes recorded from their NFI Senior Responsible Officer and NFI Key Contact.

## **Future Audit Wales work**

- 18 For this NFI exercise we will carry out a high-level assessment of participants' governance and follow-up arrangements. We will engage with bodies over the autumn/early winter to consider issues covered in our NFI self-appraisal checklist.<sup>1</sup> We will also analyse the risk assessment and data match processing work carried out, and the outcomes recorded by participants, as reflected in the NFI web application.
- 19 This work will help us understand the factors influencing the outcomes reported by individual bodies and the variations between them. Findings from this assessment will inform our next national report in autumn 2026.

<sup>1</sup> In December 2024, we shared the updated checklist with NFI senior responsible officers and key contacts. We encouraged all bodies to complete it and share it with those charged with governance.

## Appendix 1 – The National Fraud Initiative

The NFI uses data matching to detect and prevent fraud. It electronically compares sets of data against other records held by the same and other bodies, to see to what extent they match.

The data matching flags anomalies or inconsistencies that indicate potential fraud or error. Indicators of potential fraud are reported to the participants, who are responsible for following up these matches.

The effectiveness of the NFI depends on the thoroughness of the assessment and investigation of matches and recording of outcomes.

Bodies record the outcomes in the NFI web application. Each participant body has a nominated Senior Responsible Owner and Key Contact for the NFI, who in some cases may be the same individual.

The UK Public Sector Fraud Authority, part of the UK Government's Cabinet Office and HM Treasury, oversees the NFI across the UK. Audit Wales leads the exercise in Wales under the Auditor General's powers in the Public Audit (Wales) Act 2004. The Auditor General's Code of Data Matching Practice summarises the key legislation, and controls, governing the exercise in Wales.

We published a report on the outcomes from the 2022-23 NFI exercise in October 2024. Reports on the NFI for other parts of the UK are produced by the Public Sector Fraud Authority, Audit Scotland, and the Northern Ireland Audit Office.

There is no direct cost to participants for taking part in the exercise. Audit Wales receives funding, through the Welsh Consolidated Fund, to pay for bodies to participate in the NFI. This covers the central data matching processing for the biennial exercise, as well as the annual exercise for council tax and electoral register datasets. This remained the case for the NFI 2024-25 exercise. The main costs to participants are, therefore, the resources used to submit data and conduct follow-up work once data matches are released.



## Appendix 2 – Analysis of data matches by fraud risk score for Bridgend County Borough Council

The NFI assigns a fraud risk score of very high risk, high risk, or medium risk to most, but not all, data matches. This risk score is based on a combination of two factors:

- Risk logic – a set of criteria for each dataset combination that, when met, indicates a fraudulent outcome is more likely to occur.
- Footprint score – the number of times an individual in a match appears at the address across all NFI data. It is an indicator of whether that person resides at that address.

**Exhibit 5** and **Exhibit 6** provide further analysis of Bridgend County Borough Council's data matches by risk score for data matches in all data match reports and those in key reports. This analysis builds on **Exhibit 4** in the main body of this briefing note. Not all data matches are formally assigned a risk score. Council tax single person discount data matches and matches in key reports that are not formally assigned a risk score should generally be treated as 'very high risk' in practice.

**Exhibit 5: Bridgend County Borough Council's NFI 2024-25 data matches by risk score for data matches in all reports, at end of July 2025**

<b>Data match area</b>	<b>All data matches</b>	<b>Very high risk</b>	<b>High risk</b>	<b>Medium risk</b>	<b>No risk score</b>
Blue badges	484	430	53	1	0
Council tax single person discount	9,059	-	-	-	-
Council tax reduction scheme	942	257	69	2	614
Creditors	6,663	474	6,189	0	0
Housing benefit	34	12	0	11	11
Payroll	37	21	8	3	5
Procurement	35	0	0	0	35
Resident parking	1	0	1	0	0
<b>Total</b>	<b>17,255</b>	<b>1,194</b>	<b>6,320</b>	<b>17</b>	<b>665</b>

Source: Audit Wales analysis of NFI web-application data

**Exhibit 6: Bridgend County Borough Council's NFI 2024-25 data matches by risk score for data matches in key reports, at end of July 2025**

<b>Data match area</b>	<b>All data matches</b>	<b>Very high risk</b>	<b>High risk</b>	<b>Medium risk</b>	<b>No risk score</b>
Blue badges	327	274	53	0	0
Council tax single person discount	9,059				
Council tax reduction scheme	846	189	51	1	605
Creditors	3,873	264	3,609	0	0
Housing benefit	28	11	0	7	10
Payroll	30	20	3	2	5
Procurement	35	0	0	0	35
<b>Total number of data matches</b>	<b>14,198</b>	<b>758</b>	<b>3,716</b>	<b>10</b>	<b>655</b>

Source: Audit Wales analysis of NFI web-application data

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>AUDITED STATEMENT OF ACCOUNTS 2024-25</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The Accounts and Audit (Wales) Regulations 2014 (as amended) require Local Authorities to publish an audited Statement of Accounts. The regulations require this to be completed by 31 July following the end of the financial year, however, Welsh Government have set out a timeframe of 31 October for Welsh Authorities. The audited accounts will be published as soon as practicable following audit certification.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The unaudited statement of accounts were presented to the Governance and Audit Committee on 17 July 2025.</b></li> <li>• <b>The audit of the accounts has now been completed.</b></li> <li>• <b>A number of amendments to the accounts have been made which are outlined in Appendix B.</b></li> <li>• <b>It is the intention of the auditor to issue an unqualified audit report.</b></li> </ul>

## 1. Purpose of Report

- 1.1 The purpose of this report is to present to the Governance and Audit Committee the audited Statement of Accounts for 2024-25 for approval, which is due to be certified by the external auditors, Audit Wales, along with the associated Letter of Representation of the Council, the Annual Governance Statement included as part of the Statements, and the auditors letter in relation to the audit of the accounts.

## 2. Background

- 2.1 The preparation of the Statement of Accounts is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended), 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).
- 2.2 The unaudited Statement of Accounts 2024-25 was signed by the responsible financial officer on 30 June 2025 and presented to the Governance and Audit Committee on 17 July 2025 for noting. The accounts have now been audited by Audit

Wales.

- 2.3 Audit Wales will update the Committee on their main findings from the audit, summarise the audit work carried out in respect of the 2024-25 financial year, and present their Audit of Accounts report, which requires the appointed auditor to report their key findings to those charged with governance.

### **3. Current situation / proposal**

- 3.1 As part of the accounts preparation process the Council seeks to present an accurate and high quality document to ensure the accounts are materially accurate. To assist in this the process includes the following:
- Experienced and qualified staff involved from a range of professions contribute to the process.
  - Qualified and experienced staff undertake the process of compiling the detailed statement of accounts document and supporting working papers.
  - The draft accounts are reviewed by a number of staff prior to signature and submission.
  - The Annual Governance Statement is reviewed by Cabinet and Corporate Management Board (CCMB) and approved by the Leader and Chief Executive.
  - Processes are audited by Audit Wales and sampling undertaken to substantiate the appropriate process and controls are in place.
  - There is the opportunity from anyone within the electorate to raise questions around the accounts and the timescales for this are published to the website and the Council's noticeboard.
- 3.2 The role of the Governance and Audit Committee is to review and approve the Annual Statement of Accounts and to consider whether there are any concerns in relation to the accounts and audit thereof that needs to be brought to the attention of the Council. Members are also asked to note the governance arrangements above that support and contribute to the accounts preparation.
- 3.3 Audit Wales have substantially completed their audit work and the Statement of Accounts are due to be signed by the Auditor General for Wales on 31 October 2025, subject to Governance and Audit Committee approval of the accounts.
- 3.4 As part of their audit, a number of amendments were identified and these are noted below. None of the amendments are material, however they have been corrected.
- 3.5 Amendments to the primary statements:
- Amendment to the valuation of assets on the balance sheet - £4.155 million. There were some errors in the calculation of some asset valuations.
  - Amendment to the Comprehensive Income and Expenditure Statement (CIES) and creditors on the balance sheet for the accrued leave entitlement, as a result of an error in the calculation - £0.936 million.
  - Amendment to accrue for employee costs in relation to pay in lieu of notice - £0.021 million.

3.6 Amendments to the notes to the accounts, not affecting the primary statements:

- Note 15 – a number of amendments were needed to the Officer remuneration notes including banding amendment of remuneration over £60,000 and minor narrative amendments.
- Note 19 – related parties – a small number and amounts had been missed from the disclosure and are now included.
- Note 25 – amendment of the classification of creditors between trade creditors and other creditors.
- Note 30 – added a disclosure related to a case ruling (Virgin Media).
- Note 31 – Financial Instruments – a number of amendments to the notes to ensure disclosure accurately reflected the values of financial liabilities as at 31 March 2025.

3.7 The consolidation of the South East Wales Corporate Joint Committee – Cardiff Capital Region City Deal has taken place since the draft Statement of Accounts was presented to the Governance and Audit Committee. Draft figures were received by the Council on 4 September 2025 and these have now been included with the Council's accounts.

3.8 Some minor amendments have been made to the narrative report to include additional narrative in relation to the Capital Programme underspend and the inclusion of the Council's element of the draft accounts.

3.9 The amended audited Statement of Accounts 2024-25 is attached at **Appendix A**, which includes the Annual Governance Statement. The detail of all the amendments are contained within the Auditor's Audit of Accounts Report at **Appendix B**.

3.10 The audited Statement of Accounts 2024-25 is required to be signed by the Chief Financial Officer and the Chair of the Governance and Audit Committee as presenting a 'true and fair view' of the financial position of the Council as at 31 March 2025.

3.11 In line with the International Standard on Auditing (ISA) 260, the external auditor is required to communicate relevant matters relating to the audit of the financial statements to those charged with governance. These matters are incorporated into the Audit of Accounts report at **Appendix B**. The appendix also contains the full list of adjustments made to the accounts as a result of the audit, as described above. It is anticipated that the accounts will receive an unqualified audit opinion.

3.12 A final Letter of Representation from the Council is required by the Appointed Auditor to complete the process and enable the accounts to be approved. This is included as **Appendix C** and the Governance and Audit Committee is asked to agree that this be signed by the Chair of the Governance and Audit Committee and Section 151 Officer.

#### 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 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 These are reflected in the report.

**9. Recommendations**

- 9.1 It is recommended that the Committee:
- Approves the audited Statement of Accounts 2024-25 (**Appendix A**);
  - Notes the appointed auditors' Audit of Accounts Report (**Appendix B**);
  - Agrees the Letter of Representation to Audit Wales and for it to be signed by the Chair of the Committee and Section 151 Officer (**Appendix C**).

**Background documents**

None



# Statement of Accounts

**Bridgend County Borough Council • 2024-25**



**Bridgend County Borough Council  
Civic Offices  
Angel Street  
BRIDGEND  
CF31 4WB  
(01656) 643643**

## Contents

<b>Narrative Report .....</b>	<b>4</b>
<b>The Statement of Responsibilities for the Statement of Accounts .....</b>	<b>21</b>
<b>Financial Statements.....</b>	<b>22</b>
<b>Comprehensive Income and Expenditure Statement.....</b>	<b>23</b>
<b>Movement in Reserves Statement.....</b>	<b>25</b>
<b>Balance Sheet.....</b>	<b>26</b>
<b>Cash Flow Statement .....</b>	<b>27</b>
<b>Notes to the Financial Statements.....</b>	<b>28</b>
<b>The report of the Auditor General for Wales to the Members of Bridgend County Borough Council .....</b>	<b>87</b>
<b>Annual Governance Statement.....</b>	<b>91</b>
<b>Glossary Of Terms.....</b>	<b>111</b>

## 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.

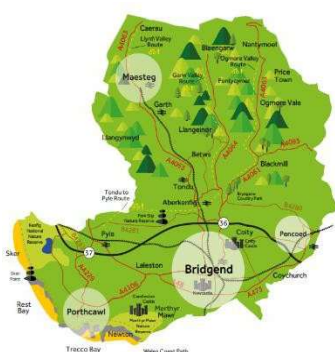
When preparing these accounts consideration is given to the materiality of information. Materiality is a concept that determines whether an omission or misstatement of information in a financial report would impact a reasonable user's decision-making. If information is significant, it is material. If 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

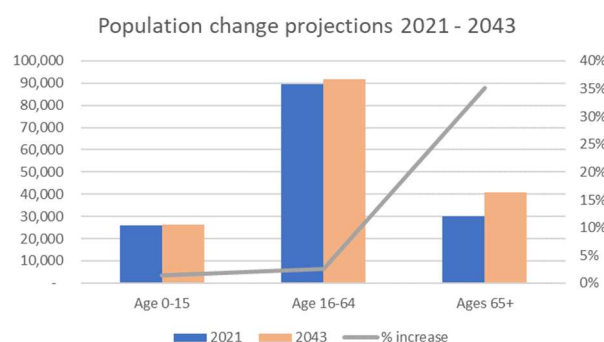


The county borough of Bridgend lies in South Wales and is conveniently situated between Wales' capital city, Cardiff, to the east and the city of Swansea to the west, approximately 20 miles from each. It is bordered by the counties of Neath Port Talbot, Rhondda Cynon Taf and the Vale of Glamorgan with a coastline to the Bristol Channel and covers an area of 98.5 miles<sup>2</sup>. 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

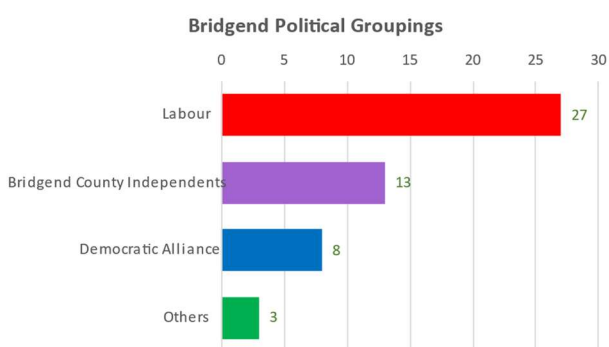
The census 2021 for Bridgend showed that there were 145,500 people living in the county. The population is projected to increase to 158,717 by 2043, with significant increases forecast in the population aged over 65, according to the 2018 principal population projections for local authorities. This will 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

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### 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.



<b>Risk description</b>	<b>Possible consequences</b>	<b>Mitigating actions</b>
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 overseas 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.	<p>The Council is working with:</p> <ul style="list-style-type: none"> <li>- 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</li> <li>- 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</li> <li>- A national or regional approach to procurement will enable better market management and should secure better value for money</li> <li>- The WCCIS regional team provide some capacity to support system change</li> <li>- The Council have formed a cross-directorate group to provide governance within the Council</li> </ul> <p>Education is working with schools and the ICT service to implement the new system.</p>

## 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

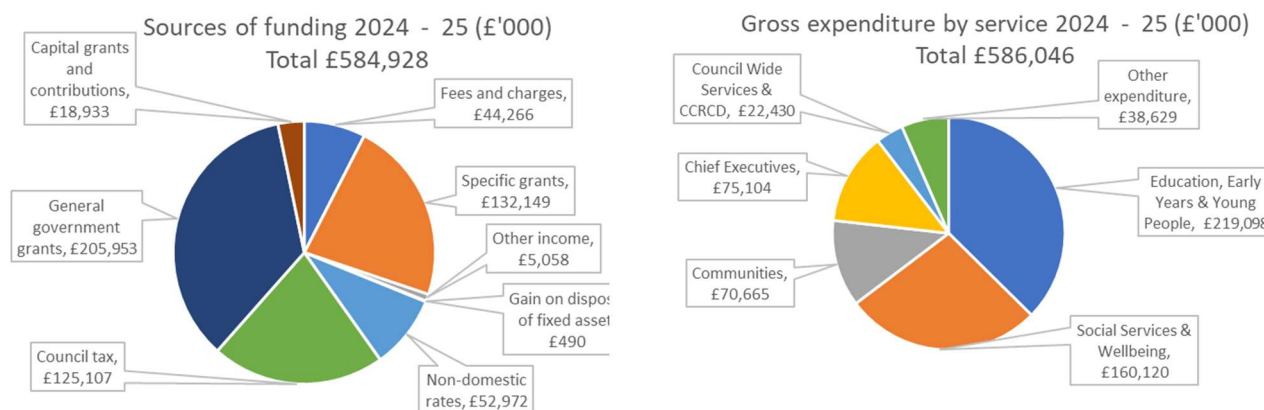
## Financial Performance

### 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.

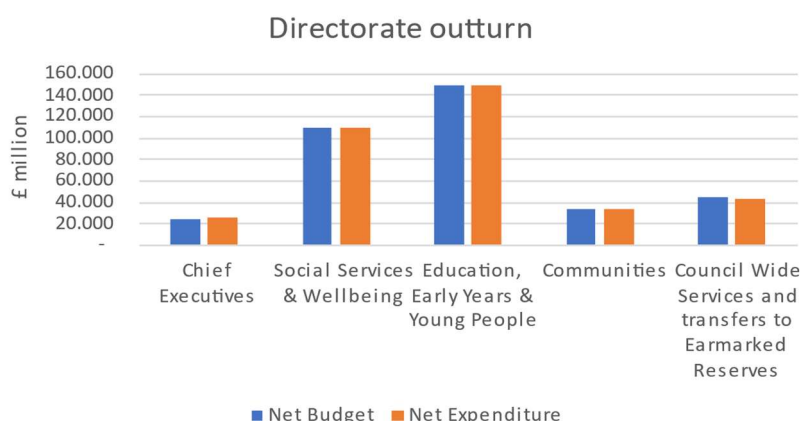


## Revenue outturn

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)%
<b>Outturn subtotal</b>	<b>360.671</b>	<b>361.005</b>	<b>0.334</b>	<b>0.0%</b>
Funding and Financing		(361.283)	(0.612)	(0.2)%
<b>Total Council outturn</b>	<b>-</b>	<b>(0.278)</b>	<b>(0.278)</b>	<b>0.00%</b>

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



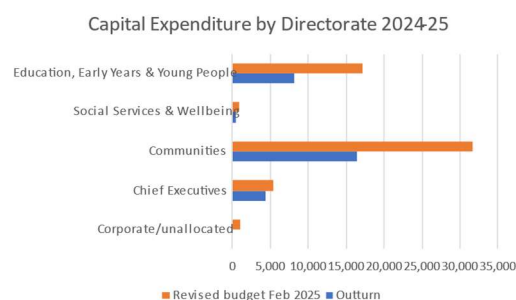
The Council received Revenue Support Grant from the Welsh Government of £205.953 million. The net Non-Domestic Rates (NDR) collectable on behalf of Welsh Government by the Council for the year was £45.043 million. The Council's share of NDR due for the year from Welsh Government was £52.972 million.

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 unwound £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)
<b>TOTAL</b>	<b>66,058</b>	<b>58,381</b>	<b>29,331</b>	<b>(29,050)</b>

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



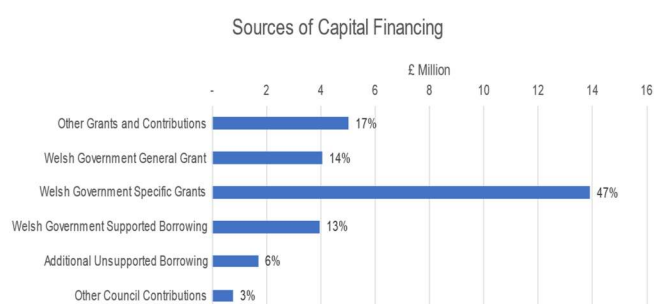
- Maesteg Town Hall
- Sustainable Communities for Learning Programme
- Bryntirion Comprehensive Classroom Extension
- Grand Pavilion in Porthcawl
- Porthcawl Metrolink
- Community Play Areas
- Disabled Facility Grants for adaptations to people's homes to support individuals to continue to live at home.

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:

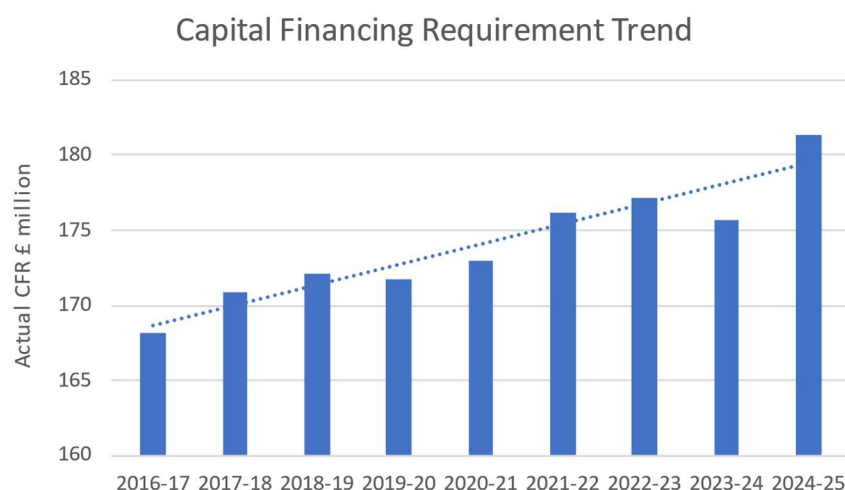
- £6.323 million schools modernisation programme. This includes new schools, extension of existing schools as well as associated highways works.
- £3.061 million School Capital Maintenance Grant. There have been a number of delays on the individual projects within the scheme due to capacity issues, plus 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 assess 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.



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

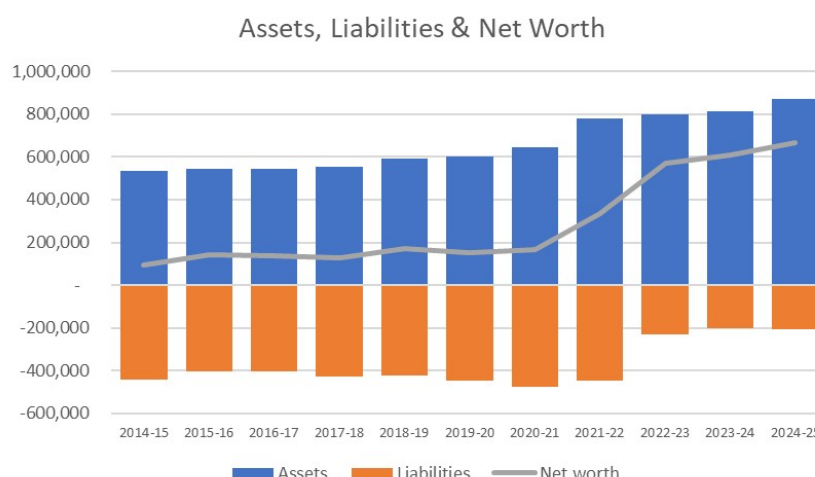
The balance sheet summarises the Council's financial position at the year-end, and reports the assets, liabilities and reserves of the Council, which shows how much the Council owns and how much it owes. The net assets of the Council have increased by £64.800 million from £607.437 million at 31 March 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)
<b>Net financial position – assets less liabilities</b>	<b>607,802</b>	<b>672,237</b>	<b>64,435</b>
<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
<b>Total reserves</b>	<b>607,802</b>	<b>672,237</b>	<b>64,435</b>

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 (CCRCD) 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.

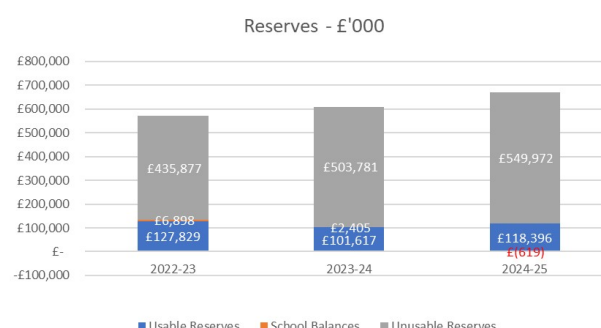
A pensions reserve and a pension liability are incorporated within the Council's accounts, reflecting the amount by which the Bridgend element of the Rhondda Cynon Taf Pension Fund is under-funded compared with the assessed payment liabilities to pensioners now and in the future. The cost to the Council 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 (CCRCD)	2,384	-	(621)	1,763	
<b>528,291</b>	<b>(109,322)</b>	<b>(42,895)</b>	<b>376,074</b>	<b>Cost Of Services</b>	<b>549,801</b>	<b>(132,018)</b>	<b>(44,887)</b>	<b>372,896</b>	
				<b>Other Operating Expenditure</b>					
20,746			20,746	Precepts payable	22,749			22,749	7
9,181			9,181	Levies payable	9,680	(131)		9,549	7
459			459	(Gain) / loss on disposal of non current assets			(490)	(490)	
				CCRCD (Gain) / loss on disposal of non-current assets	95			95	
<b>30,386</b>	<b>-</b>	<b>-</b>	<b>30,386</b>	<b>Other Operating Expenditure</b>	<b>32,524</b>	<b>(131)</b>	<b>(490)</b>	<b>31,903</b>	
				<b>Financing and Investment Income and Expenditure</b>					
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 CCRCD	36			36	
				Interest & Investment Income CCRCD			(571)	(571)	
				Change in Fair Value of Investment Properties CCRCD	130			130	
<b>7,925</b>	<b>-</b>	<b>(5,108)</b>	<b>2,817</b>	<b>Financing and Investment Income and Expenditure</b>	<b>6,366</b>	<b>-</b>	<b>(5,562)</b>	<b>804</b>	
				<b>Taxation and Non-Specific Grant Income</b>					
	(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
				Non service related government grants			(67)	(67)	
				Recognised revenue grants and contributions CCRCD		(758)		(758)	
	38		38	Recognised capital grants and contributions CCRCD		(4,788)		(4,788)	
		19	19	Tax Expenses CCRCD	34			34	
<b>-</b>	<b>(213,389)</b>	<b>(162,012)</b>	<b>(375,401)</b>	<b>Taxation and Non-Specific Grant Income</b>	<b>34</b>	<b>(230,432)</b>	<b>(178,146)</b>	<b>(408,544)</b>	

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 – CCRCDD					
				(Surplus) / deficit on revaluation of financial instruments assets – CCRCDD	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	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	CCRCD Usable Reserves	Total Usable Reserves	CCRCD Unusable Reserves	Council Unusable Reserves Restated	Total Council Reserves Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'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
<b><u>Movement in Reserves during 2023-24</u></b>									
(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)							
<b>Increase/(Decrease) in 2023-24</b>	<b>(102)</b>	<b>(28,498)</b>	<b>257</b>	<b>(2,356)</b>	<b>(6)</b>	<b>(30,707)</b>	<b>372</b>	<b>67,530</b>	<b>37,197</b>
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	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	CCRCD Usable Reserves	Total Usable Reserves	CCRCD Unusable Reserves	Council Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'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		2				2	1,980		1,982
<b><u>Movement in Reserves during 2024-25</u></b>									
(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							
<b>Increase/(Decrease) in 2024-25</b>	<b>278</b>	<b>3,873</b>	<b>6,036</b>	<b>3,568</b>	<b>(169)</b>	<b>13,588</b>	<b>4,657</b>	<b>46,190</b>	<b>64,435</b>
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	CCRCD Investment Property	5,919	31
1,118	CCRCD Equity	1,056	
946	Intangible Assets	472	21d
-	Long term Investments	-	31
1,529	CCRCD Long Term Loans/Debtors	4,851	
	CCRCD Defined Benefit Pension Scheme	246	
<b>694,150</b>	<b>Long Term Assets</b>	<b>748,748</b>	
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 CCRCD	191	
6,018	Cash and Cash Equivalents	36,879	31
4,854	Cash and cash equivalents CCRCD	531	31
170	Deferred Tax CCRCD		
284	Financial Assets CCRCD		31
	Short Term Investments CCRCD	6,374	
<b>113,236</b>	<b>Current Assets</b>	<b>128,600</b>	
(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
<b>(68,617)</b>	<b>Current Liabilities</b>	<b>(72,025)</b>	
(6,404)	Provisions due after 1 year	(3,453)	26
(94,120)	Long Term Borrowing	(95,186)	31
	Long Term Borrowing CCRCD	(944)	
	<b>Other Long Term Liabilities</b>		
(11,973)	PFI & Other Long Term Liabilities	(14,362)	27
(1,630)	Long term creditors (CCRCD)	(2,916)	27
(6,740)	Net Pensions Liability	(5,840)	30
	Pensions Liability CCRCD	(246)	
(10,100)	Capital Receipts in Advance	(10,139)	21h
<b>(130,967)</b>	<b>Long Term Liabilities</b>	<b>(133,086)</b>	
<b>607,802</b>	<b>Net Assets</b>	<b>672,237</b>	
	<b>Usable reserves</b>		
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 CCRCD	1,985	
	<b>Unusable Reserves</b>		
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 CCRCD	540	
<b>607,802</b>	<b>Total Reserves</b>	<b>672,237</b>	

## Cash Flow Statement

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

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.





## Notes to the Financial Statements

Note		Page Number
1	Accounting Policies	30
2	Critical Judgements in Applying Accounting Policies	42
3	Assumptions Made about the future and other major sources of estimated uncertainty	42
4	Expenditure and Funding Analysis	44
5	Note to the Expenditure and Funding Analysis	45
6	Expenditure and Income Analysed by Nature	47
	<b>Notes to the Comprehensive Income and Expenditure Statement</b>	
7	Precepts and Levies	48
8	Revenue Support Grant	48
9	National Non-Domestic Rates (NNDR)	48
10	Council Tax	48
11	Grants	49
12	Leases	50
13	Private Finance Initiative (PFI)	52
14	Pooled Fund Arrangements	53
15	Officers' Remuneration	53
16	Members' Allowances	56
17	External Audit Costs	56
18	Participation in Joint Committees and Joint Arrangements	56
19	Related Party Transactions	57
	<b>Notes to the Movement in Reserves Statement</b>	
20	Adjustments between Accounting Basis and Funding Basis under Regulations	59
	<b>Notes to the Balance Sheet</b>	
21	Non-current Assets	62
22	Investment Properties	67
23	Short Term Debtors	67
24	Assets Held for Sale	67
25	Short Term Creditors	68
26	Provisions	68
27	PFI and Other Long Term Liabilities	68
28	Usable Reserves	69
29	Unusable Reserves	71
30	Pensions Liabilities, IAS 19 disclosures	73
31	Financial Instruments Disclosures	80
32	Events after the Reporting Period	85
33	Contingent Liabilities	85
	<b>Notes to Cash Flow</b>	
34	Adjustments for Non-cash Movements	86
35	Operating Activities	86
36	Investing Activities	86
37	Financing Activities	86

## 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
<b>IAS 21</b>	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.
<b>IFRS 17</b>	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.
<b>IAS 16</b> <b>IAS 38</b>	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 (CCRCDD) 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	148,477	13,468	161,945
111,792	8,881	120,673	Social Services & Wellbeing	110,478	6,815	117,293
34,504	13,881	48,384	Communities	33,603	10,849	44,452
25,371	3,002	28,373	Chief Executives	24,777	2,803	27,580
16,117	3,466	19,584	Council Wide Services	33,783	(13,920)	19,863
			Cardiff Capital Region City Deal (CCRCD)			
	(13)	(13)		-	1,763	1,763
<b>334,996</b>	<b>41,077</b>	<b>376,073</b>	<b>Net Cost Of Services</b>	<b>351,118</b>	<b>21,778</b>	<b>372,896</b>
(334,894)	(7,360)	(342,254)	Other income and Expenditure	(351,396)	(18,619)	(370,015)
	57	57	Cardiff Capital Region City Deal (CCRCD)		(5,822)	(5,822)
<b>102</b>	<b>33,774</b>	<b>33,876</b>	<b>Surplus or Deficit</b>	<b>(278)</b>	<b>(2,663)</b>	<b>(2,941)</b>
9,832			Opening Council Fund Balance	9,730		
(102)			Surplus or (Deficit) on Council Fund for year	278		
<b>9,730</b>			<b>Closing Council Fund Balance as at 31 March</b>	<b>10,008</b>		

**5. Note to the Expenditure and Funding Analysis**

<b>Adjustments between Funding and Accounting Basis 2023-24</b>				
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 (CCRCD)				
<b>Net cost of services</b>	<b>14,533</b>	<b>(230)</b>	<b>26,787</b>	<b>41,090</b>
Other income and expenditure from the Expenditure and Funding Analysis	(9,557)	1,190	1,007	(7,360)
Cardiff Capital Region City Deal (CCRCD)			44	44
<b>Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>4,976</b>	<b>960</b>	<b>27,838</b>	<b>33,774</b>

<b>Adjustments between Funding and Accounting Basis 2024-25</b>				
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 (CCRCD)			1,763	1,763
<b>Net cost of services</b>	<b>25,945</b>	<b>(2,110)</b>	<b>(2,057)</b>	<b>21,778</b>
Other income and expenditure from the Expenditure and Funding Analysis	(19,323)	(220)	924	(18,619)
Cardiff Capital Region City Deal (CCRCD)			(5,822)	(5,822)
<b>Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>6,622</b>	<b>(2,330)</b>	<b>(6,955)</b>	<b>(2,663)</b>

**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
	<b>Expenditure</b>	
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
<b>566,619</b>	<b>Total expenditure</b>	<b>586,046</b>
	<b>Income</b>	
(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)
<b>(532,743)</b>	<b>Total income</b>	<b>(584,928)</b>
	CCRCd net (surplus) or deficit on the provision of services	(4,059)
<b>33,876</b>	<b>(Surplus) or Deficit on the provision of services</b>	<b>(2,941)</b>

## 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
	<b>Precepts</b>	
17,848	Police and Crime Commissioner for South Wales	19,561
2,898	Community Councils	3,188
<b>20,746</b>	<b>Total Precepts</b>	<b>22,749</b>
	<b>Levies</b>	
8,523	South Wales Fire and Rescue Authority	9,089
513	Coroners Service	446
126	Archive Service	127
19	Swansea Bay Port Authority	18
<b>9,181</b>	<b>Total Levies</b>	<b>9,680</b>
<b>29,927</b>	<b>Total Precepts and Levies</b>	<b>32,429</b>

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
<b>(92,291)</b>		<b>(100,751)</b>

## 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 (CCRCD)	-
<b>(109,284)</b>	<b>Total Specific Grants Credited to Services</b>	<b>(132,149)</b>

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

\*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
<b>Total Cost 31 March 2025</b>	<b>3,883</b>	<b>42</b>	<b>3,925</b>
Balance at 1 April 2024	-	-	-
Depreciation charge	(248)	(5)	(253)
<b>Total depreciation 31 March 2025</b>	<b>(248)</b>	<b>(5)</b>	<b>(253)</b>
<b>Balance at 31 March 2025</b>	<b>3,635</b>	<b>37</b>	<b>3,672</b>

**Transactions under leases**

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

	2024-25 £000's
<b>Comprehensive income and expenditure statement</b>	
Interest expense on lease liabilities	191
Expense relating to short-term leases	72
Expense relating to exempt leases of low-value items	264
<b>Cash flow statement</b>	
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)
<b>Total undiscounted liabilities</b>	<b>(3,689)</b>

**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
	<b>Operating Leases</b>	
(105)	Less than one year	(108)
(38)	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)
<b>(2,052)</b>	<b>Total undiscounted receivables</b>	<b>(2,045)</b>

**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
<b>2,817</b>	<b>Total</b>	<b>2,854</b>

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
<b>Total</b>	<b>2,449</b>	<b>12,245</b>	<b>6,028</b>	<b>20,722</b>

#### 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	-	-	-
<b>183</b>		<b>257</b>	<b>229</b>	<b>200</b>	<b>29</b>

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
	<b>11</b>	<b>62</b>	<b>6</b>	<b>24</b>	<b>17</b>	<b>86</b>	<b>218,403</b>	<b>2,745,175</b>

## 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
<b>1,347</b>	<b>Total</b>	<b>1,436</b>

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
<b>343</b>	<b>External Audit Services</b>	<b>338</b>
42	Grant Claims and Returns	48
<b>385</b>	<b>Total</b>	<b>386</b>

## 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 (CCRCDD)	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	-	-
<b>Total</b>	<b>3,984</b>	<b>3,752</b>

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
<b>Total</b>	<b>691,678</b>

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](http://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](http://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	
<b>Adjustment to the Revenue Resources</b>				
<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)
<b>Total Adjustments to Revenue Resources</b>	<b>30,281</b>			<b>(30,281)</b>
<b>Adjustments between Revenue and Capital Resources</b>				
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
<b>Total adjustments between Revenue and Capital Resource</b>	<b>(14,178)</b>	<b>257</b>		<b>13,291</b>
<b>Adjustments to Capital Resources</b>				
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
<b>Total adjustments to Capital Reserves</b>	<b>(10,871)</b>		<b>(2,356)</b>	<b>13,227</b>
<b>CCRCDD</b>	<b>-</b>			<b>(38)</b>
<b>Total Adjustments</b>	<b>5,232</b>	<b>257</b>	<b>(2,356)</b>	<b>(3,171)</b>

2024-25	Usable Reserves			Unusable Reserves £'000
	Council Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
<b>Adjustment to the Revenue Resources</b>				
<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)
<b>Total Adjustments to Revenue Resources</b>	<b>37,403</b>	<b>-</b>	<b>-</b>	<b>(37,403)</b>
<b>Adjustments between Revenue and Capital Resources</b>				
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
<b>Total adjustments between Revenue and Capital Resource</b>	<b>(13,134)</b>	<b>6,342</b>	<b>-</b>	<b>6,792</b>
<b>Adjustments to Capital Resources</b>				
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
<b>Total adjustments to Capital Reserves</b>	<b>(19,000)</b>	<b>(306)</b>	<b>3,568</b>	<b>15,738</b>
<b>CCRC</b>				
<b>Total Adjustments</b>	<b>5,269</b>	<b>6,036</b>	<b>3,568</b>	<b>(14,873)</b>

## 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	Porthcawl Metrolink	-
397	Maesteg Town Hall	-
<b>1,188</b>	<b>Total</b>	<b>-</b>

#### 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
<b>Cost or Valuation</b>							
At 1 April 2023	523,372	18,580	5,010	12,422	16,263	<b>575,647</b>	27,090
<b>Additions</b>	8,648	3,080	40		9,520	<b>21,288</b>	
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	(13,457)					<b>(13,457)</b>	(1,354)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	40,545			50		<b>40,595</b>	3,731
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(5,229)		(10)			<b>(5,239)</b>	
Derecognition - Disposals	(740)	(395)				<b>(1,135)</b>	
Derecognition - other	(2,080)	(91)				<b>(2,171)</b>	
Assets reclassified (to)/from Held for Sale							
Other Movements in Cost or Valuation	5,952			151	(6,103)		
<b>At 31 March 2024</b>	<b>557,011</b>	<b>21,174</b>	<b>5,040</b>	<b>12,623</b>	<b>19,680</b>	<b>615,528</b>	<b>29,467</b>
<b>Accumulated Depreciation and Impairments</b>							
At 1 April 2023	(5,687)	(10,973)	(42)		(42)	<b>(16,744)</b>	(7)
Depreciation Charge for the year	(12,559)	(1,975)	(3)			<b>(14,537)</b>	(1,316)
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	13,457					<b>13,457</b>	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				<b>419</b>	
Derecognition - other							
Other Movements	62		(1)		(62)	(1)	
<b>At 31 March 2024</b>	<b>(4,703)</b>	<b>(12,553)</b>	<b>(46)</b>	<b>0</b>	<b>(104)</b>	<b>(17,406)</b>	<b>(7)</b>
<b>NBV as at 1 April 2023</b>	<b>517,685</b>	<b>7,607</b>	<b>4,968</b>	<b>12,422</b>	<b>16,221</b>	<b>558,903</b>	<b>27,083</b>
<b>NBV as at 31 March 2024</b>	<b>552,308</b>	<b>8,621</b>	<b>4,994</b>	<b>12,623</b>	<b>19,576</b>	<b>598,122</b>	<b>29,460</b>

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
<b>Cost or Valuation</b>								
At 1 April 2024	557,011	21,174	5,040	12,623	19,680	3,568	<b>619,096</b>	29,468
<b>Additions</b>	5,853	4,233			9,271	357	<b>19,714</b>	
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	(13,760)						<b>(13,760)</b>	(1,422)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	58,172			4,358			<b>62,530</b>	5,508
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,108)						<b>(7,108)</b>	401
Derecognition - Disposals	(2,567)	(93)		(3,250)			<b>(5,910)</b>	
Derecognition - other	(2,156)	(94)					<b>(2,250)</b>	
Assets reclassified (to)/from Held for Sale				(311)			<b>(311)</b>	
Other Movements in Cost or Valuation	17,644				(17,644)			
CCRCD movements					(94)		(94)	
<b>At 31 March 2025</b>	<b>613,089</b>	<b>25,220</b>	<b>5,040</b>	<b>13,420</b>	<b>11,213</b>	<b>3,925</b>	<b>671,907</b>	<b>33,955</b>
<b>Accumulated Depreciation and Impairments</b>								
At 1 April 2024	(4,703)	(12,553)	(46)	0	(104)		<b>(17,406)</b>	(7)
Depreciation Charge for the year	(13,541)	(2,259)	(3)			(253)	<b>(16,056)</b>	(1,424)
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	13,760						<b>13,760</b>	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)						<b>(32)</b>	
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(263)						<b>(263)</b>	
Derecognition - disposals		57					<b>57</b>	
Derecognition - other								
Other Movements	(62)				62			
Other Movements - CCRCD		(86)					(86)	
<b>At 31 March 2025</b>	<b>(4,841)</b>	<b>(14,841)</b>	<b>(49)</b>	<b>0</b>	<b>(42)</b>	<b>(253)</b>	<b>(20,026)</b>	<b>(9)</b>
<b>NBV as at 1 April 2024</b>	<b>552,308</b>	<b>8,621</b>	<b>4,994</b>	<b>12,623</b>	<b>19,576</b>	<b>3,512</b>	<b>601,634</b>	<b>29,460</b>
<b>NBV as at 31 March 2025</b>	<b>608,248</b>	<b>10,379</b>	<b>4,991</b>	<b>13,420</b>	<b>11,171</b>	<b>3,672</b>	<b>651,881</b>	<b>33,946</b>



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	-
<b>81,222</b>	<b>Net Book Value at 31 March</b>	<b>79,213</b>

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
<b>679,344</b>	<b>Total PPE Assets</b>	<b>731,094</b>

#### 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
	<b>Cost or valuation</b>	
6,040	At 1 April	6,040
<b>6,040</b>	<b>At 31 March</b>	<b>6,040</b>
	<b>Accumulated amortisation and impairments</b>	
(4,612)	At 1 April	(5,094)
(482)	Amortisation for year	(474)
<b>(5,094)</b>	<b>At 31 March</b>	<b>(5,568)</b>
1,428	Net Book Value at 1 April	946
<b>946</b>	<b>Net Book Value at 31 March</b>	<b>472</b>

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)
<b>(31,813)</b>	<b>Total</b>	<b>(29,331)</b>

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

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
	<b>Capital Investment</b>	
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
	<b>Sources of Finance</b>	
(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)
<b>175,719</b>	<b>Closing Capital Financing Requirement</b>	<b>181,103</b>
	<b>Explanation for Movements in Year</b>	
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
<b>(784)</b>	<b>Increase/(Decrease) in Capital Financing Requirement</b>	<b>5,384</b>

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

The 2023-24 CCRCD 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	CCRCD	281
<b>55,741</b>	<b>Balance as at 31 March</b>	<b>83,451</b>

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	-
<b>65</b>	<b>Balance as at 31 March</b>	<b>375</b>

## 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)
<b>(53,724)</b>	<b>Balance as at 31 March</b>	<b>(58,692)</b>

## 26. Provisions

The Council has provisions as detailed below:

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

Provisions < 1 yr	517		<b>517</b>
Provisions > 1 yr	1,749	1,704	<b>3,453</b>
<b>Balance at 31 March 2025</b>	<b>2,266</b>	<b>1,704</b>	<b>3,970</b>

### 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
<b>13,603</b>	<b>Balance as at 31 March</b>	<b>-</b>	<b>(1,078)</b>	<b>12,525</b>

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)
<b>25,985</b>	<b>Balance as at 31 March</b>	<b>32,021</b>

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

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)
<b>2,405</b>	<b>Total</b>	<b>59</b>	<b>128,849</b>	<b>129,468</b>	<b>(619)</b>

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

### 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)	<b>Balance at 1 April</b>	(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
<b>(6,740)</b>	<b>Balance as at 31 March</b>	<b>(5,840)</b>

### 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
		Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(20,619)		Charges for depreciation and impairment of non-current assets	(22,514)	
(7,469)		Revaluation gain/(losses) on Property, Plant and Equipment	(9,619)	
(366)		Revenue Expenditure funded from Capital Under Statute	(623)	
		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		
(675)			(3,813)	
	(29,129)			(36,569)
	5,870	Adjusting amounts written out to the Revaluation Reserve		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:		
-		Use of the Capital Receipts Reserve to finance capital expenditure	306	
13,228		Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that has been applied to capital financing	15,431	
6,500		Statutory provision for the financing of capital investment charged against the Council Fund	4,240	
7,421		Capital expenditure charged against the Council Fund	2,552	
	27,149			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
2023-24 £m	2023-24 £m	2023-24 £m	2023-24 £m		2024-25 £m	2024-25 £m	2024-25 £m	2024-25 £m
				<b>Cost of Services :</b>				
21.05	-	-	<b>21.05</b>	<b>Service cost comprising:</b>	19.94	-	-	<b>19.94</b>
-	-	-	-	Current service cost (Employer)	0.02	-	-	<b>0.02</b>
0.07	0.03	0.02	<b>0.12</b>	Current service cost (Passthrough)	0.67	-	-	<b>0.67</b>
				Past service costs				
				<b>Financing &amp; Investment Income &amp; Expenditure :-</b>				
0.85	0.24	0.10	<b>1.19</b>	Net interest expense	(0.52)	0.21	0.09	<b>(0.22)</b>
				<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>20.11</b>	<b>0.21</b>	<b>0.09</b>	<b>20.41</b>
<b>21.97</b>	<b>0.27</b>	<b>0.12</b>	<b>22.36</b>	<b>Other Post Employment Benefit Charged to the Comprehensive Income &amp; Expenditure Statement</b>				
				<i>Remeasurements of the net defined benefit liability comprising:</i>				
(47.21)	-	-	<b>(47.21)</b>	Return on plan assets (excluding the amount included in the net interest expense)	31.23	-	-	<b>31.23</b>
(25.99)	(0.06)	(0.02)	<b>(26.07)</b>	Actuarial (gains) / losses due to changes in financial assumptions	(127.61)	(0.30)	(0.09)	<b>(128.00)</b>
(11.89)	(0.10)	(0.04)	<b>(12.03)</b>	Actuarial (gains) / losses due to changes in demographic assumptions	(5.49)	(0.03)	(0.01)	<b>(5.53)</b>
8.68	(0.14)	(0.05)	<b>8.49</b>	Actuarial (gains) / losses due to liability experience	1.31	0.02	-	<b>1.33</b>
46.75	-	-	<b>46.75</b>	Adjustment loss (gain) due to restriction of surplus	102.4	-	-	<b>102.4</b>
<b>(29.66)</b>	<b>(0.30)</b>	<b>(0.11)</b>	<b>(30.07)</b>	<b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>1.84</b>	<b>(0.31)</b>	<b>(0.10)</b>	<b>1.43</b>
				<b>Movement in Reserves Statement:-</b>				
21.97	0.27	0.12	<b>22.36</b>	Reversal of net charges made for retirement benefits in accordance with IAS 19	20.11	0.21	0.09	<b>20.41</b>
				<b>Actual amount charged against the Council Fund Balance for pensions in the year</b>				
20.62	0.50	0.28	<b>21.40</b>	Employer's Contributions payable to the scheme	21.95	0.51	0.28	<b>22.74</b>
(29.83)	(0.50)	(0.28)	<b>(30.61)</b>	Retirement Benefits Paid Out	(30.58)	(0.51)	(0.28)	<b>(31.37)</b>

### 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)	<b>(768.02)</b>	Present value of defined benefit obligation	(662.27)	(4.22)	(1.62)	<b>(668.11)</b>
808.03	-	-	<b>808.03</b>	Fair Value of Plan Assets	813.66	-	-	<b>813.66</b>
(46.75)	-	-	<b>(46.75)</b>	Unrecognised Assets	(151.39)	-	-	<b>(151.39)</b>
-	<b>(4.83)</b>	<b>(1.91)</b>	<b>(6.74)</b>	<b>Net liability arising from defined benefit obligation</b>	-	<b>(4.22)</b>	<b>(1.62)</b>	<b>(5.84)</b>

### Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets

2023-24 £m		2024-25 £m
729.33	<b>Opening fair value of scheme assets at 1 April</b>	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)
<b>808.03</b>	<b>Balance as at 31 March</b>	<b>813.66</b>

**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	<b>Opening balance at 1 April</b>	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
				<i>Remeasurement (gains) and losses:</i>				
(25.99)	(0.06)	(0.02)	(26.07)	Actuarial gains / losses arising from changes in financial assumptions	(127.61)	(0.3)	(0.09)	(128)
(11.89)	(0.10)	(0.04)	(12.03)	Actuarial gains / losses arising from changes in demographic assumptions	(5.49)	(0.03)	(0.01)	(5.53)
8.68	(0.14)	(0.05)	8.49	Actuarial gains / losses arising from changes in liability experience	1.31	0.02	-	1.33
0.07	0.03	0.02	0.12	Past Service Cost	0.67	-	-	0.67
(29.83)	(0.50)	(0.28)	(30.61)	Benefits Paid	(30.58)	(0.51)	(0.28)	(31.37)
-	-	-	-	Liabilities extinguished on settlements	-	-	-	-
<b>761.28</b>	<b>4.83</b>	<b>1.91</b>	<b>768.02</b>	<b>Balance as at 31 March</b>	<b>662.27</b>	<b>4.22</b>	<b>1.62</b>	<b>668.11</b>

**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
<b>808.03</b>	<b>100.00</b>	<b>Total assets</b>	<b>813.66</b>	<b>100.00</b>

**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
<b>Total</b>	<b>22.88</b>

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						31 March 2025				
Current		Non- current		Total £'000		Current		Non-current		
Invest- ments £'000	Debtors £'000	Invest- ments £'000	Debtors £'000			Invest- ments £'000	Debtors £'000	Invest- ments £'000	Debtors £'000	Total £'000
50,426	9,236			59,662	Amortised Cost	34,215	14,819			49,034
5,138			1,529	6,667	CCRCD	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	CCRCD			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	
Borrow- ing £'000	Creditors £'000	Borrowing & Other Long-Term Liabilities £'000	Total £'000		Borrow- ing £'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)	CCRCD			(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
<b>2,948</b>	<b>Total Financial Assets</b>	<b>3,333</b>
(3,812)	Bank Overdrafts	(5,826)
<b>(3,812)</b>	<b>Total Financial Liabilities</b>	<b>(5,826)</b>
<b>(864)</b>	<b>Net Position</b>	<b>(2,493)</b>
246	Bank uncleared amounts	(171)
<b>(618)</b>	<b>Net position in Balance Sheet</b>	<b>(2,664)</b>

### 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)
	-	-	CCRCD	36	(571)	(535)
<b>5,881</b>	<b>(5,108)</b>	<b>773</b>	<b>Net (gain)/loss for the year</b>	<b>6,136</b>	<b>(5,342)</b>	<b>794</b>

### 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)	<b>Financial liabilities held at amortised cost:</b>	(77,037)	(70,098)
(19,745)	(22,222)	PWLB	(19,736)	(21,037)
(2,735)	(2,291)	LOBOs	(2,517)	(2,171)
		Salix loans	(5,000)	(5,048)
(11,973)	(14,642)	Short term borrowing	(14,362)	N/A
		PFI and other long term liabilities		
<b>(112,070)</b>	<b>(115,531)</b>	<b>Total</b>	<b>(118,652)</b>	<b>(98,354)</b>

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	-
<b>TOTAL</b>		<b>36.75</b>

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)
<b>(120,459)</b>	<b>Total Financial Liabilities</b>	<b>(120,778)</b>

\* 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)
<b>Impact on Surplus or Deficit on Provision of Services</b>	<b>(235)</b>	<b>(368)</b>

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)	CCRCD adjustments to net (surplus)/deficit on the provision of services for non-cash movements	1,462
(29,823)	<b>Adjustments to net deficit on the provision of services for non-cash movements</b>	<b>(13,053)</b>

### 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)
-	CCRCD	3,777
15,181	<b>Net Cash Flows from Operating Activities</b>	<b>15,655</b>

### 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)
	CCRCD Long Term Debtors/Investments	2,712
17,345	<b>Net Cash Flows from Investing Activities</b>	<b>(21,422)</b>

### 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
	CCRCD – HMT and other grants received	(944)
(19,278)	<b>Net Cash Flows from Financing Activities</b>	<b>(17,503)</b>

# 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

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

## Certificate of completion of audit

I certify that I have completed the audit of the accounts of 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



## Contents

<b>1</b>	<b>Foreword</b>
<b>2</b>	<b>Governance Framework</b>
<b>3</b>	<b>Corporate Governance Arrangements</b>
<b>4</b>	<b>Governance Assessment</b>
<b>5</b>	<b>Audit Assurance</b>
<b>6</b>	<b>Improving Governance</b>
<b>7</b>	<b>Assurance Statement</b>

## 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



Mark Shephard  
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.<sup>1</sup>

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'.

	<b>Bridgend County Borough Council Code of Corporate Governance</b> <b>The Council's Governance Principles are based on the following:</b>
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.

<sup>1</sup> 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
<a href="#">Financial Sustainability Review – Bridgend County Borough Council (August 2024 )</a>	<p><b>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.</b></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"> <li>• 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.</li> <li>• 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.</li> </ul>
<a href="#">Review of Decision Making Arrangements – Bridgend County Borough Council (September 2024)</a>	<p><b>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.</b></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"> <li>• The Council should ensure that its published <b>forward work programme</b> 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.</li> <li>• The Council should ensure that its <b>scheme of delegation is updated</b>, to mitigate the risk of decisions being taken without the proper authority.</li> <li>• The Council should ensure that there is clarity on the <b>role of scrutiny</b> in the decision-making process. The lack of clarity on the role of the Overview &amp; Scrutiny committees, particularly in relation to pre-decision scrutiny is limiting Overview &amp; Scrutiny committees' ability to contribute fully and effectively to the decision-making process.</li> <li>• The Council should ensure that it provides greater <b>transparency regarding the remit of the different Overview &amp; Scrutiny committees</b>. Naming the Overview &amp; Scrutiny committees 1, 2</li> </ul>

	<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"> <li>The Council should ensure that Members receive, and are encouraged to access, a relevant <b>training programme</b> to ensure they are well equipped to understand and undertake their role. This should include focussed training for specific roles, e.g. chairing skills.</li> </ul>
<a href="#">Setting of Wellbeing Objectives – Bridgend County Borough Council (September 2024)</a>	<p><b>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.</b></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"> <li>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"> <li>how it considers it has set well-being objectives in accordance with the sustainable development principle; and</li> <li>how it proposes to ensure resources are allocated annually for the purpose of taking steps to meet its well-being objectives.</li> </ul> </li> <li>The Council should build on its current approach to engagement by considering ways to: <ul style="list-style-type: none"> <li>draw on citizens' views to inform the development of the Well-being objectives at an early stage; and</li> <li>ensure that it is involving the full diversity of the population.</li> </ul> </li> <li>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.</li> </ul>

## 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 CIPFA 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.

<b>Audit Opinion</b>	<b>Number</b>	<b>%</b>
Substantial assurance	10	23
Reasonable assurance	29	68
Limited assurance	4	9
No assurance	0	0
<b>Total</b>	<b>43</b>	<b>100</b>

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.	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.
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.	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

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	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.
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.	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.
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.



Leader

Date: 20 October 2025



Chief Executive

Date: 20 October 2025

## 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*







# Audit of Accounts Report – Bridgend County Borough Council

Audit year: 2024-25

Date issued: October 2025



# Contents

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Contents	2
Introduction	4
Your audit at a glance	5
Materiality	6
Audit of Groups	7
Audit Findings	8
Audit team and ethical compliance	12
Appendix 1 – Audit risks and outcomes	14
Appendix 2 – Summary of corrections made	22
Appendix 3 – Proposed audit report	26
Appendix 4 – Letter of representation	31
Audit quality	34
Supporting you	35

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

# Introduction



**Adrian Crompton**

Auditor General for  
Wales

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2024-25 Statement of Accounts. My team have already discussed these findings with the Chief Officer - Finance, Housing and Change

My team have substantially completed the audit work as set out in my Audit Plan dated April 2025, except for the completion of some areas of our internal review arrangements to be undertaken by the Audit Manager and the Engagement Lead.

A verbal update will be given to the Governance and Audit Committee (GAC) on our progress at the meeting scheduled for 29 October 2025. We are expecting all internal review arrangements to be completed prior to the GAC meeting so that GAC can receive the revised 2024-25 Statement of Accounts and the final audit position.

Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared, and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined in **Appendix 3**.

It is the responsibility of the those charged with governance, i.e. the GAC to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of Bridgend County Borough Council for their cooperation throughout the audit process which has been invaluable in completing the audit.



## Your audit at a glance



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

See [Appendix 3](#)



There are no **other significant matters** to report. However, we have identified two matters which we wish to bring to the committees' attention.

See [Audit findings](#)



There are no **uncorrected misstatements** in the accounts

See [Audit findings](#)



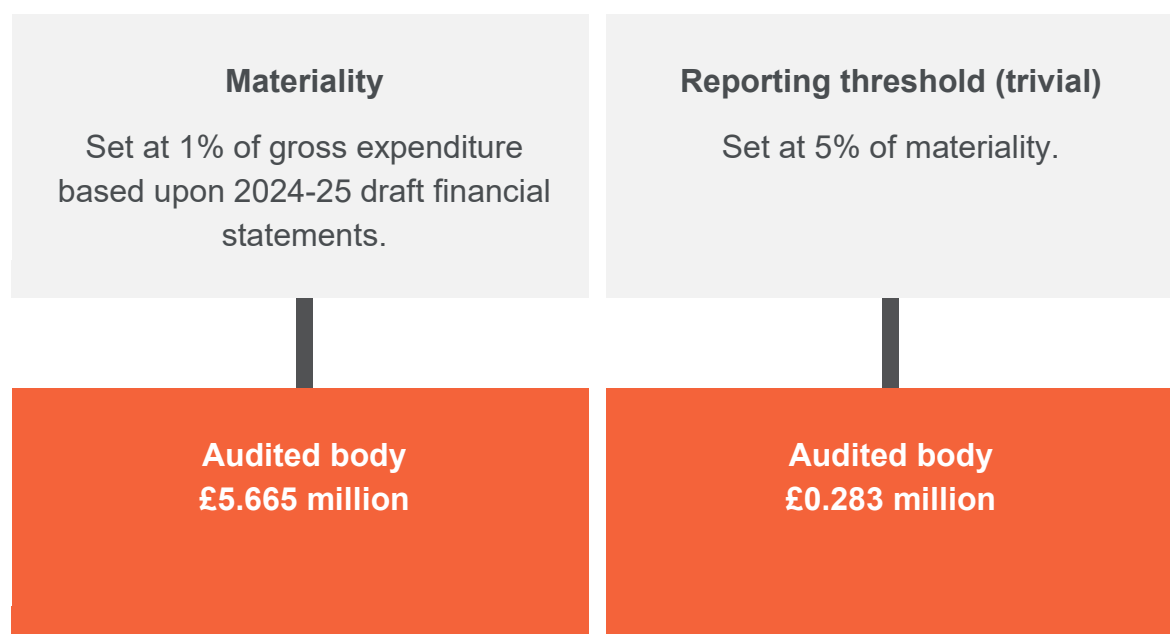
We have raised **recommendations** as a result of our work. The recommendations arising from our work will be set out in an Accounts Memorandum which will be communicated with officers in due course.



We are aiming to certify your accounts on **31 October 2025**, which is in line with the deadline of **31 October 2025**.

# Materiality

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



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



# Audit of Groups

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## South East Wales Corporate Joint Committee (SEWCJC)

The Council's accounts contain the transactions and balances of South East Wales Corporate Joint Committee (SEW CJC).

This year, we were required to implement a revised auditing standard on the audit of groups. My team undertook procedures to ensure the consolidation of the transactions and balances of SEW CJC in the Council's accounts is materially accurate and complete.

# Audit Findings

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## Misstatements

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

### Uncorrected misstatements

There are no misstatements identified in the accounts, which remain uncorrected.

### Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 2**

## Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of Bridgend County Borough Councils financial reporting process.

There were no such issues identified during the audit.

However, there are two matters we wish to bring to the committee's attention:

### Use of an Asset Management System (AMS)

In 2022-23 and 2023-24, we reported issues arising from our audit of property, plant and equipment, in particular, the revaluation of the Council's land and property.

Asset revaluations are calculated in a spreadsheet and manually input into AMS as a year-end exercise. We recommended that this process could be improved by calculating the revaluation figures directly within AMS, therefore reducing the risk for human error. This would also support the maintenance of up-to date base data and facilitate better record keeping.

The Council has previously agreed with this recommendation subject to time and capacity constraints being addressed.

Since then, the Council has taken steps to start the procurement process for a new estates management system which will incorporate a new asset management module. Consequently, the recommendation made last year has not been implemented as the existing AMS will eventually be phased out.

This year we again we identified errors within the revaluation spreadsheets as a result of incorrect formulas used (as opposed to errors in the revaluations themselves as set out in **Appendix 2**). These were trivial and amounted to understatements of £252k in total. Due to the trivial nature of the errors identified and the planned introduction of a new AMS, we have not repeated the recommendation this year.

### **Audit and Accounts deadlines for 2025-26**

We will continue to work with the Council and the wider sector to review the ambition of bringing forward the audit deadline to September 2026 as part of the 2025-26 accounts audit process. In order to meet these deadlines, it will be imperative that the accounts and the annual governance statement are received on time, are of a high quality and are fully supported, with all working papers available and quality assessed at the commencement of the audit and staff are available throughout the audit window to ensure audit queries are resolved in a timely manner.

The draft financial statements were received by 30 June as planned and whilst some of the working papers were prepared by the Council in readiness for the start of the audit process this year, some were still being finalised and not immediately available to us. Two areas of particular concern were borrowings and cash where the working papers were not clear and concise and required revision after submission to us. There were also significant delays in responding to audit queries in these areas, which extended the time required for the audit. We are conscious that when the accounts production and audit window reduce next year, this could be a potential issue in achieving the deadlines for future years.

Alongside the issue above, you will be aware that for the past few years, there have been delays in the certification of the CCRCD accounts (now the SEWCJC). As a partner to the SEWCJC, the Council's share of the transactions and balances need to be consolidated within the Council's financial statements.

The delay in certification has been due to the late submission of the SEWCJC draft accounts and longer than anticipated audit periods due to the quality of those draft accounts and complexity of transactions contained within them. Fortunately, this has not delayed any certification deadlines for the individual Local Government bodies.

Looking forward to next year, the timeliness of the SEWCJC accounts production remains a risk for the preparation of the Council's financial statements for 2025-26 particularly with the certification deadline coming forward to the end of September 2026.

As auditors we will continue to work closely with the officers responsible for the SEWCJC, the Council's S151 officer and the other relevant S151 officers making up the constituent bodies, to support the timeliness and accuracy of the financial information produced by the SEWCJC which is included within the Council's underlying accounts. However, it should be noted that the accounts production process and submission of the relevant information needed for the completion of the 10 constituent bodies is an issue for the SEWCJC and the relevant S151 officers.

We have not raised a recommendation in respect of the above matters. We will pick this up as part of our audit post project learning with officers to assess the position for 2025-26.

We would like to thank Officers for their positive engagement with the audit team throughout the audit process to facilitate the conclusion of our work this year.

## Proposed audit opinion

### Audit opinion

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

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

### Letter of representation

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

The letter we are requesting you to sign is included in **Appendix 4** the contents of which are in line with our standard request for representations.

# Audit team and ethical compliance

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

## Exhibit 1: my local audit team

<b>Engagement Lead</b>	Anthony Veale <a href="mailto:anthony.veale@audit.wales">anthony.veale@audit.wales</a>
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<b>Audit Manager</b>	David Williams <a href="mailto:david.williams@audit.wales">david.williams@audit.wales</a>
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<b>Audit Lead</b>	Lucy Herman <a href="mailto:lucy.herman@audit.wales">lucy.herman@audit.wales</a>
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## Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.
- The only known threat to our independence which I need to bring to your attention relates to Lucy Herman, the Financial Audit Lead who is related to an employee of the Council. Our Compliance and Ethics department has already undertaken a detailed review and has concluded that the possibility of this relationship impacting on our audit of the Statement of Accounts is remote. However, we have



taken appropriate steps to minimise risks by allocating work appropriately and ensuring additional review is undertaken where required. I can confirm that my other team members are all independent of the Council and your officers.

## Appendix 1 – Audit risks and outcomes

My Audit Plan set out the risks of material misstatement for the audit of Bridgend County Borough Council accounts. **Exhibit 1** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

### Exhibit 1: audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
<b>Risk of management override</b> The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team: <ul style="list-style-type: none"><li>• tested the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li><li>• reviewed accounting estimates for bias; and</li><li>• evaluated the rationale for any significant transactions outside the normal course of business.</li></ul>	My audit work did not identify any instances of management override of controls.

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**Valuation of Pension Fund net liability / surplus**

The Local Government Pension Scheme (LGPS) pension fund liability as reflected in the Statement of Accounts are material estimates.

The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.

The impact of economic conditions, particularly interest rate levels also have a significant impact on the liability.

There are also several legal cases potentially impacting on the valuation of the net liability.

There is a risk therefore that the net liability / surplus is materially misstated.

The audit team:

- evaluated the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the valuations;
- assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability;
- tested the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary;
- assessed the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditors' expert) and undertaking any additional procedures required; and

My audit work did not identify any significant issues.

- assessed whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.
-

## **Valuation of Land and Buildings**

The value of Land and Buildings reflected in the balance sheet and notes to the accounts are material estimates.

Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions and changes in these can result in material changes to valuations.

Assets are required to be revalued every five years, but values may also change year on year and there is a risk that the carrying value of assets recognised in the accounts could be materially different to the current value of assets as at 31 March 2025, particularly in the current economic environment.

The audit team:

- reviewed the information provided to the valuer to assess completeness;
- evaluated the competence, capabilities and objectivity of the professional valuer;
- tested a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable and the revaluations have been correctly reflected in the financial statements;
- tested the reconciliation between the financial ledger and the asset register

Audit work identified several amendments which have been corrected by management – see **Appendix 2**

**Senior Officer  
Remuneration**

There is a risk that these are not appropriately disclosed in the Statement of Accounts as remuneration paid to senior officers continues to be of high interest and is material by nature.

Even though there are no significant changes in senior officers for 2024-25 there is a risk that even low value errors in the disclosure could result in a material misstatement.

The audit team:

- understood the movements in the senior management team during 2024-25;
- ensured that remuneration disclosed is consistent with those approved by the Council; and
- ensured that disclosures are complete based on the team's knowledge and are prepared in accordance with requirements.

My audit work did not identify any significant issues.

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**Implementation of  
International Accounting  
Standard (IFRS) 16 –  
Leases**

Local Government bodies are required to adopt IFRS16 Leases from 1 April 2024.

This significantly changes the accounting treatment and disclosures required for leased assets and means that most leases will result in an asset and liability on balance sheets.

There is a risk that the requirements of the IFRS are not appropriately adopted and as a result the financial statements are materially misstated.

The audit team:

- reviewed the Councils working papers to ensure that all leases falling within the scope of the Standard have been included in calculations;
- tested a sample of asset and liability calculations to ensure that the assumptions are reasonable, and the calculations have been correctly prepared; and
- confirmed that asset and liability values have been correctly accounted for and disclosed in the financial statements

My audit work did not identify any significant issues.

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**South East Wales  
Corporate Joint  
Committee (SEWCJC)  
transactions and balances**

The transactions and balances of SEW CJC may need to be recognised in the Statement of Accounts of the Council. The Council will need to decide how to account for these in its financial statements and accounting for such arrangements is complex and requires judgement. The SEWCJC transactions and balances are also becoming increasingly complex and therefore there is a risk of material misstatement in the Council's financial statements.

The audit team:

- reviewed the Council's judgement relating to how the SEWCJC will be accounted for and confirmed that this complied with the requirements of the Local Government Code; and
- reviewed the process of consolidation into the Council's Statement of Accounts to confirm that transactions, balances and disclosures are complete and accurate.

My audit work did not identify any errors; however, the completion of the audit was later than initially anticipated due to a delay in the availability of appropriate financial information in respect of the South East Wales Corporate Joint Committee as required for consolidation into the Council's accounts. This resulted in a delay to the overall timeline and the completion of the audit.



### **Related party disclosures**

The financial statements must disclose any related party relationships along with the transactions and balances between the Council and the other body/party.

The Council has many relationships that could be considered a related party. Many are well known for example, Welsh Government as funder.

However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature

There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value

The audit team:

- reviewed the Council's process for identifying related party relationships and associated transactions and balances;
- undertook procedures to confirm the completeness of related party relationships; and
- ensured disclosures are complete, accurate, consistent with evidence and are in accordance with the Local Government Code.

Audit work identified several amendments which have been corrected by management – see **Appendix 2.**

## Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Value of correction	Accounts area	Explanation
<p>£1.517 million</p> <p>Overstatement of Balance Sheet (non-current assets overstatement)</p> <p>No impact on the Council Fund</p>	<p><b>Balance Sheet and Note 21c Non-Current Assets</b></p> <p>Incorrect BCIS rates were applied in error to the 2024/25 revaluation undertaken by the Council.</p>	<p>To ensure accurate valuation of the non-current assets in the Statements of Accounts.</p>
<p>£2.369 million</p> <p>Overstatement of Balance Sheet (non-current assets overstatement)</p> <p>No impact on the Council Fund</p>	<p><b>Balance Sheet and Note 21c Non-Current Assets</b></p> <p>Inconsistent valuation methodology applied to schools' valuation resulting in a £2.367m overstatement of school valuations.</p>	<p>To ensure accurate valuation of the non-current assets in the Statements of Accounts.</p>
<p>£0.295 million</p> <p>Overstatement of Balance Sheet (non-current assets overstatement)</p> <p>No impact on the Council Fund</p>	<p><b>Balance Sheet and Note 21c Non-Current Assets</b></p> <p>The Bridgend Marketplace is currently not operational it was identified that the full asset has not been impaired.</p>	<p>To ensure accurate valuation of the non-current assets in the Statement of Accounts.</p>

£0.026 million Understatement of Balance Sheet (non- current assets understatement) No impact on the Council Fund	<b>Balance Sheet and Note 21c Non-Current Assets</b>  It was identified that the land element of one of the assets had not been transitioned correctly under IFRS16.	To ensure that IFRS16 has been correctly applied.
Various (No overall impact on the primary statements)	<b>Note 31 Financial Instruments Disclosures - Liquidity Risk Table</b>  The incorrect values were disclosed in the liquidity risk table.	To ensure the financial instrument disclosures are accurate.
£3.467 million (No overall impact on primary statements)	<b>Note 31 Financial Instruments Disclosures</b>  The lease liabilities following the implementation of IFRS 16 was omitted from the fair value table in Note 31.	To ensure the disclosure accurately reflects the financial liabilities at 31 March 2025.
£8.712 million carrying amount understatement £8.764 million fair value understatement (No overall impact on the primary statements)	<b>Note 31 Financial Instruments Disclosures - Financial Liabilities</b>  The carrying amount and fair value of Short-term financial liabilities were incorrectly excluded from the disclosure.	To ensure the disclosure accurately reflects the carrying amount and fair value of financial liabilities at 31 March 2025.
£2.389 million Understatement of Balance Sheet (Long term borrowings)	<b>Note 31 Financial Instruments Disclosures</b>  Non-current Borrowing and other long-term liabilities were understated by £2.389m.	To ensure the balance sheet and disclosure accurately reflects the financial liabilities at 31 March 2025.

Disclosure only (No overall impact on the primary statements)	<b>Note 30 Pensions Liabilities, IAS 19 Disclosures</b> Disclosure was amended to reflect the updated on the Virgin Media Ruling.	To ensure that users of the accounts fully understand the potential future liability.
£0.021 million Understatement of CIES This adjustment reduced the Council Fund balance.	<b>Note 15 Officer Remuneration - Exit Packages</b> A payment in lieu-of-notice was omitted from the exit packages disclosure.	To ensure the disclosure accurately the remuneration for those in receipt of exit packages in 24/25.
Various (No overall impact on the primary statements)	<b>Note 15 Officer Remuneration - Banding Note</b> Errors identified in banding note disclosure has been amended to bring it in line with the CIPFA Code.	To ensure the banding disclosure is in line with the CIPFA Code.
Narrative (No overall impact on the primary statements)	<b>Note 15 Officer Remuneration</b> Officer remuneration narrative has been amended to bring it in line with the CIPFA Code.	To ensure the disclosure is in line with the CIPFA Code.
£0.936 million Understatement of Balance Sheet (Short Term Creditors)	<b>Note 25 - Short Term Creditors</b> Errors associated with annual holiday entitlement; holiday taken and start dates identified impacting the overall percentage applied to calculate the absence accrual.	To ensure the Balance sheet and disclosure accurately reflects creditors as at 31 March 2025.
£5.465 million (No overall impact on the primary statements)	<b>Note 25 Short Term Creditors</b>	To ensure that creditor balances are correctly classified.

	It was identified that £5.465m of creditors was incorrectly classified as other payable whereas it should have been classified as Trade Payables.	
Various	<b>South East Wales Corporate Joint Committee (SEW CJC)</b> The 2024/25 audited accounts for SEW CJC are not available for consolidation. Assurances have been provided by the SEW CJC audit team over the draft 2024/25 figures which have been consolidated into the Statement of Accounts, impacting the CIES, Balance Sheet and MIRS	To ensure that SEW CJC balances and transactions are correctly presented in the financial statements.
Various (no overall effect on the financial statements)	<b>Note 19 Related Party Transaction</b> The disclosure has been updated to correct errors and omissions identified in the Note.	To ensure that the disclosure is complete and accurate for all related party relationships.
Various (no overall effect on the financial statements)	<b>Other narrative/minor amendments</b> Several other narrative and presentational amendments have been made to the financial statements, relating to revisions of disclosure notes, narrative changes, casting errors, cross referencing, prior year comparatives and typos.	To ensure the accuracy of the financial statements.

## Appendix 3 – Proposed audit report

### **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 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 of opinion**

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

My staff and I are independent of 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 narrative 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 narrative 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 give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing 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 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 potential for fraud in the following areas: posting of unusual journals, bias in accounting estimates and significant transactions 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 Bridgend County Borough 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 the 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

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

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of 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

## Appendix 4 – Letter of representation

### Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Cardiff  
CF10 4BZ

30 October 2025

### Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Bridgend County Borough Council for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### Management representations

#### Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024-25; in particular the financial statements give a true and fair view in accordance therewith;

- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

## Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Bridgend County Borough Council and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions.

### **Representations by the Governance and Audit Committee**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Bridgend County Borough Council's Governance and Audit Committee on 29 October 2025.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Section 151 Officer

Chair of Governance and Audit  
Committee

Date: 30 October 2025

Date: 30 October 2025

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



## Our People

- Selection of right team
- Use of specialists
- Supervisions and review



## Arrangements for achieving audit quality

### Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



## Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

## Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

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Information on our upcoming work and forward work programme for performance audit.



Data tools to help you better understand public spending trends.



Details of our Good Practice work and events including the sharing of emerging practice and insights from our audit work.



Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.



Audit Wales

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E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.





# Bridgend County Borough Council

## Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr



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

Direct line / Deialu uniongyrchol: (01656) 643249  
Ask for / Gofynnwch am: Carys Lord

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

Date / Dyddiad: 30 October 2025

Auditor General for Wales  
Audit Wales Office  
1 Capital Quarter  
Cardiff  
CF10 4BZ

### **Representations regarding the 2024-25 financial statements**

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Bridgend County Borough Council (the Council) for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### **Management representations**

#### **Responsibilities**

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

#### **Information provided**

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

Tel/Ffôn: 01656 643643

Fax/Facs: 01656 668126

Email/Ebost: [talktous@bridgend.gov.uk](mailto:talktous@bridgend.gov.uk)

SMS Messaging/Negeseuon SMS: 07581 157014

Twitter@bridgendCBC

Website/Gwefan: [www.bridgend.gov.uk](http://www.bridgend.gov.uk)

Text relay: Put 18001 before any of our phone numbers for the text relay service

Cyfnwidd testun: Rhewch 18001 o flaen unrhyw un o'n rhifau ffon ar gyfer y gwasanaeth trosglwyddo testun

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Council and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

### **Financial statement representations**

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions.

### **Representations by the Governance and Audit Committee**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Council's Governance and Audit Committee on 30 October 2025.

We confirm that we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Section 151 Officer

Date: 30 October 2025

Signed by:

Chair of Governance and Audit Committee

Date: 30 October 2025

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**Email/Ebost: [talktous@bridgend.gov.uk](mailto:talktous@bridgend.gov.uk)**

**Website/Gwefan: [www.bridgend.gov.uk](http://www.bridgend.gov.uk)**

**Text relay: Put 18001 before any of our phone numbers for the text relay service**

**Cyfnwidi testun: Rhwch 18001 o flaen unrhyw un o'n rhifau ffon ar gyfer y gwasanaeth trosglwyddo testun**

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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	30 OCTOBER 2025
Report Title:	PORTHCAWL HARBOUR RETURN 2024-25 ANNUAL AUDIT LETTER
Report Owner: Responsible Chief Officer / Cabinet Member	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 annual returns for smaller bodies, which includes the Porthcawl Harbour.
Executive Summary:	<ul style="list-style-type: none"> <li>The audit of the Porthcawl Harbour has been completed and no audit amendments identified.</li> </ul>

## 1. Purpose of Report

- 1.1 The purpose of this report is to submit to the Governance and Audit Committee the appointed auditor's Annual Audit Letter 2024-25 for Porthcawl Harbour attached at **Appendix A** for noting.

## 2. Background

- 2.1 The appointed auditor – Audit Wales – is responsible for providing an opinion:
  - On whether the information contained in the Annual Return is in accordance with proper practices; and
  - If any matters have come to the auditor's attention giving case for concern that relevant legislation and regulatory requirements have not been met.

## 3. Current situation / proposal

- 3.1 Attached at **Appendix A** is the Annual Audit Letter 2024-25 for Porthcawl Harbour, which states that Audit Wales intends to issue an unqualified certificate, confirming that there are no matters that they wish to draw to the Committee's attention.
- 3.2 The letter also confirms that Audit Wales is satisfied that there were no misstatements found in the Annual Return.

#### **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 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 as a result 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 These are reflected in the report.

#### **9. Recommendation**

- 9.1 It is recommended that the Committee notes the Annual Audit Letter 2024-25 at **Appendix A**.

#### **Background documents**

None



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[www.audit.wales](http://www.audit.wales) / [www.archwilio.cymru](http://www.archwilio.cymru)

**Date issued:** October 2025

Dear Members

## Porthcawl Harbour Annual Return for the Year Ended 31 March 2025

The auditor is responsible for providing an opinion:

- on whether the information contained in the Annual Return is in accordance with proper practices; and
- if any matters have come to the auditor's attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

We have completed our audit work, and we are reporting to you the issues arising from our work.

### Audit Certificate and Opinion

It is our intention to issue an unqualified certificate and report for the year ended 31 March 2025 and there are no matters in respect of the opinion which we wish to draw to your attention.

### Qualification issues

There are no qualification issues to report.

### Misstatements in the Annual Return

There were no misstatements found in the Annual Return.

### Other matters not affecting our opinion

There are no other matters affecting our audit opinion.

Yours sincerely

A handwritten signature in black ink, reading "Anthony Veale". The signature is written in a cursive style with a large initial 'A' and 'V'.

**Anthony Veale**

**Engagement Director**



<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN 2025-26</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The proposals in this report are in accordance with the policy framework and budget.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The progress made against the internal audit plan as of 30<sup>th</sup> September 2025 is detailed in Appendix A. It shows that 16 planned audit reviews have been completed which equates to a completion rate of 41%.</li> <li>• Audit opinions, based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment have been given to all 16 audits: 15 <i>Substantial or Reasonable Assurance</i>, and 1 <i>Limited Assurance</i>.</li> <li>• Included within the 2025-26 plan are 7 audits that were not undertaken or completed in 2024-25. Appendix B shows the status of these audits; 5 are completed to at least draft report stage and the other 2 are in progress.</li> <li>• A total of 42 recommendations have been made to date to improve the control environment. The progress being made in implementing the high and medium risk recommendations is regularly monitored by the Audit team and reported to this Committee.</li> </ul>

## 1. Purpose of Report

- 1.1 To provide members of the Committee with a position statement on progress being made against the audit work within the approved Internal Audit Risk Based Plan 2025-26.

## 2. Background

- 2.1 In accordance with the Global Internal Audit Standards, the Head of Audit is responsible for developing a risk-based annual audit plan which considers the Council's risk management framework. Within the Standards there is also a requirement for the Head of Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, controls and resources. The Head of Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.
- 2.2 The Internal Audit Plan for 2025-26 was submitted to the Governance and Audit Committee for consideration and approval on 19<sup>th</sup> June 2025. The Plan outlined the assignments to be carried out which will provide sufficient coverage to provide an overall opinion at the end of 2025-26.
- 2.3 The plan is flexible to allow for changing circumstances and events that may occur, such as requests to respond to new issues that may emerge.

## 3. Current situation / proposal

- 3.1 Progress made against the approved plan for the period 1st April 2025 to 30<sup>th</sup> September 2025 is attached at **Appendix A**. This details the status of each planned review, the audit opinion and the number of any high, medium, or low priority recommendations made to improve the control environment. It should be noted that some reviews listed have no audit opinion, for example advice and guidance and Governance and Audit Committee / Corporate Management Board reporting, Fraud, Error or Irregularity. This is because the audit work carried out in respect of these items is planned but the nature of the work does not lead to testing and the formation of an audit opinion, although in some instances recommendations are made.
- 3.2 The Regional Internal Audit Service (RIAS) has set quarterly targets to monitor the delivery of the approved audit plan. This will assist in ensuring sufficient audit coverage has been given to the Council to provide an overall opinion at the end of 2025-26. The targets that the RIAS are working towards at the end of each quarter are as follows:
- Qtr 1 = 10%
  - Qtr 2 = 30%
  - Qtr 3 = 50%
  - Qtr 4 = 80%
- 3.3 As of 30<sup>th</sup> September 2025, the level of coverage was 41% which is exceeding the target of 30%. A summary of the progress made to date is shown in **Table 1** below. Details of individual audit assignments are shown in **Appendix A**.

**Table 1 – Summary of the Progress Against the Audit Plan 2025-26**

Status of Audits Assignments as of 30/09/25	Number	% of plan completed
Final report issued	12	31%
Draft report issued	4	10%
Audits in progress	9	
Audits allocated	1	
Planned Audits not yet allocated	13	
<b>Total</b>	<b>39</b>	<b>41%</b>

- 3.4 An audit opinion is applied to an audit based on the assessment of the strengths and weaknesses of the areas examined during the audit through testing of the effectiveness of the internal control environment. **Table 2** shows the audit opinions given to the 16 completed audits; 94% of these have been given a *Reasonable* or *Substantial* opinion. Details of individual audit opinions are shown in **Appendix A**.

**Table 2 – Audit Opinions Applied to Audits as of 30<sup>th</sup> September 2025**

Audit Opinions	Number	%
Substantial Assurance	7	44%
Reasonable Assurance	8	50%
Limited Assurance	1	6%
No Assurance	0	
<b>Total</b>	<b>16</b>	<b>100%</b>

- 3.5 For reference, the audit assurance/opinion categories are:

AUDIT ASSURANCE CATEGORY CODE	
<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

- 3.6 Table 2 identifies that there has been 1 *Limited Assurance* opinion audit issued to date. This is the Corporate Risk Management audit however this audit report is currently issued in draft stage. Once management comments have been received and the audit finalised details will be brought to this Committee.
- 3.7 Generally when a *Limited Assurance* opinion is issued, management need time to implement the agreed recommendations to make the necessary improvements to the control environment. In these circumstances, the Audit Team would undertake a follow up audit, usually within six to twelve months of the final report being issued to verify that appropriate controls were subsequently in place.
- 3.8 **Appendix A** includes 2 follow up audits, the Security & Access to Council Buildings follow up audit is in progress and the other, Payment Card Industry Data Security Standard (PCI-DSS) Compliance, is at draft report stage. Once complete, the audit opinions will be reported to Committee. If improvements have not been made and the recommendations have not been implemented this could result in a second *Limited Assurance* opinion. At this stage the Head of RIAS would recommend to members that they invite in the relevant Corporate Director / Head of Service to provide the necessary assurances that action will be taken to address the issues identified within the audit report.
- 3.9 The audit plan 2025-26 at **Appendix A** includes audits that were not started during 2024-25 or were incomplete at year end. There are 7 of these which are identified at **Appendix B**.
- 3.9 Table 3 below provides a summary of the status of these audits as of 30<sup>th</sup> September 2025; 5 of the 7 audits have been completed to at least draft report stage and the remaining 2 audits are in progress.

**Table 3 – Status of Audits Brought Forward into the Audit Plan 2025-26 as of 30<sup>th</sup> September 2025**

Status of Audits Assignments	Number	% Complete
Final report issued	3	43%
Draft report issued	2	28%
Audits in progress	2	
<b>Total</b>	<b>7</b>	<b>71%</b>

- 3.10 **Appendix A** shows that a total of 42 recommendations have been made to date to improve the control environment: 2 high priority (5%), 24 (57%) medium priority and 16 (38%) low priority. The implementation of the high and medium priority recommendations are regularly monitored by the Audit Team to ensure that the identified and agreed improvements are made. More detailed information is included in a separate report to this Committee.
- 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 Implications**

- 6.1 There are no climate change 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 direct financial implications arising from this report however effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

**9. Recommendation**

- 9.1 It is recommended that members of the Committee note the content of the report and the progress made against the 2025-26 Internal Audit Risk Based Plan.

**Background documents**

None

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## Progress Against the Internal Audit Plan 2025-26

Area	Audit Objective	Status	Audit Opinion/Assurance			Recommendations		
			Substantial	Reasonable	Limited	High	Medium	Low
Limited Assurance Reports - Follow up	To ensure that improvements have been made to the control environment since the previous limited assurance review.							
	Payment Card Industry Data Security Standard (PCI-DSS) Compliance	draft issued		√				
	Security & Access to Council Buildings	in progress						
Good Governance	To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities. Assist in the AGS							
Safeguarding	The objectives of the audit are to undertake an assessment of the Council's overall operating model for safeguarding to evaluate safeguarding performance. The review will include the safeguarding arrangements in place for vulnerable adults as well as children.							
Corporate Risk Management	The objective of the audit is to review a sample of Corporate Risks to identify if they are being appropriately managed and progress is being reported accurately.	draft issued			√			
Corporate Performance	To select a sample of Performance Indicators and provide assurance on the accuracy and integrity of supporting information for each definition							
Grant Certification Work	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.							
	Bus Service Support Grant 2024-25	final issued	√			0	0	0
Frameworks & Corporate Contracts	To undertake a review of the corporate contracts and frameworks in place across the Council including the central recording and monitoring processes. This review will also aim to identify how awareness of frameworks / corporate contracts is promoted, identify the number of non corporate contracts in place and establish whether these are appropriate (based on a selected sample)	final issued		√		0	2	2
Key Financial Systems	A rolling programme of audits is adopted for material systems whereby the work programme for each year will differ.							
	Creditors	draft issued		√				
Budget Savings	To identify and review the systems in place to monitor the high level of savings identified	final issued	√			0	0	1
Financial Management Code	To provide assurance that the information presented is accurate	final issued	√			0	0	0
Petty Cash	To provide assurance that establishments still require petty cash and if so they are complying with procedures and usage is appropriate.	final issued		√		0	3	1
ICT Audit	In consultation with ICT, systems reviews will be undertaken across Directorates to ensure robust controls are evident and operating effectively in order to minimise the threat of cyber crime							
	Open Contractor	final issued	√			0	2	1
	Childview - Youth Justice Information Management System	final issued	√			0	0	1
Datacentre	To provide assurance that due diligence has taken place in respect of moving this off site and that suitable contracts are in place.	allocated						
Payroll	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Payroll including overtime, standby and call out payments	final issued	√			0	0	1
Housing Support Grant Procurement	To provide assurance that appropriate systems and processes are in place and are compliant to the terms of the funding	in progress						
Communications & Public Affairs	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Communications & Public Affairs	in progress						
Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement 2024/25	final issued	√			0	0	0
Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement 2024/25	final issued		√		0	2	1
Planning Applications and Appeals	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Planning Applications & Appeals.	in progress						
Shared Prosperity Funding	Review the process in place for receiving funding, funding and expenditure approval and the governance of decision making to provide assurance that the systems are robust and efficient.	in progress						
Highways Stores Management	To provide assurance that the control of stock for trades working out of Council depots are effective and efficient	in progress						
Vehicle Fuel Management	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Vehicles Fuel System.							

Area	Audit Objective	Status	Audit Opinion/Assurance			Recommendations		
			Substantial	Reasonable	Limited	High	Medium	Low
Security of Assets & Stock	To review the security arrangements in place and to provide assurance they are effective.							
Grass Cutting	To examine the systems in place to provide assurance that the service is working effectively and efficiently							
Schools	To undertake a number of school based reviews as well as cross cutting thematic reviews in accordance with the Internal Audit risk based assessment.							
	St Marys Catholic School Follow Up	draft issued		√				
	Coleg Cymunedol y Dderwen (CCYD)	final issued		√		0	5	7
School CRSA	To undertake the annual controlled risk self – assessment for schools. The aim of the process is to enable Head Teachers to review their internal controls and to ensure that they undertake and comply with the requirements of current legislation and the Financial Procedure Rules.							
School Balances	To provide assurance that the processes in place provide sufficient oversight and intervention where appropriate in respect of school balances.	in progress						
Cyber Security in Schools	To provide assurance that the Council is taking suitable steps to establish whether its schools have the appropriate safeguards in place to protect against cyber-attacks.							
Awen Cultural Trust	To provide assurance in respect of contract management, performance management and scrutiny of the partnership arrangement in place between the Trust and the Council	in progress						
Assisted Travel	Provide assurance that transport contracts and 'in house' transport for Older Persons is compliant, economic and efficient							
Section 117	To seek assurance that processes are adhered to in respect of policies and procedures, case management and agreed funding arrangements between LA and Health.							
Special Guardian Orders	To review the arrangements in place for the payment of Special Guardianship Orders and means testing methodology	in progress						
Children's Home – Golygfa'r Dolydd	To undertake an establishment audit to provide assurance that the internal controls are effective.	final issued		√		2	10	1
Commissioning of Services	To provide assurance that the correct procurement processes are undertaken to ensure contracts and agreements are compliant and efficient and economical							
WCCIS Replacement Project	To provide assurance on governance and decision making around the project whilst implementation is underway							
Compliance with GIAS - Self Assessment	Review compliance with the Global Internal Audit Standards.							
Governance & Audit Committee /Members and CMB Reporting	This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee. Regular reporting to, and meeting with, the Section 151 Officer, Corporate Management Board and the RIAS Board.							
Meetings, Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority.							
Data Analytics	Data Analytics is proving to be a useful internal audit tool as councils become more reliant on electronic data, as data analytics enables a vast amount of data to be analysed when selecting testing samples							
Audit Wales Liaison	To maintain professional relationship in line with good practice and the GIAS							
Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.							
Annual Opinion Report	To prepare and issue the Head of Audit's Annual Opinion Report 2024/25 and start preparation for 2025/26 report.							
Audit Planning	To prepare and monitor the annual risk based audit plan for 2024/25 and commence preparation for 2025/26 plan							
Audit Charter / Manual	To review and update the documents as required							
Closure of reports - 2024-25	To finalise all draft reports outstanding at the end of 2024-25							
Emerging Risks / Unplanned	To enable Audit Services to respond to provide assurance activity as required.							
Fraud / Error / Irregularity	National Fraud Initiative - Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers.							
Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.							
	OVERALL TOTALS		7	8	1	2	24	16



**AUDITS ONGOING AND CONTINUED INTO 2025/26**

Directorate	Area	Audit Objective	Status	Audit Opinion/Assurance			Recommendations		
				Substantial	Reasonable	Limited	High	Medium	Low
AUDITS ONGOING AND CONTINUED INTO 2025/26									
Cross Cutting	Corporate Risk Management	The objective of the audit is to review a sample of Corporate Risks to identify if they are being appropriately managed and progress is being reported accurately.	draft issued			√			
Communities	Shared Prosperity Funding	Review the process in place for receiving funding, funding and expenditure approval and the governance of decision making to provide assurance that the systems are robust and efficient.	in progress						
Chief Executives	Creditors		draft issued		√				
AUDITS NOT STARTED AND INCLUDED ON 2025/26 PLAN									
Chief Executives	Frameworks & Corporate Contracts	To undertake a review of the corporate contracts and frameworks in place across the Council including the central recording and monitoring processes. This review will also aim to identify how awareness of frameworks / corporate contracts is promoted, identify the number of non corporate contracts in place and establish whether these are appropriate (based on a selected sample)	final issued		√		0	2	2
Chief Executives	Budget Savings	To identify and review the systems in place to monitor the high level of savings identified	final issued	√			0	0	1
Communities	Planning Applications and Appeals	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Planning Applications & Appeals.	in progress						
Social Services & Wellbeing	Children’s Home – Golygfa’r Dolydd	To undertake an establishment audit to provide assurance that the internal controls are effective.	final issued		√		2	10	1
		OVERALL TOTALS		1	3	1	2	12	4

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>INTERNAL AUDIT RECOMMENDATION MONITORING</b>
<b>Report Owner: Chief Responsible Officer / Cabinet Member</b>	<b>CHIEF OFFICER – FINANCE, HOUSING &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The proposals in this report are in accordance with the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• This report provides members of the Governance and Audit Committee with a position statement on the status of internal audit recommendations as at 30<sup>th</sup> September 2025. This is attached at Appendix A.</li> <li>• A recommendation is made to enhance a control to mitigate the identified risk; until the recommendation is implemented the risk remains.</li> <li>• To date 2 high priority and 24 medium priority recommendations have been made following the conclusion of audits from this year's annual plan. All have been agreed, 12 have been implemented and 14 medium priority recommendations have a future implementation date.</li> <li>• There are currently no overdue recommendations.</li> <li>• There are 30 recommendations made in previous financial years that still have a future implementation date. 24 of these are from audits completed during 2024-25 and are being monitored, the remaining 6, made prior to 2024-25, (1 high priority and 5 medium priority), are detailed in Appendix B.</li> </ul>

## 1. Purpose of Report

- 1.1 To provide members of the Committee with a position statement on internal audit recommendations made, implemented and outstanding as of 30<sup>th</sup> September 2025 and consider the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service.

## 2. Background

- 2.1 In accordance with the Global Internal Audit Standards, the internal audit activity must assess and make appropriate recommendations to improve the Council's governance, risk management and internal control. The Regional Internal Audit Service (RIAS) Strategy states that the implementation of agreed recommendations will be monitored.
- 2.2 Recommendations are made at the conclusion of an audit review if it is felt that improvements should be made to mitigate risk and strengthen controls. Recommendations are included, if appropriate, in the final audit report and recipients are asked to provide responses to indicate whether they agree with the recommendations and how and when they plan to implement them. To assist managers in focusing their attention, each recommendation is classified as being either high, medium or low priority.
- 2.3 Table 1 shows the recommendation categorisation as follows:

Table 1 – Recommendation Categorisation	
Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results. The criticality of each recommendation is as follows:	
<b>High Priority</b>	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
<b>Medium Priority</b>	Action that is considered necessary to avoid exposure to significant risks.
<b>Low Priority</b>	Action that is considered desirable and should result in enhanced control.

- 2.4 To ensure maximum coverage of the annual plan based on the capacity available within the team, the RIAS monitors the implementation of the high and medium priority recommendations, but the low priority recommendations are left to management to successfully implement.
- 2.5 Once the target date for implementation has been reached the relevant Officers will be contacted and asked to provide feedback on the status of each agreed high and medium priority recommendation. The implementation of these recommendations is monitored using internal audit software to ensure that improvements are being made.
- 2.6 Any audits concluded with a *No Assurance or Limited Assurance* opinion will also be subject to a follow up audit.

## 3. Current situation / proposal

- 3.1 **Appendix A** provides the status of the high and medium priority internal audit recommendations made as of 30<sup>th</sup> September 2025.

- 3.2 **Table 2** below illustrates that of the 26 recommendations made in 2025-26 audits, 12 have been implemented and the remaining 14 have a future target date.

**Table 2 – Summary of the Recommendation Status – 2025-26 Audits**

	No. Made	Not Agreed	Imp.	Overdue			Future Target Date		
				High	Med.	Total	High	Med.	Total
2025-26	26	0	12	0	0	0	0	14	14

- 3.3 **Appendix A** also includes the high and medium recommendations made in relation to audits completed in previous years which are yet to be implemented and therefore the identified risk remains. This information is summarised in **Table 3**.

**Table 3 – Recommendation Status (Audits Completed Pre-2025-26)**

	No. Made	Not Agreed	Imp.	Overdue			Future Target Date		
				High	Med.	Total	High	Med.	Total
2022-23	4	0	2	0	0	0	0	2	2
2023-24	17	0	13	0	0	0	1	3	4
2024-25	86	0	62	0	0	0	4	20	24
<b>Total</b>	<b>107</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>25</b>	<b>30</b>

- 3.4 **Table 3** illustrates there are currently no overdue recommendations.
- 3.5 **Table 3** also identifies the number of recommendations made, per each financial year, which still have a future implementation date. **Appendix B** provides details of the 1 high priority recommendation and the 5 medium priority recommendations made in 2022-23 and 2023-24 audits. Until these are implemented the identified risks remain.
- 3.6 The 4 high priority and 20 medium priority recommendations made during 2024-25, which still have a future implementation date, continue to be monitored and any undue delays will be reported to the Council's Corporate Management Board and ultimately to this Committee.

#### **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 direct financial implications arising from this report however effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

## **9. Recommendation**

- 9.1 That members of the Governance and Audit Committee note the content of the report and consider the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service.

### **Background documents**

None

## Bridgend County Borough Council - Recommendation Monitoring Position Statement

Audit Name	Audit Opinion	Final Report Date	Number Made			Not Agreed	Implemented			Overdue			Future Target Date		
			High	Medium	Total		High	Medium	Total	High	Medium	Total	High	Medium	Total
<b>2022-23</b>															
Home To Work Mileage in Council Vehicles	REASONABLE	27-01-23	0	4	4	0	0	2	2	0	0	0	0	2	2
<b>Total</b>			<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
<b>2023-24</b>															
Rights of Way	REASONABLE	18-09-23	0	3	3	0	0	2	2	0	0	0	0	1	1
Parking Enforcement	REASONABLE	10-01-24	1	1	2	0	0	1	1	0	0	0	1	0	1
Welsh Language Standards	REASONABLE	23-02-24	0	4	4	0	0	3	3	0	0	0	0	1	1
Procurement	LIMITED	11-06-24	5	3	8	0	5	2	7	0	0	0	0	1	1
<b>Total</b>			<b>6</b>	<b>11</b>	<b>17</b>	<b>0</b>	<b>5</b>	<b>8</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>4</b>
<b>2024-25</b>															
Porthcawl Harbour Annual Return 23/24	REASONABLE	15-07-24	0	1	1	0	0	0	0	0	0	0	0	1	1
Business Continuity Planning	LIMITED	28-01-25	2	3	5	0	1	1	2	0	0	0	1	2	3
Bottomline PTX BACS Payments	REASONABLE	30-01-25	0	2	2	0	0	1	1	0	0	0	0	1	1
Health & Safety Arrangements	REASONABLE	10-02-25	0	3	3	0	0	1	1	0	0	0	0	2	2
Penybont Primary School	REASONABLE	10-02-25	1	10	11	0	1	8	9	0	0	0	0	2	2
Bridge Alternative Provision	REASONABLE	03-03-25	0	5	5	0	0	4	4	0	0	0	0	1	1
Agency Staff	REASONABLE	10-03-25	1	2	3	0	0	1	1	0	0	0	1	1	2
Consultants	REASONABLE	31-03-25	0	6	6	0	0	5	5	0	0	0	0	1	1
Foster Carer Payments	REASONABLE	04-04-25	1	5	6	0	0	4	4	0	0	0	1	1	2
Tondu Primary School	REASONABLE	08-04-25	1	15	16	0	0	13	13	0	0	0	1	2	3
Fees and Charges	REASONABLE	11-04-25	0	3	3	0	0	2	2	0	0	0	0	1	1
Community Asset Transfers	SUBSTANTIAL	30-04-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Croesty Primary	REASONABLE	15-05-25	1	6	7	0	1	5	6	0	0	0	0	1	1
Maesteg Comprehensive School	LIMITED	15-05-25	2	12	14	0	2	11	13	0	0	0	0	1	1
Flying Start	REASONABLE	28-05-25	0	2	2	0	0	1	1	0	0	0	0	1	1
<b>Total</b>			<b>9</b>	<b>77</b>	<b>86</b>	<b>0</b>	<b>5</b>	<b>57</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>20</b>	<b>24</b>
<b>2025-26</b>															
Golygfa'r Dolydd (Meadows View) Children's Home	REASONABLE	09-07-25	2	10	12	0	2	7	9	0	0	0	0	3	3
Porthcawl Harbour Annual Return 24/25	REASONABLE	18-07-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Open Contractor Management System	SUBSTANTIAL	31-07-25	0	2	2	0	0	1	1	0	0	0	0	1	1
Framework Agreements	REASONABLE	05-09-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Petty Cash	REASONABLE	15-09-25	0	3	3	0	0	2	2	0	0	0	0	1	1
Coleg Cymunedol y Dderwen (CCYD)	REASONABLE	26-09-25	0	5	5	0	0	0	0	0	0	0	0	5	5
<b>Total</b>			<b>2</b>	<b>24</b>	<b>26</b>	<b>0</b>	<b>2</b>	<b>10</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>14</b>

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**Bridgend County Borough Council –Recommendation Monitoring**

**Recommendations Made - Future Implementation Date**

<b>Audit</b>	<b>Final Report Date</b>	<b>Recommendation</b>	<b>Category</b>	<b>Agreed Action</b>	<b>Agreed Date</b>	<b>Current Position</b>	<b>Responsible Officer</b>
<b>Home To Work Mileage in Council Vehicles</b>  <i>Reasonable Opinion</i>	27/01/23	A corporate policy is developed in relation to the use of Council vehicles	Medium	Agreed that a Corporate Policy is to be developed on the use of corporate vehicles. This task will require support from Human Resources, Fleet Services as well as the representative departments of BCBC. The process will involve research, drafting, sign off, consultation and approval. As such any timescale is speculative but could be deliverable in 7 months	30/09/23  <u>Revised</u> 31/03/24 31/03/25 31/07/25 1/08/26	<u>Update July 2025</u> A review will be undertaken which will cover the overall usage and maintenance of the Council Fleet, this will include the development of a policy that will cover the use of Council vehicles.  The anticipated completion date for the review will be 01/08/2026.	Group Manager Highways and Green Spaces as Lead officer
		Where there is a possible requirement to take a vehicle home, a business case should be presented and authorised at the appropriate level.	Medium	This should be addressed within the policy referenced above	30/09/23  <u>Revised</u> 31/03/24 31/03/25 31/07/25 30/09/25 31/10/25	<u>Update Sept 2025</u> An exercise has been carried out to review all vehicles that are taken home. Once complete evidence will be provided to verify that the recommendation is complete	As above
<b>Rights of Way</b>  <i>Reasonable Opinion</i>	18/09/23	Seek to introduce and publicise a single automated method of reporting and recording maintenance issues and seek to utilise the CAMS systems functionality to record data, help maximise	Medium	As there are many ways the team currently receives information it will be problematic to develop a single portal in the first instance. However, this can be worked towards by utilising the CAMS system as the first point of entry.	31/12/23  Revised 30/06/25 30/09/25 31/10/25	<u>Update Sept 2025</u> Partial implementation- there are still a few matters that need to be attended to before the public facing element of the system is fully operational.	Rights of Way Manager

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
		efficiencies and increase monitoring capabilities.					
<b>Parking Enforcement</b>  <i>Reasonable Opinion</i>	10-01-24	The Council puts in place an overarching strategy or policy to outline the key duties, powers and objectives of the Parking Enforcement Team.	High	The existing Bridgend County Borough Council parking strategy was produced in 2014 and refreshed in 2017.	31/01/24  Revised 31/03/25 31/10/25	<u>Update September 2025</u> The document is going to Cabinet during October 2025	Parking Services Manager, & Traffic Management & Parking Team Leader
<b>Welsh Language Standards</b>  <i>Reasonable Opinion</i>	23/02/24	In line with Welsh Language Standard 122 & 126 (Operational), the text of the homepage of the intranet, interface and menus must be available in Welsh and fully functional.	Medium	Work is underway to ensure there is an option of a bilingual staff intranet.	30/04/24  <u>Revised</u> 30/04/26	<u>Update November 2024</u> The intranet project was put on hold due to our website CMS provider pulling support, the intranet is next in line, and it has been agreed we can start the transfer of the old intranet once the website transfer is complete. This new site will be bilingual in the same way the website is. The extremely long target date was challenged and informed that this risk has been escalated to managers to try and bring this date forward.	Digital and Social Media Officer
<b>Procurement</b>  <i>Limited Opinion</i>	11/06/24	The Council implements a system to easily identify supplier spend for which there is no established contract between the Council and the supplier.	Medium	Procurement and finance have been looking into this and agree that a system is necessary. It has been identified that the finance system has the capabilities but would need the host of the system to provide advice on the functionalities, this would be at a cost of £2,000.	30/07/24  <u>Revised</u> 31/07/25 30/04/26	<u>Update September 2025</u> The Finance system is being upgraded with a go live date of 17 October. Following this the consultant will assist with the implementation of the necessary functionality.	Group Manager, Chief Accountant / Corporate Procurement Manager

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2024/25 - DRAFT</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member</b>	<b>CHAIR OF THE GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Governance and Audit Committee is required to approve an Annual Report for presentation to Council.</b></li> <li>• <b>This report demonstrates how the Committee has met its terms of reference as per the Council's Constitution as set out by the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021.</b></li> <li>• <b>The Committee has achieved this by concentrating on its core responsibilities during 2024/25.</b></li> <li>• <b>Members have demonstrated that they have held senior management to account for making improvements in the governance arrangements and the control environment, challenged officers and sought clarification and progress reports to obtain the assurances required to support continued good governance.</b></li> </ul>

## 1. Purpose of Report

- 1.1 The purpose of the report, subject to further comments from Members, is for the Committee to approve the Governance and Audit Committee's Annual Report and present it to full Council for them to consider whether it forms a balanced summary of the work undertaken by the Committee during 2024/25.

## 2. Background

- 2.1 The Council's Governance and Audit Committee has responsibility for ensuring that there are procedures in place to guarantee the adequacy and effectiveness of financial control, risk management and corporate governance arrangements.
- 2.2 A key component of good governance for all organisations is to have in place a Governance and Audit Committee. Bridgend County Borough Council complies with this requirement; the Terms of Reference of the Committee, as included within the Council's Constitution, are set in line with the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021. The responsibilities of the Governance and Audit Committee, as required by the above legislation, are included in **Appendix 1** of the Annual Report (**Appendix A**).
- 2.3 The Governance and Audit Committee and its Members are required to:
- Report to Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
  - Report to Council on an annual basis and to publish an annual report on the Committee's work, its performance in relation to its Terms of Reference and its effectiveness in meeting its purpose including a conclusion on compliance with Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement on audit committees.
- 2.4 The Local Government and Elections (Wales) Act 2021 determined that former Audit Committees would be re-named Governance and Audit Committees and from May 2022 the Chair of the Governance and Audit Committee had to be a lay member and that one third of its membership had to be lay members. The fourth lay member was appointed in August 2024 to Bridgend's Governance and Audit Committee; 8 elected Councillors were on the committee during 2024/25. The Committee held 6 meetings during the municipal year and attendance was good for all members.
- 2.5 The Governance and Audit Committee focused on its core responsibilities:
- Reviewing the draft financial statements;
  - Scrutinising and being satisfied with the Council's Annual Governance Statement, to demonstrate how governance supports the achievement of objectives, and monitor management action in-year to further improve arrangements;
  - Monitoring the Council's internal audit function in terms of overseeing independence, objectivity, performance and professionalism, through the regular reporting of performance and finalised audit assignments;
  - Considering the effectiveness of the authority's risk management arrangements;
  - Considering reports and recommendations of external audit in respect of the Council;
  - Supporting the ongoing development and effectiveness of Governance and Audit Committee; and

- Ensuring compliance with legal requirements, namely the Local Government and Elections (Wales) Act 2021, in respect of overseeing the Council's performance assessment and the arrangements for handling complaints.

2.6 Members have demonstrated that they have held senior management to account for making improvements in the governance arrangements and the control environment, challenged officers and sought clarification and progress reports to obtain the assurances required to support continued good governance.

### **3. Current situation / proposal**

3.1 This report at **Appendix A**, sets out the Governance and Audit Committee's Annual Report for 2024/25, how it has complied with its Terms of Reference, and outlines its performance during the year.

3.2 The outcome of the 2024/25 self-assessment process was reported in the previous annual report. As new members have joined the Committee since May 2025, this exercise will be run in December 2025 for it be more meaningful, with the results being incorporated into the Annual Report for Governance and Audit Committee for 2025/26.

### **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. Recommendations**

- 9.1 It is recommended that, subject to further comments from Members, the Committee approve the Governance and Audit Committee's Annual Report and determine whether it forms a balanced summary of the work undertaken by the Committee during 2024/25 for presentation to full Council.

### **Background documents**

None



<b>Subject</b>	<b>DRAFT Governance and Audit Committee Annual Report 2024/25</b>
<b>Directorate: Meeting:</b>	<b>Chief Executives Governance and Audit Committee</b>
<b>Date:</b>	<b>30 October 2025</b>
<b>Division/Wards Affected</b>	<b>All</b>

## **1. PURPOSE**

- 1.1 The purpose of the report, subject to further comments from Members, is for the Committee to approve the Governance and Audit Committee's Annual Report and present it to full Council for them to consider whether it forms a balanced summary of the work undertaken by the Committee during 2024/25.
- 1.2 On behalf of the Governance and Audit Committee the Annual Report for 2024/25 is submitted for consideration by the Governance and Audit Committee. It shows that, over this period, the Committee has fulfilled its role as defined in its terms of reference.
- 1.3 The report shows that the workings of the Committee provide assurance to the Council with regard the effective governance of financial affairs and other matters by the Authority.

## **2. RECOMMENDATIONS**

- 2.1 That the Governance and Audit Committee's Annual Report for 2024/25 is submitted for consideration by the Committee. The report sets out that, over this period, the Committee has fulfilled its role as defined within its terms of reference.
- 2.2 It is recommended that, subject to further comments from Members, the Committee approve the Governance and Audit Committee's Annual Report and determine whether it forms a balanced summary of the work undertaken by the Committee during 2024/25 for presentation to full Council.

## **3. INTRODUCTION**

- 3.1 The Council's Governance and Audit Committee has responsibility for ensuring that there are procedures in place to guarantee the adequacy and effectiveness of financial control and corporate governance arrangements.
- 3.2 A key component of good governance for all organisations is to have in place a Governance and Audit Committee. Bridgend County Borough Council complies with this requirement; the Terms and Reference of the Committee, as included within the Council's Constitution, are set in line with the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021. The responsibilities of Governance and Audit Committee, as required by the above legislation, are included at **Appendix 1** of this report.
- 3.3 The Local Government and Elections (Wales) Act 2021 determined that former Audit Committees would be re-named Governance and Audit Committees and from May 2022 the Chair of the Governance and Audit Committee had to be a lay member and that one third of its membership had to be lay members. The



fourth and final lay member was successfully appointed to Bridgend's Governance and Audit Committee in August 2024; 8 elected councillors were on the Committee during 2024/25. The Committee held 6 meetings during the municipal year, with good attendance from all members; member attendance records are shown at **Appendix 5**.

3.4 The Governance and Audit Committee was mindful of new and different ways of working in setting its workplan for the year and also of the need for robust and proportionate oversight of the Council's governance, internal control and risk managements to be in place. The Governance and Audit Committee focussed on its core responsibilities:

- Reviewing the draft financial statements;
- Scrutinising and being satisfied with the Council's Annual Governance Statement, to demonstrate how governance supports the achievement of objectives, and monitor management action in-year to further improve arrangements;
- Monitoring the Council's internal audit function in terms of overseeing independence, objectivity, performance and professionalism, through the regular reporting of performance and finalised audit assignments;
- Considering the effectiveness of the authority's risk management arrangements;
- Considering reports and recommendations of external audit in respect of the Council;
- Supporting the ongoing development and effectiveness of Governance and Audit Committee; and
- Ensuring compliance with legal requirements, namely the Local Government and Elections (Wales) Act 2021, in respect of overseeing the Council's performance assessment and the arrangements for handling complaints.

3.5 All reports presented to the Governance and Audit Committee during 2024/25 are shown in the forward work plan as at **Appendix 2**.

#### **4. WORK DELIVERED IN 2024/25**

4.1 The CIPFA Guidance ('Audit Committees – Practical Guidance for Local Authorities & Police 2022 Edition') identifies 'Core Functions' of a Governance and Audit Committee along with what it refers to as possible 'wider functions' of a Governance and Audit Committee. The Committee undertook its role during 2024/25 by receiving a comprehensive suite of reports in line with its work programme for the year, as shown at **Appendix 2**.

4.2 *Be satisfied that the Council's assurance statements, including the annual governance statement (AGS), properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the Council's objectives.*

4.2.1 The Draft AGS for 2023/24 was reported to the Governance and Audit Committee in September 2024; the Committee endorsed it and recommended its certification by the Leader of the Council and the Chief Executive for inclusion within the Council's 2023/24 Statement of Accounts. As part of this process, the Review of Effectiveness and proposals for improvement have been reviewed and challenged by the Council's Corporate Management Board and Governance and Audit Committee. Members were keen to challenge the process and sought clarification of certain aspects of the draft statement; they felt the report would benefit from a narrative on the actions taken to address the six *Limited Assurance* internal audit opinions.

#### 4.3 *Internal Audit functions:*

- *oversee its independence, objectivity, performance and professionalism;*
- *support the effectiveness of the internal audit process;*
- *promote the effective use of internal audit within the assurance framework.*

4.3.1 The Council's Internal Audit Service is provided by the Regional Internal Audit Service, hosted by the Vale of Glamorgan Council and provides the internal audit function to three local authorities: Bridgend County Borough Council, Merthyr Tydfil County Borough Council and Vale of Glamorgan Council.

4.3.2 An assessment of key risks and changes in service delivery arrangements were taken into account as part of compiling the Internal Audit Annual Strategy and Risk Based Internal Audit Plan 2024/25.

4.3.3 The Internal Audit Annual Plan for 2024/25 was reported to, and approved by, the Governance and Audit Committee (June 2024). The Head of the Regional Internal Audit Service outlined that the proposed plan would need to continue to recognise particular risks and challenges arising from revised working arrangements, such as remote ways of working. Members were keen to understand how the plan was compiled and challenged the robustness of it; they stressed the importance of the high priority audits.

4.3.4 During the year, the Governance and Audit Committee received Internal Audit performance updates, details of all finalised audit assignments and progress on implementation of audit recommendations; this suite of information has enabled Members to consider the effectiveness of the Internal Audit process for 2024/25.

4.3.5 A key part of the Governance and Audit Committee's role is to support the Council's Internal Audit Service to remain independent, assess whether it has adequate resources available to it and to monitor the

performance and quality of work delivered throughout the year. The Internal Audit Service fulfilled this requirement through its Internal Audit Charter, that was presented to and approved by the Governance and Audit Committee and provided the Committee with information to assess the independence of the Internal Audit Service. Members asked for meetings apart from formal meetings and a training event to be considered.

4.4 *Monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption.*

4.4.1 4 *Limited Assurance* audit reports were issued in 2024/25 which were reported to the Governance and Audit Committee within Internal Audit's (IA) 'Progress against the IA Risk Based Plan 2024/25 reports during the year. There were no 'No Assurance' reports issued.

4.4.2 Following the *Limited Assurance* opinions issued, Members invited the Chief Executive, the Director – Education, Early Years & Young People and Corporate Director – Communities into Committee to answer questions and respond to specific issues in order to obtain the assurances that appropriate controls were in place.

4.4.3 Members also requested that the Corporate Management Board be made aware of their concern that some audit recommendations were not being actioned on a timely basis and requested progress reports. Directors / Heads of Service were requested to provide written progress reports on the implementation of audit recommendations.

4.4.4 Throughout the year Members demonstrated that they challenged senior management around governance issues arising and held them accountable for taking appropriate action to make the necessary improvements. Consideration was given to calling in Directors where action was not evident for them to provide assurances that improvements in the control environment would be made.

4.4.5 The results of Internal Audit's work for the financial year are brought together in the form of the *Head of Internal Audit's Annual Report*, which for 2023/24 was reported to Committee in June 2024.

4.4.6 Where Members felt they needed further assurance that action was being taken in the service area to address the issues identified in the Internal Audit reports or to ensure agreed recommendations were being implemented, they invited the relevant Director into Committee and thereafter requested further progress reports. Examples of these invitations are shown at **Appendix 3**. This demonstrates the effectiveness of the Committee.

#### 4.4.7 With regard to the risks of fraud and corruption:

- In July 2024 the Annual Corporate Fraud Report 2023/24 was presented. This update provided assurance on the Council's arrangements to tackle potential fraud and covered the internal control environment that supports this area.
- The Anti-tax Evasion Policy was reported to Committee prior to it being presented to Cabinet for approval.
- Following the presentation of the Annual Fraud Report, Members were interested in further information around blue badges, the methodology for calculating savings, repeat offenders, civil enforcement officers, any targeted approach, costs and benefits of having more fraud officers and potential fraud in relation to contracts; they suggested DWP be invited to outline their approach to fraud.

#### 4.5 *Consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations.*

4.5.1 Updates were presented to Committee throughout the year which enabled officers and Members to identify and assess trends and the crosscutting nature of risks with the ability to drill down to the detail of risks as and when required. Members suggested improvements in the presentation of risk reports which were taken into consideration. Members received and debated the business continuity of the replacement system for Care Director (WCCIS) and the Capita One system for education. They challenged the risks around the council being unable to deliver transformation and major service change, including projects and agreed financial savings and the financial fragility of schools in the Borough.

4.5.2 In line with the requirements of the Local Government and Elections (Wales) Act 2021, the Committee reviewed the Council's draft Self-Assessment for 2023/24 (incorporating the Council's Corporate Performance Report) in advance of consideration at a meeting of the full Council (noting that the self-assessment included information in respect of partnership / collaboration arrangements). Members were given the opportunity to discuss and comment on the Corporate Self-Assessment exercise before being approved by Cabinet and Council.

4.5.3 Members challenged the content of the report and sought further clarifications of specific areas; they provided comments, feedback and improvements.

- 4.5.4 Reports on corporate complaints were also considered and discussed by the Committee who contributed to future improvements of the process and presentation and requested that some matters be referred to scrutiny.
- 4.6 *Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.*
- 4.6.1 Governance and Audit Committee were presented with the draft 2023/24 Statements of Account for the Council and Audit Wales provided a verbal update on the progress on the audit of those accounts; they informed the Committee that no significant matters had been identified to date. Members discussed and challenged the merits of materiality, contributions to the Awen Cultural Trust, unfunded pension scheme liabilities, sustainability of the Council's reserves and risks associated with not delivering a balanced budget
- 4.6.2 Following review by Committee, the Council's 2023/24 audited Statement of Accounts were reported back through Cabinet and approved by full Council; an unqualified opinion was issued by Audit Wales (i.e. clean bill of health).
- 4.6.3 The Council's Treasury Management and Investment Strategy was updated and presented to Committee for review prior to it being reporting to full Council. Members discussed borrowing levels, impact on the Council's liquidity or overall financial health of the reduction in investment balances and noted the Treasury Management activities and indicators.
- 4.7 *Consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control.*
- 4.7.1 Audit Wales provided quarterly Audit Wales Work Programme Updates during the year to enable the Committee to be kept up-to-date with the work of Audit Wales and provide opportunity to seek clarity / further information where deemed necessary.
- 4.7.2 Audit Wales presented finalised reports to the Governance and Audit Committee during the year, accompanied by Council progress updates on the implementation of recommendations / proposals for improvement contained within the reports. Members discussed the content of these reports and raised matters around challenges associated with recruiting staff in local government, concept of materiality and the identification of material misstatements, arrangements around delegated decision-making, risks associated with the scheme of delegation along with a broader view of what a partner organisation could be in writing the next corporate plan

- 4.8 The Chair of the Governance and Audit Committee, on his and the Committee's behalf, would like to express their thanks to the Internal Audit Team for their continued professionalism, and hard work throughout the year.

## 5. SELF-ASSESSMENT AGAINST THE CIPFA PRACTICAL GUIDANCE FOR LOCAL AUTHORITIES & POLICE 2018 EDITION

- 5.1 The self-assessment checklist based on the CIPFA Guidance was circulated to Members of the Committee during 2024/25 in order to assess the existing skills, knowledge and areas of expertise of members and to identify any gaps or training requirements. Feedback received during 2024/25 was reported in the previous annual report.
- 5.2 As new members have joined the Committee since May 2025, this exercise will be run in December 2025 for it be more meaningful, with the results being incorporated into the Annual Report for Governance and Audit Committee for 2025/26.
- 5.3 As stated above, the Governance and Audit Committee operated with its full quota of lay members for the majority of 2024/25. A Pen Picture of each lay member setting out their experience and knowledge to support the value added of the Committee is shown at **Appendix 4**.

## 6. **CONCLUSIONS**

- 6.1 During 2024/25 the Council's Governance and Audit Committee has reviewed and challenged a range of topic areas, including the work of Internal and External Audit, the Committee's responsibilities as set out in the Local Government and Elections (Wales) Act 2021 and its responsibility in respect of reviewing and scrutinising the Council's Treasury Management arrangements.
- 6.2 Members have demonstrated that they have held senior management to account for making improvements in the control environment, challenged officers and sought clarification and progress reports to obtain the assurances required to support continued good governance. Some Directors have been invited to Committee to provide further assurances.
- 6.3 From a review of the coverage of Governance and Audit Committee's work and oversight during the year, as set out in Section 2, it is considered that the Committee has delivered its workplan and responsibilities in line with its Terms of Reference.
- 6.4 Previously the Annual Report included the results of the self-assessment undertaken against the checklist included within the CIPFA Guidance. As new members have joined the Committee, the self-assessment will be carried out in December 2025.

**RESPONSIBILITIES OF AUDIT COMMITTEE IN LINE WITH THE LOCAL  
GOVERNMENT (WALES) MEASURE 2011 AND LOCAL GOVERNMENT AND  
ELECTIONS (WALES) ACT 2021**

**Chapter 2, section 81 of the Local Government (Wales) Measure 2011 (revised)**

**Local authorities to appoint governance and audit committees**

*A local authority must appoint a committee (a “Governance and Audit Committee”) to—*

- a) review and scrutinise the authority's financial affairs,*
- b) make reports and recommendations in relation to the authority's financial affairs,*
- c) review and assess the risk management, internal control and corporate governance arrangements of the authority,*
- d) make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements,*
- (da) review and assess the authority's ability to handle complaints effectively,*
- (db) make reports and recommendations in relation to the authority's ability to handle complaints effectively*
- e) oversee the authority's internal and external audit arrangements, and*
- f) review the financial statements prepared by the authority.*

*A local authority may confer on its Governance and Audit Committee such other functions as the authority considers suitable to be exercised by such a committee.*

*It is for a Governance and Audit Committee to determine how to exercise its functions.*

**Local Government and Elections (Wales) Act 2021**

**Council Performance Arrangements**

- (i) To consider the Council's draft Annual Performance Self-Assessment report and if deemed necessary may make recommendations for changes to the Council.*
- (ii) To receive the Council's finalised Annual Self-Assessment report in respect of a financial year as soon as reasonably practicable after the end of that financial year.*
- (iii) At least once during the period between two consecutive ordinary elections of councillors to the Council, consider the independent Panel Performance Assessment report into which the Council is meeting its performance requirements.*
- (iv) To receive and review the Council's draft response to the report of the independent Panel Performance Assessment and if deemed necessary may make recommendations for changes to the statements made in the draft response to the Council.*

**Complaints Handling**

- (i) To review and assess the Council's ability to deal with complaints effectively.*
- (ii) To make reports and recommendations in relation to the Council's ability to deal with complaints effectively.*

GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2024-25

Page 244

	Frequency	06 June 2024	19 July 2024	26 September 2024	28 November 2024	30 January 2025	24 April 2025
<b>Standing Items</b>							
Governance and Audit Committee Action Record	Each meeting	✓	✓	✓	✓	✓	✓
Audit Wales Governance and Audit Committee Reports	Each meeting	✓	✓	✓	✓	✓	✓
Updated Forward Work Programme	Each meeting	✓	✓	✓	✓	✓	✓
<b>Annual Accounts</b>							
Statement of Accounts 2023-24 (unaudited)	Annually		✓				
Porthcawl Harbour Return 2023-24 (unaudited)	Annually		✓				
Going Concern Assessment	Annually	✓					
Audit Enquiries Letter	Annually	✓					
Audit Wales Letter On Matters Arising From The 2023-24 Audit	Annually			✓			
Audited Statement of Accounts and Annual Governance Statement	Annually			✓			
Porthcawl Harbour Return (audit letter)	Annually			✓			
<b>Governance</b>							
Annual Governance Statement	Annually		✓				
Half Year Review of the Annual Governance Statement	Annually				✓		
Code of Corporate Governance	Annually						✓
Audit Wales Annual Audit Plan <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>	Annually						✓
Annual Audit Summary <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>	Annually					✓	
<b>Internal Audit Reports</b>							
Annual Internal Audit Report 2023-24	Annually	✓					



	Frequency	06 June 2024	19 July 2024	26 September 2024	28 November 2024	30 January 2025	24 April 2025
Internal Audit Shared Service Charter	Annually						✓
Internal Audit Annual Strategy and Audit Plan 2024-25	Annually	✓					
Self Assessment of the Governance and Audit Committee	Annually					✓	
Internal Audit Progress Reports	Quarterly			✓	✓	✓	✓
Internal Audit Recommendation Monitoring Report	Quarterly			✓	✓	✓	✓
Governance and Audit Committee Annual Report	Annually (unless revised)			✓	✓		
<b>Treasury Management</b>							
Treasury Management Outturn Report 2023-24	Annually		✓				
We have a few changes please, which will give us 4	Annually				✓		
Treasury Management Strategy 2025-26	Annually					✓	
<b>Risk Assurance</b>							
Corporate Risk Assessment	6 monthly	✓				✓	
Corporate Risk Policy	Annually					✓	
<b>Counter Fraud</b>							
Corporate Fraud Report 2023-24	Annually		✓				
Anti Tax Evasion Policy (previously considered April 2023, due April 2025)	Biennially						✓
<b>Performance Related</b>							
Complaints Process	Annually				✓		
Regulatory Tracker	6 monthly		✓			✓	
Annual Self Assessment of the Council's Performance (Corporate Self-Assessment)	Generally once or twice a year	✓	✓				✓
<b>Other</b>	Ad hoc						

Examples of where G&AC Members have invited the relevant Director / Head of Service into Committee or requested a written update in order to provide further assurances that action was being taken to implement the agreed Internal Audit recommendations or as a result of concerns raised by Internal Audit.

	Establishment / System / Service	Date of G&AC	G&AC Recommendations	Subsequent Action
1	School Vehicles	September 2023	<ul style="list-style-type: none"> <li>- That the Corporate Director - Education, Early Years &amp; Young People write to all schools reminding them of their responsibilities to ensure all school vehicles were roadworthy and that the drivers of those vehicles had the correct licences to do so</li> </ul>	<ul style="list-style-type: none"> <li>- a copy of the letter sent to schools by the Corporate Director - Education, Early Years &amp; Young People was circulated to G&amp;AC members</li> <li>- the Chief Executive and the Corporate Director - Education, Early Years &amp; Young People attended GAC in June 2024 and provided further assurances</li> </ul>
2	Internal Audit <i>Limited Assurance</i> opinions	June 2024	<ul style="list-style-type: none"> <li>- Responses from service managers and directors to be brought to the next meeting of the Committee re Procurement Tender Evaluation &amp; Award and Recycling and Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>- to be monitored as part of the IA follow up audit process</li> </ul>
3	Internal Audit recommendations	September 2024	<ul style="list-style-type: none"> <li>- That the responsible Director and/or heads of service are expected to complete the outstanding agreed actions by the due date stated in the appendices</li> <li>- The responsible Cabinet Member, Director and/ or heads of service responsible for parking enforcement should attend the next meeting</li> </ul>	<ul style="list-style-type: none"> <li>- Directors' updates were provided within the IA Recommendation Monitoring Report July 2025</li> </ul>
4	Internal Audit recommendations	November 2024	<ul style="list-style-type: none"> <li>- Responsible officers and the relevant Cabinet Member, attend the next meeting re Home To Work Mileage in Council Vehicles</li> </ul>	<ul style="list-style-type: none"> <li>- The Corporate Director Communities attended GAC January 2025.</li> </ul>
5	Internal Audit recommendations – implementation	April 2025	<ul style="list-style-type: none"> <li>- Appropriate Cabinet Member, Corporate Director, and responsible officers be invited to a special meeting of the Governance and Audit Committee to review and discuss three issues highlighted in the</li> </ul>	<ul style="list-style-type: none"> <li>- The Corporate Director Communities attended GAC June 2025.</li> <li>- Directors' updates were provided within the IA</li> </ul>

	Establishment / System / Service	Date of G&AC	G&AC Recommendations	Subsequent Action
			following reports: Home to Work Mileage in Council Vehicles, Parking Enforcement, and the Porthcawl Harbour Annual Return.	Recommendation Monitoring Report July 2025

**Pen Pictures of the Lay Members of the Governance and Audit Committee –2024/25**

**Gareth Chapman**

**Qualifications:**

Master of Laws (LLM) Master of Business Administration (MBA) Chartered Manager (CMgr) Diploma in Local Government Law and Practice (DipLG) Companion of the Chartered Management Institute (CCMI) Solicitor (Non Practicing)

**Experience:**

Local Government Officer for 42 years. Practicing Solicitor for 31 years.

Chief Executive for 9 years, Deputy Chief Executive and Director for 8 years, Solicitor to the Council, Monitoring Officer, Returning Officer etc.

Used to Chairing Multi Agency Meetings - Public Service Board, Chair of the Merthyr Tydfil Youth Offending Service Board, Chair of the Cwm Taff Youth Offending Service Board, Chaired numerous Public Meetings and Engagement Sessions, Internal Council meetings etc.

Previously member of several Welsh Government Task and Finish Groups, All Wales Youth Justice Board, Community Safety Partnership Review Board. Board Members of College Merthyr Tydfil and Academi Wales.

**Currently:**

Member of the College of Policing Panel reviewing the Code of Ethics for Police Officers and Police Staff

Member and Chair of Bridgend, Newport and Vale of Glamorgan Governance and Audit Committees

Lay Inspector for Estyn

Co-opted Independent Member of South Wales Police and Crime Panel

### **Andrew Bagley**

Following studying Maths with Engineering at Nottingham University, joined PwC in Cardiff and qualified as a Chartered Accountant; and worked way up to Audit Manager.

Worked across both private and public sector; internal and external audit.

Gained experience outside of professional services as an Internal Audit Manager within Vodafone; and subsequently Associated British Foods which covers brands such as Kingsmill, Twinings, Ryvita, Primark and others.

Both of these FTSE 100 companies operated on a global scale.

Career then took me into the Internal Audit Team at DVLA, and became Head of Internal Audit during a time of exiting a major IT contract.

Led the DVLA Internal Audit team into the Government Internal Audit Agency; where I also helped set up the Digital Data and Technology (DDaT) specialism for all IT audit across Government. I am an IT auditor (CISA).

In 2020, became the Executive Director of Governance and Corporate Services at the Independent Monitoring Authority – set up from scratch as a result of the EU (Withdrawal Agreement) Act 2020. The Independent Monitoring Authority is a non-departmental public body.

### **Biodun Olorunnisola**

Studied Accountancy in Obafemi Awolowo University Ile-Ife Nigeria and am a Fellow of the Institute of Chartered Accountants of Nigeria and Associate of the Chartered Institute of Management Accountants (CIMA). Over 20 years' experience in the Financial Services Industry providing solutions to Trade Finance problems and empowering conscious risk taking in Wealth Management and Banking.

MBA from Manchester Business School and attended several courses in Leadership and Strategy at Insead, Ashridge, Euromoney and Standard Bank Global Leadership Centre etc.

As part of my contribution to the society, served as the Financial Secretary of his Estate Residents' Association; provided leadership as Chairman of CIMA Branch in Nigeria; was on the African Regional Board of CIMA and a member of the Global Membership Services Committee of CIMA. Was on the committee that facilitated the provision of certain amenities to my University and was the Chairman of the Project Committee of my class in the University which successfully delivered an energy efficient lighting project.

Currently serving as an Independent on the Board of an SME in Nigeria to improve corporate governance.

Happily married to Kehinde and blessed with 3 lovely boys.

Members In Attendance							
	Committee Date						Members' Attendance Rate
	06-Jun-24	19-Jul-24	26-Sep-24	28-Nov-24	30-Jan-25	24-Apr-25	
<b>Members</b>							
Gareth Chapman * (Chair)	✓	✓	✓	✓	✓	✓	100%
Andrew Bagley * (Vice Chair)	A	✓	A	✓	✓	✓	67%
Biodon Olorunnisola *	✓	✓	✓	✓	✓	✓	100%
Deb Austin *			✓	✓	✓	✓	
Cllr N Clarke	✓	✓	✓	✓	✓	✓	100%
Cllr C Davies	A	✓	✓	✓	✓	✓	83%
Cllr S Easterbrook	A	✓	✓	✓	A	✓	67%
Cllr RM Granville	✓	✓	✓	✓	✓	✓	100%
Cllr SJ Griffiths	✓	✓	✓	✓	✓	✓	100%
Cllr ML Hughes	✓	✓	✓	✓	✓	A	83%
Cllr RJ Smith	✓	✓	✓	✓	A	A	67%
Cllr MJ Williams	✓	✓	✓	✓	✓	✓	100%
<b>Members in Attendance</b>	9	12	11	12	10	10	
<b>Members on Committee</b>	12	12	12	12	12	12	
Attendance Ratio	75%	100%	92%	100%	83%	83%	89%
<b>Cabinet Members / Other Councillors</b>							
Cllr J Spanswick (Leader)				✓	✓		
Cllr J Gebbie					✓		

\* Lay Member  
A Apologies

G&AC comprises of 4 x lay members and 8 x councillors  
Members on Governance & Audit Committee (as per published agendas):

Cllr N Clarke	Lay Members *
Cllr C Davies	
Cllr S Easterbrook	Gareth Chapman * (Chair)
Cllr RM Granville	Andrew Bagley * (Vice Chair)
Cllr SJ Griffiths	Biodon Olorunnisola *
Cllr ML Hughes	Deb Austin * appointed in August 2024
Cllr RJ Smith	
Cllr MJ Williams	

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>REGULATORY TRACKER UPDATE</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>ALEX RAWLIN POLICY AND PUBLIC AFFAIRS MANAGER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The regulatory tracker forms part of the Council's Performance Management Framework.</b>
<b>Executive Summary:</b>	<p><b>The regulatory tracker has been updated to the end of quarter 2 of 2025-26. As at the end of quarter 2 –</b></p> <ul style="list-style-type: none"> <li><b>• 10 inspections are included on the tracker</b></li> <li><b>• 58 recommendations are on the tracker</b></li> </ul> <p><b>Since the last report (quarter 3 2024-25) -</b></p> <ul style="list-style-type: none"> <li><b>• 7 new inspections have been added</b></li> <li><b>• 8 inspections have been removed</b></li> <li><b>• 38 recommendations have been closed</b></li> </ul>

## 1. Purpose of Report

- 1.1 The purpose of this report is to provide an update to the Governance and Audit Committee on the Regulatory Tracker updated to the end of quarter 2 (Q2) of 2025-26, and recommendations which have been closed since the last report to the Committee in April 2025 (quarter 3 (Q3) 2024-25).

## 2. Background

- 2.1 A report to the Governance and Audit Committee (GAC) on 10 November 2022 proposed that a 'regulatory tracker' be created to monitor progress against recommendations from all inspections/audits completed by key regulators of local government services, including Audit Wales, Care Inspectorate Wales (CIW), and Estyn. An updated 'regulatory tracker' is considered at GAC twice yearly. This report covers the period up to the end of quarter 2 of 2025-26.

- 2.2 The performance judgements for recommendations within the regulatory tracker are awarded by applying the following key as prescribed within the Performance Management Framework, which provides clear definitions for the Blue, Red, Amber, Yellow, Green (BRAYG) statuses.

	What does this Status mean?		
	How are we doing	Commitments, projects or regulatory improvements	Performance Indicators
<b>COMPLETE (BLUE)</b>	Not applicable	Project is completed	Not applicable
<b>EXCELLENT (GREEN)</b>	Very strong, sustained performance and practice	As planned - within timescales, on budget, achieving outcomes	On target AND performance has improved / is at maximum
<b>GOOD (YELLOW)</b>	Strong features, minor aspects may need improvement	Minor issues. One of the following applies – deadlines show slippage, project is going over budget or risk score increases	On target
<b>ADEQUATE (AMBER)</b>	Needs improvement. Strengths outweigh weaknesses, but important aspects need improvement	Issues – More than one of the following applies - deadlines show slippage, project is going over budget or risk score increases	Off target (within 10% of target)
<b>UNSATISFACTORY (RED)</b>	Needs urgent improvement. Weaknesses outweigh strengths	Significant issues – deadlines breached, project over budget, risk score up to critical or worse	Off target (target missed by 10%+)

### 3. Current situation / proposal

- 3.1 Paragraphs 3.3 to 3.8 below summarise details of the full Regulatory Tracker document at Q2, and changes since the last report to this committee in April 2025 for quarter 3 (Q3) of 2024-25.
- 3.2 **Appendix 1** is an extract of the full tracker document showing red and amber recommendations only, and **Appendix 2** is a summary of recommendations closed in the previous period (since the last report produced for Q3 2024-25).



- 3.3 There are currently 58 regulator recommendations for the Council included on the full tracker report from 10 Audits/Inspections. As the Performance Team is no longer reporting the entire tracker to the Governance and Audit Committee, these are summarised on the following table –

<b>Audit/Inspection</b>	<b>Recommendations</b>
Audit Wales, Arrangements for Commissioning Services (June 2025)	<b>3</b>
Care Inspectorate Wales (CIW) Improvement Check Children's Social Care Services (June 2025)	<b>16</b>
CIW Inspection Report on Foster Wales Bridgend (June 2025)	<b>5</b>
Audit Wales, Setting of Well-being Objectives	<b>3</b>
CIW Inspection of Golygfa'r Dolydd (September 2024)	<b>5</b>
Audit Wales, Digital Strategy Review	<b>3</b>
Audit Wales, Use of Service User Perspective and Outcomes	<b>3</b>
CIW Improvement Check Visit to Children's Social Care Services	<b>10</b>
Transformational Leadership Programme Board, Baseline Governance Review Cwm Taf Morgannwg Regional Partnership Board	<b>7</b>
Audit Wales, Review of Arrangements to Become a 'Digital Council'	<b>3</b>

- 3.4 Since the previous report to the Governance and Audit Committee on 24 April 2025, 7 new audit/inspections have been added to the tracker:

- Audit Wales, Arrangements for Commissioning Services (June 2025) - 3 recommendations
- Care Inspectorate Wales (CIW) Improvement Check Children's Social Care Services (June 2025) – 16 recommendations
- CIW Inspection Report on Foster Wales Bridgend (June 2025) – 5 recommendations
- CIW Inspection of Sunny Bank (February 2025) – 1 recommendation
- CIW Inspection Report on Ty Ynysawdre Residential (January 2025)- 1 recommendation
- CIW Inspection of Golygfa'r Dolydd (September 2024) – 5 recommendations
- CIW Inspection of Harwood (June 2024) – 2 recommendations

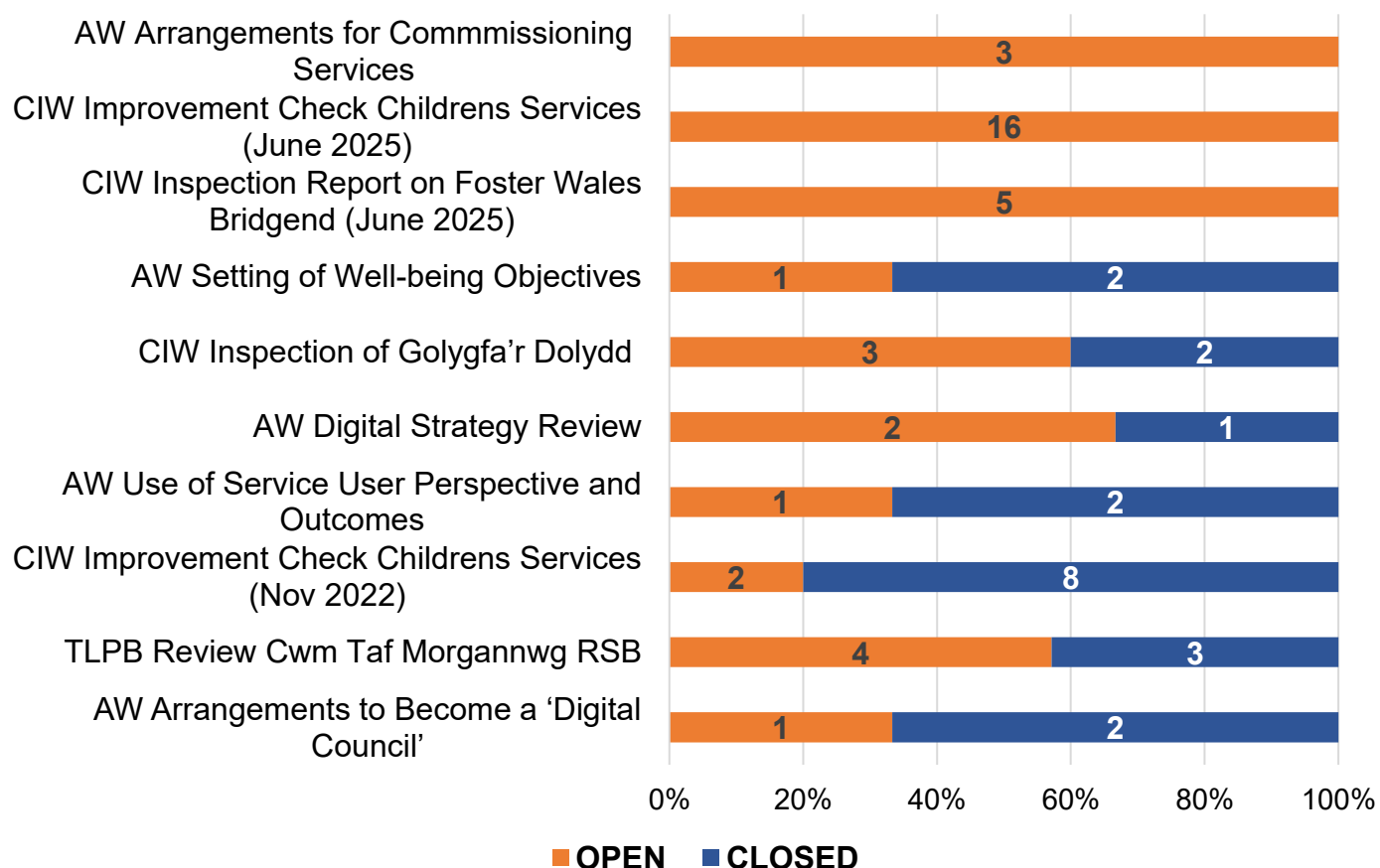
- 3.5 Since the previous report 38 recommendations have been closed. Final commentary is included in **Appendix 2**. They are –
- CIW Inspection of Sunny Bank February 2025 (1 recommendation closed)
  - CIW Inspection Report on Ty Ynysawdre Residential January 2025 (1 recommendation closed)
  - Audit Wales, Setting of Well-being Objectives (2 recommendations closed, 1 remains open)
  - CIW Inspection of Golygfa'r Dolydd September 2024 (2 recommendations closed, 3 remain open)
  - Audit Wales, Review of Decision-Making Arrangements (3 remaining recommendations closed)
  - Audit Wales, Financial Sustainability Review Aug 2024 (2 recommendations closed)
  - CIW Inspection of Harwood June 2024 (2 recommendations closed)
  - Audit Wales, Digital Strategy Review April 2024 (1 recommendation closed, 2 remain open)
  - CIW Inspection Report on Foster Wales Bridgend Jan 2024 (11 remaining recommendation closed)
  - Audit Wales, Use of Service User Perspective and Outcomes (1 recommendation closed, 1 remains open)
  - CIW Improvement Check Visit to Children's Social Care Services Nov 2022 (5 recommendations closed, 2 remain open)
  - Audit Wales, Springing Forward Strategic Workforce Management (2 remaining recommendations closed)
  - CIW Performance Evaluation Inspection of Children's Services May 2022 (5 remaining recommendations closed)
- 3.6 All recommendations have been closed in the following 8 inspections/audits and they have therefore been removed from the tracker.

<b>Audit/Inspection</b>	<b>Recommendations</b>
CIW Inspection of Sunny Bank (Feb 2025)	<b>1</b>
CIW Inspection Report on Ty Ynysawdre (Residential) (Jan 2025)	<b>1</b>
Audit Wales, Review of Decision-Making Arrangements	<b>5</b>
Audit Wales, Financial Sustainability Review	<b>2</b>
CIW Inspection of Harwood (June 2024)	<b>2</b>
CIW Inspection Report on Foster Wales Bridgend (Jan 2024)	<b>20</b>
Audit Wales, Springing Forward, Strategic Workforce Management	<b>3</b>

3.7 A breakdown of the open/closed status for the 58 current recommendations is below. This has also been summarised by audit / inspection to draw the Governance and Audit Committee's attention to specific areas of concern.

Date	Recommendations	Open	Closed	% Open
15/07/2023	82	38	44	46.34
25/01/2024	58	33	25	56.90
19/07/2024	67	38	29	56.72
30/01/2025	69	38	31	55.07
24/04/2025	80	43	37	53.75
<b>30/10/2025</b>	<b>58</b>	<b>38</b>	<b>20</b>	<b>65.52</b>

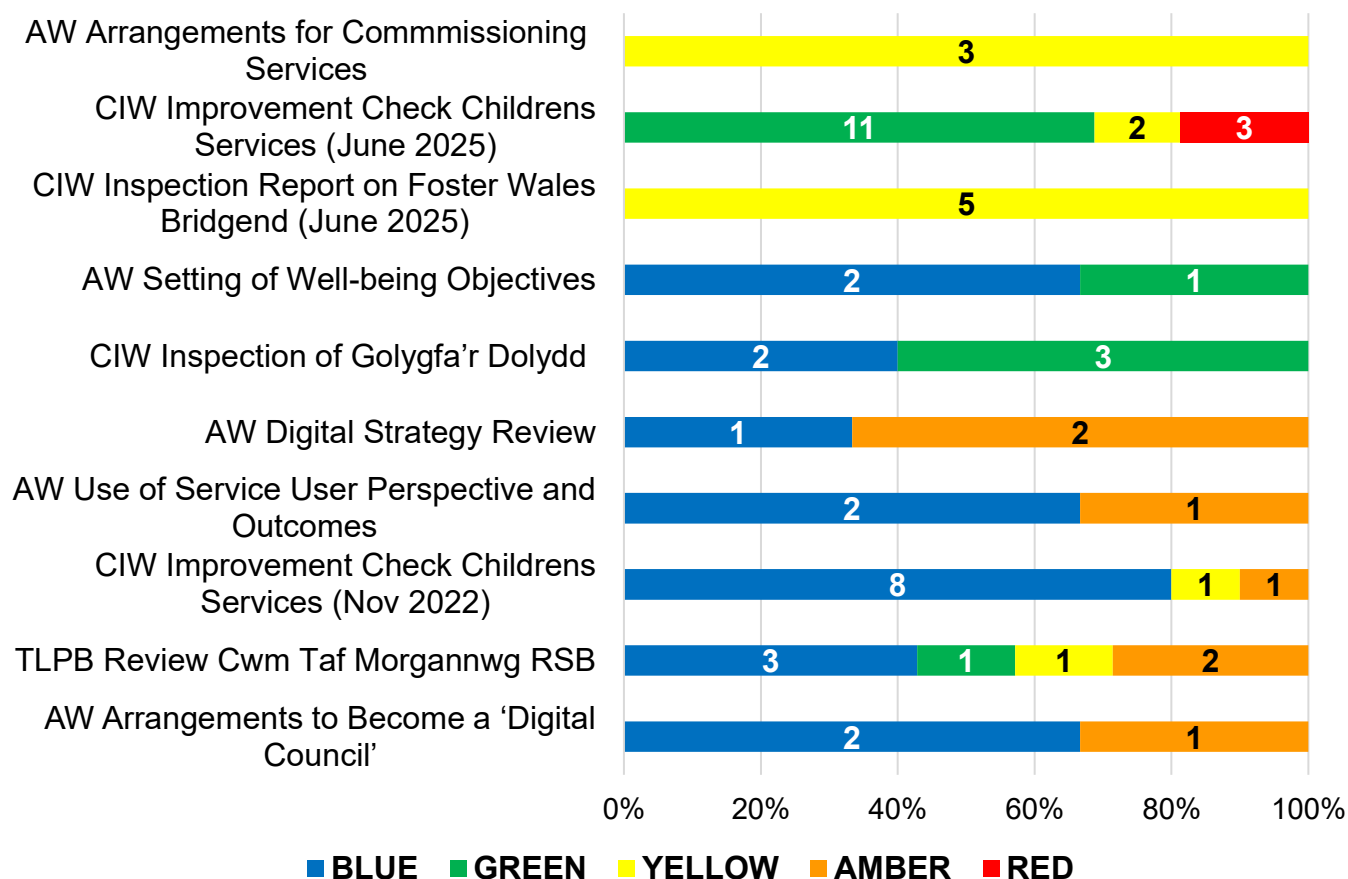
### Recommendations Open/Closed by Audit/Inspection



3.8 A breakdown of red, amber, yellow, green, blue status for recommendations is below. This has also been summarised by audit / inspection to draw Governance and Audit Committee's attention to specific areas of concern.

Date	Recommendations	Blue	Green	Yellow	Amber	Red
15/07/2023	82	44	22	0	15	1
25/01/2024	58	25	17	0	15	1
19/07/2024	67	29	18	1	17	2
30/01/2025	69	31	11	1	25	1
24/04/2025	80	37	14	13	15	1
<b>30/10/2025</b>	<b>58</b>	<b>20</b>	<b>16</b>	<b>12</b>	<b>7</b>	<b>3</b>

### Summary of BRAYG Status by Audit/Inspection



#### 4. Equality implications (including Socio-economic Duty / 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 This report forms part of the measurement of progress against the following corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015 that form part of the Council's Corporate Plan 2023-28:-

- THRIVING - A prosperous place with thriving communities
- EMPOWERING - Supporting our most vulnerable
- ACHIEVING - Enabling people to meet their potential
- MODERNISING - Creating modern, seamless public services

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

6.1 There are no specific implications of this report on nature or climate change.

## **7. Safeguarding and Corporate Parent Implications**

7.1 There are no specific implications of this report on safeguarding or corporate parenting.

## **8. Financial Implications**

8.1 There are no financial implications associated with these arrangements.

## **9. Recommendation**

9.1 The Governance and Audit Committee is recommended to consider the summary points and contents of **Appendix 1** and **Appendix 2** and raise any issues of concern for follow-up.

## **Background documents**

None.

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Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Initial Delivery Date	Action Update Q2 2025-26	Current Delivery Date	BRAYG Q2 25-26
CIW Improvement Check Children's Social Care Services (June 2025)	Pr2 - Continue to implement plans in the local authority commissioning strategy, to support timely improvements: *Implement the Eliminate Profit action plan to develop services to prevent children from becoming looked-after and those that need to exit care.	Jade Jones	March 2027	Work continues to progress in relation to the development of internal residential provision with one premises due to go live in February 2026. Children currently placed in out of county or high-cost placements are being identified for this provision. A further premises is being explored during this quarter.	n/a	RED
	Pr3 - Ensure that children are not placed in unregistered services and continue efforts to identify suitable, registered placements: *To increase foster carer availability and capacity. *Increase internal residential provision capacity. *Ensure there are clear and timely plans for children's move on from care. *Use the re-modelling fostering board to monitor progress linked to the above actions	Jade Jones	June 2026	This continues to be an area of challenge due to placement sufficiency issues being experienced across Wales. During Q2 we have children placed in unregulated placements but are exploring regulated options for them on a weekly basis.	n/a	RED
	W2 - Work with practitioners to develop and embed agreed standards for record keeping: *Refresh record keeping guidance and ensure teams are implementing consistently via QA activity. *Training to be developed and delivered to teams to ensure consistency in recording.	Kathryn Sillman	June 2026	AI developments will assist with this area of consistency. However, in the meantime Quality Assurance work is being undertaken to identify best practice in relation to this area.	n/a	RED
Audit Wales, Digital Strategy Review (April 2024)	Identifying resource implications R2 To help ensure that its next digital strategy is deliverable and achieving value for money the Council should identify the short, medium and long-term resource implications of delivering it together with any intended savings.	Martin Morgans	Aug-25	Work is underway in relation to the corporate vision and aspirations around transformation which will need to be reflected within the Digital Strategy. However, once the new Digital Strategy is in place, this recommendation will be considered as part of the development of the delivery plan which will underpin the new strategy.	March 2026	AMBER
	Arrangements for monitoring value for money R3 To help ensure that the Council can effectively monitor and evaluate value for money from its strategic approach to digital it should strengthen its arrangements for monitoring the progress and impact of its digital strategy over the short, medium and long term.	Martin Morgans	Aug-25	Once the new Digital Strategy is in place, a review of the Terms of Reference of the Digital Board will be undertaken, as well as implementing an improved process to monitor progress and impact over the short, medium and long term	March 2026	AMBER
Audit Wales, Use of Service User Perspective and Outcomes (Jan 2024)	R1 Information on the perspective of the service user • The Council should strengthen the information it provides to its senior leaders to enable them to understand how well services and policies are meeting the needs of service users.	Alex Rawlin	April 2025	We are participating in the new Welsh Council's Performance Information Community of Practice aimed at enhancing the quality of performance information and providing opportunities to review performance management arrangements, share best practices, and collaborate on data development. The National Resident Survey (WLGA/Data Cymru) ran in the Autumn. Findings have been analysed and will be communicated soon.	April 2026	AMBER
CIW Improvement Check Children's Social Care Services (Nov 2022)	Pr8 - Ensure children are not placed in unregistered services and must continue its efforts to identify suitable, registered placements	Pete Tyson	Continuous	This continues to be an area of challenge due to placement sufficiency issues being experienced across Wales. During Q2 we have children placed in unregulated placements but are exploring regulated options for them on a weekly basis.	March 2030	AMBER

Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Initial Delivery Date	Action Update Q2 2025-26	Current Delivery Date	BRAYG Q2 25-26
Transformational Leadership Programme Board – Baseline governance Review – Cwm Taf Morgannwg Regional Partnership Board (Aug 2022)	<b>R4 Risk Management</b> Our work found areas of risk management that need to be improved, particularly in relation to regional workforce planning. The TPLB should strengthen regional risk management arrangements by improving the identification and prioritisation of shared risks and ensuring mitigating actions are robust and clearly articulated.	Head of Regional Commissioning Unit	ongoing	The development of a demand and capacity model, to help shape services within the Integrated Community Care System, is being undertaken however, the creation of a pathway between the Clinical Navigation Hub (CNH) and local authorities' Single Point of Access is on pause due to competing priorities on the CNH. The objective to 'align' health and care community teams across RCT and Merthyr Tydfil by this Autumn will not now be met due to the ongoing organisational development process for the new Hospital@Home Service.	March 2026	AMBER
	<b>R7 Regional Workforce Planning</b> Like many parts of the public sector, the region is experiencing significant workforce challenges. The TLPB needs to consider how it can facilitate a regional and strategic approach to addressing these challenges and to help it deliver its priorities.	Head of Regional Commissioning Unit	ongoing	Workforce planning is largely progressed in individual local authorities and within the NHS rather than on a regional footprint. Social services workforce planning has been a success in Bridgend with a considerable reduction in reliance on agency workers and improvement in retention and recruitment. There is a regional Strategic Social Care Workforce Board which shares information and looks for opportunities to work regionally.	March 2026	AMBER
Audit Wales, Review of Arrangements to Become a 'Digital Council' (June 2021)	P1 The Council could improve its digital strategy	Martin Morgans	Dec 2024	Draft Strategy was completed and the public consultation carried out during June/July 2025. Corporate vision and aspirations around digital transformation are currently being reflected within the Strategy.	December 2025	AMBER



Page 21	Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Initial Delivery Date	Closing Update Q4 24-25 or Q2 25-26	Current Delivery Date	BRAYG Q2 25-26
	Care Inspectorate Wales (CIW) inspection of Sunny Bank (February 2025)	PAN – 21. The service provider has not adequately supported children and prepared them for moving on, ensuring they and care staff who know them best are consulted and involved in planning their transitions.	Daniel Bolton	n/a	This was deemed to be met at recent inspection on 07/08/25. No areas for improvement and "good" in all areas.	n/a	BLUE
	CIW Inspection Report on Ty Ynysawdre (Residential) (January 2025)	AFI - Regulation 16 (Review of Personal Plan). Personal Plan / Care and Support Plans are not reflective of changes in need; it is a regulatory requirement to review every three months or when there has been changes in a person's needs	Jane Lewis	March 2026	Area of improvement was addressed and support plans updated - monitoring systems are in place	n/a	BLUE
	Audit Wales, Setting of Well-being Objectives (Oct 2024)	R1 The Council should ensure that it covers the full range of statutory requirements when developing its next well-being statement, including: • 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	Alex Rawlin	Jun-25	This is included in the Council's draft self-assessment 2024/25 which was presented to Governance and Audit committee in July and will go to Cabinet / Council in October 2025.	n/a	BLUE
		R3 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	Alex Rawlin	Apr-25	This information was included as part of the directorate business planning process.	n/a	BLUE
	CIW Inspection of Golygfa'r Dolydd (Sept 2024)	AFI 18 - The service provider has not reviewed the provider assessment when timescales for children's stays have been extended, to ensure the service remains suitable. Childrens views have not been considered as part of the provider assessment.	Daniel Bolton	n/a	Impact risk assessments and provider assessments have been updated moving forward to mitigate this area of improvement. Provider assessments being updated now for any change in the care and support the young person has. There are also better ways to capture and document the young person's voice. This is implemented as they have been witnessed during recent REG73 and Quality assurance visits. Responsible Individual to continue to oversee during coming visits.	n/a	BLUE
		AFI 21- Childrens views are not included in the planning and review of their care and support. Reviews of plans, do not consider the progress being made by children to achieve their personal outcomes.	Daniel Bolton	n/a	Child friendly personal plans were in development at the time of inspection which CIW were made aware of and are now in operation. Outcomes and progress are now better captured on the personal plan. There has been a drive to really capture the words of the child using speech marks as much as possible. These are now being reviewed and updated weekly. They are also fed by creation of a How's my week form. This is working well as far as at this point but will need continued oversight by Responsible Individual during statutory and quality assurance visits.	n/a	BLUE
	Audit Wales, Review of Decision-Making Arrangements (Oct 2024)	R1 –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	Kelly Watson	Dec-24	Six-month Forward Work Programme (FWP) for Cabinet, Council and Scrutiny has been published. Work will be ongoing to ensure this is regularly kept up to date.	n/a	BLUE

Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Initial Delivery Date	Closing Update Q4 24-25 or Q2 25-26	Current Delivery Date	BRAYG Q2 25-26
Page 262	R3 – 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 O&S committees, particularly in relation to pre-decision scrutiny is limiting O&S committees' ability to contribute fully and effectively to the decision-making process.	Kelly Watson	Dec-24	Training with Elected Members and Senior Officers has been undertaken including sessions on Roles, Responsibilities, LA Governance Arrangements and the importance of pre-decision Scrutiny. A scrutiny review and protocol was approved by Full Council in May 2025.	n/a	BLUE
	R4 – The Council should ensure that it provides greater transparency regarding the remit of the different O&S committees. Naming the O&S committees 1, 2 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.	Kelly Watson	Dec-24	Following a detailed Scrutiny Review, a report proposing new arrangements including the renaming of the Scrutiny Committees was agreed by Full Council in April and May 2025.	n/a	BLUE
Audit Wales, Financial Sustainability Review (Aug 2024)	R1 To strengthen the Council's approach to financial sustainability, the Council should develop a savings plan across the timescale of the MTFP, to clearly show how the funding gap will be addressed or clearly communicate the challenge where this is not possible	Carys Lord	Feb-25	This have been completed and is now business as usual	n/a	BLUE
	R2 The Council should strengthen its arrangements to ensure the impact of its financial position and MTFP on communities and on the delivery of its well-being objectives is reported to members to enable them to monitor and address any impacts.	Carys Lord	Mar-25	This have been completed and is now business as usual	n/a	BLUE
CIW Inspection of Harwood (June 2024)	AFI 21- Young people have not received care and support in accordance with their personal plan.	Daniel Bolton	n/a	This has now been taken off as an area for improvement at most recent inspection in June 2025. Service is now "good" in all areas.	n/a	BLUE
	AFI 35 - The service provider has not ensured agency staff have the same checks as permanently employed staff and have evidence to demonstrate checks have been undertaken. This may include confirmation and checklists supplied by any agency.	Daniel Bolton	n/a	This has now been taken off as an area for improvement at most recent inspection in June 2025. Service is now "good" in all areas.	n/a	BLUE
Audit Wales, Digital Strategy Review (April 2024)	Strengthening the evidence base R1 To help ensure that its next digital strategy is well informed and that its resources are effectively targeted, the Council should draw on evidence from a wide range of sources, both internally and externally including: • involving stakeholders with an interest in the digital strategy as well as drawing on the views of stakeholders from existing sources; and • aligning its strategic approach to digital both across the Council and with partners to help identify opportunities to share resources, avoid duplication of effort and deliver multiple benefits.	Martin Morgans	Aug-25	This is complete and these considerations were taken into account when developing the new Strategy	n/a	BLUE
CIW Inspection Report on Foster Wales Bridgend (Jan 2024)	R2 Some children are not accessing statutory education, impacting on outcomes and increasing pressure on foster carers.	Daniel Bolton	Quarterly	Complete as the policy and underpinning arrangements are embedded, and the more recent inspection did not flag this as an area for continued improvement.	March 2026	BLUE

Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Initial Delivery Date	Closing Update Q4 24-25 or Q2 25-26	Current Delivery Date	BRAYG Q2 25-26
Page 263	R3 Safeguarding procedures are not consistently followed. Information sharing between teams, consideration of risks and decision making is not robust.	Daniel Bolton	March 2024	The Fostering team manager has continued the link with our Local Authority Designated Officer LADO, Fostering Network have developed an allegation toolkit which will strengthen the processes around when an allegation is made against a foster carer.	n/a	BLUE
	R5 There are shortfalls in the service considering the needs of all household members and carers capacity (matching)	Daniel Bolton	March 2024	The team manager continues to have oversight of the process and quality/consistency.	n/a	BLUE
	R7 Some children have experienced high numbers of moves, which impacts their stability and outcomes	Daniel Bolton	March 2025	8.71% have experienced 3 plus moves in 2024/25 so numbers remain low.	n/a	BLUE
	R9 As part of the matching process key information is shared during planning meetings, however, these meetings are not completed consistently.	Daniel Bolton	Quarterly	The team manager has put processes in place which means they sign off all of these documents, ensuring this is taking place consistently.	n/a	BLUE
	R10 Children who need long term care, are matched with carers, without a thorough assessment of their long-term needs, how these change over time, carers commitment and understanding of these needs.	Daniel Bolton	March 2025	The team manager has put processes in place which means they sign off all of these documents, ensuring this is taking place consistently.	n/a	BLUE
	R12 Feedback from foster carers has been mixed regarding the foster carer charter implementation, information sharing and decision-making needing to be improved.	Daniel Bolton	June 2024	There is now a clear plan to embed the foster charter into practice across all of children's services, with a face-to-face implementation session planned.	n/a	BLUE
	R15 The service has experienced a high turnover of staff in all areas.	Daniel Bolton	June 2024	There is a stable management team in place, with general fostering having a team manager and senior in place, although there are two vacancies in the general side this is being covered by a very experienced agency social worker. The kinship senior post has two internal candidates so we are confident this post will be filled by next quarter.	n/a	BLUE
	R17 Quality assurance and learning framework has not been implemented consistently.	Daniel Bolton	April 2024	Complete as the framework and underpinning arrangements are embedded, and the more recent inspection did not flag this as an area for continued improvement.	July 2025	BLUE
	R19 Some foster carers report training does not meet their needs fully as they care for children with more complex needs.	Daniel Bolton	March 2024	Training plan is in place and training lead led our recent Information and Consultation Event (ICE), taking feedback from carers which will go into the training plans for the next year.	n/a	BLUE
	R20 Additional guides for children reflecting different ages and needs to be developed.	Daniel Bolton	Nov 2024	Complete and most recent inspection did not identify any further work or improvements required.	Sept 2025	BLUE

Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Initial Delivery Date	Closing Update Q4 24-25 or Q2 25-26	Current Delivery Date	BRAYG Q2 25-26
Audit Wales, Use of Service User Perspective and Outcomes (Jan 2024)	R2 Information on progress towards outcomes • The Council should strengthen the information provided to senior leaders to help them evaluate whether the Council is delivering its objectives and its intended outcomes.	Alex Rawlin	April 2025	The revised Corporate Plan Delivery Plan (CPDP) was presented to Cabinet / Council in March 2025.	n/a	BLUE
CIW Improvement Check Children's Social Care Services (Nov 2022)	Pe9 - Continue to work towards ensuring a sufficient and sustainable workforce, with the capacity and capability to consistently meet statutory responsibilities	Director and Workforce Board	Continuous	No change since last quarter. Agency use continues to be low, and recruitment and retention continues to be stable.	n/a	BLUE
	Pe10 - Continue to monitor the quality of social care records ensuring recording in relation to siblings, ethnicity, language, religion is strengthened, and a consistent approach taken	PO Training	April 2023	Completion rates are increasing with Quality Assurance system flexibility through the Interim Framework 2024. MOSAIC will enable us to establish mandatory field to address this completely.	n/a	BLUE
	Pr6 - Continue to closely monitor the position of children's social services and early help services to ensure any indicators of risks to achieving and sustaining improvement and compliance with statutory responsibilities, and pressure/ gaps in service provision are quickly identified and the required action is taken	Director/HoS/ Deputy HoS	June 2023	Compliance across teams continues to be strong and where there are aspects of poor performance, these are recognised and plans in place to address preventing critical incidents occurring.	n/a	BLUE
	Pi4 - Ensure clarity and consistency of thresholds for access to early help and statutory services. The local authority must prioritise this work to ensure children and families access the right support at the right time and ensure smooth access to services, and where required smooth transition between early help / preventative and statutory services	Director/Head of Service	June 2023	Further actions for this recommendation will be recorded under recommendation Pa2 (Y3/404) CIW Improvement Check Children's Social Care Services (June 2025)	Sept 2025	BLUE
	W8 - Closely monitor contact arrangements for children and their families	Jessia Myden	June 2023	The contact team is now in place with a contact manager in post. This will allow a clear oversight of the contact arrangements for families and ensure consistency across teams.	n/a	BLUE
Audit Wales, Springing Forward – Strategic Workforce Management (Oct 2022)	R2 The Council should develop a suite of strategic quantitative and qualitative measures to enhance its ability to understand the impacts and affordability of its workforce plans and actions.	Kelly Watson	Sept 2023	Revised workforce reporting is now in place and data is produced quarterly and shared with CMB and other key forums such as Directorate Management Teams, etc. This work will continue going forward, with focus on specific areas where needed.	n/a	BLUE
	R3 The Council should also explore opportunities to benchmark its own performance over time and its arrangements with other bodies to provide a different dimension to its performance management data. Whilst also offering an insight to how other bodies are performing and discovering notable practice elsewhere.	Kelly Watson	June 2023	We are now able to obtain data/information from the Workforce Benchmarking (Data Cymru) where Local Authorities have made submissions.	Sept 2025	BLUE
CIW, Performance Evaluation Inspection of Children's Services (May 2022)	PE8 - Consistent offer of a carers assessment	Dep HoS/GM Case Management and Transition/ Carers Development Officer	March 2023	Performance indicators show 100% carers are being offered a carers assessment	n/a	BLUE



Page 265

Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Initial Delivery Date	Closing Update Q4 24-25 or Q2 25-26	Current Delivery Date	BRAYG Q2 25-26
	PR1 - Opportunities to prevent escalation of need continues to be a challenge for the local authority given the persistently high volume of referrals together with the complexity of needs of children and families, and workforce challenges	Director/ Workforce Board, HoS Children's Social Care/ HoS Education & Family Support	June 2023	Further actions for this recommendation will be recorded under recommendation Pr1 CIW Improvement Check Children's Social Care Services (June 2025)	March 2026	BLUE
	PR3 - Placement sufficiency and support	HoS/GM Placements and Provider Services	March 2023	Further actions for this recommendation will be recorded under recommendation Pr3 CIW Improvement Check Children's Social Care Services (June 2025)	March 2030	BLUE
	PR5 - Strengthening of Quality Assurance (QA) framework and alignment of performance and quality assurance systems	Director/HoS/ Principal Officer Training	March 2023	The Principal Officer for Social Work Transformation commenced in post in March. This will assist the embedding of the framework and support teams in developing more emphasis on the quality of their work as compliance across teams is generally strong.	n/a	BLUE
	W2 - Facilitation of supervised contact	GM Case Management & Transition/ GM Locality Hubs/Contact Monitoring MO	March 2023	The service is now centralised, and additional management support is also in place. It is already evident that the centralised nature of the service is providing more opportunities to maximise the service than when based in localities ensuring children and families are having quality family time together consistently.	n/a	BLUE

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>PANEL PERFORMANCE ASSESSMENT</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF EXECUTIVE</b>
<b>Responsible Officer:</b>	<b>ALEX RAWLIN POLICY AND PUBLIC AFFAIRS MANAGER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The Corporate Plan and Performance Framework (on which Self-Assessment and Panel Performance Assessments (PPA) are based) form part of the Policy Framework.</b>
<b>Executive Summary:</b>	<p><b>This report informs Governance and Audit Committee (GAC) of the findings of the Panel Performance Assessment that took place between 16-19 September 2025, and set out the next steps in terms of -</b></p> <ul style="list-style-type: none"> <li><b>• Writing a formal, Council response to the PPA</b></li> <li><b>• Communicating the findings more widely</b></li> <li><b>• Developing actions to address the findings</b></li> </ul>

## 1. Purpose of Report

- 1.1 The purpose of this report is to inform the Governance and Audit Committee (GAC) of the findings of the Panel Performance Assessment that took place between 16-19 September 2025, and the agreed next steps.

## 2. Background

- 2.1 The Local Government and Elections (Wales) Act 2021 set out a new local government improvement regime. One of the requirements of the Act is for the Council to undertake a Panel Performance Assessment, or PPA, between each local government election. The PPA has to set out conclusions on whether the Council met the 'performance requirements' during that financial year, and actions needed to improve. The 'performance requirements' focus on –
- Are we exercising our functions effectively?
  - Are we using our resources economically, efficiently and effectively?
  - Is our governance strong?
- 2.2 In addition to the three statutory areas, the Corporate Management Board (CMB) and Cabinet agreed three further areas for the peers' consideration which were -

- **Transformation** – The development of a transformation strategy that meets political and key stakeholder aspirations that is underpinned by effective arrangements for delivery, performance management and a culture of constructive challenge. A clear need to focus on mechanisms and capacity for transformation that will improve citizens experience and create an organisation that is sustainable in the medium and long term.
- **Addressing workforce challenges** – Building on strengthened workforce planning, address challenges in recruitment in key areas, and improve succession planning, to help the Council create a long-term workforce strategy.
- **Improving engagement** – Building on improvements to strategic communication, improve the Council's engagement and relationships internally with councillors and externally with local communities and town and community councils to help it become more citizen focused.

2.3 The panel were on site between 16-19 September 2025 and consisted of –

Role	Name	Details
Independent Chair	Sally Loudon	Former Chief Executive of the Convention of Scottish Local Authorities (COSLA), former Chief Executive of Argyll and Bute Council.
Senior Elected Member	Cllr. Andrew Stevens	Serving Councillor and Cabinet Member for Environment & Infrastructure at Swansea Council.
Serving Local Government Senior Officer	Gareth Newell	Head of Performance and Partnerships, Cardiff Council
Associate Peer from the Wider Public, Private or Voluntary Sectors	Anne-Louise Clark	Former Executive Director – Communication and Change for Audit Wales & Chair of the Board of Trustees for Platform for Change Ltd.

2.4 During the onsite week, the Panel undertook 1-2-1 interviews with a range of elected members, council officers and partners. They also held focus groups with users of council services and community representatives including:

- Trade Unions
- Town & Community Councils
- Business community
- Youth Council
- Older people
- Citizens
- Headteachers



### 3. Current situation / proposal

3.1 At the end of the peers' week on site, they gave a presentation on their findings which addressed the three performance requirements and the three areas of focus we provided. Since then, their final report has been received by the Council. The report is included at **Appendix 1** and presentation at **Appendix 2**.

3.2 The headline findings of the PPA are –

- Bridgend is a good Council with untapped potential.
- A political and managerial leadership that is ambitious for Bridgend.
- Workforce that is enthusiastic, committed, cares deeply about the Council and the communities it serves.
- High levels of self-awareness - clear and shared assessment of strengths and the challenges ahead.
- Ready for change and positive about the future.

Despite these positives it describes the council as now being at '*a crossroads in terms of its development and now is the time to act at pace. By making the necessary changes now, the council can make sure it can sustain services and continues to deliver for its communities for years to come.*' This description aligns strongly with most officers and elected members' assessment of the council, its services and the imperative and desire to change.

3.3 For each of the three performance requirements, the peers outlined strengths and areas for improvement. These are -

#### Exercise of functions / council performance

Strengths	Areas for improvement
Good performance in services and consistent performance narrative across members and officers.	Unnecessary bureaucracy and procedures are stifling empowerment and delaying decision making.
Dedicated and committed members and staff.	Corporate and strategic capacity required.
A real eagerness for change.	
Some examples of cross-Council working, but not evident across the whole authority.	

#### Use of resources

Strengths	Areas for improvement
Good financial management and monitoring.	Looking forward, ensure the budget and MTFS is closely aligned with the new vision and change programme.
Wider member involvement in the budget setting process.	The Council should, as a whole, increase its appetite for innovation.

Good relationships with partners and wider stakeholders, who are eager to be more strategically involved.	An opportunity for greater cross-service and partner working and culture – 'Team Bridgend.'
	Whole Council approach to communications needed.

## Governance

Strengths	Areas for improvement
Overall, the Council has good governance arrangements and systems in place.	Continuing to build a cohesive leadership team and culture.
Good performance management framework in place.	Performance management framework needs to be embedded across the Council and culture needs to be developed to ensure ownership and accountability.
Good engagement and relationships with Trade Unions.	Responsiveness to members, scrutiny, stakeholders and citizens is not consistent across the Council.
Good scrutiny arrangements which are valued by members.	Scrutiny papers could be more concise, with greater evidence of impact of scrutiny also needed.

- 3.4 For each of the three focus areas provided by the Council, the peers outlined strengths and areas for improvement. These are –

## Transformation

Strengths	Areas for improvement
Alignment of ambition for change.	Develop and agree a new transformation plan, involving staff, members, partners and communities.
Excitement and appetite for change.	Strategic and corporate capacity required to deliver change.
It's the right thing to do at the right time.	Transformation programme needs to be based on data and insight.
Evidence of innovation in some areas.	Review approach to digital and data to support the emerging Transformation Plan including funding, systems, skills and culture.

## Workforce challenges

Strengths	Areas for improvement
Staff feel appreciated – it's a good and caring culture.	Move to a more strategic and future focussed workforce plan, linked to new vision and transformation plan – including

	succession planning, workforce of the future, digital and data.
Proud of Bridgend County and the impact the Council has.	Consider a corporate grow your own programme, developing links with local higher and further education.
Good relationships with Trade Unions.	Consider approach to staff celebration/appreciation.

## Engagement

Strengths	Areas for improvement
Strong desire and commitment from Cabinet to hear and listen to citizens and communities.	The Council should consider a whole-Council approach to promoting the work of the Council and the county of Bridgend.
Evidence of engagement with stakeholders across the organisation.	Responsiveness to members, scrutiny, town and community councils and citizens is not consistent across the Council.
Town and Community Council liaison officer now in place.	Improve consultation and engagement practice, including greater use of local members, community groups and infrastructure to promote engagement and closing 'the feedback loop'.
Citizen panel in place and innovative plan to use citizen focus groups	Forward-looking corporate communications needed which reaches all staff – especially at a time of change.
Corporate communications in place.	

3.5 Finally, the peers provided eight recommendations which are –

1. The Council has appointed a Chief Executive to lead and deliver change. The Council should now support him to develop an inspiring vision, a transformation strategy, underpinning corporate strategies and the cultural shift required to produce both sustainability of services, greater cross-Council working and innovation – which involves staff, communities and partners.
2. The Council should put in place leadership development for senior staff and Members to support this change.
3. The Council should, as a whole, increase its appetite for innovation with a focus on the future and delivery of outcomes, supporting staff and Members to do that. This should involve reducing unnecessary bureaucracy to release capacity and empower managers.
4. The Council should rapidly review corporate and strategic capacity to ensure both sustainability of service delivery and supporting the overall emerging change programme. In addition, the Council should consider bringing together key corporate enablers to unlock the potential of the organisation: e.g. Human Resources, performance and communications.

5. The Council should review and refresh its approach to digital and data to support the emerging Transformation Plan including: funding, systems, skills, and culture.
6. The Council should consider a whole Council approach to promoting the work of the Council and the county of Bridgend – with pride.
7. The Council should consider building on its good relations with partners in the public, private, community and voluntary sector to deliver Bridgend's vision and priorities.
8. As an immediate priority, the Council should improve its responsiveness to Members, stakeholders and citizens as part of building a culture of mutual respect for all.

### **Next steps**

- 3.6 Following the Council's receipt of the PPA report, it is required to produce a response, and to test the response through the Governance and Audit Committee (GAC). Corporate Management Board and Cabinet will work together to develop this response. It will be presented to the Governance and Audit Committee and Full Council for their consideration, alongside an action plan that is already in development.
- 3.7 The Council will also communicate the findings of PPA through -
  - Town and Community Council Forum
  - Trade Unions through the regular monthly meeting
  - Staff Forums
- 3.8 It is evident from the report that there is an urgency to act '*at pace*'. Any delays will pose potential risks to the Authority's sustainability. There is a widespread acceptance of the report's main findings. The next step is to develop an action plan and the capacity and skills to manage the change. A full action plan will be developed to allow the Council to meet these expectations by the end of November.
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. Wellbeing of Future Generations implications and connection to Corporate Wellbeing Objectives**

5.1 This report reviews the following corporate wellbeing objectives under the Well-being of Future Generations (Wales) Act 2015 that form part of the Council's Corporate Plan Delivery Plan 2025/26:-

1. THRIVING - A prosperous place with thriving communities,
2. EMPOWERING - Supporting our most vulnerable,
3. ACHIEVING - Enabling people to meet their potential,
4. MODERNISING - Creating modern, seamless public services

5.2 The 5 ways of working set out in the Well-being of Future Generations (Wales) Act have also been included in the Council's wellbeing objectives. The ways of driving and measuring them is also contained in the Corporate Plan Delivery Plan.

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

6.1 There are no specific implications of this report on climate change or nature.

## **7. Safeguarding and Corporate Parent Implications**

7.1 There are no specific implications of this report on safeguarding or corporate parenting.

## **8. Financial Implications**

8.1 There are no financial implications arising directly from this report.

## **9. Recommendations**

9.1 It is recommended that the Governance and Audit Committee:-

- Consider the findings of the PPA in **Appendix 1** and **Appendix 2**.
- Consider the next steps in responding to the PPA (including GAC's role) as outlined in paragraphs 3.6, 3.7 and 3.8 of the report.

## **Background documents**

None

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# **Bridgend County Borough Council Panel Performance Assessment (PPA) Report September 2025**





## 1. Introduction and Background

- 1.1 In accordance with the performance duties under the Local Government & Elections (Wales) Act 2021, Bridgend County Borough Council (Cyngor Bwrdeistref Sirol Pen-Y-Bont ar Ogwr) commissioned a Panel Performance Assessment (PPA) via the Welsh Local Government Association (WLGA).
- 1.2 The onsite assessment was completed over a four-day period concluding on 19<sup>th</sup> September 2025 with a feedback presentation provided to the Council outlining the key findings detailed within this report.
- 1.3 The assessment was undertaken based on the Council's agreed scoping document and the WLGA's PPA methodology, which was developed with the sector. The PPA methodology provides an overarching framework: the lines of enquiry are not prescriptive but provide guidance to the Panel on the areas that could be explored to meet the statutory duty. However, the extent to which the Panel explores those areas should be proportionate to the Council's scope but sufficient to enable the Panel to form a conclusion.
- 1.4 In accordance with the statutory guidance the PPA is not an audit or an inspection and does not seek to duplicate work undertaken by regulators and other bodies. Whilst the Panel has undertaken a corporate assessment, this assessment was not in-depth and should be considered alongside other sources of assurance such as the Council's own self-assessment, internal audit reviews, external audit, and regulatory reviews.
- 1.5 In preparing for the PPA, the Council scoped their requirements to maximise the value and impact of the assessment to the Council. The specific areas of focus identified by the Council are reflected in paragraph 3.2.
- 1.6 This report provides a summary overview of the conclusions of the Panel reported by exception.

## 2. Peer Team

- 2.1 The following Peers were commissioned by the WLGA to undertake the assessment. Selection of the Peers was agreed and at the discretion of the Council, based on suitability of skills and experience:
  - Independent Chair: Sally Loudon - Former Chief Executive of the Convention of Scottish Local Authorities (COSLA), former Chief Executive of Argyll and Bute Council.
  - Senior Member Peer: Cllr Andrew Stevens - Serving Councillor and Cabinet Member for Environment & Infrastructure at Swansea Council.
  - Senior Officer Peer: Gareth Newell - Head of Performance and Partnerships, Cardiff Council.
  - Wider Public, Private, or Voluntary Sector Peer: Anne-Louise Clark, former Executive Director – Communication and Change for Audit Wales & Chair of the Board of Trustees for Platform for Change Ltd.
- 2.2 The Panel was supported by, Cerith Thomas, Senior Policy Officer (Improvement – Democratic Services) and Lyndon Puddy (Panel Performance Assessment Manager, both from the WLGA's Improvement Team.



### 3. Scope and Approach

- 3.1 The Panel is required to assess the extent to which the Council:
- Is exercising its functions effectively.
  - Is using its resources economically, efficiently, and effectively; and
  - Has effective governance in place for securing the above.
- 3.2 The Council identified the following three areas where peer insight would be valued as part of the Panel assessment: **Transformation, Addressing Workforce Challenges and Improving Engagement**. The Council welcomed the Panel's support in providing high-level insights on these priority areas which encompass the whole Council and involve all directorates.
- **Transformation** – The development of the Council's approach to transformation that meets political and key stakeholder aspirations, including how effective arrangements are for delivery, performance management and the culture underpinning transformation. The Council had identified a clear need to focus on mechanisms and capacity for transformation that would improve citizens experience and create an organisation that is sustainable in the medium and long term.
  - **Addressing Workforce Challenges** – Building on strengthened workforce planning, consider the Council's approach to address challenges in recruitment in key areas, and improve succession planning, to help create a long-term workforce strategy.
  - **Improving Engagement** – Building on improvements to strategic communication, identify what further the Council can do to improve engagement and relationships internally with Councillors and externally with local communities and Town and Community Councils to help it become more citizen focused.
- 3.3 To prepare for the onsite assessment, the Panel first conducted a desktop review of Council documentation, data, external reports, and other relevant intelligence. The Peers also participated in preliminary online meetings.
- 3.4 The Panel spent approximately 240 hours plus, during onsite stage of the review involving a series of individual meetings and focus groups with the following stakeholders:
- Leader of the Council
  - Chief Executive
  - The Cabinet – Focus Group
  - Cabinet Member for Health & Social Services and Deputy Leader
  - Cabinet Members for Resources (Job Share)
  - Cabinet Member for Finance and Resources
  - Focus Group, Elected Members - non-executive
  - Leaders of the Opposition Groups (Bridgend County Independents & Democratic Alliance)
  - Focus Group - Scrutiny Chairs
  - Chair of Democratic Services Committee
  - Independent Chair of the Governance & Audit Committee

- Independent Chair of the Standards Committee
- Chief Officer, Legal and Regulatory Services, HR and Corporate Policy
- Chief Officer Finance Housing & Change (Section 151 Officer)
- Corporate Director, Social Services and Wellbeing
- Corporate Director, Communities
- Corporate Director, Education, Early Years and Young People
- Interim Head of Operations - Community Services (recently seconded from Head of Partnerships and Housing)
- Group Manager - Human Resources and Organisational Development
- Group Manager for Communications and Public Affairs, Marketing, Consultation and Engagement
- Deputy Head of Finance and Deputy Head of the Regional Internal Audit Service Corporate Policy and Public Affairs Manager and Corporate Performance Manager
- Group Manager Economy, Natural Resources & Sustainability
- Group Manager Planning & Development (Head of Planning)
- Staff Focus Group - Heads of Service and Deputy Heads of Service
- Staff Focus Group (Group Managers)
- Staff Focus Group – (Frontline staff)
- Headteachers - Focus Group
- Youth Council Representatives – Focus Group
- Leader and Chief Executive of Rhondda Cynon Taf County Borough Council
- Leader and Chief Executive of the Vale of Glamorgan Council
- Chief Executive of Cwm Taf Morgannwg University Health Board
- South Wales Police – Chief Superintendent
- Town and Community Councils – Focus Group
- Trade Unions – Focus Group
- Business Community – Focus Group
- Citizens Panel Focus Group
- Stakeholder Focus Group - Older people
- Chief Executive of Halo Leisure – Community focussed social enterprise

#### 4. Overall Conclusion

- 4.1 Bridgend is a good Council with untapped potential. The political and managerial leadership is ambitious for the whole County and they have the full support of a dedicated and enthusiastic workforce. The staff are deeply committed to the Council and the communities it serves, demonstrating a high level of self-awareness and a shared understanding of both the Council's strengths and the challenges ahead.
- 4.2 The Council has already demonstrated its capability with impressive turnarounds in key areas, particularly Children's Services, and is well positioned to build on this success for the benefit of the wider Council. The assessment findings show that Bridgend is ready and ambitious for change and has a positive outlook on its future.
- 4.3 The Council is, however, at a "crossroads" in terms of its development and now is the time to act at pace. By making the necessary changes now, the Council can ensure it can sustain services and continue to deliver for its communities for years to come.

#### 5. Local Context (*source PPA scoping document*)

- 5.1 Bridgend County Borough Council covers around 110 square miles, stretching from the Ogmore, Garw, and Llynfi valleys in the north to the Bristol Channel coastline in the south. The main commercial centres are Bridgend, Maesteg, and the seaside resort of Porthcawl. The county borough is divided by the M4 and boasts main-line rail links going east to London and west to Swansea.

#### Population and Community Demographics

- 5.2 Bridgend had a population of 145,760 at the 2021 census, a 4.5% increase from 2011. The population is projected to grow by 7.5% in the next 20 years. In its population:
  - 50.6% are female and 49.4% are male.
  - 96.78% identify as white. 1.48% of people identify as Asian. 1.16% identify as mixed race. 0.29% identify as black. 0.29% identify as other ethnic group
  - 22.64% have disabilities that limit their day-to-day activities a little or a lot.
- 5.3 Similar to the rest of Wales, the borough has an aging population with the fastest growing age category being over 65 which increased by 21.5% between 2011 and 2021. During the same time, under 15s only increased by 2.6%. This can present challenges to the Council's services including health, social care and housing.

### **Health and Deprivation**

- 5.4 In 2021, 46.3% of residents described their health as “very good,” up from 45.1% in 2011. However, there are significant health disparities. Bridgend has 7 areas identified as having ‘Deep Rooted Deprivation’. These are areas that have remained within the top 50 most deprived areas in Wales for the last five publications of Welsh Index of Multiple Deprivation ranks. In Bridgend 70% of people aged 16+ are in “good or very good” general health, which is the national average. Physical activity uptake and healthy eating rates are below the national average and Bridgend is home to some of the most materially deprived places in Wales. Bridgend has an obesity rate above the national average. The healthy weight in under 25s is also slightly below the Wales average. 18% of adults in Bridgend smoke, slightly above the national average (17%). Mental wellbeing is slightly better than the Wales average.

### **Employment and Skills**

- 5.5 Bridgend has around 3,770 enterprises, with a significant number of micro-enterprises (up to nine employees). Key employers include Bridgend County Borough Council, which employs around 6,000 people, and major public and private sector employers in manufacturing and medical device engineering. The employment rate (ages 16 to 64) is 67.1% and employment in Bridgend has decreased compared with the previous year. Bridgend's employment rate was lower than Wales as a whole in the year ending December 2023.

### **Skills and Unemployment Welfare**

- 5.6 As of May 2024, Bridgend has an unemployment rate of 3.5%, though people looking for work has risen since a year earlier. The most recent unemployment rate for Bridgend was lower than Wales as a whole. Economic inactivity has increased since the previous year; these are people who are neither employed nor seeking work. The Claimant Count measures the number of people who are claiming unemployment-related benefits between the ages of 16-64 is 2.8%. Claimant Count was lower in March 2024 compared with a year earlier.

### **Infrastructure and Transport Links**

- 5.7 The county benefits from excellent transport infrastructure, including the M4 motorway, which provides quick access to Cardiff and Swansea. There are also high-speed rail services and proximity to Cardiff Airport. Active travel routes are being developed to improve walking and cycling infrastructure. The Council has recently adopted a new [Local Development Plan \(LDP\)](#), which will shape development up to 2033.

### **Housing and Affordability**

- 5.8 The average house price in Bridgend is approximately £187,812. 71% of households in Bridgend County either own their home outright or via a mortgage. A further 15% rented privately, while 14% rented socially. Porthcawl has the highest levels of home ownership and the Pyle/Kenfig Hill area the lowest. The Ogmore Valley had the highest proportion of private tenants (21%). The Council manages a common housing register to allocate social housing and offers various support services to prevent homelessness. The Council's [Housing Support Programme Strategy 2022-26](#) sets out six new priorities and associated objectives.

The proportion of properties liable for council tax that are second homes (0.1%) is well below the all-Wales average (1.8%).

### **Local Climate Challenges**

- 5.9 Bridgend has committed to achieving net-zero carbon emissions by 2030. The Council has a comprehensive [strategy](#) to address climate change, including decarbonising its operations and promoting sustainable practices. Achievements to date include LED street lighting, retrofit programme for energy efficiency, the expansion of local nature reserves, tree planting and a sustainable procurement strategy.

### **The Council**

#### **5.10 Political Leadership**

At the last local elections in May 2022, there were 51 seats contested in the election, 3 fewer than in 2017. The next Bridgend County Borough Council elections are due to take place in May 2027.

- 5.11 The current administration is a Labour majority with 26 Councillors, 23 independents (13 Bridgend County Independents, 8 Democratic Alliance and 2 Independent), 1 Conservative and 1 Reform.

- 5.12 The Leader of the Council is Councillor John Spanswick and Councillor Jane Gebbie is the Deputy Leader.

#### **5.13 Senior Management**

The Council's senior management comprises the Chief Executive, Jake Morgan, who started in post in July 2025. He is supported by three Corporate Directors who are responsible for services delivery. There are two Chief Officers in the Chief Executives' directorate, and a Head of Internal Audit.

## **6. Strengths and Areas of Innovation**

- 6.1 Bridgend County Borough Council demonstrated a consistent alignment of ambition for the area. The Panel noted that Cabinet, Officers, backbench Members, opposition Members and stakeholders were positive and ambitious for the County, promoting a positive, welcoming and friendly culture. This is supported by enthusiastic, committed and caring staff who are optimistic about the future. The Council shows a tangible appetite for change that was evident to the peer panel members.
- 6.2 A prime example of this is the successful turnaround in children's services. This achievement highlights strong political and officer leadership and remarkable resilience, providing valuable lessons that can be shared throughout the organisation to drive future success.
- 6.3 The Council also exhibits a high level of self-awareness with a clear and shared understanding of both its strengths and its areas for improvement. This is further reinforced by the establishment of a new **budget working group** which demonstrates a proactive and collaborative approach to financial management and strategic planning that involves a substantial number of elected members from across the Administration and Opposition parties.

- 6.4 The Panel noted that Bridgend Council has the highest recycling rate in Wales, 73% in 2023-24. That exceeds the Welsh Government's statutory target for all Councils to reach a recycling rate of 70% by 2024-25, a target that Bridgend and a few other Councils have already exceeded.
- 6.5 Schools in Bridgend are rated as strong in inspections, with only one school currently requiring follow up by Estyn. There have been 18 spotlights of effective practice were identified by Estyn from the 15 core inspections in the 2024-2025 school year.

## **7. Local and National Challenges**

- 7.1 Bridgend County Borough Council, like all Councils in Wales, is facing significant financial sustainability challenges with a Q1 projection of £898k overspend for 2025/26.
- 7.2 The Council highlighted exceptional demands across some of its key service areas including support for children with Additional Learning Needs, older people's care, complex children's placements and homelessness. There are changing patterns of need in other service areas, for example behaviour in schools and attendance. Some services have worked hard to meet expectations but have limited capacity and resilience following years of budget cuts.
- 7.3 **Financial Performance:**
- In 2024/25 Bridgend underspent by £300,000 against its £361 million budget, which is around 0.1% of the budget. However, the overall position masks significant pressure in some areas of the budget as well as a significant contribution to reserves.
  - Schools' balances fell from £2.4m on 31<sup>st</sup> March 2024 to a negative balance of £619,000 on 31<sup>st</sup> March 2025
  - The Council reported that 88% of the 2024/25 budget savings were achieved in full.
- 7.4 **Strategic Financial Planning:**
- The total budget gap over the four-year period from 2025/26 is approximately £39.5m using a most likely scenario. After identified savings (25/26) a gap of £27.265m remains.
  - The Council reports work will now be undertaken to identify the mitigations required in order to bridge the gap and allow for any required investment over and above the unavoidable pressures already identified.

## 7.5 **Budget Setting:**

- The 2025/26 budget includes a Council Tax increase of 4.5%.
- The 2025/26 Local Government Funding Settlement was better than the Council's initial assumptions.
- The budget required £8.379m of savings. It would have been higher but for the better-than-expected financial settlement from Welsh Government

## 7.6 **Other Issues:**

- The August 2024 Audit Wales Financial Sustainability Assessment review of Bridgend County Borough Council found *'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'*.
- The Council does not have its own housing stock so does not have a Housing Revenue Account (HRA).
- Bridgend has a ten-year rolling capital programme that has been set for 2025-26, and on an indicative basis for the nine years thereafter. It has been profiled in accordance with technical advice relating to regulatory processes, timetables and work plans.

## 7.7 **Performance Against its 2024/25 Budget**

- 7.7.1 The net revenue budget for 2024-25 was £360.671 million. The overall outturn at 31st March 2025 was a net under spend of £300,000 which was transferred to the Council's General Fund.
- 7.7.2 This takes into account the setting up of a net £13.063 million of new earmarked reserves in 2024-25 to enable service investment, to mitigate future risks and expenditure commitments. Total Directorate budgets had a net over spend of £2.376 million and Council Wide budgets a net underspend of £15.128 million. The outturn position includes additional council tax income collected over budget of £611,000 during the financial year.
- 7.7.3 The Council states *'the overall under spend on the Council budget significantly masks underlying budget pressures in Additional Learning Needs services, Home to School Transport, and Children's social care'*.
- 7.7.4 The main reasons for the overall under spend in 2024-25 are: -
- Unanticipated Welsh Government grant of £3.290 million towards the teachers' pay award for 2024 25 and NJC pay pressures.
  - A £2.044 million saving from Council agreeing a change in the Minimum Revenue Provision Policy on 23 October 2024.
  - Unanticipated Welsh Government grant of £2.024 million towards revenue cost pressures.

- Not needing to utilise the £1.558 million that was built into the Medium-Term Financial Strategy 2024-28 towards emerging budget pressures and as a contingency against non-deliverability of budget reduction proposals.

7.7.5 The budget approved for 2024-25 included budget savings of £13.045 million. At 31st March 2025 there was a shortfall on the savings target of £1.569 million, or 12.03% of the overall reduction target.

7.7.6 During 2024-25 Directorates drew down funding from specific earmarked reserves. The final draw down of revenue reserves was £5.397 million.

## 8. Overview of Findings.

**Local areas, as identified by the Council, where peer insight would be valued as part of the Panel assessment**

### 8.1 Transformation

8.1.1 There is a clear alignment of ambition for change, with a strong appetite and excitement for transformation across the organisation. This shared belief that it is the right thing to do at the right time, coupled with evidence of innovation in some areas, provides a powerful foundation. To fully capitalise on this momentum, the following areas require focussed attention:

8.1.2 **Develop a new Transformation Plan:** The Council should create a clear, comprehensive transformation plan. This process must be highly collaborative, actively involving staff, Members, partners, and communities to ensure buy-in and a shared vision.

8.1.3 **Strengthen Strategic Capacity:** Delivering on this level of change requires greater strategic and corporate capacity within the organisation. The Council should address any gaps to ensure its ability to manage and implement a large-scale transformation programme, maintain or improve its performance and the ability to measure impact.

8.1.4 **Transformation based on Data and Insight:** To be truly effective, the Council's transformation efforts must be grounded in robust data and insight. This will ensure its decisions are evidence based and its efforts are focussed on the area that will deliver the greatest impact.

8.1.5 **Review Digital and Data Approach:** A critical component of the emerging transformation plan is the Council's approach to digital and data. It should review its current funding, systems, skills and culture to ensure the digital function can be an enabler to the changes it aims to achieve.

### 8.2 Addressing Workforce Challenges

8.2.1 Bridgend County Borough Council has a strong and positive organisational culture, staff feel appreciated and the culture is perceived as caring. This is further



reinforced by the strong working relationships with Trade Unions. Officers are also proud of the impact the Council has on communities across the County.

- 8.2.2 While the Council has a firm foundation, there are opportunities to become more strategic and forward-thinking. The current workforce plan needs to evolve to be more aligned with a new vision and transformation plan for the organisation. This includes addressing key areas such as succession planning, developing the workforce for the future to meet changing demands, and integrating digital and data capabilities into the workforce strategy.
- 8.2.3 To support this the Council should consider implementing a corporate “grow your own” programme. This would involve strengthening links with local higher and further education institutions to create a pipeline of talent that is specifically developed to meet the Council’s needs.
- 8.2.4 Finally, while staff already feel appreciated, the Council should consider a more formal and corporate approach to staff celebration and appreciation. This could further embed positive feelings across all departments and initiatives.

### **8.3 Improving Engagement**

- 8.3.1 The Council demonstrates a clear commitment to improving engagement with its citizens and communities. This commitment is evidenced by the appointment of a Town and Community Council Liaison Officer and the refreshing of the Citizens Panel – recruiting new members and utilising citizen focus groups. The plan to utilise citizen focus groups is a positive step towards gaining deeper insights into community perspectives. Furthermore, the organisation has a corporate communications function in place and shows evidence of engagement across various departments.
- 8.3.2 However, several areas require attention to ensure a consistent and effective approach to engagement. While there are pockets of good practice, responsiveness to key stakeholders, including Members, scrutiny bodies, Town and Community Councils, and the general public, is not consistent across all parts of the organisation and was frequently reported as being slow and frustrating to those involved. The Council should focus on improving responsiveness to Members and the public as a short-term priority.
- 8.3.3 The Council should consider a more holistic, “whole Council approach” to promoting its work and the wider county of Bridgend. This would help to create a unified message and ensure that all departments are aligned in their communication efforts. While corporate communications are in place, they need to become more forward looking and proactive, especially in a period of change. It is vital that these communications effectively reach all staff, as internal communication is a key element of a successful and responsive organisation.
- 8.3.4 Additionally, there is a need to improve existing consultation and engagement practices. This includes making greater use of local Members, community groups,

and other existing or established engagement or community infrastructure to promote engagement initiatives.

- 8.3.5 A critical component of effective engagement is “closing the feedback loop,” in a timely manner and this needs to be strengthened to ensure that members, citizens and wider stakeholders are informed of the results of engagement and how it has been used to inform decision making.

### **Statutory performance requirements considered by the Panel.**

#### **8.4 The extent to which the Council is exercising its functions effectively.**

- 8.4.1 Bridgend County Borough Council demonstrates a robust framework in the effective use of its resources, shown by good performance across its services and a consistent performance narrative shared by both Members and Officers. This success is underpinned by the dedication and commitment of its staff and elected Members, who share a genuine eagerness for positive change.
- 8.4.2 While there are commendable examples of cross-Council collaboration, this practice is not yet evident across the entire Authority, suggesting an area for future development. The Council’s self-assessment also identifies key areas for improvement. Specifically, there is a need to strengthen corporate and strategic capacity.
- 8.4.3 The Panel notes from a number of different meetings that unnecessary bureaucracy and procedures are currently stifling empowerment and delaying decision-making, which hinders the agile and efficient use of resources including staff time. The panel heard, for example ‘having to have a business case for all spend’, ‘committee reports having multiple versions as it went through the different layers of the Council’ and that this took significant time and led to frustration. Addressing systematic and potentially unnecessary procedural delays will be crucial for unlocking the full potential of the Council’s workforce.

#### **8.5 The extent to which the Council is using its resources economically, efficiently, and effectively.**

- 8.5.1 Bridgend County Borough Council demonstrates strong financial stewardship, characterised by effective financial management and robust monitoring. This is further enhanced by greater involvement from a wider range of Members in the budget setting process, promoting a more collaborative approach to financial planning. The Council also benefits from good relationships with its partners and stakeholders, who have expressed a strong desire to be more strategically involved in future activities.
- 8.5.2 Looking ahead, there are key opportunities for improvement. It is essential to ensure that the budget and Medium-Term financial Strategy (MTFS) are more closely aligned with the new vision and change programme, providing a clear financial roadmap for the Council’s strategic direction. The Council as a whole should also encourage a greater appetite for innovation moving beyond traditional approaches to find new and innovative ways of working.

8.5.3 A significant area for development is cultivating a unified “Team Bridgend” culture. This involves promoting greater cross-service and partner working to break down silos and encourage a more collaborative environment. To support this a whole Council approach to communication is needed, moving beyond the sole responsibility of the Communications Team to ensure a consistent and cohesive message is shared by everyone.

## **8.6 The extent to which the Council has effective Governance in place.**

8.6.1 Overall, the Council demonstrates strong governance arrangements and systems, with a robust performance management framework already in place. The organisation’s engagement with Trade Unions is effective, supporting positive relationships that contribute to a collaborative environment. Furthermore, the existing scrutiny arrangements are well-regarded by the majority of Members, highlighting their value overseeing the Council’s work.

8.6.2 While there are clear strengths, the Panel identified several key areas for improvement to enhance overall effectiveness:

8.6.3 **Leadership and Culture:** There is a continuing need to build a more cohesive leadership team and develop a culture that promotes unity and shared purpose.

8.6.4 **Performance Management:** Although a good framework is in place, it needs to be more deeply embedded across the Council to ensure consistent ownership and accountability for performance goals.

8.6.5 **Stakeholder responsiveness:** The Council’s responsiveness to Members, Scrutiny committees, stakeholders and citizens is inconsistent. Efforts should be made to ensure that communication and action are uniform and reliable across all services.

8.6.6 **Scrutiny Processes:** Scrutiny papers should be more concise, the panel heard of some papers being over 600 pages and lengthy Scrutiny Committees. Additionally, there is a need for greater evidence demonstrating the impact of outcomes of the scrutiny process.

## 9. Opportunities for Improvement – Recommendations

- 9.1 We have carefully considered the three required performance areas and the additional three areas identified by the Council for local consideration as part of the assessment process. This report contains a number of observations and comments about the Council's performance in each of these areas. They should be considered along with the recommendations set out below.
- 9.2 Overall, the Panel has concluded that Bridgend is a good Council at a crossroads. Without effective change, service delivery will be impacted; however, this can be avoided and for the Council to take its performance to the next level we recommend it should implement the following recommendations:

1.	The Council has appointed a Chief Executive to lead and deliver change. The Council should now support him to develop an inspiring vision, a Transformation Strategy, underpinning corporate strategies and the cultural shift required to produce both sustainability of services, greater cross-Council working and innovation – which involves staff, communities and partners.
2.	Put in place leadership development for senior staff and Members to support this change.
3.	The Council should, as a whole, increase its appetite for innovation with a focus on the future and delivery of outcomes; supporting staff and Members to do that. This should involve reducing unnecessary bureaucracy to release capacity and empower managers.
4.	Rapidly review corporate and strategic capacity to ensure both sustainability of service delivery and supporting the overall emerging change programme. In addition, the Council should consider bringing together key corporate enablers to unlock the potential of the organisation: e.g. Human Resources, Performance and Communications.
5.	Review and refresh its approach to digital and data to support the emerging Transformation Plan including: <ul style="list-style-type: none"> <li>• Funding</li> <li>• Systems</li> <li>• Skills</li> <li>• Culture</li> </ul>
6.	Consider a whole Authority approach to promoting the work of the Council and the County of Bridgend – with pride.
7.	Consider building on its good relations with partners in the public, private, community and voluntary sector in order to deliver Bridgend's vision and priorities.

8.	As an immediate priority, the Council should improve its responsiveness to Members, stakeholders and citizens as part of building a culture of mutual respect for all.
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## 10. Improvement Support

If you would like to discuss any further improvement support, please contact Jo Hendy, WLGA Head of Improvement.

## 11. Acknowledgements

- 11.1 The Panel and the WLGA would like to extend their thanks to the Council for its engagement throughout the PPA and we especially appreciate the support and openness from the Leader, Councillor John Spanswick and Chief Executive, Jake Morgan. Our thanks and appreciation also go to the following Council Officers for their invaluable support in coordinating documentation requests, responding to queries, arranging meetings and workshops, and providing onsite assistance:

Alex Rawlin – Corporate Policy and Public Affairs Manager  
 Kate Pask – Corporate Performance Manager  
 Michael Spanswick – Information and System Support Officer  
 Emma Griffiths – Senior CMB Support Officer  
 Michelle Lachetta – CMB Support Officer

**Produced by the Welsh Local Government Association - September 2025**

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# Cyngor Bwrdeistref Pen-y-Bont ar Ogwr Bridgend County Borough Council

**Asesiad Perfformiad Panel 2025**

**Panel Performance Assessment 2025**

Adborth o'r Panel 19<sup>eg</sup> Medi 2025  
Feedback from the Panel 19<sup>th</sup> September 2025

# Purpose and Scope

The Panel Performance Assessment (PPA) has been undertaken in accordance with the statutory performance duties within the Local Government & Elections (Wales) Act 2021

**The purpose:** To provide an independent and objective assessment of the extent to which Bridgend County Borough Council is meeting the performance requirements:

- exercising its functions effectively;
- using its resources economically, efficiently and effectively;
- effective governance in place for securing the above.

Additional areas identified by the council:

- Transformation
- Addressing workforce challenges
- Improving engagement



# Purpose and Scope continued...

## Additional local areas identified by the council:

**Transformation** – The development of a transformation strategy that meets political and key stakeholder aspirations that is underpinned by effective arrangements for delivery, performance management and a culture of constructive challenge. A clear need to focus on mechanisms and capacity for transformation that will improve citizens experience and create an organisation that is sustainable in the medium and long term.

**Addressing workforce challenges** – Building on strengthened workforce planning, address challenges in recruitment in key areas, and improve succession planning, to help create a long-term workforce strategy.

**Improving engagement** – Building on improvements to strategic communication, improve the Council's engagement and relationships internally with councillors and externally with local communities and Town and Community Councils to help the Council to become more citizen focused.

# Overview of Approach

- Desktop review of council documentation.
- Observation of council meetings.
- Introductory online meetings.
- 240 hours plus spent on site speaking to members, officers, strategic partners, residents, businesses, to get a feel of what it's like in Bridgend.
- 1-2-1 meetings.
- Review of regulator findings.
- Focus groups.

# Panel Membership

**Independent Chair:** Sally Loudon

Former Chief Executive of the Convention of Scottish Local Authorities (COSLA), former Chief Executive of Argyll and Bute Council.

**Senior Member Peer:** Cllr. Andrew Stevens

Serving Councillor and Cabinet Member for Environment & Infrastructure at Swansea Council.

**Serving Local Government Senior Officer:** Gareth Newell

Head of Performance and Partnerships, Cardiff Council.

**Peer from the wider public, private, voluntary sector:** Anne-Louise Clark

Executive Director – Communication and Change for Audit Wales & Chair of the Board of Trustees for Platform for Change Ltd.

# **Panel overall findings and conclusions**

**Bridgend is a good Council with untapped potential.**

**A political and managerial leadership that is ambitious for Bridgend.**

**Workforce that is enthusiastic, committed, cares deeply about the Council and the communities it serves.**

**High levels of self-awareness - clear and shared assessment of strengths and what needs to happen next.**

**Good performing services with an impressive turn-around in Children's Services.**

**Ready for change and positive about the future.**

**Bridgend is a Council at a cross-roads.**

**The Council understands the change needed and should act now to make sure it can sustain services now and continue to deliver for its communities over the years ahead.**

# **Strengths and Areas of Innovation**

**Alignment of ambition for BCBC and it's communities  
Positive, welcoming, friendly culture.**

**Enthusiastic, committed and caring staff, who are  
positive about the future.**

**Tangible appetite for change from all parts of the  
Council.**

**Children's Services turn-around shows strong  
leadership and resilience – there are lessons to be  
learnt and shared.**

**High levels of self-awareness – clear and shared  
assessment of strengths and areas of improvement**

**New budget working group.**

# Effective exercise of functions

**Good performance in services and consistent performance narrative across members and officers.**

**Dedicated and committed members and staff.**

**A real eagerness for change.**

**Some examples of cross-Council working, but not evident across the whole authority.**

**Areas for Improvement:**

**Corporate and strategic capacity required.**

**Unnecessary bureaucracy and procedures are stifling empowerment and delaying decision making.**

# **Economic, efficient and effective use of resources**

**Good financial management and monitoring.**

**Wider member involvement in the budget setting process.**

**Good relationships with partners and wider stakeholders, who are eager to be more strategically involved.**

**Areas for Improvement:**

**Looking forward, ensure the budget and MTFS is closely aligned with the new vision and change programme.**

**The Council should, as a whole, increase its appetite for innovation.**

**An opportunity for greater cross-service and partner working and culture – 'Team Bridgend.'**

**Whole Council approach to communications needed.**

# Effective Governance

**Overall, the Council has good governance arrangements and systems in place.**

**Good performance management framework in place.**

**Good engagement and relationships with Trade Unions.**

**Good scrutiny arrangements which are valued by members.**

## **Areas for Improvement:**

**Continuing to build a cohesive leadership team and culture.**

**Performance management framework needs to be embedded across the Council and culture needs to be developed to ensure ownership and accountability.**

**Responsiveness to members, scrutiny, stakeholders and citizens is not consistent across the Council.**

**Scrutiny papers could be more concise, with greater evidence of impact of scrutiny also needed.**



## **Additional local area(s) for consideration**

### **Transformation**

**Alignment of ambition for change.**

**Excitement and appetite for change.**

**It's the right thing to do at the right time.**

**Evidence of innovation in some areas.**

### **Areas for Improvement:**

**Develop and agree a new transformation plan, involving staff, members, partners and communities.**

**Strategic and corporate capacity required to deliver change.**

**Transformation programme needs to be based on data and insight.**

**Review approach to digital and data to support the emerging Transformation Plan including funding, systems, skills and culture.**

## **Additional local area(s) for consideration**

### **Addressing Workforce Challenges**

**Staff feel appreciated – it's a good and caring culture.  
Proud of Bridgend County and the impact the Council has.  
Good relationships with Trade Unions.**

### **Areas of Improvement:**

**Move to a more strategic and future focussed workforce plan, linked to new vision and transformation plan – including succession planning, workforce of the future, digital and data.**

**Consider a corporate grow your own programme, developing links with local higher and further education.  
Consider approach to staff celebration/appreciation.**

## **Additional local area(s) for consideration**

### **Improving Engagement**

**Strong desire and commitment from Cabinet to hear and listen to citizens and communities.**

**Evidence of engagement with stakeholders across the organisation.**

**Town and Community Council liaison officer now in place.**

**Citizen panel in place and innovative plan to use citizen focus groups**

**Corporate communications in place.**

#### **Areas for Improvement:**

**The Council should consider a whole-Council approach to promoting the work of the Council and the county of Bridgend.**

**Responsiveness to members, scrutiny, town and community councils and citizens is not consistent across the Council.**

**Improve consultation and engagement practice, including greater use of local members, community groups and infrastructure to promote engagement and closing 'the feedback loop'.**

**Forward-looking corporate communications needed which reaches all staff – especially at a time of change.**

# **Opportunities for improvement - Recommendations**

**The Council has appointed a Chief Executive to lead and deliver change. The Council should now support him to develop an inspiring vision, a transformation strategy, underpinning corporate strategies and the cultural shift required to produce both sustainability of services, greater cross-Council working and innovation – which involves staff, communities and partners.**

**The Council should put in place leadership development for senior staff and Members to support this change.**

**The Council should, as a whole, increase its appetite for innovation with a focus on the future and delivery of outcomes; supporting staff and Members to do that. This should involve reducing unnecessary bureaucracy to release capacity and empower managers.**

# Opportunities for improvement - Recommendations

**The Council should rapidly review corporate and strategic capacity to ensure both sustainability of service delivery and supporting the overall emerging change programme. In addition, the Council should consider bringing together key corporate enablers to unlock the potential of the organisation: e.g. Human Resources, performance and communications.**

**The Council should review and refresh its approach to digital and data to support the emerging Transformation Plan including:**

- **Funding**
- **Systems**
- **Skills**
- **Culture**

# **Opportunities for improvement - Recommendations**

**The Council should consider a whole Council approach to promoting the work of the Council and the county of Bridgend – with pride.**

**The Council should consider building on its good relations with partners in the public, private, community and voluntary sector in order to deliver Bridgend's vision and priorities.**

**As an immediate priority, the Council should improve its responsiveness to Members, stakeholders and citizens as part of building a culture of mutual respect for all.**

## Next steps

**Initial feedback from the council on findings, conclusions and opportunities for improvement.**

**Draft and agree the report with the panel.**

**Draft report shared with the council for comment on factual accuracy.**

**Agree the final report, WLGA on behalf of the Panel to submit to the council, the Auditor General for Wales, His Majesty's Chief Inspector of Education and Training in Wales; the Welsh Ministers (including Care Inspectorate Wales).**

**Council to respond to the panel assessment report in accordance with the statutory guidelines.**

**Diolch – Thank you!**



**Any questions?**

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>FORWARD WORK PROGRAMME 2025-26</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>DEBORAH EXTON DEPUTY HEAD OF FINANCE</b>
<b>Policy Framework and Procedure Rules:</b>	There is no impact on the policy framework and procedure rules.
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The Governance and Audit Committee has a number of core functions and responsibilities within its remit.</li> <li>• It receives a number of reports and presentations throughout the year to enable it to carry out those core functions and responsibilities effectively and to provide it with confidence in the financial governance of the Authority.</li> <li>• To enable the Committee to provide this assurance and to ensure it is covering its range of responsibilities, a Forward Work Programme (FWP) is presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary.</li> <li>• The updated Forward Work Programme (FWP) for 2025-26 is at Appendix A.</li> <li>• Committee is requested to approve the updated FWP or request changes for future meetings.</li> </ul>

## 1. Purpose of Report

- 1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 2025-26.

## 2. Background

- 2.1 The core functions of an effective Governance and Audit Committee include the responsibility to:

- review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs.
- consider the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting, governance processes, performance assessment and complaints arrangements.
- seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
- consider the effectiveness of the Council's anti-fraud and corruption arrangements.
- be satisfied that the Council's assurance statements properly reflect the risk environment and any actions required to improve it.
- oversee the work of internal audit (including the annual plan and strategy) and monitor performance.
- review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.
- receive the annual report of the Head of Internal Audit.
- consider the reports of external audit and inspection agencies, where applicable.
- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- review and approve the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
- review and make any recommendations for change to the Council's draft self-assessment report.
- consider panel performance assessment reports into how the Council is meeting its performance requirements.

2.2 Effective Governance and Audit Committees help to raise the profile of governance, internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. They enhance public trust and confidence in the financial governance of an authority.

### 3. **Current situation / proposal**

- 3.1 In order to assist the Committee in ensuring that due consideration is given to all aspects of their core functions the updated Forward Work Programme for 2025-26 is attached at **Appendix A**. Committee Members are asked to endorse this schedule, confirm the list of people they would like to invite for each item (if appropriate), and indicate whether any additional information or research is required.
- 3.2 Shown below are the items scheduled to be presented at the next scheduled meeting, to be held on 27 November 2025.

	<b>Proposed Agenda Items – 27 November 2025</b>
1	Governance and Audit Committee Action Record
2	Audit Wales Governance and Audit Committee Reports
3	Panel Performance Assessment
4	Corporate Risk Assessment
5	Half Year Review of the Annual Governance Statement
6	Treasury Management Half Year Report
7	Complaints Process
8	Updated Forward Work Programme

- 3.3 The schedule of items for discussion at specific meetings may be subject to change, to take into account other items that need to be considered, and operational factors.

#### **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 That the Committee considers and approves the updated Forward Work Programme for 2025-26.

## **Background documents**

None

GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2025-26	Frequency	27 November 2025	29 January 2026	23 April 2026
<b>Standing Items</b>				
Governance and Audit Committee Action Record	Each meeting	✓	✓	✓
Audit Wales Governance and Audit Committee Reports	Each meeting	✓	✓	✓
Updated Forward Work Programme	Each meeting	✓	✓	✓
<b>Annual Accounts</b>				
Statement of Accounts 2024-25 (unaudited)	Annually			
Porthcawl Harbour Return 2024-25 (unaudited)	Annually			
Going Concern Assessment	Annually			
Audit Enquiries Letter	Annually			
Audit Wales Audit of Accounts Report <i>(included with Audited Statement of Accounts Report item)</i>	Annually			
Audited Statement of Accounts <i>(including final Annual Governance Statement)</i>	Annually			
Porthcawl Harbour Return (audit letter)	Annually			
<b>Governance</b>				
Draft Annual Governance Statement	Annually			
Half Year Review of the Annual Governance Statement	Annually	✓		
Code of Corporate Governance	Annually			✓
Audit Wales Annual Audit Plan <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>	Annually			✓
Annual Audit Summary <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>	Annually		✓	
<b>Internal Audit Reports</b>				
Annual Internal Audit Report 2024-25	Annually			
Internal Audit Shared Service Charter	Annually			✓
Internal Audit Annual Strategy and Audit Plan 2025-26	Annually			
Self-Assessment of the Governance and Audit Committee	Annually		✓	
Internal Audit Progress Reports	Quarterly		✓	✓
Internal Audit Recommendation Monitoring Report	Quarterly		✓	✓
Governance and Audit Committee Annual Report	Annually (unless revised)			
<b>Treasury Management</b>				
Treasury Management Outturn Report 2024-25	Annually			
Treasury Management Half Year Report 2025-26	Annually	✓		
Treasury Management Strategy 2026-27	Annually		✓	
<b>Risk Assurance</b>				
Corporate Risk Assessment	6 monthly	✓	✓	
Corporate Risk Policy	Annually		✓	
<b>Counter Fraud</b>				
Corporate Fraud Report 2024-25	Annually			
Anti-Tax Evasion Policy (to be considered April 2025, then April 2027)	Biennially			
Anti-Fraud, Bribery and Corruption Policy (June 2025, then June 2027)	Biennially			
Anti-Money Laundering Policy (June 2025, then June 2027)	Biennially			
<b>Performance Related</b>				
Complaints Process	Annually	✓		
Regulatory Tracker (by exception only in January and July)	Quarterly		✓	✓
Annual Self-Assessment of the Council's Performance (Corporate Self-Assessment)	Annually with approach report in April			✓

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