Public Document Pack

Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr
Bridgend County Borough Council

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

Rydym yn croesawu gohebiaeth yn Gymraeg. Rhowch wybod i ni os mai Cymraeg yw eich dewis iaith.
We welcome correspondence in Welsh. Please let us know if your language choice is Welsh.

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

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

Dyddiad/Date: Dydd Iau, 17 Medi 2026

Annwyl Cynghorydd,

PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Cynhelir Cyfarfod Pwyllgor Llywodraethu ac Archwilio Hybrid yn Ystafelloedd Pwyllgor 1/2/3, Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr, CF31 4WB / o bell drwy Microsoft Teams ar **Dydd Iau, 24 Medi 2026** 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 - 14

I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 16/07/26.

4 Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio 15 - 18

5 Datganiad Cyfrifon Archwiliedig 2025-26 19 - 172

6	Adroddiadau Pwyllgor Llywodraethu ac Archwilio Cymru	173 - 372
7	Cynnydd yn erbyn y Cynllun Archwilio Mewnol yn seiliedig ar risg 2026-27	373 - 380
8	Monitro Argymhellion Archwilio Mewnol	381 - 390
9	Adroddiad Blynyddol y Pwyllgor Llywodraethu ac Archwilio 2025-26	391 - 410
10	Hunanasesiad 2025-26	411 - 498
11	Blaenraglen Waith wedi'i Diweddaru	499 - 504

12 Materion Brys

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 o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad.

Nodyn: Bydd hwn yn gyfarfod Hybrid a bydd Aelodau a Swyddogion mynychu trwy Ystafelloedd Pwyllgor 1/2/3, 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 neu ffoniwch 01656 643148 / 643694 / 643513 / 643159.

Yn ddiffuant
K Watson
Prif Swyddog, Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol

Dosbarthiad:

Cynghorwr:

A R Berrow
O Clatworthy
S Easterbrook
RM Granville
S J Griffiths
J Llewellyn-Hopkins
M L Hughes
RL Penhale-Thomas

Aelodau Lleyg:

D Austin
A Bagley
G Chapman
B Olorunnisola

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO CYNHALIWYD O BELL – DRWY MICROSOFT TEAMS DDYDD IAU, 16 GORFFENNAF 2026 AM 10:00

Presennol yn Rhithwir

G Chapman – Cadeirydd - (Aelod Lleyg)

Presennol yn Rhithwir

A R Berrow	O Clatworthy	S Easterbrook	RM Granville
M L Hughes	J Llewellyn-Hopkins	RL Penhale-Thomas	

Aelodau Lleyg - Presennol yn Rhithwir

A Bagley	B Olorunnisola

Ymddiheuriadau am Absenoldeb

D Austin (Aelod Lleyg)

Swyddogion:

J Norman	Dirprwy Bennaeth Cyllid Dros Dro

Datganiadau o Fuddiannau

Dim

Officers:

Jake Morgan	Prif Weithredwr
Carys Lord	Cyfarwyddwr Corfforaethol – Cyllid a Thrawsnewid
Nigel Smith	Rheolwr Grŵp - Prif Gyfrifydd
Kate Pask	Rheolwr Polisi a Pherfformiad Corfforaethol
Rachel Keepins	Rheolwr Gwasanaethau Democrataidd
Simon Roberts	Uwch Ymchwilydd Twyll
Andrew Wathan	Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol
Nathan Smith	Darpar Reolwr Archwilio, Gwasanaeth Archwilio Mewnol Rhanbarthol
David Williams	Archwilio Cymru
Stephen Griffiths	Swyddog Gwasanaethau Democrataidd - Pwyllgorau
Michael Pitman	Swyddog Cymorth Technegol – Gwasanaethau Democrataidd

304. Cymeradwyo'r Cofnodion

Penderfyniad a Wnaed	PENDERFYNWYD: Cymeradwywyd Cofnodion y cyfarfod ar 18 Mehefin 2026 fel cofnod gwir a chywir.
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

305. Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio

Penderfyniad a Wnaed	Pwrpas yr adroddiad oedd rhoi'r wybodaeth ddiweddaraf i'r Aelodau ar Gofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio (Atodiad A). Nodwyd, er bod adroddiad ar lywodraethu Harbwr Porthcawl i fod i fod i gael ei gyflwyno i'r Pwyllgor, cynigiwyd mai ffordd fwy priodol ymlaen fyddai gofyn i'r Gwasanaeth Archwilio Mewnol Rhanbarthol

	(GAMRh) gynnal ymchwiliad, yn hytrach nag archwiliad llawn, o'r materion sy'n peri pryder, ac i'r canfyddiadau gael eu hadrodd i'r Pwyllgor ar ôl i'r gwaith gael ei gwblhau. Nododd Aelod fod adroddiad archwilio arall ar Harbwr Porthcawl, a chynigiodd y Cadeirydd, os yw'n briodol ac yn berthnasol, y gellid ei atodi i'r adroddiad gyda chanfyddiadau ymchwiliad GAMRh. PENDERFYNWYD: Nododd y Pwyllgor y Cofnod Gweithredu a darparodd sylwadau, fel y bo'n briodol. Yn ogystal, gofynnodd y Pwyllgor: • Bod y gwaith arfaethedig ar lywodraethu Harbwr Porthcawl yn cael ei wneud gan GAMRh. • Bod y Cyfarwyddwr Corfforaethol – Cyllid a Thrawsnewid yn ymgynghori â Chadeirydd y Pwyllgor Llywodraethu ac Archwilio i gwblhau'r briff archwilio ar gyfer y gwaith. • Bod cynnwys yr adroddiad archwilio presennol ar Harbwr Porthcawl yn cael ei rannu, os yw'n briodol ac yn berthnasol, gydag Aelodau'r Pwyllgor pan adroddir canfyddiadau'r gwaith y gofynnwyd amdano i'r Pwyllgor.
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

306. Datganiad Cyfrifon 2025-26

Penderfyniad a Wnaed	Pwrpas yr adroddiad oedd cyflwyno'r Datganiad Cyfrifon heb ei archwilio ar gyfer 2025-26 i'r Pwyllgor Llywodraethu ac Archwilio (Atodiad A). Nodwyd nad oedd cyfrifon drafft y Cyngor yn cynnwys ffigurau ar gyfer 2025-26 eto o'i chyfran o incwm, gwariant, asedau a rhwymedigaethau Bargen Ddinesig Prifddinas-Ranbarth Caerdydd (BDdPRC). Mewn ymateb i'r adroddiad, trafododd yr Aelodau'r materion canlynol: • Roedd gwall yn y cofnod am Awdurdod Iechyd Porthladd Bae Abertawe yn yr adran Praeseptau ac

	Ardollau (t.66) o'r adroddiad. Cyfeiriodd at Awdurdod y Porthladd yn hytrach nag at yr Awdurdod Iechyd Porthladd. • Y swm sy'n ddyledus (£1,253,947) i'r Cyngor, a'r rhesymau dros hynny, ar 31 Mawrth 2026 gan Fwrdd Iechyd Prifysgol Cwm Taf Morgannwg. Nodwyd ei fod yn fater amseru, sy'n gysylltiedig â phryd y paratowyd y cyfrifon. • Y rhesymau dros lithriad o ran prosiectau cyfalaf, a'i effaith ar wariant cyfalaf flwyddyn ar ôl blwyddyn. • Y nodyn ynghylch safonau a gyhoeddwyd ond heb eu mabwysiadu eto, ac a ellid ei gwneud yn gliriach pryd y byddai'r safon yn cael ei mabwysiadu a'i effaith ar gyfrifon y Cyngor. • Mae'r cynnydd yn nifer y swyddogion (82 i 150) yn y band taliadau £60,000 - £64,999 ac a fyddai nodyn esboniadol yn gwella'r Datganiad. Nodwyd mai canlyniad dyfarniadau cyflog oedd hyn: Mabwysiadwyd y bandiau yn 2014 ac nid oeddent wedi newid ers hynny, ond ers hynny bu dyfarniadau cyflog, sydd wedi gwthio nifer o staff i'r band hwnnw. • Yr amgylchedd cyfraddau llog yn y flwyddyn i ddod a'i effaith bosibl ar ddull y Cyngor o werthuso risgiau Rheoli Trysorlys. <u>PENDERFYNWYD:</u> Nododd y Pwyllgor Llywodraethu ac Archwilio y Datganiad Cyfrifon heb ei archwilio i 2025/26.
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

307. Datganiad Harbwr Porthcawl 2025-26

Penderfyniad a Wnaed	Pwrpas yr adroddiad oedd cyflwyno'r Datganiad Cyfrifon heb ei archwilio ar gyfer 2025-26 i'r Pwyllgor Llywodraethu ac Archwilio (Atodiad A). Mewn ymateb i'r adroddiad, trafododd yr Aelodau gwpl o faterion: • O ystyried yr ardoll o £15,000 a dalwyd i Awdurdod Iechyd Porthladd Bae Abertawe yn 2025-26, roedd angen ystyried a ddylid cydnabod yr ardoll yn y Datganiad. Nododd y Rheolwr Grŵp - Prif Gyfrifydd y byddai angen iddo edrych ar hynny a byddai'n adrodd yn ôl i gyfarfod y Pwyllgor yn y

	dyfodol. • A allai Harbwr Porthcawl hunan-ariannu. • Yr addasiadau cyfrifyddu yng nghyd-destun cyfran o orbenion corfforaethol. PENDERFYNWYD: Cymeradwyodd y Pwyllgor Llywodraethu ac Archwilio Ddatganiad Harbwr Porthcawl 2025-26.
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

308. Datganiad Llywodraethiant Blynyddol (DLIB) 2025-26

Penderfyniad a Wnaed	Pwrpas yr adroddiad oedd cyflwyno'r Datganiad Llywodraethu Blynyddol ar gyfer 2025-26 i'r Pwyllgor Llywodraethu ac Archwilio. PENDERFYNWYD: Cymeradwyodd y Pwyllgor Llywodraethu ac Archwilio y Datganiad Llywodraethu Blynyddol drafft a chytunodd i'w gynnwys yn y Datganiad Cyfrifon heb ei archwilio 2025-26.
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

309. Adroddiad Alldro Rheoli'r Trysorlys 2025-26

Penderfyniad a Wnaed	Pwrpas yr adroddiad oedd rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor o weithgarwch Rheoli'r Trysorlys ar gyfer y flwyddyn 1 Ebrill 2025 – 31 Mawrth 2026. Ar 31 Mawrth 2025, roedd gan y Cyngor £99.72 miliwn o ddyled hirdymor, £12.87 miliwn o rwymedigaethau hirdymor eraill a sefyllfa ddyled net gyffredinol o £68.09 miliwn. Y gyfradd llog gyfartalog

	ar gyfer dyled oedd 4.63% ac ar gyfer buddsoddiadau, y ffigur oedd 4.73%. Mae gan y Cyngor strwythur aeddfedrwydd o fenthyca sydd wedi'i reoli, gyda'i ddyled bresennol yn ad-daladwy ar wahanol adegau dros y 30 mlynedd nesaf. Mewn ymateb i'r adroddiad, trafododd yr Aelodau gwpl o faterion: • Parodrwydd y Cyngor i dderbyn risg i fenthyca er mwyn cyflawni'r agenda trawsnewid. Mewn ymateb i'r drafodaeth, atgoffodd y Cyfarwyddwr Corfforaethol – Cyllid a Thrawsnewid yr Aelodau y dylid gwneud gwaith ar barodrwydd i dderbyn risg, gyda swyddogion ac Aelodau. Roedd hyn yn ganlyniad i uchelgais y Cyngor i wneud newidiadau sylweddol ledled y Fwrdeistref, y ffordd y mae'n gweithio, a'r rhaglen foderneiddio ysgolion fawr. Byddai'r tri yn gofyn am fuddsoddiad sylweddol a gallai gael effaith ar strategaeth Rheoli Trysorlys. • Nodwyd na fyddai gwerthu asedau yn ffynhonnell sylweddol o arian i gefnogi'r rhaglen gyfalaf yn y dyfodol. Roedd nifer yr asedau a oedd dros ben i'r gofynion yn fach iawn. Hefyd, parhaodd y Cyngor i fod yn ddibynnol ar grantiau Llywodraeth Cymru. • Roedd angen dealltwriaeth glir pan fydd y Cyngor yn benthyg arian, mae canlyniad refeniw i hynny. Byddai angen asesiad priodol o gyllid a'r risg a chostau refeniw cysylltiedig. • Nododd y Prif Weithredwr fod cost i beidio â benthyca o ran cynnal asedau er enghraifft, a bod y Cyngor yn sylweddol danfenthyg o'i gymharu ag unrhyw awdurdod lleol cyfatebol yng Nghymru neu Loegr. • Byddai angen i'r Cyngor fod yn synhwyrol wrth symud ymlaen ond os yw'r Cyngor yn mynd i fod yn uchelgeisiol i'w gymunedau a buddsoddi mewn seilwaith, yna byddai'n rhaid gwneud dewisiadau. • Cafodd y tîm a gynhyrchodd yr adroddiad eu canmol am eu gwaith. <u>PENDERFYNWYD:</u> Gwnaeth y Pwyllgor Llywodraethu ac Archwilio: • Nodwyd gweithgareddau rheoli'r trysorlys ar gyfer blwyddyn ariannol 2025-26. • Nodwyd Dangosyddion Rheoli'r Trysorlys ar gyfer y flwyddyn gyfnod a ddaeth i ben 31 Mawrth 2026 yn erbyn y rhai a gymeradwywyd yn Strategaeth Rheoli'r Trysorlys 2025-26.
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

310. Adroddiad Twyll Corfforaethol Blynyddol 2025-26

Penderfyniad a Wnaed	Pwrpas yr adroddiad oedd darparu Adroddiad Twyll Corfforaethol Blynyddol 2025-26 i Aelodau'r Pwyllgor, a oedd yn crynhoi'r camau a gymerwyd o ran gwrthdwyll yn ystod y flwyddyn honno. Mae'r adroddiad hefyd yn darparu diweddariad ar ymarfer y Fenter Twyll Genedlaethol. Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion: • A oedd erlyniadau yn cael eu prosesu gan gorff allanol. Nodwyd eu bod i gyd wedi'u cynnal yn fewnol gan dîm cyfreithiol y Cyngor. Cynhaliwyd unrhyw beth yr ymchwiliwyd iddo, gan arwain at erlyniad, ochr yn ochr â'r Adran Gwaith a Phensiynau fel rhan o unrhyw drefniadau gweithio ar y cyd, trwy'r GEG. • Erlyniadau sy'n gysylltiedig â thwyll grantiau a chaffael. Mewn ymateb, nodwyd bod nad oedd unrhyw erlyniadau o'r math hwn wedi bod. • Yr ymdrechion a wnaed i dalu'r Dreth Gyngor trwy sieciau twyllodrus. Roedd y rhain wedi'u nodi ac nid oedd unrhyw golled ariannol i'r Cyngor. • Yr amser a gymerwyd i gwblhau rhai erlyniadau. O ran yr achos penodol a godwyd, nodwyd bod yr oedi o ganlyniad i gymhlethdod yr ymchwiliad a'r amser a gymerodd i baratoi'r achos, yn hytrach nag unrhyw beth i'w wneud â system y llysoedd. • Y broblem o ran yr ysgol Gyfun a dalodd £967.20 i gyflenwr, yr oedd ei fanylion banc hefyd wedi'u newid, yr oeddent wedi'i ddefnyddio o'r blaen ar gyfer nwyddau nad oeddent erioed wedi'u derbyn a gofynnodd beth oedd yn cael ei wneud i sicrhau nad oedd ysgolion yn colli mwy o arian. Mewn ymateb, nodwyd bod ysgolion wedi cael eu hatgoffa o'r prosesau i'w dilyn ar gyfer gwneud taliadau i leihau'r risg o unrhyw ymgais neu dwyll gwirioneddol. Bydd yr ysgol unigol yn destun ymweliad gan Archwilio Mewnol i adolygu'r prosesau sydd ar waith a chryfhau rheolaethau. • P'un a oedd, gyda datblygiad Deallusrwydd Artiffisial (DA) a thechnolegau eraill, wedi newid ac a oedd y Cyngor yn barod ar ei gyfer, o ran canfod a gallu mynd i'r afael ag ef. Mewn ymateb, nododd swyddogion nad oeddent wedi gweld enghreifftiau o geisio twyllo o ganlyniad i DA ond cydnabuodd fod ansawdd anfonebau ffug wedi dod yn broblem ond roedd systemau ar waith i'w canfod. Os oedd gwendidau yn systemau cyllid y Cyngor, cawsant eu diweddaru a'u cryfhau ac roedd rhaglen helaeth o brofi ac adolygu seiberddiogelwch. • Gofynnodd y Cadeirydd a oedd mecanwaith adrodd i'r cyhoedd adrodd honiadau o dwyllo, ac a

	ellid gwneud hynny'n ddienw. Mewn ymateb, nododd yr Uwch Swyddog Twyll fod mecanwaith ond roedd rhai meysydd yn y ffurflen yn orfodol ac nid oedd rhai, fel y rhai i ddarparu enw a chyfeiriad. PENDERFYNWYD: Nododd y Pwyllgor yr Adroddiad Twyll Corfforaethol Blynyddol 2025-26, 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. Diolchodd y Pwyllgor i'r awdur am gynhyrchu adroddiad mor gynhwysfawr
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

311. Diweddariad Traciwr Rheoleiddiol

Penderfyniad a Wnaed	Pwrpas yr adroddiad oedd rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor Llywodraethu ac Archwilio ar y Traciwr Rheoleiddiol gyda gwybodaeth ychwanegol a nodiadau esboniadol lle mae argymhellion wedi parhau i fod yn ddyledus ers nifer o flynyddoedd. Yn chwarter 4 2025-26 cyhoeddwyd pedwar adroddiad archwilio/arolygu cyn 30 Mehefin 2024 sydd â chyfanswm o wyth argymhelliad yn dal ar agor. Roedd y rhain fel a ganlyn: • **Archwilio Cymru, Adolygiad Strategaeth Ddigidol** (Ebrill 2024) – Dau argymhelliad (Oren). • **Ymweliad Gwiriad Gwelliant AGC â Gwasanaethau Gofal Cymdeithasol Plant** (Tachwedd 2022) – Dau argymhelliad (Gwyrdd). • **Bwrdd y Rhaglen Arweinyddiaeth Trawsnewidiol, Adolygiad Llywodraethu Sylfaenol CTM BPRh** (Ionawr 2023) – Tri argymhelliad (Melyn). • **Archwilio Cymru, Adolygiad o'r Trefniadau i Ddod yn 'Gyngor Digidol'** (Medi 2021) – Un argymhelliad (Amber) Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, gan gynnwys y canlynol:

	• Tynnodd y Cadeirydd sylw at 'PR8 - Sicrhau nad yw plant yn cael eu rhoi mewn gwasanaethau heb eu cofrestru a bod yn rhaid iddynt barhau â'u hymdrechion i nodi lleoliadau cofrestredig addas' (Gwiriad Gwelliant AGC Gwasanaethau Gofal Cymdeithasol Plant (Tachwedd 2022), a'r dyddiad cyflwyno presennol sef mis Mawrth 2030. Dywedodd y byddai'n croesawu diweddariad ar yr hyn sy'n cael ei wneud cyn y dyddiad hwnnw a sut mae'r camau yn cael eu monitro. Mewn ymateb, nododd y Prif Weithredwr nad oedd gan y Cyngor unrhyw blant wedi'u lleoli mewn lleoliadau Gweithredu Heb Gofrestru, a bod y dyddiad targed yn adlewyrchu natur gyfnewidiol y sefyllfa bresennol a pha mor doredig oedd y farchnad ar gyfer y mathau hyn o leoliadau. • Nododd fod awdurdodau lleol wedi bod yn araf i reoli'r farchnad wrth iddi ddod yn fwyfwy tameidiog, ac wedi'i phreifateiddio, a chronfeydd rhagfantoli'n defnyddio lleoliadau heb eu cofrestru at eu dibenion eu hunain. • Nododd yr ystod o gamau sy'n cael eu cymryd cyn y dyddiad hwnnw. • Ymatebodd y Cadeirydd drwy nodi y byddai'n ddefnyddiol pe bai, yn hytrach na chael dyddiad gorffen o Fawrth 2030, bod rhai o feysydd manwl y cynllun gweithredu yn cael eu nodi, gan y byddai hynny'n rhoi sicrwydd i'r Aelodau fod yr argymhellion yn cael eu rhoi ar waith. Cytunodd y Prif Weithredwr ac ychwanegodd ei fod yn gobeithio na fyddai mwy o leoliadau o'r math hwn, neu pe bai'r sefyllfa yn codi byddai'n fod ar sail hollol eithriadol am gyfnod byr o amser. • Tynnodd Aelod Lleyg sylw at 'PE11 - Sicrhau bod pobl yn teimlo'n gyson bod ganddynt lais a'u bod yn cael eu trin gydag urddas a pharch' (o dan yr un pennawd â'r drafodaeth flaenorol), a'r dyddiad cyflwyno presennol sef Mawrth 2027. Nododd nad oedd yn glir pam fod hyn yn parhau heb ei wneud. Mewn ymateb, nododd y Prif Weithredwr mai cysondeb oedd y mater, a bod hwn yn faes a oedd bob amser yn mynd i fod yn waith yn mynd rhagddo. Roedd yn meddwl eu bod wedi cyrraedd y pwynt lle gallai siarad â'r Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Lles am lofnodi hwn ac y byddai'n cael ei adeiladu mewn patrymau gweithio cyffredinol yn y dyfodol. • Roedd Aelod Lleyg o'r farn y byddai'n dda gwybod beth fyddai'n ei gymryd i gau eitem. Mewn ymateb, nododd y Rheolwr Polis a Pherfformiad fod cynlluniau i adolygu'r fframwaith perfformiad a gellid meddwl sut i drin camau rheoleiddio gan nad oedd yn ddefnyddiol eu trin yn yr un modd ag ymrwymiadau cynllun corfforaethol. Roedd gwahaniaethau rhyngddynt, ond cawsant eu trin yn yr un modd felly arweiniodd hynny atyn nhw'n aros ar y traciwr pan nad oedd angen iddynt fod yno. • Tynnodd yr un Aelod Lleyg sylw at y camau gweithredu a nodwyd i ddatblygu Strategaeth Ddigidol newydd a gofynnodd a ddylid nodi'r un dyddiad cyflawni i'r ddau. Mewn ymateb, dywedodd y Rheolwr Polisi a Pherfformiad y byddai'n siarad â'r swyddogion sy'n pryderu am y dyddiadau ac yn diweddaru'r Aelodau maes o law. Ychwanegodd y Prif Weithredwr nad oedd yn credu bod y Strategaeth Ddigidol wedi adlewyrchu'r uchelgais yr oedd angen i'r Cyngor ei gael, a bod Pennaeth

	Digidol newydd ar fin dechrau gwaith, a'u tasg gychwynnol fyddai cwblhau'r Strategaeth Ddigidol. • Gofynnodd yr un Aelod Lleyg am ddiweddariad ar yr adolygiad llywodraethu sylfaenol ar gyfer Bwrdd y Rhaglen Arweinyddiaeth Drawsnewidiol – Bwrdd Partneriaeth Rhanbarthol Cwm Taf Morgannwg (Awst 2022). Mewn ymateb, nododd y Rheolwr Polisi a Pherfformiad fod yr Arweinydd Rhanbarthol yn awyddus i weithio gyda Phen-y-bont ar Ogwr i weld a allai rhai o'r camau gweithredu sydd angen parhau ar agor gael eu cau ar gyfer Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr. Roedd hi'n gobeithio diweddaru'r Aelodau gyda chanlyniadau'r drafodaeth honno yn yr adroddiad nesaf i'r Pwyllgor. PENDERFYNWYD: Ystyriodd y Pwyllgor Llywodraethu ac Archwilio y pwyntiau cryno a'r rhesymau dros y camau gweithredu sy'n weddill heb eu bodoli, nododd feysydd sydd angen gweithredu pellach, a gofynnodd fod y Prif Weithredwr a'r Rheolwr Polisi a Pherfformiad yn symud y rheini yn eu blaenau.
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

312. Blaenraglen Waith 2026-27

Penderfyniad a Wnaed	Pwrpas yr adroddiad oedd ceisio cymeradwyaeth ar gyfer y Blaenraglen Waith wedi'i diweddaru ar gyfer 2026-27, yn enwedig yr eitemau a drefnwyd i'w cyflwyno yn y cyfarfod nesaf, a gynhelir ar 24 Medi 2026. Nodwyd y dylai'r gwaith arfaethedig ar Harbwr Porthcawl, a drafodwyd yn gynharach yn y cyfarfod, gymryd ei gwrs a gellid cyflwyno'r canfyddiadau wedyn i gyfarfod o'r Pwyllgor pan fydd wedi'i gwblhau. PENDERFYNWYD: Ystyriodd a chymeradwyodd y Pwyllgor y Blaenraglen Waith wedi'i diweddaru ar gyfer 2026-27.
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

313. Eitemau Brys

Penderfyniad a Wnaed	Dim
Dyddiad Gwneud y Penderfyniad	16 Gorffennaf 2026

I wylio dadl bellach a gynhaliwyd ar yr eitemau uchod, cliciwch ar y ddolen hon.

Daeth y cyfarfod i ben am 11:31.

This page is intentionally left blank

Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD**
Report Owner: Responsible Chief Officer/ Cabinet Member	**CHIEF OFFICER – LEGAL, REGULATORY & ELECTORAL SERVICES**
Responsible Officer:	**STEPHEN GRIFFITHS** **DEMOCRATIC SERVICES OFFICER - COMMITTEES**
Policy Framework and Procedure Rules:	**There is no impact on the policy framework and procedure rules.**
Executive Summary:	**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.**

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/ Issue	Lead	Target Date	Action	Date for action to be brought to GAC.	Response
1.	21 May 26	**Code of Corporate Governance**	Corporate Director – Finance & Transformation/ Chief Officer – Legal Regulatory and Electoral Services	N/A	The Committee recommended that the Monitoring Officer be consulted on whether the Group Manager – Chief Accountant could be given delegated authority to make minor changes to the Code of Corporate Governance as and when they arise, and for these to be reported to the Committee as part of the annual submission of the Code to the Committee.	TBD	**ACTIONED –** Members received an update at the meeting on 16 July 2026. The Group Manager, Chief Accountant indicated that he had liaised with the Monitoring Officer. There was already some provision within the Monitoring Officer's responsibilities to make minor changes. However, a report ('*Amendments to the Scheme of Delegation of Functions and the Contract Procedure Rules'*) was taken to Cabinet and Council in June 2026, which set out the following, in respect of all Chief Officers: *To make minor amendments to any policy that has been formally approved in consultation with the Chair of the relevant Committee and the Monitoring Officer. Changes should not alter the policy's approved principles, intent, or substantive provisions and be reported to the next available meeting of the relevant Committee for information. Any amendments made under this delegated authority operate without prejudice to the powers of the Monitoring Officer under the Constitution.*
2.	30 Oct 25	**Porthcawl Harbour**	Corporate Director – Finance and Transformation/ Head of the Regional Internal Audit Service (RIAS)	N/A	The Committee requested that the Regional Internal Audit Service (RIAS) carry out an investigation, rather than a full audit, of the issues of concern, and for the findings to be reported to the Committee after the work was completed. That the Corporate Director – Finance and Transformation consult the Chair of the Governance and Audit Committee to finalise the audit brief for the work. That the content of the existing audit report on Porthcawl Harbour be shared, if appropriate and relevant, with Members of the Committee when the findings from the requested work is reported to the Committee.	16 July 26	**ACTIONED** - The requested work is underway, and the outcomes will be reported to a meeting of the committee in due course.

This page is intentionally left blank

Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**AUDITED STATEMENT OF ACCOUNTS 2025-26**
Report Owner: Responsible Chief Officer / Cabinet Member	**CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION**
Responsible Officer:	**NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT**
Policy Framework and Procedure Rules:	**The Accounts and Audit (Wales) Regulations 2014 (as amended) require Local Authorities to publish audited statement of accounts. 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 30 September for Welsh Authorities. The audited accounts will be published as soon as practicable following audit certification.**
Executive Summary:	• **The unaudited statement of accounts were presented to the Governance and Audit Committee on 16 July 2026.** • **The audit of the accounts has now been completed.** • **A number of amendments to the accounts have been made which are outlined in Appendix B.** • **It is the intention of the auditor to issue an unqualified audit report.**

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 2025-26 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, 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 2025-26 was signed by the responsible financial officer on 30 June 2026 and presented to the Governance and Audit Committee on 16 July 2026 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 2025-26 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 correct. 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 Corporate Management Team (CMT) 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 need 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 25 September 2026, 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:

- There was a single amendment to the primary statements in relation to the provision of Minimum Revenue Provision (MRP), in which officers identified a calculation error and brought this to the attention of Audit Wales for correction. Whilst not material we sought to make this amendment to ensure correctness. The amendment was £0.291m. This amendment affected the Balance Sheet and Movement in Reserves. There were also minor amendments to related notes to reflect this.

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

- Note 1 – Accounting Policies – minor amendments to reflect the date standards were issued rather than their effective date and additional clarification around the valuation methodology for asset valuations.
- Note 15 – employee banding note – amendments to the banding numbers and to include narrative regarding the impact of pay increases but no comparative increase in the required banding amounts.
- Note 19 – related parties – a minor classification amendment and correction of a small number of figures in the note.
- Note 16 – Members Allowances – amendment to incorrect figure.
- Note 21a – Capital Commitments – to only include material commitments in line with the CIPFA code.
- Various other minor and presentational amendments.

3.7 The consolidation of the South East Wales Joint Corporate Committee (SEWJCC) (Cardiff Capital Region City Deal) has taken place since the draft was presented to the Governance and Audit Committee. Draft figures were received by the Council on 1 June 2026 and these have now been included with the Council's accounts. The title of the SWEJCC has been amended throughout the document.

3.8 Some amendments have been made to the narrative report to reflect the amended Corporate Priorities and addition of 2 risks identified in the risk register.

3.9 Minor amendments have been made to the Annual Governance Statement, with Governance Arrangements with an election taking place in the next year added to the issues for the forthcoming period.

3.10 The amended audited Statement of Accounts 2025-26 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**.

3.11 The audited Statement of Accounts 2025-26 is required to be signed by the Chief Financial Officer and the Chair or deputy 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 2026.

3.12 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.

3.13 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 this be signed by the Chair or Deputy 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. Recommendation

9.1 It is recommended that the Committee:

- Approves the audited Statement of Accounts 2025-26 (**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 or Deputy-Chair of the Committee and Section 151 Officer (**Appendix C**).

Background documents

None

APPENDIX A



Statement of Accounts

Bridgend County Borough Council • 2024-25

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

Contents

Narrative Report 4

The Statement of Responsibilities for the Statement of Accounts 21

Financial Statements 22

Comprehensive Income and Expenditure Statement 23

Movement in Reserves Statement 25

Balance Sheet 26

Cash Flow Statement 27

Notes to the Financial Statements 28

The report of the Auditor General for Wales to the Members of Bridgend County Borough Council 87

Annual Governance Statement 91

Glossary Of Terms 111

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.

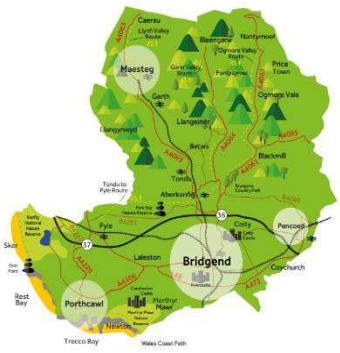
When preparing these accounts consideration is given to the materiality of information. Materiality is a concept that determines whether an omission or misstatement of information in a financial report would impact a reasonable user's decision-making. If information is significant, it is material. If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

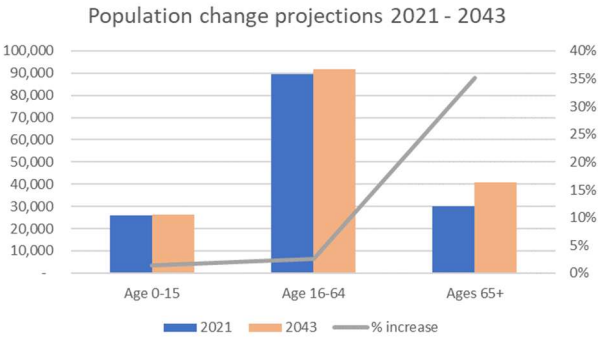


The county borough of Bridgend lies in South Wales and is conveniently situated between Wales' capital city, Cardiff, to the east and the city of Swansea to the west, approximately 20 miles from each. It is bordered by the counties of Neath Port Talbot, Rhondda Cynon Taf and the Vale of Glamorgan with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

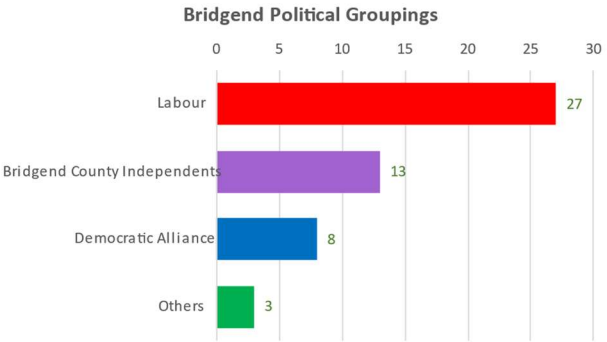
The census 2021 for Bridgend showed that there were 145,500 people living in the county. The population is projected to increase to 158,717 by 2043, with significant increases forecast in the population aged over 65, according to the 2018 principal population projections for local authorities. This will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



The Council's 7 Wellbeing Objectives

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

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

The main ways we will achieve this are:

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

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

The main ways we will achieve this are:

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

---

Wellbeing Objective 3: A County Borough with thriving valleys communities

The main ways we will achieve this are:

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

---

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

The main ways we will achieve this are:

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

---

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

The main ways we will achieve this are:

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

---

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

The main ways we will achieve this are:

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

---

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

The main ways we will achieve this are:

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

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

Governance and risk

Governance

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

Risk management

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

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

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

Risk description	Possible consequences	Mitigating actions
Significant service pressures in the health and social care services could impact on the ability of services to support vulnerable individuals.	The health and social care system is not able to meet the health and care needs of people in a timely way resulting in harm and excess deaths. The immediate risk is that there is not sufficient capacity in community health and social care services to prevent hospital admissions and support timely discharge from hospital.	There are regular meetings at senior levels across Health and the Council to understand the current position and to agree the joint actions required to try to address the issues.
There is an increase in the financial fragility of schools in the Borough.	Whilst the Council seeks to mitigate the impact of the overall financial positions for schools, current financial planning includes the need to reduce the level of support previously given to schools. The consequences of this include schools having to use their balances to fund activity with increased risk of schools going into deficit. It is a requirement that schools address a deficit within 3 years, 5 years in exceptional circumstances. This will be more difficult as funding to schools reduces.	There are structures in place to escalate issues to senior officers and Members. There is a School Budget Forum in place that is a consultative body in relation to the schools funding formula and overall finance issues for schools. School governors are responsible for monitoring and reporting school finance positions. Schools are supported with the development and monitoring of individual school budgets by the central finance team.
There is a threat to business continuity if the Council is unable to procure and implement major ICT systems which support critical services such as a replacement system for Care Director (WCCIS) and the Capita One system for Education.	In social care the failure to procure and implement a new system by January 2026 will result in the Council having to rely on an unsupported database or a complex interim solution. Operating social care case management and safeguarding services without a functional system is not safe or viable option. Without a system the Council cannot fulfil its statutory safeguarding obligations and there is a risk to life of children and adults at risk of failing to do so. The Capita One system will provide a single comprehensive record for each child which supports the Council to manage education efficiently by connecting data securely resulting in more informed decisions and early intervention.	The Council is working with: - Association of Directors of Social Services (ADSS Cymru), the Welsh Local Government Association (WLGA) and a national programme to progress a national approach to contingency planning, procurement strategy, data migration and scoring resources from Welsh Government via a clear business case - The Cwm Taf Morgannwg Region Councils and the Vale of Glamorgan have formed a regional consortium to manage evaluation and implementation of a new supplier - A national or regional approach to procurement will enable better market management and should secure better value for money - The WCCIS regional team provide some capacity to support system change - The Council have formed a cross-directorate group to provide governance within the Council Education is working with schools and the ICT service to implement the new system.

Decarbonisation Programme

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

The Council has already progressed schemes including:

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

Future opportunities

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

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

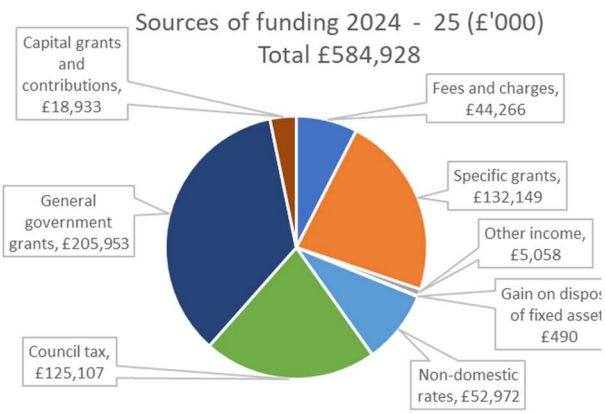
Financial Performance

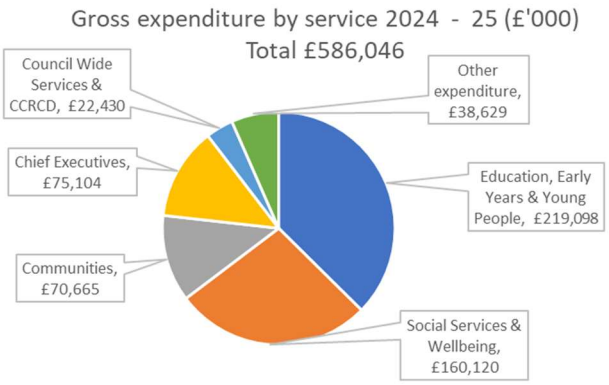
Income and Expenditure

The Council receives funding from three main sources:

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

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



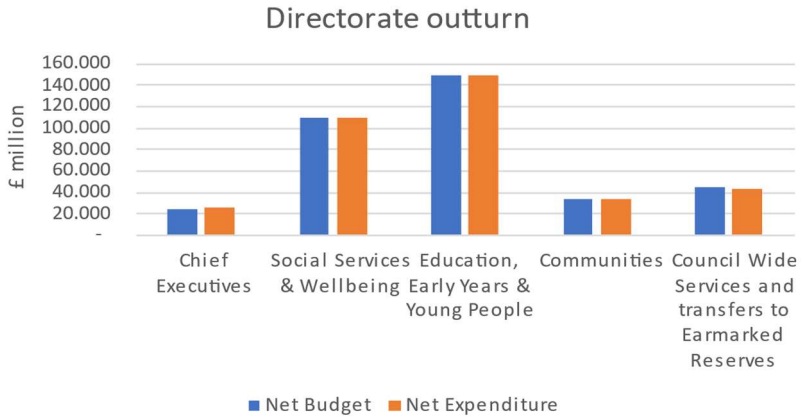


Revenue outturn

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

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

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



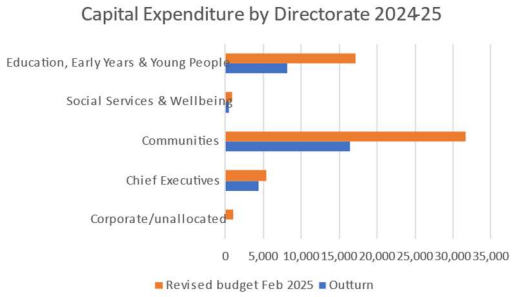
The Council received Revenue Support Grant from the Welsh Government of £205.953 million. The net Non-Domestic Rates (NDR) collectable on behalf of Welsh Government by the Council for the year was £45.043 million. The Council's share of NDR due for the year from Welsh Government was £52.972 million.

2024-25 has been a complex year for the council's finances. The Council made additions/reclassifications to revenue earmarked reserves of £17.685 million and drew down or 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)
TOTAL	**66,058**	**58,381**	**29,331**	**(29,050)**

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

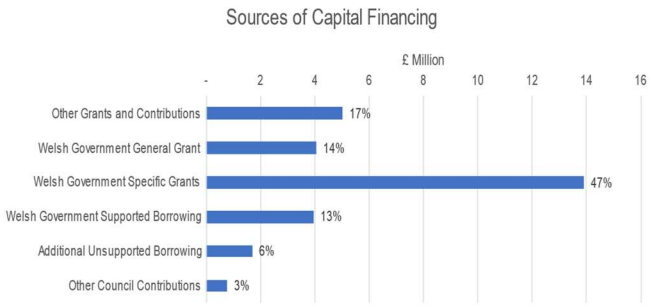
- Maesteg Town Hall
- Sustainable Communities for Learning Programme
- Bryntirion Comprehensive Classroom Extension
- Grand Pavilion in Porthcawl
- Porthcawl Metrolink
- Community Play Areas
- Disabled Facility Grants for adaptions to people's homes to support individuals to continue to live at home.

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

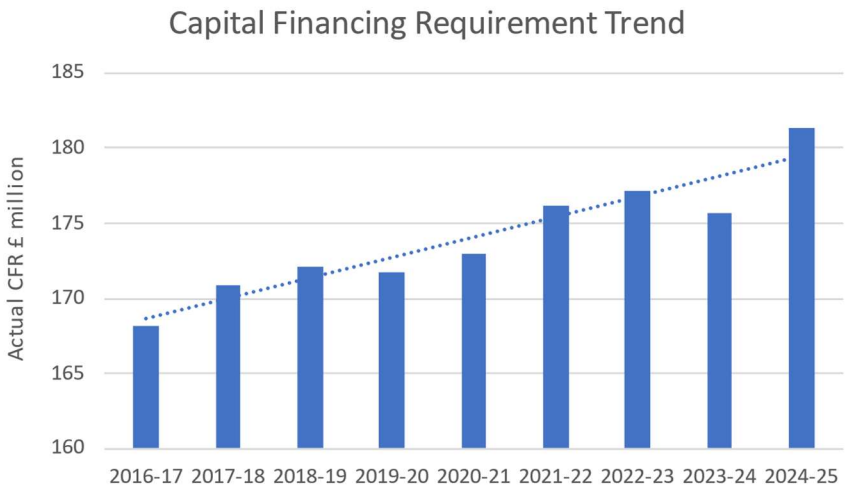
- £6.323 million schools modernisation programme. This includes new schools, extension of existing schools as well as associated highways works.
- £3.061 million School Capital Maintenance Grant. There have been a number of delays on the individual projects within the scheme due to capacity issues, plus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

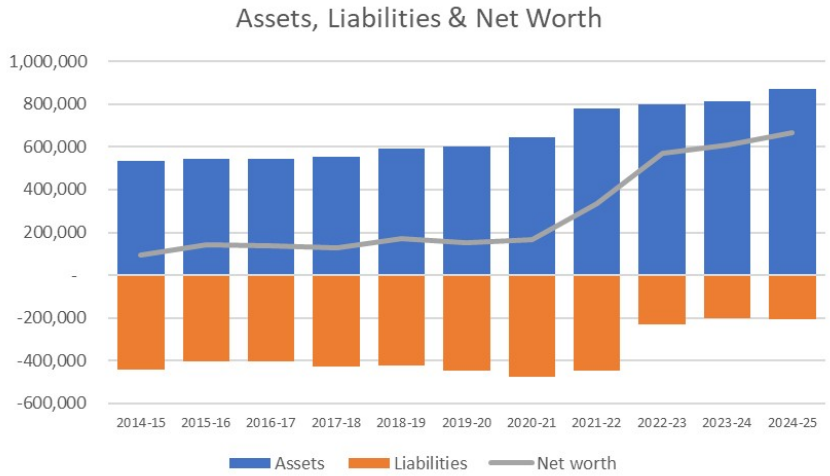
Assets and Liabilities

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)
Net financial position – assets less liabilities	**607,802**	**672,237**	**64,435**
The net financial position is held in reserves as follows:			
General reserves held by the Council, including earmarked reserves – usable reserves	104,020	117,608	13,588
Other reserves held for statutory or specific purposes – unusable reserves	503,782	554,629	50,847
Total reserves	**607,802**	**672,237**	**64,435**

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



Long term assets

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

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

Short term assets & liabilities

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

Borrowing

The Council has long-term borrowing outstanding as at 31 March 2025 of £96.130 million including its share of Cardiff Capital Region City Deal (CCRCD) long-term borrowing of £0.944 million. The Council's borrowing of £95.186 million is a mixture of Public Works Loan Board (PWLB) 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

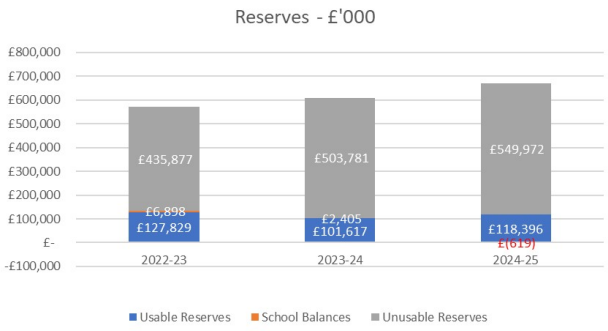
The requirements of International Accounting Standards 19 (IAS19) in relation to post-employment benefits – i.e., pensions, have been fully incorporated into the Comprehensive Income and Expenditure Statement, with actuarial gains and losses being recognised in Other Comprehensive Income and Expenditure, 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 20245-25 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



Financial Statements

Comprehensive Income and Expenditure Statement

2023-24 Gross Expen-Diture £'000	2023-24 Govt Grants £'000	2023-24 Other Income £'000	2023-24 Net Expen-diture £'000		2024-25 Gross Expen-diture £'000	2024-25 Govt Grants £'000	2024-25 Other Income £'000	2024-25 Net Expen-diture £'000	Notes
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	
528,291	**(109,322)**	**(42,895)**	**376,074**	**Cost Of Services**	**549,801**	**(132,018)**	**(44,887)**	**372,896**	
				Other Operating Expenditure					
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	
30,386	**-**	**-**	**30,386**	**Other Operating Expenditure**	**32,524**	**(131)**	**(490)**	**31,903**	
				Financing and Investment Income and Expenditure					
4,851			4,851	Interest payable on debt	4,963			4,963	31
11			11	Interest element of finance leases (lessee)	191			191	31
1,018			1,018	Interest payable on PFI unitary payments	946			946	13
1,190			1,190	Net Interest on Net Defined Benefit Liability			(220)	(220)	30
		(5,108)	(5,108)	Investment Income & Other Interest Receivable	-		(4,771)	(4,771)	31
855			855	Changes in fair value of investment properties	100			100	22
				Interest payable & similar charges CCRCD	36			36	
				Interest & Investment Income CCRCD			(571)	(571)	
				Change in Fair Value of Investment Properties CCRCD	130			130	
7,925	**-**	**(5,108)**	**2,817**	**Financing and Investment Income and Expenditure**	**6,366**	**-**	**(5,562)**	**804**	
				Taxation and Non-Specific Grant Income					
	(202,556)		(202,556)	Revenue Support Grant		(205,953)	-	(205,953)	8
		(47,626)	(47,626)	National Non-Domestic Rates			(52,972)	(52,972)	9
		(114,405)	(114,405)	Council Tax			(125,107)	(125,107)	10
	(10,871)		(10,871)	Recognised capital grants and contributions		(18,933)		(18,933)	11
				Non service related government grants			(67)	(67)	
				Recognised revenue grants and confributions CCRCD		(758)		(758)	
	38		38	Recognised capital grants and contributions CCRCD		(4,788)		(4.788)	
		19	19	Tax Expenses CCRCD	34			34	
-	**(213,389)**	**(162,012)**	**(375,401)**	**Taxation and Non-Specific Grant Income**	**34**	**(230,432)**	**(178,146)**	**(408,544)**	

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

Movement in Reserves Statement

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

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

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

Balance Sheet

31 March 2024 £'000		31 March 2025 £'000	Notes
679,344	Property, Plant & Equipment	731,094	21c/12
220	Heritage Assets	220	
4,990	Investment Property	4,890	22
6,003	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	
694,150	**Long Term Assets**	**748,748**	
45,027	Short Term Investments	-	31
65	Assets Held for Sale	375	24
1,013	Inventories	799	
55,741	Short Term Debtors	83,451	23
63	Short Term Loans 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	
113,236	**Current Assets**	**128,600**	
(618)	Bank overdraft	(2,664)	31
(13,636)	Short Term Borrowing	(10,152)	31
(53,724)	Short Term Creditors	(58,692)	25
(638)	Provisions due in 1 year	(517)	26
(68,617)	**Current Liabilities**	**(72,025)**	
(6,404)	Provisions due after 1 year	(3,453)	26
(94,120)	Long Term Borrowing	(95,186)	31
	Long Term Borrowing CCRCD	(944)	
	Other Long Term Liabilities		
(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
(130,967)	**Long Term Liabilities**	**(133,086)**	
607,802	**Net Assets**	**672,237**	
	Usable reserves		
9,730	Council Fund	10,008	28b
63,996	Earmarked reserves	67,871	28b
25,985	Capital Receipts Reserve	32,021	28a
2,155	Capital Grants Unapplied	5,723	21i
2,154	Usable Reserves CCRCD	1,985	
	Unusable Reserves		
257,114	Revaluation Reserve	310,685	29a
(6,740)	Pensions Reserve	(5,840)	29b
257,836	Capital Adjustment Account	254,657	29c
(666)	Financial Instruments Adjustment Account	(655)	
(3,760)	Short-term Accumulating Compensated Absences Account	(4,758)	
(2)	Unusable Reserves CCRCD	540	
607,802	**Total Reserves**	**672,237**	

Cash Flow Statement

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

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



Notes to the Financial Statements

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
	Notes to the Comprehensive Income and Expenditure Statement	
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
	Notes to the Movement in Reserves Statement	
20	Adjustments between Accounting Basis and Funding Basis under Regulations	59
	Notes to the Balance Sheet	
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
	Notes to Cash Flow	
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
IAS 21	01 January 2025	IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
IFRS 17	01 January 2025	IFRS 17 Insurance Contracts was issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
IAS 16 **IAS 38**	01 January 2025	The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4 of the CIPFA Code.

1.3 Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Investment income and interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may be impaired, the balance of debtors is written down by the difference between the carrying amount and revised future cash flows and a charge made for the impairment to revenue.

1.4 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

Contingent Liabilities

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

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

Contingent Assets

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

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.5 Reserves

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

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

1.6 Government grants and contributions

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

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

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

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

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

1.7 Employee benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses for current employees. These are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlement earned by employees but not taken before the financial year-end which employees can carry forward into the next financial year. The accrual is charged to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an Officer's employment before the normal retirement date or an Officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement, when the Council is demonstrably committed to the termination of the employment of an Officer or group of Officers or making an offer to encourage voluntary redundancy.

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

balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

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

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

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

- The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and projections of projected earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate.

- The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:

    - Quoted securities – current bid price
    - Unquoted securities – professional estimate
    - Property – market value

- The change in the net pensions liability is analysed into the following components:

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

- The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve and Other Comprehensive Income and Expenditure

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

    - Contributions to the pension fund – cash paid as employer's contribution to the pension fund in settlement of liabilities; not accounted for as an expense.

- In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners for any amounts payable to the fund but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

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

1.8 VAT

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

1.9 Overheads and Support Services

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

1.10 Intangible Assets

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

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

1.11 Property, Plant and Equipment

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

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

Measurement

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

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

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

Revaluations

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

Impairment

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

Depreciation

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

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

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

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

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

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

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

Disposals and Non-current Assets Held for Sale

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

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

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

1.12 Heritage Assets

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

1.13 Charges to revenue for non-current assets

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

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

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

1.14 Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Examples of such expenditure include home improvement grants, such as Disabled Facilities Grants, town improvement grants and land feasibility studies. Where the Council has determined to meet the cost of these from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax. Where this expenditure is funded by grants or contributions, this is also taken to the relevant service area where the expenditure has been charged.

1.15 Leases

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

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

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

The Council as a Lessee

Operating Leases

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

The Council as a Lessor

Operating Leases

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

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

1.16 Financial Instruments

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

Financial Assets

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

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

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

Financial Assets held at Amortised Cost

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

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

Expected Credit Loss Model

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

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

Financial Liabilities

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

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

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

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

1.17 Inventories and Long Term Contracts

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

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

1.18 Private Finance Initiatives (PFI)

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

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

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

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

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

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

1.19 Joint Arrangements

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

1.20 Council Tax Income

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

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

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

1.22 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of notice of not more than 24 hours. Cash equivalents are investments that mature in no more than a month or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

1.23 Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

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

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

1.24 Investment Property

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

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

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

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

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

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

1.25 Local Authority Schools

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

2. Critical Judgements in Applying Accounting Policies

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

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

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

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

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Plant, Property and Equipment

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

Depreciation of Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate may result in spending on repairs and maintenance having to be reduced thus bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets will fall.

Investment Properties, Surplus Assets and Assets Held for Sale

Fair Value estimations:

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

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

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

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

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

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

4. Expenditure and Funding Analysis

The expenditure and funding analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices are presented more fully in the Comprehensive Income and Expenditure Statement.

2023-24				2024-25		
Net Expenditure Chargeable to the Council Fund	**Adjustments between the Funding and Accounting Basis & transfers to Earmarked Reserves (Note 5)**	**Net Expenditure in the Comprehensive Income and Expenditure Statement**		**Net Expenditure Chargeable to the Council Fund**	**Adjustments between the Funding and Accounting Basis & transfers to Earmarked Reserves (Note 5)**	**Net Expenditure in the Comprehensive Income and Expenditure Statement**
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
147,213	11,860	159,073	Education, Early Years and Young People	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
	(13)	(13)	Cardiff Capital Region City Deal (CCRCD)	-	1,763	1,763
334,996	**41,077**	**376,073**	**Net Cost Of Services**	**351,118**	**21,778**	**372,896**
(334,894)	(7,360)	(342,254)	Other income and Expenditure	(351,396)	(18,619)	(370,015)
	57	57	Cardiff Capital Region City Deal (CCRCD)		(5,822)	(5,822)
102	**33,774**	**33,876**	**Surplus or Deficit**	**(278)**	**(2,663)**	**(2,941)**
9,832			Opening Council Fund Balance	9,730		
(102)			Surplus or (Deficit) on Council Fund for year	278		
9,730			**Closing Council Fund Balance as at 31 March**	**10,008**		

5. Note to the Expenditure and Funding Analysis

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

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

Note 1 - Adjustments for Capital Purposes

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

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

- Financing and investment income and expenditure – the statutory charges for capital financing (i.e. the Minimum Revenue Provision) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note 2 - Net Change for the Pensions Adjustments

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

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

Note 3 - Other Differences

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

- For financing and investment income and expenditure the other differences column recognises adjustments to the Council Fund for the timing differences for premiums and discounts.

- The charge under Taxation and Non-Specific Grant Income represents the difference between what is chargeable under statutory regulations for council tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices.

6. Expenditure and Income Analysed by Nature

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

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

Notes to the Comprehensive Income and Expenditure Statement

7. Precepts and Levies

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

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

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

8. Revenue Support Grant (RSG)

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

9. National Non-Domestic Rates (NNDR)

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

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

10. Council Tax

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

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

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

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

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

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

11. Grants

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

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

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

(120,155)	**Total Grants**	**(156,628)**

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

12. Leases

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

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

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

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

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

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

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

Authority as lessee

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

Right-of-use assets

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

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

Transactions under leases

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

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

Maturity analysis of lease liabilities

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

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

Authority as lessor

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

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

Maturity analysis of lease receivables

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

2023-24 £'000		2024-25 £'000
	Operating Leases	
(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)
(2,052)	**Total undiscounted receivables**	**(2,045)**

13. Private Finance Initiative (PFI)

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

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

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

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

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

14. Pooled Fund Arrangements

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

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

15. Officers' Remuneration

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes

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

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

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

Disclosure 4 – Table on Exit Packages

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

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

16. Members' Allowances

The allowances for Councillors are shown in the table below.

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

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

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

17. External Audit Costs

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

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

18. Participation in Joint Committees and Joint Arrangements

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

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

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

19. Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have been able to limit another party's ability to bargain freely with the Council.

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

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

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

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

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

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

Other Joint Committees

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

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

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

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

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

Notes to the Movement in Reserves Statement

20. Adjustments between Accounting Basis and Funding Basis under Regulations

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

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

Council Fund Balance

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

Capital Receipts Reserve

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

Capital Grants Unapplied

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

Unusable Reserves

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

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

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

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

Notes to the Balance Sheet

21. Non-current Assets

a) Capital commitments

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

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

b) Notes on Non-current Assets

Voluntary-aided & Voluntary-controlled Schools

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

c) Non-current Assets valuation

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

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

Summary of Property, Plant & Equipment (PPE)	Other Land and Buildings £'000	Vehicle, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Right of Use Assets £'000	Total PPE Assets £'000	PFI Assets Included In PPE £'000
Cost or Valuation								
At 1 April 2024	557,011	21,174	5,040	12,623	19,680	3,568	**619,096**	29,468
Additions	5,853	4,233			9,271	357	**19,714**	
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	(13,760)						**(13,760)**	(1,422)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	58,172			4,358			**62,530**	5,508
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,108)						**(7,108)**	401
Derecognition - Disposals	(2,567)	(93)		(3,250)			**(5,910)**	
Derecognition - other	(2,156)	(94)					**(2,250)**	
Assets reclassified (to)/from Held for Sale				(311)			**(311)**	
Other Movements in Cost or Valuation	17,644				(17,644)			
CCRCD movements					(94)		(94)	
At 31 March 2025	**613,089**	**25,220**	**5,040**	**13,420**	**11,213**	**3,925**	**671,907**	**33,955**
Accumulated Depreciation and Impairments								
At 1 April 2024	(4,703)	(12,553)	(46)	0	(104)		**(17,406)**	(7)
Depreciation Charge for the year	(13,541)	(2,259)	(3)			(253)	**(16,056)**	(1,424)
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	13,760						**13,760**	1,422
Accumulated impairment written off (where no account balance at 1 April)								
Acc. Depreciation WO to GCA								
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	(32)						**(32)**	
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(263)						**(263)**	
Derecognition - disposals		57					**57**	
Derecognition - other								
Other Movements	(62)				62			
Other Movements - CCRCD		(86)					(86)	
At 31 March 2025	**(4,841)**	**(14,841)**	**(49)**	**0**	**(42)**	**(253)**	**(20,026)**	**(9)**
NBV as at 1 April 2024	**552,308**	**8,621**	**4,994**	**12,623**	**19,576**	**3,512**	**601.634**	**29,460**
NBV as at 31 March 2025	**608,248**	**10,379**	**4,991**	**13,420**	**11,171**	**3,672**	**651,881**	**33,946**

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

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

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

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

Summary of Property, Plant & Equipment (PPE)

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

d) Intangible Assets.

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

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

e) Sources of finance for Capital Expenditure

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

f) Revenue Expenditure Funded from Capital under Statute

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

2023-24 £'000	2023-24 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)
366	**-**	**366**	**Total**	**623**		**623**

g) Capital financing requirement and the financing of capital expenditure

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

h) Capital Receipts In Advance

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

i) Capital Grants Unapplied

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

22. Investment Properties

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

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

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
55,741	**Balance as at 31 March**	**83,451**

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

24. Assets Held for Sale

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

25. Short Term Creditors

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

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

26. Provisions

The Council has provisions as detailed below:

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

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

Insurance Provision (Self-funding / MMI)

Self-Fund

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

27. PFI and Other Long Term Liabilities

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

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

28. Usable Reserves

The following notes detail the Usable Reserves of the Council:

a) Usable Capital Receipts Reserve

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

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

b) Earmarked Reserves

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

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

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

Council Fund

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

Other Earmarked Reserves

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

Corporate Reserves

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

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

Service Reconfiguration / Severance Costs
This reserve has been established to meet potential costs relating to service remodelling and consequential severance costs.

Directorate Reserves

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

Delegated School Balances

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

Analysis of Delegated Schools Balance

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

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

Equalisation and Grant Reserves

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

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

29. Unusable Reserves

The following notes detail the Unusable Reserves of the Council.

a) Revaluation Reserve (RR)

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

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

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

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

b) Pensions Reserve

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

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

c) Capital Adjustment Account (CAA)

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties.

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

2023-24			2024-25	
£'000	£'000		£'000	£'000
	249,143	**Opening Balance**		252,178
	5,286	**CCRCD Balance**		5,658
	254,429	**Total Balance at 1 April**		257,836
		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)	
(675)		Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(3,813)	
	(29,129)			(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	Cost of Services :	2024-25 £m	2024-25 £m	2024-25 £m	2024-25 £m
				Service cost comprising:				
21.05	-	-	**21.05**	Current service cost (Employer)	19.94	-	-	**19.94**
-	-	-	**-**	Current service cost (Passthrough)	0.02	-	-	**0.02**
0.07	0.03	0.02	**0.12**	Past service costs	0.67	-	-	**0.67**
				Financing & Investment Income & Expenditure :-				
0.85	0.24	0.10	**1.19**	Net interest expense	(0.52)	0.21	0.09	**(0.22)**
21.97	**0.27**	**0.12**	**22.36**	**Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services**	**20.11**	**0.21**	**0.09**	**20.41**
				Other Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement				
				Remeasurements of the net defined benefit liability comprising:				
(47.21)	-	-	**(47.21)**	Return on plan assets (excluding the amount included in the net interest expense)	31.23	-	-	**31.23**
(25.99)	(0.06)	(0.02)	**(26.07)**	Actuarial (gains) / losses due to changes in financial assumptions	(127.61)	(0.30)	(0.09)	**(128.00)**
(11.89)	(0.10)	(0.04)	**(12.03)**	Actuarial (gains) / losses due to changes in demographic assumptions	(5.49)	(0.03)	(0.01)	**(5.53)**
8.68	(0.14)	(0.05)	**8.49**	Actuarial (gains) / losses due to liability experience	1.31	0.02	-	**1.33**
46.75	-	-	**46.75**	Adjustment loss (gain) due to restriction of surplus	102.4	-	-	**102.4**
(29.66)	**(0.30)**	**(0.11)**	**(30.07)**	**Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement**	**1.84**	**(0.31)**	**(0.10)**	**1.43**
				Movement in Reserves Statement:-				
21.97	0.27	0.12	**22.36**	Reversal of net charges made for retirement benefits in accordance with IAS 19	20.11	0.21	0.09	**20.41**
				Actual amount charged against the Council Fund Balance for pensions in the year				
20.62	0.50	0.28	**21.40**	Employer's Contributions payable to the scheme	21.95	0.51	0.28	**22.74**
(29.83)	(0.50)	(0.28)	**(30.61)**	Retirement Benefits Paid Out	(30.58)	(0.51)	(0.28)	**(31.37)**

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amounts included in the Balance sheet arising from the Council's obligation in respect of its defined benefit plan are as follows:-

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total		Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
2023-24 £m	2023-24 £m	2023-24 £m	2023-24 £m		2024-25 £m	2024-25 £m	2024-25 £m	2024-25 £m
(761.28)	(4.83)	(1.91)	**(768.02)**	Present value of defined benefit obligation	(662.27)	(4.22)	(1.62)	**(668.11)**
808.03	-	-	**808.03**	Fair Value of Plan Assets	813.66	-	-	**813.66**
(46.75)	-	-	**(46.75)**	Unrecognised Assets	(151.39)	-	-	**(151.39)**
-	**(4.83)**	**(1.91)**	**(6.74)**	**Net liability arising from defined benefit obligation**	**-**	**(4.22)**	**(1.62)**	**(5.84)**

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

2023-24 £m		2024-25 £m
729.33	**Opening fair value of scheme assets at 1 April**	808.03
34.23	Interest income on assets	38.75
47.21	The return on plan assets, excluding the amount included in the net interest expense	(31.23)
21.40	Contributions by Employer	21.95
6.47	Contributions by Participants	6.74
(30.61)	Net Benefits Paid Out	(30.58)
808.03	**Balance as at 31 March**	**813.66**

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total		Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
2023-24	2023-24	2023-24	2023-24		2024-25	2024-25	2024-25	2024-25
£m	£m	£m	£m		£m	£m	£m	£m
757.64	5.36	2.18	765.18	**Opening balance at 1 April**	761.28	4.83	1.91	768.02
21.05	-	-	21.05	Current Service Cost	19.96	-	-	19.96
35.08	0.24	0.10	35.42	Interest Cost	35.99	0.21	0.09	36.29
6.47	-	-	6.47	Contributions from scheme participants	6.74	-	-	6.74
				Remeasurement (gains) and losses:				
(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	-	-	-	-
761.28	**4.83**	**1.91**	**768.02**	**Balance as at 31 March**	**662.27**	**4.22**	**1.62**	**668.11**

Local Government Pension Scheme assets comprised:

Fair Value of Scheme Assets 2023-24 £m	Asset Split 2023-24 %		Fair Value of Scheme Assets 2024-25 £m	Asset Split 2024-25 %
517.14	64.00	Equities	529.69	65.10
52.52	6.50	Property	49.63	6.10
98.58	12.20	Government bonds	88.69	10.90
126.05	15.60	Corporate bonds	119.61	14.70
13.74	1.70	Cash and cash equivalents	26.04	3.20
808.03	**100.00**	**Total assets**	**813.66**	**100.00**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme (LGPS) and discretionary benefits liabilities have been estimated by Aon Hewitt, an independent firm of actuaries, in accordance with IAS 19.

The significant assumptions used by the Actuary were:

2023-24 % pa		2024-25 % pa
4.8	Discount rate	5.8
2.6	CPI Inflation	2.5
2.6	Rate of pension increases	2.5
3.85	Rate of salary increases	3.75
	Mortality Assumptions:	
	Longevity at 65 for current pensioners :-	
21.0	Men	20.9
23.8	Women	23.7
	Longevity at 65 for future pensioners :-	
22.3	Men	21.8
25.2	Women	24.8

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

Increase in Assumption 2023-24 £m	Decrease in Assumption 2023-24 £m		Increase in Assumption 2024-25 £m	Decrease in Assumption 2024-25 £m
(12.94)	12.94	Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(9.93)	9.93
0.76	(0.76)	Rate of increase in salaries (increase or decrease by 0.1%)	0.66	(0.66)
12.18	(11.42)	Rate of increase in pensions (increase or decrease by 0.1%)	9.27	(9.27)
19.79	(19.03)	Longevity (increase or decrease in 1 year)	14.57	(14.57)

Impact on the Council's Cash Flows

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. The current Employer's contribution rate to achieve a funding level of 100% of scheme liabilities will be reviewed at this point. If there is a significant shortfall (liability) between the benefits earned by past and current employees and the resources the Council has set aside to meet them, the statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The expected employer's contributions to the Local Government Pension Scheme for the accounting period ending 31 March 2026 are:

	2025-26 £m
Local Government Pension Scheme	22.08
LGPS Unfunded	0.52
Teachers Unfunded	0.28
Total	**22.88**

The weighted average duration of the defined benefit obligation for the scheme members is 14.8 years.

Teachers

In 2024-25, the Council paid £18.738 million (£15.075 million for 2023-24) to the Teachers Pensions Agency in respect of teachers' pension costs. The increase was due to the pensions increase from 23.68% to 28.68% in 2024-25. In addition, the Council is responsible for all pension payments relating to added years awarded, together with the related increases. In 2024-25, these amounted to £0.686 million (£0.330 million for 2023-24).

31. Financial Instruments Disclosures

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

Financial Assets

31 March 2024						31 March 2025				
Current		Non- current				Current		Non-current		
Invest-ments £'000	Debtors £'000	Invest-ments £'000	Debtors £'000	Total £'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
2,948	**Total Financial Assets**	**3,333**
(3,812)	Bank Overdrafts	(5,826)
(3,812)	**Total Financial Liabilities**	**(5,826)**
(864)	**Net Position**	**(2,493)**
246	Bank uncleared amounts	(171)
(618)	**Net position in Balance Sheet**	**(2,664)**

Income, expense, gains and losses

The income, expense, gains and losses recognised in the Comprehensive Income and Expenditure Statement for financial instruments are shown below:

31 March 2024				31 March 2025		
Financial Liabilities Amortised Cost £'000	Financial Assets Amortised Cost £'000	Total £'000		Financial Liabilities Amortised Cost £'000	Financial Assets Amortised Cost £'000	Total £'000
5,881		5,881	Interest Expense	6,100		6,100
	(5,108)	(5,108)	Investment Income and Other Interest Receivable		(4,771)	(4,771)
	-	-	CCRCD	36	(571)	(535)
5,881	**(5,108)**	**773**	**Net (gain)/loss for the year**	**6,136**	**(5,342)**	**794**

Fair Values of Financial Assets and Liabilities that are not measured at Fair Value

The Council does not have any financial assets or liabilities that are carried at fair value. In addition, there are no assets held at amortised cost for 2024-25.

31 March 2024		Financial Liabilities	31 March 2025	
Carrying amount £'000	Fair Value £'000		Carrying amount £'000	Fair Value £'000
		Financial liabilities held at amortised cost:		
(77,617)	(76,376)	PWLB	(77,037)	(70,098)
(19,745)	(22,222)	LOBOs	(19,736)	(21,037)
(2,735)	(2,291)	Salix loans	(2,517)	(2,171)
		Short term borrowing	(5,000)	(5,048)
(11,973)	(14,642)	PFI and other long term liabilities	(14,362)	N/A
(112,070)	**(115,531)**	**Total**	**(118,652)**	**(98,354)**

The fair value of **Financial Liabilities** is higher than the carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date.

The fair value of liabilities is calculated using other significant observable inputs (Level 2) as follows:

- PWLB – Public Works Loan Board – market rates for local authority loans of the same remaining term to maturity as at the Balance Sheet date
- LOBO – Lender's Option Borrower's Option – increased by the value of the embedded options. Lender's options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudian cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual rate.

Nature and extent of risks arising from Financial Instruments

The Council's activities expose it to a variety of financial risks including:

- **Credit risk** – the possibility that other parties may fail to pay amounts due to the Council;
- **Liquidity risk** – the possibility that the Council might not have funds available to meet its commitments to make payments;
- **Market risk** - the possibility that unplanned financial loss may arise for the Council as a result of changes in such measures as interest rates movements.

The Council's overall risk management strategy is approved by Council and set out within its annual Treasury Management Strategy. The Strategy sets out the parameters for the management of risks associated with financial instruments which covers specific areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The risk is minimised through the Annual Investment Strategy included in the Council's Treasury Management Strategy.

The Council's credit risk management practices are set out within the Investment Strategy. In determining whether the credit risk of financial instruments has increased since initial recognition, the Council has reviewed the creditworthiness of its investments and has concluded that there has not been a significant increase in credit risk.

The Council's primary objective is to give priority to security and liquidity prior to consideration of yield. Counterparty limits are constantly reviewed and where market conditions dictated, limits are reduced. During the year there were no changes that required the Council to consider any investments having an increased credit risk.

Credit risk exposure

As at 31 March 2025 the Council had the following exposure to credit risk. £18 million of the £36.750 million investments outstanding at 31 March 2025 were invested with DMO, where an expected loss allowance is not required. For those financial assets where a 12-month expected credit loss is calculable, the calculated credit loss is £1,021. This has been calculated by reference to historic default data published by credit rating agencies as advised by our Treasury Management Advisors. Due to the immateriality of the expected credit loss, no adjustment has been made in the accounts for this.

	Credit risk rating (as used by the Council)	Gross carrying amount £ million
12 month expected credit losses	AAA	18.00
	AA+	-
	AA-	3.00
	AA	-
	A+	15.50
	A	0.25
Simplified approach	LA	-
TOTAL		**36.75**

Council does not generally allow credit for its customers (trade debtors) such that all the trade debtors are recognised as short term, however, £4.667 million balance of debtors is past due date for payment. These are not included in the credit risk table above.

Liquidity Risk

The Council manages its liquidity risk through its cash-flow management to ensure that cash is available when required. It has ready access to instant access deposit accounts, overdraft facilities and borrowing from the Money Markets or other local authorities to cover any day-to-day cash flow need. In addition, the Council can access Public Works Loan Board (PWLB) borrowing. The Council arranges fixed term loans and investments with a range of maturity dates within the framework and indicators approved each year. There is no perceived risk that the Council will be unable to raise finance to meet its commitments, instead the risk relates to replenishing a significant proportion of its borrowings at a time of unfavourable interest rates. The Council sets limits on the maturity structure of fixed rate borrowing such that no more than 50% of loans are due to mature in any one year through careful planning of new loans taken out and (where it is beneficial to do so) making early repayments. The maturity analysis of financial liabilities is as follows:

31 March 2024 £'000	Maturity Analysis Financial Liabilities	31 March 2024 £'000
(14,351)	Less than 1 year	(11,230)
(5,529)	Between 1 and 2 years	(10,218)
(8,974)	Between 2 and 5 years	(20,782)
(25,471)	Between 5 and 10 years	(17,423)
(10,000)	Between 10 and 20 years	(5,000)
(36,389)	More than 20 years	(36,389)
(19,745)	Uncertain date*	(19,736)
(120,459)	**Total Financial Liabilities**	**(120,778)**

* This refers to the Lender's Options Borrower's Options which may be rescheduled in advance of their maturity date of 2054, however, the Council does not anticipate this will occur due to the current low interest rates.

All trade and other payables are due to be paid in less than one year.

Market Risk

The Council is exposed to the risk that financial loss could potentially occur as a result of changes in such measures as interest rate movements, market prices or foreign currency exchange rates.

Interest Rate Risk

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

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- borrowings at fixed rates – the fixed rate protects the Council from increased interest charges as an equivalent loan would now cost more. The fair value of the borrowing (liability) will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates – the fixed rate prevents the Council from receiving higher investment income from the same principal invested. The fair value of the asset will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investment will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance.

The Council monitors market and forecast interest rates within the year to adjust exposures appropriately, to allow any adverse changes to be accommodated. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans may be repaid early to limit exposure to losses. According to this strategy, at 31 March 2025, if there had been a 1% change in interest rates with all other variables held constant, the financial effect would be approximately:

	Estimated £'000 + 1%	**Estimated £'000 -1%**
Interest payable on variable rate borrowings	133	**0**
Interest receivable on variable rate investments	(368)	(368)
Impact on Surplus or Deficit on Provision of Services	**(235)**	**(368)**

The figures for an approximate impact of a 1% fall in interest rates for borrowing are not the same figures as the 1% increase (but reversed) as the variable rate borrowing relates to our LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates.

Price risk

As the Council has not invested in instruments that are subject to price risk, such as bank certificates of deposit and Government Bonds, it is not subject to price risk.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Transition to IFRS9 Financial Instruments

The Council adopted the IFRS9 Financial Instruments accounting standard with effect from 1 April 2018. The main changes include the reclassification and re-measurement of financial assets and the earlier recognition of the impairment of financial assets.

The nature of the Council's financial instruments has meant no changes to the Council's balance sheet on transition.

32. Events after the Reporting Period

Where an event or information arises after the reporting period (i.e. after 31 March 2025) that relates to conditions existing at 31 March 2025, certain figures in the financial statements and notes would be adjusted if necessary, in all material respects, in order to reflect the impact of the event or information. There have been no such events after 31 March 2025 that required reporting.

33. Contingent Liabilities

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

Reinforced Autoclaved Aerated Concrete (RAAC) is a lightweight form of concrete used in many public buildings from the mid-1950s to the mid-1990s. During August 2023 the UK Government announced new guidance on RAAC as a result of heightened safety risks. As a result, the Council commenced surveys of its estate to determine the existence of RAAC. To date the presence of RAAC has been confirmed at one asset – Bridgend Indoor Market – that the Council leases on a long-term arrangement. As a result, the Council closed the Indoor Market and commissioned a surveyor to determine the extent of the RAAC at the market and the associated estimated cost of remedial works. A report has been received by the Council. The Council is considering options and at this time it is not possible to measure any potential obligation with sufficient reliability and as such a contingent liability exists.

Notes to the Cash Flow Statement

34. Adjustments for Non-cash Movements

2023-24 £'000		2024-25 £'000
(28,088)	Depreciation & Impairment of Assets	(32,171)
(3,538)	Movement in Inventories, Debtors & Creditors	19,354
(960)	Pension Fund Adjustments	2,330
4,378	Provisions	1,866
(716)	Disposal of Non Current Asset	(5,853)
(855)	Changes in Fair Value of Investment Property	(100)
	Other adjustments	59
(44)	CCRCD adjustments to net (surplus)/deficit on the provision of services for non-cash movements	1,462
(29,823)	**Adjustments to net deficit on the provision of services for non-cash movements**	**(13,053)**

35. Operating Activities

The cash flows for operating activities include the following items:

2023-24 £'000		2024-25 £'000
15,456	Cash Flow on Revenue Activities	9,823
3,154	Interest Paid	6,571
1,029	Interest element of finance lease and PFI rental payments	1,138
(4,458)	Interest Received	(5,654)
-	CCRCD	3,777
15,181	**Net Cash Flows from Operating Activities**	**15,655**

36. Investing Activities

The cash flows for investing activities include the following items:

2023-24 £'000		2024-25 £'000
25,997	Purchase of Property, Plant and Equipment and Intangibles	27,236
(8,395)	Purchase / (Proceeds) from Short Term Investments	(45,027)
(256)	Proceeds from sale of Property, Plant and Equipment and Investment Property	(6,343)
	CCRCD Long Term Debtors/Investments	2,712
17,345	**Net Cash Flows from Investing Activities**	**(21,422)**

37. Financing Activities

The cash flows for financing activities include the following items:

2023-24 £'000		2024-25 £'000
(6,383)	Cash Receipts of short and long term borrowing	(8,167)
(12,895)	Other Receipts from financing activities	(18,972)
	Repayments of short and long term borrowing	10,580
	CCRCD – HMT and other grants received	(944)
(19,278)	**Net Cash Flows from Financing Activities**	**(17,503)**

The report of the Auditor General for Wales to the Members of Bridgend County Borough Council

Opinion on financial statements

I have audited the financial statements of Bridgend County Borough Council for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

Bridgend County Borough Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

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

- give a true and fair view of the financial position of Bridgend County Borough Council as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Bridgend County Borough Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

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

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

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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

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

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

My procedures included the following:

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

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

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

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Bridgend County Borough Council's controls, and the nature, timing and extent of the audit procedures performed.

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

Other auditor's responsibilities

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

Certificate of completion of audit

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

Adrian Crompton
Auditor General for Wales
31 October 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The maintenance and integrity of Bridgend County Borough Council's website is the responsibility of the Council; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Annual Governance Statement

Contents

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

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.[1]

As a public body the Council has to ensure it delivers sustainable social, cultural, environmental and economic outcomes as a key focus of its governance process and structures. This is achieved by:

- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
- ensuring openness and comprehensive stakeholder engagement.

The Council's Code of Corporate Governance sets out its commitment to, and responsibility for, ensuring that there is a sound system of governance in place. The Code of Corporate Governance is reviewed annually, and presented to the Governance and Audit Committee for approval, and is available on the Council's website.

The Council's Code of Corporate Governance sets out the seven principles of good governance in line with CIPFA's 'Delivering Good Governance in Local Government: Framework'.

	Bridgend County Borough Council Code of Corporate Governance The Council's Governance Principles are based on the following:
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social and environmental benefits
D	Determining the interventions necessary to optimise the achievement of the intended outcomes
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
F	Managing risks and performance through robust internal control and strong public financial management
G	Implementing good practice in transparency, reporting, and audit to deliver effective accountability

The Council's evaluation against these seven principles is detailed in the Code of Corporate Governance, highlighting the actions that demonstrate good governance and the evidence that supports these actions.

[1] Well-being of Future Generations (Wales) Act 2015

The Council's Governance Framework

The Governance Framework comprises the systems, processes and values by which the Council is directed and controlled and the means by which it accounts to, engages with and leads the local community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to make appropriate use of, and prevent loss of, public funds. It also assists with managing the risk of failure to achieve policies, aims and objectives. It does not eliminate all the risk; the system of internal control is designed to identify and prioritise risks, evaluate the likelihood of those risks materialising and manage their impact.

To review the effectiveness of the governance framework, assurances are provided to, and challenged by, the Governance and Audit Committee, Scrutiny Committees, Standards Committee, Council, Cabinet and Corporate Management Board as appropriate. In addition, the Chief Officer – Finance, Housing and Change promotes and delivers good financial management, and the Monitoring Officer promotes and delivers legal and ethical assurance.

Decision Making and Responsibilities

The Council consists of 51 elected Members with an elected Leader and Cabinet who are supported and held to account by Scrutiny Committees. The Council's constitution sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business and sets out a list of functions and decisions exercisable by officers under delegated powers. It also contains the rules and protocols by which the Council, Members and officers operate.

Local Government and Elections (Wales) Act 2021

The Local Government and Elections (Wales) Act received Royal Assent on 20 January 2021. The Act is a substantial piece of legislation covering electoral reform, public participation, governance and performance and regional working. There are many reforms within the Act, however, in summary the Act introduced:

- Reform of electoral arrangements for local government, including extending the voting franchise to 16- and 17-year olds;
- Introduction of a general power of competence;
- Reforming public participation in local government;
- Reforms around democratic governance and leadership;
- Collaborative working;
- Reform of the performance and governance regime; and
- Powers to facilitate voluntary mergers of principal councils.

The Act continues to have a wide-ranging impact on the organisation, powers, performance measurement and governance of the Council. From May 2022 the composition of the Governance and Audit Committee changed, and one-third of its members are required to be lay members, including the Chair of the Committee. For the Council the Governance and Audit Committee now comprises 8 elected

members and 4 lay members. Responsibilities assumed by the Committee include:

- a role in reviewing the Council's self-assessment report and making any recommendations for change;
- consideration of the outcome and response to a panel performance assessment of the Council; and
- responsibility for making reports and recommendations in relation to the authority's ability to handle complaints effectively.

Role of the Governance and Audit Committee

The **Governance and Audit Committee** is a statutory Committee that provides independent assurance on the Council's internal control environment. It consists of 8 Councillors and 4 Lay Members. Its main functions are:

- Review, scrutinise and issue reports and recommendations in relation to the Council's financial affairs.
- Review, scrutinise and issue reports and recommendations on the appropriateness of the Council's risk management, internal control, arrangements to secure value for money and corporate governance arrangements.
- To consider the report on the annual risk assessment, any interim reports and the Corporate Risk Management Policy.
- Oversee the Council's internal and external audit arrangements (including the performance of external providers of Internal Audit) and review its financial statements.
- To approve the Internal Audit Charter.
- To approve the risk-based internal audit plan and to approve significant interim changes to the risk-based internal audit plan.
- To consider and approve the Head of Internal Audit's annual report and opinion, a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider reports from Internal Audit on agreed recommendations not implemented within a reasonable timescale and approve necessary remedial action.
- To be responsible for ensuring effective scrutiny of the Treasury Management function, Strategy and Policies.
- To monitor the Council's Anti-Fraud and Bribery Strategy, Anti-Money Laundering Policy and Anti-Tax Evasion Policy
- To review and approve the Council's Annual Governance Statement and Code of Corporate Governance.
- To review and approve the Annual Statement of Accounts and appropriateness of the accounting policies and whether the 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
Financial Sustainability Review – Bridgend County Borough Council (August 2024)	**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.** 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. Two recommendations were put forward in the report, and these were :- • To strengthen the Council's approach to financial sustainability, the Council should develop a savings plan across the timescale of the Medium Term Financial Plan, to clearly show how the funding gap will be addressed or clearly communicate the challenge where this is not possible. • The Council should strengthen its arrangements to ensure the impact of its financial position and Medium Term Financial Plan on communities and on the delivery of its well-being objectives is reported to members to enable them to monitor and address any impacts.
Review of Decision Making Arrangements – Bridgend County Borough Council (September 2024)	**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.** 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. Five recommendations were proposed :- • The Council should ensure that its published **forward work programme** for committees is accessible, comprehensive, and covers a longer time frame than the current 4-month period to give more opportunity for robust pre-decision scrutiny and provide greater transparency around the decision-making process for both Members and the public. • The Council should ensure that its **scheme of delegation is updated,** to mitigate the risk of decisions being taken without the proper authority. • The Council should ensure that there is clarity on the **role of scrutiny** in the decision-making process. The lack of clarity on the role of the Overview & Scrutiny committees, particularly in relation to pre-decision scrutiny is limiting Overview & Scrutiny committees' ability to contribute fully and effectively to the decision-making process. • The Council should ensure that it provides greater **transparency regarding the remit of the different Overview & Scrutiny committees**. Naming the Overview & Scrutiny committees 1, 2

	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. • The Council should ensure that Members receive, and are encouraged to access, a relevant **training programme** to ensure they are well equipped to understand and undertake their role. This should include focussed training for specific roles, e.g. chairing skills.
Setting of Wellbeing Objectives – Bridgend County Borough Council (September 2024)	**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.** 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. There were three recommendations :- • 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. • The Council should build on its current approach to engagement by considering ways to: • draw on citizens' views to inform the development of the Well-being objectives at an early stage; and • ensure that it is involving the full diversity of the population. • The Council should clearly set out in the corporate plan how it intends to work with partners to support the delivery of its well-being objectives.

Managing Risk

The Council faces a range of risks as would be expected from the broad range of services it delivers and activities it is engaged with. On a day-to-day basis operational risk arises from the challenge of ensuring sufficient capacity and capability to advise on, and to deliver, the key policy objectives of the Council.

The Council has developed a robust approach to the management of risk. The Corporate Risk Management Policy is aligned with Directorate Business Plans and the Council's performance management framework. The Council defines risk as: 'Any potential development or occurrence which, if it came to fruition, would jeopardise the Council's ability to:

- achieve its well-being objectives;
- provide services as planned; or
- fulfil its statutory duties, including the duty to make arrangements to secure continuous improvement.'

Risks are viewed from both a Service and Council-wide perspective which ensures the key risks are distilled in the Corporate Risk Assessment. The Council has seen increasing uncertainty and risk, particularly in relation to the current economic climate and the financial challenges the Council faces. The Risk Assessment sets out how the Council is addressing these risks and the mitigating actions it will put in place to reduce them. It is regularly reviewed and challenged by both senior management and the Governance and Audit Committee. It is not possible to eliminate all risk of failure to meet the targets in the Council's policies, aims and objectives and cannot therefore provide absolute assurance of effectiveness, but one of reasonable assurance.

The Council has in place Risk Management policies and guidance used by all departments. This enables staff to identify risks, prioritise them and implement actions to mitigate them, in a consistent and timely manner. Training was rolled out to all directorate management teams and the roles and responsibilities at each stage of the process outlined. Directorate Business Plans were revised to ensure that processes and actions are aligned with the corporate risk management process.

Changes at a corporate level places risk upon the Council. A new Chief Executive has been appointed and will take up his role in July 2025. There may be an impact on the Council as the new Chief Executive settles in the role over the forthcoming period.

Financial Management

The financial management of the Council is conducted in accordance with all relevant legislation and the Constitution. The Council has in place Financial Procedure Rules, Contract Procedure Rules, a specific Financial Scheme for Schools, and the scheme of delegation of functions also provides the framework for financial control. The Chief Officer – Finance, Housing and Change is responsible for establishing a clear framework for the management of the Council's financial affairs and for ensuring that arrangements are made for their proper administration.

The Council's ability to deliver savings and contain its expenditure within its overall budget is well established. However, the Council faces significant challenges in the future in the face of uncertain funding levels and cost pressures, the ongoing impact of the cost-of-living crisis and the conflict in the Ukraine. The Council estimates that it will need to generate approximately £40 million of savings over the period 2025-26 to 2028-29. The Medium-Term Financial Strategy has taken account of known cost pressures and priority areas in line with the Corporate Plan and undertaken extensive consultation to ensure a robust process. To ensure greater involvement of stakeholders in the development of the Medium Term Financial Strategy a three week consultation 'Time To Talk' was undertaken between 6 January 2025 and 26 January 2025, the emphasis of which was to seek citizen's views on how we should address the budget situation. It was recognised that the budget planning for 2025-26 was still extremely difficult, and the Council is facing even more cost pressures than experienced in previous years. The results were collated and used to further inform final decisions on the Medium Term Financial Strategy. The Medium Term Financial Strategy can be found on the Council's website here. Welsh Government has given no indication of funding levels for future years. Given this uncertainty, the Council has developed detailed budgets for 2025-26 but can only make assumptions for future years based on a range of funding scenarios.

The Council has in place robust arrangements for effective financial control through the Council's accounting procedures, key financial systems and the Financial Procedure Rules. Arrangements in place to demonstrate good financial control include established budget planning procedures and regular budget monitoring reports to Cabinet and Corporate Overview and Scrutiny Committee, as well as detailed information to budget holders. The Council prepares its Annual Accounts as required by the Accounts and Audit (Wales) Regulations and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

Compliance with the CIFPA Financial Management Code of Practice

The Chartered Institute of Public Finance and Accountancy (CIPFA) launched the Financial Management Code of Practice (FM Code) in November 2019. The FM Code was developed in the context of increasing concerns about the financial resilience and sustainability of local authorities.

The FM Code sets out the principles by which authorities should be guided in managing their finances and the specific standards that they should, as a minimum, seek to achieve. It clarifies how Chief Finance Officers should satisfy their statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972 and emphasises the collective financial responsibility of the whole leadership including the relevant elected members.

Whilst the Code is designed to be flexible to the nature, needs and circumstances of individual authorities, it is up to each authority to determine the extent to which it complies with the FM Code and to identify what action it may wish to take to better meet the standards that the FM Code sets out. In its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*) CIPFA stated that the Annual Governance Statement should include the overall conclusion of an assessment of the organisation's compliance with the principles of the FM Code. Also, that where there are outstanding matters or areas for improvement, these should be included in the action plan. The Regional Internal Audit Service undertook a review of the Council's compliance with the FM Code during 2024-25 and provided an audit opinion of Substantial Assurance, and that a number of strengths and areas of good practice were evident.

The Council's assessment of its compliance with the 19 Standards outlined in the FM Code for 2024-25 identified that the Council could demonstrate compliance with all of the Standards, but that further actions could be taken to enhance compliance during 2025-26. These actions are included in the Annual Governance Statement Action Plan for 2025-26 and are to:

- Review and update the Council's Financial procedures and policies as required e.g. Financial Procedure Rules, Financial Scheme for Schools, Fees and Charges Policy, to reflect changing circumstances and processes as a result of the challenging financial climate;
- Provide additional training to full Council and schools, as required, on Budget Management, Capital Strategy and Earmarked Reserves;
- Continue to develop budget reduction proposals for the full life of the MTFS and a high level of monitoring of achievement of existing reductions; and
- Try to improve and widen the reach of the budget consultation process to ensure more meaningful, and specific responses.

Progress against these are included in Section 6 – Improving Governance.

5 Audit Assurance

Audit and Audit Assurances

The Council is audited externally by the Auditor General for Wales, supported by Audit Wales. The objectives of this are to obtain assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; that the accounts have been prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom; and to issue an opinion thereon. They also assess our arrangements for securing economy, efficiency and effectiveness in the use of resources.

In 2024 the External Auditor gave an unqualified audit opinion on the financial statements for 2023-24. Audit Wales also audit a number of grant claims and in the year completed 5 audits of grants and returns. In addition, Audit Wales undertake reviews of various services and also performance reviews throughout the year, the outcome of which are reported to the Governance and Audit Committee.

Internal Audit is a statutory requirement within Local Government. The Council's internal audit is undertaken by the Regional Internal Audit Service, a partnership shared service between Bridgend County Borough Council, Merthyr Tydfil County Borough Council hosted by the Vale of Glamorgan Council.

The Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2024-25 is:

"Reasonable Assurance"

The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. 86% of the agreed plan has been achieved indicating good internal audit coverage across all service areas. The weaknesses that have been identified are service specific. Audit opinions have been presented to Governance and Audit Committee throughout the year as summarised below.

Audit Opinion	**Number**	**%**
Substantial assurance	10	23
Reasonable assurance	29	68
Limited assurance	4	9
No assurance	0	0
Total	**43**	**100**

91% of Internal Audit opinions issued were positive which provided a good level of assurance on the effectiveness of the control environment; there were no' *No Assurance'* opinions issued.

All of the 6 audits that were deferred from 2023-24 have been completed. There are 3 planned audits ongoing at the end of 2024-25 and a further 4 have been deferred to the 2025-26 audit plan. All recommendations made to improve governance, risk management and control during 2024-25 have been accepted by operational management and are at various stages of implementation. Progress on implementation of agreed Internal Audit recommendations and the progress of completion of the Internal Audit Plan was reported quarterly to Governance and Audit Committee.

The Governance and Audit Committee also receives a regulatory tracker twice-yearly. This was introduced to cover all regulators and all completed inspections and their recommendations for the Council. The tracker focuses on amber and red rated recommendations, being adequate and unsatisfactory rated recommendations, whilst the Subject and Overview Scrutiny Committees receive the report to include all recommendations irrespective of rating.

6 Improving Governance

A number of significant issues were identified in the Council's 2023-24 Annual Governance Statement. The progress made on the significant issues is shown below:

6.1 Progress on issues raised in 2023-24 that were addressed in 2024-25

Issue	Governance Principle	What the issue was	Outcome of actions taken
Medium to long term financial management	F	The impact of budget reductions is no longer sustainable through top-slicing of budgets, and the focus will need to turn to reductions in service delivery and the potential for the Council to cease providing come services.	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. 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.
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	The revised Finance Procedure Rules were agreed by Cabinet and noted by Council in January 2025. The budget continues to be closely monitored and reported to Cabinet on a quarterly basis. More briefings for members have also been provided 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
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.	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. A consultation process on the document will start in May 2025

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	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. 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.
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.	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. Member briefings will be provided on subjects such as the medium term financial strategy, budget monitoring, treasury management

Issue	Governance Principle	What the issue was	Proposed actions to address issue
			and earmarked reserves as needed. 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.
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.	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: 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. 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.
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

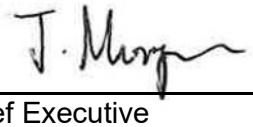
Governance arrangements have effectively supported the Council through the reporting period. Decisions are subject to effective external and internal scrutiny and where weaknesses are found, action plans are put in place and monitored. Based on this, subject to the above issues being resolved, we can 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.



Date: 20 October 2025

Leader



Date: 20 October 2025

Chief Executive

Glossary Of Terms

Accrual
An accrual is a sum shown in the accounts representing income or expenditure for the accounting period but which was not actually received or paid as at the date of the balance sheet.

Actuary
An actuary is a person who works out insurance and pension premiums, taking into account factors such as life expectancy.

Amortisation
Reduction in value of capital expenditure which has not created an asset, through charges to revenue.

Audit
An audit is an independent examination of the Council's accounts.

Balance Sheet
This is a statement of our assets, liabilities and other balances at the date of the end of the financial year, 31 March.

Budget
A budget (or estimate) is a plan of income and spending, based upon which council tax is set. Actual expenditure and income is subsequently monitored against this plan.

Capital expenditure
Capital expenditure is spending on fixed assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment and vehicles.

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

Capital receipt
Capital receipts are proceeds from the sale of fixed assets such as land or buildings.

Cash flow Statement
This is a statement that summarises the movements in cash during the year.

Comprehensive Income and Expenditure Statement
This account records day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Contingent liabilities
A Contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence of uncertain future events.

Corporate and Democratic Core (CDC)
CDC is a service defined by the Best Value Accounting Code of Practice representing costs relating to Member activity (Democratic Representation and Management) and costs that provide the infrastructure to ensure that services can be provided (Corporate Management).

Creditor
A creditor is an organisation / someone owed money by the Council at the end of the financial year for goods / services received during the financial year or previous years.

Current assets
These are short-term assets that are available for the Council to use in the following accounting year.

Current liabilities
These are short-term liabilities that are due for payment by the Council in the following accounting year.

Debtor
A debtor is an organisation / someone who owed the Council money at the end of the financial year for goods / services received during the financial year or previous years.

Delegated schools balances
Under the Local Management of Schools provisions, any balances accrued at year end are delegated to individual schools. These funds are held outside of the Council's Council Fund balances.

Depreciation
Depreciation is the estimated loss in value of fixed assets that are presented in the Balance Sheet.

Earmarked reserves
These are reserves set aside for a specific purpose.

Escrow account
Escrow is a legal arrangement whereby money is delivered to a third party (called an escrow agent) to be held in trust pending a contingency or the fulfillment of a condition or conditions in a contract.

Expenditure and Funding Statement
This statement brings together local authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the Council Fund.

Financial Year
This is the accounting period. For local authorities it starts on 1 April and finishes on 31 March of the following year.

Finance leases
Finance leases are used to finance purchases where the Council takes on most of the risks associated with owning the asset.

Government grants
Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in form of cash or transfers of assets to a Council in return for past or future compliance with certain conditions relating to the activities of the Council.

International Financial Reporting Standard (IFRS)
Financial regulations to be followed as set by the Accounting Standards Board (ASB).

International Financial Reporting Standards Interpretations Committee (IFRICs)
The interpretative body of the International Accounting Standards Board (IASB) designed to help the IASB improve financial reporting through timely identification, discussion and resolution of financial reporting issues within the framework of IFRS.

Inventories
Inventories are raw materials purchased for day to day use. The value of these items that have not been used at the end of the financial year are shown as current assets in the balance sheet.

Leasing
This is a method of financing capital expenditure by paying the owner to use property or equipment for a number of years.

Liability
A liability is an amount payable at some time in the future.

Minimum Revenue Provision (MRP)
This is an amount that has been set aside to repay loans. This should be a prudent amount.

Movement in Reserves Statement (MIRS)
This statement shows the movement in the year on different reserves held by the Council.

National Non-Domestic Rates (NNDR)
The NNDR, or Business Rate, is the charge to occupiers of business premises. The money collected is paid to the Welsh Government and redistributed to individual authorities in proportion to their adult population.

Net Realisable Value
The selling price of an asset, reduced by the relevant (direct) cost of selling it.

Non Distributable Costs (NDC)
NDC is a category of costs defined by the Best Value Accounting Code of Practice and cannot be allocated to specific services. It represents:
• costs of unused I.T. facilities,
• costs of long term unused, unrealisable assets,
• certain pension fund costs

Open Market Value in Existing Use (OMVEU)
OMVEU is a basis for valuation of fixed assets.

Operating assets
These are assets used in the running / provision of services.

Operating leases
These are leases where risks of ownership of the asset remain with the owner.

Post balance sheet events
Post balance sheet items are those that arise after the Balance Sheet date. These are items that did not exist at the time the Balance Sheet was prepared but should be disclosed if they are relevant to the fair presentation of the accounts.

Precepts
This is the amount paid to a non-billing Council (for example a community council) so that it can cover its expenses (after allowing for its income).

Prior year adjustment
Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors.

Provision
A provision is an amount we set aside in our accounts for expected liabilities which we cannot measure accurately.

Private Finance Initiative (PFI) – a central government initiative which aims to increase the levels of funding available for public services by attracting private sources of finance. The PFI is supported by a number of incentives to encourage authorities' participation.

Public Works Loan Board (PWLB)
This is a loan facility provided by the Government Debt Management Office (DMO), which provides longer term loans to local authorities.

Related party transactions
These are the transfer of assets or liabilities or the performance of services by, to or for a related party no matter whether a charge is made.

Revaluation Reserve
This represents the non-distributable increase/decrease in the valuation of fixed assets.

Revenue account
This is an account which records our day to day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

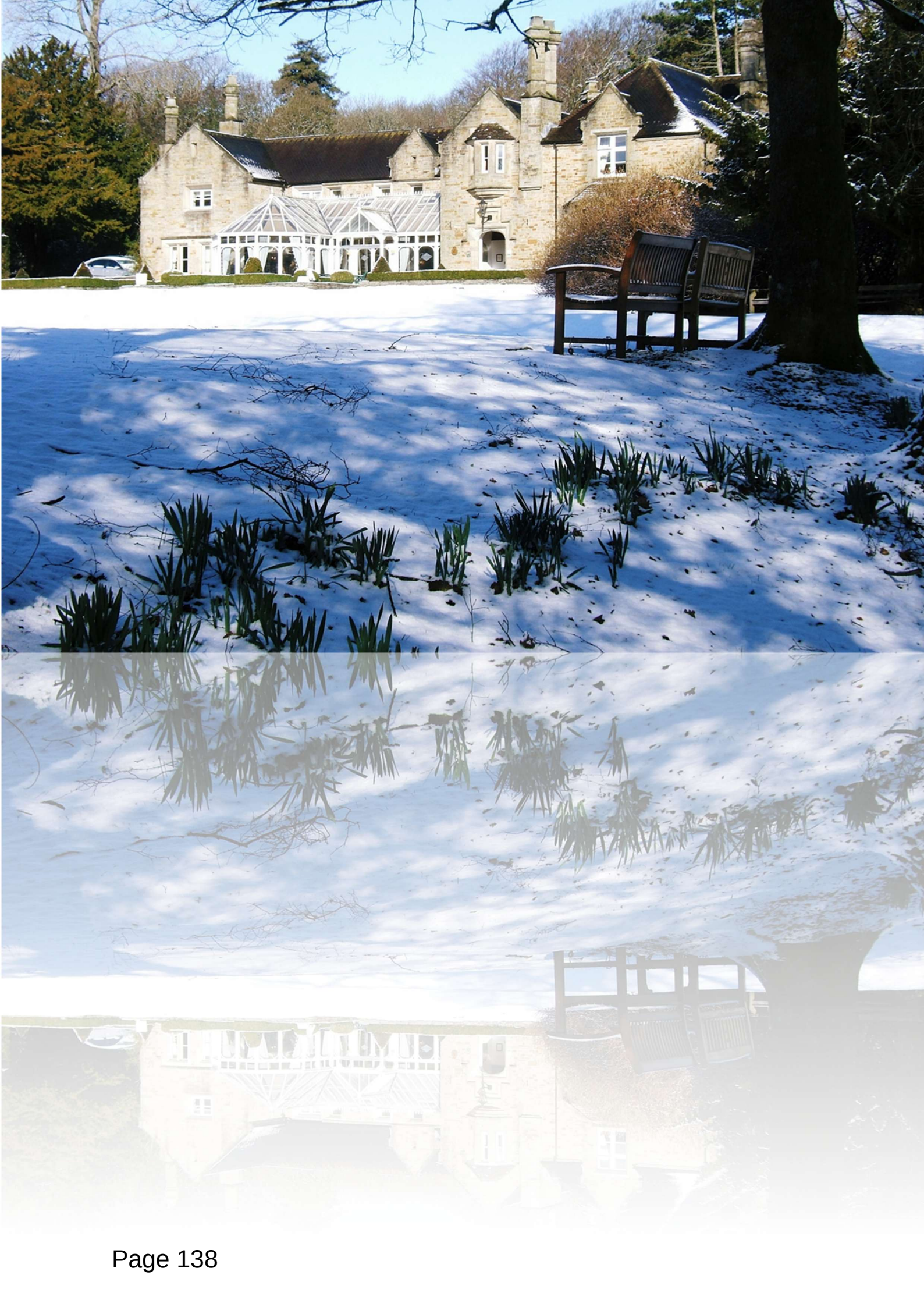
Service Reporting Code of Practice (SeRCOP)
The Service Reporting Code of Practice provides a consistent framework for reporting local authority data. SeRCOP is reviewed annually by the appropriate regulating body to ensure that it develops in line with the needs of modern local government, Transparency, Best Value and public services reform.

Temporary borrowing or investment
This is money borrowed or invested for an initial period of less than one year.

Trust fund
Trust funds hold money on behalf of an individual or organisation. Trustees administer the funds for the owners.

Work in progress (WIP)
Work in progress is the value of work undertaken on an unfinished project at the end of the financial year, which has not yet been charged to the revenue account.

Picture back cover: Bryngarw Country Park



Archwilio Cymru
Audit Wales

Audit of Accounts Report – Bridgend County Borough Council

Audit year: 2025-26

Date issued: September 2026



Contents

Contents	2
Introduction	4
Your audit at a glance	6
Materiality	7
Audit Findings	8
Audit team and ethical compliance	10
Appendix 1 – Audit risks and outcomes	11
Appendix 2 – Summary of corrections made	19
Appendix 3 – Proposed audit report	21
Appendix 4 – Letter of representation	25
Audit quality	28
Supporting you	29

This document has been prepared as part of work performed in accordance with statutory functions.

The Auditor General, Wales Audit Office and staff of the Wales Audit Office accept no liability in respect of any reliance or other use of this document by any member, director, officer or other employee in their individual capacity, or any use by any third party.

For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales.

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



Catherine Mealing-Jones

Auditor General for Wales

As the newly appointed 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 2025-26 Statement of Accounts. My team have already discussed these findings with the Corporate Director – Finance and Transformation.

My team has substantially completed the audit work set out in my Audit Plan dated May 2026, with the exception of completing our internal review arrangements by the Audit Manager and Engagement Lead.

A verbal update will be given to the Governance and Audit Committee (GAC) on our progress at the meeting scheduled for 24 September 2026. We are expecting all internal review arrangements to be completed prior to the GAC meeting so that GAC can receive the revised 2025-26 Statement of Accounts and the final audit position.

Since my Audit Plan, I have updated materiality to reflect the 2025-26 accounts. I have also identified one new risk which needs to be brought to your attention. This along with my response to previously identified audit 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 at **Appendix 3**.

It is the responsibility of those charged with governance, i.e. the Governance and Audit Committee 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 this audit effectively.

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.

See **Audit findings**

There are no **uncorrected misstatements** in the accounts which we wish to draw to your attention.

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 **25 September 2026**, which is ahead of the deadline of **30 September 2026**.

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:

Materiality	Reporting threshold (trivial)
Set at 1% of gross expenditure based upon 2025-26 draft financial statements	Set at 5% of materiality
Audited body £5.941 million	**Audited body £0.297 million**

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:

Senior officer remuneration	Related party disclosures
£1,000	£10,000

Audit Findings

Misstatements

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

Uncorrected misstatements

We have not identified any misstatements above our reporting threshold that 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 Council's financial reporting process.

There were no such issues identified during the audit.

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

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

Engagement Lead	Helen Goddard helen.goddard@audit.wales
Audit Manager	David Williams david.williams@audit.wales
Audit Lead	Lucy Herman lucy.herman@audit.wales

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 compromised; and
- we have no relationships that could undermine our independence or objectivity.

Appendix 1 – Audit risks and outcomes

Since the issue of my Audit Plan in May 2026, my team identified an additional risk of material misstatement that should be brought to your attention as listed below.

Exhibit 2: Audit risk identified following issue of my Audit Plan

Audit risk	Work done	Outcome
Financial System upgrade The E5 financial system was upgraded during the financial year, involving a data migration. This created a risk that balances and transactions could be incomplete, inaccurate, duplicated, altered or omitted.	My audit team: • reviewed the controls put in place and testing undertaken by the Council for the data migration; • reviewed the assurances from the project consultant and confirmations of the data reconciliations and other tests performed.	My audit work did not identify any issues / errors.

Exhibit 3 lists the audit risks included within my Audit Plan and sets out how they were addressed as part of the audit.

Exhibit 3: Audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
Risk of management override 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].	My audit team: • tested the appropriateness of journal entries and other adjustments made in preparing the financial statements; • reviewed accounting estimates for bias; and • evaluated the rationale for any significant transactions outside the normal course of business.	My audit work did not identify any instances of management override of controls.

Valuation of pension fund net liability / surplus

The Local Government Pension Scheme (LGPS) pension fund liability / surplus as reflected in the financial statements are material estimates.

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

The impact of economic conditions, particularly interest rate levels also has a significant impact on the liability / surplus. At 31 March 2025 for example, the liability was in fact a surplus, primarily due to higher interest rates.

A triennial valuation of the scheme has been undertaken as at 31 March 2025, which will impact upon disclosures in the Council's financial statements for the first time in the 2025-26 financial year.

There are also several legal cases potentially

My 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 Authority to the actuary to estimate the liability / surplus;
- tested the accuracy of the pension fund net liability / surplus 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 (auditor's expert) and undertaking any additional procedures required;

My audit work did not identify any misstatements in respect of the material estimates or the work completed by the actuaries as management experts.

impacting on the valuation of the net liability / surplus. There is a risk therefore that the liability / surplus is materially misstated.	• undertook a programme of work to provide assurance over the data used by the actuary to undertake the triennial valuation; and • assessed whether any legal cases could have a material impact on the net liability / surplus 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 and for the 2025-26 financial year CIPFA have introduced new requirements for the subsequent measurement of assets, including the application of indexation. This will introduce additional judgements and calculations for finance teams to undertake.

My audit team:

- reviewed the information provided to the valuer to assess for completeness;
- evaluated the competence, capabilities and objectivity of the professional valuer;
- tested a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable and the revaluations have been correctly reflected in the financial statements;
- reviewed the approach taken to the application of indexation to ensure that it complies with the relevant standards and results in a reasonable estimate; and
- tested the reconciliation between the financial ledger and the asset register.

My audit work did not identify any misstatements in respect of the valuation of land and buildings, but did identify misstatements in associated disclosure notes, as detailed within the summary of corrections made in **Appendix 2.**

We also identified that indexation had not been applied to a category of EUV assets. The value of these assets is not material to the accounts this year, but indexation could become cumulatively material over the five-year valuation cycle.

Senior Officer Remuneration There have been some new appointments to senior posts during 2025-26. There is a risk that these are not appropriately disclosed in the financial statements as remuneration paid to senior officers continues to be of high interest and is material by nature. Therefore, there is a risk as even low value errors in the disclosure could result in a material misstatement. As detailed above, materiality for senior officer remuneration is £1,000.	My audit team: • understood the senior officer movements during 2025-26. • ensured that remuneration disclosed is consistent with supporting evidence; • ensured that amounts paid are consistent with those approved by the Council; and • ensured that disclosures are complete based on the teams knowledge and are prepared in accordance with requirements.	My audit work identified misstatements as detailed within the summary of corrections made in **Appendix 2.**

Related Party Disclosures

The financial statements must disclose and 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.

My audit team:

- reviewed the Council's processes 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 and consistent with evidence and are in accordance with the Local Government Code.

My audit work identified misstatements as detailed within the summary of corrections made in **Appendix 2.**

South East Wales Corporate Joint Committee (SEW CJC) transactions and balances The financial statements contain the Council's share of the transactions and balances of its interest in the SEW CJC. The Council will need to decide how to account for these material transactions and balances in its financial statements and accounting for such arrangements is complex and requires judgement, therefore there is a risk of material misstatements in the financial statements.	My audit team: • reviewed the Council's judgement relating to how the SEW CJC is accounted for and confirmed that this complies with the requirements of the Local Government Code; and • reviewed the process of consolidation into the Council's financial statements to confirm that transactions, balances and disclosures are complete and accurate.	The initial 2025-26 draft accounts did not include SEW CJC transactions and balances. These were added to the revised draft provided in September, based on the draft SEW CJC accounts. My audit work did not identify any misstatements. We have obtained assurance from the SEW CJC auditors that there are no material differences between the draft and audited accounts that would affect the figures in the Council's final accounts prior to certification.

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.

The tables exclude the corrections to incorporate the 2025-26 SEW CJC transactions and balances as officers made me aware that they would be excluded from the initial draft accounts.

Value of correction	Accounts area	Explanation
Various	**Note 15 Officer Remuneration – Remuneration Bands** Errors identified in the banding note disclosure have been amended to bring it in line with the CIPFA Code - **Narrative** Officer remuneration narrative has been amended to ensure accuracy of the Senior Officer disclosure	To ensure the bandings and narrative disclosures are in line with the CIPFA Code.
£0.061 million	**Note 16 Member Allowances** Members Allowances were overstated by £0.061 million in error	To ensure the disclosure of Members Allowances is accurate.
Various	**Note 19 Related Party Transaction** 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	**Note 21a Capital Commitments** Errors identified in the capital commitments disclosure this has been amended to bring it in line with CIPFA Code and materiality thresholds.	To ensure disclosure is in line with the CIPFA Code.
£0.291 million	**Note 21g Capital Financing Requirement and the Financing of Capital Expenditure** Correction identified by the Council Minimum Revenue Provision (MRP) understated by £0.291m due to the accounting treatment for the purchase of the Rhiw.	To ensure MRP is correctly reflected in the Financial Statements.
Various	**Other narrative/minor amendments** 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 and compliance with the CIPFA Code.

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 2026 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 2025-26.

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 2026 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

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 the 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 2025-26;
- 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 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 the 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; and

- 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. 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.

Catherine Mealing-Jones
Auditor General for Wales
25 September 2026

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

24 September 2026

Representations regarding the 2025-26 financial statements

This letter is provided in connection with your audit of the financial statements of Bridgend County Borough Council for the year ended 31 March 2026 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 2025-26; 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; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

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

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

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

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

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

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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 24 September 2026.

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:
Corporate Director – Finance and Transformation	Chair / Deputy Chair of Governance and Audit Committee
Date: 24 September 2026	Date: 24 September 2026

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 latest audit quality report.



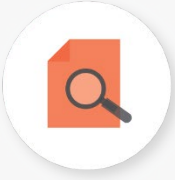
Our People

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



Arrangements for achieving audit quality
Selection of right team

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



Independent assurance

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

Supporting you

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

Visit our website to find:



Our publications which cover our audit work at public bodies.



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



Data tools to help you better understand public spending trends.



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



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

Archwilio Cymru
Audit Wales

Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: 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**:** 24 September 2026

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

Representations regarding the 2025-26 financial statements

This letter is provided in connection with your audit of the financial statements of Bridgend County Borough Council (the Council) for the year ended 31 March 2026 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;

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

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.
The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
Related party relationships and transactions have been appropriately accounted for and disclosed.
All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.
All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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 24 September 2026.

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:

Corporate Director – Finance and Transformation

Date: 24 September 2026

Signed by:

Chair / Deputy Chair of Governance and Audit Committee

Date: 24 September 2026

This page is intentionally left blank

Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**AUDIT WALES GOVERNANCE AND AUDIT COMMITTEE REPORTS**
Report Owner: Responsible Chief Officer / Cabinet Member	**CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION**
Responsible Officer:	**JOANNE NORMAN ACTING DEPUTY HEAD OF FINANCE**
Policy Framework and Procedure Rules:	**There is no impact on the policy framework and procedure rules.**
Executive Summary:	• **The Council's external auditors, Audit Wales, undertake a range of financial and performance audit work during the financial year.** • **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.** • **Audit Wales also present a 6-monthly work programme and timetable to the Governance and Audit Committee to outline work completed, audits in progress and those still due to be undertaken.** • **This report provides details of Audit Wales' reviews of:-** • **Capital Planning in Councils in Wales** • **Bridgend County Borough Council (BCBC) – Recruitment and Retention Challenges** • **BCBC Audit Wales Work Programme and Timetable (June 2026)** • **How the Welsh Government funds Councils** • **BCBC – Housing Adaptations**

1. Purpose of Report

1.1 The purpose of this report is to submit to the Committee five reports from Audit Wales for noting.

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 five reports for the Governance and Audit Committee to consider:-

- **The Building Blocks? Capital Planning in Councils in Wales (January 2026) - Appendix A** – The work was designed to provide an overall view of how councils plan their capital spending and looked to find any common issues for both councils and the Welsh Government to consider. The Council's Management Response Form is attached at **Appendix B**.
- **Bridgend County Borough Council – Recruitment and retention challenges – the right people at the right time? (April 2026) - Appendix C** - The report looks at the recruitment and retention challenges Bridgend County Borough Council is facing. This includes how well the Council understands its challenges, what it is doing in response, and how it reviews the value for money of its approaches. The Council's Management Response Form is attached at **Appendix D**.
- **Bridgend County Borough Council – Audit Wales Work Programme and Timetable (30 June 2026) - (Appendix E**) – This provides details of planned and recent work where relevant of Audit Wales, Care Inspectorate Wales and Estyn.
- **Funding Councils – How the Welsh Government funds councils (July 2026) - Appendix F** – This report looks at how the Welsh Government funds the 22 principal councils in Wales, including the annual local government settlement and restricted grants. It also looks at how well the Welsh Government supports councils with their financial planning and how it estimates the costs of new responsibilities placed on councils.

- **Bridgend County Borough Council – Housing Adaptations (September 2026) – Appendix G** - This report looks at how Bridgend County Borough Council plans and delivers housing adaptations to help children, young people and adults stay in their homes. The Council's Management Response Form is attached at **Appendix H** and additional contextual information is also included at **Appendix I**.

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 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 Reports and the Council's Management Responses.

Background documents

None

This page is intentionally left blank

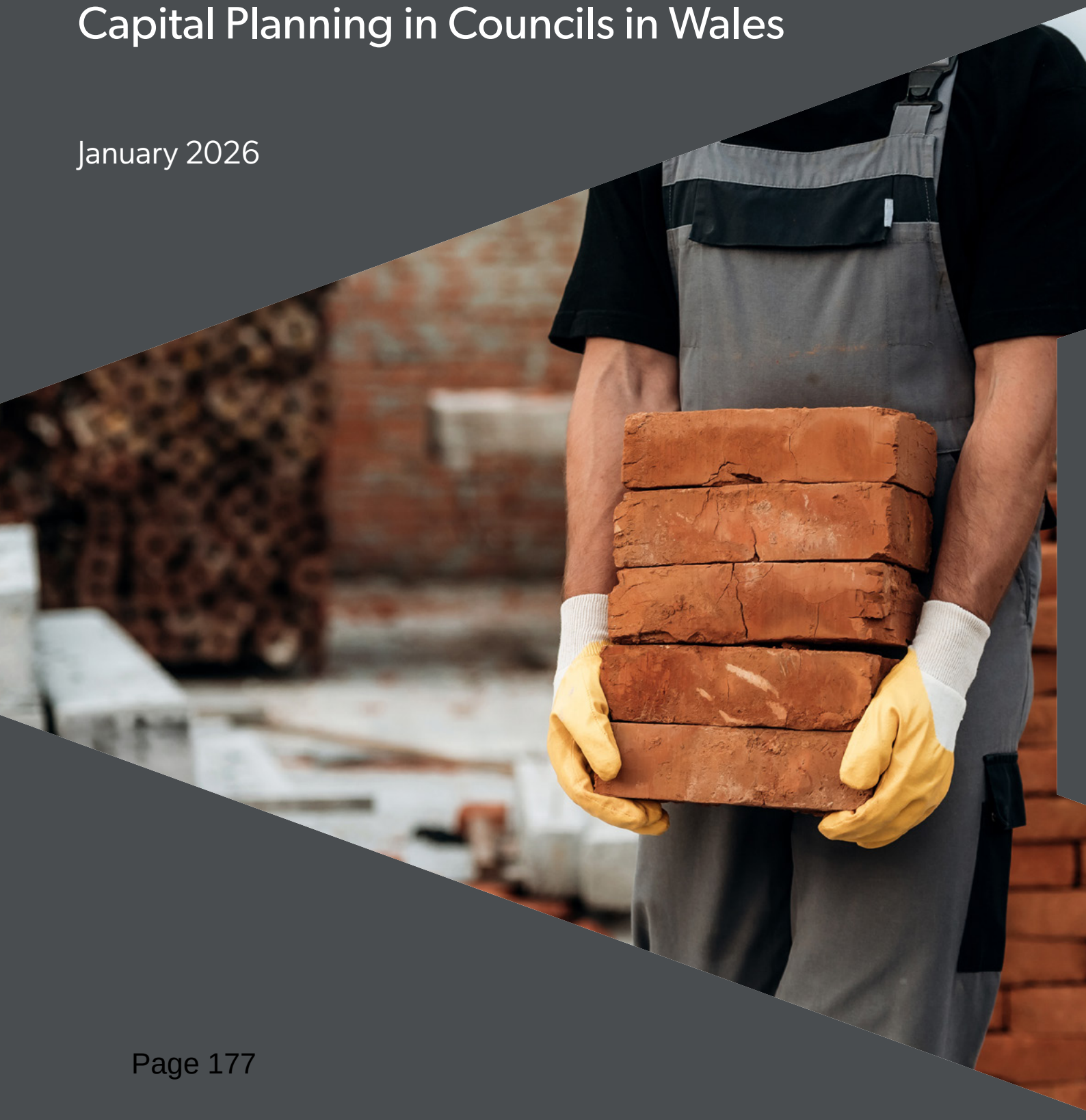
Archwilio Cymru
Audit Wales

APPENDIX A

The Building Blocks?

Capital Planning in Councils in Wales

January 2026



We have prepared this report under section 41(1)(a) of the Public Audit (Wales) Act 2004 and section 145A(1) of the Government of Wales Act 1998, and present it to the Senedd under section 145A(6) of the Government of Wales Act 1998.

© Auditor General for Wales 2026

You may re-use this publication (not including logos) free of charge in any format or medium. If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication. Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

If you need any help with this document

If you would like more information, or you need any of our publications in an alternative format or language, please:

- call us on 029 2032 0500
- email us at info@audit.wales

You can use English or Welsh when you get in touch with us – we will respond to you in the language you use.

Corresponding in Welsh will not lead to a delay.

Mae’r ddogfen hon hefyd ar gael yn Gymraeg.

Audit Wales follows the international performance audit standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI).

Contents

Audit snapshot 6
Key facts and figures 9
Our findings 10
Recommendations 35

Appendices

1 About our work 38
2 Capital spending explained 40
3 Key terms in this report 48
4 Capital planning checklist 49

Foreword

Capital spending by councils is critically important for their day-to-day delivery of services. It covers a wide range of projects. For example, this could include spending on building schools, enhancing libraries, and buying equipment used to provide social care. Councils spent almost £2 billion in 2023-24 across the range of services. Getting the right asset, at the right time, for the right price is central to providing not just essential services but also value for taxpayers' money.

Councils have delivered significant capital projects in the past. Examples include many recent new schools or school improvements. Councils must also manage the less high profile, but equally important, maintenance of sometimes ageing assets, at a challenging time for public finances. These challenges are significant and do not make the delivery of new or improved assets easy.

I have looked at how well councils plan to do this. Councils must balance spending on new assets to meet demand pressures, against the significant financial challenges they face. I recognise that this is an incredibly difficult balance to get right. It underlines, however, the importance of putting value for money at the centre of capital spending decisions.

A large proportion of capital spending is funded by grants. This means it is important that processes for allocating and monitoring grant funding help get the best value for money. I heard from some councils that they felt obliged to do their best to access funding, even when this came with conditions that did not match their local plans or priorities. I also heard concerns around the complexity of grants processes.

I recognise that deciding which grants to offer and their conditions are for funders, such as the Welsh Government, to decide. Grants can help funders to deliver national priorities. However, this can sometimes mean that capital spending may not be helping to meet needs that have been identified as priorities locally. Sometimes, locally identified needs and priorities may differ from national policy priorities. This reinforces the need for dialogue between councils and the Welsh Government to ensure that grant funding processes are as efficient and effective as possible.

My report identifies several suggestions to help councils improve their approach to capital planning. As with any area of spending, being clear on aims and intended outcomes is key to assessing if you are achieving value for money. I found that it is not always clear how capital plans are helping councils to deliver their priorities. As a result, it is very difficult, for councils to know whether they are achieving value for money.

Clearly linking outcomes and the intentions of capital investment is a theme I also raised in my recent review of the Wales Infrastructure Investment Strategy.

I have also emphasised the need for councils to improve their understanding of the condition of their current assets. Without this understanding, there is a risk that councils do not understand how much they will need to invest in the future and identify the scale of funding gaps. Ensuring good governance of capital planning is also crucial. It is inevitable due to the financial situation that difficult decisions will continue to need to be made. It is therefore important that councillors are equipped to be able to take decisions on capital plans and scrutinise their progress and impact as they are delivered.

Overall, there are opportunities to make value for money a clearer focus of capital plans and capital spending. I also re-emphasise my view that public bodies should accelerate how they think and apply the sustainable development principle consistently in their plans and actions.[1] I hope my report helps councils and the Welsh Government to reflect on these opportunities.



Adrian Crompton
Auditor General for Wales

1 Audit Wales, No time to lose, April 2025

Audit snapshot

What we looked at

1 We looked at how councils plan their capital spending. We focused on councils' annual capital programme and capital strategies. We considered how well informed these plans are and if they clearly set out their intended outcomes. We also looked to see if they take account of things like current condition of assets and available resources to deliver them. We also looked at how well councils inform councillors on their capital spending to help make sure there is effective oversight.

2 We designed our work to provide an overall view of how councils plan their capital spending. We also looked to find any common issues for both councils and the Welsh Government to consider. We used our findings to inform our recommendations to improve the value for money (VFM) councils achieve from their capital planning.

3 We did not look at the approval or progress of individual capital projects as these are policy decisions for councils to take. We also did not assess the content of councils' capital programmes, or the merits of their aims and ambitions for the same reason.

Why this is important

4 Councils deliver significant numbers of new assets for their areas every year. Capital spending enables councils to provide a range of services to residents. It pays for both the buildings and land used to host services, and the equipment used to provide those services. It is, therefore, spending that provides the places, spaces and tools for councils to deliver services for residents.

5 We refer to the results of capital spending as being assets. As councils provide a wide range of services, the type of assets bought or built can vary significantly. Councils can own assets to provide services required by law, like schools, housing, or libraries. They can also own assets to provide discretionary services, like shopping centres, leisure centres, or theatres. Capital spending, therefore, influences both the costs, and income available, to councils. Getting this right is key to councils securing VFM.

6 Councils currently face significant financial challenges that make delivering capital projects hard. It means also that delivering VFM is especially important.[2] We recognise that the costs of capital spending are hard to balance with day-to-day spending (known as revenue spending). Costs can include the interest costs of borrowing money or contributing to projects from revenue budgets. Revenue spending can often help councils to meet some challenges more quickly, including helping to manage demand for services.[3] Capital projects can typically take longer to complete, which can make them harder to justify when faced with increased demands for day-to-day services.

7 However, not spending money on capital plans, can potentially lead to higher costs over time. For example, from high maintenance costs for older assets instead of building new ones. Inflation in the costs of construction can also mean delaying spending costs more in the long term. It can also mean worse outcomes if current assets are no longer suitable for delivering modern services. All of this can also mean higher costs in the future and put further pressure on already challenging budget positions for councils.

8 Getting this balance right is both difficult but important to ensure VFM both now and over the longer term. We recognise this is a difficult balance to strike for councils.

2 We describe what we mean by VFM in capital planning in **Exhibit 2**.

3 We have recently reported on the revenue pressures and demands in our financial sustainability reports. This included at a local level in each council and our national summary, published in November 2024.

What we have found

9 Councils have a long track record of delivering significant capital projects and have worked hard to maintain assets against a backdrop of increasing financial pressures. We recognise the difficult environment that councils are operating in. In this context, we hope this report will help councils to reflect on their own arrangements and identify opportunities for improvement where relevant.

10 Overall, we have identified some areas where we think councils could reflect on how they might improve the way they plan their capital spending. Some of the issues we have identified relate to how capital funding is allocated by the Welsh Government. We found that:

- grant funding processes do not always help councils to plan for the longer term or provide VFM;
- the intended outcomes of capital plans are generally not clearly set out by councils;
- the reasons for the need for capital spending are not always clearly set out by councils;
- reports on capital spending do not usually focus on the VFM achieved from that spending.

What we recommend

11 We recommend that councils review their capital planning against our checklist. The checklist sets out key aspects of sound capital planning, informed by our audit criteria. As part of this we have recommended that councils focus on training for councillors in capital planning, ensuring that asset condition information is up to date, and routinely assess the effectiveness of capital projects.

12 We also recommend that the Welsh Government review its processes around the award of restricted grant funding.

Key facts and figures



£1.92 billion – the total capital spending by Welsh councils in 2023-24.



83% – the proportion of total capital spending in 2023-24 by Welsh councils on new construction, conversion, and renovation.



£1.04 billion or **54%** – the total of capital spending by councils funded by grants in 2023-24 (at June 2025 prices).



Since 2000-01, grants have been the **largest source of funding** for capital spending by councils.



£0.57 billion or **30%** – the total capital spending by councils funded by borrowing in 2023-24.(at June 2025 prices).



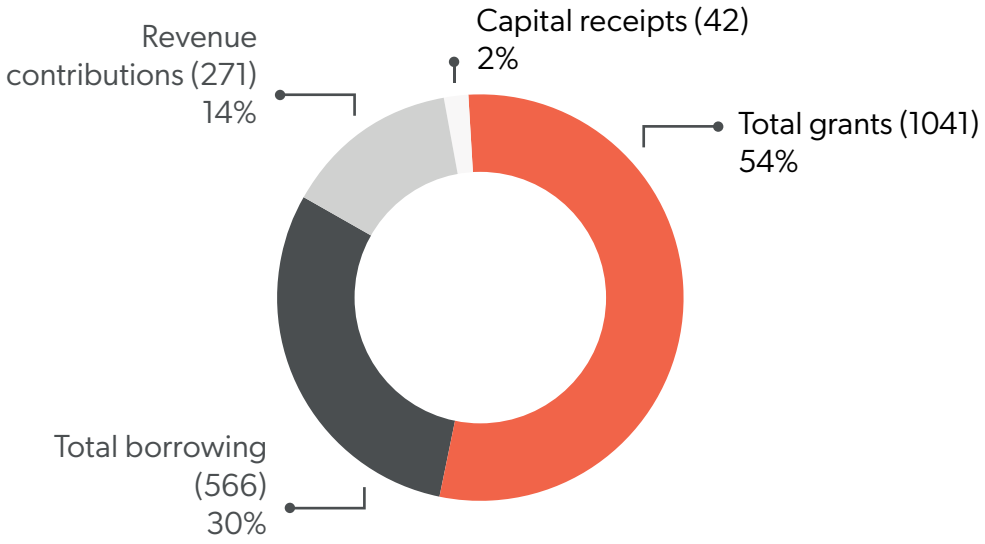
73% – the real terms increase in borrowing by councils for capital spending since reforms in 2004-05.

Our findings

Grant funding processes

13 Grants are the main funding type for capital spending by councils. Between 2000-01 and 2023-24, the share of council capital spending funded by grants grew from 45% to 54%. As **Exhibit 1** shows, capital grants were the largest of the four types of capital funding.[4] This makes the processes for applying for, awarding, and monitoring grants important to securing VFM from capital spending.

Exhibit 1: total capital spending by Welsh councils by funding type, 2023-24 (in million pounds at June 2025 prices)



Source: Audit Wales analysis of Welsh Government data

Notes: Audit Wales has adjusted spending data to account for the impact of inflation. Figures are given in June 2025 prices using data provided by His Majesty's Treasury.

Total grants include grants from the UK and Welsh Governments, Welsh Government sponsored bodies, European grants, grants from the National Lottery, and grants from developers. The split between these sources can be viewed at the source. Government grants represented 91% of the total grants in 2023-24.

4 We explain the different funding sources in more context in **Appendix 2**.

The timing of grant funding can make it difficult for councils to plan to secure VFM over the long term

14 The time for councils to plan how to use capital grants has reduced since the pandemic. Councils are told the value of their unrestricted capital grants each year as part of the local government settlement. This is a relatively small proportion of total capital grants. The total value of the 2023-24 unrestricted capital grant was £95 million in June 2025 prices – 9% of total grant funding. The settlement also includes revenue funding.

15 Before the pandemic, the Welsh Government typically published the provisional settlement in October and finalised it in December. Since 2019, these timescales have moved to December and February or March, respectively.[5] This reduces the time for councils to plan their spending, as they must approve a balanced revenue budget by March each year, to set Council Tax levels for the new financial year. It can also reduce the amount of time that councillors have to scrutinise proposed capital spending plans.

16 The timing and complexity of restricted grant funding for capital projects can also make it difficult for councils to secure VFM. The Welsh Government often provides extra grants or increases in the amount of grants near to the end of the financial year. Often, councils also then need to spend the grants in that financial year. This is often due to funds becoming available because of underspends in other areas within the Welsh Government.

17 We heard similar concerns from councils that the UK Government also sometimes provides funding at relatively short notice. This can mean significant and unplanned increases in funding for councils, which can lead to a short-term or opportunistic approach. This makes it difficult for councils to plan to deliver long-term benefits and plan to integrate their spending across departments and with other public bodies.

18 This means that councils are less likely to use this funding in a way that maximises VFM over the longer term, and is potentially not the best use of public money. We set out what we mean by VFM in capital planning in **Exhibit 2** below.

5 We set out further details on the settlement process in our national financial sustainability report, published in December 2024.

Exhibit 2: VFM in capital planning

What do we mean by VFM in capital planning?

Value for money (VFM) is about whether money is being used to deliver intended outcomes at the best price. It is commonly associated with the 'three Es' – economy, efficiency and effectiveness. We have summarised these as:

- economy – Getting the right deal by securing the necessary inputs, to help achieve intended outcomes, at the lowest possible cost
- efficiency – Doing things right by making the most of the inputs to generate outputs designed to achieve intended outcomes
- effectiveness – Getting the right results by achieving the intended outcomes for the short and longer term

VFM is therefore not just about costs, but about the quality and effectiveness of the service delivered for the money spent. For capital planning, this means councils ensuring they have the right assets, in the right place, in the right condition, and for the right cost.

Source: Audit Wales

19 A key impact of restricted grant funding being made available at short notice is on projects already planned. New funding can disrupt current projects, as officers must balance managing the delivery of existing projects with applying for, and spending, new funding. As funding often becomes available mid-year, it can encourage a focus on short-term rather than longer-term planning.

20 Annual funding awards from the Welsh Government also do not help councils focus on longer-term planning. Councils only know the level of unrestricted capital funding they will have for the following year in each annual settlement. This means that they can only plan with certainty in the short term. Councils believe this makes medium to long-term planning difficult and encourages them to have a short-term focus. Officers told us they feel this limits the VFM that councils can get from capital planning. Welsh Government officials told us that it can, and does, award funding over multiple years. But they explained that this needs to be balanced between funding commitments, ministerial priorities, and reducing administrative burden.

21 However, some councils have made assumptions about the level of future funding to inform their capital plans. This can help councils to plan how to make the best use of capital spending over a longer period.

22 By awarding funding late in the financial year, the Welsh Government risks not increasing the overall amount of capital spending in the same year. Grant conditions typically require a council to spend funds before the end of the financial year. This means that there is significant pressure to plan and spend those funds or risk losing the funding. This can encourage councils to use grant funding on projects that they had been due to fund in another way. For example, through local borrowing or revenue contributions. Equally, councils may decide to borrow or use revenue budget contributions in a future year instead.

23 The Welsh Government has taken action to prevent some local funding from being replaced by restricted capital grants. But this has increased the work needed by councils to apply for it. Some schemes, such as the Local Government Borrowing Initiative (LGBI), require councils to show that they have not displaced local funding and how the funding will be used for additional projects. Whilst this helps to ensure that overall capital spending increases, some officers described the application process as being time consuming.

24 Some of the issues set out above suggest that closer working and understanding between local and national government would be beneficial to both. Our fieldwork suggests that there is potential to improve the understanding of each other's perspectives. For example, the deadlines for some grant applications are seen as unrealistic, particularly in some smaller councils.

25 There is also sometimes confusion over the differences in funding and accounting rules between local and national government. These differences are not widely understood outside respective finance teams. To help ensure that funding is used to get the best VFM, it is important that the perspectives of each sector are well understood. This includes the potential impact of funding processes on financial planning and service delivery.

Restricted grant funding for councils is not co-ordinated across the Welsh Government

26 Grants are a way in which the Welsh Government can help to implement its policy agenda and deliver its well-being objectives. The Welsh Government, therefore, often links its funding to its priorities. It is for the Welsh Government to set its own policy in determining how it allocates grant funding. The Senedd is then responsible for approving how funding is allocated and holding the Welsh Government to account.

27 The Welsh Government awards restricted grants from across different ministerial portfolios. It does not co-ordinate its development or awarding of grants to councils centrally. Each grant is awarded by the sponsoring part of the Welsh Government. This can mean different application, business case, and monitoring requirements. This is to enable schemes to be flexibly designed to meet the relevant policy aims.

28 This sometimes also means grants can be combined to deliver a project with multiple policy aims. Capital projects often have budgets that exceed the size of individual grants, and so councils need to combine grants to deliver them. However, this can make it difficult and complicated for councils to make use of grants. Particularly for projects that might require several grants to deliver, that may have different timescales and application processes.

29 The UK Government has set a business case approach that the Welsh Government must follow. This is known as the Green Book. The Green Book sets out how projects should be evaluated, setting out costs, benefits, and trade-offs for delivering objectives. It adopts the ‘Five Case’ model for business cases. Welsh Government officials explained that this is the model that all grants should follow in their applications, except in certain circumstances, such as flood repairs. Despite this, councils told us that processes vary for different grants, and sometimes the scale of requirements vary significantly and are not necessarily proportionate to the funding available.

30 We recognise the importance of ensuring that grant funding is spent in accordance with policy aims and that spending is monitored and properly accounted for. However, to ensure that use of capital grant funding secures VFM, it is important that these processes are proportionate. We heard concerns from some council officers that the complexity of the application process makes them question the value of applying for some grants.

31 We also heard concerns that the rationale for different restricted grant application rules are not always clear. For example, the use of competitive bidding for flooding prevention grants rather than a risk-based approach. The Welsh Government's current approach allows flexibility to meet policy objectives. But there remains a risk that application processes are not helping councils, and therefore the Welsh Government, to get the best VFM.

32 Councils also do not have a consistent business case approach. Some councils shared their approaches with us, which vary in depth and coverage. In general, council business cases do not clearly follow the 'Five Case' model. This means that projects are often likely to need multiple business cases for internal and external use. Needing to produce multiple business cases is unlikely to be an efficient approach and is likely to reduce the VFM gained from capital spending.

33 Although the Welsh Government has taken steps to standardise parts of its restricted grant processes, its business case requirements for grants vary. The Welsh Government has developed standardised documents and processes for some of the grants it offers. However, most of this work has focused on revenue grants. This means that there is potential for confusion if different parts of the Welsh Government use different terms to meet the requirements of the Green Book. Greater consistency in how the Welsh Government awards grants could reduce the risk of duplication and help councils to have a clear understanding of requirements to access grants. This has the potential to improve efficiency and therefore VFM.

Councils sometimes apply for restricted grant funding to deliver projects that do not reflect their local priorities

34 Most capital spending by councils is funded in part or completely by grants. This can mean that councils access grants, even where this may not help to deliver local priorities. Some officers described how they feel 'obliged' to bid for grants, so their council receives a share, even where it may not be a significant benefit to their area. We heard examples of investment in areas where officers perceived there was little local benefit.

35 How capital grant funding is distributed is largely a matter of policy to be decided by the Welsh Government. However, the current system can incentivise an opportunistic rather than a strategic approach to bidding for grants. This risks councils using capital funding in ways that are not tailored to their local areas and therefore less likely to meet locally identified needs.

36 We have included these findings to highlight their risks to councils and the Welsh Government in being able to secure VFM. We do not criticise either councils for accessing available funding to make improvements to their local area or the Welsh Government for using grants to help deliver its policy agenda. However, this does highlight the importance of making sure that the potential implications for VFM of grant funding processes are considered.

Councils' capital plans

37 Councils across Wales deliver hundreds of capital projects each year. In 2023-24, the total spending by councils was £1.92 billion (based on June 2025 prices). This shows the volume of projects that councils have successfully delivered. It also highlights the amount of public money being spent by councils and the need to get the best VFM from it. Capital plans and strategies are a way in which councils can set out how they plan to achieve VFM from their capital spending.

Councils' capital plans focus on ensuring they follow borrowing rules rather than setting a strategic vision for their capital spending

38 Capital projects can take several years, be complex, and of a significant size. This means that planning for spending at the right time, for the right reasons, and at the right cost is critical to delivering VFM. Currently, councils do not always show how they think about this in their capital plans.

39 Councils' capital plans do not set out a detailed understanding of their strategic position. Instead, plans mainly focus on enabling councils to borrow money to fund activity. Councils use their capital plans or strategies to show how they comply with the Prudential Code (the Code). The law requires councils to comply with the code to be able to borrow money.[6] It requires, for example, councils to think in the long term when making decisions and be focused on achieving objectives the council has set itself.

40 Capital plans are usually short term in nature. Councils typically publish their capital plans annually as part of the budget setting process. They usually also publish their list of projects for the next year at the same time. This means that plans have a relatively short-term focus and are then revised each year. Planning for the longer term can both show how the Code has been applied, but can also help councils to ensure they are balancing short and longer-term factors to achieve VFM.

41 All councils have a capital strategy. However, whilst some include a strategic vision, the majority were focused on the minimum content required by the Code. This means that most councils may be missing an opportunity to set a clear strategic direction for their capital investments. Strategic direction can help the council to develop projects that contribute to shared objectives and aims.

6 We explain the requirements of the Prudential Code in **Appendix 2**.

Councils do not clearly show how their capital plans support the delivery of their well-being objectives

42 It is not clear how councils ensure their capital plans help them to deliver their well-being objectives. All councils must set well-being objectives by law. Well-being objectives provide strategic direction for local priorities, as well as showing how councils are contributing towards the national well-being goals. Councils do not set out how their capital plans will help them meet these objectives. Most plans mention well-being objectives and that the plans support the achievement of them, but lack detail to demonstrate how they will do this. This could increase the risk of councils approving projects that do not help them meet their objectives, or, at worst, impede their progress.

43 Some councils questioned whether capital plans needed to be linked in detail to well-being objectives. In their view, their corporate plan provided strategic direction and so it was not necessary to include this detail in capital plans. However, without showing how they intend capital spending will support their wider corporate objectives, it is difficult for them to know if they are achieving VFM.

44 Councils do not always clearly show how individual capital projects support the delivery of their well-being objectives. Some councils set out how capital projects support strategic objectives, but they generally do not explain in detail how they will do this. This makes it difficult for councils to know if and how individual capital projects are supporting them to deliver their well-being objectives and therefore secure VFM. This also reduces the opportunity for councillors to scrutinise the rationale for projects.

45 Conwy County Borough Council clearly shows how individual capital projects link to its strategic objectives. The Council publishes a business case for each proposed project in its annual capital plan (**Exhibit 3**). The business cases are also published and reported to councillors so they can scrutinise them. This helps councillors to scrutinise the intended impact of capital spending.

Exhibit 3: interesting practice example

Conwy County Borough Council capital business cases

For each proposed project, Conwy Council completes a business case proforma that includes:

- a description of the project and how it supports services;
- the five main intended outcomes of the proposal;
- how the proposal links to its corporate plan outcomes;
- other options that have been considered instead of the proposal;
- the impact of the proposal on corporate risks and climate change;
- how the proposal demonstrates the five ways of working set out in the Well-being of Future Generations (Wales) Act 2015;
- the delivery implications of the proposal; and
- key financial information like upfront capital costs and ongoing revenue costs.

Source: Conwy County Borough Council

Councils do not clearly explain their aims for capital planning

46 Councils' capital plans do not clearly set out the aims and objectives that councils are seeking to achieve from their capital spending. Although officers and councillors were able to more clearly describe what they saw as their council's ambition for capital planning during interviews. Councils' plans for capital planning vary significantly. Some councils focus largely on maintenance only, due to a lack of funds, whilst others described a focus largely on developing new assets only. A few others described their ambition to do both at a significant scale.

47 Setting clear aims and objectives also has a range of benefits. They include:

- aligning capital plans to other plans and strategies that councils and their partners have in place. This could include, for example, digital strategies or workforce planning.
- aligning capital plans to any financial targets for capital receipts generation or other financial indicators.
- setting a clear direction to officers and councillors about what the council is aiming to achieve. This helps to provide a framework for officers to develop proposals and for councillors to scrutinise proposals and take decisions.
- helping to be clear on why individual projects have been included in the capital plan and how these support the overall aims and objectives.

48 There can be a tension for councillors in making decisions on capital plans in balancing the needs of their local area and the council area. We recognise there will always be tensions and competing priorities for capital funding, particularly during a time of significant financial constraints. We also recognise that decisions on how to allocate budgets within councils are a matter for councillors. However, competing priorities reinforce the need for councils to set clear intended outcomes for their capital plans, to help ensure that spending is focused on securing the best VFM over the council area as a whole.

Councils do not clearly set out how they will achieve VFM in their plans

49 The Prudential Code requires councils to consider VFM when planning their borrowing. Whilst some plans reference the need to secure VFM, almost all plans do not set how councils intend to achieve it. This increases the risk of councils either not securing value for money, or knowing if they are securing VFM, as the plans are delivered.

50 The Vale of Glamorgan Council includes a section in its capital strategy that sets out how it will achieve VFM. It sets out the arrangements it will use to do this, such as its procurement strategy and project management methodology. Being clear on the arrangements needed may help to reduce the risk of the council not securing VFM.

The evidence base for capital plans

51 Well informed decisions on capital spending are key to helping councils to achieve VFM. This can include considering a range of factors, such as the condition of current assets, statutory responsibilities, new technology or demographic trends and public expectations. Balancing all of these factors is difficult, and many future trends are not easy to predict. However, taking account of these factors can help councils to plan for the longer term and ensure that capital spending is focused on need.

Councils do not generally have a comprehensive understanding of the condition of all of their assets

52 Understanding the condition of assets is a key source of evidence to inform capital plans. It should influence decisions on which assets to maintain, repair, replace and dispose of. Audit Wales and its predecessors have highlighted this in the past.[7] In 1988, the Audit Commission recommended that councils measure the condition of their assets to plan for their maintenance. It repeated these findings in 2000.[8] It also argued for the need for councils to know the VFM that council properties were delivering. Similarly, we have also recently reported that councils need to know the condition of their assets, to plan to get the most VFM from them over the long term.[9]

53 The level of concern about the condition of assets varies by council. We heard some concerns about the general ageing of key assets. This includes not just those owned by councils but also those that they rely on that are owned by third parties. Concerns focused on the risk that the scale of the issue has not been fully assessed, to enable assets to be maintained or replaced. The UK National Infrastructure Commission (UKNIC) notes that key assets are increasingly exposed to risks from age and climate change.[10] It called for better up-keep and renewal of assets, in addition to longer-term decision-making.

7 The Audit Commission audited councils and some other public bodies in Wales before devolution.
8 Audit Commission, Hot Property, April 2000
9 Audit Wales, Springing Forward, September 2023
10 UKNIC, Second National Infrastructure Assessment, October 2023

54 Despite these concerns, councils have not completed asset condition surveys of most of their assets. Although many councils have said they will complete surveys, they either have not done so yet, or will do as part of a multi-year plan to do so. Councils instead generally rely on the views of their estates officers to know about the condition of their assets to inform maintenance plans. This poses risks, including the significant reliance placed on the knowledge and experience of key individuals. It also means information on asset condition may not be comprehensive or consistent. The lack of comprehensive information on asset conditions means that capital plans are generally not well informed.

55 Councils generally have a better understanding of the condition of their schools and roads than other assets. This is due to support from the Welsh Government. The Welsh Government funded surveys to give a consistent view of the condition of school buildings. This allows for comparisons of conditions and cost estimates. A similar approach has also been taken with some roads. Overall, this means that maintenance plans for roads and schools have been better informed than for other service areas.

56 Many councils plan to carry out asset condition surveys. Surveys are a common action in asset management and capital plans. Some councils have already started this process and are using it to guide future projects (**Exhibit 4**). These examples show that knowing the condition of assets can also help inform service change or transformation projects.

Exhibit 4: interesting practice examples

Powys County Council

The Council has started a rolling survey programme of its assets. The surveys will share findings to its transformation project. This means that capital information will be used with delivery and financial information factors to make decisions.

Rhondda Cynon Taf County Borough Council

The Council has surveyed its in-house care homes. It has used this to review their condition and their potential for change. This has informed its decisions about the future of its social care provision.

Source: Powys County Council and Rhondda Cynon Taf County Borough Council

57 Knowing the conditions of assets also helps councils ensure that their financial accounts are accurate. Councils are required to ensure that the value of assets recorded in their accounts is materially accurate. This means knowing what the impact of any damage or change of use can have on their value. For example, where a school roof requires replacement, this may mean the value of the school building needs to be impaired. Maintaining a good understanding of asset condition helps councils ensure that the fair value of assets is recorded.

Capital plans do not clearly set out the impacts of national policy and how this has shaped them

58 National objectives and policies can have a range of influences on local capital plans. It is clear from our interviews, officers know the influence that national policies can have on capital plans. This includes:

- changes to the Welsh Housing Quality Standards for councils that have council houses;
- the requirement for children's social care providers to be not for profit that may require changes in in-house provision;
- the target for the public sector to be net zero in carbon emissions by 2030 that may require changes to fleet or buildings; or
- changes to recycling targets that may require changes to equipment and facilities.

59 Whilst clearly aware of these influences, few councils can show how they have considered them in their capital plans. This means it is not clear how councils have factored these issues into planning nor any tensions there may be with local priorities.

60 Some councils, however, did highlight some key influences on their strategy. For example, Pembrokeshire County Council included a strategic context section that included local corporate plan aims, climate change, and homelessness.

There is an opportunity for councils to work more closely with partners to plan their capital spending

61 Councils do not set out in their capital plans how they align with the objectives of other organisations, or with the seven national well-being goals. This risks councils duplicating or missing opportunities to secure multiple benefits and therefore not securing VFM.

62 Councils are required by law to take part in partnerships such as Public Services Boards (PSBs), Regional Planning Boards (RPBs), and Corporate Joint Committees (CJCs). Councils' partners sometimes cover geographical areas wider than their own, such as the emergency services or national park authorities.

63 We saw few examples of councils planning capital spending with partners outside of RPBs. In some areas, we heard that RPBs are seen to be driving collaborative investment in social care between councils and health boards. RPBs must send 10-year capital plans to the Welsh Government, which then provides funding directly to them. Officers were positive about the benefits of this approach in some areas, although this was at the initial stages of projects. In other areas, RPBs were not seen to have the same impact due to partners focusing on delivering their own plans.

64 Collaborating with partners to plan capital spending could provide opportunities to improve VFM, through, for example, sharing expertise, joint investments, sharing buildings, or buying equipment together.

65 During interviews, officers and councillors identified a number of barriers to collaboration with partners. These included:

- partners having different aims and objectives;
- challenges of splitting costs and the use of assets between partners;
- deciding who owns an asset;
- different rules and timings for funding between sectors;
- the time it takes to participate in a complex range of partnerships that councils are part of; and
- public bodies covering different geographical areas.

66 We recognise that there are often factors that make planning capital spending with partners difficult. However, by exploring and evaluating opportunities to collaborate, councils may identify opportunities to improve VFM. Partnership working is also a theme we have highlighted in other work recently, as an area that public bodies could strengthen to improve services and VFM.[11]

67 All the councils we met with could give examples of individual capital projects they are delivering in partnership. This included the joint purchasing of school ICT equipment and electric cars to achieve economies of scale. Some councils also described how they are co-locating services into one building with partners. This could help councils in delivering multiple objectives, such as investing in town centres, releasing surplus assets for sale, and/or making services more accessible for residents.

Capital plans are not clear on how they will help to reduce councils' capital risks

68 Most councils include some capital risks on their corporate risk registers, but it is often not clear how these inform capital plans. Of the 20 registers we looked at, almost all included a risk that was related to capital spending.[12] We found 81 capital-related risks in total. The type and nature of the risks varied by council. Some risks were more specific, such as the impact of climate change on assets or building capacity. Half of the registers included a risk that focused on the delivery of capital projects or the risk of not achieving intended outcomes.

69 We found few examples of councils clearly showing how their assessment of risk informed spending on buildings or equipment. For example, we found that 9% of capital risks related to condition. However, councils do not clearly show how they include asset condition in their capital plans (**paragraph 52**). This means the link between risk and spending is not always clear.

70 This was also the case for financial risks. 15% of the capital risks focused on the risk of councils not being able to fund their capital plans. This links to the views of almost all officers and councillors that money was the main limit on capital plans. This means that councils do not yet fully understand the scale of their funding challenges or the implications of not addressing it.

11 For example, it is a theme in our recent summary of findings from our work on the Well-being of Future Generations (Wales) Act – Audit Wales, No time to lose, in April 2025.

12 Two registers were not publicly available and so were not part of our analysis.

Councils do not clearly assess the equality and socio-economic impact of their capital plans

71 Only two councils have assessed the equality and socio-economic impacts of their capital plan. Some councils assess the impact of individual projects, although this varies according to the size and significance of those projects. Some councils also felt that this was not necessary if the projects were supporting delivery of their well-being objectives. As a result, it is not always clear how councils assure themselves that their plans are helping them to meet their statutory duties and meeting the needs of local communities.

Lack of officer capacity is limiting some councils' ability to develop their capital plans

72 Whilst this varies across councils, we heard some common concerns regarding a lack of officer capacity, these included:

- a lack of time and capacity for officers to plan due to day-to-day demands of service delivery;
- a lack of specialist skills within councils;
- challenges in recruiting and retaining officers;
- a reduction in some design or technical officers in councils; and
- contractors not being available to complete work when councils need it done.

73 Most councils we spoke to acknowledged they have skill gaps in some specialist areas. Some councils have used consultants to address this, but commissioning consultants can sometimes lead to increased costs. The time taken to commission consultants can also lead to delays in project delivery.

74 Delays and difficulties in the supply of contractors are also limiting how quickly councils can deliver their capital plans. All councils we spoke to raised this as a concern. This reflects the findings of the UKNIC. It reported that the lack of long-term investment by the public sector in construction has contributed to a lack of capacity. The UKNIC also found that how the construction sector is split up, such as through sub-contracting work, has made the capacity issue worse and led to higher costs. It is therefore important that councils consider how to overcome these challenges when developing their capital plans.

75 Councils' capital plans have not clearly set out in their capital plans how they will respond to all these potential limits on capacity. Many capital plans include a skills and people section. However, these sections largely focus on the financial skills needed to borrow money. They generally do not focus on the capacity of officers, and the technical skills needed to deliver plans and capital projects. By considering potential capacity restraints and how they might be overcome when developing plans, councils could reduce the risk of plans not being delivered.

76 One option to improve capacity could be to share specialist expertise across councils. We found little evidence of councils considering this as part of their approach to capital planning. This suggests there may be an opportunity for councils to explore this further to get better VFM and address their lack of specialist capacity.

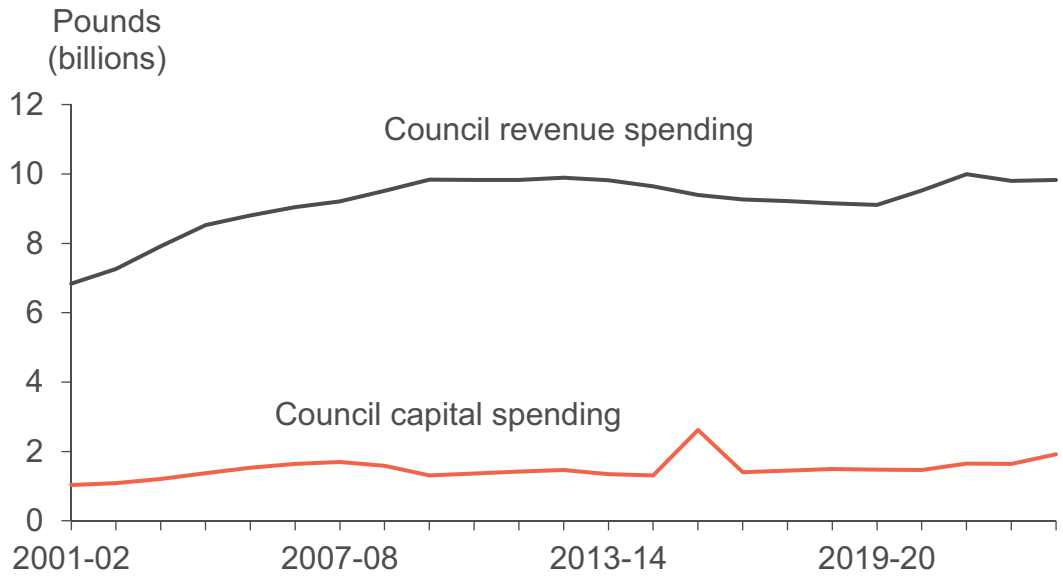
Funding capital spending

The level of capital spending by councils has remained broadly the same in recent decades, despite revenue spending increasing

77 The condition of almost all assets deteriorates over time. All councils inherited a mix of assets built or bought by their predecessors before 1996.[13] Councils have also faced increased levels of service demand in some key services, including, for example, social care and housing. The need to replace existing assets and increased demand for services can lead to increased demand for capital spending.

78 However, capital spending levels since 2001-02 have been largely static, especially when compared to revenue spending by councils (**Exhibit 5**).

Exhibit 5: net revenue and capital outturn spending by councils, 2001-02 to 2023-24 (in billion pounds at June 2025 prices)



Source: Audit Wales analysis of Welsh Government data (revenue and capital)

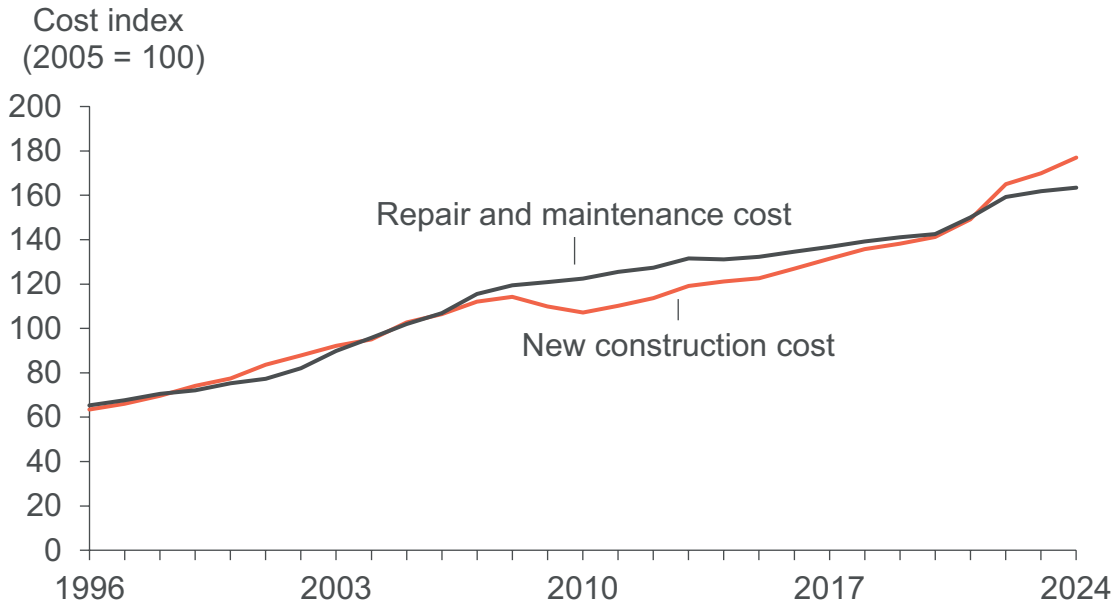
Notes: The 2015-16 capital data is inflated due to the process where 11 councils that owned council houses paid the UK Government to leave the housing subsidy system. The UK Government had used the subsidy system to ensure that rents covered costs with no deficit or surplus made. The 11 councils borrowed money to pay a lump sum to cover the loss of future surpluses to the UK Government. At June 2025 prices, this has a real terms value of £1.2 billion.

Audit Wales has adjusted spending data to account for the impact of inflation. Figures are given in June 2025 prices using data provided by His Majesty's Treasury.

13 The current unitary councils were created in 1996 and replaced the former county and district councils.

79 By avoiding or delaying capital spending, councils can face significantly higher (or potentially lower) costs in the future. As **Exhibit 6** shows, the costs of both new construction and maintenance have increased significantly over time – especially since the COVID-19 pandemic. This means delaying a project in the short term could reduce VFM in the long term. We recognise that predicting future trends is difficult, and the pandemic and its impact were unprecedented in modern times. However, this shows the importance of taking a long-term view to achieving VFM through capital planning.

Exhibit 6: indexed costs of new construction and maintenance, quarter four 1996 to quarter four 2024



Source: UK Government (up to 2014) and the Office for National Statistics (2014 onwards)

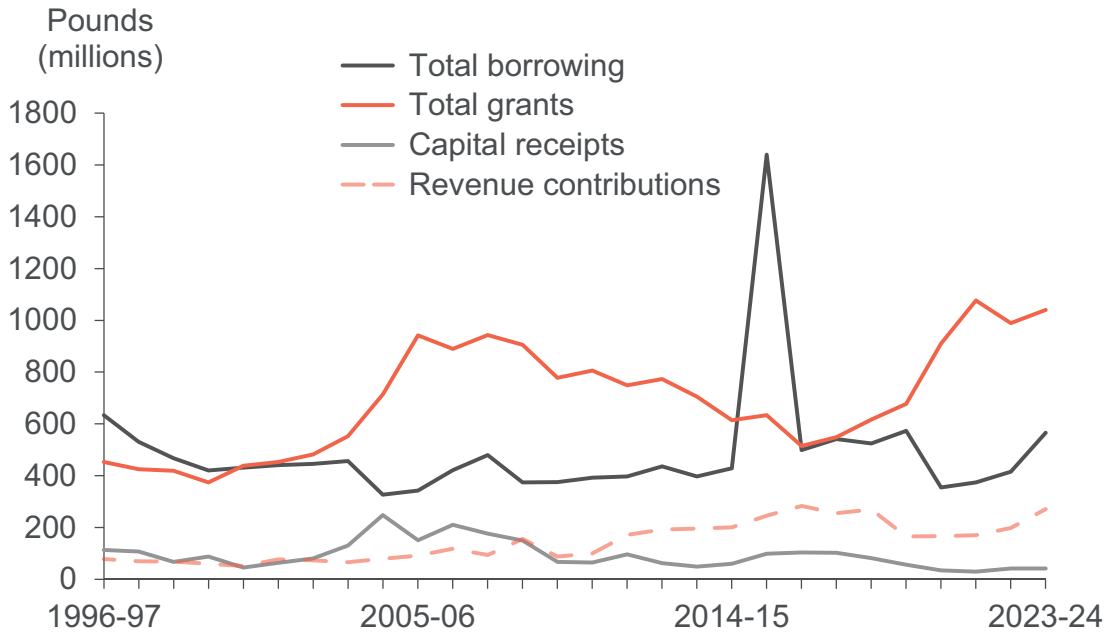
Notes: The costs are indexed with quarter one of 2005 being equivalent to 100 by the source of the data. This chart includes only quarter four data to illustrate the trend.

80 Investing in capital projects, whilst often meaning initial up-front costs, can help to reduce costs over the longer term. For example, a new building is likely to require less maintenance, be cheaper to heat and have a smaller carbon footprint. Councils can borrow money to increase their funding, but in doing so, they have to balance the cost of a project (both now and in the long term) against the need for the spending and the costs over time of not progressing with a project. Getting this difficult balance right is key to delivering VFM.

81 Councils have not significantly increased their level of borrowing over time to support their capital programmes. **Exhibit 7** shows that the real terms value of borrowing has been broadly consistent and has not overtaken the same level borrowed in 1996-97. This means in practice that the amount councils spend on capital projects is shaped by the amount of grants available rather than their borrowing.

82 This suggests that, overall, councils have generally decided not to increase borrowing to fund capital projects. This is understandable, particularly in an era where there has been continued pressure on public finances. However, this may also mean that, over the longer term, maintenance and other costs may increase. This, in turn, could place further pressure on already stretched revenue budgets.

Exhibit 7: real terms changes in the sources of capital funding by councils, 1996-97 to 2023-24 (in million pounds at June 2025 prices)



Source: Audit Wales analysis of Welsh Government data

Notes: The 2015-16 data is inflated due to the process where 11 councils that owned council houses paid the UK Government to leave the housing subsidy system. The UK Government had used the subsidy system to ensure that rents covered costs with no deficit or surplus made. The 11 councils borrowed money to pay a lump sum to cover the loss of future surpluses to the UK Government. At June 2025 prices, this has a real terms value of £1.2 billion.

Audit Wales has adjusted spending data to account for the impact of inflation. Figures are given in June 2025 prices using data provided by His Majesty's Treasury.

Less money from the sale of assets has led to councils spending more of their revenue budgets on capital projects

83 Councils sometimes use the proceeds of selling assets to fund their capital spending. These are known as capital receipts. The value of capital receipts used to fund capital spending by councils has fallen sharply over time (**Exhibit 7**). This may be due to them having fewer surplus assets, or, for example, falls in the value of property. This has led to councils increasing contributions from their revenue budgets to fund projects. Councils already face significant financial pressures, which means the use of revenue funding in place of capital receipts may increase risks for the financial sustainability of councils.

84 However, councils face a difficult balancing act. As noted above, by not investing in capital plans, councils can also risk higher revenue costs, like running or maintaining inefficient buildings. Older assets may also not help councils deliver wider objectives such as reducing carbon emissions or digitising services. To reduce these risks, councils will need to balance the long and short-term impacts of revenue contributions to get the best VFM over the longer term.

Performance reporting and scrutiny

85 We recognise that setting out and measuring the intended outcomes of capital projects can be difficult. For some projects, the outcomes will not be known for many years.

86 However, public reporting on project delivery and progress towards outcomes can help provide assurance that projects are progressing as planned and are meeting their objectives. This can also help councillors, officers, and other stakeholders assess and monitor if councils are delivering VFM.

Most councils regularly report on the progress of capital projects but these reports focus mainly on budget monitoring

87 Most council cabinets receive progress reports on their capital projects. These progress reports typically focus on what they have spent. Reports typically set out the spending on a project and how this varies to the forecasted budget. Reports generally contain limited information, for example, on the reasons for delays in projects, and the impact of this on the council's well-being objectives. This limits the potential for cabinet members and other stakeholders to understand how well the council is progressing its capital plans.

88 We also found that scrutiny committees do not regularly request or receive reports on capital plans and projects. Whilst it is for individual scrutiny committees to set their own work programmes, capital projects are a significant area of council spending and activity. We heard from members and officers that, typically, councils focus more on their revenue budget plans than capital. This was felt to be partly because revenue spending often provides a more immediate outcome. However, greater focus on capital plans by scrutiny committees could help to ensure that risks to the delivery of capital plans and projects are identified and addressed.

89 Councils also do not routinely evaluate their projects to know if they have achieved the benefits they planned for, after they complete them. This means that councils do not always know whether their capital projects and plans have delivered VFM.

Councillors often do not receive training to help them oversee capital planning

90 Not all councils offer training to councillors on capital planning. Some councillors believed that they had received training that would help them engage with reports on capital planning and spending, but most did not. There are a range of possible topics that councillors might find beneficial, including, for example, the financial rules that govern capital planning. Ensuring that councillors are equipped with the knowledge and skills to be able to take decisions, scrutinise proposals and monitor delivery is important to ensure proper oversight of capital planning.

91 Council officers explained that treasury management training is the main way to improve councillors' knowledge of capital planning. Treasury management is how an organisation manages their money and investments to support their aims and maximise their value. This is important, as councils can borrow money to fund capital projects, but also need to be prudent when deciding how much to borrow. However, there are other key aspects of capital projects that also need to be considered against the costs of borrowing, including, for example, the benefits of a project for service users.

92 We also heard that, when training sessions were offered, engagement and attendance of councillors was often poor. This means that councillors may be making decisions on, or scrutinising capital plans, without the appropriate knowledge.

4 Recommendations

Recommendations for councils

R1 Councils should review their capital planning arrangements taking account of the issues we have identified in our report, to identify and implement opportunities for improvement. We have developed a checklist (**Appendix 4**) that councils may find helpful to support this.

As part of this, we recommend that councils should focus in particular on:

1.1 ensuring that capital plans and financial statements are informed by a recent, accurate and comprehensive knowledge of the condition of their assets (**paragraphs 52 to 57**);

1.2 routinely evaluating their capital projects to assess if they have achieved their intended outcomes (**paragraphs 87 to 89**);

1.3 ensuring that appropriate training is provided to councillors to enable them to take well-informed decisions on, and provide effective oversight and scrutiny of, capital plans and projects (**paragraphs 89 to 91**).

Recommendations for the Welsh Government

R2 The Welsh Government should review its restricted capital grants processes to ensure that they are proportionate and where practical, consistent, to improve the efficiency of grant funding processes. This should include:

2.1 improving co-ordination between different parts of the Welsh Government on grant timing, application requirements, and ongoing monitoring arrangements (**paragraphs 26 to 33**);

2.2 developing a more consistent business case approach for grants, proportionate to the scale of grants or the level of risk associated with them (**paragraphs 28 to 29, and 32**).

R3 The Welsh Government should ensure that, where practical, new capital grant funding schemes help councils to plan over the longer term. To do this it should review if:

3.1 longer timescales for grants can be introduced, including indicative funding over the medium term;

3.2 greater notice can be given to councils that grant funding will be available;

3.3 where is not possible, the Welsh Government should communicate with council officers to support their understanding of the reasons for this (**paragraphs 14 to 25**).

Appendices

1 About our work

2 Capital spending explained

3 Key terms in this report

4 Capital planning checklist

1 About our work

Scope of the audit

We looked at how all 22 principal councils in Wales plan their capital spending. To do this, we focused on their key planning documents, like their capital strategy and annual capital budget. We looked at the information within them and their supporting papers. We limited ourselves to the evidence shared with us by each council and those publicly available on their websites.

We did not look at the projects that are included within council plans. We did not form a view on the merits of their inclusion nor on the aims and ambitions that each council has set.

We also did not look at the capital planning carried out by other public bodies. Our work focused only on the principal councils and not other local government bodies, such as Fire and Rescue or National Park Authorities.

Audit questions and criteria

Audit questions

Our questions aimed to help us form a national view of capital planning by councils. This was to enable us to make recommendations to help councils improve the VFM they achieve. To do this, we focused on:

- whether councils are taking a strategic approach to their capital planning;
- if councils understand their current assets and what is needed for the future and if they use this to inform their capital plans;
- if councils use their understanding of their financial position to help them plan; and
- whether councillors provide and are supported to provide effective oversight and scrutiny of capital planning.

In our questions, we also looked to consider whether councils had thought about and applied the sustainable development principle in their capital planning.

Criteria

We shaped our criteria by looking at guidance and good practice guides for capital planning. This included the Prudential Code and capital strategy guidance that was issued by CIPFA in 2021. We also included the Welsh Government's guidance on Minimum Revenue Provisions from 2018.
Our criteria also drew on our knowledge of the sector and the sustainable development principle. We develop our knowledge of councils by completing both performance and financial audits.

Methods

- document reviews – we reviewed the capital plans and supporting documents of all principal councils. We also reviewed national reports and guidance issued by national bodies.
- local interviews – we met senior staff and councillors to discuss capital planning at six councils. In choosing these six councils, we looked at things like location, size, how rural they are, and the scale of their capital plans. The six councils were:
  - Isle of Anglesey County Council
  - Neath Port Talbot Council
  - Powys County Council
  - Rhondda Cynon Taf County Borough Council
  - Swansea Council
  - Torfaen County Borough Council
- national interviews – we interviewed people from a number of national organisations. This included:
  - officials from the Welsh Government;
  - officers of the Welsh Local Government Association (WLGA); and
  - members of the Society of Welsh Treasurers.
- data analysis – we analysed data published by the Welsh Government and published by StatsWales. This included revenue and capital spending data, which the Welsh Government collect from councils each year, as well as financial data provided by councils. We added to this with analysis of other financial information, such as the statement of accounts published by councils.
- cumulative audit knowledge and experience – we used our knowledge and experience of the sector acquired through our other work to help inform this work.

2 Capital spending explained

What is capital spending?

Capital spending is money spent by an organisation to acquire, create, upgrade, or maintain assets that they own or have the right to control. For councils, the Local Government Act 2003 defines it as spending 'capitalised in accordance with proper practices'. This means spending recognised as being capital spending under the Code of Practice on Local Authority Accounting, issued by CIPFA. Councils and others commonly refer to this as the CIPFA Code. The Code regulates how local government bodies should account for all spending, income, assets, and liabilities.

Councils may use capital funding for revenue purposes only when they are allowed to by the Welsh Government. This is known as a capitalisation directive and is issued by the Welsh Government under the 2003 Act. This allows councils not to account for their spending in a specific scenario in line with the CIPFA Code.

Is maintenance capital spending?

It can be difficult to decide whether maintenance is capital or revenue spending. The Code is clear that the day-to-day costs of servicing an asset are not capital spending. This could be the cost of labour to run a building or small replacement parts. This is because these costs do not add to the benefit or service an asset could provide in the future.

If maintenance spending enhances an asset, then it can be classed as capital spending. This could be through extending the useful life of an asset. It could also be through increasing the level of performance an asset could provide. This needs to be assessed by the council on a case-by-case basis. CIPFA has provided illustrative examples to help councils in their decisions (**Exhibit 8**).

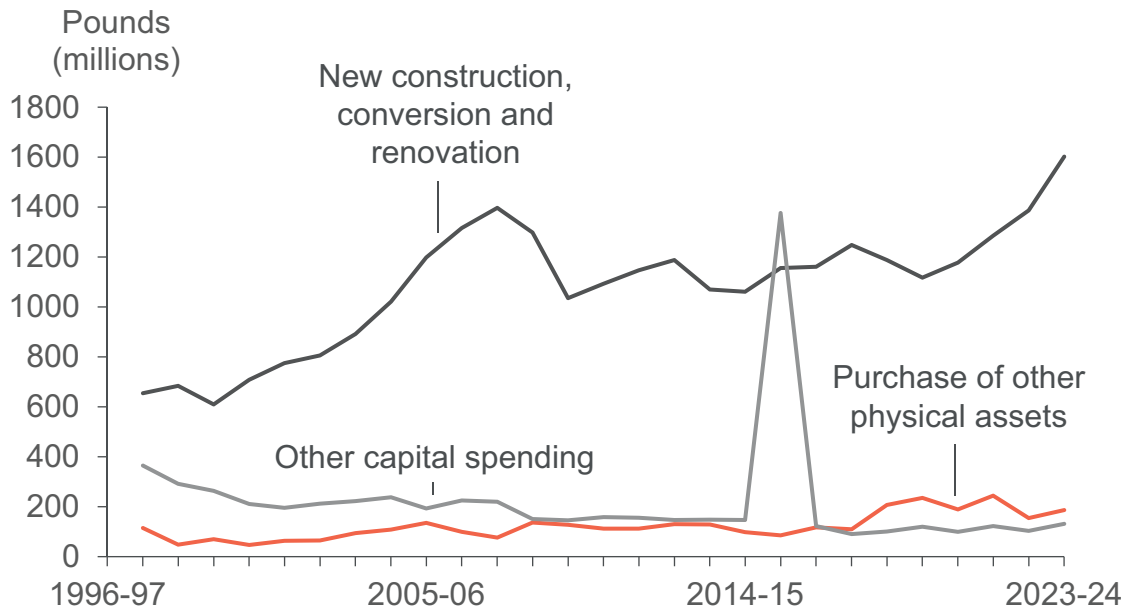
Exhibit 8: examples of maintenance spending that could be revenue or capital

Example	Capital or revenue?	Explanation
Painting	Revenue	It is expected that a building would have effective paint coverage over its useful life. Painting would not increase this life or provide more performance.
Replacing windows (like for like)	Revenue	If the same type of windows are replaced, eg double glazed by double glazed, then it has not enhanced the asset.
Replacing windows (not like for like)	Capital	Upgrading windows, such as from single to double glazing, would enhance the asset.
Building refurbishment	Capital	If refurbishing a building results in its useful life being extended or its performance potential being increased, this would enhance the asset.

Source: CIPFA, Practitioners' Guide to Capital Finance, March 2019

Councils spend most of their capital funding on building or renovating new assets. Since 1997-98, the real terms amount spent on new construction, conversion or renovation of buildings has grown significantly faster than other forms of capital spending (**Exhibit 9**). 83% of capital spending in 2023-24 was spent on new construction, conversion or renovation, compared to 58% in 1997-98.

Exhibit 9: capital spending by spending type in real terms, 1997-98 to 2023-24



Source: Audit Wales analysis of Welsh Government data

Notes: The 2015-16 data is inflated due to the process where 11 councils that owned council houses paid the UK Government to leave the housing subsidy system. The UK Government had used the subsidy system to ensure that rents covered costs with no deficit or surplus made. The 11 councils borrowed money to pay a lump sum to cover the loss of future surpluses to the UK Government. At June 2025 prices, this has a real terms value of £1.2 billion.

Audit Wales has adjusted spending data to account for the impact of inflation. Figures are given in June 2025 prices using data provided by His Majesty's Treasury.

Other capital spending includes the awarding of capital grants, credit arrangements, and the purchase of intangible assets.

What are the sources of capital spending?

Capital spending, like revenue spending, can have multiple sources of funding. The sources could wholly fund or be combined to fund a project. The primary sources of funding are:

- grants and third-party contributions – these are funds provided by another body to the council to fund a capital project. There are two main types – unrestricted and restricted. Unrestricted grants can be used for any capital project. This would include funding provided by the Welsh Government each year. Restricted grants must be used for a specific purpose that the funder sets. For example, lottery funding, or sustainable communities for learning grants.
- revenue contributions – these are funds from the revenue budget for capital spending. This may be to fund a specific project in-year, or the use of a reserve earmarked for a longer-term purpose, such as infrastructure investment.
- capital receipts – this is funding from the proceeds of the disposal of assets. Receipts can only be used for capital spending, except where the Welsh Government allows them to be used in revenue spending through a capitalisation directive.[14]
- capital reserves – this is funding from the use of a reserve allowed only for capital spending. These are generally built up from revenue contributions over time. For example, where a council contributes funding over time for the replacement of a vehicle that a council expects to be usable for a specific number of years.
- borrowing – funding from the council taking out debt over a set time period. This can be from market sources, like a bank, but is typically from HM Treasury through the Public Works Loan Board (PWLB).

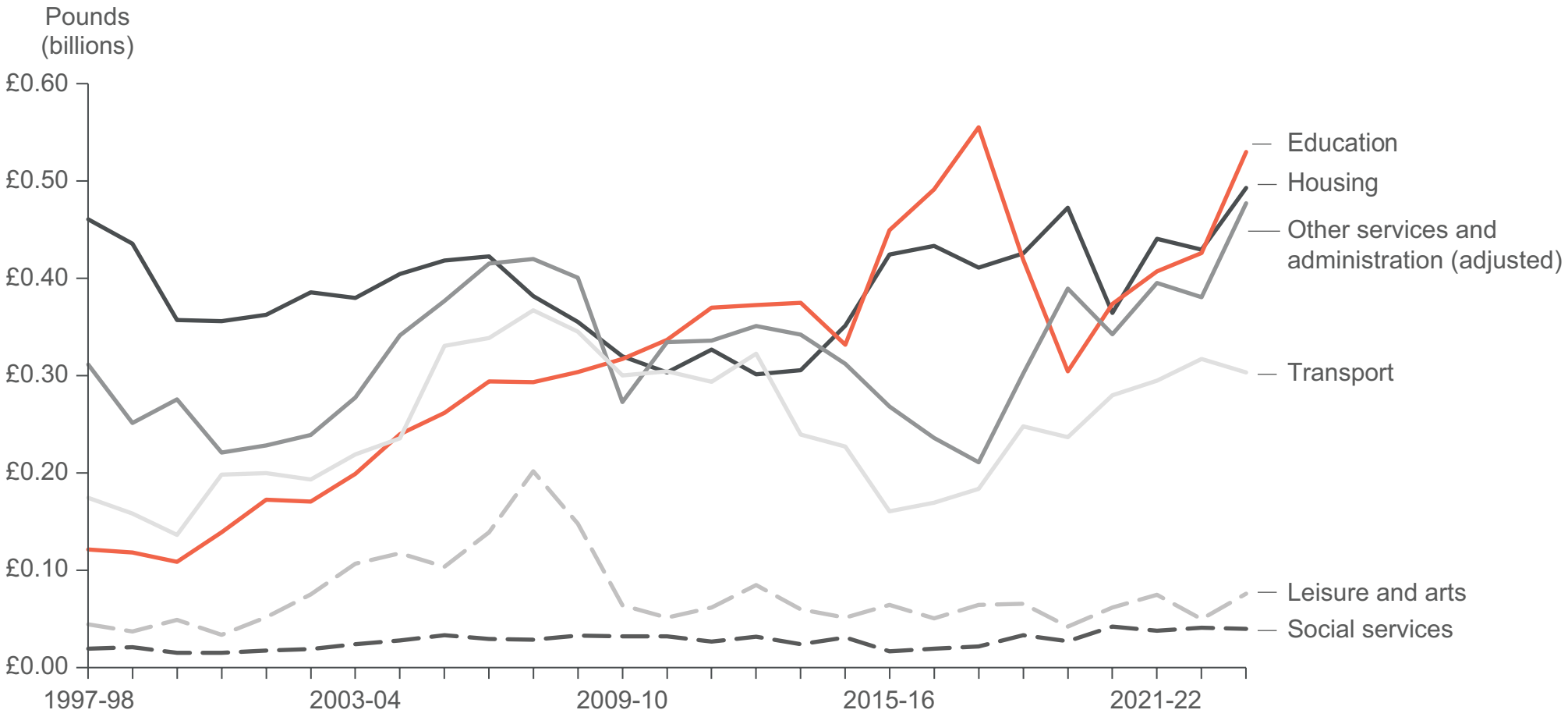
The real terms changes in the value of funding sources are set out in **Exhibit 7**.

14 The Welsh Government has issued guidance under the section 15(1)(a) of the Local Government Act 2003 for the flexible use of capital receipts. It allows receipts to be spent 'on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery in a way that reduces costs or demand for services in future years'.

How does capital spending vary by service?

Some services offered by councils spend significantly more capital funding than others. This relates to the nature of the service that they offer. Since 1997-98, housing and education have been the two largest spending service areas for capital spending. This relates to the investment in homes and schools that are fundamentally linked to the services they provide. They have different trends over time, however. As **Exhibit 10** shows, education spending has significantly increased in real terms since 1997-98. This is mainly due to the two school investment programmes from the Welsh Government – 21st Century Schools and Sustainable Communities for Learning. Over the same period, spending on housing fell in real terms until 2013-14, before increasing to similar levels as 1997-98. Other services, such as social services, have been more consistent in their spending.

Exhibit 10: capital spending in real terms by service area, 1997-98 to 2023-24



Source: Audit Wales analysis of Welsh Government data

Notes: The 2015-16 data for other services has been adjusted to remove the impact of the housing subsidy buyout affecting some councils. This was a process where 11 councils that owned council houses paid the UK Government to leave the housing subsidy system. The UK Government had used the subsidy system to ensure that rents covered costs with no deficit or surplus made. The 11 councils borrowed money to pay a lump sum to cover the loss of future surpluses to the UK Government. At June 2025 prices, this had a real terms value of £1.2 billion. It has been removed from this chart to enable the general trend of services to be more clearly seen.

Audit Wales has adjusted spending data to account for the impact of inflation. Figures are given in June 2025 prices using data provided by His Majesty's Treasury.

Other services and administration include service areas like environmental services, planning and development, and protective services. They also include general administration capital costs.

What are the rules for borrowing by councils?

The Local Government Act 2003 sets the legal rules that restrict and regulate how councils can borrow money. Councils may only borrow for capital spending and where they do not breach their prudential limits. They must set their limits and then keep them under review. To do this, CIPFA produces the Prudential Code that helps councils to set their limits and follow the law. These rules came into place in 2004-05 and replaced government set limits on borrowing.

The Prudential Code sets out how it should be used to support councils in their capital planning. It states that it should also support asset management planning and options appraisals. It includes the key matters a council should have regard for when setting or revising its borrowing indicators. These are:

- service objectives;
- asset management;
- VFM;
- prudence and sustainability;
- affordability; and
- practicality and achievability.

The Prudential Code also sets clear requirements on councils to ensure that their borrowing plans are prudent and consider the impact of repayment. This must be done over a rolling three-year period but have a longer-time period in mind.

The borrowing indicators required by councils are:

- estimated capital spending for the current financial year;
- estimates of future capital spending over three years;
- actual capital spending for the financial year at the year-end;
- the authorised limit – the maximum amount of borrowing the council assesses it can afford to borrow;
- the operational boundary – the maximum level of borrowing estimated that the council will need over three years;
- actual external debt;
- gross debt and the capital financing requirement – comparing borrowing taken against need to ensure debt does not exceed need;
- estimated financing costs to the revenue budget;
- actual financing costs to the revenue budget at the year-end;
- estimated net income from commercial and service investments; and
- actual estimates of net income from commercial and service investments.

Councils account for the impacts of borrowing in their accounts through their Minimum Revenue Provision (MRP). The MRP is an accounting transaction that councils make to charge their revenue budget for the cost of borrowing money. The Welsh Government sets the methods that councils can use to calculate their MRP in guidance issued under the 2003 Act. The main aim of MRP is to spread the accounting cost of the borrowing across the useful life of the asset it relates to.

Borrowing also impacts on how councils manage their cash and investments – known as treasury management. Councils often combine their capital and treasury management strategies due to the close relationship between borrowing, investing, and using cash. This adds complexity to borrowing, as councils need to time their borrowing correctly, to ensure they have enough cash available but minimise costs and maximise their returns.

3 Key terms in this report

Term	Description
Capital spending	The spending by councils on purchasing, building, or developing assets to deliver services. It does not include the ongoing costs of running the assets.
Capital accounting	The way that councils record how they have spent their funds and ensure they have the fair value of the assets that they control.
Collaboration	Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.
Five ways of working	The five things the Welsh Government set out that public bodies need to think about to show that they have applied the sustainable development principle within the Well-being of Future Generations (Wales) Act 2015.
Integration	Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.
Local Government Borrowing Initiative (LGBI)	A Welsh Government scheme to fund the ongoing costs of councils borrowing for a capital project. In 2025, LGBI was limited to highways projects.
Restricted grants	These are grants that must be used for the purpose set out in an offer letter by the Welsh Government. Councils typically must meet conditions to receive this funding. They are also referred to as hypothecated grants.
Sustainable development principle	The sustainable development principle is defined as acting in a manner 'which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'.
Treasury management	The way that an organisation manages its cash and investments to respond to risks and fund their own commitments and plans.
Unrestricted grants	These are grants that councils have greater flexibility to use how they want to, whilst still being restricted to either revenue or capital spending. They are also referred to as unhypothecated grants.

4 Capital planning checklist

We have produced this checklist as a tool that councils may find helpful to assess their capital planning arrangements and identify any areas for improvement. This is informed by our findings, practice guidance, and our sector knowledge.

Exhibit 11: capital planning self-assessment checklist

Theme	Paragraph reference	Questions to consider	Council self-assessment
Strategic context	58 to 60	Does the capital plan set out the strategic context for capital planning? For example: • known challenges facing the council; • gaps in the council's knowledge and the actions needed to close them; and • local, regional, and national policies that impact on capital plans.	
Aims and Objectives	38 to 45	Does the capital plan cover both the short and longer term? Does the capital plan include clear aims and objectives. For example: • a long-term ambition for the purpose of capital investment in the council area; • a set of clear objectives that support the achievement of the council's ambition; and • details of how it will support the council's wider objectives.	

Theme	Paragraph reference	Questions to consider	Council self-assessment
Focusing on outcomes	46 to 48	Has the council set out: • what success looks like for the plan overall; • what success looks like for individual projects; and • how it will measure and monitor this.	
Knowing the condition of assets	52 to 57	Is the council's capital plan informed by a recent, accurate and comprehensive knowledge of the condition of assets? Does the council's capital plan include a maintenance plan based on realistic costs? Has the council assessed which assets it needs to successfully deliver its well-being objectives, and how much they will cost? Has the council considered a range of options in response to condition surveys – for example co-location or service re-design.	
Working with others	61 to 67, and 76	Has the council worked with partners to: • identify opportunities to jointly plan and deliver capital projects; • ensure that capital plans are aligned, including identifying mutual priorities that capital plans can help deliver; and • explore the pooling of knowledge, skills and resources to improve capital planning.	

Theme	Paragraph reference	Questions to consider	Council self-assessment
Planning for risk and assessing impact	68 to 71	Does the Council: • complete impact assessments for all projects; • assess the impact of capital plans overall; • identify the intended socio-economic outcomes for residents in capital plans; • ensure that capital risks are assessed and recorded; and • set out how capital risks will be mitigated in capital plans.	
Understanding resource requirements	42, 54 to 56, 70, and 72 to 76	Does the council: • set out realistic costs for the new assets and maintenance it needs to deliver its objectives; • set out the prudent and affordable level of funding available (both internal and external) over the medium term; • calculate and communicate a capital funding gap based on identified needs and funding available; • set out how the gap will be managed and mitigated against; and • include consideration of non-financial resources in plans, such as capacity and contractor supply.	

Theme	Paragraph reference	Questions to consider	Council self-assessment
Monitoring progress and impact	87 to 89	Does the council: • regularly report publicly on progress in delivering its capital plan; • regularly report on the impacts and outcomes achieved from capital projects; and • include key financial information, such as comparing actual project costs to planned costs.	
Supporting oversight and scrutiny	90 to 92	Does the council ensure that councillors have access to training and development to enable them to: • take well informed decisions on capital plans and projects; and • effectively scrutinise the progress and VFM of capital plans and projects.	

Source: Audit Wales

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

Audit Wales is the umbrella term used for both the Auditor General for Wales and the Wales Audit Office. These are separate legal entities with the distinct roles outlined above. Audit Wales itself is not a legal entity.

Archwilio Cymru
Audit Wales

Audit Wales

1 Capital Quarter

Tyndall Street

Cardiff CF10 4BZ

Tel: 029 2032 0500

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

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

Management response form (Appendix B)

Archwilio Cymru
Audit Wales

Audit Wales use only	
Audited body	Bridgend County Borough Council
Audit name	Capital planning
Issue date	2nd February 2026

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R1	Councils should review their capital planning arrangements taking account of the issues we have identified in our report, to identify and implement opportunities for improvement. We have developed a checklist (**Appendix 4**) that councils may find helpful to support this.	The long term planning for the capital programme will be enhanced by the Transformation Strategy 2040 which is currently being produced and will clarify the key aims and ambitions for the Council. The Strategy will be completed during the current financial year and will inform the decisions for the new financial year. Additions to the programme will have to	March 2027	Corporate Director – Finance and Transformation	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
	As part of this, we recommend that councils should focus in particular on: • ensuring that capital plans and financial statements are informed by a recent, accurate and comprehensive knowledge of the condition of their assets (**paragraphs 52 to 57**); • routinely evaluating their capital projects to assess if they have achieved their intended outcomes (**paragraphs 87 to 89**); • ensuring that appropriate training is provided to councillors to enable them to take well-	evidence how they meet those identified ambitions. A programme of condition surveys, which will cover all Council assets, is to commence in April 2025	Survey to be completed in 12 months Framework to be agreed by September 2026 By December 2026	Corporate Director – Communities Corporate Director – Finance and Transformation	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
	informed decisions on, and provide effective oversight and scrutiny of, capital plans and projects (**paragraphs 89 to 91**).	A revised programme management and reporting framework for the capital programme is to be introduced as part of the transformation agenda within the Council Training to be provided to all elected members on the revised programme management, planning and reporting framework for the capital programme		Corporate Director – Finance and Transformation	

Appendix C

Archwilio Cymru
Audit Wales

Recruitment and retention challenges – the right people at the right time?

Bridgend County Borough Council

April 2026

We have prepared and published this report for presentation under the following duties:

- section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) to help enable the Auditor General to be satisfied (or not) that the Council has put in place proper arrangements to secure value for money in the use of its resources; and
- section 15 of the Well-being of Future Generations (Wales) Act 2015 to help enable the Auditor General to assess the extent to which the Council is acting in accordance with the sustainable development principle in taking steps to meet its well-being objectives.

© Auditor General for Wales 2026

You may re-use this publication (not including logos except as an integral part of the document) free of charge in any format or medium.

If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright, and you must give the title of this publication. Where we have identified any third-party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

If you need any help with this document

If you would like more information, or you need any of our publications in an alternative format or language, please:

- call us on 029 2032 0500
- email us at info@audit.wales

You can use English or Welsh when you get in touch with us – we will respond to you in the language you use.

Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Audit Wales follows the international performance audit standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI).

Contents

Audit snapshot		4
Our findings		6
Recommendations		12
Appendices		13
1	About our work	14
2	About us	16

Audit snapshot

What we looked at

1 We looked at the recruitment and retention challenges Bridgend County Borough Council (the Council) is facing. Including how well the Council understands its challenges, what it is doing in response, and how it reviews the value for money of its approaches.

Why this is important

2 Having the right workforce in place is essential for a Council to deliver the services its communities need and to meet its legal duties. To do this the Council needs to employ the right number of employees, with the right skills, at the right time.

3 The majority of the Council's day-to-day spending is used to pay for its workforce.

4 However, it is facing a number of challenges to recruit and retain people to deliver its services.

What we have found

5 The Council is taking action to address its recruitment and retention challenges, but it does not have all the information it needs to make sure this action is well-informed. It also does not assess the value for money of its approaches.

What we recommend

6 We make four recommendations. These focus on better understanding and reporting of recruitment and retention challenges, assessing value for money, and working collaboratively.

Our findings

Understanding the challenges

The Council does not have a comprehensive understanding of its recruitment and retention challenges

7 The Council has some knowledge of where its recruitment and retention challenges are. For example, officers know which roles are hard to fill in their services, but the Council does not keep a central list of these posts. This means the Council does not have oversight of hard-to-fill posts across the Council. Similarly, officers are aware of why certain posts are hard to fill within their services, but this insight is not gathered together or analysed across the Council.

8 If the Council does not identify which posts are hard to fill across its services, or understand the reasons why, it may focus its actions in the "wrong" areas and reduce value for money.

9 The Council uses a range of data to help it understand its current recruitment and retention challenges. Quarterly workforce reports to the Corporate Management Board (CMB) provide data on:

- headcount trends;
- age profiles;
- recruitment activity;
- working patterns;
- sickness;
- starters/leavers; and
- retention.

10 The Council also uses exit surveys to understand the reasons why people leave but the completion rate for these is low. The Council does not use data to forecast future recruitment and retention trends. This increases the risk of the Council not spotting problems early and increases the risk of short-term solutions that are not effective over the longer term.

11 The Council understands how it is using workforce management approaches to help address recruitment and retention challenges. These include fixed term contracts, agency staff, market supplements and honorariums. For example, the Council follows policies, such as the Council's Agency Worker Guidelines, and the South East Wales Technical and Professional Services (SEWTAPS) procurement framework when employing agency workers. The Council has also reduced reliance on agency workers in its Children's Services department.

12 The Council has clear policies on market supplements and honorariums. The Council also takes steps to manage the impact of recruitment freezes and vacancies. For example, the Council has used redeployment, vacancy management forms, and temporary staff to limit their impact.

13 By understanding the impact of different workforce management approaches, the Council reduces the risk of negative impacts on the culture and morale of the organisation. This in turn can help the Council to retain the talent it needs.

Addressing the challenges

The Council is taking action to address its recruitment and retention challenges, with some success

14 The Council has taken various actions to attract candidates, with some success. For example, the Council uses many channels to advertise vacancies including;

- it's website;
- social media;
- careers fairs;
- specialist recruitment websites; and
- targeted job alerts to prospective candidates.

15 It also has some examples of successful targeted recruitment campaigns, such as recruiting international candidates into its Children's Services team. By using a range of ways to recruit people, the Council increases the likelihood of attracting the talent it needs.

16 The Council has begun to use technology to improve how it onboards new staff. This includes automating some tools and processes to speed up onboarding. However, the time taken to onboard new staff varies considerably across services, mainly due to the time needed for references and safeguarding checks. The Council also does not measure the time it takes to hire new staff across service areas. This makes it difficult to track the effectiveness of its approach.

17 Having efficient onboarding processes can help the Council to ensure successful candidates take up their posts as well as giving new starters the best start in the organisation. This can help to reduce turnover and avoid the costs of recruiting and training replacements.

18 The Council has taken steps to help ensure that it recruits from the full diversity of the community. For example, it has sought to reduce bias in recruitment and help retention through:

- staff networks for groups sharing protected characteristics;
- mandatory e-learning for managers on fair and equitable recruitment and retention practices; and
- using inclusive language when recruiting to attract a wider pool of applicants.

19 By having arrangements to recruit from the full diversity of the community, the Council can increase its potential talent pool. It can also help it to deliver its wider objectives, for example in relation to equalities.

20 The Council has taken action to establish itself as an employer of choice. For example, it promotes a range of wellbeing and reward offers, such as:

- flexible working;
- employee assistance programme;
- occupational health service;
- wellbeing events;
- salary sacrifice schemes; and
- Real Living Wage status.

21 Offering different wellbeing and reward options can improve staff wellbeing, productivity and engagement, making it easier to hire and keep staff.

22 The Council also provides learning and development opportunities for staff, including a mandatory e-learning module on recruitment and retention for managers. It has also developed “grow your own” initiatives, such as career grade posts and apprenticeship schemes in some services. By supporting employee development, staff may be more motivated and work more effectively. This may also help staff retention.

23 The Council does not regularly engage with its workforce to address recruitment and retention challenges. However, the Council has recently reviewed its approach to improve future engagement with staff. Following this it has updated its approach to surveying staff, which it intends to use for its next staff survey. By not involving employees in developing its approach to recruitment and retention challenges, the Council may miss ideas and struggle to introduce solutions successfully.

24 Senior leaders are provided with a range of information to help them have oversight of recruitment and retention challenges. Quarterly workforce reports are considered by the CMB which has key workforce metrics on absence, appraisals, and recruitment activity. Workforce issues such as restructures or use of market supplements are also discussed at the Council's Heads of Service Group and CMB.

25 The Council's Cabinet Committee, Equalities and Employee Relations, also receives quarterly reports on workforce issues, as well as annual updates on apprenticeships, graduate schemes, and organisational development. Recruitment and retention are also included as a risk on the Council's corporate risk register. However, by the time some workforce data is reported to senior leaders it is out of date, which makes it less useful.

26 By ensuring senior leaders have timely oversight of recruitment and retention challenges the Council reduces the risk that they are not identified and addressed.

27 The Council does not typically seek to resolve longstanding recruitment or retention challenges through partnership working. By not collaborating with partners, the Council may miss opportunities to share resources, expertise, and good practice to resolve these challenges.

28 The Council uses technology to ease recruitment and retention challenges. Examples include use of technology to speed up and simplify job application and onboarding processes. It also uses digital platforms to help support hybrid working and for providing wellbeing resources for staff. Making effective use of technology can help the Council to reduce costs and improve both the efficiency and effectiveness of its recruitment processes.

Reviewing value for money

The Council does not assess the value for money of its approaches to recruitment and retention

29 The Council does not assess or monitor the value for money of its recruitment and retention approaches. It has also not clearly set out who has responsibility for monitoring this. The Council sometimes reviews the costs of initiatives and puts in place cost control measures. For example, for its external job advertising, its vacancy management process, and its contractor procurement framework (SEWTAPS). However, by not considering the cost and effectiveness of all its approaches it is unable to determine if they provide value for money.

30 The Council has taken steps to improve its approach to recruitment and retention. For example, the Council has:

- redesigned adverts for care roles;
- enhanced wellbeing and flexible working arrangements; and
- introduced a managed agency team approach in social care.

31 However, the Council does not have arrangements to ensure that it always learns from its different approaches. Whilst it engages in informal professional networks and peer discussions, the Council does not formally benchmark its approaches to recruitment and retention. Similarly, whilst learning is shared internally within the Council through informal discussions, it does not have a mechanism to ensure that learning is always captured and shared.

32 By not consistently identifying and sharing lessons learned the Council risks missing opportunities to improve value for money.

Recommendations

R1 The Council should ensure it has the information that it needs to fully understand current recruitment and retention challenges and potential future trends. This should include ensuring it involves the workforce as part of its evidence base to address challenges. **(Paragraphs 9, 10 and 23)**

R2 The Council should ensure that information on recruitment and retention challenges is reported in a timely way to senior leaders to enable effective and timely oversight and scrutiny. **(Paragraphs 24, 25 and 26)**

R3 The Council should develop an approach to assessing the value for money of its approaches to recruitment and retention and sharing lessons learned from this. **(Paragraphs 29 and 31)**

R4 The Council should ensure that, where appropriate, it explores opportunities to work collaboratively to resolve recruitment and retention challenges whilst securing value for money. **(Paragraph 27)**

Appendices

1 About our work

Scope of the audit

We looked at the challenges the Council faces in recruiting and retaining staff. This included how well the Council understands the challenges, the steps it is taking to respond to these challenges, and how it reviews the value for money of its approaches.

We did not look at the wider topic of workforce planning.

Audit questions and criteria

Questions

We set out to answer the following questions:

- Does the Council understand its recruitment and retention challenges?
- Is the Council taking action to its address recruitment and retention challenges?
- Does the Council review the value for money of its approaches to address recruitment and retention challenges?

Criteria

We have assessed the Council's arrangements by answering the above audit questions. To help us do that, we have created a set of audit criteria which explains 'what good looks like'. We have used the audit criteria to help us analyse the evidence we collected from our review of documentary evidence and the interviews we conducted.

Our audit criteria were informed by a combination of our knowledge and experience and research into this topic. It was also informed by our conversations with national stakeholders.

Methods

We interviewed senior officers and the cabinet member responsible for developing and delivering the Council's strategic approach to meeting its recruitment and retention challenges.

We also interviewed senior officers from three Council services that have faced acute recruitment and retention challenges.

We also reviewed a range of documents relevant to the audit questions we were seeking to answer.

2 About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

Audit Wales is the umbrella term used for both the Auditor General for Wales and the Wales Audit Office. These are separate legal entities with the distinct roles outlined above. Audit Wales itself is not a legal entity.

Archwilio Cymru
Audit Wales

Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

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

This page is intentionally left blank

Management response form

Archwilio Cymru
Audit Wales

Audit Wales use only	
Audited body	Bridgend County Borough Council
Audit name	Recruitment & Retention
Issue date	5/6/2026

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R1	The Council should ensure it has the information that it needs to fully understand current recruitment and retention challenges and potential future trends. This should include ensuring it involves the workforce as part of its evidence base to address challenges.	Review and develop alongside Directorates how we hold and report on relevant information linked to recruitment and retention challenges including vacancies, exit questionnaires, staff survey, market information and other relevant evidence.	31/03/2027	Group Manager (HR&OD)	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R2	The Council should ensure that information on recruitment and retention challenges is reported in a timely way to senior leaders to enable effective and timely oversight and scrutiny.	Have specific focus within the quarterly reporting to the Corporate Management Team on recruitment and retention, including updates on progress within services on key matters.	30/09/2026	Group Manager (HR&OD)	
R3	The Council should develop an approach to assessing the value for money of its approaches to recruitment and retention and sharing lessons learned from this.	It is difficult to quantify the value for money approach to recruitment and retention but will explore further and discuss with other councils to consider how they are approaching this.	31/03/2027	Group Manager (HR&OD)	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R4	The Council should ensure that, where appropriate, it explores opportunities to work collaboratively to resolve recruitment and retention challenges whilst securing value for money.	Continue to work collaboratively across the HRD network and other networks such as ADSS, PSB, SWP and with regional partners including Health to resolve recruitment and retention challenges, whilst recognising competing priorities, differing financial positions and the variety of terms and conditions.	31/03/2027	Group Manager (HR&OD)	

v1.0

This page is intentionally left blank

Archwilio Cymru
Audit Wales

Appendix E

Audit Wales Work Programme and Timetable – Bridgend County Borough Council – 30 June 2026

Below are details of planned and recent work where relevant of Audit Wales, Care Inspectorate Wales and Estyn. We will provide a further update on progress and future plans at the end of December 2026.

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in March 2026.	April 2027	Planning

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2025-26 statement of accounts	We are required to issue a certificate and report on your financial statements which includes an opinion on their 'truth and fairness' and an assessment as to whether the Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with your financial statements and my knowledge of the Council.	30 September 2026	Reporting

Description	Scope	Timetable	Status
Limited assurance audits of Coychurch Crematorium and Porthcawl Harbour 2025-26 accounts	Per the Accounts and Audit (Wales) Regulations 2014 both bodies are classed as smaller bodies, and a limited set of audit procedures is required. Neither body is subject therefore to a full audit.	30 September 2026	Reporting
Certification of the Council's 2025-26 grant claims and returns	We are required to certify five grant claims administered by the Council. • Housing Benefit Subsidy • National Non-Domestic Rates • Teachers' Pension Return • Pooled Budgets (x2)	Various – September 2026 onwards	In progress

Performance Audit work

2025-26 Performance Audit work	Scope	Timetable	Status
Thematic review – recruitment and retention challenges	A review focusing on how councils' arrangements for addressing recruitment and retention challenges apply value for money considerations and the sustainable development principle.	October 2025-June 2026	Complete. Final report issued 5 June 2026.
Local project – Review of the Planning and Development Service	Review of the Council's arrangements to support the Planning and Development Service to deliver value for money in the use of its resources. It covered: • supporting delivery of the Council's well-being objectives; • resourcing; • roles and responsibilities; and • performance management	June-November 2025	Complete. Final report issued 21 November 2025.
Local project – review of Housing Adaptations	Review of the Council's arrangements to manage and oversee delivery of housing adaptations.	January – April 2026	Report in clearance

2026-27 Performance Audit work	Scope	Timetable	Status
Transformation programme	As the Council develops its transformation programme, review will explore how the programme is being established. Exact scope is to be determined but may assess leadership, capacity, governance and programme management arrangements to determine whether the Council is set up to deliver the programme effectively.	TBC but possibly Spring 2027	Scoping
Highways maintenance	The exact scope of this work is to be determined, but is likely to assess the Council's approach to maintaining its highways and whether this is providing value for money.	TBC	Scoping
Cyber security and resilience	To provide assurance that the Council has established effective cyber security and cyber resilience arrangements. The review will evaluate the Council's approach to managing cyber security and cyber resilience, including risk identification, protection controls, and incident response. The review will also examine the Council's response to any previous cyber-attacks and its efforts to enhance internal controls based on lessons learned. The review will not investigate specific incidents or their underlying causes.	TBC	Planning

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Bridgend County Borough Council
Local government funding arrangements	Focus on the Welsh Government's arrangements for funding principal councils and how this supports councils to deliver value for money.	Publication planned for July 2026.	Report clearance	Interviews undertaken at each council.
Corporate Joint Committees Follow Up	To be confirmed	Project paused pending Welsh Government's review of CJCs	N/A	N/A
Children's Services	Focus on preparedness for implementing the Health and Social Care (Wales) Act 2025.	Publication planned for September 2026	Drafting	Interviews undertaken at each council.

Study	Scope	Timetable	Status	Fieldwork planned at Bridgend County Borough Council
Ageing population	Scope to be confirmed. Likely to focus on exploring if there are opportunities to improve value for money in how councils are responding to the impacts of an ageing population.	To be confirmed	Scoping	To be confirmed
Fly tipping	Scope to be confirmed. Likely to focus on exploring if there are opportunities to improve value for money in how councils prevent and respond to fly tipping.	To be confirmed	Scoping	To be confirmed
Discretionary/ preventative services	Scope to be confirmed.	To be confirmed	To be confirmed	To be confirmed

Estyn

During the 2025-2026 academic year, Estyn has continued to inspect and engage with local authorities through core inspections of local government education services and youth services, enhanced local authority link inspector visits, follow-up activity and joint inspection work.

In the autumn term, Estyn conducted core inspections of both the Youth Service and the Local Government Education Services in Monmouthshire. The reports, published in January 2026, identified a coherent and strategically led approach to improving outcomes for children and young people, supported by strong collaboration, effective school improvement arrangements and a positive safeguarding culture. The local authority was asked to improve the consistency with which it evaluates the impact of its work, improve attendance and continue to address school budget deficits. The youth service inspection highlighted effective work to enable young people to influence decisions, provide targeted mental health and well-being support and use evidence systematically to plan and improve its provision. Neither service requires follow-up activity.

Estyn also worked alongside Care Inspectorate Wales to inspect safeguarding arrangements in Gwynedd Council. The inspection found that the council had taken significant steps to strengthen its safeguarding systems and that senior leaders demonstrated a clear commitment to improvement. It also identified important areas requiring further attention, including measuring the impact of safeguarding work, ensuring that children's voices influence strategic and operational decisions consistently, strengthening procedures and commissioning arrangements, and evaluating the impact of safeguarding training. Safeguarding remains central to every inspection we undertake, and we are committed to supporting continuous improvement so that children and young people are protected effectively.

During the spring term, Estyn conducted core inspections of Bridgend's Youth Support Service and its Local Government Education Services. The reports, published in May, recognised a strong collaborative culture and productive relationships between local authority officers, schools and other partners. The LGES inspection identified particular strengths in provision for pupils with additional learning needs, pupils educated other than at school and vulnerable pupils, as well as robust safeguarding arrangements. It recommended that the authority sharpen its self-evaluation and improvement planning so that evaluations focus more consistently on the impact of its work on children and young people. The youth inspection highlighted effective preventative youth work and strong partnership arrangements that help vulnerable young people access coordinated support. Neither service requires follow-up.

Estyn also carried out an enhanced local authority link inspector visit to Swansea in February. This focused on the authority's support and challenge for secondary schools and its work to support and develop the use of Welsh. Inspectors recognised positive relationships with school leaders and a strong commitment to expanding Welsh-medium education. They also identified the need to evaluate the impact of recent changes to school improvement arrangements more rigorously and to strengthen understanding of the factors influencing families' decisions about Welsh-medium education.

Estyn continued its follow-up engagement with Powys County Council following the 2025 inspection, which identified the authority as causing significant concern. This engagement forms part of Estyn's ongoing scrutiny of the authority's progress in responding to the inspection recommendations. At the time of writing, a further monitoring report has not been published on the Estyn website.

In the summer term, Estyn carried out an enhanced local authority link inspector visit to Torfaen, focusing on additional learning needs and inclusion and the authority's approaches to improving attendance. Inspectors found that the authority had strengthened strategic leadership, collaboration and

statutory arrangements for additional learning needs, and that schools valued the accessibility and expertise of the authority's support. The visit also recognised the authority's high priority for attendance and its positive relationships with schools, while identifying further questions around inclusive teaching, increasing demand for specialist provision and the use of comparative attendance information. The visit letter was published in July.

Estyn also conducted a core inspection of Local Government Education Services in Flintshire during July. The inspection findings have not yet been published. The report is scheduled for publication on 21 August 2026.

Care Inspectorate Wales (CIW)

	Scope	Timetable	Status
Regional Adoption Collaboratives (RACs)	The programme has re-established inspection coverage of local authority adoption services, strengthened assurance arrangements and is informing a national overview report. Regional reports have been published: • South East Wales Adoption Service • Western Bay Adoption Service • North Wales Adoption Service • Vale, Valleys and Cardiff Adoption Service • Mid and West Wales Adoption Service	April 2025 – March 2026	Published
	National overview report	September 2026	Being developed
National Thematic Reviews Programme	CIW has agreed a forward programme of thematic reviews: • 2026-27 – People in Positions of Trust (Section 5) • 2027-28 – Adult Safeguarding (including Section 5) • 2028-29 – National Commissioning Framework • 2029-30 – Carers • 2030-31 – Children Looked After Programme priorities may be adjusted periodically to reflect emerging national priorities, sector intelligence, risk and evidence arising from inspection and assurance activity.	From 2026 onwards	Programme being developed and planned

	Scope	Timetable	Status
Community Learning Disability Team (CLDT) / Community Mental Health Team (CMHT) Inspections	Joint programme with Healthcare Inspectorate Wales focusing on CLDT and CMHT services across Wales.	July 2025 – June 2026	Published and ongoing activity set out below
Child Protection Rapid Review	National safeguarding improvement work with Regional Safeguarding Boards and partners. Child Protection Rapid Review Progress Update	February 2026	Published
Local Authority Inspection and Assurance Activity (January – June 2026)	RCT CMHT	January 2026	Published
	Isle of Anglesey Children's Services (joint with fostering) Assurance Check	January 2026	Published
	Conwy and BCUHB (CLDT)	February 2026	Published
	Blaenau Gwent Children's Services (Assurance Check)	February 2026	Published
	Flintshire Adult Services (Improvement Check)	March 2026	Published
	Swansea Children's Services (Assurance Check)	March 2026	Published
	Powys Adult Services (Assurance Check)	April 2026	Published

	Scope	Timetable	Status
	Wrexham Adult Services (Assurance Check)	April 2026	Published
	Merthyr Tydfil Children's Services (Assurance Check)	May 2026	Activity completed – drafting
	Swansea Bay (Neath Port Talbot) CLDT	June 2026	Activity completed – drafting
	Monmouthshire Adult Services (Improvement Check)	June 2026	Activity completed – drafting

Audit Wales national reports and other outputs published in 2026

Report title	Publication date and link to report
NHS urgent and emergency care – a system under constant pressure	June 2026
NHS planned care – fit for the future?	June 2026
Additional Learning Needs: Do public bodies know if the system is working? (report and data tool)	April 2026
Managing the Regional Integration Fund	March 2026
Challenges and opportunities for Welsh public services – Auditor General for Wales letter to Senedd committees (building on material that informed the earlier podcast series)	February 2026
Affordable housing – follow-up article	February 2026
Examining decision-making for the new Velindre Cancer Centre	February 2026
Capital Planning in Local Government	January 2026
Findings from GP registration data matching pilot	January 2026

Audit Wales national reports and other outputs (work in progress / planned)[1, 2]

Title	Indicative publication date
NHS finances release and data tool update	Summer 2026
NHS bodies' approaches to digital transformation (themes from local audit work)	Early autumn 2026
Higher and further education finances – Medr's oversight	Early autumn 2026
The National Fraud Initiative	Autumn 2026
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	Autumn 2026
Welsh Government support for business – Economy Futures Fund	Autumn 2026

[1] We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow-up work could also lead to other outputs, as may other investigative audit work and local audit work where we consider there is merit in a national summary output of some kind (for example, from current local work on cancer services and NHS estates management, also from planned future work on managing and preventing diabetes).

[2] Our Annual Plan 2026-27 also lists plans for new work to start during 2026-27. At this stage, we have only included in this paper coverage of those projects where fuller scoping work is underway with a view to future national reporting. Where national/thematic work has progressed through the planning stage, a brief summary about its focus and planned timetable is also now available on our website work programme pages.

Title	Indicative publication date
Public sector readiness for net zero carbon by 2030 – follow-up	Autumn 2026
Core Valley Lines rail improvement (previously listed as support for bus and rail services)	Winter 2026
The senior public service	To be confirmed (scoping)
Flood risk management follow-up	To be confirmed (scoping)
Tackling fly-tipping (central government bodies)	To be confirmed (scoping)
Young people not in education employment or training	To be confirmed (scoping)
NHS digital – national systems	To be confirmed (scoping)
Welsh Government support for renewable energy generation	To be confirmed (scoping)
Welsh Government – setting of well-being objectives	To be confirmed (scoping)

Good Practice Exchange events and resources

Title	Link to resource
Podcast: Tackling Fraud in Wales In this episode, we're talking about fraud in the public sector in Wales. We chat to Rachel Kostick and Steve Benson-Davison, Tarian Regional Organised Crime Unit at South Wales Police, Graham Dainty, NHS Counter Fraud Service (Wales), and Steve Tooby, Welsh Government. We cover the current fraud risks, the role of leaders and frontline staff, and some of the challenges and opportunities for public sector organisations.	**Podcast: Tackling Fraud in Wales**
Podcast: AI and Public Services A conversation between Peter Thomas (Centre for Digital Public Services) and David Teague (Information Commissioner's Office), discussing the opportunities and potential pitfalls for public services in the new AI driven world.	**Podcast: AI and Public Services**
Podcast: Wellbeing through prevention This episode examines prevention from a wellbeing angle. It features an interview with Catryn Holzinger explaining why Audit Wales has chosen to focus on prevention in its 'No Time To Lose' report. The episode also looks at the long established Designed to Smile project with Mary Wilson of Public Health Wales, and the RSPB's Nature Prescription project with David Llewellyn.	**Podcast: Wellbeing through prevention**
Podcast: Working preventatively with Actif North Wales (Welsh language episode) This episode looks at prevention. Active North Wales work across the north Wales counties, working with communities to promote and facilitate wellbeing through physical activity. We spoke to Meg Moores of Grwp Cynefin, Aled Williams of Denbighshire Leisure and Manon Rees O'Brien of Active North Wales.	**Podcast: Working preventatively with Actif North Wales (Welsh language episode)**
Podcast: AI and Welsh language (Welsh language episode) A conversation recorded in Welsh with Gruff Prys, Head of Language Technologies at Canolfan Bedwyr, Bangor University.	**Podcast: AI and Welsh language (Welsh language episode)**

Title	Link to resource
Podcast: Fraud prevention in the NHS in Wales (Welsh language episode) A conversation with Ben Rees, Head of Local Counter Fraud Services, Hywel Dda University Health Board, discussing Fraud and counter fraud work in the NHS.	**Podcast: Fraud prevention in the NHS in Wales (Welsh language episode)**

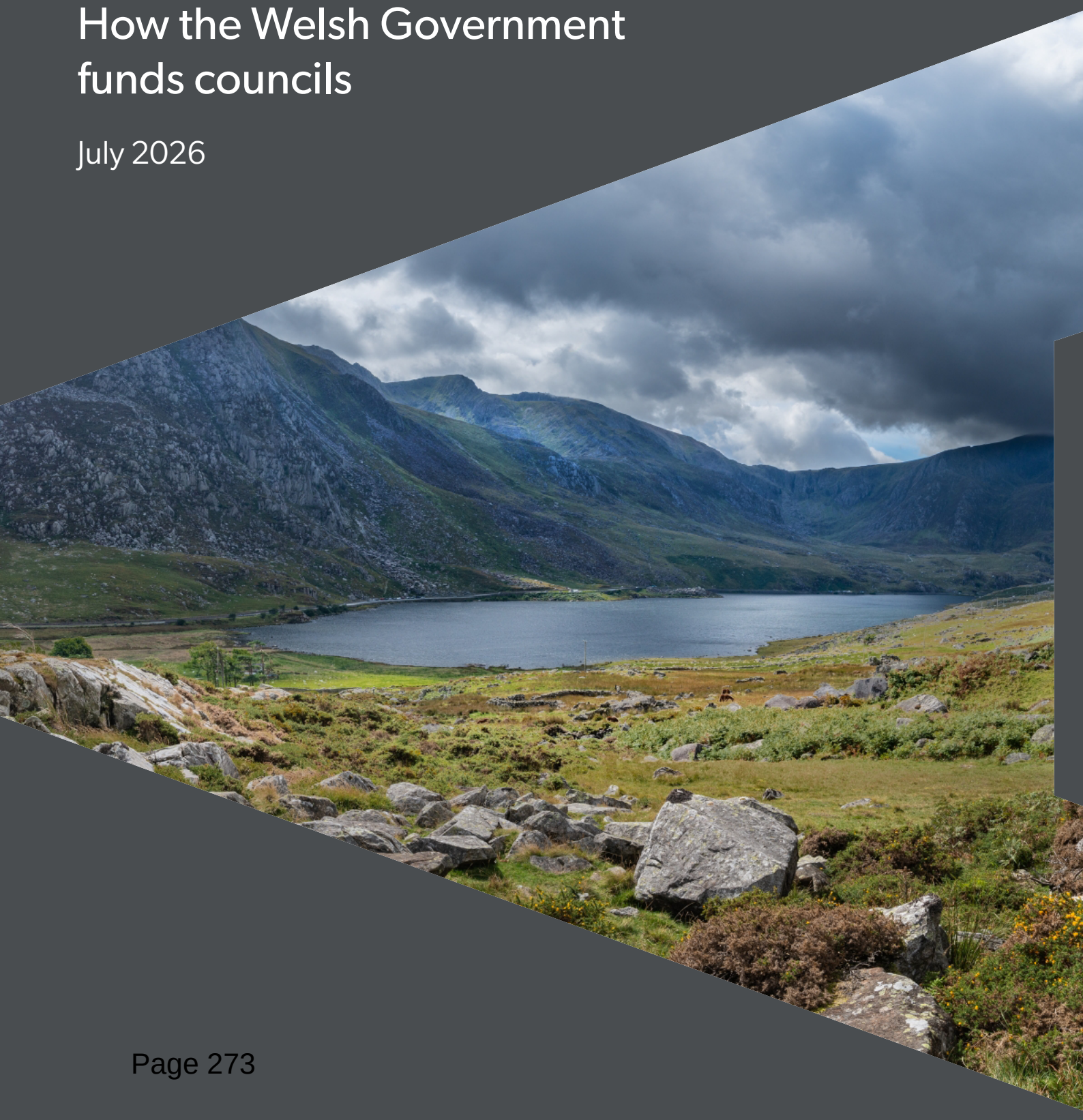
Archwilio Cymru
Audit Wales

APPENDIX F

Funding councils

How the Welsh Government funds councils

July 2026



We have prepared this report under section 41 (1)(a)(i) of the Public Audit (Wales) Act 2004 and the section 145A (1) of the Government of Wales Act 1998. We present it to the Senedd under section 145A (6) of the Government of Wales Act 1998.

© Auditor General for Wales 2026

You may re-use this publication (not including logos) free of charge in any format or medium. If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication. Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

If you need any help with this document

If you would like more information, or you need any of our publications in an alternative format or language, please:

- call us on 029 2032 0500
- email us at info@audit.wales

You can use English or Welsh when you get in touch with us – we will respond to you in the language you use.

Corresponding in Welsh will not lead to a delay.

Mae’r ddogfen hon hefyd ar gael yn Gymraeg.

Audit Wales follows the international performance audit standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI).

Contents

Foreword 4
Audit snapshot 6
Key facts and figures 8
Our findings 9
Recommendations 48

Appendices

1 About our work 52
2 Context 54
3 Key terms in this report 62

Foreword

As well as the fees and taxes paid by their communities, councils receive funding from the Welsh Government. How that funding is calculated and distributed is critical to the planning and delivery by councils of the services they provide.

To make the most of that funding, value for money needs to be at the heart of decision making locally and nationally.

My report finds that the way the Welsh Government funds councils does not always help them to achieve value for money – particularly over the longer term.

In particular, the Welsh Government does not give councils enough clarity over funding in the future to help them to plan. When combined with how late councils may be allocated some funding – especially restricted grants – this increases the risk of councils taking decisions focused on the short-term only.

I would like to see councils and the Welsh Government planning more actively for different funding scenarios so as to be more agile and responsive when funding decisions are announced.

The way that most funding is allocated has not been fully and independently reviewed for over 20 years, despite significant changes in our communities, their needs, and demands. The Welsh Government needs to satisfy itself, and councils, that its current approach remains fit for purpose and enables the delivery of value for money.

It also needs to consider whether its use of grants is proportionate and justified. Restricted grants are a valuable tool for delivering national priorities. However, their number, design, and timing can create inefficiencies and place additional administrative burdens on councils.

All this matters because it affects how well councils can plan for the future, invest in prevention, and deliver sustainable services. It also affects the Welsh Government's ability to achieve the best possible outcomes from public spending.

Many of the findings in this report reflect recurring themes I have seen throughout my time as Auditor General.[1] Addressing those is essential if the Welsh Government and local authorities are to navigate today's extreme financial and demand challenges and deliver sustainable public services to the people of Wales.



Adrian Crompton
Auditor General for Wales

1 I expanded on these themes, the challenges, and my reflections on my time as Auditor General in my letter to the Senedd in February 2026.

Audit snapshot

What we looked at

1 We looked at how the Welsh Government funds the 22 principal councils in Wales. This includes the annual local government settlement and restricted grants. The settlement sets out the amount of funding councils will each receive from the Welsh Government without restrictions in its use. We examined how and when the settlement and grant funding is allocated and the accuracy and timeliness of the data used to inform the settlement.

2 We also looked at how well the Welsh Government supports councils with their financial planning, including if they were to experience significant financial difficulty, and how it estimates the costs of new responsibilities placed on councils.

3 We used our findings to make recommendations to improve the value for money (VFM) generated from funding awarded to councils.[2]

4 This report is the latest in a series of reports on council finances. In 2024, we reported on the financial sustainability of each council and in a national summary. Earlier in 2026, we also reported on capital planning by councils.

Why this is important

5 Councils currently face significant financial challenges. Against this backdrop, they must deliver the services their communities rely on and plan for their future needs. Balancing short and long term demands for services is difficult for councils to do. This increases the importance of financial planning to help them to meet demand and deliver value for public money.

6 The funding councils get from the Welsh Government is the main way that they pay for their services. How the Welsh Government makes this available to councils can have a significant impact on councils' ability to deliver VFM.

2 We set out what we mean by VFM in this context in **Exhibit 1**.

What we have found

7 The way that the Welsh Government allocates funding to councils does not always help them to get value for money from it, particularly over the longer-term.

8 In concluding this, we found that:

- the Welsh Government has not fully reviewed how it allocates its funding to make sure it is effective and based on timely information;
- the Welsh Government's approach to estimating the costs of implementing new laws does not help councils to plan their budgets; and
- the Welsh Government has not set out how it can help councils with their financial planning if they faced a section 114 report.

What we recommend

9 In this report we make five recommendations to the Welsh Government to improve the way in which it allocates funding to councils. They are about:

- improving how it allocates funding to councils;
- giving more notice of future funding levels;
- being clearer on the costs of new responsibilities placed on councils; and
- being clearer on the financial support available to councils if they faced a section 114 report.

Key facts and figures

We explain the terms used here in **Appendix 3**.

£8.3 billion – The total value of the Standard Spending Assessment in 2025-26.

£6.1 billion – The amount of funding received by councils in 2025-26 from the Welsh Government as part of the local government settlement (the settlement does not include funding provided through restricted grants).

51 – The number of Indicator Based Assessments (IBAs) used in the Standard Spending Assessment to calculate the costs of delivering council services in Wales.

72% – The share of the IBAs allocated on the basis of data indicators in the 2025-26 settlement calculated using data from 2023 or later. This equates to £5.7 billion.

17% – The share of the IBAs allocated on the basis of data indicators in the 2025-26 settlement calculated using data from 1991 or 2001. This equates to £1.4 billion.

2002 – The year the methodology of the Standard Spending Assessment was last fully and independently reviewed.

£2.7 billion – The total amount of revenue and capital restricted grant funding received by councils in 2024-25.

20% – The share of total restricted grant funding given by the Welsh Government to councils in the final month of the financial year (March 2025) of the total restricted grant funding allocated to councils in 2024-25.

Our findings

The local government settlement

The Welsh Government has a major influence over council budgets because it gives them most of their funding

10 In 2024-25, the Welsh Government funded around 69% of councils' gross revenue spending. It did this through sharing general and restricted grants, as well as redistributed business rates.[3]

11 The Welsh Government sets out how it will share its funding between councils each year in the local government funding settlement (the settlement). Funding from the Welsh Government makes up most of the money that councils receive, so it has a key influence on councils' financial planning. It is also key to getting the best value for public money (**Exhibit 1**).

3 We set out more details on the sources of council income and their meanings in **Appendix 2**. We use the term 'restricted grant' throughout this report to show that councils are limited in how they may use the money in terms set by the provider of the grant. These are also known as 'hypothecated' or 'specific' grants.

Exhibit 1: what we mean by value for money (VFM)

What do we mean by VFM?

Value for money (VFM) is about whether money is being used to deliver intended outcomes at the best price. It is commonly associated with the 'three Es' – economy, efficiency and effectiveness. We have summarised these as:

- economy – Getting the right deal by securing the necessary inputs, to help achieve intended outcomes, at the lowest possible cost;
- efficiency – Doing things right by making the most of the inputs to generate outputs designed to achieve intended outcomes; and
- effectiveness – Getting the right results by achieving the intended outcomes for the short and longer term.

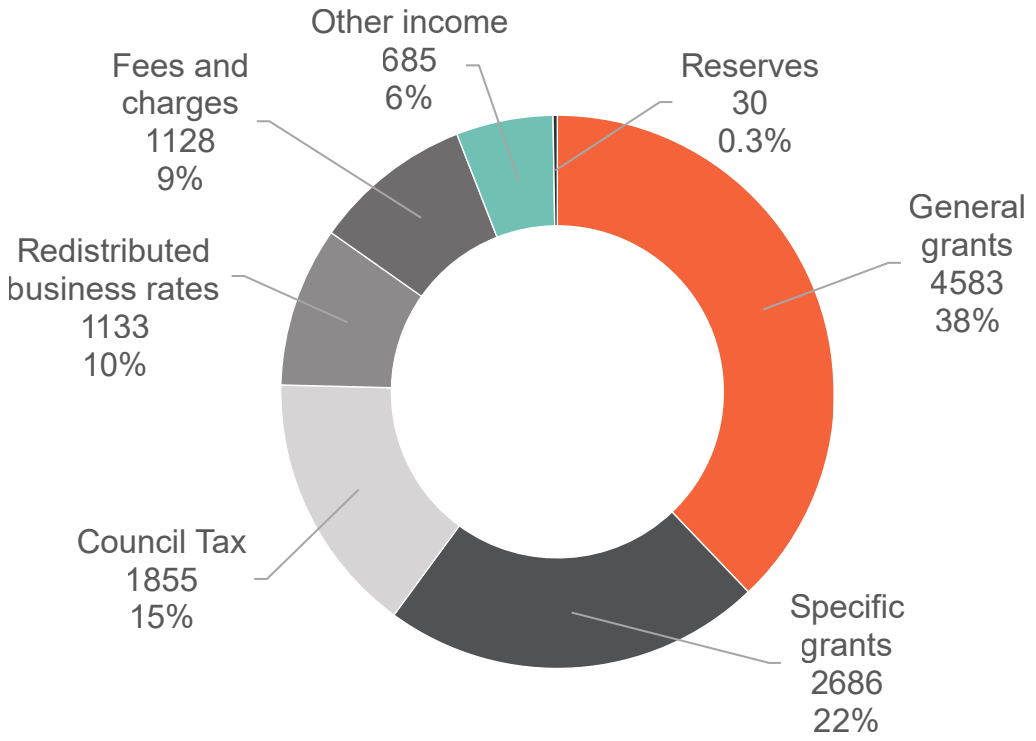
VFM is therefore not just about costs, but about the quality and effectiveness of the service delivered for the money spent. In funding councils, this means providing funding in the right way and at the right time to achieve both national and local priorities.

Source: Audit Wales

12 Most of the funding allocated by the Welsh Government to councils is through the settlement. In 2024-25, councils received £5.7 billion through the settlement.[4] The Welsh Government allocates this funding without restrictions so that councils can decide how it is used to meet their legal duties and local priorities. **Exhibit 2** sets out the different types of funding for councils. The Welsh Government also provides most restricted grants to councils. Other types of income, like Council Tax, the use of reserves or fees and charges, are controlled mostly by councils.

4 This is the total of the Revenue Support Grant (RSG) and national Non-Domestic Rates (NDR), commonly known as business rates. Additional detail is set out in **Appendix 2**.

Exhibit 2: the funding of Welsh council gross revenue spending by type (in million pounds), 2024-25



Source: Audit Wales analysis of the Welsh Government, Local Government Outturn Data, 2024-25

Notes: Due to how the Welsh Government collects this data, gross revenue spending includes precepts and levies collected by councils through Council Tax on behalf of other bodies. It also includes other adjustments, such as the costs of borrowing.

Both pounds and percentages are rounded to the nearest whole number.

General grants include the Revenue Support Grant.

Restricted grants include any grants from the UK and Welsh Governments, the Welsh Government's sponsored bodies, European grants, grants from the National Lottery, and grants from developers. The Welsh Government gives the largest proportion of restricted grants, but data is not available to show the split between sources.

How the Welsh Government calculates the settlement is not always transparent

Calculating the costs of services

13 The Welsh Government aims to share funding with councils through the settlement based on how much it costs to deliver council services. It does this through the Standard Spending Assessment (SSA). The SSA is commonly referred to as 'the formula' but includes smaller formulas that are combined to calculate the total amount of funding per council. These are known as Indicator Based Assessments (IBAs). The Welsh Government uses a range of data and adjusts costs based on three factors – relative population, deprivation, and rurality – to calculate the cost of services.[5] We set out greater detail on how it does this in **Appendix 2**.

14 The Welsh Government sets out the data that it has used to share funding with councils each year. This also includes the indicators used to inform the settlement, the sources, and how much each indicator influences funding allocations. For example, in the 2025-26 settlement the Welsh Government allocated £7.7 million for food safety based on the number of food premises in each council area.[6]

15 A small minority of councils do not believe the information shared by the Welsh Government is always easy to understand. For example, councils described it being difficult to see why the formula results differed between neighbouring councils or how the Welsh Government had made some adjustments. The information shared by the Welsh Government, whilst comprehensive, is not presented within a single document. It also uses technical language that is not easy for a lay reader to understand. This is a barrier to helping both councils and other stakeholders to understand how and why the Welsh Government has allocated funding. We recognise that the SSA process is complex and is difficult to clearly communicate to all audiences.

5 By relative population we mean the amount of people or premises in an area that is an indicator of the need for a public service. For example, the number of school-age people for education.

6 In total, the Welsh Government provided £16.8 million for food safety, with the remaining £9.1 million shared based on the population of each council.

Deciding what is in the formula

16 The reasons for the Welsh Government's approach to calculating funding allocations are not clear. For example, it has decided which IBAs to include, the indicators used, and their weighting within the IBAs. It does not set out why it includes or does not include different indicators in the formula overall. This can cause perceptions of unfairness from some councils and damage their confidence in the settlement process.

17 Councils have different views on which IBAs and indicators should be included and the weighting they are given. These perceptions exist despite the Welsh Government and the WLGA giving presentations and other information to councils on the formula. This suggests that there may be a need for more information to explain how the process remains up to date and appropriate. It may also suggest that some councils could do more to access existing information and improve their understanding of the formula.

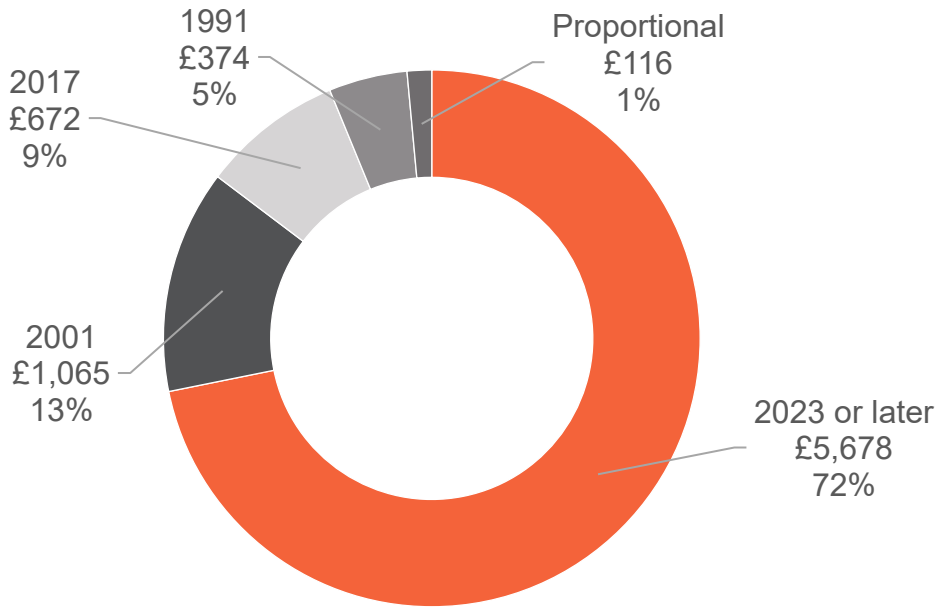
18 It is for the Welsh Government to decide how many IBAs and indicators it uses to allocate funding. For context, the 2026-27 SSA in Wales includes 51 IBAs whilst the Scottish equivalent includes 141 and Northern Ireland's two. However, explaining why it has decided on its approach would help support the public's and councils' understanding and confidence in the process.

Although most data used by the Welsh Government in the formula is up to date, a significant minority is old and so likely inaccurate

19 The Welsh Government regularly updates most of the data used in allocating the settlement. However, it uses a significant proportion of much older data also. **Exhibit 3** shows that the indicators used in IBAs in the 2025-26 SSA were produced between 1991 and 2025. 72% of this data is from 2023 or later. The remainder, which informed how it allocated over £2 billion in 2025-26, is at least 9 years old. These include:

- 1991 census data for how spread-out communities are and the size of settlements;
- 2001 census data for numbers of pensioners and children living in lone adult households; and
- 2017 data about dependent children in out of work families.

Exhibit 3: share of the IBAs in the 2025-26 settlement allocated by indicator age (in million pounds)



Source: Audit Wales analysis of data from the Welsh Government

Notes:

The Welsh Government distributes funding for the administration of education, social care, and other services in proportion to the allocation councils receive from the IBAs of those service areas.

The Welsh Government also allocates other funding as part of the settlement that is not based on indicators. For example, where grants are transferred into the Settlement on their existing distribution, including for example in relation to teachers' pay and pensions.

It can also allocate funding based on actual expenditure in some cases. This includes, for example, the costs of council borrowing.

20 This means that the Welsh Government allocates large amounts of funding using data that are out of date and may no longer reflect the needs of communities from council services. We recognise that some of the data used is old because more recent data is not available.

21 The Welsh Government has previously consulted councils on updating the older data. For example, it asked the Distribution Sub-Group (DSG) about updating indicators based on historic census data in 2011. After consultation, the Welsh Government did not update this data.

22 The Welsh Government allocates some funding based on levels of deprivation. In 2025-26, 29% of the settlement was calculated based on indicators related to deprivation. Some of the data underpinning that assessment is out of date. For example, the settlement allocates some funding based on a deprivation grant that the Welsh Government no longer offers. It uses the Wales Index of Multiple Deprivation (WIMD) data from 2000. This aims to share funding to councils based on levels of deprivation. In 2025-26, this totalled £22 million. Whilst not directly comparable, WIMD data from 2025 shows that some of the most deprived areas have relatively improved in the past 25 years. For example, the fourth most deprived area in 2000 now ranks as the 87th highest.[7] This means funding focused on tackling deprivation may no longer focus on the most deprived areas.

The Welsh Government has not reviewed the method for allocating its funding to ensure it is effective or based on up to date information

Reviews of the settlement formula

23 The Welsh Government has not independently reviewed the settlement formulas as a whole in over 20 years. The SSA was last independently reviewed before the 2001-02 settlement. Since then, councils have received significant new responsibilities, and there have been many wider societal changes in Wales.

24 Through the Distribution Sub Group (DSG), the Welsh Government has reviewed some parts of the formula. Where this has been done, it has been to update the data rather than to assess how appropriate it is. The reviews since 2002 have been led by the Welsh Government with council views included. This has been through the DSG and Finance Sub Group (FSG).[8]

7 WIMD data in 2000 and 2025 split areas differently for their analysis. WIMD 2025 used smaller areas, whereas WIMD 2000 used electoral wards. This means, for example, that the WIMD 2025 split the Gurnos ward into three areas, ranked 87th, 89th, and 161st.

8 We explain who sits on these groups in **Appendix 3**.

Updating the IBAs

25 The Welsh Government is updating some of the IBAs used in the SSA. However, this is limited to updating the IBAs only and does not include whether the SSA process is measuring the 'right' costs or considering the 'right' factors to assess costs of services. It is focused on ensuring that correct data and weightings are used. This work is limited currently to IBAs in education and social services.

26 The Welsh Government does not consider it needs to fully review the formula. This is because it does not believe there is a consensus amongst councils on the need to do so. It has formed this view following a decision of the Funding Sub-Group following advice from the DSG. Through our interviews we heard different views from councils on the need to review the formula. Of those who expressed a view (16), the majority (11) felt some form of review was needed. It is, however, for the Welsh Government to decide whether to review the formula, or not.

The Welsh Government gives opportunities for councils to raise concerns over the data used in the settlement

27 Every year the Welsh Government gives councils an opportunity to confirm the accuracy of the data that councils produce that is used in the formula. It publishes this process on its website. Councils confirm the accuracy and send a return to the Welsh Government. Councils are broadly content with this process. But councils do not verify all of the data used in the formula, such as census data, as most data used meets the definition of national statistics and have their own verification processes.

Councils have less time to plan their spending as the Welsh Government announces the settlement later since the pandemic

28 The Welsh Government's announcement of the settlement has been later since the Covid-19 pandemic. Prior to this it usually published the draft settlement in October and then the final version in December. Since 2020-21, this has moved to usually being December and February, respectively. We reported that councils raised the timing of the announcement as being a barrier to their financial planning in our financial sustainability report. Welsh Government officials also provide regular updates on the timing of the settlement to help inform councils' financial plans.

29 A later final settlement gives councils a short time to set their budgets. Councils must set their Council Tax levels by 11 March each year for the following year.[9] As the law sets out how the tax should be set, this effectively means that councils must set a balanced revenue budget by then. They cannot do this without knowing how much funding they will receive.

30 The timing of the settlement is linked to when the UK Government makes its financial announcements. This is because the Welsh Government waits for its overall budget to be confirmed. The UK Government has changed the timing of its announcements in recent years. This means that the time between councils knowing what their funding will be for the year ahead and then having to set their budgets has reduced. This increases the risk of short-term decision-making and reduces opportunity for scrutiny of proposed budgets.

31 The timing of the settlement creates some challenges for councils. The reduced time between the settlement being announced and the deadline for setting Council Tax places extra pressure on officers.[10]

32 The timing of the settlement can also reduce the time available for councils to ask the public for their views on their final budget proposals. This has led some councils to reduce the amount of consultation they undertake. This increases the risk of councils taking decisions without reflecting the views of their communities.

33 The reduced time for councils to set their revenue budgets following the settlement can have impacts on how they plan their capital spending. Our capital planning report sets this out (**Exhibit 4**).

9 Local Government Finance Act 1992

10 Audit Wales is currently reporting on the recruitment and retention challenges faced by councils. Local reports can be found on our website.

Exhibit 4: findings from Audit Wales' study on capital planning by councils

Settlement findings

Our work on capital planning by councils found that the settlement gives a relatively small amount of capital funding to councils. However, the focus of councils between the Welsh Government sharing the settlement and councils needing to set a balanced revenue budget can lead to a greater focus on the revenue budget. This reduces the amount of scrutiny on capital plans that may mean that councils do not fully consider whether their plans will achieve VFM.

Source: Audit Wales

Councils can take action to mitigate the impacts of the settlement timing

34 Some councils seek the views of their communities on potential budget proposals earlier in the financial year. This can help make sure that councils are well placed to take informed decisions when funding levels are subsequently confirmed. Councils can also use the draft settlement to help them to consult the public on more detailed budget proposals. Usually, the amount of money councils will receive does not significantly change between the draft and final settlements. Between 2020-21 and 2026-27, the average change between draft and final settlement was 0.4%. This means that the draft settlement has historically been a reliable basis to plan and consult from. However, we recognise there is always potential for the final settlement to change significantly.

As councils do not know their longer-term funding, it makes it more difficult for them to secure VFM

The need to think about the future

35 Making assumptions about costs and income to develop forecasts is a core part of financial management. The Institute of Chartered Accountants of England and Wales (ICAEW) describes forecasting as an essential skill for all finance professionals. It has set out the importance of looking ahead and at different scenarios to inform decision making. It is a key aspect of planning the running of any organisation.

36 Guidance from HM Treasury and CIPFA reinforces the importance of forecasting. Similarly, the National Audit Office (NAO) has highlighted forecasting as 'an essential component for good financial management and informed decision-making'. The NAO has published good practice guides to help with this.

37 Councils use forecasts and compare assumptions with each other to estimate the likely amount of funding they will have available for future years. They can use these assumptions to plan for different funding scenarios and plan their budgets where they lack information. This can mitigate some of the impacts of later funding notifications, particularly where funding is higher or lower than anticipated.

38 However, the Welsh Government does not generally use assumptions to communicate future funding levels to councils. As a result, the Welsh Government rarely gives councils estimates of the levels of funding it will share in the future. It last gave councils notice of multiple years of total funding available in 2023-24.

39 The Welsh Government does not give an indication of funding levels for councils over several years because it does not always know how much funding it will get from the UK Government.[11] The House of Commons Library has noted that the UK Government holds its spending reviews on 'an increasingly unpredictable schedule'. The UK Government also varies the number of years of funding it sets out for Wales.[12] However, the Welsh Government could still rely on assumptions to estimate the future funding it will receive, and therefore how much it might give to councils.

11 The 2021 and 2025 UK Government Spending Reviews both set out funding over multiple years. This effectively covered the financial years 2021-22 to 2029-30. However, between the publication of the reviews, the leadership of the UK Government changed three times. In addition to the Covid-19 pandemic, this reduced the usefulness of the 2021 review to inform financial planning.

12 House of Commons Library, Spending Review 2025: Background briefing, June 2025

40 Recently, the Welsh Government has chosen not to set out the funding it intends to share with councils in future years due to the 2026 Senedd election. The June 2025 UK spending review set out the UK Government's revenue and capital spending plans for the current and next three or four financial years respectively. This in turn could have helped the Welsh Government to set out funding to councils over that period. However, it decided to set out funding for one year only due to the Senedd election taking place two months into 2026-27.

41 We recognise it would be difficult for an outgoing government and Senedd to set out with any certainty the future spending plans of their successors. But it does mean that councils were less able to plan for future funding levels at least until a new Senedd and the new Welsh Government are in place.

The impact of making assumptions

42 Council officers sometimes assume councils will receive less funding than they actually receive. This can be because of the need to be prudent, but it can also be because the settlement gives more funding than they anticipated. As a result, councils can sometimes delay taking difficult decisions until the Welsh Government confirms funding levels, in the belief that they will receive more funding than officers have predicted. This also applies where the Welsh Government does not confirm restricted grant funding in time to inform budget setting (**paragraph 49**).

Predicting assumptions

43 The proportion of total council funding allocated to each council has been generally consistent over the past decade.[13] Whilst increases in funding levels are difficult to predict, precisely, they have been generally foreseeable within broad parameters.

The sustainable development principle

44 Taking a longer-term view to financial planning is key to helping the Welsh Government and councils show that they are applying the sustainable development principle. Both are required to do so by the Well-being of Future Generations (Wales) Act 2015. Our national summary report emphasised the need for public bodies to take a longer-term view and recommended that the Welsh Government work with bodies to minimise funding uncertainties to help financial planning (**Exhibit 5**).

13 See **Exhibit 17** in **Appendix 2**.

Exhibit 5: findings from Audit Wales' lessons from our work under the Well-being of Future Generations Act

Financial planning findings

'Public bodies need to take a longer-term view of how they achieve financial sustainability, as well as getting a better grip on the resources required to deliver various plans and activities.

By 2025, we should be seeing public bodies using the Act to help them plan their finances and achieve financial sustainability over the medium and longer term. We should also be seeing a clear understanding of the funding required to deliver on the plans and activities that are critical to them meeting their well-being objectives.'

'These issues [set out in the report] can result in funding not being used in a planned way to secure value for money and better outcomes for the long term, aligned to bodies' objectives. It is also reasonable to assume these factors can make it more difficult for public bodies to invest in prevention, which is likely to require a sustained funding commitment. For example, through our work on tackling poverty across councils, we heard that the annual cycle of bidding does not support them to tackle the more difficult and longer standing problems.'

Source: Audit Wales

Restricted grants

45 Restricted grants are awarded by funders for a set purpose. For example, to deliver a service, purchase an asset, or increase the pay of staff. Councils receive restricted grants from the UK and Welsh Governments, as well as other organisations like the National Lottery or previously the European Union.

46 Restricted grants are a key part of how councils are funded. As **Exhibit 2** shows, restricted grants funded 22% of council spending in 2024-25. This totalled £2.7 billion. They are a key influence on council budgets.

The Welsh Government makes it hard for councils to plan to achieve VFM by giving restricted grants late in the financial year

The timing of grants in the settlement

47 The Welsh Government gives limited detail on restricted grants in the settlement. In some years, the Welsh Government lists the values of some grants as 'to be confirmed'. Since 2016, on average it has not confirmed nine grants (14% of total number of grants) in each settlement. This varies by year. In 2026-27, it was 16 grants (20%).

48 The Welsh Government can take several months after the settlement to confirm what each council will receive from restricted grants. The Welsh Government does not have a deadline for restricted grant allocations to be allocated to councils. It announces individual grants at separate times, both before and during the financial year they relate to. This can be due to a range of reasons but is mainly due to delays in setting the budget in different ministerial portfolios in the Welsh Government. This is because the size of budgets in different portfolios determine the size of the restricted grants they offer. Without being clear on the total value for a grant it is hard for councils to estimate their share.

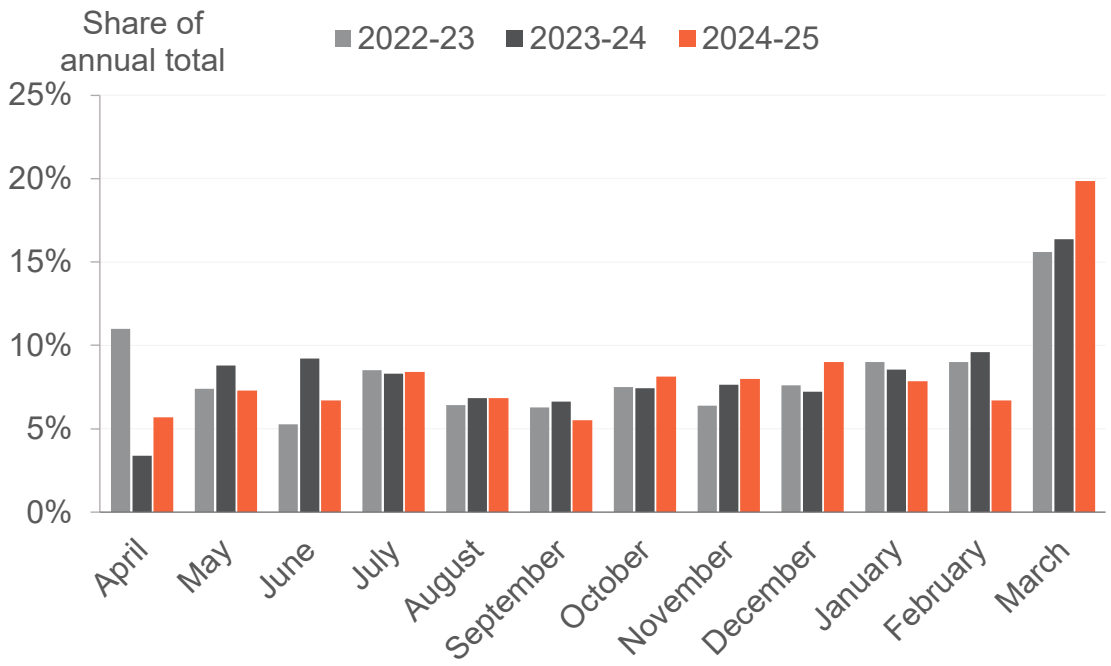
49 One example raised by councils was the Sustainable Waste Management Grant. The Welsh Government has offered the grant for many years to help councils provide recycling services for residents. In 2025–26, the Welsh Government did not confirm how much councils would get from the grant until nine months into the financial year. This was due to clarifying additional funding as a result of the Extended Producer Responsibility (EPR) for packaging. Councils therefore continued collecting recycling at their own financial risk without knowing if they would receive the funding. The total value of this grant in 2025-26 was £16.4 million.

Lateness of in-year grants

50 The Welsh Government also gives councils grants that it does not include in the list published alongside the settlement. This can be due to the UK Government providing extra funding during the financial year because of its funding announcements. It can also be due to underspending in other parts of the Welsh Government or by partners, or Welsh Government Ministers setting new priorities.

51 This leads to the Welsh Government sharing large amounts of extra funding in the final month of the financial year. In 2024-25, it allocated £1.5 billion in March 2025 – 20% of its annual total (**Exhibit 6**). This is also the case for grants that it provides to other sectors. This may also reflect funding being given where councils have fulfilled grant requirements before the end of the financial year.

Exhibit 6: share of the annual total of grant funding given by the Welsh Government to Welsh councils, 2022-23 to 2024-25



Source: Audit Wales analysis of the Welsh Government's internal data

52 The timing of some extra grants gives councils very little time to use them. Councils shared examples where they had been given between seven and 25 days to spend the grant. This is a theme we also highlighted in our capital planning study (**Exhibit 7**). This significantly increases the risk of short-term decisions that deliver poor value for money.

Exhibit 7: findings from Audit Wales' study on capital planning by councils

Impact of restricted grants being allocated late

'By awarding funding late in the financial year, the Welsh Government risks not increasing the overall amount of capital spending in the same year. Grant conditions typically require a council to spend funds before the end of the financial year. This means that there is significant pressure to plan and spend those funds or risk losing the funding. This can encourage councils to use grant funding on projects that they had been due to fund in another way. For example, through local borrowing or revenue contributions. Equally, councils may decide to borrow or use revenue budget contributions in a future year instead.'

Source: Audit Wales

The reason for in-year grants

53 The rules for how the Welsh Government is funded encourage it to act in this way. Where the Welsh Government does not use its funding in-year, it must return most of it to the UK Government. The Welsh Government may only keep a limited amount in reserves, so a large underspend would result in funding being lost to Wales.[14] This means that funding intended for Wales may not benefit Wales directly, both in the current year and the future. This effectively encourages the Welsh Government to make sure it uses as much of its funding as possible.

14 The Welsh Government may add to or use a limited amount from the Wales Reserve, as set by the UK Government. For extra information see Audit Wales, Guide to Welsh Public Finances, July 2018. In addition, the Welsh Government also has some limited powers to borrow money to support its budget.

The impacts of in-year grant timing

54 Grant restrictions typically become more flexible as the year progresses. This can promote an opportunistic response to make sure councils maximise their income from grants (**Exhibit 11**).

55 Some councils plan for extra in-year grants and spending money before the grants are announced. As the Welsh Government regularly gives similar in-year restricted grants, councils can assume they will be offered each year. For example, winter pressures funding for social care. This can benefit councils that have a stronger financial position and can assume the risks of the Welsh Government not providing an assumed grant.

Lack of certainty around restricted grants impacts councils' relationships with their staff and partners

Impacts on people

56 Uncertainty caused by delays in the Welsh Government announcing grants have a significant impact on council officers. We heard many examples of councils funding jobs with grants. This places people at risk of redundancy if grant support ends. As this can happen every year, councils believe this adds to the significant recruitment and retention issues they face.[15] It also affects morale and well-being. This has the potential to lead to extra costs to replace people, as well as reduced effectiveness.

57 Councils raised similar concerns due to the uncertainty with restricted grant funding from the UK Government. The UK Government announced in June 2025 that it would end the Shared Prosperity Fund (SPF) and introduce new funding schemes that included the Pride in Place Programme and the Local Growth Fund (LGF) in 2026-27. During our fieldwork, the Welsh Government was consulting on its proposed approach to sharing LGF funding but had not set out detail of the LGF or the funding each council could receive. This may mean councils have to make officers redundant but lacked enough detail to know this.

15 We are currently publishing local reports that look at how councils are responding to recruitment and retention challenges that they face. These can be found on our website.

Impacts on partners

58 Councils deliver many services in partnership with charities, community groups, and other third sector bodies. Not being clear on whether funding will continue can also reduce the appetite for future partnership working, and have a detrimental impact on third sector organisations.

Annual grant allocations make it harder for councils to plan over the medium-term

59 The Welsh Government sets the value of most restricted grants each year. Councils do not know how much funding they will get in future years. This makes it harder for councils to plan their finances over the medium-term (**paragraphs 35 to 44**).

60 The Welsh Government offers some restricted grants over multiple financial years. This includes the funding for some capital projects, such as flood defences. Where funding is given over multiple years, the Welsh Government often requires councils to submit multi-year plans. This shows that it is possible for the Welsh Government to set out grant funding over multiple years for some grants.

How the Welsh Government designs restricted grants causes inefficiencies for councils

61 The Welsh Government helps grant managers to design restricted grants through the Grant Centre of Excellence (GCE). The GCE gives advice and guidance to the officials that develop and are responsible for each grant. These officials are known as grant managers.

62 Grant managers must show that the Welsh Government has the power in law to give the proposed grant. They also must show the proposal meets the Welsh Government's minimum standards. Whilst the GCE provides advice, there is no mandatory or consistent quality assurance of grant design.

63 Approval for restricted grants is given by the minister responsible for the grant's policy area. For example, the Cabinet Minister for Education would approve any new grant proposal for schools. Ministers are provided high-level advice that summarises the purpose, allocation, and legal basis for each proposal.

Guidance for proposed grants

64 The GCE guidance is designed to be at a very high-level and allow grant managers significant flexibility. Guidance suggests key issues for grant managers to think about when developing new grants and that they must meet the Welsh Government's minimum standards. This includes each proposed grant's legal basis, objectives, and risks. It does not tell managers how they should show they have thought about each issue. While this allows grants to be tailored, it also means that the depth and quality of grant design vary.

65 The GCE expects that grant managers involve the relevant sector when designing grants. Some significant proposals, such as the Local Growth Fund, receive formal public consultation whilst other grants are discussed with council officer networks. Managers are required to set out if recipients have been involved when creating proposals. However, there is no process to assess whether the right people have been involved. Managers do not have to show how the involvement of the sector has helped inform how they have developed their proposal.

Quality assurance of proposed grants

66 The Welsh Government's process for creating new restricted grants does not include consistent quality assurance. A Grant Assurance Panel (GAP) reviews proposed grants and suggests improvements. However, the GAP's role is advisory, and grant managers are not required to act on its recommendations as long as minimum standards are met. Once proposals pass through the GAP, there is no further central quality assurance before grants are launched. This means that there is variation in grant conditions and design across different grants and service areas.

67 The GAP has recently started following up its recommendations to find out if they have been acted on, but this does not always happen before grants are made to councils. Whilst this means the GAP knows why a recommendation has or has not been implemented, it means it does not know if weaknesses have been addressed before grants are given to councils.

68 As a result, the Welsh Government can only assure itself that its grants meet minimum standards. It therefore cannot assure itself that they help it to deliver VFM. Ensuring that grants are of a good quality would help the Welsh Government to support recipients to achieve VFM.[16] It would also help to make grants more consistent which could make them more efficient for recipients to administer.

69 The GAP looks at key areas of proposed restricted grants. Focusing on the reasons to create a new grant, the alternatives, and the risks helps inform decision makers about their potential to achieve VFM. Grant managers must set out how proposals have considered key areas, such as:

- the intended outcomes of the grant;
- alternatives to the grant that have been considered;
- potential overlaps with other grants;
- how the grant will be applied for; and
- the risks of fraud in the grant.

70 However, proposals made to the GAP vary in detail and coverage. The proposal documents describe proposals rather than justifying the need for and approach a proposed grant should take. So, they do not always give officials the information to assess if proposals may deliver VFM.

71 For example, our review found that proposals do not:

- clearly set out the reasons for a grant to be offered;
- fully consider alternatives, such as adding funding to the settlement instead of providing a grant (where a grant is intended to run over multiple financial years);
- explain how proposals would achieve VFM;
- explain how proposals would contribute to national well-being goals; and
- consistently set out any risks of fraud and how they would be managed.

16 What good looks like may vary in different contexts depending on the size and risks of different grants to different stakeholders. This is for the Welsh Government to decide based on its own risk appetite and what it believes grants should consistently show in design as best practice.

72 The GAP also does not know whether grant managers act on its suggestions. Despite being in the GAP terms of reference, the GAP does not collect this information. This means that the Welsh Government may not know whether grant managers addressed the issues. It also means that it cannot know whether the GAP is effective in improving the quality of grants.

Consistency of grant design

73 The requirements placed on councils to administer restricted grants varies significantly between grants. As **Exhibit 8** shows, councils follow several processes as they administer grants. The GCE guidance does not set out the factors that grant managers should consider when designing these processes, such as the value of the grant or the level of risk to the Welsh Government. This means that councils often have to follow different approaches to applying for and the monitoring of grants.

Exhibit 8: stages of processing restricted grants by councils

How councils process restricted grants

Restricted grants can have different processes, but the process for councils is similar, at a high-level. This usually includes:

- Early discussions with the Welsh Government's officials through professional networks to raise awareness of a potential new restricted grant.
- A grant application form may be received that councils need to prepare and complete. For some grants, this step may not be required.
- Councils receive a grant offer letter that sets out the restrictions and terms of the grant. Two officers (usually senior managers) must then sign the letter and send it back to the Welsh Government.
- Councils complete a process to receive the payment from the Welsh Government. This varies from grant to grant, but may be monthly, quarterly, or at other intervals.
- Councils monitor the spending of the grant. Monitoring requirements can vary between grants.
- For most grants the council's chief financial officer signs a certificate at the end of the financial year to confirm the grant has been spent and spent in line with its restrictions.
- Councils must record the grant correctly in their financial systems to produce their annual accounts. Audit Wales then audits these accounts.

Source: Audit Wales

74 It also means that processes are not necessarily proportionate to the size or risks of a grant without a clear reason (**Exhibit 9**).

Exhibit 9: findings from Audit Wales' study on capital planning by councils

Variation in the approach used in capital grants

'The UK Government has set a business case approach that the Welsh Government must follow. This is known as the Green Book. The Green Book sets out how projects should be evaluated, setting out costs, benefits, and trade-offs for delivering objectives. It adopts the 'Five Case' model for business cases. Welsh Government officials explained that this is the model that all grants should follow in their applications, except in certain circumstances, such as flood repairs. Despite this, councils told us that processes vary for different grants, and sometimes the scale of requirements vary significantly and are not necessarily proportionate to the funding available.'

Source: Audit Wales

75 In particular, the monitoring of grants by the Welsh Government varies significantly. For example, some high-value grants need little or no monitoring, while other low-value grants require frequent reporting to the Welsh Government. We also saw different monitoring requirements within the same grant with no clear explanation for this.

76 Whilst the GAP looks at how a proposal will be monitored, it does not review whether the proposal is proportional or suitable in the context of other grants the Welsh Government provides, or the size of, and risks associated with the grant.

77 Councils recognise that the Welsh Government has reduced some aspects of its grant monitoring. This includes reducing the external auditing of grants. We recognise that there is a need to balance ensuring public money is used correctly and making sure that monitoring is proportionate.

78 Councils received 49% of total restricted grants in 2024-25 from the Welsh Government. Therefore, it is particularly important that the Welsh Government ensures that its grant funding processes are efficient and proportionate for councils. In contrast, the NHS (the largest recipient of total grant funding) received only 4% of total restricted grants. This indicates that in comparison with the NHS, councils are more constrained in how they use their funding because of the restrictions placed on grant funding.

Attempts to standardise grants

79 The Welsh Government has taken some steps to promote more consistency in its restricted grants. It has a template grant offer letter that must be used unless an exemption is granted by the GCE or Welsh Government legal officials. This includes standard terms and conditions. The template also includes optional elements that managers can choose to include depending on the design of the grant.

80 Whilst most grants use the template, grant managers can, and do, vary its wording for individual grants. The Welsh Government allows this because it recognises that due to the range of grants and recipients there is a need for some flexibility. As the GCE does not review all grant offer letters before they are issued, the template letter can vary significantly between different grants. As the Welsh Government issues over 9,000 grant letters each year, we recognise that it may not be practical to review all of them each year. However, in practice, we heard that this means that councils must still review offer letters in detail to spot any changes. As a result, the template does not always help recipients process grants efficiently.

It is difficult to see how the costs of administering some grants are value for money

The cost of administering restricted grants

81 The Welsh Government gives over 150 restricted grants to councils each year. This includes around 100 revenue and 50 capital grants in total. In 2025-26 it included 83 grants that are published at the same time as the settlement. The individual grant amounts in the settlement ranged from £13,000 to £222 million. This does not include those the Welsh Government had not confirmed in the settlement. The remainder were issued later in the financial year as more funding became available.

82 As a result, councils spend significant amounts of time and money processing restricted grants – particularly where some requirements are complex. One senior council finance officer estimated they approve over 1,000 restricted grant documents each year. This can include, for example, submitting claim forms even when a council is not claiming any money (known as a nil claim).

83 The Welsh Government committed to council leaders that it would measure the costs of administering restricted grants but has not done this.[17] As a result, it is difficult to know the costs of administering grants. However, given the number of grants and the steps needed to administer them, they clearly require a significant amount of officer time in councils, and officials' time in the Welsh Government. This makes it important for the Welsh Government to ensure that its use of grants is effective in delivering policy outcomes economically and efficiently.

84 The Welsh Government has taken steps to reduce the administration of some grants for councils. For example, it has merged several smaller grants into single larger grants, such as the Local Authority Education Grant. These grants have multiple parts within them that cover different topics with their own requirements but are administered as a single grant. This has helped to reduce some administration such as reducing the volume of grant letters, and helped councils to manage their cash flow.

85 We heard examples from councils about restricted grants that were relatively costly to administer, such as:

- a grant offered to councils by the UK Government that required time-consuming registration of senior officers to a secure messaging facility to receive £4,000;
- extra money for an existing grant given to a council in-year by the Welsh Government of just £178; and
- a grant offered to councils over both a financial and academic year by a Welsh Government sponsored body. This requires additional work for councils to calculate which financial year it should include the grant and spending in.

86 Some of the grants issued by the Welsh Government can be for very small sums, potentially outweighed by the cost of administration. Grants are also inconsistent in whether councils can deduct the costs of administering them from the grant funding. Overall, it is difficult to see how this can represent good value for public money.

17 It made this commitment during a FSG meeting in March 2025.

87 Audit Wales audits the Welsh Government's annual accounts – including looking at large numbers of grants each year. In doing this, we have found some common administrative issues.[18] These include documents not being signed, differences in amounts between documents and payments, and some letters not being sent out to grant recipients. Though there are early signs of improvement in response to our recommendations, these types of issues indicate that administering its many grants can be challenging for the Welsh Government. Having fewer restricted grants may help to reduce the opportunities for errors, whilst also reducing the Welsh Government's costs to administer them.

Coordination of restricted grants

88 The Welsh Government does not coordinate the restricted grants it offers to councils. The Welsh Government is formed of directorates that reflect the different ministerial portfolios.[19] Different directorates of the Welsh Government offer grants to councils independently of each other. This means that they can offer funding at similar times and on similar topics, but with different requirements and approaches. This can reduce the economy and efficiency of grants administration. We reported similar themes in our capital planning report (**Exhibit 10**).

18 These findings are based on our audit of grants to all recipients, not just councils. In 2024-25, we tested 47 grant payments across a variety of schemes to a broad range of recipients.

19 Prior to the 2026 Senedd election, the Welsh Government had nine Cabinet Secretaries and five Ministers. It now is formed by ten Cabinet Ministers and five Deputy Ministers.

Exhibit 10: findings from Audit Wales' study on capital planning by councils

Coordination of funding

'The Welsh Government awards restricted grants from across different ministerial portfolios. It does not co-ordinate its development or awarding of grants to councils centrally. Each grant is awarded by the sponsoring part of the Welsh Government. This can mean different application, business case, and monitoring requirements. This is to enable schemes to be flexibly designed to meet the relevant policy aims.

This sometimes also means grants can be combined to deliver a project with multiple policy aims. Capital projects often have budgets that exceed the size of individual grants, and so councils need to combine grants to deliver them. However, this can make it difficult and complicated for councils to make use of grants. Particularly for projects that might require several grants to deliver, that may have different timescales and application processes.'

Source: Audit Wales

It is not clear why some longstanding grants still exist

Grants policy

89 The Welsh Government has committed to reducing the number of restricted grants it offers to councils. This aims to 'reduce the administrative burden' on councils and reviewing grants with a view to moving them into the settlement or combining them. It committed to developing a protocol with councils focused on restricted grants. Whilst not finalised, the draft version commits to fewer restricted grants to give flexibility for local decisions. It makes clear restricted grants are used by the Welsh Government to launch new policies or priorities.

90 We heard a widespread view that there are too many restricted grants. This view was shared by both some Welsh Government officials and council officers. Council officers explained that the need for several restricted grants is not always clear as some fund front line service delivery rather than new policies or responsibilities. Examples of this include in services such as education and waste management. Because restricted grants are likely to incur additional costs in administration, it is important that the Welsh Government is clear on the rationale for their use.

Long running grants

91 The Welsh Government has offered many of the same restricted grants to councils for over a decade. The 2026-27 settlement has six grants that had been included in at least the last ten settlements. We identified 35 grants that have been offered in at least five of the past 11 settlements. This does not include some longstanding large grants, such as the Children and Communities Grant, which have combined smaller grants into larger single grants. This further suggests that the Welsh Government is not limiting its restricted grants to new initiatives or priorities.

92 The barriers to moving funding from grants and into the settlement are known to the Welsh Government and councils. There are two barriers, in particular. The first is a desire from the Welsh Government to direct councils in how to spend its funding. This varies between Welsh Government departments, as well as reflecting broader Welsh Government priorities.

93 The second barrier is resistance to change in some council service areas that receive grant funding. Welsh Government officials described that long running grants can be difficult to end because some council officers prefer them to remain outside of the settlement. This is because of concerns that councils would not spend the resulting increase in the settlement in the same service areas. However, it is unclear how this is consistent with the Welsh Government's commitment to local decision-making by elected councillors, and its commitment to reducing the number of restricted grants and councils' support for this.

94 As there is a cost to administering grant funding, both for the Welsh Government and for councils it is important that the Welsh Government is clear on its purpose for using grants as a way of sharing funding. This can help it to ensure that the benefits of sharing funding through grants outweigh its costs.

The Welsh Government does not routinely think about the VFM it achieves from the grant funding it gives

Assessing VFM

95 The Welsh Government sets out that it has a responsibility to achieve VFM from the grant funding it gives. Its expectations for grant recipients explain this as the reason for ensuring that recipients use grants in line with its objectives and standards. Officials explained that, in practice, this means that it is for grant recipients to make sure that they deliver VFM by meeting the objectives set for each grant. This means that setting appropriate, robust objectives for grants is the Welsh Government's key approach to securing VFM for its spending. Evaluating if objectives are met is essential to assessing whether the Welsh Government is achieving VFM.

96 To do this, the Welsh Government sets out the monitoring arrangements for each restricted grant. This can include the recording of aims and targets set for the grant recipient, which often record outputs of grant spending. However, few restricted grants require councils to show the outcomes they have achieved. Where it asks councils to evaluate the impact of funding, this focuses on what has been spent rather than the outcomes that have been achieved. This means that the Welsh Government is not consistently gathering information to know whether grants have met their objectives.

97 Monitoring outcomes and collecting data can be burdensome for grant recipients but is critical to knowing whether a grant is effective. Officials for one grant explained that they had not evaluated the impact of their grant to avoid asking information from schools to avoid adding to workloads. Whilst this reduces administration, not collecting data to evaluate the outcomes achieved risks potentially wasting public money.

98 As a result, the Welsh Government does not regularly evaluate its restricted grants. We sampled seven restricted grants from the 2024-25 settlement and received some evidence of an evaluation for three grants. All three took different approaches. Whilst we recognise that approaches may need to vary by the nature, size, or risks of a grant, any evaluation process should clearly help the Welsh Government to know if it has achieved VFM. The evaluations reviewed also focused on recording the results of grant funding rather than their outcomes. This included recording what had been funded and the views of recipients on the grants continuing. Whilst this may result in useful information, it does not enable the Welsh Government to clearly and consistently evaluate what it achieves from its grant funding.

The Welsh Government does not always show how restricted grants will deliver its policy agenda

Purpose of funding

99 Through providing restricted grants to councils, the Welsh Government can help to implement its policy agenda and deliver its well-being objectives. The Welsh Government, therefore, often links restricted grant funding to its priorities. The links, however, are not always clear in how it communicates its grant requirements to councils. It is for the Welsh Government to set its own policy in determining how it allocates restricted grant funding. The Senedd is then responsible for approving the overall Welsh Government budget and holding the Welsh Government to account.

100 This can create tension between councils and the Welsh Government. Councils sometimes apply for restricted grant funding to deliver projects that do not reflect their local priorities. Even where they believe the spending would achieve little local benefit (**Exhibit 11**).

Exhibit 11: findings from Audit Wales' study on capital planning by councils

Local and national priority findings

'How capital grant funding is distributed is largely a matter of policy to be decided by the Welsh Government. However, the current system can incentivise an opportunistic rather than a strategic approach to bidding for grants. This risks councils using capital funding in ways that are not tailored to their local areas and therefore less likely to meet locally identified needs.

We have included these findings to highlight their risks to councils and the Welsh Government in being able to secure VFM. We do not criticise either councils for accessing available funding to make improvements to their local area or the Welsh Government for using grants to help deliver its policy agenda. However, this does highlight the importance of making sure that the potential implications for VFM of grant funding processes are considered.'

Source: Audit Wales

The sustainable development principle

101 The Welsh Government does not show councils how most of its restricted grants link to the national well-being goals or its own well-being objectives. For example, it does not reference them in most grant letters shared with councils when receiving grants. It also means that it is not clear how the sustainable development principle has informed the Welsh Government's decision to provide a grant. We have previously highlighted the importance of aligning funding to well-being objectives to help bodies deliver VFM.[20]

20 Audit Wales, No time to lose, April 2025

Funding new responsibilities for councils

102 Councils are frequently given new responsibilities. This is usually due to the Senedd passing new laws but can also be from national policy changes by the Welsh Government. This can lead to additional costs for councils. It means that it is important for the Welsh Government to accurately estimate the costs to councils to help inform councils' financial plans.

The Welsh Government's approach to estimating the costs of new laws does not help councils to plan their finances

Regulatory Impact Assessments

103 The Welsh Government must publish estimates of the costs and benefits of its draft laws to support the Senedd in its scrutiny. It does this through a Regulatory Impact Assessment (RIA). RIAs are an estimate of the impact of laws to the overall economy. The Welsh Government does not intend for RIAs to set out the cash costs for stakeholders from a new law. RIAs are intended to inform the Senedd of the overall impact of a proposed law on the whole economy. So, the focus of RIAs is wider than just the cost to the public sector.

How RIAs inform financial planning

104 RIAs do not give councils clear information to help them to financially plan. Where RIAs set out costs and benefits in cash, such as in the affordability assessment, this is either for the public sector as a whole or councils as a sector, not for individual councils. It can therefore be difficult to understand what this means for individual councils. As councils are key partners of the Welsh Government in delivering its policies, helping councils to plan their finances may improve how well they can deliver new responsibilities.

105 As a result, councils are not routinely including the costs of new laws in their financial plans. For example, during our fieldwork, the Homelessness and Social Housing Allocation (Wales) Act was being scrutinised by the Senedd. Few councils felt they had enough information to help them to include the future costs of the law in their financial plans. They were also unclear about the funding the Welsh Government would offer to help to implement the law. Some councils had included some estimates for costs, but these were based on modelled demand rather than the RIA. This makes it more difficult for councils to plan their finances over the longer term.

Communication in RIAs

106 How the Welsh Government presents information in RIAs can also make it harder for councils to understand the impacts of proposed laws. We heard frustrations from councils that the Welsh Government appears to present new laws as being cost neutral when they actually result in additional costs. This can be due to councils misinterpreting the RIAs as suggesting that the costs of new laws are 'free' rather than their costs equalling their benefits over the period that the Welsh Government has assessed. This could mean, for example, a significant cost to implement a new law in the first few years being offset by significant savings over the rest of the typical estimation period of 10 years. This is a result of RIAs presenting an economic assessment of costs and benefits not the actual cash costs to deliver new responsibilities.

The Welsh Government does not always provide clear information on funding to help councils to implement new laws

RIAs informing restricted grant funding

107 The Welsh Government does not always base its funding to councils for new laws on RIA estimates. For example, as part of the 2026-27 budget, it set out that it had allocated £451 million in funding for applying 13 new laws but had estimated costs of £379 million for 2026-27. This means that RIAs are not always an accurate basis for councils to plan from.

Concerns of councils

108 Councils have concerns about funding to support them to implement new laws. Our financial sustainability report found that some councils do not feel that the Welsh Government allocates additional funding for all new responsibilities.[21] We heard specific issues about funding for two new responsibilities in particular – funding of the reform of additional learning needs provision, and the removal of profit from children's social care. Both have been the focus of recent work by Audit Wales (**Exhibit 12**).[22]

21 We also reported this in our September 2020 report 'Better law making: the implementation challenge'.

22 The Auditor General's report on children's social care will be published later in 2026.

Exhibit 12: findings from Audit Wales' study on ALN reform

Financial findings

Our work looking at ALN reform found that councils have faced significant challenges to fund services. It found issues with how costs are measured and managed, but also uncertainty in the restricted grant funding shared by the Welsh Government due to the transition period for reforms ending.

Similarly, Estyn has reported challenges in the restricted grants to support ALN reform having unclear terms, distribution, and being too late to help schools and councils to plan.

Source: Audit Wales

The Welsh Government does not consistently involve councils in estimating the costs of new laws

Requirement to involve stakeholders

109 The Welsh Government makes engaging stakeholders in the development of RIAs a key requirement. Its RIA handbook states, 'engagement is essential for the development of a robust RIA'. This should include those who must deliver the proposed law, such as councils. This can help to make sure laws are realistic and deliverable.

How councils have been involved

110 The Welsh Government has involved stakeholders in the RIA process. When drafting the Homelessness and Social Housing Allocation (Wales) Act, the Welsh Government formed a review panel, which included councils. The panel helped to develop its proposals and estimate the costs and benefits of the new law. It also surveyed councils on costs and demand data to help develop its proposals.

111 However, councils are concerned that the amount that they are involved changes significantly between different draft laws. Some officers believed that councils were not involved at all in some proposals. Some also believed that the Welsh Government misses some opportunities to 'sense check' its estimated costs and benefits of new laws. Welsh Government officials also recognised that councils have had a lack of confidence in the accuracy of estimates due to estimates being wrong previously.

112 The Welsh Government does not always involve councils as a whole in the RIA process. Officials typically develop new laws and their supporting funding with some council officers from the service areas most affected by the proposed laws. The corporate finance teams of councils are not always involved in these discussions. This may mean that they do not capture wider impacts of proposals on councils' financial planning.

113 The Welsh Government has aimed to improve how it involves councils in developing its RIAs. The Strategic Partnership Agreement, signed in June 2025 between the Welsh Government and the WLGA, commits to developing RIAs 'jointly as far as possible'. It also commits to involving relevant council officers early and working together to find the best data to inform RIAs.

The Welsh Government does not review the accuracy of its RIAs after laws are implemented

Reviewing the accuracy of estimates

114 The Welsh Government does not review its estimates after new laws are implemented. It means that the Welsh Government does not know whether it is effective at estimating the costs of new laws.

115 The Welsh Government has taken some steps to review whether the funding it provides is enough. It encourages its officials to review its RIA estimates in post-legislative reviews and has committed to do this in some recent laws. For example, the Homelessness and Social Housing Allocation (Wales) Act includes a duty on Welsh Ministers to report on the effect of its changes, which will include funding of its costs. Ministers must consult stakeholders, such as councils, as part of this review. This will help the Welsh Government to know if its estimates were accurate, as well as inform decisions on future funding to councils.

Learning lessons

116 The Welsh Government does not capture the lessons learnt from each RIA it produces. It does not, for example, capture new methods or issues overcome in estimating the costs or benefits of a proposal.

117 We have previously reported on how the Welsh Government plans and implements new laws. Our September 2020 report, set out that:

- the Welsh Government's RIAs underestimate the costs of implementing new laws;
- councils struggle with capacity and find it hard to implement new laws;
- guidance from the Welsh Government to help councils to implement laws is not always provided or sufficiently clear; and
- different laws and guidance are not sufficiently integrated to help councils to deliver their new responsibilities well.

Support for councils

118 The Welsh Government provides councils with most of their funding, and has a significant influence on the policy and regulatory environment they operate in. This means that it has a key role to play in supporting councils to be financially sustainable.

Constructive relationships between Welsh Government officials and council officers supports councils' financial planning

119 There are constructive relationships between councils' finance officers and Welsh Government officials. These relationships are maintained through contact with individual council officers and through groups such as the Society of Welsh Treasurers and the DSG. This helps to ensure constructive dialogue between councils and the Welsh Government on financial matters, as well as helping the Welsh Government to be aware at an early stage of any emerging financial risks.

120 These relationships proved particularly valuable during the Covid-19 pandemic. Councils are clear that they proactively seek support from Welsh Government officials and that this has helped to inform their financial planning.

121 The DSG works effectively to give councils' views on the technical processes used for funding. The DSG sets its own work programme and focuses on key areas it thinks it needs to address. For example, the Welsh Government responded to concerns raised through the DSG around the reliability of data to inform funding for free school meals. It has proposed to use this data over several years in response. This shows the benefit of the Welsh Government involving councils in discussions around funding to help make sure decisions are based on accurate information.

It is not clear what support would be available from the Welsh Government to prevent or respond to a section 114 report in a council

Section 114 process

122 Councils are generally clear on the process for making a section 114 report but are less clear on the action the Welsh Government would take following this. For example, the UK Government has sometimes made ministerial interventions in English councils when they have made a section 114 report (**Exhibit 13**).[23] The Welsh Government has not set out the options it would consider in different scenarios where a section 114 report was made in a council in Wales.

Exhibit 13: what is a section 114 report?

What is a section 114 report?

Section 114 of the Local Government Finance Act 1988 requires the chief financial officer to make a report to the full council if:

- the council has or is about to make unlawful spending;
- the council has or is about to take an action that would be unlawful;
- the council is about to make an accounting entry that would be unlawful; or
- the officer believes the council will spend more in the financial year than it has the ability to fund the spending.

No section 114 reports have been made in Wales.

Source: Audit Wales

23 Interventions by the UK Government have been made under the Best Value provisions of the Local Government Act 1999 that apply to English councils – this is separate to the section 114 process. These do not apply to councils in Wales.

123 Not being clear on what would happen after a section 114 report is made can have a negative impact on financial decision-making. For example, during our interviews we heard there is a misconception amongst some members and officers that issuing a section 114 report will lead to the Welsh Government providing more funding. This is despite the Welsh Government being clear that a report would not lead to additional funding being given.[24] This is important because it could potentially lead to difficult decisions being delayed or avoided and therefore reducing the longer-term financial sustainability of a council.

124 The Welsh Government has started to set out its expectations of councils and the support it would offer to them in the event of a section 114 report being issued. It has begun to draft a protocol with councils to set clear expectations, principles, and support for financial planning. Finalising this would help to clarify the steps councils must take to receive support from the Welsh Government, and what the support might be. Setting out in advance what support is or is not available from the Welsh Government could help councils to take decisions quickly in the event of significant financial difficulties.

Support available to councils

125 Councils are generally not clear on the potential support available from the Welsh Government in the event of them experiencing significant financial difficulties. Some councils highlighted the existing options available to ease financial pressures, such as the MRP 'holiday' and the ability to borrow to fund transformation projects.[25] But councils were unclear what further support to prevent or respond to a funding crisis would be available.

126 The law does not set out a role for the Welsh Government in relation to a section 114 report. It does not require the Welsh Government to provide support or guidance. This means the decision to make a report is a local process. This means that whilst the Welsh Government may choose to offer support and guidance, it is the responsibility of councils to manage their own finances.

24 For example, Senedd Cymru, Plenary, 16 October 2024

25 An MRP 'holiday' is the ability for councils to not pay the Minimum Revenue Provision (MRP) for a period of time. MRP is a charge for the costs of borrowing and is calculated by methods set by the Welsh Government.

127 The UK Government has chosen to set out the support it provides to English councils. It has created the Exceptional Financial Support (EFS) scheme for councils with unsustainable financial pressures that mean they are unable to set a balanced budget.[26] Permission is given on the condition that councils receive an external review, typically by the Chartered Institute of Public Finance and Accountancy (CIPFA). Councils must show that they have taken all other steps possible before support is offered. This means that English councils are clear on possible next steps to help them with their financial plans. No equivalent exists in Wales.

26 The EFS scheme gives approved councils greater flexibility to balance their budgets using methods not otherwise allowed. This can include borrowing to fund revenue services or increasing Council Tax above the limit placed on councils in England.

4 Recommendations

128 Some of our recommendations cover similar themes to our report on capital planning by councils in January 2026.

Recommendations to the Welsh Government

R1 To make sure it achieves value for money from the funding it allocates to councils for essential services, the Welsh Government should improve the local government settlement process. In doing so, it should:

1.1 conclude whether the settlement formula is effective in meeting its policy objectives and national well-being goals (**paragraphs 23 to 26, and 44**);

1.2 identify and evaluate alternative distribution methods to the settlement formula to conclude whether it is the most effective method (**paragraphs 23 to 26, and 44**);

1.3 review the indicators used within the settlement formula to make sure that they remain relevant, demonstrate its policy aims, and are easy to update to help with accuracy in the future (**paragraphs 16 to 20**); and

1.4 involve councils and other relevant stakeholders to make sure a range of views are considered (**paragraph 23**).

R2 To improve the value for money of restricted grant funding processes, the Welsh Government should:

2.1 review the need for the existing number of restricted grants to ensure that grants administration is proportionate and provides value for money (**paragraphs 82 to 88**);

2.2 clearly set out criteria for when restricted grants should be transitioned into the local government settlement and establish a process to monitor this (**paragraphs 88 to 94**);

2.3 strengthen the co-ordination and management of restricted grants across different parts of the Welsh Government (**paragraphs 72 to 80, 88, and Exhibit 10**);

2.4 make sure its grant conditions and monitoring are proportional to the value and risks associated with individual grants (**paragraphs 65 to 81**);

2.5 make sure it always evaluates the value for money of restricted grants to ensure that the lessons learnt from the evaluation of grant schemes inform development of future grant schemes (**paragraphs 96 to 99**); and

2.6 make sure that it applies the sustainable development principle when developing restricted grant schemes and sets out how they will contribute to the national well-being goals (**paragraph 101**).

R3 To help councils plan their finances to secure value for money over the longer term the Welsh Government should:

3.1 set out indicative funding totals for the local government settlement and restricted grants over the medium term, and for at least three years (**paragraphs 25 to 44 and 47 to 60**);

3.2 use assumptions and scenario planning to inform its indication of future funding levels for councils (**paragraphs 35 to 44**); and

3.3 put in place an approach to reduce the proportion of funding distributed late in the financial year to councils to help them make more effective use of that funding (**paragraphs 51 to 59**).

R4 To give greater clarity to councils and other stakeholders on the costs of new responsibilities, the Welsh Government should improve how it estimates and communicates the costs of new responsibilities. This should include:

4.1 monitoring if the estimated costs of new laws are accurate following implementation and take action to help measure the actual costs if not. This process should also capture any lessons learned to inform the estimation of costs of new laws in the future (**paragraphs 114 to 117**);

4.2 reviewing the Regulatory Impact Assessment process to make sure it gives details of the actual predicted cash costs of delivering policies (**paragraphs 103 to 107**); and

4.3 clearly communicating the estimated costs and benefits of new responsibilities to councils and other stakeholders. This should involve councils and stakeholders in deciding how and what to communicate (**paragraphs 105 to 107 and 110**).

R5 To help it to act quickly when a council is in significant financial difficulty, the Welsh Government should clarify if and how it might support a council to address risks to its financial sustainability. This should include, but should not be limited to, a situation where a section 114 report has been issued. This should also include clarifying any steps it expects councils to take before asking for support (**paragraphs 122 to 127**).

Appendices

1 About our work

2 Context

3 Key terms in this report

1 About our work

Scope of the audit

We looked at how the Welsh Government gives funding to principal councils. This includes the local government settlement process, restricted and unrestricted grants. We also looked at how the Welsh Government distributes funding and how it supports councils to plan their finances.

We did not look at whether there is sufficient funding available to councils. We also did not look at whether individual councils receive sufficient funding. We did not form a view on whether different service areas receive sufficient funding or emphasis in funding by the Welsh Government.

We did not look specifically at how the Welsh Government funds other public bodies. Our work focused only on the principal councils and no other local government bodies, such as Fire and Rescue or National Park Authorities.

Audit questions and criteria

Questions

Our questions aimed to help us form a view of how the Welsh Government gives funding and support to councils. This was to enable us to make recommendations to help councils and the Welsh Government to improve the VFM they achieve. To do this, we focused on:

- whether the approach taken by the Welsh Government supports councils to plan their finances over the short, medium, and long-term;
- if the approach taken by the Welsh Government is clear and up to date; and
- whether the Welsh Government supports councils at risk of, or experiencing, significant funding challenges.

In our questions, we also looked to consider whether councils had thought about and applied the sustainable development principle in their capital planning.

Criteria

Our criteria were informed by our reporting on the financial sustainability of councils. This includes our national summary report, as well as local reports that can be found on our website. We also drew on our knowledge of the sector and the sustainable development principle. We develop our knowledge of councils and the Welsh Government by completing both performance and financial audits.

Methods

- document reviews – we reviewed grant documents shared with us by councils and the Welsh Government. This included a sample test of seven grants selected to give a range of size and split between revenue and capital spending. We also reviewed other proposed grants and examples shared with us by councils. We also reviewed national reports and guidance issued by national bodies.
- local interviews – we met with the chief financial officer (s151 officer) of each principal council in Wales.
- national interviews – we interviewed people from a number of national organisations. This included:
  - officials from the Welsh Government; and
  - officers of the Welsh Local Government Association (WLGA).
- data analysis – we analysed data published by the Welsh Government and published by StatsWales. This included revenue and capital spending data, which the Welsh Government collects from councils each year. We added to this with analysis of other financial information, such as the statement of accounts published by councils.
- cumulative audit knowledge and experience – we used our knowledge and experience of the sector acquired through our other work to help inform this work. This includes findings from our financial audits of the Welsh Government.

2 Context

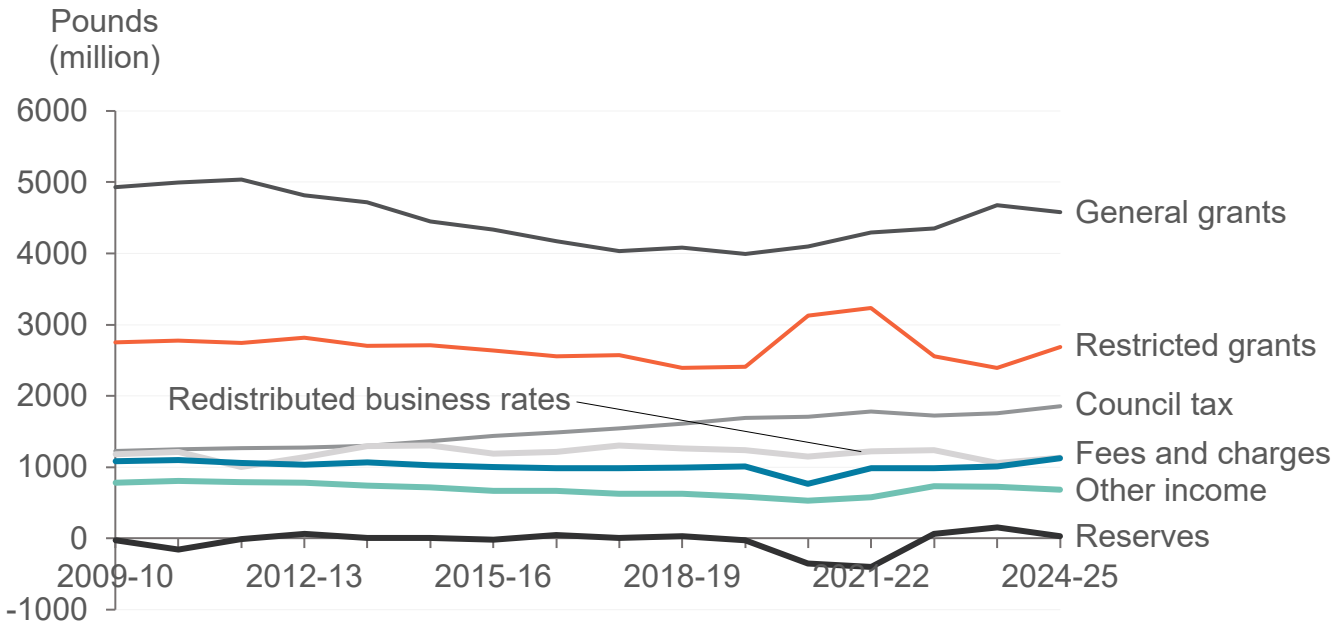
How are councils funded?

Principal councils are funded through six main sources. These are:

- Revenue Support Grant (RSG) – the main unrestricted grant allocated by the Welsh Government each year as part of the local government settlement.
- council tax – the tax charged on homes based on property value. The level of tax is decided locally by councils, who also collect it. The process and rules for setting the tax are set out in the Local Government Finance Act 1992. To set the tax, councils must set a balanced budget. Notional council tax is also included in the local government settlement process.
- restricted grants – other grants allocated by the Welsh or UK Governments to councils for a specific and limited purpose. This can include the funding of a programme or funding to support a policy aim. These vary significantly in their value and topic.
- redistributed business rates – the tax charged to businesses based on the value of property. This is collected by councils but pooled nationally and then allocated through the local government settlement. Councils can offer discounts based on either local or national rules. The process and rules for this process are set out in the Local Government Finance Act 1988.
- fees and charges – payments made by service users to the council. This can include fees for planning applications, parking permits, or school meals.
- reserves – the use of accounting reserves that carry over usable funding from year to year. These can be created for either a specific or a general purpose to balance spending.

In 2025-26, most council spending was financed by RSG (**Exhibit 14**). When combined with restricted grants, this funded over 70% of council spending. This follows the consistent trend that shows the importance of grants to council spending.

Exhibit 14: total Welsh council spending by source, 2009-10 to 2025-26 (in million pounds at December 2025 prices)



Source: Audit Wales analysis of the Welsh Government's internal data

Notes: Due to how the Welsh Government collects this data, gross revenue spending includes precepts and levies collected by councils through Council Tax on behalf of other bodies. It also includes other adjustments, such as the costs of borrowing.

Where the line is below zero, this shows where councils have increased their reserves.

Restricted grants include any grants from the UK and Welsh Governments, the Welsh Government's sponsored bodies, European grants, grants from the National Lottery, and grants from developers. The Welsh Government gives most restricted grants, but data is not available to show the split between sources.

Audit Wales has adjusted the data to account for the impact of inflation. Figures are given at December 2025 prices using data provided by His Majesty's Treasury.

How does funding get allocated between councils?

When the Welsh Government sets its budget, it includes general funding for councils that they can choose how to spend. This is allocated annually through the local government settlement. The settlement includes two components – the Revenue Support Grant (RSG) and redistributed business rates (known as Non-domestic Rates or NDR).

Each council collects NDR and this contributes to a national total – known as the national pool. The purpose of the pool is to redistribute funding between areas that may find it easier to raise higher amounts compared to others. The pool is then redistributed based on shares of the adult population. For example, in 2025-26, the Isle of Anglesey County Council received 2.2% of the NDR Pool (£25.1 million), because it had 56,000 residents over 18 out of the Welsh total of 2.5 million.

The Welsh Government applies a formula to distribute its funding to councils called the Standard Spending Assessment (SSA). The SSA aims to share funding based on need and the factors that can increase the costs of services, such as deprivation and sparsity. The SSA calculates a total amount of funding for each council that includes RSG, NDR, and an estimated Council Tax.

The Welsh Government calculates the Council Tax element using the national average Band D level adjusted for a three-year average increase. This is purely notional and reflects local ability to set the level of Council Tax. There is no limit on Council Tax levels set by the Welsh Government. In 2025-26, this was £1,726. This is then multiplied by the equivalent number of Band D properties in each council area.[27] It does not include any premium on empty or second home properties. For example, this meant a notional Council Tax figure of £54.3 million for the Isle of Anglesey CC based on its 31,455 equivalent Band D homes.

The SSA total is divided into two elements. These are non-current spending, for example the costs of borrowing, and current spending, which is the amount spent on delivering council services. The Welsh Government calculates the total for non-current spending at a national level outside of the formula. For example, borrowing costs are based on the amounts councils have previously borrowed.

27 For example, one Band G property would be equivalent to two Band D properties in the calculation.

Current spending also has some elements that the Welsh Government calculate outside of the formula. This includes the Council Tax Reduction Scheme and the Deprivation Grant. The Welsh Government removes these figures from the total current spending before it applies the formula.

The Welsh Government allocates the remaining funding between service areas based on the budgeted spending of councils. This is to make sure services with the highest spending, like education, receive weighting in the formula. It then uses the actual spending recorded by councils to then distribute funding within services where there are small formulae, known as Indicator Based Assessments (IBAs). For example, within education there are separate IBAs for primary, secondary, and special education.

Each IBA allocates funding between councils based on the indicators of need. This includes population, deprivation, and population dispersion. For example, the special school IBA allocates funding to councils based on school age population (80%), settlement size (10%), children in lone parent households (3.3%), children in out of work families (3.3%), and children in households where the head is in a low occupation classification (3.3%). Most IBAs share funding in this way.

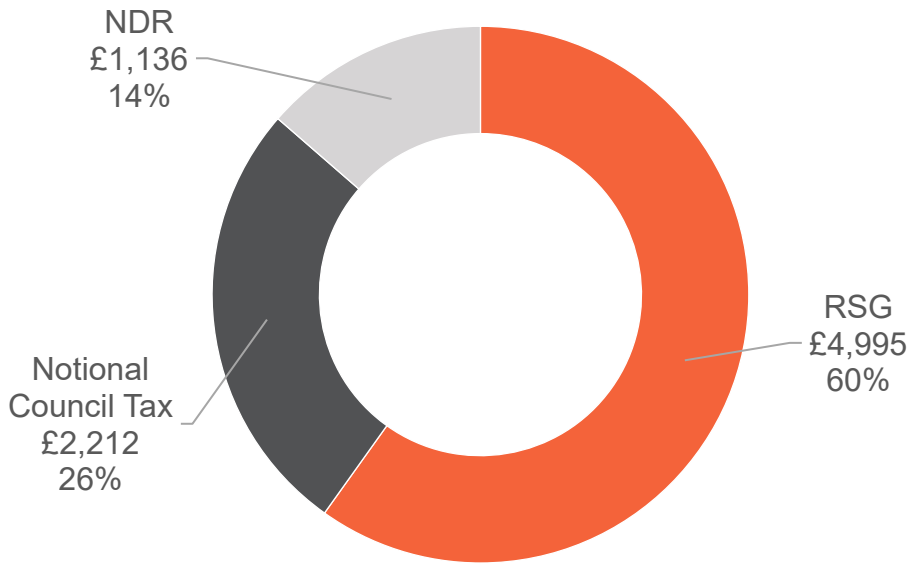
Some IBAs share funding as a proportion of other IBAs. This can be due to a service area being new or for administration. For example, education administration is allocated to councils based on relative allocations of the other education IBAs.

The total funding for each council is calculated by adding together the results of each IBA. The non-current and current spending values calculated separately to the IBAs are also then added back. From this council total, the Welsh Government removes the notional Council Tax figure as councils collect this themselves. This leaves the total of NDR and RSG funding that the Welsh Government allocates to councils.

In some years, the Welsh Government has guaranteed a minimum increase to the funding it gives to councils. This is known as a funding floor. This is added as a top-up to the settlement. In 2025-26, the minimum increase was 3.8%. For example, Isle of Anglesey CC received a top up of £0.3 million in addition to the £110.5 million total calculated by the formula.

Exhibit 15 shows how the cost of delivering council services in 2025-26 (£8.3 billion), calculated by the SSA, was funded. This meant that the Welsh Government provided £6.1 billion to councils. Councils were able to add to this funding by setting their own levels of Council Tax.

Exhibit 15: estimated funding of the costs of delivering council services in the 2025-26 settlement by the Welsh Government



Source: Audit Wales analysis of data from the Welsh Government

Notes: the Council Tax figure included was nominal and does not reflect the actual amount collected.

The settlement does not include restricted grants, which are allocated in addition to RSG and NDR.

Exhibit 16 shows that councils have had a significant amount of consistency in the proportional share of the total amount of RSG available. This is important as it provides a realistic share to base their estimates from to help them scenario plan over the medium-term (**paragraph 43**).

Exhibit 16: the average percentage share of RSG received by Welsh councils 2011-12 to 2025-26 and 2026-27

Council	Average 2011-12 to 2025-26	2026-27
Blaenau Gwent	3%	3%
Bridgend	5%	5%
Caerphilly	6%	6%
Cardiff	10%	11%
Carmarthenshire	6%	6%
Ceredigion	2%	2%
Conwy	4%	4%
Denbighshire	3%	4%
Flintshire	5%	4%
Gwynedd	4%	4%
Isle of Anglesey	2%	2%
Merthyr Tydfil	2%	2%
Monmouthshire	2%	2%
Neath Port Talbot	5%	5%
Newport	5%	5%

Council	Average 2011-12 to 2025-26	2026-27
Pembrokeshire	4%	4%
Powys	4%	4%
Rhondda Cynon Taf	9%	8%
Swansea	8%	8%
Torfaen	4%	4%
Vale of Glamorgan	3%	3%
Wrexham	4%	4%

Source: Audit Wales analysis of data from the Welsh Government

Note: Percentages are rounded to the nearest round figure.

3 Key terms in this report

Term	Description
Capital spending	The spending by councils on purchasing, building, or developing assets to deliver services. It does not include the ongoing costs of running the assets.
Chief financial officer	The most senior financial officer in councils. They are responsible under Section 151 of the Local Government Act 1972 to make sure that councils have 'arrangements for the proper administration of their financial affairs'. For this reason, they are commonly referred to as Section 151 officers.
Distribution Sub-Group (DSG)	The group of some chief financial officers, the WLGA, and Welsh Government officials that meets to discuss how the Welsh Government allocates funding.
Finance Sub-Group (FSG)	The group chaired by the local government minister and made up of some council leaders, the WLGA, other Welsh Ministers (when relevant), and Welsh Government officials that meets to discuss how the Welsh Government funds councils.
Local government settlement	The annual announcement by the Welsh Government that sets out how much funding it will provide to councils.
Official statistics	Statistics produced by bodies named in the Statistics and Registration Service Act 2007 that meet the Code of Practice for Statistics. This includes data from the ONS, UK, and Welsh Governments.

Term	Description
Restricted grant	These are grants that must be used for the purpose set out in an offer letter by the Welsh Government. Councils typically must meet conditions to receive this funding. They are also referred to as hypothecated grants.
Revenue spending	The spending by councils on the delivery of services and running itself on a day-to-day basis. It does not include the purchase of assets used to deliver services.
Standard Spending Assessment (SSA)	The method that the Welsh Government uses to share its funding to councils in relation to how much it costs to deliver council services.
Sustainable development principle	The sustainable development principle is defined as acting in a manner 'which seeks to make sure that the needs of the present are met without compromising the ability of future generations to meet their own needs.'
Unrestricted grants	These are grants that councils have greater flexibility to use how they want to, whilst still being restricted to either revenue or capital spending. They are also referred to as unhypothecated grants.
Welsh Local Government Association (WLGA)	The body that represents local government bodies – the 22 principal councils, four police services, three national park authorities, and three fire and rescue authorities in Wales.

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

Audit Wales is the umbrella term used for both the Auditor General for Wales and the Wales Audit Office. These are separate legal entities with the distinct roles outlined above. Audit Wales itself is not a legal entity.

Archwilio Cymru
Audit Wales

Audit Wales

1 Capital Quarter

Tyndall Street

Cardiff CF10 4BZ

Tel: 029 2032 0500

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

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

Archwilio Cymru
Audit Wales

APPENDIX G

Housing Adaptations

Bridgend County Borough Council

September 2026

We have prepared and published this report under section 17(2)(d) of the Public Audit (Wales) Act 2004

© Auditor General for Wales 2026

You may re-use this publication (not including logos except as an integral part of the document) free of charge in any format or medium.

If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright, and you must give the title of this publication. Where we have identified any third-party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

If you need any help with this document

If you would like more information, or you need any of our publications in an alternative format or language, please:

- call us on 029 2032 0500
- email us at info@audit.wales

You can use English or Welsh when you get in touch with us – we will respond to you in the language you use.

Corresponding in Welsh will not lead to a delay.

Mae’r ddogfen hon hefyd ar gael yn Gymraeg.

Audit Wales follows the international performance audit standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI).

Contents

Audit snapshot	4
Key facts and figures	8
Our findings	10
Recommendations	17
Appendices	19
1 About our work	20
2 Key terms in this report	22

Audit snapshot

What we looked at

1 We looked at how Bridgend County Borough Council (the Council) plans and delivers housing adaptations to help children, young people and adults stay in their homes.

2 In 2002, the Council transferred its housing stock to a housing association. This means the process of delivering a housing adaptation is different for people living in housing association properties compared to homeowners and people living in private rented homes.

Why this is important

3 Housing adaptations are changes to a home that make it easier for children, young people and adults to get around. They can help prevent falls or reduce or mitigate the need for formal care and unnecessary admissions to care settings. Examples of housing adaptations might include:

- installing ramps or grab rails;
- adding a stairlift or wheelchair lift;
- fitting a level access shower or shower seat;
- widening doorways for wheelchair access.

4 The Council assesses people's needs to decide if they are eligible for support. If they are, the Council has a legal duty to provide services, such as housing adaptations or equipment, to help children, young people and adults stay at home.

5 It is key that adaptations are delivered as quickly as possible to help people stay living at home safely and independently. Delays may mean people are unable to undertake daily tasks or at risk of falls and needing to access other public services.

6 Audit Wales previously reported on housing adaptations across Wales in 2018. We found an overly complicated system which reinforced, rather than addressed, inequality in provision of adaptations.

7 In 2018, we reported on Service User perspective of disabled facilities grants (DFGs) at the Council. In this report we recommended the Council strengthen:

- strategic planning;
- evaluation and learning;
- information for service users;
- contractor oversight and user protection;
- overall governance and control.

What we have found

8 The Council's performance in delivering housing adaptations has been a concern for several years. We recognise that the Council has made changes to the service since our report in 2018 and that there has been regular reporting to Members. However, with the exception of slight improvement in two types of adaptations for 2025-26 performance is continuing to decline. Bridgend residents are now waiting over two years on average for an adaptation.

9 Despite recently increasing its capital budget, at the time of our fieldwork, the Council did not have a clear plan to address its performance. Weaknesses in strategic planning and resourcing, learning and evaluation, and lack of coordination between staff at the different stages of the process are impacting the effectiveness of the service. Based on the Council's track record in this area and progress to date in delivering housing adaptations, we do not have confidence in the Council's ability to quickly address this. Since our fieldwork, the Council is developing a plan to address our findings.

10 We have summarised the main strengths and areas for improvement below:

Strengths

- The Council has a single point of contact for applicants.
- The Council monitors performance for timeliness and overall cost.
- The Council has quality assurance and sign-off controls.
- The Council has improved its IT system.
- The Council has introduced a contractor framework.

Areas for improvement

- The Council's delivery time is worsening and is currently averaging over two years for an adaptation.
- The Council does not understand the medium to long-term demand for adaptations.
- The Council does not have up-to-date information online to help service users understand the process.
- The Council does not engage with regional groups to understand how issues compare and learn from their experiences.
- The Council has a limited understanding if it is delivering value for money.

What we recommend

11 We have made five recommendations to the Council about:

- conducting an end-to-end review of the service to understand and address the causes of delays;
- improving understanding of current and future demand for housing adaptations;
- developing a coordinated delivery plan;
- ensuring policies are up to date;
- engaging more systematically with regional groups and partners to compare performance and learn from good practice;
- evaluating value for money.

Key facts and figures

The average number of calendar days taken to deliver a Disabled Facilities Grant overall against the Council's target.

Year	Average	Target
2019-20	436	240
2020-21	553	240
2021-22	422	240
2022-23	434	240
2023-24	553	210
2024-25	799	542
2025-26	838	542

Total number of adaptations completed and certified.
2019-20 – 157
2020-21 – 75
2021-22 – 148
2022-23 – 174
2023-24 – 230
2024-25 – 238
2025-26 – 205

Total Council investment in housing adaptations between 2020-21 and 2025-26 – £13.5 million

Expenditure (DFG Capital, Housing Care Fund and ENABLE)
2023-24: £3.2 million
2024-25: £2.7 million
2025-26: £2.4 million

The percentage of people who feel they are able to live more independently as a result of receiving a DFG in their home.

2023-24: 98%

2024-25: 99%

Our findings

The Council recognises the importance of housing adaptations but lacks a clear view of future demand and a plan to improve service delivery

Understanding demand

12 The Council understands existing demand for housing adaptations through referrals and waiting lists. However, it has not undertaken analysis to understand future demand beyond a general recognition that the population is ageing. For example, the Council has not assessed the impact its new special school and nearby housing development will have on demand.

13 A clearer understanding of future demand is vital to help the Council plan how it will meet this demand, and the resources it needs to do so. As adaptations for children typically cost more than those for adults, breaking this demand down by adults and children would also help the Council strengthen its planning for the medium and long term.

Strategic framework and delivery planning

14 The Council highlights the importance of housing adaptations in helping people to live independently in its key strategic documents, including its Corporate Plan. However, aspects of its policy framework are out of date. For instance, it has not updated its private sector housing renewal and disabled adaptations policy since 2018 and its standards for adaptations and assistance policy since 2010.

15 At the time of our fieldwork the Council did not have a clear delivery plan setting out how it will meet demand and improve timeliness. This is despite delivery times worsening overall, performance being below target and ongoing Member scrutiny and challenge. Taken together, these indicate that the Council does not have a clear and effective approach to planning and improving the service.

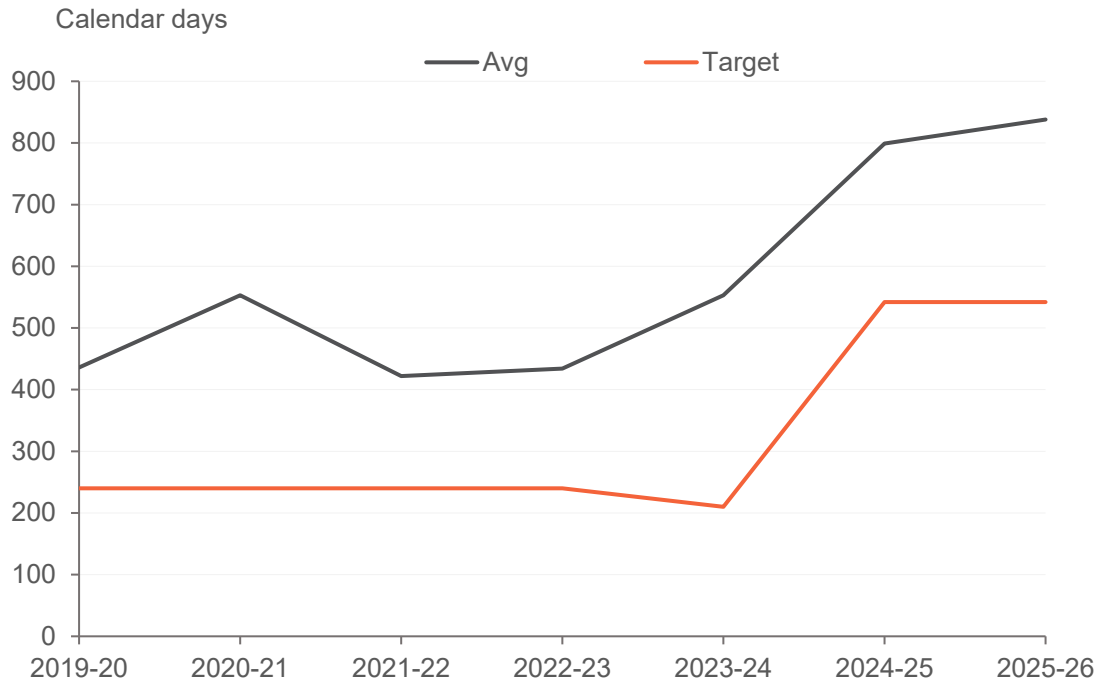
Despite changes intended to strengthen the service, delivery times are poor and worsening

Timeliness

16 Delivery times have been slow for several years and have declined significantly in the last two years. COVID-19 led to a backlog of applications and the Council provided figures that excluded those applications. But this data showed that performance continued to worsen overall during 2024-25 and 2025-26. Average wait times were longer than in the period before the COVID-19 pandemic. The Council is taking over two years on average to complete an adaptation. Its performance has been well below target for the last seven years (**Exhibit 1**). While more complex adaptations can affect this, delivery times for specific types of work have been lengthy. In 2025-26, it took more than three years on average to deliver a ramp or extension, and more than a year to deliver a stairlift.

17 These timescales raise significant concerns about the effectiveness of the service. Long waiting times can affect someone's health and independence and may increase the risks of falls, placing pressure on other public services.

Exhibit 1: Average number of calendar days to deliver a Disabled Facilities Grant



Source: Bridgend County Borough Council

Changes to strengthen delivery

18 Over the last few years, the Council has introduced changes designed to improve the service:

- bringing the service back in-house after considering alternative arrangements;
- introducing a new IT system to improve data management and oversight;
- appointing a DFG caseworker to provide applicants with a single point of contact;
- introducing a contractor framework to speed up work, strengthen quality control and reduce costs;

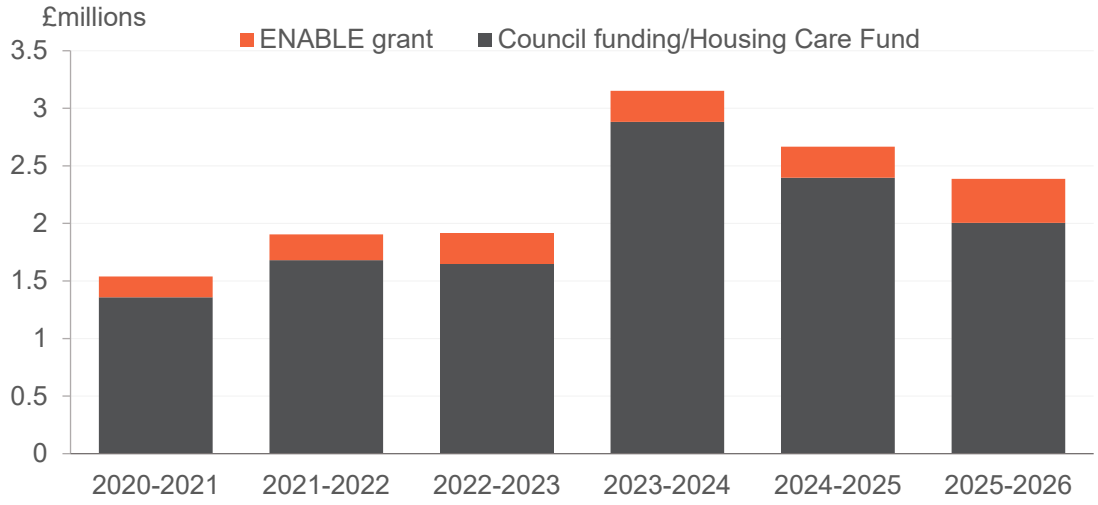
- using discretionary funding to top up DFGs to help cover the costs of complex adaptations, particularly for children and young people.

19 However, as illustrated above, these have not helped improve delivery times.

20 **Exhibit 2** sets out the Council's capital expenditure on DFGs since 2020-21. We heard during fieldwork that, in some years, the Council did not spend its full DFG budget. This is despite ongoing demand and declining performance. This indicates the Council has not consistently been able to align available funding with delivery.

21 The Council has increased its capital budget for housing adaptations by £500,000 per year for the duration of its Medium Term Financial Plan (2026-27 to 2029-30). However, it is not clear how the Council derived this figure as it has not modelled demand to identify the actions it will take and resources needed to meet demand. Given the worsening performance, the Council would benefit from doing an end-to-end review of the service to understand why timescales are worsening and how it will address this and meet demand.

Exhibit 2: DFG Capital Expenditure Summary



Source: Bridgend County Borough Council

Notes:

[1] Between 2023-24 and 2025-26, around £0.2 million funding was allocated each year to Bridgend County Borough Council by the Welsh Government through its Housing Care Fund distributed through the Cwm Taf Morgannwg Regional Partnership. These allocations are included in the totals shown in **Exhibit 1**.

[2] Between 2020-21 and 2025-26, the Council also received ENABLE funding from the Welsh Government. Ranging from £0.18 million in 2020-21 to £0.38 million in 2025-26.

Service user information and engagement

22 The Council does not provide up-to-date information to help service users clearly understand the housing adaptations process. Its website sets out the options available and a brief overview of grants and provides email and telephone contact details. However, supporting documents, such as the Standard for Adaptations and Assistance, are out-of-date and do not reflect current Welsh Government guidance including details on discretionary grants and referrals for children.

23 The Council engages service users at key stages to understand their needs. This includes through occupational therapist assessments and the DFG caseworker who acts as the single point of contact. However, we heard during fieldwork that staff do not always manage handovers smoothly between stages, and differing professional views can contribute to delays and reduce the effectiveness of the service.

Overall performance is declining despite ongoing monitoring and scrutiny, and the Council has a limited understanding of value for money

Performance management

24 The Council has provided regular reports about housing adaptations to Governance and Audit Committee, Corporate Oversight Scrutiny Committee, and Cabinet over the last five years. These cover current demand, costs and timeliness.

25 However, timeliness of delivery has continued to decline overall. This indicates that while members have scrutinised and challenged performance, this is not yet translating into sustained improvements in performance.

26 The Council monitors timescales for completing housing adaptations on average overall as well as for small, medium and large adaptations. However, it has not assessed where the issues are in the process to identify how it can address these.

Understanding partner performance

27 The Council has limited involvement in providing housing adaptations for tenants living in housing association properties. The Council does not monitor how quickly housing associations complete the work or if they inspect completed adaptations. It therefore does not have a full picture of performance to help evaluate if it is meeting its aim of supporting vulnerable residents, whatever their housing situation.

Learning and evaluating impact

28 The Council engaged with other councils to learn from their experience when it developed its contractor framework. However, it does not engage routinely with health and housing partners about housing adaptations. It also does not engage in the regional Housing Adaptations network group. Therefore, the Council is not making the most of these channels to discuss common issues and identify ways to improve.

29 Before paying the contractor, the Council checks that the quality of the adaptation meets agreed standards. It also collects feedback from service users as soon as the work is completed and satisfaction levels are consistently high.

30 The Council has reviewed its contractor costs as part of its contractor framework, but it is not actively assessing whether its housing adaptations service is delivering value for money. For example, whilst it asks some outcome-based questions when works are completed, it does not routinely follow this up once individuals have had a chance to properly use the adaptations to check that the adaptations are meeting the intended outcomes set out in the original care plan. It has also not assessed whether adaptations are reducing reliance on other services, such as helping to avoid hospital admissions.

Recommendations

R1 The Council should conduct a thorough end-to-end review of the service to understand the causes of delays and take targeted action to improve delivery and the effectiveness of the service (**paragraph 21**).

R2 The Council should improve its understanding of current and future demand for housing adaptations, including the likely impact of demographic change and demand from children and young people, so that it can plan its resources more effectively (**paragraph 12**).

R3 The Council should develop a coordinated and up-to-date strategic framework for housing adaptations. This should include updating key policies and having a clear delivery plan that sets out priorities, actions and intended outcomes (**paragraph 15**).

R4 The Council should engage more systematically with regional groups and relevant partners to understand and compare issues and learn from the experiences of others (**paragraph 28**).

R5 The Council should evaluate whether its housing adaptations arrangements are delivering value for money, including by linking the full cost of support, timeliness and outcomes (**paragraph 30**).

Appendices

1 About our work

Scope of the audit

The audit considered whether the Council's arrangements for housing adaptations support service users to remain at home. This included reviewing the Council's approach, delivery and monitoring arrangements.

We completed the fieldwork for this audit in March 2026.

Questions

The audit used the following high-level questions:

- Does the Council have an informed and clear approach to housing adaptations which supports people to remain at home?
- Is the Council delivering its approach to housing adaptations to support people to remain at home?
- Does the Council have arrangements to monitor the progress and impact of housing adaptations to support people to remain at home?

Criteria

We considered the Audit Wales's 2018 report on Housing Adaptations to develop the audit criteria. We also had discussions with councils to understand Housing Adaptations further.

Methods

We reviewed documents relating to the housing adaptations process. We interviewed key officers and elected members involved in the housing adaptations process.

The audit did not include interviews with other stakeholders who are involved in the delivery of housing adaptations, such as local health boards, contractors, Extra Care, and housing associations. Neither did we contact service users to obtain their feedback on the service they received.

2 Key terms in this report

Term	Description
Vale for Money (VFM)	Value for money is about whether money is being used to deliver intended outcomes at the best price. It is commonly associated with the 'three Es' – economy, efficiency and effectiveness. We have summarised these as: • Economy – Getting the right deal by securing the necessary inputs, to help achieve intended outcomes, at the lowest possible cost. • Efficiency – Doing things right by making the most of the inputs to generate outputs designed to achieve intended outcomes. • Effectiveness – Getting the right results by achieving the intended outcomes for the short and longer term. Value for Money is therefore not just about costs, but about the quality and effectiveness of the delivered outcomes for the money spent. Councils have legal duties relating to value for money. The Local Government and Elections (Wales) Act 2021 places a duty on councils to review the extent to which they are using resources economically, efficiently and effectively.
Adaptations	Adaptations are categorised into Minor Aids such as grab rails and lever taps, Medium adaptations such as level access showers, stairlifts, ramps, door widening, or Major adaptations like building extensions. Specialised services like Care and Repair Cwm Taf provide a rapid response for smaller works.

Term	Description
Needs assessment	The Social Services and Well-being (Wales) Act 2014 dictates that anyone who may need care or support has a right to a needs assessment. This process is designed to identify what matters to the person and what help they might need to maintain their independence and well-being.
Disabled Facilities Grant (DFG)	Disabled Facilities Grants (DFGs) help pay for changes to a home so residents can live there more safely. They are means tested for large adaptations unless you are applying on behalf of a child under 18. The Grant can provide up to £36,000 of funding.
ENABLE	Small adaptations that cost less than £1,000 are usually provided free of charge and without means testing to older people or those who need to make changes to their home because of a disability. The Welsh Government provides ENABLE grant funding to local authorities as a flexible resource which can be used to pay for small and medium adaptations.
Housing Care Fund (HCF)	The Housing Care Fund is a Welsh Government capital funding stream used by councils to develop housing that supports care needs. It is intended to reduce reliance on reactive adaptations like DFGs.

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out their work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

Audit Wales is the umbrella term used for both the Auditor General for Wales and the Wales Audit Office. These are separate legal entities with the distinct roles outlined above. Audit Wales itself is not a legal entity.



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

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

This page is intentionally left blank

Management response form

Archwilio Cymru
Audit Wales

APPENDIX H

Audit Wales use only	
Audited body	Bridgend County Borough Council
Audit name	Housing Adaptations
Issue date	06.08.2026

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R1	The Council should conduct a thorough end-to-end review of the service to understand the causes of delays and take targeted action to improve delivery and the effectiveness of the service (paragraph 21).	We agree that the DFG service would benefit from an end-to-end review and this has been part of an BCBC DFG improvement plan since transferring over to the Social Services and Wellbeing directorate. We have appointed Ark Consultancy to undertake a 8-week review which will look at the process, policy and delivery through a system change approach.	September 2026 commencement with an expected completion date of November 2026	Stuart ManderGroup Manager

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R2	The Council should improve its understanding of current and future demand for housing adaptations, including the likely impact of demographic change and demand from children and young people, so that it can plan its resources more effectively (paragraph 12).	As stated BCBC will be undertaking a service wide end-to end review of service delivery which will include the findings of the Audit Wales report. The review will consider the effectiveness of forecasting methodology analysing historical application levels alongside demographic projections. Data from the children with disabilities and transition team and the community occupational therapy service will be key in understanding local need. Recommendations arising from the review will be built into future resource planning.	The DFG final report will be expected to be provided to BCBC before the end of November 2026- Any proposed changes will be consulted on with Cabinet Corporate Management Team as currently responsibilities for DFGs sit across several directorates. This has commenced	Stuart ManderGroup Manager

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R3	The Council should develop a coordinated and up-to-date strategic framework for housing adaptations. This should include updating key policies and having a clear delivery plan that sets out priorities, actions and intended outcomes (paragraph 15).	BCBC have implemented a contractor framework 2024 which is being embedded within the DFG team. However, it is noted that the DFG policy and the overarching strategic direction for DFG requires review an updating and this will be completed following the end-to-end review. It is important that the role of DFGs in supporting individuals and families to live as independently as possible in their homes and communities is articulated and that this is underpinned by a clear policy and delivery framework matched by resources within the service. A draft restructure has been developed for the housing department but this will be developed further following completion of the review.	Strategy and Policy to be submitted to Cabinet by End of Q4 2027 Restructure to be commenced by October 2026	Stuart ManderGroup Manager Stuart ManderGroup Manager

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R4	The Council should engage more systematically with regional groups and relevant partners to understand and compare issues and learn from the experiences of others (paragraph 28).	This has commenced with there being ongoing contact between neighbouring authorities. The contractor framework was designed and implemented following work with Rhonnda Cynon Taf Local Authority, and we are linking with them regarding Policy redesign. Upon considering appropriate consultants for the DFG review we approached the WGLA for recommendations. We have also linked in with them around wider partnership groups which can provide examples of best practice	In place	Stuart ManderGroup Manager

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R5	The Council should evaluate whether its housing adaptations arrangements are delivering value for money, including by linking the full cost of support, timeliness and outcomes (paragraph 30).	Currently Welsh Government has confirmed there is no single national audit or performance framework for DFG in Wales – However, is has been documented that our neighbouring authority RCT are looking at a wider piece of work on the assessing if the intended outcomes where achieved. We are actively linking in with them regarding this element of work and will look to ensure we are part of any ongoing working group around this. We recognise from Audit Wales own work that understanding outcomes and whether costs elsewhere eg in domiciliary care or residential care is harder to understand but we will work with neighbouring LAs on this aspect.	Contact with RCT has already been established and this will be built on to ensure we are involved in any trials, working groups and outcomes	Stuart ManderGroup Manager

Appendix I

Audit Wales Report Housing Adaptations

Additional contextual information

The Council acknowledges and accepts that there are improvements to be made to the DFG service. The issues faced in Bridgend are not dissimilar to many other local authorities post Covid pandemic which resulted in a considerable backlog of cases to work through. The new group manager for housing who is accountable for progressing these improvements, with colleagues across the Council, was new in post at the time of the field work but was not interviewed as part of the review which would have given the opportunity to give auditors confidence in the way forward.

Whilst accepting the need for improvement, the Council does not fully agree with all findings of the report and considers that the conclusion does not represent a balanced assessment of the Council's current arrangements for securing value for money.

There have been measurable improvements in two specific areas of DFG adaptions during the last financial year those being-stairlifts and extensions. However, the report whilst acknowledging them does not appear to have considered these in detail or assessed the impact of the recent service changes that have been implemented. Despite this, the findings state that *"the Council's delivery time is worsening and is currently averaging over two years for an adaptation."* The Council considers that this conclusion does not fully reflect a performance improvement or the benefits expected from the service reforms introduced in recent years.

Within the report it is highlighted that in 2025/2026 performance for DFG delivery was an average 838 days, however, we provided additional statistical data that showed that upon removing the outliers (Covid cases) the actual performance for 2025/2026 is indeed recorded as 595 days. This follows a similar pattern to 2024/2025 when the recorded data within the report states average DFG delivery was 799 days, however upon removing the outliers (Covid cases) it was reduced to 558 days. This information was also provided during the review meeting. Whilst we accept that the average number of days remains higher than we would expect it does show that COVID cases continued to have a significant impact upon our service delivery.

It should also be noted that auditors confirmed that it is not possible to benchmark performance in Bridgend against other local authorities – some Authorities report the mean rather than the average wait and others have different measures for different

categories of cases. A national standard for performance would aid transparency and accountability for local authorities.

The report notes that there is a 95% satisfaction rate from customers with the DFG service provided by the Council, but this is not given great prominence in the impact of the service.

The review places significant emphasis on value for money considerations; however, the evidence gathered does not appear to have included all relevant stakeholders or service improvement activity. In particular, the Contractor Framework referenced throughout the review was developed in conjunction with the Council's Procurement Team, yet Procurement Services were not consulted as part of the review process. Given the findings and commentary in relation to value for money, contractor management and procurement arrangements, engagement with Procurement would have provided important context regarding the rationale for the framework, procurement methodology, market testing undertaken, contractor pricing, performance monitoring arrangements and the measures implemented to improve value for money.

There is a recommendation that the Council should be in a position to demonstrate value for money and impact on other services – we note that this is a recommendation being made to a number of local authorities and we would ask auditors to highlight good practice where this has been achieved as, in light of the challenging demographics, all service areas supporting vulnerable people are seeing an increase in demand, not just in Bridgend but across Wales.

The review also does not fully recognise the wider programme of improvements introduced within the service. This includes the implementation of the MasterGov adaptations management system, revised contractor allocation arrangements, the appointment of a dedicated DFG Allocation Officer and the integration of Occupational Therapy expertise within the DFG Team. These improvements were introduced specifically to strengthen governance, improve performance management, reduce delays and enhance service efficiency.

The introduction of MasterGov has improved the Council's ability to manage and monitor the DFG service. The system replaced several manual administrative processes with a single end-to-end case management platform, providing improved workflow management, case tracking, validation processes, performance reporting and management oversight. The system enables officers to monitor cases more effectively, identify delays at an earlier stage and support a more efficient progression of applications through the service.

Importantly, MasterGov has strengthened the Council's ability to demonstrate and monitor value for money. The system enables officers and managers to monitor cases and make evidence-based decisions regarding service delivery. This level of oversight

and performance intelligence was not previously in place when the previous Audit Wales report was completed and should provide assurance regarding the effective use of public funds.

There is an Occupational Therapist within the DFG Team. The inclusion of specialist Occupational Therapy expertise within the operational team supports timely decision making and contributes to the effective and efficient use of grant funding.

As acknowledged, we fully accept the need for improvements to the DFG service. A new structure is being implemented in the housing division which will enhance leadership and management oversight. External experts are working with the Council undertaking an 'end to end' review of the service which is identifying a number of quick wins as well as longer term improvements. Critical to this work will be informing Council of the resource allocation required to meet need in a timely way as it should be noted that the full budget allocation has been spent over the previous three years. For example;

In 25/26 we received total funding of £2,013,000.00 made up of DFG, Housing with Care Funding (HCF) and additional top up grants and spent £2,004,268.02 certifying 205 cases

24/25 - we received total funding of £1,973,144 made up of DFG, HCF and additional top up grants and spent £2,396,765.32 certifying 238 cases

23/24 - We received total funding of £2,783,206.00 made up of DFG, HCF and additional top up grants and spent £2,882,023 certifying 225 cases

As the figures show above BCBC made full use of the DFG funding along with additional monies from the HCF top up grants within the service.

We look forward to working with Audit Wales to deliver against the actions in the management response to the management response to the report. We are already working with a number of other local authorities to learn from practice and elsewhere and particularly ask auditors to highlight authority areas where there is good practice that we can learn from in Bridgend as they review this service across Wales.

Claire Marchant

Corporate Director

Social Service and Wellbeing

Carys Lord

Corporate Director

Finance and Transformation

This page is intentionally left blank

Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN 2026-27**
Report Owner: Responsible Chief Officer / Cabinet Member:	**CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION**
Responsible Officer:	**HEAD OF REGIONAL INTERNAL AUDIT SERVICE**
Policy Framework and Procedure Rules:	**The proposals in this report are in accordance with the policy framework and budget.**
Executive Summary:	• **The progress made against the internal audit plan as of 31st August 2026 is detailed in Appendix A. Table 1 summarises that 13 planned audit reviews have been completed to at least draft stage which equates to a completion rate of 33%.** • **An audit opinion, based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment is applied to completed audits. To date all 13 audits have had *Substantial* or *Reasonable Assurance (100%)*, no *Limited Assurance* opinions have been given.** • **Included within the 2026-27 plan are 5 audits that were not undertaken or completed in 2025-26. Appendix B shows that 4 of these audits have now been completed.** • **A total of 55 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.**

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 2026-27.

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 2026-27 was submitted to the Governance and Audit Committee for consideration and approval on 18th June 2026. The Plan outlined the assignments to be carried out which will provide sufficient coverage to provide an overall opinion at the end of 2026-27.

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 2026 to 31st August 2026 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, as well as the date each final audit report has been issued. It should be noted that some reviews listed have no audit opinion, for example advice and guidance and Governance and Audit Committee / Corporate Management Team 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 2026-27. 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 31st August 2026, the level of coverage was 33% which is exceeding the target of 30% for the end of quarter 2. 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 2026-27

Status of Audits Assignments as of 31/8/26	Number	% of plan completed
Final report issued	12	30%
Draft report issued	1	3%
Audits in progress	9	
Audits allocated	3	
Planned Audits not yet allocated	15	
Total	**40**	**33%**

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 13 completed audits; all have been given a *Reasonable Assurance* or *Substantial Assurance* opinion; there have been no *Limited Assurance* opinions. Details of individual audit opinions are shown in **Appendix A**.

Table 2 – Audit Opinions Applied to Audits as of 31st August 2026

Audit Opinions	Number	%
Substantial Assurance	5	38.5%
Reasonable Assurance	8	61.5%
Limited Assurance	0	-
No Assurance	0	-
Total	**13**	**100%**

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

AUDIT ASSURANCE CATEGORY CODE	
Substantial	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.
Reasonable	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.
Limited	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.
No Assurance	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 The audit plan 2026-27 includes audits that were not started during 2025-26 or were incomplete at year end. There are 5 of these and their status is identified at **Appendix B** which shows 4 of the 5 have been completed to at least draft stage.

3.7 **Appendix A** shows that a total of 55 recommendations have been made to date to improve the control environment: 1 high priority (2%), 28 (51%) medium priority and 26 (47%) 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 for Committee in the separate Recommendation Monitoring report.

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 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 2026-27 Internal Audit Risk Based Plan.

Background documents

None

Bridgend Councty Borough Council - Progress Against the Internal Audit Plan 2026/27

Ref	Directorate	Area	Audit Objective	Status	Report Date	Audit Opinion/Assurance			Recommendations		
						Substantial	Reasonable	Limited	High	Medium	Low
1	Cross - Cutting	Limited Assurance Reports - Follow up	To ensure that improvements have been made to the control environment since the previous *Limited Assurance* review.								
2	Cross Cutting	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.								
3	Cross Cutting	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.								
4	Cross Cutting	Risk Management	Review a sample of corporate risks to identify if they are being appropriately managed and progress is being reported accurately.								
5	Cross Cutting	Annual Self-Assessment	To provide assurance that the process in place for compiling, evaluating, consulting and reporting the Council's Annual Self Assessment is compliant with the appropriate legislation	in progress							
	Cross Cutting	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.								
6			Bus Service Support Grant 2025-26	final issued	11-05-26	√			0	0	0
7	Cross Cutting	Business Support	To provide assurance that procedures and processes are robust, efficient and effective and comply with all required legislative requirements								
8	Cross Cutting	Fuel Cards	Provide assurance that there are robust processes in place in relation to the management and administration of fuel cards	draft issued	12-08-26		√				
9	Cross Cutting	Information Governance	To provide assurance that robust arrangements are in place for managing information securely, legally and effectively.	final issued	20-07-26		√		0	5	5
	Chief Executives	Key Financial Systems	A rolling programme of audits is adopted for material systems whereby the work programme for each year will differ.								
10			General Ledger	allocated							
11	Chief Executives	Financial Management Code	To provide assurance that the information presented is accurate	in progress							
	Chief Executives	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								
12			ICT Equipment Inventories	final issued	19-08-26		√		0	2	3
13			Phising & Social Engineering	in progress							
14			Microsoft 365 Licensing & Application Utilisation	allocated							
15	Chief Executives	Cyber Security Governance	To provide assurance that the governance arrangements within the Council are effective and efficient and compliant to any relevant legislation								
16	Chief Executives	Safer Recruitment	To provide assurances that safer recruitment is operating effectively across the council by ensuring that policies and procedures are in place and that, DBS, reference checks or risk assessments are in place prior to employment commencement.	final issued	22-06-26	√			0	0	1
17	Chief Executives	Community Safety	To provide assurance that CCTV policies, processes, and operational procedures support compliance with relevant legislation and regulatory requirements, and enable secure handling of data. Documented governance arrangements including governance structures and inter-agency arrangements for CCTV are clearly defined and effective.	final issued	27-07-26	√			0	1	0
18	Chief Executives	Customer Services	To undertake a review of the Council's customer care / CRM system to provide assurance that the arrangements for the management of information, system input and process are efficient and effective	final issued	17-08-26	√			0	1	0
19	Chief Executives	Hybrid Council Meetings	The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Hybrid Council Meetings.	in progress							
20	Chief Executives	Freedom of Information Requests	To provide assurance that the process in place is effective, efficient and compliant to legislation								
21	Communities	Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement 2025/26	final issued	09-06-26	√			0	0	0
22	Communities	Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement 2025/26	final issued	04-08-26		√		0	1	5
23	Communities	Net Zero	To provide assurance that the process in place for measuring and reporting the Council's carbon footprint is accurate, efficient and effective.	allocated							
24	Communities	Highways	To review systems, processes and commissioning arrangements to ensure compliance to legislation and assurance the processes and procedures are efficient and effective	in progress							
25	Communities	Parks & Playing Field Ground Maintenance	The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Grounds Maintenance.								
	Education, Early Years & Young People	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.								
26			Porthcawl Primary	final issued	03-07-26		√		0	7	3
27	Education, Early Years & Young People	School Summary inc. 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								
28	Education, Early Years & Young People	Council Oversight of 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.	in progress							
29	Education, Early Years & Young People	Additional Learning Needs - Out of County Placements	To review the contract monitoring arrangements in respect of out of county placements for additional learning needs to provide assurance that the systems are efficient and effective	in progress							
30	Education, Early Years & Young People	ALN Transport	To provide an opinion on the adequacy and effectiveness of controls in respect of ALN eligibility for free home to school transport, monitoring of the personal transport budget and general contract monitoring.	in progress							
31	Social Services & Wellbeing	Assisted Travel	To provide assurance that transport contracts and 'in house' transport for adult social care is compliant, economic and efficient	final issued	29-07-26		√		1	1	0
32	Social Services & Wellbeing	Section 117	To provide assurance that robust controls are in place with regards to processes and procedures in relation to Section 117 arrangements.	final issued	08-07-26		√		0	6	2

Ref	Directorate	Area	Audit Objective	Status	Report Date	Audit Opinion/Assurance			Recommendations		
						Substantial	Reasonable	Limited	High	Medium	Low
33	Social Services & Wellbeing	Temporary Housing Solutions	The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Temporary Housing Solutions.	final issued	04-08-26		√		0	4	7
34	Social Services & Wellbeing	Residential Care	To provide assurance that the processes and procedures in place to manage top ups is effective and efficient and complies to the relevant legislation								
35	Social Services & Wellbeing	Continuing Health Care	To provide assurance that the funding process is effective and efficient and compliant to relevant legislation	in progress							
36	Social Services & Wellbeing	Section 28A Payments	To review the funding under Section 28A to provide assurance on the processes in place in respect of the transactions, agreements and sign offs.								
37	Social Services & Wellbeing	New Social Care Record System	To provide assurance on governance and decision making around the project whilst implementation is underway								
38	Social Services & Wellbeing	External Children Placements	To provide assurance that the procurement and contract management processes are effective								
39	Internal Audit	Compliance with GIAS - Self Assessment	Review compliance with the Global Internal Audit Standards.								
40	Internal Audit	Effectiveness of Governance and Audit Committee	To provide assurance that the Council's Governance and Audit Committee is effective, in line with the CIPFA Self-Assessment of Good Practice guidance								
41	Internal Audit	Governance & Audit Committee /Members and CMT 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.								
42	Internal Audit	Meetings, Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority.								
43	Internal Audit	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								
44	Internal Audit	Audit Wales Liaison	To maintain professional relationship in line with good practice and the GIAS								
45	Internal Audit	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.								
46	Internal Audit	Annual Opinion Report	To prepare and issue the Head of Audit's Annual Opinion Report 2025/26 and start preparation for 2026/76 report.								
47	Internal Audit	Audit Planning	To prepare and monitor the annual risk based audit plan for 2026/27 and commence preparation for 2027/28 plan								
48	Internal Audit	Audit Charter / Manual	To review and update the documents as required								
49	Internal Audit	Closure of reports	To finalise all draft reports outstanding at the end of 2025/26								
50	Internal Audit	Emerging Risks / Unplanned	To enable Audit Services to respond to provide assurance activity as required.								
51	Cross - Cutting	National Fraud Initiative	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.								
52	Cross - Cutting	Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.								
		OVERALL TOTALS	**OVERALL TOTALS**			**5**	**8**	**0**	**1**	**28**	**26**

Summary of the Progress Made Against the Plan

BCBC Summary as at 31/08/26	Number	%
final issued	12	30%
draft issued	1	3%
in progress	9	
allocated	3	
planned	15	
Total Planned Audits With an Opinion	**40**	**33%**
no opinion	12	
Total Audits on Plan	**52**	

Bridgend County Borough Council - Audits Carried Forward into 2026-27

Directorate	Area	Audit Objective	Status	Audit Opinion/Assurance			Recommendations		
				Substantial	Reasonable	Limited	High	Medium	Low
AUDITS ONGOING AND CONTINUED INTO 2026/27									
Chief Executives	ICT Equipment Inventories	The objective of the audit is to provide assurance that ICT equipment inventories are complete, accurate and current, with controls for asset tagging, assignment and tracking to enable oversight.	final issued		√		0	2	3
Social Services & Wellbeing	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.	final issued		√		0	6	2
AUDITS NOT STARTED AND INCLUDED ON 2026/27 PLAN									
Education & Family Support	Council Oversight of 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.	draft issued						
Social Services & Wellbeing	Assisted Travel (Older Persons)	Provide assurance that transport contracts and 'in house' transport for Older Persons is compliant, economic and efficient	final issued		√		1	1	0
Social Services & Wellbeing	New Social Care Record System	To provide assurance on governance and decision making around the project whilst implementation is underway							

This page is intentionally left blank

Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**INTERNAL AUDIT RECOMMENDATION MONITORING**
Report Owner: Chief Responsible Officer / Cabinet Member	**CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION**
Responsible Officer:	**HEAD OF REGIONAL INTERNAL AUDIT SERVICE**
Policy Framework and Procedure Rules:	**The proposals in this report are in accordance with the policy framework and procedure rules.**
Executive Summary:	• **This report provides members of the Governance and Audit Committee with a position statement on the status of internal audit recommendations as at 31st August 2026, details are attached at Appendix A.** • **A recommendation is made to enhance a control to mitigate the identified risk; until the recommendation is implemented the risk remains.** • **To date 1 high priority and 28 medium priority recommendations have been made following the conclusion of audits from the 2026-27 annual plan. All have been agreed, 7 have been implemented and 22 recommendations have a future implementation date. There are currently no overdue recommendations.** • **There are 44 recommendations made in previous years audits (4 high priority and 40 medium priority recommendations), which still have future implementation dates. Until these are implemented the identified risks remain. Details of these 4 high-priority recommendations together with the 6 medium priority recommendations made in 2022-23, 2023-24 and 2024-25 are detailed in Appendix B.** • **The remaining 34 medium priority recommendations were made in audits completed during 2025-26. These continue to be monitored, and any undue delays will be reported to the Council's Corporate Management Team and ultimately to this Committee.**

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 31st August 2026 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:	
High Priority	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
Medium Priority	Action that is considered necessary to avoid exposure to significant risks.
Low Priority	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 31st August 2026.

3.2 **Table 2** below illustrates that of the 29 high and medium priority recommendations made in 2026-27 audits, 7 have been implemented and the remaining 22 have a future target date.

Table 2 – Summary of the Recommendation Status – 2026-27 Audits

	No. Made	Not Agreed	Imp.	Overdue			Future Target Date		
				High	Med.	Total	High	Med.	Total
2026-27	29	0	7	0	0	0	1	21	22

3.3 **Appendix A** also includes the high and medium priority 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-2026-27)

	No. Made	Not Agreed	Imp.	Overdue			Future Target Date		
				High	Med.	Total	High	Med.	Total
2022-23	70	0	69	0	0	0	0	1	1
2023-24	124	0	123	0	0	0	0	1	1
2024-25	148	0	143	0	0	0	1	4	5
2025-26	115	0	78	0	0	0	3	34	37
Total	**457**	**0**	**413**	**0**	**0**	**0**	**4**	**40**	**44**

3.4 **Table 3** identifies the number of recommendations made, in each financial year, prior to 2026-27, which yet to be implemented. There are currently no overdue recommendations. **Appendix B** provides details of the 4 high-priority recommendations that have yet to be implemented as well as the 6 medium priority recommendations made in audits undertaken in 2022-23, 2023-24 and 2024-25 that still have a future implementation date. Until these are implemented the identified risks remain.

3.5 The remaining 34 medium priority recommendations not yet implemented together with all high and medium priority recommendations made during 2026-27 continue to be monitored, and any undue delays are reported to the Council's Corporate Management Team 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
2022-23	**Total Recs Made**		**2**	**68**	**70**	**0**	**2**	**67**	**69**	**0**	**0**	**0**	0	1	1
Home To Work Mileage in Council Vehicles	REASONABLE	27-01-23	0	4	4	0	0	3	3	0	0	0	0	1	1
Total			**0**	**4**	**4**	**0**	**0**	**3**	**3**	**0**	**0**	**0**	**0**	**1**	**1**
2023-24	**Total Recs Made**		**25**	**99**	**124**	**0**	**25**	**98**	**123**	**0**	**0**	**0**	0	1	1
Procurement	LIMITED	11-06-24	5	3	8	0	5	2	7	0	0	0	0	1	1
Total			**5**	**3**	**8**	**0**	**5**	**2**	**7**	**0**	**0**	**0**	**0**	**1**	**1**
2024-25	**Total Recs Made**		**11**	**137**	**148**	**0**	**10**	**133**	**143**	**0**	**0**	**0**	**1**	**4**	**5**
Business Continuity Planning	LIMITED	28-01-25	2	3	5	0	2	2	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
Community Asset Transfers	SUBSTANTIAL	30-04-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Total			**3**	**7**	**10**	**0**	**2**	**3**	**5**	**0**	**0**	**0**	**1**	**4**	**5**
2025-26	**Total Recs Made**		**9**	**106**	**115**	**0**	**6**	**72**	**78**	**0**	**0**	**0**	**3**	**34**	**37**
Safeguarding	REASONABLE	27-04-25	0	2	2	0	0	1	1	0	0	0	0	1	1
Coleg Cymunedol y Dderwen (CCYD)	REASONABLE	26-09-25	0	5	5	0	0	3	3	0	0	0	0	2	2
St Marys Catholic School - Follow up	REASONABLE	10-10-25	0	5	5	0	0	2	2	0	0	0	0	3	3
Corporate Risk Management	LIMITED	07-11-25	2	5	7	0	0	0	0	0	0	0	2	5	7
Abercerdin Primary School	REASONABLE	21-11-25	1	6	7	0	1	5	6	0	0	0	0	1	1
PCI-DSS Compliance Follow Up	REASONABLE	15-12-25	0	2	2	0	0	1	1	0	0	0	0	1	1
Penybont Primary inc. Purchasing Card Follow-up	REASONABLE	09-01-26	0	3	3	0	0	2	2	0	0	0	0	1	1
Communications & Consultation	REASONABLE	12-02-26	0	1	1	0	0	0	0	0	0	0	0	1	1
Commissioning of Services - Adult Social Care	REASONABLE	24-02-26	0	4	4	0	0	0	0	0	0	0	0	4	4
Facilities Management - Operational Delivery	REASONABLE	09-04-26	1	5	6	0	1	3	4	0	0	0	0	2	2
Awen Cultural Trust	LIMITED	14-04-26	2	2	4	0	1	1	2	0	0	0	1	1	2
Good Governance	REASONABLE	23-04-26	0	1	1	0	0	0	0	0	0	0	0	1	1
Urban & Rural Grass Cutting	REASONABLE	06-05-26	0	4	4	0	0	1	1	0	0	0	0	3	3
General Ledger	SUBSTANTIAL	11-05-26	0	1	1	0	0	0	0	0	0	0	0	1	1
Vehicle Fuel Management	REASONABLE	28-05-26	1	7	8	0	1	0	1	0	0	0	0	7	7
Total			**7**	**53**	**60**	**0**	**4**	**19**	**23**	**0**	**0**	**0**	**3**	**34**	**37**
2026-27															
Porthcawl Primary School	REASONABLE	03-07-26	0	7	7	0	0	4	4	0	0	0	0	3	3
Section 117	REASONABLE	08-07-26	0	6	6	0	0	2	2	0	0	0	0	4	4
Information Governance	REASONABLE	20-07-26	0	5	5	0	0	0	0	0	0	0	0	5	5
Community Safety	SUBSTANTIAL	27-07-26	0	1	1	0	0	0	0	0	0	0	0	1	1
Assisted Travel Older Persons	REASONABLE	29-07-26	1	1	2	0	0	0	0	0	0	0	1	1	2
Porthcawl Harbour	REASONABLE	04-08-26	0	1	1	0	0	0	0	0	0	0	0	1	1
Temporary Housing Solutions	REASONABLE	04-08-26	0	4	4	0	0	1	1	0	0	0	0	3	3
Customer Services	SUBSTANTIAL	17-08-26	0	1	1	0	0	0	0	0	0	0	0	1	1
ICT Equipment Inventories	REASONABLE	19-08-26	0	2	2	0	0	0	0	0	0	0	0	2	2
Total			**1**	**28**	**29**	**0**	**0**	**7**	**7**	**0**	**0**	**0**	**1**	**21**	**22**

This page is intentionally left blank

Bridgend County Borough Council –Recommendations Made pre 2026/27 (not implemented)

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
Home To Work Mileage in Council Vehicles *Reasonable Opinion*	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 Revised 31/03/24 31/03/25 31/07/25 31/08/26 31/12/26	Update August 2026 A Drivers Policy has been drafted and is going to Trade Unions in September for comment prior to sign off.	Head of Public Realm
Procurement *Limited Opinion*	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 Revised 31/07/25 30/04/26 30/09/26	Update May 2026 Contact being made with the provider to secure consultant time. Resources and other pressures within the service have made this difficult to progress to date.	Group Manager, Chief Accountant / Corporate Procurement Manager
Business Continuity Planning *Limited Opinion*	28/01/25	The Corporate Business Continuity Plan is reviewed, updated and made available.	Medium	Agree, however this piece of work is dependant on receipt of completed BCPs from departments across the business.	31/12/25 Revised 30/09/26	Update July 2026 External consultants are to complete a 'Health Check' on all Emergency Planning, Business Continuity Management and Protective Security work across the council. The target completion date for this review and production of the resulting report is	Emergency Planning Manager

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
						August 2026. Following this an Action Plan will be produced for delivery over the next 2 year covering everything from structures, governance, policies, procedures, training, exercising etc.	
Agency Staff *Reasonable Opinion*	10/03/25	If suitable candidates are not available via the main agency contract, action needs to be taken so that other agency providers are procured and contracted in compliance to the Contract Procedure Rules, this applies across the Council but in particular to agency providers used within the Social Services & Wellbeing directorate.	High	With the support of the Group Manager – HR&OD ensure that agency providers are procured and contracted in compliance to the Contract Procedure Rules. Once completed, the Group Manager – HR&OD will look to take this forward in other specialist areas.	30/09/25 Revised 30/11/25 31/01/26 31/10/26	Update September 2026 The Council will use a specialist framework for social worker staff, so all agency requests will go via the main agency contract and where unsuccessful, this framework will be used in line with BCBC Contract Procedure Rules. Use of the framework is being introduced against a backdrop of sustained reductions in agency usage.	Corporate Director – Social Services & Wellbeing
		Where agency providers are being used, particularly within the Social Services & Wellbeing directorate, there needs to be robust agreements in place in accordance with the Council's Contract Procedure Rules.	Medium	With the support of the Group Manager – HR&OD ensure that agency providers are procured and contracted in compliance to the Contract Procedure Rules.	30/09/25 Revised 30/11/25 31/01/26 31/10/26	Update September 2026 Utilising either the main agency contract or the specialist framework as specified above will ensure that suitable agreements are in place.	Corporate Director – Social Services & Wellbeing
Community Asset Transfers *Substantial Opinion*	30/04/25	To incorporate the latest best practice guidance and ensure accurate information is available to the public, the policy document and all relevant procedures should be reviewed and revised as	Medium	The CAT Officer had already identified that the CAT Policy would require review and this will be progressed within the next 3 months. This will also consider the recommendation that there is 3rd sector	30/09/25 Revised 30/09/26	The policy is undergoing further review in respect of the recommendations made during the internal audit, as well as other wider considerations and improvements which are being reviewed. There will also be the introduction of a formal monitoring framework, which will	Community Asset Transfer Officer

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
		required, with approval at the appropriate level.		involvement in the CAT Steering Group		involve colleagues across various departments including compliance, legal, finance and corporate landlord.	
		To identify areas potentially requiring additional support and ensure that the terms of the agreements are adhered to, a formal monitoring framework should be developed for all assets that have been transferred to a third party.	Medium	The implementation of a monitoring framework will be explored, with initial company status monitoring continuing in the interim.	31/12/25 Revised 30/09/26	As above	Community Asset Transfer Officer
Corporate Risk Management *Limited Opinion*	7/11/26	A Corporate Risk Manager with sole responsibility for corporate risk management should be established to ensure clear accountability, consistent oversight, and effective coordination of strategic risks across the Council is undertaken.	High	A Corporate Risk Manager with sole responsibility for corporate risk management should be established to ensure clear accountability, consistent oversight, and effective coordination of strategic risks across the Council is undertaken.	31/12/25 Revised 30/09/26	The budget proposals for 2026-27 included a cost pressure which includes funding for a risk manager post. This will be tallied to support a corporate wide review of risk management processes across the Council	Corporate Director – Finance and Transformation
		In line with the Risk Management Policy and the Risk Management Guidance, Senior Officers should be established to manage the Corporate Risk in each department/service area ensuring the required monitoring and review of the risks are being undertaken.	High	This recommendation is agreed.	31/12/25 Revised 30/09/26	This will be undertaken as part of the overall review of risk management across the Council	Corporate Director – Finance and Transformation

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
Awen Cultural Trust *Limited Opinion*	14/04/26	The Council identifies the financial savings required and liaises with Awen Cultural Trust to ensure they can be implemented in line with the Partnership Agreement and the timescales within the Medium-Term Financial Strategy (MTFS).	High	The Council will work collaboratively with Awen Cultural Trust to support the implementation of identified savings. Ongoing dialogue will ensure changes are managed in line with the Partnership Agreement with appropriate consideration of service delivery and agreed timescales. Work will be ongoing in relation to option appraisal of the contract along with appropriate governance in line with contract changes and required timelines.	31/03/27	The actions are progressing and are on target to achieve the agreed implementation date.	Group Manager, Prevention & Wellbeing

Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2025-26**
Report Owner: Responsible Chief Officer / Cabinet Member	**CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION**
Responsible Officer:	**CHAIR OF THE GOVERNANCE AND AUDIT COMMITTEE HEAD OF REGIONAL INTERNAL AUDIT SERVICE**
Policy Framework and Procedure Rules:	**The proposals in this report are in accordance with the policy framework and budget.**
Executive Summary:	• **The Governance and Audit Committee is required to approve an Annual Report for presentation to Council.** • **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.** • **The Committee has achieved this by concentrating on its core responsibilities during 2025/26.** • **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.** • **The Committee had its full complement of members and lay members throughout 2025/26.** • **An Internal Audit review of the effectiveness of the Committee measured against the good practice principles set by the Chartered Institute of Public Finance and Accountancy (CIPFA), resulted in a *Reasonable Opinion*. Members of the Committee contributed to this process.**

1. Purpose of Report

1.1 The purpose of the report is for the Committee to approve the Annual Report for 2025/26 and present it to Council for them to consider whether it forms a balanced summary of the work undertaken by the Committee.

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 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. Bridgend Council's Governance and Audit Committee had its full complement of lay members (x4) and elected councillors (x8) during 2025/26. The Committee held 6 meetings during the municipal year and attendance was good for all members (92%). (The meeting held on 2nd February 2026 was a follow on meeting from that held on 29th January 2026.)

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 The report at **Appendix A** sets out the Governance and Audit Committee's Annual Report for 2025/26, how it has complied with its Terms of Reference, and outlines its performance during the year.

3.2 Previously the self-assessment checklist based on the CIPFA Guidance was circulated to all members of the Committee in order to assess the existing skills, knowledge and areas of expertise of members and to identify any gaps or training requirements and the responses were included in the previous annual report.

3.3 For 2025/26 a more comprehensive audit review was undertaken to assess the effectiveness of the Council's Governance and Audit Committee. The objective of this audit was to provide assurance that the Council's Governance and Audit Committee (G&AC) can demonstrate its effectiveness against the good practice principles set by the Chartered Institute of Public Finance and Accountancy (CIPFA). Members were given the opportunity to comment on this report and their comments were incorporated into the final report which was presented at Governance and Audit Committee June 2026. The overall audit opinion was *Reasonable Assurance* and scored 90% compliance with CIPFA's good practice principles.

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 It is recommended that the Committee approve the Annual Report for 2025/26 for presentation to Council for it to determine whether it forms a balanced summary of the work undertaken by the Committee.

Background documents

None

APPENDIX A

Subject	**DRAFT Governance and Audit Committee Annual Report 2025/26**
Directorate:	**Chief Executives**
Meeting:	**Governance and Audit Committee**
Date:	**24 September 2026**
Division/Wards Affected	**All**

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 2025/26.

1.2 On behalf of the Governance and Audit Committee the Annual Report for 2025/26 is submitted for consideration and comment 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 2025/26 is submitted for consideration and comment 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 That Governance and Audit Committee endorse this report and recommend it is referred to Full Council subject to the comments made by Committee members at its 24th September 2026 meeting, as set out in par 3.6 below.

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. 8 elected councillors and 4 lay members were on the Committee during 2025/26. The Committee held 6 meetings during the municipal year, with good attendance from all members (92%); one meeting was reconvened due to business overrunning. Member attendance records are shown at **Appendix 2.**

3.4 The Governance and Audit Committee was mindful 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 2025/26 are shown in the forward work plan as at **Appendix 3**.

3.6 Comments from Governance and Audit Committee members at the meeting held on Thursday 24th September 2026 will be incorporated within the report to full Council:

4. WORK DELIVERED IN 2025/26

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 2025/26 by receiving a comprehensive suite of reports in line with its work programme for the year, as shown at **Appendix 3**.

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 2024/25 was reported to the Governance and Audit Committee in July 2025; the Committee endorsed it and recommended its certification by the Leader of the Council and the Chief Executive for inclusion within the Council's 2024/25 Statement of Accounts. As part of this process, it was reviewed and challenged by the Council's Corporate Management Board, the Leader and Governance and Audit Committee.

4.2.2 An update on the Action Plan that accompanied the Annual Governance Statement 2024/25 (AGS), setting out how the significant issues identified were being addressed in 2025/26 was presented in November 2025. Members asked about the transfer of the Waste Service back to the Council; information was requested on the representation of Councillors or Cabinet members on the transition board and how the minutes of the meetings could be accessed. They asked how the Council understands how procurement processes provide 'value for money'. The challenge was around how well the actions were being progressed.

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 2025/26.

4.3.3 The Internal Audit Annual Plan for 2025/26 was reported to, and approved by, the Governance and Audit Committee (June 2025). 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 and asked if the outstanding audits from 2024/25 had been carried over to 2025/26.

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 2025/26.

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 about the reception the team received when they met managers in different service areas and given that different service areas measure their performance and delivery in different ways, whether there was a lack of consistency across the Council. They asked if there should be more training across the Council about the audit process.

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 2 *Limited Assurance* audit reports were issued in 2025/26 which were reported to the Governance and Audit Committee within Internal Audit's (IA) 'Progress against the IA Risk Based Plan 2025/26 reports during the year. There were no '*No Assurance'* reports issued.

4.4.2 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.

4.4.3 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 2024/25 was reported to Committee in June 2025.

4.4.4 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 had the opportunity of inviting the relevant Director into Committee and thereafter requesting further progress reports. Examples of these invitations are shown at **Appendix 4**. This demonstrates the effectiveness of the Committee.

4.4.5 With regard to the risks of fraud and corruption:

- In September 2025 the Annual Corporate Fraud Report 2024/25 was presented; Members appreciated the training provided. This update provided assurance on the Council's arrangements to tackle potential fraud and covered the internal control environment that supports this area.
- Following the presentation of the Annual Fraud Report, Members were interested in the broader aspects of potential fraud across the Council and potential invest to save initiatives.
- The Anti-Fraud, Bribery and Corruption Policy was reported to Committee prior to it being presented to Cabinet for approval. Members suggested including examples of outcomes for those defrauding the Council and how any losses could be recovered and increasing awareness of fraud prevention.

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 Audit Wales presented their review of Risk Management to Committee, which included the Council's Management Response Form noting that all findings had been accepted. Members requested updates about the implementation of changes in respect of Risk Management and challenged the financial pressures around addressing Risk management shortfalls. They were keen to imbed a culture of risk management across the Council and continue raising the awareness and understanding of risk to ensure risks were being managed properly.

4.5.2 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 challenged the content of the report with a satisfactory response provided by the Chief Officer – Finance, Housing & Change.

4.5.3 In line with the requirements of the Local Government and Elections (Wales) Act 2021, the Committee reviewed the Council's draft Self-Assessment for 2024/25 (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 provided views and comments on the Corporate Self-Assessment exercise before being approved by Cabinet and Council.

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

4.5.5 The Committee considered the Council's draft response to the recommendations of the Panel Performance Assessment which took place in September 2025. Members felt the recommendations were fair and measured and challenged the Chief Executive about how the organisation would know it was making a difference and having an impact. They were keen for a communications strategy to be developed further and to bear in mind changes due to the forthcoming Loval Government Elections. They suggested improvements in the format of the report to include a glossary.

4.5.6 Reports on corporate complaints were also considered and discussed by the Committee who contributed to future improvements of the process by suggesting including how to reduce the number of future complaints, to learn from the feedback process as part of the process of continuous improvement, to improve the process of signposting where complaints should be directed, to timetable the development and introduction of the new complaints process, the need to learn from comparators who manage to reach a much higher compliance rate in respect of Public Services Ombudsman for Wales (PSOW) deadlines and enable compliments to be captured.

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 2024/25 Statements of Account for the Council. Members thanked the Accountancy team for meeting the statutory deadline. They expressed concern over the delay of the accounts from the City Deal and the Chairperson agreed to sign a letter to the Auditor General expressing concern at the delay again of the Cardiff Capital Region City Deal accounts. They discussed and challenged the merits of tight deadlines, and whether they were practical and realistic. They felt forecasting could be improved with the capital programme and suggested further narrative to explain the impact of risks and significant differences when comparing this year to the previous year.

4.6.2 Following review by Committee, the Council's 2024/25 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 stated it was working well and questioned the impact of the situation in the Middle East and Isreal. They discussed position in respect of long-term debt and investment income, the trend in the Capital Financing Requirements (CFR), the cost of financing the Treasury plan, whether the Council was borrowing money, and therefore paying

interest, that was not being used, whether the Council was borrowing money, and therefore paying interest, that was not being used, the relationship between slippage in the capital programme and inflationary pressures leading to cost increases, the drivers for the improvements in net debt and investment, the thinking behind the terms of borrowing and the way decisions are made about Lender Option Borrower Option (LOBO) loans.

4.7 C*onsider 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. Members discussed the Audit Wales recommendation and the costing of its implementation and required further information on a non-material fraudulent payment.

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 Commissioning Services, National Fraud Initiative, Risk management and Planning and Development.

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 Accountancy Team and 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 Previously the self-assessment checklist based on the CIPFA Guidance was circulated to all members of the Committee in order to assess the existing skills, knowledge and areas of expertise of members and to identify any gaps or training requirements. A draft training programme has been developed which will be rolled out to Members in due course.

5.2 A more comprehensive audit review was undertaken to assess the effectiveness of the Council's Governance and Audit Committee at the end of 2025/26 by Internal Audit.

5.3 The objective of this audit was to provide assurance that the Council's Governance and Audit Committee (G&AC) can demonstrate its effectiveness against the good practice principles set by the Chartered Institute of Public Finance and Accountancy (CIPFA). This has been achieved by completing:

- CIPFA's G&AC Self-Assessment of Good Practice tool.
- Evaluating the impact and effectiveness of G&AC for the following areas:

- Good Governance
- Effective Control Environment
- Management of Risk
- Reporting to Stakeholders and Community

5.4 The audit report compiled at the conclusion of the audit review was shared with members of G&AC through an interactive online workshop.

5.5 Members were given the opportunity to comment on this report and their comments were incorporated into the final report which was presented at Governance and Audit Committee June 2026. The overall audit opinion was *Reasonable Assurance* and scored 87% compliance with CIPFA's good practice principles.

5.6 As stated above, the Governance and Audit Committee operated with its full quota of lay members for 2025/26. 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 5**.

6. CONCLUSIONS

6.1 During 2025/26 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 This Annual Report includes the conclusions of the audit review of the effectiveness of the Governance and Audit Committee which was measured against the CIPFA Self-Assessment of Good Practice Tool and includes input from Members of the Governance and Audit Committee. The overall audit opinion was *Reasonable Assurance* and scored 90% compliance with CIPFA's good practice principles.

Appendix 1

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.

Members In Attendance

Members	Committee Date: 19-Jun-25	17-Jul-25	18-Sep-25	30-Oct-25	27-Nov-25	29-Jan-26	02-Feb-26	Members' Attendance Rate
Gareth Chapman * (Chair)	✓	✓	✓	✓	A	✓	✓	86%
Andrew Bagley * (Vice Chair)	✓	✓	✓	✓	✓	A	✓	86%
Bidon Olorunnisola *	✓	✓	✓	✓	✓	✓	✓	100%
Deb Austin *	✓	✓	A	✓	✓	✓	✓	86%
O Clatworthy	✓	✓	✓	✓	✓	✓	✓	100%
C Davies	✓	✓	✓	✓	✓	A	✓	86%
S Easterbrook	✓	✓	✓	✓	A	✓	✓	86%
RM Granville	✓	✓	✓	✓	✓	✓	✓	100%
S J Griffiths	✓	✓	✓	✓	✓	✓	✓	100%
M L Hughes	✓	✓	✓	✓	✓	✓	✓	100%
RL Penhale-Thomas	✓	✓	✓	A	✓	✓	A	71%
MJ Williams	✓	✓	✓	✓	✓	✓	✓	100%
Members in Attendance	12	12	11	11	10	10	11	
Members on Committee	12	12	12	12	12	12	12	
Attendance Ratio	100%	100%	92%	92%	83%	83%	92%	92%
Cabinet Members / Other Councillors								
Cllr J Spanswick (Leader)			✓					
Cllr P Davies	✓		✓					

*	Lay Member
A	Apologies

G&AC comprises of 4 x lay members and 8 x councillors

2nd Feb 2026 was a reconvened meeting of the 29th January due to business overrunning.

GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2025-26	19 June 2025	17 July 2025	18 September 2025	30 October 2025	27 November 2025	29 January 2026
Standing Items						
Governance and Audit Committee Action Record	✔	✔		✔	✔	✔
Audit Wales Governance and Audit Committee Reports	✔	✔		✔		✔
Updated Forward Work Programme	✔	✔		✔	✔	✔
Annual Accounts						
Statement of Accounts 2024-25 (unaudited)		✔				
Porthcawl Harbour Return 2024-25 (unaudited)		✔				
Going Concern Assessment	✔					
Audit Enquiries Letter	✔					
Audit Wales Audit of Accounts Report *(included with Audited Statement of Accounts Report item)*				✔		
Audited Statement of Accounts (*including final Annual Governance Statement*)				✔		
Porthcawl Harbour Return (audit letter)				✔		
Statement of Accounts 2024-25: Lessons Learned						✔
Governance						
Draft Annual Governance Statement		✔				
Half Year Review of the Annual Governance Statement					✔	
Code of Corporate Governance						
Audit Wales Annual Audit Plan *(included in Audit Wales Governance and Audit Committee Reports item)*						
Annual Audit Summary *(included in Audit Wales Governance and Audit Committee Reports item)*						
Internal Audit Reports						
Annual Internal Audit Report 2024-25	✔					
Internal Audit Shared Service Charter	✔					
Internal Audit Annual Strategy and Audit Plan 2025-26	✔					
Self Assessment of the Governance and Audit Committee				✔		
Internal Audit Progress Reports				✔		✔
Internal Audit Recommendation Monitoring Report		✔		✔		✔
Governance and Audit Committee Annual Report				✔		
Update Report in Relation to Internal Audit Activity at schools			✔			
Position Statement on Internal Audit Recommendations			✔			

Treasury Management							
Treasury Management Outturn Report 2024-25			✔				
Treasury Management Half Year Report 2025-26					✔		
Treasury Management Strategy 2026-27						✔	
Risk Assurance							
Corporate Risk Assessment		✔				✔	
Corporate Risk Policy						✔	
Counter Fraud							
Corporate Fraud Report 2024-25			✔				
Anti-Tax Evasion Policy (to be considered April 2025, then April 2027)							
Anti-Fraud, Bribery and Corruption Policy (June 2025, then June 2027)	✔						
Anti-Money Laundering Policy (June 2025, then June 2027)	✔						
Performance Related							
Complaints and Compliments	✔				✔		
Regulatory Tracker (by exception only in January and July)				✔		✔	
Annual Self-Assessment of the Council's Performance (Corporate Self-Assessment)		✔					
Panel Performance Assessment (PPA), including a paper on Committee responsibilities		✔		✔		✔	
Other							

Appendix 4

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	Parking Enforcement	June 2025	Corporate Director – Communities invited to attend G&AC to explain the relationship with The Wales Penalty Processing partnership, the difference between parking enforcement and the parking strategy and the workings of Porthcawl Harbour.	Updates on the implementation of the Home to Work Mileage in Council Vehicles Policy. Further reports re status of Internal Audit recommendations: • Home to Work Mileage in Council Vehicles • Parking Enforcement (and Strategy) • Porthcawl Harbour (including the workings of the Board).
2	Internal Audit *Limited Assurance* opinions	June 2025	That the Corporate Director - Education, Early Years & Young People provide a written report in response to the Internal Audit Annual Report in respect of Penybont Primary School and Maesteg School.	Response provided in July 2025; G&AC requested formal reports be presented
3	Comprehensive Schools	September 2025	Following the reports noted in 2 above, G&AC requested that the system for DBS checks in schools be referred for consideration by the Education and Youth Services Overview and Scrutiny Committee.	Reported back in November 2025
4	Porthcawl Harbour	September 2025	Referred the issue of Porthcawl Harbour, and specifically its governance structure, for consideration by the Communities, Environment and Housing Overview and Scrutiny Committee.	
5	Poor financial management	November 2025	Requested a report on the circumstances surrounding the Council's decision to purchase a shipping container.	
6	Internal Audit opinions	January 2026	That matters be referred to the Chief Executive and the Corporate Management Board and written updates on progress be prepared re:	

	Establishment / System / Service	Date of G&AC	G&AC Recommendations	Subsequent Action
			• Welsh Language Standards • Bridge Alternative Provision • Consultants	

Appendix 5

Pen Pictures of the Lay Members of the Governance and Audit Committee –2025/26

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, I joined PwC in Cardiff where I qualified as a Chartered Accountant; and worked my way up to Audit Manager.

I worked across both private and public sector; internal and external audit.

I 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.

My 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.

I 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, I 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

Biodun studied Accountancy in Obafemi Awolowo University Ile-Ife Nigeria and he is a Fellow of the Institute of Chartered Accountants of Nigeria and Associate of the Chartered Institute of Management Accountants (CIMA). He has 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.

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

As part of his contribution to the society, he served as the Financial Secretary of his Estate Residents' Association, He 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. He was on the committee that facilitated the provision of certain amenities to his University and he was the Chairman of the Project Committee of his class in the University which successfully delivered an energy efficient lighting project.

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

He is happily married to Kehinde and blessed with 3 lovely boys.

Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**SELF-ASSESSMENT 2025-26**
Report Owner: Responsible Chief Officer / Cabinet Member	**CHIEF EXECUTIVE**
Responsible Officer:	**KATE PASK POLICY AND PERFORMANCE MANAGER**
Policy Framework and Procedure Rules:	**The Corporate Plan and Performance Framework (on which Self-Assessment is based) form part of the Policy Framework.**
Executive Summary:	**This report seeks the Committee's views on the Council's self-assessment 2025-26. Key points are – • This is the fifth self-assessment report and third year judging performance against the Council's Corporate Plan 2023-28. • Draft judgements / scores were developed based on the objective methodology agreed by Cabinet Corporate Management Team (CCMT) and the Governance and Audit Committee in 2024. • A moderation exercise has been completed with Heads of Service and Corporate Management Team. • All Wellbeing Objective scores are yellow (good). • Use of resources score is yellow (good). • Governance score is yellow (good).**

1. Purpose of Report

1.1 The purpose of this report is to seek Governance and Audit Committee's view on the draft self-assessment for 2025-26.

2. Background

2.1 This is Bridgend County Borough Council's fifth self-assessment report, which reviews the 2025-26 year. One of the requirements of the Local Government and Elections (Wales) Act 2021 is for the Council to make and publish a self-assessment report once each financial year. The self-assessment report 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 The self-assessment report also acts as our annual report, our wellbeing report and our social partnership duty report.

2.3 Welsh Government and the Welsh Local Government Association published guidance that told us how to develop our self-assessment and what evidence to use to judge ourselves. Our approach to developing the self-assessment report has evolved over time since the first report was published in October 2022. In the writing of every report we have had the opportunity to reflect on and learn from the year being reviewed, celebrating achievements as well as identifying areas of improvement. Every year our approach seeks to improve the data and evidence base used to form our judgements and ensure they are fair and robust.

2.4 The self-assessment process also focuses our attention on the challenges we face. These are important because we need to continue to adapt to meet these challenges in order to ensure our services are sustainable and continue to identify opportunities to raise performance levels, identify efficiency savings, or both.

2.5 The self-assessment report should assure Welsh Government that we are performing well, using our money and other resources properly, and making decisions in a sensible, open way. Most importantly, the report must tell local residents, businesses and all stakeholders how we are doing.

3. Current situation / proposal

3.1 In May 2026 we outlined the intended approach to producing this year's self-assessment, which was reviewed and noted by the Governance and Audit Committee. It was agreed that the performance section of the self-assessment report for 2025-26 follows the same process as in 2024-25 but with the addition of more qualitative data in the form of case studies, regulator views and resident views where possible and pertinent to the wellbeing objective. This section includes –

- A performance overview summarising performance against the whole corporate plan, using two graphs showing how are we doing on our commitments / projects and how are we doing on our performance indicators.
- A performance section for each wellbeing objective to include a graph showing performance, a summary of performance against each aim with a Red Amber Yellow Green (RAYG) rating for each and a short narrative section, what we will we do to improve and case studies.

3.2 The same methodology was used for developing an initial RAYG rating for each of the wellbeing objectives and aims as we have used for the previous two years. This means that the RAYG is objective and based on performance on the

commitments and performance indicators (PIs) in the 2025-26 Corporate Plan Delivery Plan.

3.3 The approach gives a score to each commitment and PI based on their RAYG rating. The individual scores are then combined to give an overall score for the aim (as a proportion of the maximum), using the approach provided in the performance framework. This methodology has worked well for the previous two years. A score for each aim is developed and a narrative provided for each aim that summarises the key information within the commitments and PIs from the year-end performance dashboards.

3.4 Slightly different for this year, we have included additional qualitative data where possible if it provides additional insight into how we are performing against the wellbeing objective, for example recent regulator views and any service user perspective data. This has been looked at in conjunction with the quantitative score to form a final more balanced score which has been tested with Heads of Service and Corporate Management Team (CMT) to produce a final set of judgements.

3.5 Progress against the second performance requirement on use of resources has followed the same process as last year with seven use of resources templates reviewed and updated by the lead officers to provide theme judgements, which have then been combined to provide an overall use of resources judgement.

3.6 The third performance requirement, on governance, is covered by the Annual Governance Statement (AGS) which is scrutinised by the Governance and Audit Committee. Key findings and areas of improvement from the AGS have been used to produce the governance judgement and narrative provided in the draft Self-Assessment Report (**Appendix 1**).

3.7 The draft findings from each of the three performance requirements have been brought together into a single presentation for officer scrutiny and challenge in the first instance. Moderation exercises were completed by Heads of Service at their meeting on 24 June 2026 and CMT on 8 July 2026. Cabinet and Corporate Management Team (CCMT) then tested these judgements on 14 July 2026.

3.8 Corporate Overview and Scrutiny Committee considered the draft Self-Assessment Report on 27 July 2026. The Committee suggested the report could be more concise and noted concerns about areas rated red in the Quarter 4 Corporate Performance Dashboard but the overarching aim had been judged as amber in the Self-Assessment and recommended that the narrative should more clearly explain the different measurement frameworks used, to improve transparency and understanding for Members and the public. These narratives are therefore being reviewed and improved before the final version is submitted to Cabinet and Council for approval in October.

Summary of Judgements for 2025-26

3.8 The draft self-assessment judgements are included in **Appendix 1** and are summarised below -

WBO1: A prosperous place with thriving communities	**GOOD (YELLOW)**
WBO2: Creating modern, seamless public services	**GOOD (YELLOW)**
WBO3: Enabling people to meet their potential	**GOOD (YELLOW)**
WBO4: Supporting our most vulnerable	**GOOD (YELLOW)**

3.9 The Use of Resources judgement has been evaluated as 'Good'.

3.10 The Governance judgement remains at 'Good'.

3.11 A summary of the performance information that supports the self-assessment is included at **Appendix 2**. This will give the Governance and Audit Committee a better understanding of the Council's performance against each Wellbeing Objective, Aim, PI and Commitment that underpins the self-assessment judgements. It should also give the Governance and Audit Committee additional reassurance about the fairness and accuracy of the process.

Next Steps

3.12 After consideration by Governance and Audit Committee, there will also be engagement on the draft document with -
• Trade unions through the Council's regular meeting programme.
• Town and Community Councils at the Town and Community Council Forum (TCCF).
• Partners and neighbouring local authorities at the Public Services Board (PSB).

3.13 After considering all feedback and making necessary amendments and improvements, the final draft self-assessment 2025-26 will be presented to Cabinet and Council in October 2026.

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 2023-28:-

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

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. However, the self-assessment will help us assess the Council's performance on areas (Wellbeing Objective 1).

7. Safeguarding and Corporate Parent Implications

7.1 There are no specific implications of this report on safeguarding or corporate parenting. However, the self-assessment considers the Council's performance on areas including safeguarding (Wellbeing Objective 4) and corporate parenting (Wellbeing Objective 3).

8. Financial Implications

8.1 There are no financial implications of this report.

9. Recommendation

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

- Consider and provide views on the draft self-assessment report attached as **Appendix 1** supported by performance information in **Appendix 2.**

Background documents

None

This page is intentionally left blank

Appendix 1

Bridgend County Borough Council Corporate Self-Assessment 2025-26

1. The purpose of this report

Bridgend County Borough Council is committed to continually improving the services we provide, making the best use of public resources and being open and accountable to the people we serve.

This Corporate Self-Assessment is an important part of that commitment. It provides an honest assessment of our performance during 2025–26, recognising where we have delivered well, where we have made progress, and where further improvement is needed. It demonstrates our commitment to learning, continuous improvement and good governance. This is a year of transition with a new approach to performance to be launched in 2027 alongside a new corporate planning framework linked to the new vision we are developing throughout the rest of this year. A new transformation team with programme and project management capacity is in the process of being established – these will be underpinned by a new workforce and digital strategy early in 2027 as the two new Heads of Service in these areas establish themselves.

The Local Government and Elections (Wales) Act 2021 requires every council in Wales to publish an annual self-assessment considering whether it is:

- exercising its functions effectively;
- using its resources economically, efficiently and effectively; and
- maintaining effective governance arrangements.

This report also fulfils the council's annual reporting responsibilities under the Well-being of Future Generations (Wales) Act 2015) and the Social Partnership and Public Procurement (Wales) Act 2023, bringing together our assessment of performance, governance and organisational improvement into a single document.

This is our fifth annual self-assessment and, each year, our approach has evolved and matured. We continue to strengthen the quality of evidence we use, broaden the range of insight that informs our judgements and improve the way we evaluate our performance. Increasingly, our self-assessment is not simply about measuring what we have achieved, but understanding what we have learned and how we can improve.

Throughout the year we have drawn upon performance information, financial monitoring, regulator findings, resident feedback, partner engagement, service self-evaluations and scrutiny to develop a balanced assessment of how we are performing.

Above all, this report is intended to provide transparency. It explains to residents, members, businesses, partners and Welsh Government how we are performing, the challenges we face and the actions we are taking to build an even stronger Bridgend County Borough.

2. Looking Ahead – A Year of Reflection and Transformation

2025–26 has been a significant year for Bridgend County Borough Council.

It has been a year of reflection, learning and preparing for the future.

The appointment of a new Chief Executive has provided fresh impetus for organisational change and has prompted us to take a longer-term view of the future for the county borough. During the year we have reflected on our strengths, listened carefully to residents, staff, members and partners, and considered how we must continue to evolve to take the opportunities and meet the challenges of the decades ahead.

We reflected on the fact that the council had become heavily shaped by the impacts of COVID-19 and a prolonged period of austerity. Although our services remained strong, it was clear that we were at a significant crossroads in our organisational development.

Key external regulatory reports have given us confidence that many of our key services are in a very strong place. After some challenging years and considerable investment, Care Inspectorate Wales (CIW) reported that we now have strong and improving Children's Services with demand being manged well. Youth Services are judged by Estyn and HM Inspectorate Probation as excellent and our education services are high performing with our schools amongst the best in Wales.

These external reviews confirmed the findings of our first Panel Performance Assessment coordinated through the Welsh Local Government Association that we are a well performing authority. However, whilst performing well in these key statutory areas it is evident that there are areas that will need to change if we are to be fit for purpose in the future.

Regeneration activity has increased alongside the risk appetite for the council to prioritise the development of our towns. The purchase of the Rhiw Shopping Centre will be a catalyst for the regeneration of Bridgend Town and have, alongside ambitious plans for Porthcawl and investment in capacity to improve our public spaces, set the tone that this council intends to be increasingly proactive at intervening to improve our county.

Internally, we introduced a new approach to Service Self-Evaluations across our major service areas, creating a more consistent and evidence-based understanding of performance.

These assessments across 20 key service areas found a broad spread of performance from adequate to excellent.

Crucially, levels of self-awareness and the capacity to improve were high across services. Even those facing challenges were able to articulate a clear understanding of what was needed to achieve improvement.

Importantly, it has started the process that will embed a stronger culture of learning, accountability and continuous improvement across the organisation.

At the same time, the environment in which local government operates continues to change rapidly.

Demand for services continues to increase while financial pressures remain constant. Technology, digital transformation and artificial intelligence (AI) are reshaping how residents expect to access services and how organisations operate.

Four AI projects are underway: expanding Copilot, supporting Legal Services, enhancing social work recording, and improving customer service, alongside investment in capacity and new systems for Education, Social Services and Finance.

Extreme weather events, demographic change, ongoing financial constraints, international conflicts, and national socio-economic conditions as well as increasing complexity in areas such as social care, homelessness, housing and additional learning needs continue to place growing pressure on all public services.

The future world of work is also changing rapidly. Advances in technology, automation and the transition to a greener economy are creating new opportunities while changing the skills that future generations will need. Preparing our children and young people for that future, whilst supporting our existing workforce to develop new skills and adapt to change, will be increasingly important.

These challenges cannot be addressed by the council working alone. Success will depend upon strong partnerships with communities, recognised trade unions, businesses, public services and the voluntary sector, alongside greater collaboration across the organisation itself.

These factors have been the catalyst for developing our new Bridgend 2040 Vision.

The Vision sets out an ambitious long-term aspiration for Bridgend County Borough: **a county borough where people thrive, places are vibrant, and prosperity grows for everyone.** It provides a clear direction for the future of Bridgend County Borough and is underpinned by a robust transformation model that will guide how we continue to evolve the council, invest in our communities, and build confidence in the future.

The work undertaken during 2025–26 marks the beginning of that journey.

During 2026–27 our focus will be on translating this long-term ambition into practical transformation priorities, working collaboratively with residents, members, staff, recognised trade unions, partners and businesses to shape the next phase of our organisational and community transformation.

A governance framework will be developed for Cabinet and Scrutiny to ensure there is oversight of the transformation of our county borough and council.

3. Our progress against last year's areas for improvement

In our 2024-25 annual self-assessment we identified a series of areas that needed specific improvements in 2025-26. Below is an update on the work we have undertaken

in these areas during 2025-26. More detail is provided on actions to date, and those that are still planned in each section of this report.

Wellbeing Objective One - A County Borough where we protect our most vulnerable

What did we say we would do to improve?	What we did in 2025-26
Continue implementation of the Children's and Adult Services three-year strategic plans.	Overall, performance is strong, with good progress across both Children's and Adult Services. In Children's Services, improved workforce stability has reduced reliance on agency staff, supported by initiatives such as the Grow Your Own programme and strong support for international staff. Quality assurance has improved, with greater focus on learning from feedback and strengthening children's voices, although further work is needed in this area. Family support and early help services have also helped safely reduce the number of children entering care. Further improvement is required in mental health, substance misuse, domestic abuse and advocacy services. Recruitment of foster carers continues, alongside improved retention rates this year. In Adult Services, an independent review confirmed a strong, outcome-focused approach. Work is continuing to embed this model, strengthen quality assurance, deliver financial efficiencies, and improve systems and processes.
Implement the Early Help Commissioning Strategy.	A Family Support Commissioning Strategy has been agreed, with a new multi-agency board created to oversee delivery and ensure partners work together effectively. Early progress has been made, particularly on early help and re-commissioning key services, but further work is needed in areas such as mental health, substance misuse and domestic abuse. Ongoing coordination across local and regional groups will be important to ensure actions are delivered.
Create a Strategic Carers Group to ensure unpaid carers' views are heard.	We have started a Carers Steering Group to deliver improvements in our internal systems and processes and increase the offer of assessment to unpaid carers. This includes every social work team having a link worker to cascade and promote best practice in relation to unpaid carers. We have also undertaken a series of listening events with unpaid carers during February and April 2026. From this feedback, we are developing an action plan

	and operating guidance for staff which we will take back to carers for their input.
Take part in Welsh Government's Local Authority Benefit Take-up Pilot to identify residents who are missing out on entitlements to financial support and undertake targeted campaigns to help them	Take-up was highest for Pension Credit and Free School Meals (FSM). Pension Credit: Of the 165 households contacted during the year, 39 (24%) were awarded Pension Credit. Across all campaigns since 2023, this has generated over £616,000 a year in Pension Credit awards, calculated using the initial weekly award over 52 weeks. Free School Meals (FSM): Of the 781 households contacted, 172 children qualified for FSM. Campaigns also promoted the School Essentials Grant and, where appropriate, included information about support available from the Employability Team, including help for people to find work. In partnership with the Welsh Government's Nest Warm Homes Programme, awareness letters were sent to 2,837 households in September 2025 that were identified as potentially benefiting from the scheme.
Develop and consult on a new social housing allocation policy.	Consultants have been engaged to lead on the development of a new Social Housing Allocation Policy. A consultation exercise has taken place with statutory and not statutory partners, Registered Social Landlords (RSLs) and a 12-week consultation for members of the public. The Policy was approved by Cabinet and is in the process of being implemented.
Maximise the budget for Disabled Facilities Grants (DFGs) so that we can complete as many projects as possible in 2025-26	The full allocated budget for DFG's (£1.75milion) in 2025-26 was utilised, along with additional funding through ENABLE and Housing with Care Fund (HCF). A total of 205 jobs were completed. Further work is needed to improve the timeliness of works in this area.
Identify schools to host three new learning resource centres – a Foundation Phase Observation Class, a Foundation Phase Nurture Class for pupils with Emotional, Social and Behavioural Difficulties (ESBD) and a Secondary Communication, Autism Resource Education (CARE) base. Open these provisions in September 2025.	Porthcawl Comprehensive School has been identified as the location for a secondary CARE base, and Tondu Primary School for a Foundation Phase observation class. Both schools have already welcomed pupils through an agreed early transition arrangement, with funding in place to support the interim provision. Options are currently being explored for the Foundation Phase ESBD class, with the aim of establishing the provision in an appropriate setting. The provisions will formally open once the public consultation process has been completed. In the meantime, the transitional arrangements ensure that pupils continue to receive appropriate support and access to specialist provision.
Stay on track to meet the Additional Learning Needs (ALN)	This was completed by 31 August 2025.

commencement orders by 31 August 2025.	
Host a session on the online Individual Development Plan (IDP) system for Additional Learning Needs Coordinators (ALNCos) at the next forum in May, testing the system before rollout in schools.	An overview of the IDP system was presented at the ALNCo Forum in May 2025 in preparation for rollout of the system to schools. All settings are now enabled to use the online IDP system, with 100% of new Early Years IDPs created digitally.
Complete actions from Day Opportunities and Accommodation Based Service reviews.	The programme for remodelling our day opportunities is established with four key workstreams; remodel internal services, develop external provisions, pathways to work project for working age adults, and develop social enterprise opportunities. A project plan with key milestones and targets is in place. We have begun to see the positive impact on people who use the services where support is tailored to their specific needs. This has been co-produced with people and their families within the Integrated Demetia Service.
Complete a deep dive into Adult Safeguarding.	A deep dive has been completed. Forms and practice models have changed, and a consultation process has been introduced. Daily allocations meetings are now held, to consider all referrals within 24 hours. We have introduced standard formats for how we respond to ensure consistency and proportionality. The impact of this has been consistent improved performance in all areas.

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

What did we say we would do to improve?	**What we did in 2025-26**
Continue our comprehensive Employability Programme.	Employability Bridgend continued to provide tailored support to unemployed and under-employed residents, exceeding its engagement targets. Support included mentoring, training, job search assistance, and help to progress in work. The new Bridgend Employer Support Training (BEST) project offered six-month paid placements with local businesses, benefiting both participants and employers. Its achievements were recognised at the 2026 awards. The Bridgend Employability Network continued to grow, including the creation of a health-focused subgroup to improve referrals between health and

	social care services. The network remains recognised as a regional example of best practice. Becoming an Agored Cymru centre enabled the continued delivery of Essential Skills training and the development of new vocational courses to meet participants' needs
Award grants from Welsh Government's Transforming Towns Scheme, to contribute towards regenerating our town centres.	We secured over £5.1 million in Welsh Government Transforming Towns funding for 2025-26 through three grant schemes: placemaking, development, and strategic funding. More than £822,000 in placemaking funding supported two Council projects and eight private high street and commercial property projects. A further £170,000 in development funding supported feasibility and development work for four Council projects and one Valleys to Coast project. We also secured almost £4.13 million in strategic funding towards the acquisition of The Rhiw Shopping Centre and the Wyndham House project on behalf of Valleys to Coast.
Further develop plans for the Porthcawl waterfront regeneration area.	Extensive work to complete an aspirational masterplan which aims to bring together local needs and aspirations has taken place. A lengthy consultation exercise was completed between November 2025 and January 2026 as part of the pre-application consultation process. This now has been submitted for outline planning consent with a further commitment to deliver a LIDO on the sea front.
We are running Business Start-up Grants and a series of engagement events through Bridgend Business Forum.	A total of 52 start up grants were awarded during 2025-26. A number of engagement events took place as planned along with growing the Bridgend Business Forum through empowering the members in the organisation of the events.
Provide opportunities for short-term, test trading through 'For a Limited Time Only'.	The Maesteg Pop-Up Shop scheme provided free space in Maesteg Market for businesses to try trading in a market setting. Running from May to December 2025, it received 89 applications and supported 12 businesses. Maesteg Market Square also hosted a Pop-Up Food and Drink Market in October 2025, showcasing local food and drink producers from across the borough. In December 2025, *A Very Merry Maesteg Christmas Market* brought festive stalls, handmade gifts, and seasonal food and drink to the town centre, creating a welcoming atmosphere for residents, visitors, and families.
Execute the package of Shared Prosperity Fund (SPF) activities for the transition year, 2025-26, as	The programme of projects that was agreed by Cabinet was delivered successfully throughout the year.

agreed by Cabinet in January 2025.	
Bridgend Music Service will further develop links with partners to broaden the learning offer including members of the BBC National Orchestra of Wales visiting Bridgend in May 2025 to deliver two concerts to pupils.	BBC National Orchestra of Wales visited Bridgend Music Service in May 2025, who delivered an orchestra concert to seven primary schools in the Maesteg Area. Bridgend Music Service combined Youth Orchestra (Primary, Secondary and Senior Orchestras) performed at the National Music for Youth festival in Birmingham Symphony Hall in July 2025. Three Music Service pupils have been accepted into the National Youth Orchestra of Wales and two pupils have secured reserve places in the National Youth Choir of Wales and the National Youth Orchestra of Wales.
Complete the change to a biannual staff survey supported by surveys tailored to frontline staff at different times of the year.	Ahead of the planned staff survey launch for 2026, managers across all directorates were consulted to identify the most suitable timing and any additional support required for frontline staff. The survey ran from April to July 2026 and was promoted through staff emails, Managers Forum, the staff intranet and the Chief Executive's staff video messages to maximise awareness and participation.

Wellbeing Objective Three - A County Borough with thriving valleys communities

What did we say we would do to improve?	**What we did in 2025-26**
Approve and adopt the Placemaking Plan for Maesteg.	The Placemaking Plan is complete and will be considered for adoption.
Continue to award Commercial Property Enhancement Grants to enhance and consolidate high street in commercial areas across our valley areas.	Properties were invested in as part of the Valley High Street Property Improvement Scheme, through the Shared Prosperity Fund. In 2025-26, 9 grants were awarded totalling just under £131k, including properties in the Garw, Nantymoel, Ogmore Vale, Kenfig Hill.
Complete and adopt the Valleys Regeneration Strategy.	The Valley's Regeneration Strategy is complete and will be considered for adoption. In the meantime, the plan is already being utilised to support funding conversations and to ensure we are able to prioritise investment when it becomes available.
Keep working on the release of funds for business units in the valleys through the Northern Valleys Initiative (NVI).	Following a change in staff in the Northern Valleys Initiative project, further meetings with Cardiff Capital Region have taken place and positive progress has been made. Negotiations will continue to deliver the new business units.

Implement the proposed delivery plan for the universal expansion of Flying Start childcare (phase three) from April 2025.	We implemented two years of the delivery plan within 12 months, meaning that Flying Start expansion is a year ahead of schedule.
Complete the tender process for Welsh-medium childcare provision in Blackmill.	The tender process for the Blackmill hub concluded in August 2025 and the successful provider has since been appointed to run the site.
Complete the sale of the Ewenny Road site to a housing developer.	The development of the Ewenny Road Site is continuing. A sale to a housing developer has been agreed and remediation work is nearing completion, and a planning application for the site is currently being considered, as a condition of the sale.

Wellbeing Objective Four - A County Borough where we help people meet their potential

What did we say we would do to improve?	**What we did in 2025-26**
Work to increase governor engagement with safeguarding training.	Safeguarding training is regularly provided to school governors through a structured programme that helps them understand their safeguarding responsibilities. Training is available both online and in person, making it accessible and flexible for governors across all school phases. This school year, there has been a notable increase in the number of governors attending Designated Safeguarding Person (DSP) training delivered by the Education Engagement Team.
Support the school in 'special measures' to enact the post-inspection action plan.	When a school is placed in special measures, School improvement partners work with school leaders to create an action plan that addresses the inspection recommendations. The Performance and Financial Monitoring Board and School Improvement Group receive regular updates on the progress of schools causing concern. Where needed, additional actions are taken to support improvement. Bridgend County Borough has one of the lowest proportions of schools in Estyn monitoring in Wales.
Through the 'Weapons-Related Incidents in Bridgend Educational Settings Strategy Group' look at the use of violence and weapons within schools, to identify trends and themes including areas of best practice to address violence in school.	We continued to operate the multi-agency Weapons-Related Incidents Group to organise developmental activity in relation to weapon related incidents. A draft policy has been produced for schools in line with a good practice document produced through the Serious Violence project activity for Wales. This policy will be finalised and shared with schools and education provisions by December 2026.

Support schools to complete attendance audits to identify best practice and development needs.	As part of the local authority's strengthened attendance assurance framework, the Education Engagement Team will complete attendance audits with all schools by the end of the spring term.
Complete work to improve persistent absence levels in primary schools.	The local authority has updated and implemented a revised School Attendance Enforcement Policy (2025–2028) which confirms education welfare officers' role in applying a graduated, child-centred approach prior to enforcement.
Work with school leaders to improve capped 9 scores by sharing effective practice, the role of improvement partners, brokering support, developing leadership capacity, local authority network groups, evaluating the quality of teaching and judging the impact of teaching on the outcomes for learners.	Sharing best practice is a standing item on the School Improvement Group Agenda. Practice is shared as identified from school inspections or other effective practice as identified from schools across the local authority. Following their recent positive inspection, the headteacher and deputy headteacher from Pencoed Comprehensive School delivered a presentation to primary headteachers about distributed leadership highlighting areas of good practice.
Continue to support and promote education through the medium of Welsh, with a variety of groups, projects and initiatives in place to increase opportunities for children to use the Welsh language.	Three practitioners are on the two-term primary sabbatical course with the National Centre for Learning Welsh. The five teachers that attended the sabbatical course in 2024-25 are receiving post-sabbatical support.
Continue to progress our plans for School Modernisation	Progress has been made on all school development projects, with each project at a different stage. At Heronsbridge School, a contractor has been appointed, design work has progressed, a project timeline has been agreed, and ecological assessments have been updated. Planning and funding approval have been secured for Ysgol Ferch o'r Sgêr and the new two-form English-medium school. However, appointing a contractor is currently delayed while a land swap is resolved. At Mynydd Cynffig Primary School, site clearance is underway, design work is nearly complete, and preparations for tender are progressing. For Ysgol Gymraeg Bro Ogwr, access agreements have been secured, site clearance has been completed, and ecological measures are in place. Delays to site investigations caused by poor weather have resulted in the school opening being moved to September 2027.
Prepare an options paper for the Food and Fun Programme to consider how barriers to schools' participation could be reduced.	We have restructured the service, with responsibility for Food and Fun passing to a more experienced officer. As a result, participation is expected to increase from four schemes in 2025 to ten schemes in 2026.

Wellbeing Objective Five - A County Borough that is responding to the climate and nature emergency

What did we say we would do to improve?	What we did in 2025-26
Complete and consult on the draft Net Zero Strategy.	The Net Zero Strategy was reviewed by a specialist contractor who reported on progress and proposed changes. An updated strategy was presented to the Communities, Environment and Housing Overview and Scrutiny Committee in November 2025 before being put out for public consultation between November 2025 and January 2026.
Commence the REFIT2 Scheme in Spring 2025.	The latest ReFit Framework did not launch until Summer 2025, renamed Energy Performance Contracting. Based on the scope of work required, financing options, setup costs, and previous experience of the framework, BCBC energy efficiency activity has been delivered through other procurement mechanisms. The framework is in place until 2030 so will be considered for future activities.
Make a Local Places for Nature 2025-27 application.	The application was developed and submitted and funding secured. Two members of staff were employed to support the Local Nature Partnership and delivery of the biodiversity enhancement schemes. Through the Local Placed for Nature funding, new 'cut and collect' grass cutting machinery was also purchased for Parks and Green Spaces.
Implement the catchment wide study of the Nant Cefn Glas following the Bryntirion flooding event in September 2024 with funding from WG FCERM (Flood and Coastal Erosion Risk Management) Capital Pipeline.	The area-wide catchment study undertook onsite surveys, and creation of models for watercourse flows during 2025-26. The analysis of these is continuing into 2026-27.
Continue work on Supplementary Planning Guidance (SPG) to support the Local Development Plan (LDP).	SPG on retail, affordable housing, houses in multiple occupation (HMOs) and outdoor recreation are now adopted. SPG on education, parking and planning obligations are in preparation for consultation and adoption in 2026-27.
Continue work to bring the Waste Service in-house.	A project delivery structure was put in place with workstream leads to complete milestone tasks. Key members of staff have been recruited. Progress continues to be monitored at monthly board meetings attended by relevant Cabinet members and senior officers. Overall progress to date has been very good and will continue into 2026-27.

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

What did we say we would do to improve?	What we did in 2025-26
Implement the action plan for the Strategic Equalities Plan.	The Strategic Equality Plan Action Plan has continued to be implemented throughout the year, with progress monitored and reported through established governance arrangements. Actions delivered have contributed to advancing equality, fostering inclusion and improving outcomes for people with protected characteristics across the county borough.
Approve and implement our new Digital Strategy.	A public consultation was undertaken during June and July 2025 on a proposed Digital Strategy before it was presented to the Corporate Overview and Scrutiny Committee in July 2025. Further review of the strategy was undertaken to ensure our transformation vision and aspirations are reflected. A transformation programme is now being developed with digital being one of the key enablers within that approach. A new more ambitious strategy will be launched in early 2027.
Review and improve the corporate front door.	Work has continued to develop the corporate front door, specifically to support Adult Social Care in relation to Early Intervention and Prevention Hub, and the Network teams. A new online self-referral form for Adult Social Care has been developed, and funding has been secured to develop a digital front door specifically for Social Services to help provide online information, advice and assistance which will be available to customers 24/7.
Reflect on findings from the National Residents Survey and take action to address issues.	Analysis of the National Residents Survey has provided valuable insight into residents' experiences and priorities. The findings are being used to inform service planning and support evidence-based decision-making, helping to ensure that council policies and services continue to reflect the needs of local communities. An updated survey will be carried out during autumn/winter 2027.
Start tracking Community Asset Transfers that move from short-term leases to longer-term leases.	We are now tracking Community Asset Transfers (CATs) in 2 categories: new CATs (7 completed in 2025-26), and short-term agreements moved to long-term agreements (4 completed in 2025-26)

Wellbeing Objective Seven - A County Borough where we support people to be healthy and happy

What did we say we would do to improve?	What we did in 2025-26
Continue the redevelopment of Porthcawl Grand Pavilion.	The Grand Pavilion Project is making good progress on site. The main contractor has been on site since September 2025 and will progress work over the next 18 months. A Programme Board has been established for some time to oversee the project. It will open in 2027 as a key part of our regeneration of the town.
Phase three expansion of Flying Start will target new areas in 2025-26.	We implemented two years of the delivery plan within 12 months, meaning that Flying Start expansion is a year ahead of schedule. 84% of Lower Super Output Areas are now eligible.
Complete the Play Sufficiency Assessment looking at what we have already and what we need for the future.	The Play Sufficiency Action Plan was co-designed with the development of clear action points and is awaiting sign-off from Cabinet. The draft plan has been shared with Welsh Government in line with the requested submission date.
Complete engagement on the long-term strategy for libraries.	An initial engagement exercise was undertaken in summer 2025. Raw data is currently being analysed to develop a first-phase draft of the Libraries, Culture and Community Hub Strategy.
Continue to target long-term empty properties.	Use of higher council tax premiums has reduced the number of long-term empty properties across the borough by over 28% in 2025-26 (795 as of 31 March 2025 to 568 as of 31 March 2026). Additional income of over £780k has been collected in 2025-26 by way of the council tax premium.
Support childcare settings to prepare for Care Inspectorate Wales inspections.	An extensive programme of professional development has been offered to settings and opportunities for sharing best practice have been created. Investment (through the Early Years Small Capital Grant) in the buildings, their grounds and resources has enhanced indoor and outdoor learning environments so that they fully align with the Framework for Early Childhood Education and Care.

4. How is the council performing in 2025-26? Are we exercising our functions effectively?

Every 5 years the council publishes a new Corporate Plan. A new Corporate Plan was published in April 2023 to cover a five-year period. It describes the council's priorities, why they are important and how progress will be measured. The priorities, or well-being objectives, show our commitments to citizens and our contribution to Wales's seven well-being goals –

	A prosperous place with thriving communities	Creating modern, seamless public services	Enabling people to meet their potential	Supporting our most vulnerable
A prosperous Wales				
A resilient Wales				
A healthier Wales				
A more equal Wales				
A Wales of cohesive communities				
Vibrant culture & thriving Welsh language				
A globally responsible Wales				

In line with the Future Generations Act and the sustainable development principle, when we developed this five-year corporate plan, we thought hard about how we could work differently to respond to short- and medium-term issues, like the financial crisis, while protecting our natural environment and helping young people meet their potential for the long-term.

Each year, we allocate resources through the development of an annual budget. This is set in line with the priorities in the Corporate Plan. Alongside this, we publish a detailed delivery plan that sets out the specific priorities for the year and how we will measure them.

We have a process for measuring how we are doing on our priorities. We use –

- performance indicators,
- evidence on delivery of our projects,
- feedback from residents, businesses, and partners, and
- the views of our regulators and auditors.

Each part of the council pulls this information together and presents it to councillors who look at the data, check it and ask questions. This was done for the year 2025-26 in June and July 2026.

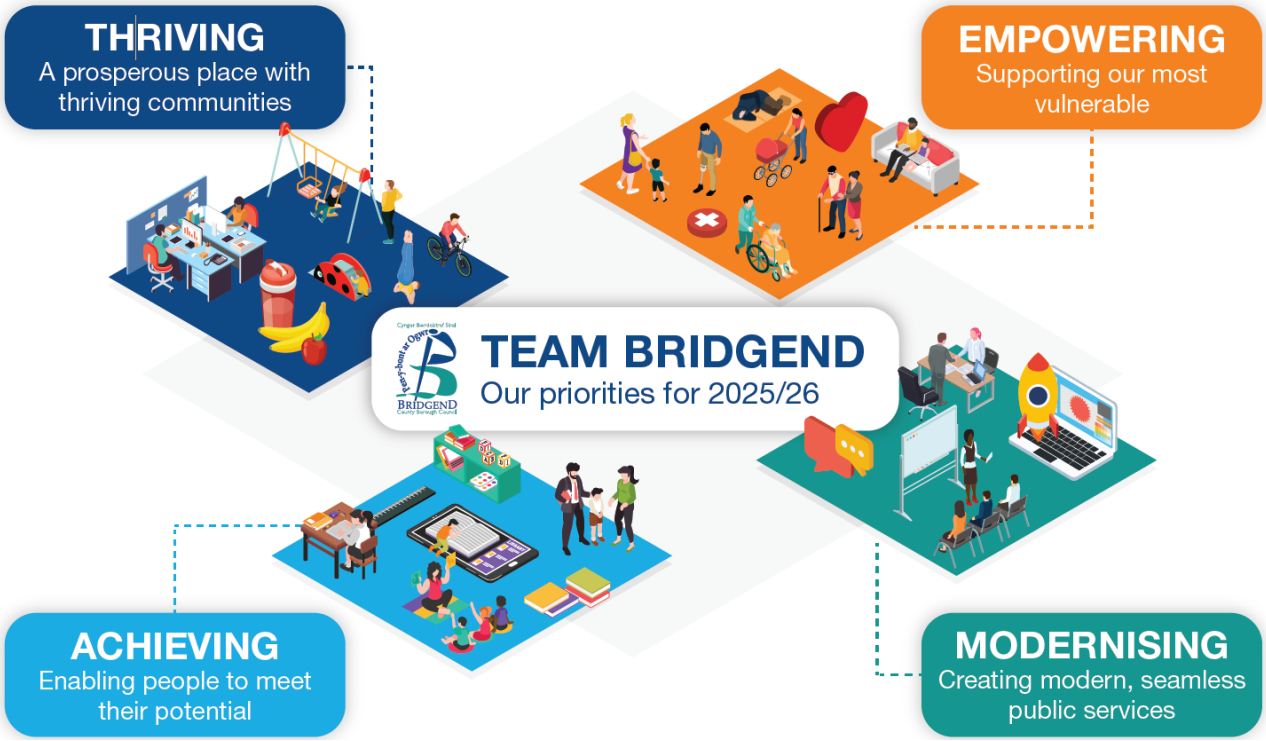
We use this information to come to overall judgements on progress against each of our aims and wellbeing objectives using this scale –

	What does this Status mean?		
	Overall / self-assessment performance	**Commitments, projects or improvement plans**	**Performance Indicators**
COMPLETE (BLUE)	Not applicable	Project is completed	Not applicable
EXCELLENT (GREEN)	Very strong, sustained performance and practice	As planned - within timescales, on budget, achieving outcomes	On target and performance has improved / is at maximum
GOOD (YELLOW)	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
ADEQUATE (AMBER)	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)
UNSATISFACTORY (RED)	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%+)

Performance Overview

To support the five-year Corporate Plan, every year we develop a one-year delivery plan. The delivery plan for 2025-26 is more focussed than in the previous two years following a robust review, aligning with the current corporate priorities and resources.

Our Wellbeing Objectives (WBOs) were reduced from seven to four with some merged or subsumed into others. The four that remain focus on –



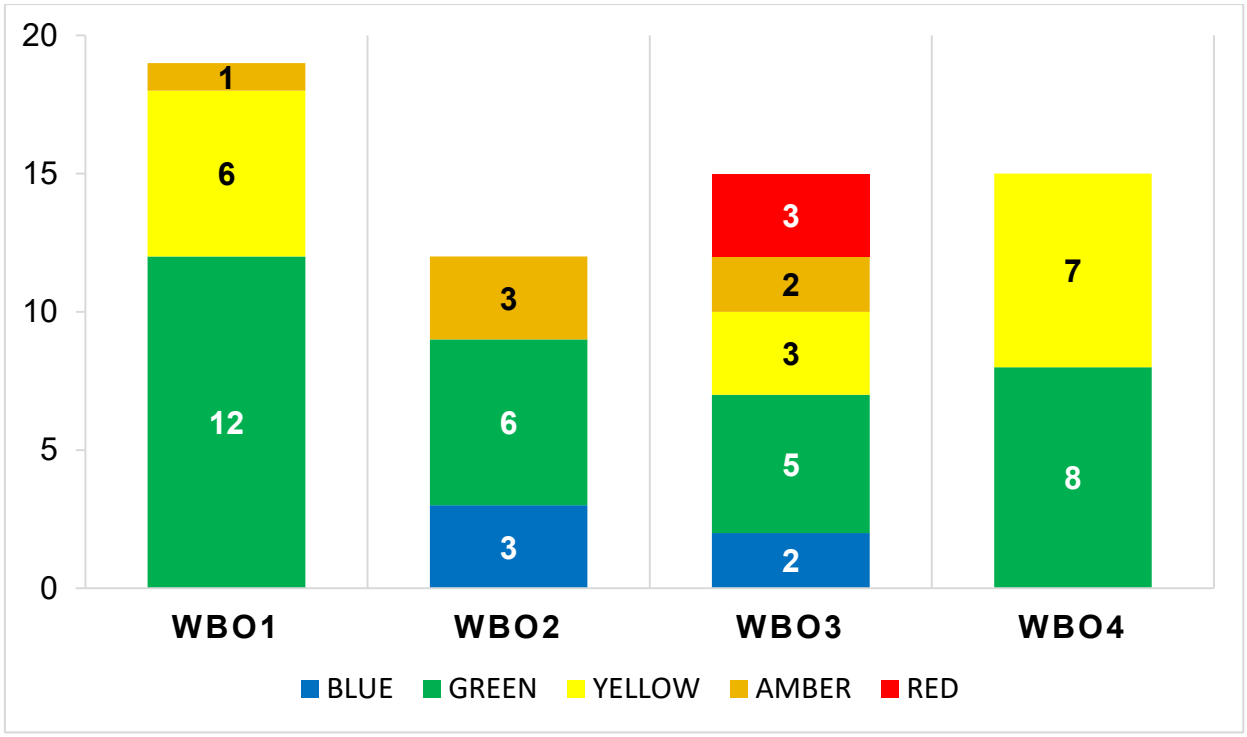
To underpin these 4 Wellbeing Objectives there are 21 Aims, made up of –

- 61 commitments (projects) the council will do to help us achieve our aims, for example, starting construction works on Porthcawl Pavilion.
- 65 performance indicators to measure our day-to-day activities, for example, collecting and recycling your household waste.

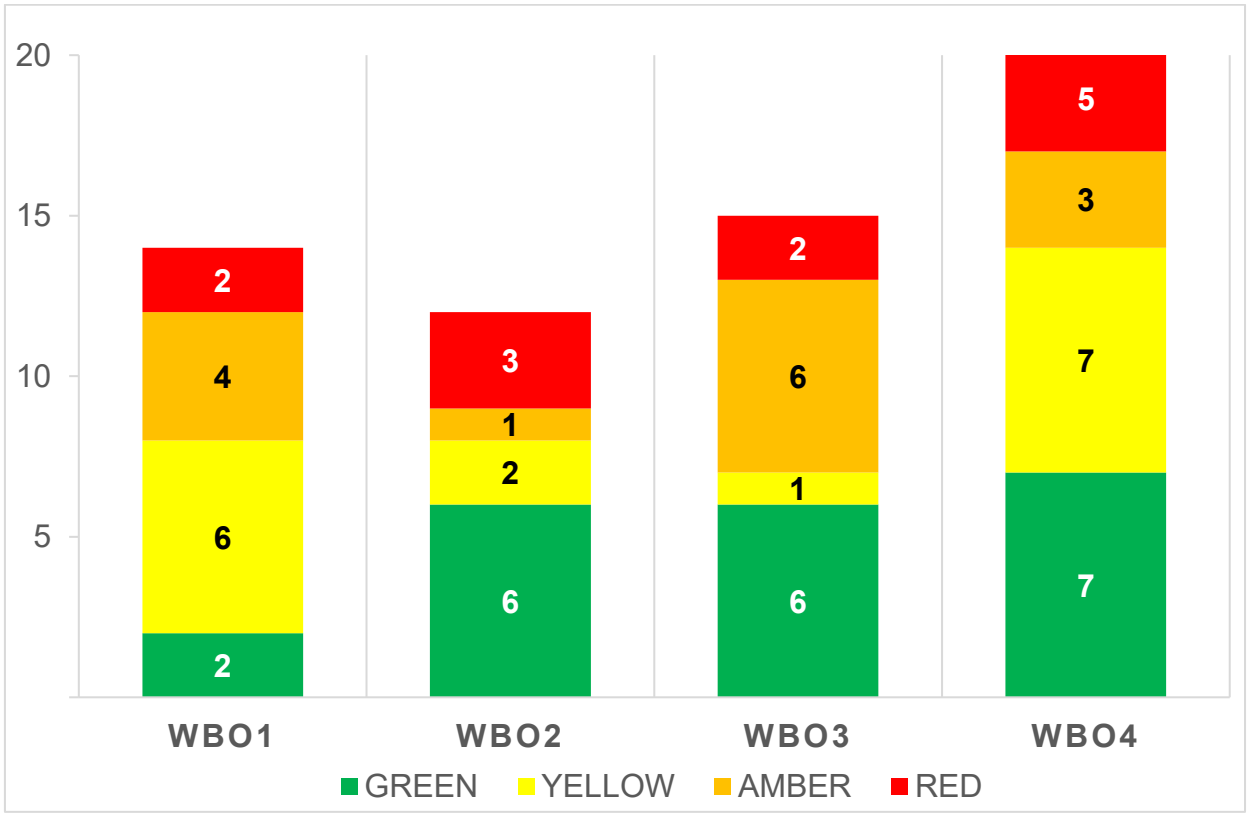
Each one of these has been given a blue, red, amber or green rating to show you whether they are completed, on target or if we are struggling to achieve them, and the two graphs below summarise these.

Alongside the self-assessment, we have published a separate, short performance document that details our progress against each performance indicator and commitment.

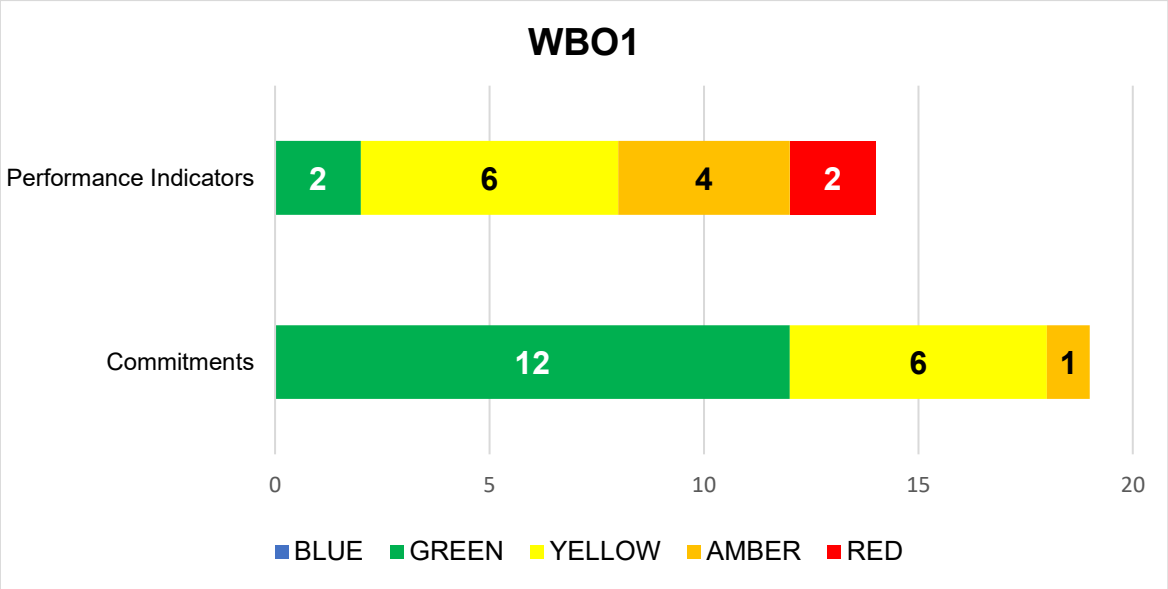
Graph 1 – How we are doing on our commitments / improvement projects



Graph 2 – How we are doing on our performance indicators.



Wellbeing Objective	Score
1 - A prosperous place with thriving communities	**Good**



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

Aim	Overall Judgement	Description
Move towards net zero carbon, and improve our energy efficiency	**Good**	• Work has continued to deliver energy efficiency measures across assets, including LED lighting, improved insulation, solar PV installations and electric vehicle charging infrastructure. This contributes to an overall reduction in energy consumption, although progress has been moderated by the transition from gas to electricity heating and increased use of electric vehicles. • Electricity consumption has risen slightly as a result of decarbonisation measures such as heating system conversions and fleet electrification. However, overall emissions monitoring across buildings, fleet, streetlighting, travel, commuting, homeworking and waste shows a continued year-on-year reduction. • We have reviewed our Net Zero Strategy to reflect policy changes, technological developments, delivery challenges and progress to date, and conducted public consultation from November 2025 to January 2026. The revised strategy adopts a more realistic and deliverable approach by focusing on decarbonisation rather than achieving full net zero by 2030 and the council remains committed to reducing emissions, enhancing biodiversity and seeking external funding to support long-term climate action. • The Air Quality Action Plan has been implemented, with monitoring strengthened through the installation of two real-time

		indicative monitors on Park Street following a successful bid for Welsh Government funding. • Air quality data indicates continued improvement, with NO_2 concentrations on Park Street reducing from 43.8 µg/m³ in 2024 to 42.1 µg/m³ in 2025, and modelling showing that compliance with the 40 µg/m³ target is on track to be achieved by the end of 2026.
Protect landscapes and open spaces	**Good**	• Coychurch Crematorium and Maesteg Welfare Park have maintained their Green Flag status, while Rest Bay, Trecco Bay and Porthcawl Marina have retained their Blue Flag status, demonstrating continued high standards in green spaces and coastal management. • Partnership working with communities and stakeholders has continued to support projects such as woodland enhancement and environmental protection, with initiatives incorporated into the Local Places for Nature application for 2025–27. • The inaugural Bridgend Nature Festival was successfully delivered in July 2025, at Newbridge Fields. Hosted by the Bridgend Local Nature Partnership the family-friendly event featured engaging, guided nature walks, interactive wildlife workshops, and hands-on conservation activities. Planning for Nature Fest 2026 is ongoing ready for the summer. • Local Nature Reserve safety inspections have been completed, alongside commissioning ecological surveys through the One Common Connection Project. The updated Biodiversity and Resilience of Ecosystems Duty Plan for 2026–2029 has been finalised. • The Climate Change Response Team has continued with increasing tree cover across the County Borough through planting schemes in Cornelly, Porthcawl and Bryncethin. Partnerships to support woodland management have also been strengthened, including extending the agreement with Llais y Goedwig for Bedford Park until August 2026 and ongoing collaboration with Tremains Rangers in Tremains Wood. Initial work is underway exploring options to deliver Forest School activities at Bedford Park and Frog Pond Wood.
Promote the conditions for economic growth and prosperity	**Good**	• Work has continued to secure and align major funding programmes to support economic growth, including preparations for the Local Growth Fund (estimated at £5.9m) and the Connect to Work programme to support jobs and skills. • Support for new and growing businesses has continued through grant funding and professional advice, including 52 start-up grants, 30 business development grants, and feasibility support for new projects. • Funding support has been provided through collaboration with Business Wales, UK Steel Enterprise and the UK Government Shared Prosperity Fund, helping to invest in new business activity and support the development of local enterprises.

		• Innovative initiatives have supported local businesses and town centres, including a Pop-Up Shop space in Maesteg Market supporting 12 start-ups, and a shared retail space in Bridgend town centre developed in partnership with the Ospreys Rugby Team. • Plans are in place to deliver targeted workshops in 2026–27 to encourage more applications and improve take-up of business grants, following a reduction in application levels during the current year. • Shared Prosperity Funding has supported local growth through business grants and investment in communities, successfully, with activity transitioning to the Welsh Government Local Growth Fund for 2026-27. • Work is progressing to improve sustainable and active travel, with funding secured from Welsh Government to support new infrastructure and plans being developed to progress future schemes.
Regenerate our town centres and Valleys	**Good**	• Progress has continued on the Placemaking Strategies for Maesteg and Porthcawl, which are being used to align grant and funding opportunities with priority projects, helping to maximise investment and support local regeneration. • The Transforming Towns Placemaking Programme exceeded the initial allocation for 2025–26, with over £1m in grants awarded to projects across Maesteg, Porthcawl and Bridgend. In addition, £176k supported project development, and £4m in grant funding was secured for three strategic schemes, strengthening the pipeline of future investment. • The Valley High Street Property Improvement Grant, funded through the Shared Prosperity Fund, has supported improvements to nine commercial properties, with £131k awarded across locations including the Garw, Nantymoel, Ogmore Vale and Kenfig Hill. This has enhanced shopfronts and helped bring vacant properties back into use. • Development of the Ewenny Road site is progressing, with a sale agreed to a housing developer. A planning application is currently under consideration, and completion remains subject to final sign-off of remediation works undertaken in January 2026. • A reserved matters application has been submitted and is being considered by the planning authority. The development will deliver new and affordable homes, alongside an enterprise hub, open space and green infrastructure, supporting sustainable community growth.
Reduce, reuse or recycle as much waste as possible	**Excellent**	• A strong track record as one of the best-performing recycling authorities in Wales has been maintained, delivered in partnership with residents and demonstrating continued commitment to reducing waste and increasing recycling. • The percentage of street cleansing waste prepared for recycling has exceeded target at 41.25%, improving on last year's

		performance and reflecting ongoing progress in maximising recycling from operational activities. • Overall, the percentage of waste reused, recycled, or composted remained strong at 69.08% falling just 0.92% short of statutory national target of 70%. The marginal shortfall against target was primarily due to the wood apportionment mechanism introduced by the regulator which impacted on the overall calculation. Significant volumes of material continue to be successfully recycled, including over 23,212 tonnes from kerbside collections and 9,941 tonnes at community recycling centres, highlighting sustained high levels of resident participation. • Progress has continued towards bringing the waste service back in-house by July 2027, including the recruitment of key officers and the development of transition plans working alongside the current contractor. This approach will support stronger operational oversight, greater flexibility to respond to service issues, and better alignment with evolving Welsh Government targets. • Street cleanliness has declined during the year, with performance reducing from 99.35% to 88.59%, largely due to ongoing staffing challenges. Internal monitoring and targeted improvement actions are underway to support improvements in the coming year. • Although there has been a slight decline in the recycling rate and street cleanliness, and some risk associated with bringing the service in-house, performance remains strong. Street waste measures have improved, the recycling target was narrowly missed due to technical factors, and most waste transfer milestones have been achieved. Despite the recent decline, street cleanliness remains at a high level, supporting the overall excellent judgement.
Provide opportunities for culture, leisure, and play	**Good**	• The Grand Pavilion redevelopment project has continued to progress with a main contractor on site and delivering over the next 18 months. The construction contract commenced in September 2025 and is overseen by the Programme Board. An additional £678k was secured from the Arts Council in January 2026 to support the project. • Opportunities for culture, leisure and play have continued to be delivered, with 21 play areas refurbished and returned to community use during 2025–26, including Phase 4 of the programme and Brackla Skate Park. While this is below the annual target, delays to later phases mean delivery will now extend into 2026–27 alongside additional schemes, including Maesteg Welfare Skate Park. • The Food and Fun programme was delivered in four schools in summer 2025, down from six in 2024, primarily due to staff availability. This provision supported 160 children with 2,730 meals, 144 physical activity sessions and 32 nutrition sessions. The programme is planned to expand to 10 schemes in 2026,

		supported by recruitment of a Healthy Child Coordinator and enhanced catering capacity. • Participation in the free swimming initiative for children and young people has been lower than anticipated at 10,344 attendances. This is primarily due to data recording issues across sites, with work underway alongside HALO to review and validate attendance data. • A new measure of active users across targeted health and wellbeing memberships has been introduced, with 2,360 users recorded. This provides a strong baseline and reflects good take-up of accessible leisure provision designed to reduce barriers to participation. • Participation in targeted wellbeing initiatives remains high, with over 21,500 attendances across programmes supporting older adults, families and vulnerable groups, helping to promote healthier and more active lifestyles. • Progress continues in strengthening strategic approaches, including development of the Play Sufficiency Action Plan, Healthy Living Partnership Strategy, and Community Hub Strategy, although some elements remain in development and will progress further in 2026–27. • Bridgend Library Service continues to perform strongly, meeting all Welsh Public Library Standards core entitlements and most quality indicators, while leading nationally in event attendance and maintaining strong engagement with young people and communities.

What will we do to improve?

- Hold targeted workshops with Business Start-ups to improve the quality of applications
- Invest £6.12m of Local Growth Funding in projects in the County Borough, with third sector partners, including in people and skills, supporting local businesses, and developing communities and place
- Develop active travel funding bids for submission in 2027-28
- Continue the Ewenny Road site development through the planning process
- Monitor cleaner streets inspection process to improve performance
- Continue with transition to bring our Waste Service in-house by July 2027, including a maintenance facility for vehicles and supply chain arrangements
- Review the Bridgend Town Centre Masterplan.
- Deliver the Hillsboro South public realm scheme
- Progress the Porthcawl Waterfront Masterplan to outline planning consent
- Complete the Children's Play Area Refurbishment Programme
- Run 10 Food and Fun Schemes during Summer 2026 and recruit a Healthy Child Co-ordinator to grow the programme further for summer 2027.
- Bridgend Works will provide a visible, responsive and proactive service focused on improving the cleanliness, appearance and day-to-day condition of neighbourhoods,

town centres and community spaces across the county borough, including preventative road patching, rights-of way improvements.

Case study – Electric vehicles



Electric vehicles comprise approximately 13% of the BCBC vehicle fleet and BCBC has an ongoing programme of installing electric vehicle charging infrastructure across the estate to support the use of electric vehicles. Going into 2025-26 there were 73 sockets installed at 14 sites.

In 2025-26, using grant funding totalling £97,000 from Welsh Government matched with capital from the BCBC Decarbonisation Programme, a further 29 sockets were installed at Waterton, Bryncethin and Tondu Depots which included higher capacity chargers that allow for faster charging of vehicles during the working day. Increased battery storage was also installed at Bryncethin depot to capture more of the electricity generated by solar panels at that site and used to charge vehicles and power the building.

Funding from the same sources was also used to meet the additional costs over the diesel equivalents for four new electric vans and an electric mini-digger.

It is estimated that carbon emissions have been reduced by at least 53,519.77 kg.CO2.e in 2025-26 by using electric vehicles instead of diesel and petrol.

Case study – 'For a Limited Time Only…?'



'For a Limited Time Only…?' was a six-month pop-up initiative launched in May 2025 at Unit 14, Maesteg Market. Delivered by Bridgend County Borough Council's Economic Development and Enterprise Team, the initiative was created to support local start-ups, creatives, makers, small businesses, social enterprises and community groups to test their trade in a real town-centre setting.

The initiative provided a flexible, low-risk space at no cost where participants could showcase products, trial trading, engage with customers, promote their business and build confidence before considering longer-term premises. It also supported Maesteg Market by bringing new activity into the space and encouraging people to visit.

The project benefitted early-stage businesses and community users across Bridgend County Borough, while also contributing to wider town-centre regeneration aims. Activities included pop-up retail, creative showcases, community engagement and opportunities for local traders to raise their profile.

The initiative proved popular as it offered an accessible route for people who may not otherwise have had the confidence or resources to take on a commercial unit. It demonstrated the value of temporary space as a practical tool for enterprise support and town-centre activation and resultantly, there has been an increase in the number of enquiries from local businesses regarding occupying the vacant Market units long-term, with one of pop-up participants signing a lease on unit 14.

Case Study – Bridgend Nature Festival 2025



On Friday the 25 July 2025 the Bridgend Local Nature Partnership hosted the first Bridgend Nature Festival at Newbridge Fields. This event brought together a range of non-governmental organisations, community groups and public bodies to deliver an array of engagement activities such as nature treasure hunts, fungi identification sessions, bird spotting strolls and a variety of educational talks, all focused on highlighting the importance and diversity of nature in Bridgend. The event was entirely free for attendees and held at the start of the summer holidays, which meant it was particularly well attended by families and young people. The event attracted approximately 500 people and feedback was overwhelmingly positive, which has led to a repeat of the event being scheduled for the 31 July 2026. The event also contributed to the growth of the Bridgend Local Nature Partnership and an increase in engagement with Local Places for Nature projects in Bridgend.

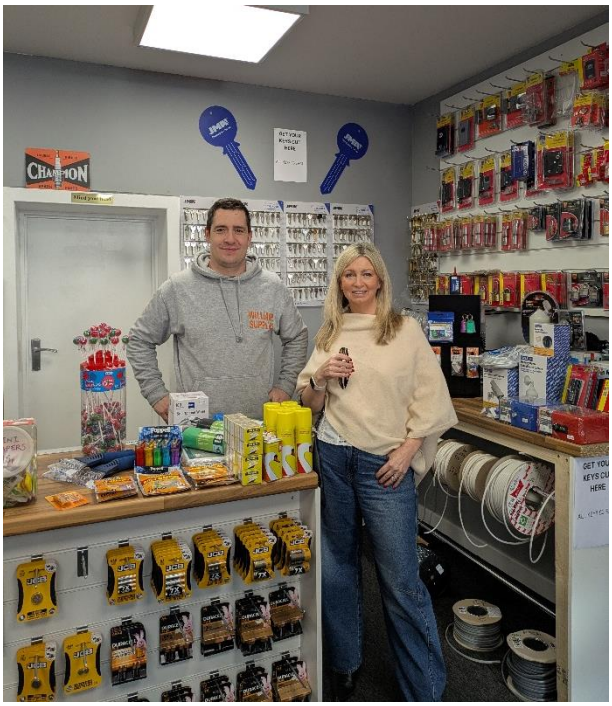


Case study - Brackla Skatepark

Through effective collaboration from Bridgend County Borough Council and our delivery partner, Maverick, Brackla Skatepark has been redeveloped to a very high standard. Maverick held a local engagement session on site alongside an online engagement

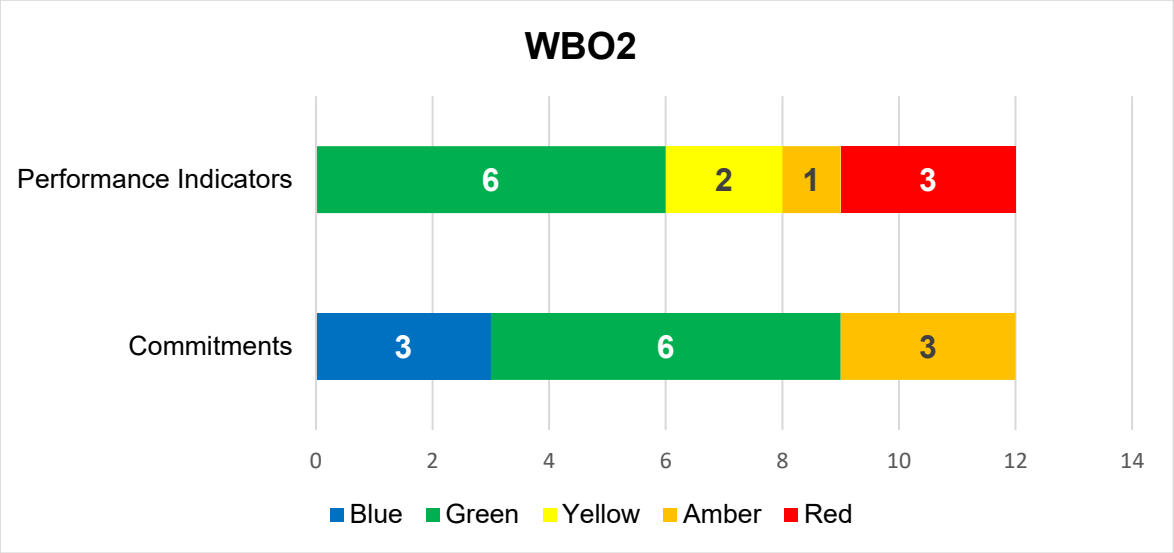
which was very well received, and the concept drawing had great public support. Once completed, a programme was put together and agreed by the council. Conditions on site were far from favourable, but the in-house Maverick team completed the build early and to a very high standard. On Wednesday 1st April 2026, local skaters, riders and families came together for an afternoon of rider demos, music and competitions. There was strong engagement from all ages and abilities. The event had key involvement from Bridgend County Borough Council, Team Rubicon, pro riders and EPIC brands / prize sponsors.

Case study – Grant support for commercial properties in the valleys



In 2025-26 we supported the improvements of 8 commercial properties in the high streets of our valley's communities, including Oxford Street in Pontycymer, Ogwy St in Nantymoel and Commercial St in Kenfig Hill. Applicants were invited to submit proposals for: improvements to their properties that would help bring vacant properties back into use, or; improve occupied properties to help sustain businesses on the high streets, and; improve the look of the high street through shopfront enhancements. One owner had recently bought a property and discovered damp which was impacting the tenant in the ground floor shop. The tenant had to find somewhere else as their stock was being affected by the damp, so the new owner applied to redevelop the ground floor unit to make it more suitable for the future, as well as roof and re-rendering works to fix the damp. New and improved staff facilities made the unit more attractive, and the improvements to the shop space created a more attractive space for a new tenant. The applicant said of the grant support, "it's been huge really", and without the help of the grant "I wouldn't have been able to do this to such a high standard". When asked about their experience, they said "It was great. I was happy with the officer support as I could ring at any point, for any support or clarification".

Wellbeing Objective	Score
2 - Creating modern, seamless public services	**Good**



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

Aim	Overall Judgement	Performance this year
Improve how we engage with people, listening to views & acting on them.	**Good**	• Digital engagement reached a record 1.23 million interactions, exceeding the target and demonstrating significant growth in how the council connects with residents online. • Opportunities for children and young people to take part in consultations have been strengthened through targeted engagement activities, including dedicated youth events and closer working with youth services, helping ensure their views are better reflected in decisions. • Communication has been strengthened through the introduction of a new media protocol, regular member bulletins, improved video content for residents, and the implementation of a new social media scheduling platform, enabling more timely, consistent, and accessible updates. • Staff engagement has been strengthened through the introduction of a corporate narrative, an improved staff survey, and regular video updates, helping to keep employees informed, connected, and involved. • Progress is being made on a new bilingual intranet, which will improve accessibility and support both Welsh and English language use. • While the percentage of complaints closed within timescales has improved, progress continues to be limited by delays in responses from service areas.

		• A new complaints system and performance dashboard is being introduced to improve monitoring, accountability, and learning across services. • The council has continued to deliver its Strategic Equality Plan through enhanced equality and Welsh language training, improved engagement with under-represented groups, and initiatives to improve service accessibility and employment opportunities, strengthening inclusion across the organisation. • A series of listening events with unpaid carers were conducted during February and April 2026. These provided opportunity for carers to feedback on services and provide valuable insights to help shape future plans.
Offer more information and services online, and in local areas.	**Good**	• The council has improved its ability to resolve customer enquiries at the first point of contact (77.58%), supported by ongoing performance reviews and upskilling of customer service advisors to deliver quicker and more effective responses. • Online services continue to be widely used by residents, reflecting strong demand, while ongoing development and promotion of digital services is making it easier to access support online alongside alternative channels. • A review of the council's front door access to services has been completed, identifying opportunities to simplify and improve how residents contact and access services. • A new online self-referral form for Adult Social Care has been developed, improving how residents can request support, with plans to launch shortly. • Work is underway to develop a digital front door for Adult and Children's Social Care, helping to provide more streamlined and accessible digital services in the future.
Modernise and become a more efficient council	**Adequate**	• Work has continued to strengthen workforce performance through active absence management, ongoing promotion of staff wellbeing support, and targeted training and guidance for managers, helping to improve attendance and increase completion of staff appraisals across the organisation. • The council has exceeded its target for Community Asset Transfers. 11 initial transfers or transfers from short term arrangements to long term arrangements were completed in 2025-26, including Heol y Cyw Playing Fields, North Cornelly Community Centre and Garth Park Bowls Green successfully transferred to community organisations. • Over £500k of funding has been invested in community groups to support asset transfers and improve local facilities, including community centres, sports pitches, parks, and pavilions managed by local groups, alongside ongoing work to develop further opportunities.

		• A number of additional transfer agreements are in progress, including leases and licences currently being finalised, with further opportunities being explored with community groups and town and community councils. • A draft Digital Strategy has been developed, with further work being aligned to a wider transformation programme to ensure a coordinated approach to modernising services. • A new Head of Transformation and Digital has been appointed to lead the development of a corporate transformation strategy and delivery plan, helping to address delays and provide clearer direction. • Ongoing work to review and better use the council's estate has helped to maximise the use of buildings through shared use and community-focused approaches. • Plans are in place to introduce a new Integrated Works Management System, which will improve how council assets are managed and support longer-term planning.
Improve partnership working with partners, the third sector and Town and Community Councils	**Good**	• Strong partnership working has ensured all high- and medium-risk domestic abuse victims were contacted within target timescales, including over 850 high-risk and 600 medium-risk cases supported through coordinated multi-agency responses. • The Assia Domestic Abuse Service has supported over 1,300 individuals, with all reporting increased feelings of safety at exit, reflecting effective collaboration with specialist partners and tailored safety planning. • Local Community Coordinators have supported over 1,100 residents, including helping individuals move from formal services into community-based support, strengthening independence and reducing reliance on statutory services. • Partnership working with external organisations has expanded provision for children and young people, including holiday support programmes delivered during the February, Easter and summer half terms in 2026. • A new regional agreement with health partners has been implemented, supporting integrated working between health and social care teams to better support frail older people in the community. • Work with Town and Community Councils has included a review of local arrangements, helping to clarify roles and responsibilities, with further review now being progressed through the local Boundary Commission. • Co-productive working has supported communities to develop their own solutions and build resilience, including multi-agency approaches led by Local Community Coordinators, development of a community referral pathway, and support to help individuals and families transition into local support networks.

		• Estyn recognised the strength of the 'Team Bridgend' culture, highlighting how collaboration between the local authority, schools and third-sector partners breaks down organisational silos and improves outcomes. Alongside this, modernised financial monitoring and resource allocation have helped manage budget pressures while enhancing the quality of localised care and support. • The Bridgend Youth Justice Service (BYJS) Management Board exemplifies the "One Council, Working Well with Partners" approach. The establishment of the Restorative and Victim Subgroup has strengthened collaboration with key partners, including the Probation Service and South Wales Police, creating a unified, multi-agency approach to delivering strategic priorities.

What will we do to improve?

- Develop new web and intranet pages - new consultation feedback section.
- Deliver fully bilingual staff intranet by July 2026
- Launch the new complaints and compliments form/process in June 2026.
- Obtain sign-off and launch the new online self-referral form for Adult Social Care.
- Secure EMR funding to progress the development of a digital front door for Adult and Childrens Social Care.
- Develop a Transformation Strategy by December 2026.
- Develop a new Digital Strategy by March 2027.
- Procure and implement a new Integrated Works Management System.
- Commission an external independent review of Bridgend community preventative pathway.

Case Study- Expansion of our Crimestopper Zones

Bridgend County Borough Council first teamed up with well-known charity Crimestoppers and Valleys to Coast Housing to introduce the first ever Crimestoppers Zone in Wales in 2024. The zone, located in Wildmill, Bridgend was introduced to encourage communities to give crime information anonymously and empower everyone to play a role in addressing anti-social behaviour and criminal activity in their local area to support keeping Bridgend neighbourhoods safe. Following this success a second zone has been launched in Brynmenyn in May 2025.

Residents are encouraged to speak up about criminal activity through the charity's unique reporting service, safe in the knowledge that the information they have provided will remain a hundred per cent confidential. The charity guarantees total anonymity when capturing crime information in over 140 different languages. If required, a translator can be available within a couple of minutes for those calling Crimestoppers.



Case study – Budget Challenge Day

A Post-16 Budget Challenge Day was held in January 2026 at the Civic Offices, involving sixth-form learners from all Bridgend secondary schools. The event was designed to amplify young people's voices in the budget process, improve understanding of local government finances, and gather learner-led priorities to complement wider public consultation feedback.

Learners took part in structured sessions exploring the council's financial position, followed by breakout discussions on key themes including education, early years, young people, wellbeing, communities, prevention and social care. Working collaboratively, learners developed and presented budget proposals to elected members and senior officers, outlining their priorities and the rationale behind them.



The activity demonstrated strong engagement and provided valuable insight into the services learner's value most, alongside increasing awareness, financial literacy and understanding of the complexity of budget decisions.

Case study – Male victim support at Assia

Sara Matthews in Assia was recognised as highly commended for her work with the male domestic abuse victims and their focus group at the Wales Safer Communities Network.

The focus group works with men who have been victims of domestic abuse, who previously were unlikely to engage with the service. The group has been established as a safe space for male victims to share their experiences of abuse knowing they will be believed and not judged and have support from their peers. The co-productive element of the group, with the men picking what they want to focus on or receive advice on is at the heart of everything. This group and the ongoing support have given those attending the confidence to report abuse and ongoing incidents to the Police, and other partners to prevent further escalation. Sara's passion and commitment to advocate for the male victims she works with is critical to the group's success.



Case Study – Unpaid Carers Listening Events

Unpaid carers came together at listening events to share their experiences and views on the support available to them. The events provided an opportunity for carers to speak openly about how they feel and discuss the issues that matter most to them. Many welcomed the opportunity to be heard and valued the chance to contribute their ideas and experiences.



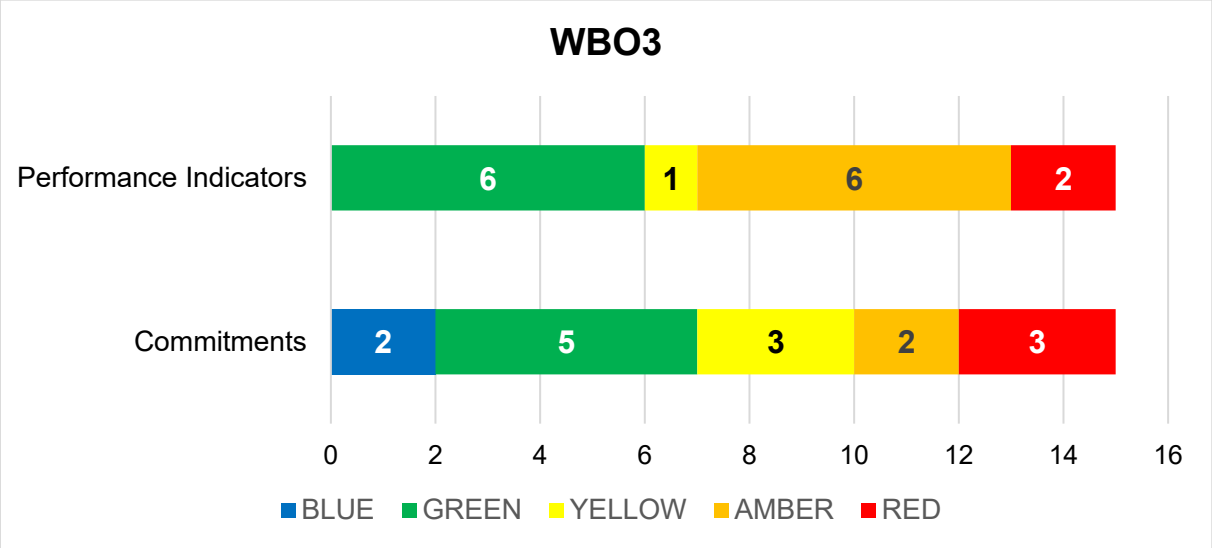
Carers highlighted the importance of having a voice and being able to share their perspectives directly with people who were willing to listen. Feedback from attendees showed that simply being asked for their views made them feel valued and included in conversations about future support and services. One attendee commented: "We do now feel valued because we've been listened to."

The events were intended to be the start of an ongoing conversation with unpaid carers. Participants and organisers shared a commitment to continuing engagement and working together to develop a plan that reflects the priorities of carers themselves.

This approach aims to ensure that future actions are shaped not only for carers, but with carers.

A key message from the events was the importance of turning feedback into action. By listening to carers, understanding what matters to them and continuing to involve them in discussions, the intention is to develop a shared plan that can be owned and delivered together. Organisers committed to reporting back on what carers have said and what has subsequently been achieved, helping to build trust and demonstrate the impact of ongoing engagement.

Wellbeing Objective	Score
3 - Enabling people to meet their potential	**Good**



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

Aim	Overall Judgement	Description
Provide an effective Childcare and Early Years Offer	**Excellent**	• The Flying Start programme has expanded significantly, with participation increasing from 530 in 2023–24 to 721 in 2025–26, surpassing the target of 620. This strong overperformance has been driven by expansion activity that is approximately one year ahead of schedule and now reaches 84% of Lower Super Output Areas, supported by ongoing promotion to maximise uptake. • Maintained early years settings continue to perform at a high level, with 79% of Care Inspectorate Wales inspection judgements rated excellent, underpinned by a clear and ambitious strategic vision positioning them as Centres of Advanced Practice to lead and influence quality across the sector. • Targeted capital investment has enhanced buildings, outdoor spaces, and learning resources, ensuring that environments are high quality and fully aligned with the Framework for Early Childhood Education and Care, thereby improving learning experiences for children. • Strong governance and leadership arrangements are in place, with all settings confirmed as compliant with National Minimum Standards through the use of a leadership toolkit, alongside structured mentoring,

		workforce development, and timely completion of mandatory training for staff. • Non-maintained early years settings also demonstrate consistently high quality, with 91% of inspection outcomes rated good or better, supported by effective challenge and support from the Early Years team. • Sector-wide improvement is being strengthened through the identification of three good-practice hub settings and the delivery of a comprehensive professional learning offer, including leadership development, collaborative learning communities, and Froebelian training completed by 23 practitioners. • Collaborative networks such as the Bridgend Froebel Network are promoting peer-to-peer learning and sharing of best practice, while future plans include expanding provider capacity, increasing access to flexible online training, and developing a further cohort of specialist training.
Provide safe, supportive schools with high quality teaching	**Good**	• Safeguarding remains strong overall, with 93% of schools self-evaluating as 'green', supported by targeted local authority monitoring and improved governor training arrangements, although further work is required to strengthen consistency in training uptake and evaluative practice. • Fixed-term exclusions have reduced in both primary and secondary schools, with primary school days lost falling to 0.021% and secondary to 0.142%, reflecting the positive impact of targeted interventions, including effective use of strategies such as the Managed Move process in secondary schools. • Primary school attendance has improved to 93.1%, above the all-Wales average, demonstrating effective engagement strategies, while enhanced analytical approaches and attendance audits are being introduced to further drive targeted improvement and share good practice. • Secondary school attendance has also improved to 87.6%, although it remains below the all-Wales average. Strengthened data analysis, cluster reviews, and a robust attendance assurance framework is being implemented to better identify patterns and support schools. • Educational outcomes remain positive overall, with the average Capped 9 score increasing to 358.8 and exceeding the all-Wales average, although disparities persist for pupils eligible for free school meals, highlighting the need for continued targeted support to improve equity.

		• School improvement arrangements are effective, with 100% of secondary schools and 96% of primary schools not requiring Estyn follow-up, supported by strong partnership working, strengthened governance through improved insights from the skills audit, and tailored professional learning aligned to school priorities. • Investment in digital learning has been successfully delivered to schools, including AI training, online safety education, national engagement events, and updated policies, alongside participation in pilot programmes and international learning to strengthen innovation and streamline processes. • The digital offer for young people has been enhanced through a youth-led website, interactive tools, and social media engagement, increasing accessibility, participation, and opportunities for young people to share their views, with further consultation and online safety initiatives planned. • Estyn recognised the exceptional quality of the Pupil Referral Unit (PRU) and Educated Other Than At School (EOTAS) provision. The therapeutic and nurturing learning environments help pupils facing barriers to mainstream education re-engage with learning, achieve positive outcomes and fulfil their potential. Bridgend schools continue to achieve the lowest rate of post-inspection follow-up categories in Wales.
Provide Welsh medium education opportunities	**Adequate**	• Activity to increase Welsh-medium uptake has included targeted promotion and expansion activity, resulting in an additional 38 Reception applications for September 2025 and increased Nursery interest, particularly in Maesteg. • A smaller Year 11 cohort at the Welsh-medium secondary school has reduced the overall proportion of learners studying for assessed qualifications through the medium of Welsh. Data suggests a larger cohort for this school year. • Post-16 Welsh provision has been supported through the establishment of a Welsh Leaders Network to promote AS and A Level Welsh and facilitate the sharing of good practice, alongside encouragement of increased learner uptake for the 2025–2026 academic year. • The Welsh in Education Strategic Plan has been progressed through the establishment of the ‘Pont Iaith’ late immersion provision at Ysgol y Ferch o’r Sgêr, alongside expanded Cymraeg i Blant sessions in Porthcawl, which are operating at full capacity.

		• Early years Welsh-medium provision has been further developed through plans to open a new Cylch Meithrin in Porthcawl and continued promotion of Welsh-medium education through visible campaigns, including banners across Bridgend train stations. • Strategic development work on Welsh-medium catchment areas has experienced delays due to limited GIS capacity; however, plans are in place to engage the private sector to undertake an independent review to support future planning.
Modernise school buildings	**Adequate**	• Across all five schemes, key progress has been made in securing planning approvals, funding, design development, and early site works; however, delivery timelines continue to be impacted by external factors such as land-swap agreements, ecological requirements, and site conditions, requiring ongoing mitigation and project management to maintain momentum. • Progress on the Ysgol Gymraeg Bro Ogwr new-build has included site clearance, agreement on highway access and active travel routes, and Cabinet approval to revise the opening date to September 2027, alongside preparatory work for the pre-application consultation and ecological arrangements such as a reptile translocation site, although site investigation has been delayed due to ground conditions. • Development of the new Mynydd Cynffig Primary School has advanced through Cabinet approval to tender, ongoing preparation of the Bill of Quantities, agreement of a dormouse mitigation strategy with Natural Resources Wales, continued site clearance including relocation of allotment users, and near-completion of detailed design work. • The Ysgol Ferch o'r Sgêr enlargement project has progressed through securing planning approval, Welsh Government approval of the Full Business Case, and council capital funding approval, although progression to contractor appointment is currently constrained by the outstanding land-swap agreement. • The project to replace Afon Y Felin and Corneli Primary Schools has similarly secured planning approval, Full Business Case approval, and capital funding, with progress currently limited by the need to finalise the land-swap agreement to enable contractor appointment. • Development of the new Heronsbridge School has progressed through completion of ground investigations, appointment of Kier Construction via the regional framework to lead design development,

		ongoing engagement with planning and transport stakeholders, updated ecology reports, and Cabinet approval to revise the opening date to autumn term 2028. • Estyn highlighted how the council's investment in school buildings is improving schools not only as physical structures but also by supporting the successful delivery of the Curriculum for Wales. Through a strong school modernisation programme, capital investment has been aligned with progressive teaching and learning, creating modern learning environments that support educational achievement while contributing to thriving communities, local prosperity and environmental pride.
Be good parents to our care experienced children	**Good**	• Work to prevent homelessness among care leavers has included multi-agency reflective reviews, leading to joint training and implementation of a joint assessment protocol. As a result, homelessness rates remain below target, although further preventative work is ongoing. • Support for care leavers' participation in education, employment and training has been sustained through corporate parenting workstreams, with performance exceeding target, alongside development of a new council-wide work placement initiative to further improve long-term outcomes. • The Corporate Parenting Board has strengthened governance through regular multi-agency meetings and by embedding the voice of care-experienced young people, informed by a summit, with priorities for 2026–2027 aligned to this feedback. • Engagement activity has increased, with growth in membership of the youth forum and continued partnership with Tros Gynnal Plant to meet advocacy needs and promote young people's rights to representation and support. • Strategic development activity has progressed, including plans to establish an operational working group and further develop the 'care experienced' protected characteristic, alongside aligning priorities across partner organisations. • Schools have implemented the Corporate Parenting Strategy through effective use of Pupil Development Grant for children looked after (PDGCLA) funding, with evaluations evidencing positive impacts on wellbeing, behaviour, engagement, and attendance, including a significant increase in primary attendance for looked-after children and continued improvement in secondary attendance.

		• Targeted improvement work includes engagement with emerging Welsh Government guidance and the development of a structured quality assurance programme for Personal Education Plans to ensure consistency, timeliness, and impact across all schools.
Help people get the skills they need for work	**Good**	• The Employability Bridgend programme has supported 265 participants into education or training, exceeding the target of 219. • Employment outcomes reached 241 participants entering work, achieving 83.1% of the 290 target, with additional job outcomes pending, expected to increase performance in 2026-27 following initial delays caused by service restructure and the implementation of a new CRM system. • Performance in reducing young people not in education, employment or training (NEET) remains strong at 1.8%, improving from 1.9% in 2024–25 and outperforming the all-Wales average of 2.1%, placing Bridgend joint 8th nationally. • Employability services have adapted to reduced external funding while maintaining strong partnerships with Careers Wales and Jobcentre Plus to support vulnerable young people. • Activity to increase employment and training opportunities has included continued delivery through the Bridgend Employability Network, alongside the development of a health-focused sub-group to strengthen support for individuals with additional health-related barriers. • A comprehensive employability and skills offer has been delivered through partnership working with funders and stakeholders, supporting residents to access basic, essential, and vocational skills training tailored to individual needs. • Engagement and outreach activity has been strengthened through multi-channel promotion, including social media, print, and radio campaigns, alongside large-scale events such as the Porthcawl and Maesteg Jobs Fairs, each attracting over 300 attendees and 60 employers. • Programme delivery has remained strong, contributing to exceeding annual engagement targets, and ongoing provision of mentoring and in-work support to help individuals secure and sustain employment.

What will we do to improve?

- Carry out a restructure of senior roles to ensure continued strong leadership as the number of early years settings increases.

- Produce a suite of online, recorded professional learning that colleagues can access at a time that suits them.
- Provide the opportunity for a second cohort of practitioners to complete the Froebelian Approach modules between September 2026 and March 2027.
- Education Engagement Team (EET) will complete attendance audits with all schools by the end of the spring term.
- Following the completion of annual school attendance audits, the EET will produce a detailed good practice example that captures and showcases effective strategies implemented across Bridgend's schools.
- Share this year's 'School On A Page' (SOAP) documents with schools by July 2026, to aid reflection and self-improvement.
- Dysgu, the national professional learning and leadership body will develop resources and professional learning for delivery in the next academic year.
- Conduct a young person consultation to gather broader feedback on the setup, design, and future development plans of our digital offer.
- Provide Online Safety workshops for Year 7 pupils in Brynteg School and Coleg Cymunedol Y Dderwen.
- Pursue the Capital Grant application to re-locate Pont Iaith.
- Engage with the private sector to progress an independent review of Welsh-medium catchment areas in 2026-2027.
- Undertake translocation of reptiles and site investigation at Ysgol Gymraeg Bro Ogwr and finalise the technical information and commence the PAC process.
- Mynydd Cynffig Primary School - Corporate Management Team will consider the land the financial resources required for the dormouse mitigation strategy and give a future commitment in this regard. The planning application will be considered by Development Control Committee.
- Corporate Landlord Department will obtain the necessary approval for the land swap for Ysgol Ferch o'r Sgêr and the new two-form entry English-medium school.
- Heronsbridge School - The pre-application consultation will commence, work packages will be tendered and the outcome of the ground investigation will be confirmed.
- Create an engagement workplan for 2026-27.
- The Education Engagement Team and Children and Family Support Services will jointly initiate a structured quality assurance programme for Personal Education Plans (PEPs) by April 2027.

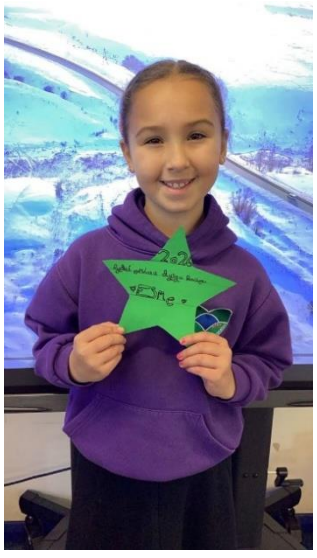
Case study – Safer Internet Day





On 10 February 2026, nine secondary schools and three special schools from Bridgend took part in Wales' national Safer Internet Day event at the Principality Stadium, focusing on the theme "Smart tech, safe choices – Exploring the safe and responsible use of AI." With more than 63 practitioners and learners attending, Bridgend was the most represented local authority. Participants joined learner and practitioner sessions exploring AI, online safety, and critical digital decision-making. The event strengthened learners' understanding of online risks, enhanced practitioner confidence in teaching AI and online safety, supported whole-school digital resilience, and amplified learner voice in national discussions about ethical and responsible technology use.

Case study – First year of Pont Iaith

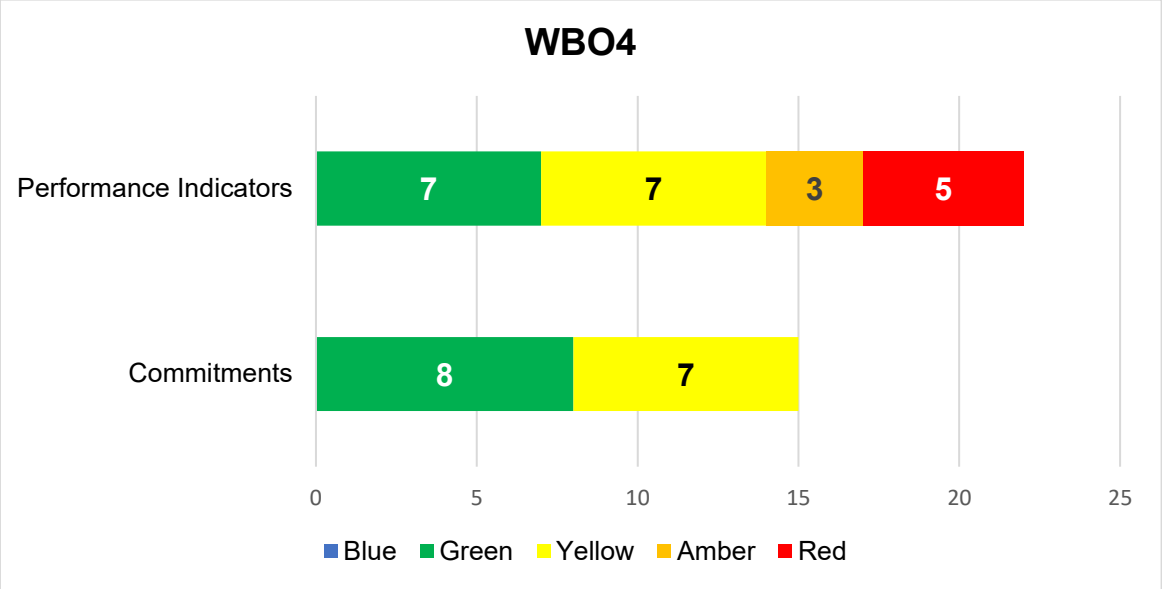


Pont Iaith is the Welsh-language Late Immersion Provision for BCBC. It allows learners from Year 1 to 7 who wish to transfer from English-medium to Welsh-medium education to be immersed in the language before moving to their new school. The provision is based at Ysgol y Ferch o'r Sgêr but is accessible for new learners who register at other Welsh-medium schools in BCBC.

Pont Iaith has helped 10 learners on their journey to bilingualism this academic year. Seven learners have transferred fully to Welsh-medium education. The others are undertaking a gradual transition period but will transfer fully next year. Moving schools and changing the language of learning is a big step, therefore the programme is tailored to individual learners' needs.

Esmè-leigh attended Pont Iaith last year after showing a growing desire to attend a Welsh-medium school. Her mum (Nikki) was hesitant at first but her advice to parents is simple: "I would tell them not to be hesitant; it will be the best thing you could do for your child. If you're thinking about it, just do it". Esmè's own reflection is even more heartfelt: "Do it because it's made me so happy".

Wellbeing Objective	Score
4 - Supporting our most vulnerable	**Good**



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

Aim	Overall Judgement	Description
Provide high-quality children's & adults social services / early help services	**Excellent**	• The number of children on the Child Protection Register and those in care remained well managed and largely on track, reflecting effective prevention work and appropriate decision-making. • Outcomes for Team Around the Family plans remained at a satisfactory level overall, although slightly below target due to a number of more complex cases. Increased management oversight is being implemented to improve consistency. • Performance for statutory visits to children remained strong and above target, at over 90% for both care experienced children and those on the Child Protection Register, demonstrating sustained high-quality safeguarding practice. • Support for unpaid carers was strengthened through expanded engagement (including 130 attendees at the Young Carers Network Event), growth of the Young Carer Ambassador Programme and establishment of a Carers Steering Group to shape services. • Planning is in place for a Dementia Action Week event at Bryngarw, supported by BAVO. Partners are promoting dementia-friendly activities, community sessions, and awareness, alongside ongoing forums to support organisations.

		• Children's Services saw significant workforce and practice improvements, including delivery of the Grow Our Own model resulting in 12 newly qualified social workers, reduced reliance on agency staff and improved recruitment and retention. • The Most Significant Change Panel was held with leaders and decision-makers, alongside continued facilitation of the youth forum, enabling the meaningful voices of families and young people to be captured and used to inform service delivery and development. • Adult Social Care progressed through development of a forward improvement plan, alongside an ongoing review of front door practice to improve decision-making consistency, inform staff training, and support peer learning focused on quality outcomes. • Significant commissioning and transformation progress was achieved, including development of a 15-year capital programme, completion of the recommissioning of care-at-home services with new contracts commencing in April 2026, approval of the Placement Commissioning Strategy and approved business cases for four new residential homes to expand local provision.
Support people in poverty	**Good**	• Support for residents to access financial help remained strong, with 96% of people supported through the Financial Assistance and Support Service (FASS) increasing their income, reflecting effective advice and expanded outreach activity in local communities. • Support to manage and reduce household debt exceeded target at 98%, with key issues including fuel costs, water arrears and council tax, highlighting continued demand for advice services alongside wider cost of living pressures. • Targeted take-up campaigns helped increase access to key benefits, including Pension Credit and Free School Meals, generating over £616k per annum (since 2023) in additional Pension Credit income and supporting 172 children to access Free School Meals. • Outreach activity was strengthened to improve access for harder-to-reach residents, with positive feedback from communities and increased awareness of available financial and employability support • Faith in Families Cwtch Mawr Multibank has launched pilot deliveries in Bridgend, working with BCBC, BAVO and local partners to provide essential goods to families facing hardship. Through trusted community organisations, items such as clothing, toiletries and household essentials are distributed quickly and with dignity. The pilot aims to address growing need linked to the cost-of-living crisis while supporting plans to expand the service across the county borough.

Support people with housing needs	**Adequate**	• Delivery of affordable housing exceeded expectations, with 177 new homes provided against a target of 110, supported by strong partnership working and investment through the Social Housing Grant programme. • Homelessness prevention improved significantly, with over 43% of households successfully supported to remain in their homes, supported by increased use of private rented accommodation and expansion of the Welsh Government Leasing Scheme. • Demand for homelessness services remained high, with increasing use of temporary accommodation, limited housing supply across both social and private sectors, and more complex cases requiring specialist or adapted accommodation. • Disabled Facilities Grants continued to support independence, with over 98% of recipients reporting improved ability to live independently, despite a slight dip in satisfaction linked to minor delivery issues. • Delivery times for Disabled Facilities Grants remained significantly above target due to increased demand and limited resources, with 205 cases completed within available budgets and ongoing work to reduce legacy cases. • Housing and homelessness services progressed through key strategic actions, including approval of a revised Social Housing Allocation Policy, a planned review of homelessness services to inform a future strategy, and continued collaboration with Registered Social Landlords and Welsh Government. • Additional housing capacity was expanded through the purchase of HMOs, with further acquisitions in progress, supported by a three-year rolling Social Housing Grant programme of over £13m. • Progress was made in bringing long-term empty homes back into use, including properties becoming occupied, sold or under renovation, alongside enforcement action, Welsh Government funding, and implementation of the Empty Homes Strategy 2025–2030.
Support children with additional learning needs (ALN)	**Good**	• Estyn highlighted the Pupil Referral Unit provision as a significant strength, identifying that nearly all pupils achieve qualifications and progress successfully to post-16 education, employment or training. • Estyn recognised Additional Learning Needs (ALN) provision as a substantial strength of the local authority, reflecting a clear strategic commitment to inclusion and improving outcomes for learners with ALN. • Welsh-medium ALN provision was highlighted by Estyn as a notable strength, with bilingual Learning Resource

		Centres and specialist services enabling learners to access support in their preferred language. • Outstanding feedback has been received regarding ALN governance, early years multi-agency interventions, and the BYJS trauma-informed approach. Estyn's evaluation highlights sector-leading multi-agency early years interventions that identify developmental needs before formal schooling begins. Robust ALN governance ensures that children with complex needs have access to high-quality, specialised sensory environments within the borough, enabling care to remain local and empowering families. • Implementation of the online IDP system progressed, with 22% of new IDPs created online and all schools trained, with full rollout continuing across school-based IDPs during 2026–27. • Transition planning for pupils with additional learning needs improved, with around 76% of pupils with a transition plan having received a review. Further work is underway to ensure earlier involvement of post-16 services in all cases. • Waiting lists for specialist provision increased to 57 pupils, reflecting rising demand, more complex needs, and limited capacity. All pupils identified and put on a waiting list for specialist placement receive an offer of provision within a 12-month maximum period or are prioritised when they are in a transition year. • A five-year ALN Provision Plan (2025–2030) was approved to respond to increasing demand, including proposals for new observation provision, an Emotional, Social and Behavioural Difficulties (ESBD) Foundation Phase class, and additional Communication Autism Resource Education (CARE) bases in both primary and secondary settings. Challenges remain, particularly for the ESBD Foundation Phase provision, with further consultation and site identification planned. • Throughout Autumn 2025, a new training programme was delivered over 18 training sessions for 217 staff from 19 schools. This programme has been developed further, with data and outcomes collated over the summer period. • Between September 2025 and January 2026, the number of children supported through the Early Years Panel increased from 146 to 157. • Positive inspection outcomes were secured at The Bridge PRU (2025) and Ysgol Bryn Castell (2026), alongside continued recognition of high-quality specialist provision across the authority. This resulted in The Bridge Receiving 3 spotlights and Ysgol Bryn Castell receiving 1 spotlight in the final reports.

		• Low tribunal rates and successful mediation processes demonstrate effective partnership working with families and early resolution of concerns. The local authority had no educational tribunals for the third year.
Safeguard and protect people at risk of harm	**Excellent**	• Children's safeguarding decisions continued to be made promptly, with over 99% completed within 24 hours, ensuring children at risk are identified and protected without delay • Timely completion of child protection investigations remained above target, supporting effective assessment of risk and enabling appropriate safeguarding actions to be put in place • Adult safeguarding enquiries were responded to quickly, with performance exceeding target, helping ensure timely support and protection for adults at risk. • Waiting times for Deprivation of Liberty Safeguards (DoLS) assessments remained within target, supporting timely decision-making for individuals requiring safeguards to protect their rights and wellbeing. • Corporate safeguarding arrangements were strengthened through regular Corporate Safeguarding Board oversight and a positive internal audit outcome. Safeguarding audits were carried out across all schools, alongside implementation of the new Cwm Taf Morgannwg (CTM) Safeguarding Threshold Document to support consistent understanding of risk and intervention across partners. • Early intervention and prevention activity was strengthened through Youth Service outreach and improved collaboration between services via a single referral pathway (via Multi-agency Safeguarding Hub or Early Help), supporting identification and engagement of children at risk of anti-social behaviour before escalation. • Work to strengthen early identification of children at risk of offending is ongoing in partnership with South Wales Police, although progress has been slower than planned due to delays in establishing a consistent early notification system. A supporting application has been developed to support timeliness of information sharing and effective identification of children at risk. • His Majesty's Inspectorate of Probation (HMIP), in its inspection of the BYJS in November 2025, acknowledged BYJS' highly individualised approach which allows victims to dictate their own level and frequency of support. HMIP also noted how the BYJS successfully reduces youth crime and manages complex cases effectively. • By mapping out how trauma affects their home environment, the BYJS actively safeguards vulnerable young people. HMIP noted how this prevents escalation into deeper crisis and offers targeted care and support.

		• By breaking the cycle of reoffending through positive engagement, the BYJS directly helps young people reroute their lives toward productive, brighter futures. HMIP noted how the service's multi-agency approach looks at the root causes of behaviour. This holistic view helps entire families build resilience, equipping young people with the skills to overcome barriers.

What will we do to improve?

- Complete a review of front door practice for Adult Social Care.
- Commence review of TuVida contract.
- Establish a strategic group for Bridgend unpaid carers.
- Develop and plan for the new three-year planning cycle for Social Services and Wellbeing Directorate.
- Carry out a review of the Most Significant Change framework and the impact on service development.
- Develop a meaningful framework for Adult Social Care for capturing the voices of individuals who access the service.
- Conclude consultation on proposed changes to the Shared Lives service.
- Undertake Care home analysis to inform further feasibility analysis on specific sites in the county borough.
- Development of the Market Position Statement.
- Mobilise delivery of 2 residential homes
- Finalise Harwood House/ Heronsbridge School business case and submit Expressions of Interest via the capital board
- Establish a delivery programme for the Placement Commissioning Strategy, with oversight and where possible performance monitoring.
- Commence development of the Market Position Statement.
- Launch CONNECT, the multi-agency digital integration network managed by Cwm Taf Morgannwg University Health Board (CTMUHB), once appointments have concluded, and refresh the Early Help Screening Team's approach to assessments. Undertake a self-evaluation in line with the standards in the Anti Racism Wales Action Plan.
- Develop business cases for peripatetic social work and social care roles to reduce reliance on agency due to unavoidable long-term absence (such as, maternity leave)
- Public consultation for the expansion of Learner Resource Centres will go to Cabinet for approval in September 2026.
- Feasibility study and report for expansion of Emotional, Social, and Behavioural Difficulties (ESBD) provision (The Bridge and Ysgol Bryn Castell)
- The Designated Safeguarding Person (DSP) Forum for the 2025–26 school year will be formally scheduled for December 2026.
- Progress development of a new identification system with South Wales Police.

Case study – High Sheriff of Mid Glamorgan Youth Awards 2026



Two learners with Multi-Sensory Impairment (MSI) were nominated for the High Sheriff of Mid Glamorgan Youth Awards; one pupil attends Bridgend College and one attends Year 12 at Porthcawl Comprehensive School. This award highlights an extraordinary achievement in community contribution and personal resilience. Both received their awards at Coed y Mwstwr Hotel on 15 April 2026, with one, who is supported by the Visual Support Team, awarded first prize and a cheque for £1500.

Case Study – Tackling Long-term Empty Properties



Our Shared Regulatory Service continues to make strong progress in tackling long-term empty properties through a combination of support, funding and enforcement measures. During 2025-26, three of the top 20 priority empty homes have been brought back into occupation, four are sold subject to contract and five are undergoing renovation. Enforcement activity remains a key driver of progress, with one enforced sale ongoing and a further case being progressed following works in default. We have also secured funding through four successful Welsh Government grants, enabling further intervention in challenging cases. Alongside enforcement, work continues to deliver the objectives of the Empty Homes Strategy 2025–2030, including the introduction of a targeted communications plan and the delivery of the first Empty Homes Support Session, which received positive feedback from property owners. Together, these actions are helping to increase housing availability, support neighbourhood regeneration and reduce the number of long-term empty homes across the county borough.

Case Study: Faith in Families Cwtch Mawr Multibank



Faith in Families' Cwtch Mawr Multibank, Wales' first and only multibank, has been operating in Bridgend for the past six months with support from Bridgend County Borough Council (BCBC) and Bridgend Association of Voluntary Organisations (BAVO). The initiative provides an innovative solution to tackling poverty and reducing waste by redistributing brand-new surplus goods from businesses to children, families and individuals experiencing hardship.

Each day, essential items such as clothing, bedding, toiletries, baby essentials and household goods are received, sorted and distributed through a trusted network of more than 140 partner organisations. Since April, the Cwtch Mawr Multibank has supported 380 individuals – an average of 38 people per active week – as well as 170 households, with around 40 per cent of households accessing support on more than one occasion. By ensuring unused goods reach those most in need quickly and efficiently, the Cwtch Mawr Multibank is helping to improve the wellbeing of local residents while strengthening community support across the county borough.

Case Study – Supporting Young Carers to Feel Valued, Connected and Heard



During 2025-26, Bridgend County Borough Council's Prevention and Wellbeing Service continued to strengthen support for young carers through the Bridgend Young Carers Network. Led by Young Carer Ambassadors aged 11–25, the network provides a safe space for young carers to connect with others, share their experiences and help shape local support.



Working alongside schools, Halo Leisure, Awen Cultural Trust, Bridgend Inclusive network group and over 60 partner organisations, the service delivered termly network events, weekly wellbeing sessions and "We Are Valued Days", giving young carers opportunities to take a break from caring responsibilities, improve wellbeing and build friendships. During the year, 160 young carers attended the Network Day and 136 attended We Are Valued events. The Young Carer Ambassador programme also grew significantly, increasing from 3 to 33 ambassadors.

The service supported the rollout of 852 Young Carers ID cards and provided 403 Halo memberships for young carers, alongside 927 memberships for household members. Feedback from young people highlights that these activities help reduce isolation, increase confidence and ensure young carers feel recognised, valued and supported within their communities.

5. How is the council using its resources?

We have always had to report how well we are using our resources. For example, telling Audit Wales about our spending, workforce and buildings. Until recently, we did not have a process for reviewing how we are managing all our different resources. To help us write this report, we developed a process to look at:

- Financial Management
- Risk management,
- Commissioning and procurement,
- Corporate planning
- Performance management,
- Workforce planning, and
- Asset management.

To come to our judgements, we used:

- performance indicators e.g. staff vacancy levels and building maintenance,
- evidence on delivery of our projects and improvement plans,
- feedback from customers, staff and trade unions, and
- the views of regulators e.g. Audit Wales report on workforce planning

We asked questions based on the Well-being of Future Generations Act, including:

- Do we focus on prevention, not just putting things right when they go wrong?
- Are we making strong long-term plans?
- Do we share ideas, plans and resources with partner organisations?
- Are we making links and doing things consistently across the council?
- Are we involving the community and customers in key plans and decisions?

We presented findings to councillors who scrutinised them, checked and asked questions, and used the same judgement scale from excellent to unsatisfactory.

Use of resources	**Good**	Use of resources overall is good. Some things have got better – Performance Management and Financial Planning have improved judgments due to progress made within the year. Other things have stayed the same or got worse - Risk Management has a downgraded judgement due to recent regulator recommendations. We have strong frameworks and robust processes for day-to-day management of resources, with clear and agreed working models and good working relationships between corporate teams and directorates. However, longer-term planning, addressing capacity in corporate and directorate teams, improving proactiveness and developing our corporate services to meet changing demands remain difficult with the resource issues we face. Our Panel Performance Assessment (PPA) Report (September 2025) said that the council demonstrates strong financial management and effective use of resources, supported by robust monitoring, collaborative budget-setting involving Members, and positive relationships with partners. However, there are opportunities to strengthen alignment between financial planning and the council's strategic vision, particularly ensuring the budget

		and Medium-Term Financial Strategy clearly support future priorities. There is also a need to encourage greater innovation in how services are delivered. Additionally, developing a stronger "Team Bridgend" culture, with improved cross-service collaboration and a more consistent, organisation-wide approach to communication, will help reduce silos and support more effective and joined-up working. Our planned activities in response to the PPA findings and recommendations are already underway which will support improvements in use of resources going forward.

Theme judgements

Our overall judgement looks at use of resources of all types. We also have a specific judgement for each resource type, to help us with our improvement planning.

Financial Planning	**Good**	Financial Planning is good overall. This is based on positive internal and external judgements from regulators, consistent balanced budgets, and unqualified Statements of Accounts signed off by the Auditor General for Wales and strong governance frameworks in place. Although the council ended 2025–26 with a £13.4m underspend, forecasting during the year was difficult and volatile. Much of the underspend came from one-off funding, and some planned budget reductions were not delivered, creating future pressures. Whilst reserves were increased at year-end using our underspend, they have generally reduced in recent years and are largely committed. This creates a risk to future financial sustainability, as reserves may not be sufficient to support budgets. The council faces ongoing financial challenges, including rising costs (pay, inflation), service demand pressures, and reduced council tax collection rates linked to the cost-of-living crisis and limited enforcement options. The 2026–27 budget balanced based on achieving £2.35m of savings and a 4.7% council tax increase, with continued uncertainty in future funding and a difficult financial outlook. The financial position is set out in detail in regular reports, for members and the public to review. Through these processes the council demonstrates a high level of compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Financial Management Code, Principles and Standards. Overall, while the framework is solid, financial resilience is under increasing pressure, and stronger forward planning will be critical Key Areas for improvement: ○ Earlier and more robust long-term financial planning ○ Development of deliverable savings and income generation options ○ Greater engagement with members ○ Tight budget management by services
Corporate planning	**Good**	Corporate planning is good. We have updated and significantly reprioritised the corporate plan delivery plan (CPDP) for 2025-26 to reflect the ambitions of elected members, staff and partners as well

		as challenges and limitations. The CPDP was agreed by Cabinet / Corporate Management Board on 4 March 2025 with a communication plan and directorate business plans prepared to outline service level contributions for the year. In the recent Panel Performance Assessment (PPA), one of the recommendations provided was to support our new Chief Executive 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. This work began in 2025-26 and will carry on into 2026-27. From this a new Corporate Plan will be produced to align with this strategy. There are opportunities for further improvement, including starting the review process earlier and engaging better with staff / trade unions as part of the social partnership duty. Key Areas for improvement: ○ Complete work on the Transformation Strategy Bridgend 2040 ○ Begin a process of revising all key plans to align with the long-term vision, starting with the 5-year Corporate Plan ○ Improve the process for annual review and business planning ○ Improve engagement with the Corporate Planning process, with members, residents, staff and Trade Unions and Partners
Risk management	**Adequate**	Risk management is adequate. There is a Corporate Risk Management Policy in place which was updated and approved by Governance and Audit Committee in January 2026. This is supported by a risk management guidance document which has been signposted to all staff. Reports and the reporting process for risk are straightforward and accessible, including for members and risk update reports were considered by Cabinet and Corporate Management Team regularly during 2025-26. Reviews undertaken by Audit Wales and Internal Audit of the council's Corporate Risk Management processes, completed in 2025, concluded that the council needs to strengthen its risk management culture, improve how risk is identified and monitored and review the overall risk appetite for the council. External capacity has been sourced to work with the council to address the issues raised and ensure that risk management identification, reporting and monitoring is robust and timely.
Commissioning and Procurement	**Adequate**	Procurement and commissioning are adequate. Procurement is well established, with updated Contract Procedure Rules aligned to the UK Procurement Act 2023 and the Welsh Social Partnership and Public Procurement (Wales) Act 2023. Practices have been enhanced to embed social value, carbon reduction, and safeguarding requirements within tenders, alongside improved supplier engagement through our website, corporate contracts register, guidance, and standard terms and conditions. Cost control measures, such as price caps and purchasing card authorisations, have also proven effective and continue to be applied.

		Commissioning, however, remains variable across directorates. While some areas demonstrate good practice through early engagement with procurement, co-production, and long-term planning, others lack robust strategies and consistent delivery. This inconsistency can lead to reactive approaches and missed opportunities to maximise value and collaboration. Audit Wales (June 2025) concluded that the council cannot yet assure itself that it consistently achieves value for money in commissioning. It recommended strengthening strategic commissioning arrangements, improving compliance and consistency, and embedding evaluation and continuous improvement. The overall judgement is assessed as adequate based on the need for improved capacity in the corporate and directorate teams, and an improved and more consistent approach to commissioning needed across directorates. Key Areas for improvement: ○ Improve understanding of commissioning and procurement requirements across the organisation ○ Address Audit Wales recommendations to strengthen commissioning arrangements ○ Improve corporate alignment of commissioning and procurement to share learning and identify efficiencies
Performance management	**Good**	Performance management is good, with continued progress made since the last self-assessment and a “substantial assurance” outcome received from internal audit in March 2026. There is a strong well-established framework in place and evidence of strong performance management processes and effective use of data in some service areas, although this needs to be replicated across all services to fully embed this performance culture. We successfully completed our first PPA in September 2026, informing future improvements. PPA feedback told us *“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”* Performance reporting arrangements have been strengthened with reports providing progress judgements, trend data and summary charts. There is strong scrutiny by Corporate Management Team, Cabinet and Scrutiny Committees. Regulatory tracker reporting has also been strengthened introducing escalation where issues persist. There has been a clear focus on improving data quality and accuracy through guidance, audits, and stronger use of evidence, alongside targeted support for group managers and performance leads to enhance reporting consistency and timeliness. The approach to self-assessment continues to be improved, enabling more balanced and robust judgements on performance. Greater emphasis has been placed on collating and using service user perspectives, including residents survey data in collaboration with Data Cymru and Welsh Local Government Association (WLGA), and

		learning from best practice through sector networks. The introduction of Service Self Evaluations has improved accountability, requiring Heads of Service and Group Managers to clearly articulate and evidence the performance position of their areas. Key Areas for improvement: ○ Stronger challenge and use of performance information ○ Better use of performance tools for insight ○ Increased capacity and resilience across teams and systems
Workforce planning	**Adequate**	Workforce management is adequate. Feedback from employees, managers, trade union representatives and internal audits is generally positive. Managers are assisted to deal effectively with people issues through appropriate and timely support from the HR / Organisational Development service. The HR operating model aims to give managers an improved service focused on proactive and preventative HR services and an incremental reduction in the need for and provision of reactive support services. Improvements have been made to our Strategic Workforce Planning along with further development of HR policies and procedures, such as the introduction of automation in the recruitment process. Support has been provided for managers to reduce and manage sickness absence. HR Briefings delivered to provide support and coaching on a range of topics, with positive feedback used to shape future briefings. We continue to focus on organisation wellbeing, supporting both employees and managers. Key Areas for Improvement: ○ Further development of HR processes and digital automation ○ Need for additional capacity in both management and HR ○ Stronger emphasis on long-term workforce planning, including succession planning
Asset management	**Adequate**	Asset management is adequate. Whilst considered theoretically robust it is currently operationally strained. The council is excellent at identifying what it wants to achieve and has delivered major standalone wins. Until resourcing is addressed and the new Integrated Workplace Management System (IWMS) implemented, Asset Management will remain limited by its reactive constraints. The service is functionally sound enough to maintain a high level of compliance and secure major long-term objectives, but currently lacks the structural stability required to move from a reactive mode into a truly proactive model. Despite these challenges, the performance is not considered unsatisfactory. Reaching a 91% building compliance rate is an historic high for the council and continuing to reduce backlog maintenance and assisting partners in facilitating an £80m town centre college campus proves that the team possesses deep competency and strong partnership capabilities. The team successfully maintains fiscal responsibility and high compliance standards, operations remain fundamentally reactive

		rather than proactive due to these capacity constraints. Forecasts for the current period are positive, with recruitment activity ongoing, the IWMS being implemented and the new strategic asset management plan being prepared we aim for Asset Management to move into “Good” in the future. Key areas for improvement: o Strengthening strategic asset planning and alignment o Improving asset management systems and data use o Enhancing governance, monitoring, and reporting o Building capacity and embedding the Corporate Landlord Model o Addressing compliance, maintenance, and collaboration o Need for additional capacity in both management and HR

6. How good is the council's governance?

Organisations that have good governance use clear decision-making processes and communicate openly about what they are doing. They work well with their stakeholders, manage the risks they face, and take responsibility for their assets.

We have always had to report on our governance, to Audit Wales. There is a clear process for developing an 'Annual Governance Statement' (AGS) that has existed for many years. The information below summarises the council's AGS for 2025-26.

What is our judgement?

Governance	**Good**

Our governance arrangements are good, and work well.

Decision making

Our Governance Framework, the Code of Corporate Governance, explains how we work, how we are accountable, and how decisions are made. In 2022 we developed a new constitution with a simple guide to help members of the public understand it. Through these documents (along with the Member's Code of Conduct, Standards Committee and role of Internal Audit) the council operates with integrity, ethical values and within its legal powers.

Governance arrangements are reviewed each year and included within the Annual Governance Statement (AGS), which is reviewed and approved by the Governance and Audit Committee. The Annual Governance Statement includes an update on the actions taken to address areas previously identified for improvement.

We are committed to ensuring we have good governance principles and management practices. These are used right across the council to make sure we have the public's trust. The arrangements the council has for Corporate Governance are 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 of Corporate Governance 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.

A number of significant issues were identified in the 2024-25 AGS, to be taken forward during 2025-26. During the year we have made improvements including –

- Progressing the development of the Socially Responsible Procurement Strategy
- Continued to progress the transfer of the Waste service back to the council
- Ensuring Governance and Audit Committee members received the necessary training to support their role
- Reviewed the process of the Budget Research and Evaluation Panel (BREP) and set up a new Scrutiny Budget Working Group to replace BREP and to review and contribute to the final budget for the council.
- Monitoring and supporting schools with a budget deficit at year end to deliver their deficit recovery plans
- Continued to work at local, regional and national levels to support recruitment in hard-to-fill services, building on successful approaches used within Children's Social Services.

A number of significant issues were identified in the council's 2025-26 AGS which will require actions moving forward to address them. The key issues identified are:

- Change Management Governance – ensuring the transformation across the council has sound governance arrangements in place to agree priorities and to monitor progress
- Risk Management – to address the issues raised in an Audit Wales review to ensure the identification and management of risk is robust
- System Development and Change – to manage and ensure the safe implementation of major new software systems, the safe introduction of Artificial Intelligence for services and protect the council from a cyber-attack
- Oversight and governance of delegated budgets – increased school budget deficits may impact on the ability of schools to deliver and may result in financial

pressure for the council as a whole, so work will be done with schools to ensure deficit plans are robust and are managed.

7. Listening to the views of others

The council provides services to all residents of Bridgend. Some of our services are universal – used by all residents – like roads and pavements, and waste and recycling. When we are developing, reviewing and changing these services, we need to try and talk to the whole population of Bridgend to help us decide what to do. We have a range of different methods for doing this, from formal consultations on major changes, public drop-in sessions and discussions, and the regular, day-to-day engagement from our social media.

Other services are more specialist – and used by smaller numbers of residents – like school transport and services for people with learning disabilities or young people leaving care. When we are developing, reviewing and changing these services, we need to try and talk to the people who rely on those services and their families to help us decide what to do. We have a range of methods for doing this, from consultation and engagement sessions, to coproducing those services directly with the users and their families.

Over the last year, we have completed a huge range of activities to understand and use service user perspectives, and the opinions of our regulators. The main ones are summarised below.

Consultation and engagement

During 2025–26, the council undertook a comprehensive programme of consultation and engagement activity to inform key strategic, policy and service decisions. This programme reflects a strong commitment to involving residents, partners and stakeholders in shaping services and responding to emerging challenges.

Engagement activity covered a wide range of priorities, including budget setting, service redesign, climate change, transport, housing and community safety. Levels of participation varied across consultations, with particularly high engagement seen in budget-related and public protection consultations.

Corporate consultations are promoted bilingually to the council's social media channels, shared through weekly resident bulletins and weekly staff messages throughout the consultation period. Up to three consultations a year are shared with our citizen panel to raise awareness and encourage participation. Face to face engagement sessions are held where necessary and our Youth Council are involved with relevant consultations.

We consulted on a number of our key strategies to inform long-term strategic planning, for example

- The *Time to Talk Cultural Services* consultation attracted over 1,300 responses and helped shape the future direction of libraries, community hubs and cultural provision, ensuring compliance with statutory duties while reflecting local needs.

- The Digital Strategy consultation supported the development of a modern, inclusive approach to service delivery, highlighting the importance of accessible online services, digital skills development and emerging technologies such as artificial intelligence
- Housing and infrastructure proposals were also shaped through targeted engagement. Consultation on the Social Housing Allocation Policy gathered feedback from both housing providers and residents to inform a fair and transparent approach to allocating social housing.
- Transport and placemaking initiatives, including Bridgend Town Centre access proposals and the Ewenny Road Active Travel scheme, sought community views on improving accessibility and connectivity, balancing the needs of different users, and supporting sustainable travel.
- Climate change and decarbonisation were a key focus of engagement activity. Consultations on the Net Zero Carbon Strategy, Electric Vehicle Charging Strategy and Active Travel and Climate Change proposals collectively gathered views on how the council can support behaviour change, reduce carbon emissions and improve health and wellbeing. Feedback emphasised the importance of practical, accessible solutions and the need to address barriers to sustainable travel.

Other strategies and services are coproduced with service users and their families to help us create services that are more responsive, inclusive and effective. For example this year we have held Carers Listening Events, which have informed our Carers Action Plan, and we intend use future events to co-produce the service specification for the Carers Support Service in the year ahead.

We also consulted on some significant proposed changes to the way the council or our services work. Some of the main consultations in 2025-26 were –

- The Annual Budget Consultation January 2026 generated significant levels of feedback, with over 1,200 responses. It highlighted clear public priorities, including strong resistance to reductions in services supporting vulnerable people, education and child protection. At the same time, respondents demonstrated an understanding of financial pressures facing the council, with a majority supporting council tax increases at or above 4.5%. The consultations provided valuable evidence to support difficult financial decision-making and align spending priorities with community expectations.
- Community safety and environmental quality were also addressed through consultation, most notably the Public Space Protection Order (PSPO) on dog fouling, which attracted over 1,200 responses. This high level of engagement demonstrated strong public interest in maintaining clean and safe public spaces and informed proposals to strengthen enforcement and responsible behaviour.

Consultation	**Your feedback and how we used it**
Bridgend Town Centre Access (Apr–May 2025)	755 responses; gathered views on improving access and balancing needs of users, including parking, cycling, loading times and flexible access arrangements.

Time to Talk Cultural Services (Jun–Aug 2025)	1,377 responses; informed future strategy for libraries, hubs and cultural services, focusing on legal duties, resident priorities and future delivery models.
Digital Strategy 2025–2029 (Jun–Jul 2025)	250 responses; explored digital priorities, improving online services, inclusion, digital skills and use of technology including AI.
Bridgend Social Housing Allocation Policy (Jul–Oct 2025)	161 total responses; reviewed how social housing is allocated with input from both landlords and the public.
Ewenny Roundabout to Brynteg School Community Engagement Survey (Oct–Nov 2025)	79 responses; sought feedback on Active Travel route proposals connecting Brynteg School.
Active Travel and Climate Change (Nov 2025–Feb 2026)	127 responses; gathered views on encouraging walking, wheeling and cycling and addressing barriers to active travel.
Bridgend Net Zero Strategy (Nov 2025–Jan 2026)	129 responses; informed development of the 2030 Net Zero Carbon Strategy reflecting local priorities.
Electric Vehicle Charging Strategy (Nov 2025–Jan 2026)	88 responses; focused on developing an equitable and scalable EV charging network to support decarbonisation.
Time to Talk Budget 2026–27 (Jan 2026)	1,216 responses; engaged residents on budget pressures, savings options and spending priorities.
Public Space Protection Order – Dog Fouling (Mar–May 2026)	1,274 responses; strong engagement on proposals to tackle dog fouling and improve responsible dog ownership.

Complaints and compliments

We have a clear and agreed two stage process for dealing with complaints. We report to Governance and Audit Committee on complaints each year.

- **Informal Complaint Stage**

Informal complaints should be dealt with quickly and where possible informally. It advises customers to contact the office responsible for the service to provide an opportunity to solve the problem. Informal complaints are logged by our Information Team and we report on them every quarter to the Public Services Ombudsman. In 2025-26 we had the following informal complaints –

	Number	Resolved	Upheld	Discontinued or withdrawn	Ongoing
Adult Social Care	1	0	0	0	1
Benefits Administration	9	8	0	0	1
Children's Social Services	1	1	0	0	0

Community Facilities	4	1	0	0	3
Complaints handling	0	0	0	0	0
Education	19	9	0	1	9
Environment	0	0	0	0	0
Finance & Council Tax	37	22	1	0	14
Housing	14	4	0	0	10
Planning & Building Control	11	4	3	1	3
Roads & Transport	10	2	0	0	8
Various/Other	24	10	0	1	13
Waste & Refuse	0	0	0	0	0

- **Formal Complaint Stage**

Formal complaints can be lodged by email, telephone, letter or online complaint form. All formal complaints with the exception of schools and social services (which have their own statutory procedures) are received, logged and acknowledged centrally by the Information Team within five working days. These complaints are sent to a Head of Service who appoints a senior officer from the service to investigate the complaint and respond directly within 20 working days. The Information Team is provided with a copy of the response. We monitor numbers of complaints, time to respond, category of complaint and where in the Borough they come from. The Information Team has received, logged, acknowledged and referred a total of 24 formal complaints during 2025-26 –

	Number	**Resolved**	**Upheld**	**Discontinued or withdrawn**	**Ongoing**
Adult Social Care	0	0	0	0	0
Benefits Administration	4	2	0	0	2
Children's Social Services	0	0	0	0	0
Community Facilities	1	0	0	0	1
Complaints Handling	0	0	0	0	0
Education	4	1	0	0	3
Environment	0	0	0	0	0
Finance & Council Tax	3	2	0	0	1

Housing	2	1	0	0	1
Planning & Building Control	5	1	0	0	4
Roads & Transport	1	0	0	0	1
Various/Other	4	1	0	0	3
Waste & Refuse	0	0	0	0	0

There are separate processes for dealing with social services complaints, Elected Member conduct concerns and school-based complaints.

Improvements made and still planned

Following an internal audit of the corporate complaints process in 2024-25, and a review of the current complaints system and process, work on a range of improvements has started. Below is what we said we would do and a progress update for 2025-26 –

Area of Improvement Identified	**Progress made in 2025-26**	**Actions for 2026-27**
An e-learning module for all complaint handlers.	Completed	
A more consistent way of working to collate, record and report complaints and compliments as well as documenting working procedures to support all officers involved in the complaints process.	Partially completed	Procedure will be included as part of new complaints system.
Improving the process for customers to make both complaints and compliments (incorporating stage one and stage two complaints in the same system).	Ongoing	The new process has been developed to enable customers to make both Stage one and Stage two complaints and compliments. User testing is currently underway, with training sessions being planned for service areas ahead of go-live.
An improved triage and escalation process.	Ongoing	The new process has been developed to incorporate an improved triage by the central Information team and relevant escalations to improve response levels to customers.
Improvements to customer feedback and communication.	Ongoing	The new process has been developed and will address this area of improvement to ensure enhanced customer experience in relation to feedback and engagement.

Automating elements of the process where possible to streamline the whole process from beginning to end.	Ongoing	The complaints and compliment processes have been fully mapped out. Opportunities to automate elements to streamline the processes have been identified and has been incorporated within the build of the new process.
Developed a process to capture and record all complaint feedback consistently • Tracking whether complaints are upheld and actions taken • Ensuring lessons learned are identified and recorded • Enable analysis of data to identify trends and improvement areas • Identify priorities for further learning and development	Ongoing	Whilst the process has been developed to address this area, further investigation will be undertaken to further learning and development based on complaints data once the new system is live.
Reviewing and developing monitoring reports.	The Team produce an annual report for GAC.	A reporting system has been developed for the new corporate system, ensuring GAC requirements have been included.

8. Regulator views

Our regulators play an important role in ensuring local councils operate lawfully, spend public money responsibly and provide services of an acceptable standard. They provide essential oversight, monitor our performance, investigate concerns, and help drive improvement. They help us maintain accountability to our residents and service users.

Our engagement with regulators is strong and systematic. Regular meetings take place between regulators and senior officers in the council to discuss regulators' work and the council's improvement plans.

We take the feedback from our regulators very seriously and regularly test our progress against the views and recommendations of our regulators, through a regulatory tracker, which is reported to Governance and Audit Committee (GAC) in April and October each year, and in July and January if there are areas of concern.

Regulator Reports

- **Panel Performance Assessment September 2025**

One of the requirements of the new local government improvement regime set out in the Local Government and Elections (Wales) 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 make recommendations on 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.

Our first PPA took place this year with the panel on site between 16-19 September 2025. They undertook 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, the business community, Youth Council, older people, citizens and headteachers.

In addition to the three statutory 'performance requirements', we asked the panel to focus on three further areas

- **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.

For each of the three performance requirements and the three areas raised by the council, the panel outlined strengths and areas for improvement. The panel also provided eight recommendations.

The assessment recognised the council as performing well, with strong leadership, a committed workforce, and clear self-awareness, but highlighted a need to accelerate change to ensure long-term sustainability.

The headline findings of the PPA were that –

- Bridgend is a good council with untapped potential.
- There is a political and managerial leadership that is ambitious for Bridgend.
- The workforce is enthusiastic, committed, and cares deeply about the council and the communities it serves.
- The council has high levels of self-awareness - clear and shared assessment of strengths and the challenges ahead.

- The council is ready for change and positive about the future.

We have developed a response to the PPA report, accepting all eight recommendations and outlining both progress to date and further planned improvements. Some of the actions have already been taken, including organisational changes and strengthening strategic capacity, with further work planned around transformation, workforce development, and engagement.

The full panel report and our formal response outlining the actions proposed have been published and can be found on our website.

Audit Wales

Audit Wales has completed 3 audits in 2025-26. These are:

- A review of our arrangements for Commissioning Services which was published in June 2025. It concluded that the council does not have arrangements to assure itself that it consistently secures value for money when it commissions services and provided 3 recommendations related to strengthening commissioning arrangements, monitoring compliance and evaluating effectiveness through review. Commissioning will play a pivotal role in the Transformation agenda and therefore processes will be reviewed and adapted as the Transformation Strategy develops.
- A review of the Planning and Development Service was published in December 2025. It found that the council's limited understanding of the service's strategic role, combined with weaknesses in resource and risk management and a lack of planning and performance oversight, but has strong governance arrangements in place for the Development Control Committee. It made four recommendations to the council which focus on resource management, service planning, risk and performance management. Our response focuses on strengthening the foundations of the Planning and Development Service through increased staffing and sustainable funding arrangements, formalised risk management processes, introduction of a service plan and enhanced performance monitoring arrangements.
- Review of Risk Management was published in December 2025. It found that the council's risk management arrangements are not working effectively to fully support the delivery of its strategic objectives, and made three recommends focussed on strengthening risk culture, and improving systems to identify and monitor risk, and evaluating the effectiveness of risk management arrangements. External support is being sought to undertake this work, which will begin in early 2026- 27.

Care Inspectorate Wales

- A Care Inspectorate Wales (CIW) improvement check of children's social care services was published in September 2025. It concluded through sustained leadership and workforce investment, there have been significant improvements in Bridgend's children's services, particularly in workforce stability and quality assurance.
- A CIW inspection report on Foster Wales Bridgend was published in September 2025. This inspection follows a previous inspection in November 2023 where eight areas were identified as requiring significant improvement. This inspection has found the service has improved in five areas.

- CIW conducted inspections on three childcare settings from April 2025 to March 2026. This includes one setting, Flying Start Garth, that achieved an ‘excellent’ outcome across all inspection criteria and received a spotlight related to parental and community engagement. All settings received at least a ‘good’ judgement in all areas. Recommendations focused on strengthening Welsh language and cultural diversity, keeping policies up to date with legislation, improving how actions from inspections are monitored, and maintaining robust health and safety practices. Additional areas included promoting children’s independence and ensuring accurate staff record-keeping.
- CIW conducted inspections of four adult residential care homes during the reporting period. One setting, Bryn Y Cae, achieved an ‘excellent’ rating for Wellbeing and ‘good’ ratings across all other domains, while the remaining three homes (Ty Ynysawdre, Ty Cwm Ogwr and Ty Llwynderw) achieved ‘good’ ratings across all inspection areas. Inspections highlighted consistently positive outcomes for residents, including person-centred care, effective leadership, robust governance arrangements and safe, welcoming environments. Inspection feedback also identified areas where services could continue to build on existing strengths, including enhancing opportunities for meaningful activities, maintaining person-centred review processes and supporting ongoing workforce development. No formal areas for improvement or priority action notices were identified across the inspected services.

Estyn

- Estyn’s 2025 enhanced Local Authority Link Inspector (LALI) visit found that Bridgend is making good progress in improving pupil attendance and delivering its Welsh in Education Strategic Plan (WESP). Inspectors highlighted strong leadership, effective partnership working and a collaborative approach, which have contributed to improved attendance and positive developments in Welsh-medium education. While further work is needed to strengthen data use, evaluate WESP outcomes and ensure the sustainability of attendance initiatives, Estyn concluded that the council has strong foundations and a clear commitment to driving continued improvement.
- A report on Bridgend Youth Support Service was completed in February 2026. It found that Bridgend Youth Support Service is a high-performing, well-regarded service that deliver strong outcomes for vulnerable young people, provides inclusive, high-quality support and works effectively with partners, but needs to strengthen Welsh language provision and Impact-focused evaluation
- Estyn conducted an inspection of Education Services in Bridgend County Borough Council in March 2025. The report was extremely positive and found that the council provides well-led education services with a strong collaborative culture and effective support for schools, leading to generally positive outcomes. Inclusion was found to be a key strength, particularly for pupils with additional learning needs and vulnerable groups, supported by strong multi-agency working and robust safeguarding arrangements. However, it identifies areas for improvement, including the need to strengthen self-evaluation, sharpen improvement planning, and ensure more consistent outcomes for all learners, particularly those from disadvantaged backgrounds.
- During the academic year, 11 schools were subject to core inspection (two secondary schools, one special school and eight primary schools). Estyn identified 14 spotlights of effective practice, including one additional case study, and undertook

a further 16 interim visits across one secondary and 15 primary schools, providing a comprehensive evidence base of school performance across the local authority. While one school was placed in a statutory category of follow-up, all schools received support to address their recommendations, including targeted, bespoke in-school support where required. Key areas for improvement identified include strengthening the quality and impact of self-evaluation and improvement planning, improving the progressive development of cross-curricular skills, ensuring appropriate challenge for all pupils, and further developing pupil independence. Inspection findings are used to guide targeted professional learning and support, helping to strengthen leadership, improve teaching, and raise outcomes for learners.

Joint inspection

- During the 2025–2026 financial year, CIW and Estyn conducted two joint inspections on childcare settings. Both settings received 'good' judgements across all inspection criteria. Estyn produced a case study of good practice from one setting, which focused on the way in which children with ALN are supported and fully included, ensuring access to all areas of provision, including quiet/sensory spaces. Recommendations centred on formalising and recording staff supervision and increasing opportunities to promote children's understanding of cultural diversity.

Internal Audit

Internal Audit is also a statutory requirement in 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 and hosted by the Vale of Glamorgan Council.

In 2025-26 59 audit assignments were included in the audit plan, with 54 completed during the year.

- 12 audit reviews had no audit opinion, as these are routine internal audit work, for example advice and guidance, external audit liaison, fraud and irregularity work, audit planning and recommendation monitoring.
- 42 were with an audit opinion. Based on the testing of the effectiveness of the internal control environment, an audit opinion of Substantial Assurance has been given to 14 audit reviews (33%) and an opinion of Reasonable to 26 audit reviews (62%). The remaining 2 audit reviews (5%) have been given an audit opinion of Limited Assurance, that is only limited assurance can be placed on the current systems of internal control. There were no 'No Assurance' opinions.

Taking into account the results of the internal audit reviews completed during 2025-26, 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 2025-26 is: "Reasonable Assurance". Which means based on the work they have done, no significant cross-cutting control issues have been identified that would impact on the council's overall control environment, and any weaknesses that have been identified are service specific.

9. Staff and Trade Union views - Social Partnership Reporting Duty 2025-26

Since 1 April 2024 the council has been subject to the Social Partnership duty under the Social Partnership and Public Procurement (Wales) Act 2023. This means that we have to explain how we have worked with staff and trade unions within the year, and any areas for improvement we have identified.

Relations with the recognised Trade Unions are extremely positive at present and their support is welcomed to ensure we are working in a true social partnership

Regular work

There is a monthly meeting with Trade Unions, where a range of officers present on a variety of topics, trade union colleagues' views are tested and any issues discussed.

The Trade Unions involved in these regular meetings represent staff across the council, this includes Unison, Unite, GMB, ASCL, NEU, NASUWT, NAHT and UCAC

In 2025-2026 we had 9 monthly meetings, that took place on 16 May, 11 July, 18 September, 17 October, 13 November and 12 December 2025, and 22 January, 27 February and 20 March 2026.

Throughout the year the Chief Executive, Corporate Director for Education, Early Years and Young People, Head of Learning, Corporate Director - Finance & Transformation and Cabinet Member for Resources have attended these meetings.

The Trade Unions also have daily direct access to senior HR officers and there is regular and open communication to work together. Trade Unions are involved regularly in workforce and other related meetings.

All policies, protocols and programmes are shared with the relevant Trade Unions at the earliest opportunity to include their views and thoughts.

Planning the year ahead

As part of the annual budget development process, the Corporate Director - Finance & Transformation attended the regular Trade Union meetings in November 2025 to provide an update on the process, the approach, assumptions made (and later the draft settlement from Welsh Government) and savings proposals.

Trade Unions were closely involved in the development of the Council's five-year Corporate Plan 2023-28. Their involvement spanned three key stages: the design of the overall approach, the development and agreement of the wellbeing objectives, and consultation on the draft report.

Trade Unions will also be engaged with the development of the new Bridgend 2040 Vision which will be presented to them in their September 2026 meeting.

Reviewing the year behind

Each year since its inception, Trade Unions have been involved in the development of the council's corporate self-assessment. As part of the development of the Corporate Self-Assessment 2025-26 the Corporate Policy and Performance Manager attended

the regular Trade Union meeting in September 2026 and presented the key points and judgements from the draft self-assessment and took views, areas for development and any issues from the trade unions in attendance. The draft report itself was also circulated to Trade Unions for review and any additional comments or changes.

Areas for improvement

- Develop a more engaging / interactive process for involving Trade Union colleagues in the self-assessment process
- Involve Trade Union colleagues in the development and review of the one-year Corporate Plan Delivery Plan.
- Providing training or awareness raising to employees / Trade Union representatives on how the Social Partnership Duty is being implemented
- Working to confirm updated Trade Union facilities time.

10. Our Strategic Equality Plan

Our new Strategic Equality Plan was developed and consulted on in early 2024 and outlined our six strategic equality objectives, which will shape how we plan, provide, and deliver our services to reflect the diversity of our communities.

We have developed a Strategic Equality Action Plan for 2024-2028 which was approved in July 2024 and has now been published on our website. Work towards achieving these actions will continue over the next four-year lifespan of the SEP.

Progress on the plans is regularly reported to the Corporate Equality Network, and responsibility for operational delivery lies with all service areas and teams. Our Cabinet Committee Equalities monitors and scrutinises delivery against the objectives.

How do we identify and collect relevant information?

We are committed to collecting and using data to identify where some protected characteristic groups experience a disproportionate impact or where we could deliver services in a different way. We collect data on customers and residents via our consultation and engagement activities and on our employees via our own internal systems. We will collect and use the following equality data:

- Employment profile data for all protected characteristics;
- Service user data to understand the characteristics of our service users;
- Job applicants for all protected characteristics.

This data will be published annually as part of our Strategic Equality Plan annual reporting process (which will now include the full equality impact assessments undertaken). In addition we will publish annually:

- The Strategic Equality Plan annual report.
- Welsh language standards annual report

How effective are the council's arrangements for identifying and collecting relevant information?

Each year we try to improve the Equality Monitoring Data we hold for employees, revising the data capture to include more characteristics. We encourage employees to update information regularly through communications, appraisals and other methods.

What do our arrangements tell us regarding the equality of access to employment, training and pay?

Every year, we report our 'equalities in the workforce' report to Cabinet Committee Equalities. This tells us about a range of things including the numbers of employees with protected characteristics where declared. It also tells us about pay, recruitment and training of employees with protected characteristics. This is all put together and included in the Strategic Equality Plan. Areas for development are included in the Strategic Equality Plan Action Plan.

Performance against the Corporate Plan 2025-26

On 1 March 2023 Council agreed the Corporate Plan 2023-28. In April 2025 Council agreed the Corporate Plan Delivery Plan 2025-26 which set out aims, commitments, and performance indicators to help measure the Council's progress on its priorities. The new delivery plan is more focused than in the previous two years following a robust review, aligning with the current corporate priorities and resources. The key changes made were:

- Wellbeing Objectives (WBOs) were reduced from seven to four with some merged / subsumed into others. The four that remain focus on –
    1. A prosperous place with thriving communities
    2. Creating modern, seamless public services
    3. Enabling people to meet their potential
    4. Supporting our most vulnerable
- Aims reduced from 41 to 21.
- Performance Indicators (PIs) (that measure the 'business as usual') reduced from 108 to 65.
- The Ways of Working measures, previously a standalone part of the Corporate Plan, have now been integrated into the WBOs.
- Commitments (that measure our initiatives or projects) reduced from 80 to 61.

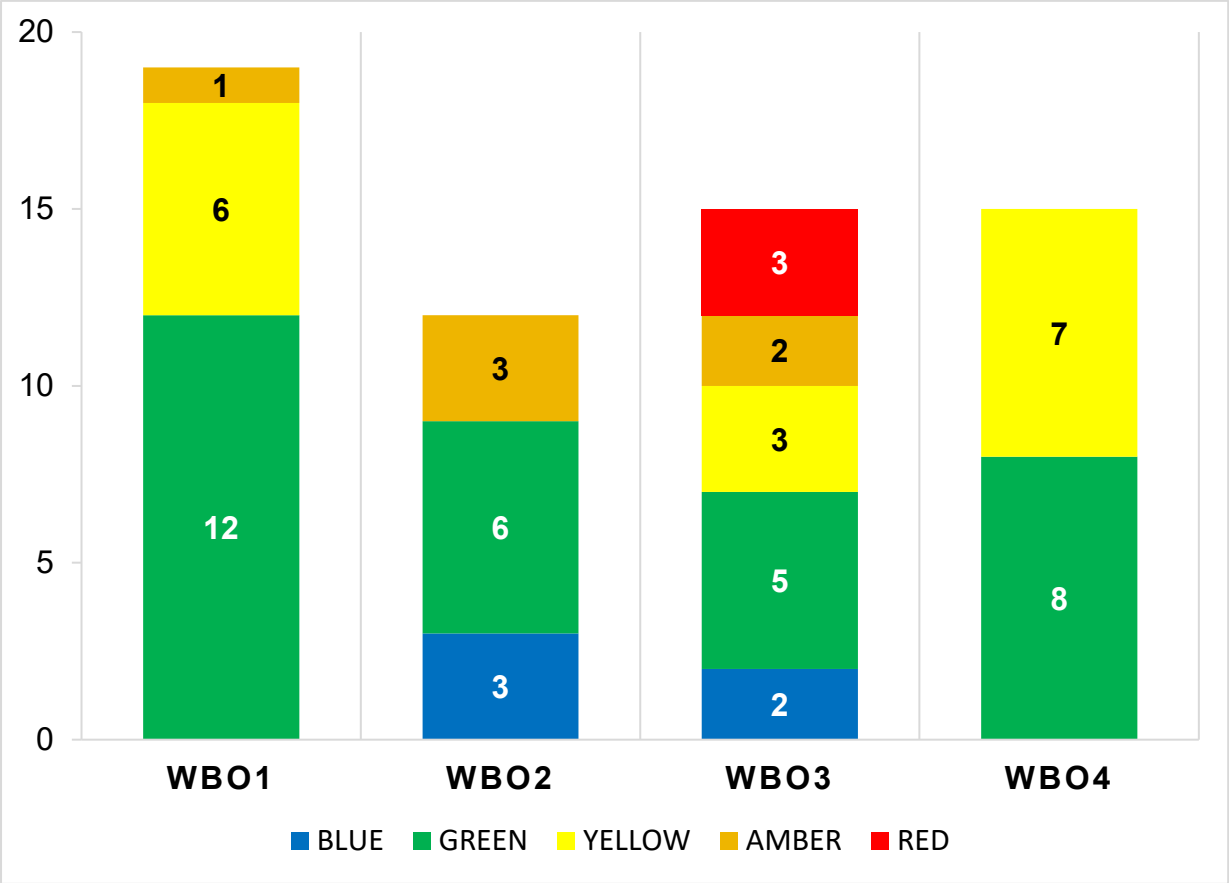
Summary of progress on Corporate Commitments

Each of the commitments has been awarded an appropriate Blue, Red, Amber, Yellow or Green (BRAYG) status at the end of quarter 4. Table 1 below shows a summary of the overall status of the 61 commitments with Chart 1 demonstrating this for each of the well-being objectives.

Table 1 – Commitments by BRAYG status

Status	Meaning of this status	Performance at year end	
		Number	%
COMPLETE (BLUE)	Project is completed	5	8.2%
EXCELLENT (GREEN)	As planned (within timescales, on budget, achieving outcomes)	31	50.8%
GOOD (YELLOW)	Minor issues. One of the following applies - deadlines show slippage, project is going over budget or risk score increases	16	26.2%
ADEQUATE (AMBER)	Issues. More than one of the following applies - deadlines show slippage, project is going over budget or risk score increases	6	9.8%
UNSATISFACTORY (RED)	Significant issues – deadlines breached, project over budget, risk score up to critical or worse	3	4.9%
	Total	61	100%

Chart 1 – Commitments by BRAYG status for each wellbeing objective



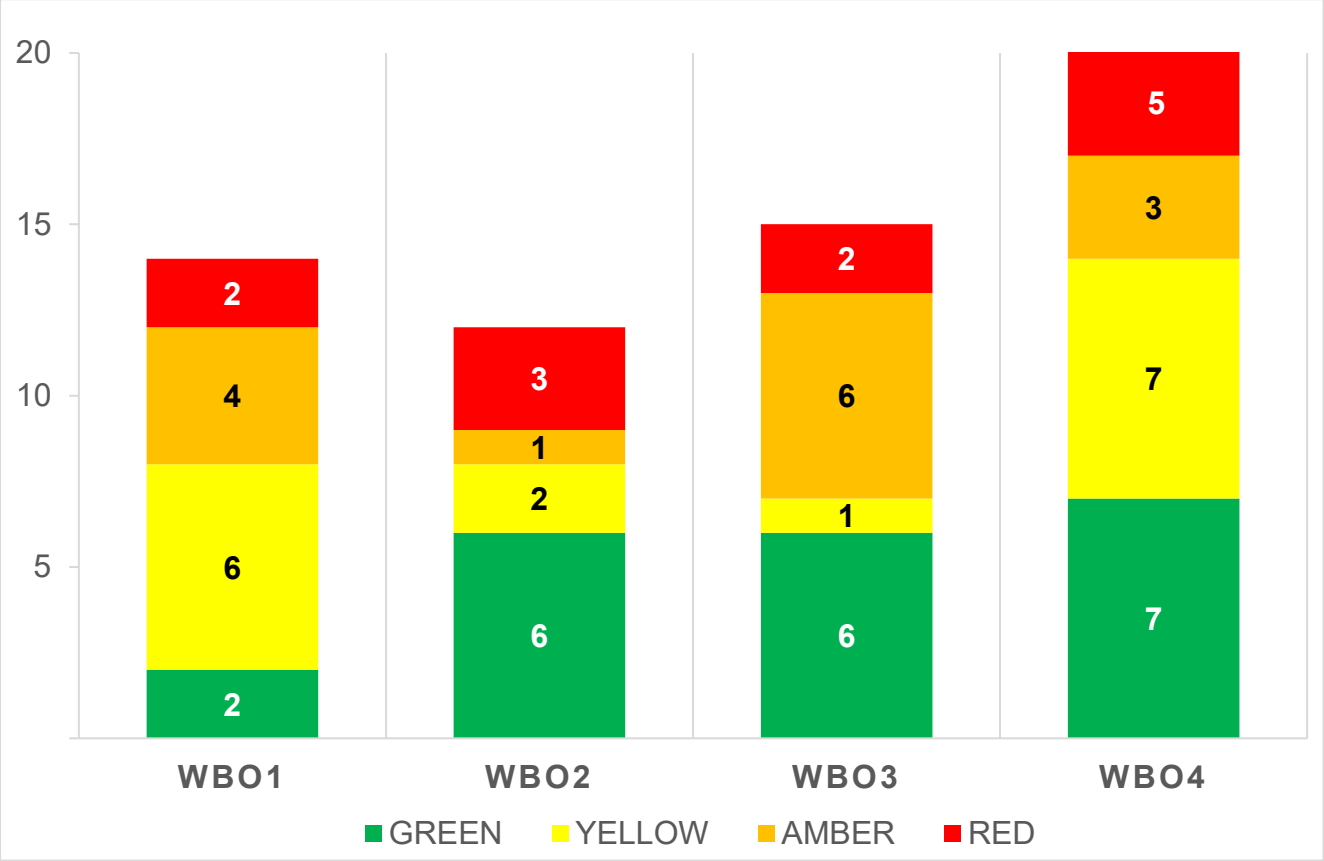
Summary of Performance Measures

Of the 65 indicators, 64 have verified annual values, and only 63 could be compared against a target and awarded a Red, Amber, Yellow or Green (RAYG) status. Table 2 below shows a summary of performance by status, with Chart 2 providing this summary broken down by well-being objective.

Table 2 - PIs by RAYG status

Status	Meaning of this status	Performance at year end	
		Number	%
EXCELLENT (GREEN)	On target and improved or is at maximum	21	33.33%
GOOD (YELLOW)	On target	16	25.40%
ADEQUATE (AMBER)	Off target (within 10% of target)	14	22.22%
UNSATISFACTORY (RED)	Off target (target missed by 10%+)	12	19.05%
	Total	63	100%

Chart 2 - PIs by RAYG status for each wellbeing objective



Set out below is our performance for each of these performance indicators, or measures of success which we set ourselves for each well-being objective. This also shows performance trend, so you can see how this outturn position compares with the same period last year, where appropriate to do so.

Performance Indicators Trend Definition	
↑	Performance has improved compared to last year
↔	Performance has been maintained (this includes those at maximum)
↙	Performance has declined BUT within 10% of the last year
↓	Performance has declined by 10% or more compared to previous year

WBO 1 - A prosperous place with thriving communities

Aim 1.1 Moving towards net zero carbon, and improving our energy efficiency

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Levels of nitrogen dioxide (NO_2) pollution in the air (micrograms per m^3) *(Annual Indicator, lower preferred)*	43.60	40	**42.10 AMBER**	↑
Annual Gas Consumption across the Authority (kWh) *(Annual Indicator, lower preferred)*	21,122,938 kWh	20,000,000 kWh	**20,401,641 kWh AMBER**	↑
Annual Electricity Consumption across the Authority (kWh) *(Annual Indicator, lower preferred)*	15,019,064 kWh	14,000,000 kWh	**15,085,926 kWh AMBER**	↙
Reduction in emissions (across our buildings, fleet & equipment, streetlighting, business travel, commuting, homeworking and waste) *(Annual Indicator, higher preferred)*	6.28%	5%	**5% YELLOW**	↓

Aim 1.2 Protect landscapes and open spaces

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Number of green flag parks and green spaces (Annual Indicator, higher preferred)	2	2	**2 YELLOW**	↔
Number of blue flag beaches (Annual Indicator, higher preferred)	3	3	**3 YELLOW**	↔

Aim 1.3 Promote the conditions for economic growth and prosperity

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Number of businesses receiving support through Shared Prosperity Funding *(Quarterly Indicator, higher preferred)*	**37**	15	**34 YELLOW**	↙
Number of business start-ups assisted. *(Annual Indicator, higher preferred)*	**94**	30	**52 YELLOW**	↓

Aim 1.4 Regenerate our town centres and Valleys

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Number of commercial properties assisted through the enhancement grant scheme *(Annual Indicator, higher preferred)*	7	4	**9 GREEN**	↑

Aim 1.5 Reduce, reuse or recycle as much waste as possible

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Percentage of street cleansing waste prepared for recycling. *(Annual Indicator, higher preferred)*	41.22%	40%	**41.25% GREEN**	↑
Percentage of streets that are clean (COMM) *(Quarterly Indicator, higher preferred)*	99.35%	99%	**88.59% RED**	↓
Percentage of waste reused, recycled or composted (Overall) *(Quarterly Indicator, higher preferred)*	71.42%	70%	**69.08% AMBER**	↙

Aim 1.6 Provide opportunities for culture, leisure, and play

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Number of play areas that have been refurbished. *(Annual Indicator, higher preferred)*	22	40	**21 RED**	↓
Participation in the national free swimming initiative for 16 and under *(Annual Indicator, higher preferred)*	23,208	20,000	**Data unavailable**	Not applicable
Number of active users across target population groups via health & wellbeing leisure membership provision *(Quarterly Indicator, higher preferred)*	New 25-26	700	**2,360 YELLOW**	New 25-26

WBO 2 - Creating modern, seamless public services

Aim 2.1 Improving how we engage with people, listening to views & acting on them

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Level of engagement (Welsh / English) across consultations *(Annual Indicator, higher preferred)*	8,050	8,800	**4,476 RED**	↓
Level of engagement (Welsh / English) with corporate communications to residents using the digital communications platform. *(Annual Indicator, higher preferred)*	1,203,706	1,000,000	**1,233,134 GREEN**	↑
Percentage of Complaints closed within timescales *(Quarterly Indicator, higher preferred)*	31.83%	80%	**39.35% RED**	↑

Aim 2.2 Offer more information and services online, and in local areas

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Percentage first call resolutions (via Customer Contact Centre) *(Quarterly Indicator, higher preferred)*	72.67%	75.92%	**77.58% GREEN**	↑
Number of online transactions using the digital platform *(Quarterly Indicator, higher preferred)*	81,034	81,034	**80,893 AMBER**	↙

Aim 2.3 Modernise and become a more efficient council

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Number of working days/shifts lost to sickness absence per full-time equivalent (FTE) Bridgend County Borough Council employee *(Quarterly Indicator, lower preferred)*	13.76 days	No target	**13.48 days**	↑
Percentage of staff that have completed a Personal Review/Appraisal (excluding school staff) *(Annual Indicator, higher preferred)*	68.42%	80%	**67.05% RED**	↙
Number of council owned assets transferred to the community for running (CATs) or transferred from a short-term agreement to a long-term agreement for running during the year *(Annual Indicator, higher preferred)*	2	10	**11 GREEN**	↑

Aim 2.4 Improve partnership working with partners, the third sector and Town and Community Councils

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Percentage of Assia service users reporting increased feelings of safety at their exit evaluation *(Quarterly Indicator, higher preferred)*	99.12%	100%	**100%**	↑
Percentage of high-risk domestic abuse victims / public protection notices received by the service contacted within 48 hours *(Quarterly Indicator, higher preferred)*	100%	100%	**100%**	↔
Percentage of medium risk domestic abuse victims / public protection notices received by the service contacted within 72 hours *(Quarterly Indicator, higher preferred)*	100%	100%	**100%**	↔
Number of active referrals supported by Local Community Coordinators *(Quarterly Indicator, higher preferred)*	New 25-26	600	**1,107**	No trend
Number of children and young adults supported during school holidays *(Annual Indicator, higher preferred)*	New 25-26	950	**2,499**	No trend

WBO 3 - Enabling people to meet their potential

Aim 3.1 Provide an effective Childcare and Early Years Offer

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Number of two-year-olds accessing childcare through the Flying Start programme. *(Quarterly Indicator, higher preferred)*	542	620	**721 GREEN**	↑

Aim 3.2 Provide safe, supportive schools with high quality teaching

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Percentage of schools that have self-evaluated themselves as 'green' as part of their annual safeguarding audit. *(Annual Indicator, higher preferred)*	93%	100%	**93% AMBER**	⟷
Percentage of school days lost due to fixed-term exclusions during the school year in primary schools. *(Annual Indicator, lower preferred)*	0.031%	0.03%	**0.021% GREEN**	↑
Percentage of school days lost due to fixed-term exclusions during the school year in secondary schools. *(Annual Indicator, lower preferred)*	0.152%	0.15%	**0.142% GREEN**	↑
Percentage pupil attendance in primary schools *(Annual Indicator, higher preferred)*	92.49%	94%	**93.1% AMBER**	↑
Percentage pupil attendance in secondary schools *(Annual Indicator, higher preferred)*	87.31%	92%	**87.6% AMBER**	↑
Average 'Capped 9' score for pupils in Year 11 *(Annual Indicator, higher preferred)*	357.40	360	**358.80 AMBER**	↑

Aim 3.3 Provide Welsh medium education opportunities

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Percentage of Year 1 pupils taught through the medium of Welsh. *(Annual Indicator, higher preferred)*	8.83%	8.85%	**8.2% AMBER**	↙
Percentage of learners studying for assessed qualifications through the medium of Welsh at the end of Key Stage 4. *(Annual Indicator, higher preferred)*	7.23%	7.2%	**6.44% RED**	↓
Number of learners studying for Welsh as a second language at AS Level and A Level *(Annual Indicator, higher preferred)*	21	17	**16 AMBER**	↓

Aim 3.5 Be good parents to our care experienced children

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Percentage of care leavers who have experienced homelessness during the year *(Quarterly Indicator, lower preferred)*	9.96%	10%	**7.69% GREEN**	↑
Percentage of care leavers who have completed at least 3 consecutive months of employment, education or training in the 24 months since leaving care *(Quarterly Indicator, higher preferred)*	70%	65%	**70.42% GREEN**	↑

Aim 3.6 Help people get the skills they need for work

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Number of participants in the Employability Bridgend programme supported into education or training. *(Quarterly Indicator, higher preferred)*	678	219	**265 YELLOW**	Trend not applicable
Number of participants in the Employability Bridgend programme going into employment *(Quarterly Indicator, higher preferred)*	453	290	**241 RED**	Trend not applicable
Percentage of Year 11 leavers not in education, training, or employment (NEET) in the Careers Wales annual destination statistics. *(Annual Indicator, lower preferred)*	1.9%	2%	**1.8% GREEN**	↑

WBO 4 - Supporting our most vulnerable

Aim 4.1 Provide high-quality children's & adults social services / early help services

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Number of children on the child protection register (Quarterly Indicator, lower preferred)	75	120	**91 YELLOW**	↓
Percentage of completed TAF (Team Around the Family) support plans that close with a successful outcome (Quarterly Indicator, higher preferred)	82%	87%	**82% AMBER**	↔
Number of Care Experienced Children *(Quarterly Indicator, lower preferred)*	333	325	**316 GREEN**	↑
Percentage of enquiries to the Adult Social Care front door which result in information and advice only. *(Quarterly Indicator, higher preferred)*	84.58%	83%	**77.73% AMBER**	↙
Number of people recorded as delayed on the national pathway of care. *(Quarterly Indicator, lower preferred)*	70	90	**74 YELLOW**	↙
Timeliness of visits to children who are care experienced. *(Quarterly Indicator, higher preferred)*	88.28%	87%	**90.54% GREEN**	↑
Timeliness of visits to children on the child protection register. *(Quarterly Indicator, higher preferred)*	89.27%	87%	**90.49% GREEN**	↑
Percentage of reablement packages implemented with a positive outcome *(Quarterly Indicator, higher preferred)*	73.48%	69%	**68.66% AMBER**	↙

Aim 4.2 Support people in poverty

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Percentage of people supported through FASS (Financial Assistance and Support Service) where support has resulted in increased income through claims for additional/increased benefits and allowances. *(Quarterly Indicator, higher preferred)*	**96%**	85%	**96% YELLOW**	↔
Percentage of people supported through FASS who have received advice and support in managing or reducing household debt. *(Quarterly Indicator, higher preferred)*	**94%**	85%	**98% GREEN**	↑

Aim 4.3 Support people with housing needs

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Number of additional affordable homes provided by Registered Social Landlords (RSLs) across the County Borough. *(Annual Indicator, higher preferred)*	77	110	**177 GREEN**	↑
Percentage of people presenting as homeless or potentially homeless for whom the Local Authority has a final legal duty to secure suitable accommodation. *(Quarterly Indicator, lower preferred)*	26.4%	20%	**26.6% RED**	↙
Percentage of households threatened with homelessness successfully prevented from becoming homeless. *(Quarterly Indicator, higher preferred)*	31.2%	20%	**43.3% GREEN**	↑
Percentage of people who feel they can live more independently as a result of receiving a Disabled Facility Grant in their home *(Quarterly Indicator, higher preferred)*	99.3%	98%	**98.1% YELLOW**	↙
Average number of calendar days taken to deliver a Disabled Facilities Grant (DFG) *(Quarterly Indicator, lower preferred)*	799.9 days	542 days	**838.2 days RED**	↙

Aim 4.4 Support children with additional learning needs

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Percentage of new local authority individual development plans (IDPs) delivered using the online IDP system. *(Quarterly Indicator, higher preferred)*	0%	100%	**22% RED**	↑
Number of pupils on the waiting lists for specialist provision. *(Quarterly Indicator, lower preferred)*	55	10	**57 RED**	↙
Percentage of year 9 pupils with Additional Learning Needs (ALN) with a transition plan in place, that have had an annual review by 31 March of each current school year. *(Annual Indicator, higher preferred)*	74.3%	100%	**76% RED**	↑

Aim 4.5 Safeguard and protect people at risk of harm

Performance Indicator Description	2024-25 Actual	2025-26 Target	Actual 2025-26 & RAYG	Trend
Percentage of Childrens referrals where decision is made within 24 hours. *(Quarterly Indicator, higher preferred)*	99.97%	99.5%	**99.86% YELLOW**	↙
Percentage of child protection investigations completed within required timescales. *(Annual Indicator, higher preferred)*	84.4%	80%	**82.47% YELLOW**	↙
Average waiting time on the Deprivation of Liberty Safeguards (DoLS) waiting list. *(Quarterly Indicator, lower preferred)*	10 days	24 days	**19 days YELLOW**	↓
Percentage of Adult safeguarding inquiries which receive initial response within 7 working days. *(Quarterly Indicator, higher preferred)*	83.08%	85%	**88.62% GREEN**	↑

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

Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**FORWARD WORK PROGRAMME 2026-27**
Report Owner: Responsible Chief Officer / Cabinet Member	**CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION**
Responsible Officer:	**JOANNE NORMAN ACTING DEPUTY HEAD OF FINANCE**
Policy Framework and Procedure Rules:	**There is no impact on the policy framework and procedure rules.**
Executive Summary:	• **The Governance and Audit Committee has a number of core functions and responsibilities within its remit.** • **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.** • **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.** • **The updated Forward Work Programme (FWP) for 2026-27 is at Appendix A.** • **Committee is requested to approve the updated FWP or request changes for future meetings.**

1. Purpose of Report

1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 2026-27.

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 2026-27 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 meeting, to be held on 19 November 2026.

	Proposed Agenda Items – 19 November 2026
1	Governance and Audit Committee Action Record
2	Audit Wales Governance and Audit Committee Reports
3	Statement of Accounts 2025-26: Lessons Learned
4	Half Year Review of the Annual Governance Statement
5	Treasury Management Half Year Report 2026-27
6	Complaints Process
7	Transformation Strategy
8	Regulatory Tracker
9	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 2026-27.

Background documents

None

GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2026-27	Frequency	19 November 2026	28 January 2027	22 April 2027
Standing Items				
Governance and Audit Committee Action Record	Each meeting	✓	✓	✓
Audit Wales Governance and Audit Committee Reports	Each meeting	✓	✓	✓
Updated Forward Work Programme	Each meeting	✓	✓	✓
Annual Accounts				
Statement of Accounts 2025-26 (unaudited)	Annually			
Porthcawl Harbour Return 2025-26(unaudited)	Annually			
Going Concern Assessment	Annually			
Audit Enquiries Letter	Annually			
Audit Wales Audit of Accounts Report *(included with Audited Statement of Accounts Report item)*	Annually			
Audited Statement of Accounts (*including final Annual Governance Statement*)	Annually			
Porthcawl Harbour Return (audit letter)	Annually			
Statement of Accounts 2025-26: Lessons Learned	Annually	✓		
Governance				
Draft Annual Governance Statement	Annually			
Half Year Review of the Annual Governance Statement	Annually	✓		
Code of Corporate Governance	Annually			✓
Audit Wales Annual Audit Plan *(included in Audit Wales Governance and Audit Committee Reports item)*	Annually			✓
Annual Audit Summary *(included in Audit Wales Governance and Audit Committee Reports item)*	Annually		✓	
Internal Audit Reports				
Annual Internal Audit Report 2025-26	Annually			
Internal Audit Shared Service Charter	Annually			✓
Internal Audit Annual Strategy and Audit Plan 2026-27	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)			
Treasury Management				
Treasury Management Outturn Report 2025-26	Annually			
Treasury Management Half Year Report 2026-27	Annually	✓		
Treasury Management Strategy 2027-28	Annually		✓	
Risk Assurance				
Corporate Risk Assessment	6 monthly		✓	
Corporate Risk Policy	Annually		✓	
Counter Fraud				
Corporate Fraud Report 2025-26	Annually			
Anti-Tax Evasion Policy (to be considered April 2027, then April 2029)	Biennially			
Anti-Fraud, Bribery and Corruption Policy (June 2027, then June 2029)	Biennially			
Anti-Money Laundering Policy (June 2027, then June 2029)	Biennially			
Performance Related				
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			✓

This page is intentionally left blank