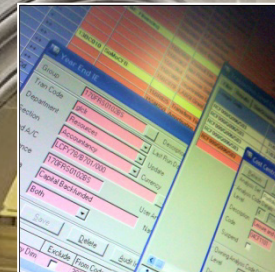


Statement of Accounts



Blaenau Gwent

County Borough Council

The General Office building on the site of the former steelworks, Ebbw Vale, is a grade II* listed building built in 1915-1916 for the Ebbw Vale Iron and Steel Company. Designed by leading Cardiff architects Veall & Sant in the free dutch/baroque style, the high specification reflects the great prosperity associated with the steelworks in the Edwardian period.

The building has undergone a substantial refurbishment to become a visitor attraction showcasing the Valleys. Included in the development is the construction of a purpose built extension to house the Gwent Record Office, which relocated to the premises in October 2011.

The General Offices were officially opened by Her Majesty Queen Elizabeth II and His Royal Highness The Duke of Edinburgh during the Diamond Jubilee Tour of Wales in 2012.



Cover Photo: "The General Offices Stairway"



Cyngor Bwrdeistref Sirol

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Group Accounts

Abbreviations and Terms Used

Byrfoddau a Thermau a Ddefnyddir



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Abbreviations and Terms Used in the Statement of Accounts

AEF	Aggregate External Finance	GJRC	Gwent Joint Records Committee
ALT	Aneurin Leisure Trust	GMIRS	Group Movement in Reserves Statement
AW	Audit Wales	GMP	Guaranteed Minimum Pension
BS	Balance Sheet	GTU	Gwent Transport Unit
BHAP CT	Bedwellty House & Park Charitable Trust	GWICES	Gwent Wide Integrated Community Equipment Service
CARE	Career Average Revalued Earnings	HMRC	Her/His Majesty's Revenue & Customs
CBC	County Borough Council	HMT	Her/His Majesty's Treasury
CC	City or County Council	HRA	Housing Revenue Account
CCP	Collaborative Change Programme	IAS	International Accounting Standard
CCRCD	Cardiff City Region City Deal	ICT	Information and Communications Technology
CDS	Credit Default Swap	IFRS	International Financial Reporting Standard
CIES	Comprehensive Income and Expenditure Statement	IPSAS	International Public Sector Accounting Standard
CIPFA	Chartered Institute of Public Finance and Accountancy	ISB	Individual Schools Budget
CPFA	Chartered Public Finance Accountant	JVA	Joint Venture Agreement
CPI	Consumer Price Index	LASAAC	Local Authority (Scotland) Accounts Advisory Committee
DRC	Depreciated Replacement Cost	LGPS	Local Government Pension Scheme
EAS	Education Achievement Service (for South-East Wales)	LLP	Limited Liability Partnership
EEA	European Economic Area	LMS	Local Management of Schools
EFA	Expenditure and Funding Analysis	LOBO	Lender's Option Borrower's Option
EFTA	European Free Trade Association	MIRS	Movement in Reserves Statement
EU	European Union	MMI	Municipal Mutual Insurance
EUV	Existing Use Value	MRICS	Member of the Royal Institution of Chartered Surveyors
FRS	Financial Reporting Standard	MRP	Minimum Revenue Provision
FSS	Funding Strategy Statement	MTFS	Medium Term Financial Strategy
FTSE	Financial Times Stock Exchange	NHS	National Health Service
GBS	Group Balance Sheet	NNDR	National Non-Domestic Rates
GCIES	Group Comprehensive Income and Expenditure Statement	NPV	Net Present Value
GGCJC	Greater Gwent Cremation Joint Committee	NRW	Natural Resources Wales

Abbreviations and Terms Used in the Statement of Accounts

PPE	Property, Plant and Equipment
PWLB	Public Works Loan Board
REFCUS	Revenue Expenditure Funded from Capital Under Statute
RICS	Royal Institution of Chartered Surveyors
RPI	Retail Price Index
RSG	Revenue Support Grant
SCR	Standard Contribution Rate
SeRCOP	Service Reporting Code of Practice
SEWSPG	South East Wales Planning Group
SPA	State Pension Age
SRS	Shared Resource Services
SSP	Statutory Sick Pay
STCA	Short-Term (Accumulating) Compensated Absences
STRGL	Statement of Total Recognised Gains and Losses
SVWS Ltd.	Silent Valley Waste Services Ltd
TPS	Teachers Pension Scheme (<i>also</i> : uTPS)
UK GAAP	United Kingdom Generally Accepted Accounting Principles (and/or Practices)
UKGN	United Kingdom Guidance Notes (RICS)
UKVS	United Kingdom Valuation Standards (RICS)
uTPS	Unfunded Teachers Pension Scheme (<i>also</i> : TPS)
VAT	Value Added Tax
WAO	Wales Audit Office
WG	Welsh Government
WRAP	Waste & Resources Action Programme
WTO	World Trade Organisation



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

1. Introduction

The purpose of this Narrative Report is to offer a guide to the economic context in which the Authority operates, provide an overview of the most significant matters affecting the Accounts, outline the changes in accounting policies applied in preparing the Accounts and explain the Authority's overall financial position.

The financial statements cover the period 1 April 2022 to 31 March 2023 and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Amounts in these Accounts have been rounded and presented to the nearest thousand Pound (£000), except where disclosure to the nearest Pound is required to aid in presentation and understanding.

2. Background - Impact of Current Economic Climate on the Authority and the Services it Provides

The overall Welsh Government (WG) Revenue settlement for 2022/2023 was positive with an increase in Aggregate External Finance of 8.4% (£10.4m), after allowing for specific grants transferring into the settlement. This positive settlement allowed the Council to set a balanced budget whilst addressing cost pressures and growth items of £4m, uplift school budgets by £3.9m (8.4%) and increase the general reserve by £0.2m to support medium term financial planning and financial resilience. In recognising the impact the cost of living crisis on residents, the Council agreed there would be no increase to Council Tax for 2022/2023.

Whilst the Revenue Settlement for 2023/2024 was once again positive with an increase in Aggregate External Finance of 6.5% (£8.5m), the impact of general price inflation combined with soaring energy prices and increased pay costs was significant and resulted in a budget gap of £6.7m. The Council approved £3m of budget cuts and efficiencies. A 4% uplift to schools budgets was approved and the budget was balanced by an increase in Council Tax of 3.45% and the application of £4.26m from specific reserves.

The economic situation remained a major concern as the cost of living crisis continued into 2023. Inflation, whilst slowly reducing, remained high; pay settlements were higher than anticipated; and utility costs increased significantly. These factors continue to put pressure on budgets over the short to medium term. The Council faces a significant financial challenge over the next 5 years, with the Medium Term Financial Strategy indicating a funding gap of £34m (as at February 2024) based on indicative Welsh Government Settlements.

In recognition of the cost of supporting Ukrainian refugees and the impact on communities of the cost of living crisis, the Welsh Government provided funding in 2022/2023 through a number of grant schemes including the continuation of free school meals direct payments during school holidays, winter fuel support, cost of living payments and the Ukraine resettlement programme.

The funding received during 2022/2023 is as follows:

Welsh Government Funding	2022/2023 £000
Free School Meals	664
Administration Costs	242
Total	906

Further details of these schemes can be found in the Grants disclosure (*note 22, pages 58-59*).

The Council also acted as an agent for Welsh Government in processing £11.8m of support payments and reliefs across the following schemes:

Payments Administered on Behalf of Welsh Government	2022/2023 £000
Self Isolation Payments	1,051
SSP Enhancement Payments	91
Care Workers Payments	2,903
Cost of Living Scheme	4,440
Retail, Leisure and Hospitality Rate Relief	530
Ukraine Resettlement Grants	108
Unpaid Carers	712
Winter Fuel Payments	1,973
Total	11,808

Further details of these arrangements can be found in the Agency Income & Expenditure disclosure (*note 12, page 49*).

3. Background - Significant Events

Prior to the completion of the Accounts, the following significant events occurred that have had an impact on the financial statements themselves or the environment in which the Authority operates:

3.1 Annual Governance Statement

In the Annual Governance Statement, the Audit & Risk Manager has concluded that Blaenau Gwent County Borough Council's system of internal control during the financial year 2022/2023 operated to a level which gives reasonable assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

3.2 Silent Valley Waste Services Ltd.

In December 2017, the Council made the decision to bring back in-house the services delivered by Silent Valley Waste Services Limited. Following extensive due diligence the transfer process commenced with a target date of 31 January 2023. Due to a delay in obtaining the required environmental and operational permits, the Company's employees and activities could not be transferred to the Council until 1 May 2023. On that date the Company ceased trading and the Council assumed responsibility for all of the Company's assets and liabilities.

The Council's single entity accounts reflect any balances and transactions with Silent Valley Waste Services Ltd. to 31 March 2023. The Group Accounts have been prepared using the Accounts prepared by Silent Valley Waste Services Ltd. to 30 June 2023.

3.3 Ebbw Valley Railway Infrastructure Loan

In March 2021 the Council agreed to accept a £70million interest free loan from Welsh Government to progress infrastructure works on the Ebbw Valley Railway project. The acceptance of the loan was subject to the development and acceptance of a quadripartite agreement between Blaenau Gwent Council, Welsh Government, Transport for Wales and Transport for Wales (Rail). This agreement was signed by all parties by September 2021, with the loan to be repaid over a 50-year period after the scheduled conclusion of the infrastructure works in 2024/2025. In order to meet the loan repayments the Council will receive a guaranteed sum on an annual basis, generated from the projected increase in income resulting from increased train frequency.

3.4 Lime Avenue Joint Venture Agreement

In 2019, the Council entered into a Joint Venture Agreement (JVA) with Welsh Government for the development of business units at Lime Avenue, Ebbw Vale. Funding for this development was provided by Welsh Government, WEFO and the Council, with the majority of the financial benefits arising from the development falling to Welsh Government in line with the share of funding provided.

Following completion of the development and a review of the terms of the original contract (and supplemental agreements), it was determined that this JVA should be treated as a Joint Operation, with the Council's accounts including only its proportion of transactions and balances. A summary of these transactions can be found in the Joint Operations - Lime Avenue Joint Venture Agreement disclosure (*note 46, page 115*).

The Council has the option to purchase the Welsh Government Capital Share at any point. However, the JVA places an obligation on the Council to purchase the WG Share 20 years after signing of the original agreement (i.e. in September 2039), to the extent that the Council has not disposed of all or any of the assets by that time. The terms of the JVA set out the value of the Capital Share at any point over the 20 year period, being either the full value of grant received from Welsh Government or the Market Value of unsold units. A liability has therefore been included in the Council's Balance Sheet in relation to the requirement to purchase the Welsh Government Capital Share. At 31 March 2023 this has been included at £4.492m, being the value of grant received from Welsh Government at that date (*31 March 2022: £2.768m*).

3.5 Events After the Reporting Date

On 1 May 2023, the Authority brought back in-house the services delivered by Silent Valley Waste Services Limited (as detailed in section 3.2). The transfer of Silent Valley Waste Services into the parent company is not material by value and therefore this has been treated as a non-adjusting event after the reporting date.

4. Summary of Outturn

4.1 Revenue

Overall, the management accounts for 2022/2023 have reported an underspend of £0.188m against a revised budget of £169.187m, after a net transfer from specific reserves of £1.040m. The underspend is mainly due to a number of cross cutting budgets not being utilised during the financial year and an underspend against the Council Tax Reduction Scheme.

A number of budget pressures were identified during the year and these have been managed within the overall budget, with ongoing cost pressures built into the budget for 2023/2024.

Further details can be found in the Provisional Outturn report to Cabinet in July 2023.

4.2 Capital

Capital expenditure increased in 2022/2023, with outturn expenditure being £29.5m higher than the previous financial year. The outturn expenditure of £47.590m covered a range of projects, including Business and Industrial Units, the Highways Network, Schools and the Railway Infrastructure Project.

The outturn position indicates an underspend of £0.33m against the in-year budget, mainly due to underspends on Coal Tip Safety, Bus Stop Infrastructure and the Childcare Offer (Small Grants Scheme).

Welsh Government general capital funding increases by approximately £600,000 in 2023/2024 and remains at a similar level in 2024/2025.

4.3 Reserves

Total General and Earmarked Reserve balances decreased by £24.6m during 2022/2023, as a result of the application of £26.851m of previously unapplied capital grant, to fund expenditure on the Railway Infrastructure project.

5. Revenue Expenditure Outturn and Funding

5.1 2022/2023 Outturn

The following table reconciles the net service expenditure reported on a statutory basis in the Comprehensive Income & Expenditure Statement (*page 18*) with net outturn as reported to management during the year. The Expenditure and Funding Analysis (*page 42*) together with the accompanying notes provide details of the adjustments that have been made in reconciling between the statutory and management accounts. The table also indicates the Authority's net service expenditure (as reported to management) compared with the budget for the year.

Service Expenditure Compared to Budget	2022/2023					
	CIES Net Expenditure £000	Accounting Code Adjustments £000	Funding and Accounting Basis Adjustments £000	Net Outturn - Management Accounts £000	Revised Budget £000	Variance: Adverse / (Favourable) £000
Portfolio/Committee:						
Corporate Services	27,522	(8,914)	(2,399)	16,209	17,918	(1,709)
Education *	7,672	55,204	5,387	68,263	68,305	(42)
Environment	25,930	10,496	(6,066)	30,360	29,632	728
Regeneration & Economic Development	4,010	546	(2,928)	1,628	1,815	(187)
Social Services	52,665	2,208	(4,691)	50,182	49,941	241
Licensing	141	14	(27)	128	135	(7)
Planning	1,008	327	(146)	1,189	1,441	(252)
Sub-Total:	118,948	59,881	(10,870)	167,959	169,187	(1,228)
Education - School Spending **	52,489	(56,054)	(1,255)	(4,820)	0	(4,820)
Cardiff Capital Region City Deal ***	(13)	13	0	0	0	0
Total:	171,424	3,840	(12,125)	163,139	169,187	(6,048)

*: *Education* refers to centralised education functions and non-school transactions.

**: *Education - School Spending* refers to financial transactions related specifically to school establishments.

***: *Cardiff Capital Region City Deal* refers to the Authority's contributions to revenue and capital costs, as apportioned in accordance with the terms of the joint arrangement.

5.2 Impact of Inflation on Revenue Expenditure

Consumer price inflation at March 2023 was 10.1%, having increased during the year from 7% at April 2022 and peaking at its highest rate since 1981 of 11.1% in October 2022. The increase was driven primarily by higher energy costs, fuel prices and global goods inflation. Inflation gradually reduced during 2023/2024, returning to the 2% target set by the Bank of England.

The impact of inflationary pressures on the Authority varies according to specific areas of spend. Much of the Authority's expenditure relates to employee costs with a 1% increase in employee costs equating to approximately £1.2m. However, staff shortages, particularly in the Social Care Sector, coupled with increases in the cost of living, saw wage increases much higher than previously expected, adding to the pressure on local government budgets.

As part of the Bank of England's continued response to increasing inflation, the Monetary Policy Committee increased the Bank Rate during the year from 0.75% to 4.25% in March 2023. It raised them further to 5.25% by August 2023.

The Monetary Policy Committee continues to review rates in line with their assessment of the economic outlook and may apply further interest rate increases or decreases in order to control inflation.

Overall, increases in prices at which the Authority procures goods and services (in excess of related income from fees and charges or general government grants) will have a detrimental impact on a wide range of services.

5.3 Funding Sources

The majority of the Authority's expenditure is funded by Welsh Government, through Revenue Support Grant, Specific & Unhypothecated Grants and Non-Domestic Rates (63% in 2022/2023).

For 2022/2023, Aggregate External Financing (adjusted for transfers) increased by 8.4% compared with 2021/2022, lower than the average Welsh Unitary Authority increase of 9.4% (source: *Local Government Finance Report (No.1) 2022-23 (Final Settlement - Councils) - Table 1a*).

For 2023/2024, Aggregate External Financing (adjusted for transfers) increased by 6.5% compared with 2022/2023, lower than the average Welsh Unitary Authority increase of 7.9% (source: *Local Government Finance Report (No.1) 2023-24 (Final Settlement - Councils) - Table 1a*).

For 2024/2025, Aggregate External Financing (adjusted for transfers) increased by 2.8% compared with 2023/2024, lower than the average Welsh Unitary Authority increase of 3.3% (source: *Local Government Finance Report (No.1) 2024-25 (Final Settlement - Councils) - Table 1a*).

A 1% increase in Aggregate External Financing (AEF) levels represents additional funding of approximately £1.4m, which equates to 0.45% of the Authority's total funding. In real terms this increase is reduced by the impact of inflation.

The level of investment income available to the Authority has been increased as a result of higher rates of interest, but this has been offset to some extent by the increase in interest expenses on borrowing.

In summary, the combination of high interest rates, controlled grant funding and the uncertainties caused by rising prices create an environment in which there is continued pressure to maintain control of costs.

6. Capital Expenditure Outturn and Funding

Capital Expenditure

In year, total capital expenditure amounted to £47.590m, an increase of £29.5m compared to the previous year, largely due to increased expenditure of £3.3m on Schools Band B projects and £25.3m on the Ebbw Valley Railway.

The major items of expenditure, categorised by scheme type, are identified in the table (below).

Capital Expenditure by Scheme	2022/2023		2021/2022 (Restated)†	
	£000	£000	£000	£000
Rail Infrastructure Programme	28,967		3,709	
Schools & Education Establishments	5,955		2,612	
Regeneration Schemes	2,245		2,922	
Road Network & Maintenance Schemes	1,806		2,590	
Lime Avenue JVA	1,724		2,768†	
Flying Start Schemes	1,524		485	
Social Services Adults	1,131		529	
Social Services Children	1,004		0	
Housing General	849		541	
Corporate Property	843		95	
Waste Management	630		924	
Finance Leases	329		501†	
Industrial Units	246		63†	
Leisure Schemes	152		32	
City Deal	98		116†	
Town Centre Regeneration	68		158	
Other	19		45	
Total:		47,590		18,090

Further details of capital expenditure are contained in Core Statement notes 26.2 - 26.3 (pages 68-71) and 26.5 (page 73).

†: Capital Expenditure in 2021/2022 has been amended as a result of the revised accounting treatment of the Lime Avenue Joint Venture Agreement (JVA). Additional categories have been added to include the Council's proportion of capital expenditure incurred by the Cardiff Capital Region City Deal, and expenditure incurred on Finance Leases.

Financing of Capital Expenditure

Capital expenditure totalling £47.590m was financed by local authority borrowing (£5.956m), grants (£41.043m), capital receipts (£0.123m) and revenue contributions (£0.468m).

7. Contingencies, Provisions and Reserves

7.1 Contingencies

A number of contingent liabilities are disclosed in relation to issues where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority, where it is not probable that an outflow of resources will be required or where the amount of the obligation cannot be measured reliably. For 2022/2023, disclosures cover:

- The Municipal Mutual Insurance run-off claims and liability under the Scheme of Arrangement;
- Warranties and indemnities to Tai Calon arising from the transfer of housing stock;
- Part 1 compensation claims arising from public works projects;
- Guarantees to the Greater Gwent (Torfaen) Pension Fund in the event that pension liabilities are not settled by Aneurin Leisure Trust;
- A Deed of Priority arrangement in relation to the development of land in Brynmawr; and
- Potential liabilities that may arise following decisions of the courts in relation to specific past actions of the Authority.

No contingent assets have been identified.

It is not possible to place a value on these contingent liabilities, which may or may not crystallize at a point in the future. In the event of these issues and the sums involved becoming more certain, the appropriate accounting treatment will be applied and relevant charges made to the accounting statements.

Further details of contingent liabilities can be found in note 36.3 (pages 88-89).

7.2 Provisions

The level of provisions held by the Authority varies each year in relation to the level of liabilities identified. Total provisions held by the Authority at the beginning of the year amounted to £2.987m, increasing by £0.183m to £3.170m during 2022/2023. This was largely due to increased liabilities identified in relation to lease dilapidations and reductions in sums held for insurance.

All provisions have been assessed to reflect payments made against them during the financial year and have been increased or decreased in line with anticipated outstanding liabilities.

Details of the movements of individual provisions are shown in note 36.2 to the Core Statements (see pages 87-88).

7.3 Reserves

In their 2017/2018 Annual Audit Letter to Blaenau Gwent County Borough Council, the Wales Audit Office noted that the level of General and Earmarked Reserves as a percentage of gross revenue expenditure was 4.63%, the lowest of any Welsh Authority and significantly below the 2017/2018 Welsh average of 11.44%. The Authority accepted the need to maintain an appropriate level of reserves and agreed a planned annual contribution to the General Reserve as part of its Medium Term Financial Strategy.

To the end of 2021/2022 these measures had resulted in an improvement in the level of general and earmarked reserves held by the Council, increasing to 30.2% as a percentage of net revenue expenditure. This was the ninth lowest in Wales in comparison with other Welsh Authorities.

Aggregate Usable Reserves - 2019/2020 to 2022/2023	2019/2020	2020/2021	2021/2022 (Restated)†	2022/2023
	£000	£000	£000	£000
Council Fund	(6,399)	(7,553)	(13,104)	(12,910)
Earmarked Reserves	(8,275)	(20,781)	(32,185)	(33,877)
Usable Capital Reserves	(7,349)	(39,493)	(40,027)	(13,903)
Total Usable Reserves	(22,023)	(67,827)	(85,316)	(60,690)

Between 2019/2020 and 2022/2023 the Council Fund General Reserve has increased by 101.8%, from £6.399m to £12.910m. This increase has been due to:

- the management of the reserve in accordance with the Authority's policy of maintaining General Reserves at a minimum target level of 4% of Revenue Outturn Expenditure;
- the agreement to replenish the reserve by annual contributions; and
- budget underspends as a result of additional Welsh Government grants.

Aggregate Usable Reserves increased by £63.3m between 2019/2020 and 2021/2022, but decreased by £24.626m in 2022/2023.

†: The Council Fund balance increased in 2021/2022 as a result of an adjustment to depreciation charges, for which a correcting adjustment is to be made in 2023/2024.

Aggregate Usable Reserves - year on year movement	2021/2022 (Restated)†	2022/2023	(Increase) / Decrease	
	£000	£000	£000	%
Council Fund	(13,104)	(12,910)	194	-1.48
Earmarked Reserves	(32,185)	(33,877)	(1,692)	5.26
Usable Capital Reserves	(40,027)	(13,903)	26,124	-65.27
Total Usable Reserves	(85,316)	(60,690)	24,626	(28.86)

As indicated in the table above, a significant element of total usable reserves relates to Usable Capital Reserves. The majority of this balance relates to the required accounting treatment of the loan received for the Ebbw Valley Railway Project, with the £26.851m balance being applied in 2022/2023. For additional details see page 7.

The increase of £1.498m in the Council Fund and Earmarked Reserves is a result of a number of factors, including:

- receipt of additional specific grants; and
- service underspends against budget and implementation of 'Bridging the Gap' proposals.

Significant elements of these earmarked sums relate to grant funding held in respect of specific projects or services and these will be utilised in delivering the relevant service outcomes. In addition, the Authority set aside substantial amounts to assist with the ongoing response to Covid-19 and the transformation and delivery of services post-pandemic. In future years, it is probable that there will be restrictions on public spending in order to mitigate the extraordinary levels of borrowing incurred by Central Government in dealing with Covid-19. It would therefore be prudent to retain appropriate levels of earmarked and general reserves to assist with a funding situation potentially similar to that experienced under the austerity measures of the last decade.

Establishment, retention and use of earmarked reserves are subject to review during the year in accordance with the Authority's risk-assessment based Reserves Management Protocol.

Impact of Pension Deficit on Reserves

The Authority holds total usable reserves of £60.690m at 31 March 2023 (£85.316m at 31 March 2022). The effect of applying the net superannuation fund deficit of £74.858m to the Authority's usable reserves would be a deficit of £14.168m (2021/2022: the superannuation deficit of £293.580m exceeded usable reserves by £208.264m).

However, this deficit is dependent on a number of factors such as investment performance and retirement benefits payable. The long-term under-funding of the Local Government Scheme is being addressed over a number of years by staged increases to employer contributions. Consequently, the total liability would not arise in one financial year. The overall financial standing of the Superannuation Fund is regularly reviewed by Actuaries on behalf of the administering Authority (Torfaen CBC).

Further details on Pension balances and transactions can be found in notes 40-41 (pages 94-103).

Movements on usable reserves are detailed in note 42 to the Core Statements (pages 103-107). Total usable reserves at the commencement of the year amounted to £85.316m, decreasing by £24.626m to £60.690m at 31 March 2023.

The most significant net contributions to/from usable reserves were:

Summary Reserves Movements	2022/2023		2021/2022 (Restated)†	
	£000	£000	£000	£000
Balance at 1 April		(85,316)		(67,827)
Significant net contributions (to)/from earmarked reserves:				
Financial Planning/ Resilience	(1,500)		Capital Inflation & Service Cost Pressure	(1,000)
Future Interest Rate	(853)		COVID19 Response & Recovery	473
Inflation & Service Cost Pressure	450		Financial Planning/ Resilience	(1,054)
Insurance Liabilities	(318)		Future Interest Rate	(400)
Invest to Save	(395)		Inflation & Service Cost Pressure	(1,361)
LMS	1,504		Invest to Save	(1,000)
Rail Loan Interest	(866)		LMS	(2,533)
Revenue Grants & Contributions Unapplied	(497)		New Operating Model	(492)
Reserves Related to Portfolio Services	621		Revenue Grants & Contributions Unapplied	(1)
Strategic Business Reviews	168		Reserves Related to Portfolio Services	(2,417)
Supporting Additional Capacity	292		Supporting Additional Capacity	(369)
		(1,394)		(10,154)
Significant net contributions (to)/from other usable reserves:			Significant net contributions (to)/from other usable reserves:	
Usable Capital Receipts	(404)		Usable Capital Receipts	(549)
Capital Grants Unapplied	26,528		Capital Grants Unapplied	15 *
Other net contributions (to)/from usable reserves	(104)		Other net contributions (to)/from usable reserves	(6,801)†
		26,020		(7,335)
Balance at 31 March		(60,690)		(85,316)
Capital Grant Unapplied Relating to Railway Project		0		(26,851)
Balance of Reserves Excluding CGU Relating to Railway Project Loan		(60,690)		(58,465)

*: The Ebbw Valley Railway Project loan is to be repaid over a period of 50 years after completion (expected from 2024/2025) and has therefore been discounted to its current (fair) value in the statutory accounts. The Authority is required to account for the difference between the current value and the actual loan amount as capital grant unapplied. In 2022/2023, expenditure of £28.967m was incurred on the Railway Project, of which £26.851m was funded by application of Capital Grant Unapplied. At 31 March 2023, none of the £5.3m balance of Capital Grants Unapplied relates to the Railway Project Loan.

†: The Council Fund balance increased in 2021/2022 as a result of an adjustment to depreciation charges, for which a correcting adjustment is to be made in 2023/2024.

8. Treasury Management Activities

In March 2022, the Authority approved the Treasury Strategy Statement, Annual Investment Strategy and MRP Policy Statement for the 2022/2023 financial year. In November 2021, the Authority approved a revision to the MRP Policy. The prime objectives of these policies were firstly to ensure the security of capital and secondly to maximise the liquidity of investments. In doing so, the policies sought to minimise the revenue costs of debt whilst maintaining a prudent level of debt redemption.

All borrowing and investing activities have been conducted within the framework set out in the Treasury Strategy. In particular the Authority has adopted a low risk strategy in order to give priority to the security of its investments.

Borrowing Activities

Total external loan debt at 31 March 2023 amounted to £190.025m (31 March 2022: £200.606m). Following the continued increases in the Bank of England base rate, new long-term borrowing has been kept to a minimum to avoid committing the Council to higher interest payments in future years. Further opportunities to raise long term loans will be explored when interest rates reduce from their current high levels.

In March 2021 the Authority received a £70m interest free loan from the Welsh Government in relation to the Ebbw Valley Railway Infrastructure Project. This loan has been classified as non-current (long-term) borrowing to be repaid over a 50 year period commencing on completion of the project (expected to be from 2024/2025). The loan was discounted to its fair value in 2020/2021 and the sum in excess of the fair value was included as capital grant unapplied as required by the Accounting Code of Practice.

Transactions relating to external loan debt during the year were as follows:

	2022/2023			2021/2022		
	Temporary	Other	Total	Temporary	Other	Total
	Loans	Loans		Loans	Loans	
	£000	£000	£000	£000	£000	£000
Borrowing						
Balance at 1 April	(62,367)	(138,239)	(200,606)	(65,317)	(142,565)	(207,882)
Loans Raised	(56,000)	(14,578)	(70,578)	(73,050)	(825)	(73,875)
Loans Repaid	70,000	11,318	81,318	76,000	5,918	81,918
Effective Interest Adjustment	0	(48)	(48)	0	(46)	(46)
Soft Loan Adjustment	0	(111)	(111)	0	(721)	(721)
Balance at 31 March	(48,367)	(141,658)	(190,025)	(62,367)	(138,239)	(200,606)

Investing Activities

During the year, transactions related to investments were as follows:

	2022/2023	2021/2022
	£000	£000
Balance at 1 April	100,000	83,000
Investments Made	460,565	895,200
Investments Repaid	(494,500)	(878,200)
Balance at 31 March	66,065	100,000

The balance of investments held at year-end can be analysed as follows:

	31 March 2023	31 March 2022
	£000	£000
Call Account Cash Deposits	10,000	2,000
Fixed Term Cash Deposits	44,000	77,000
Short-Term Investments	12,065	21,000
Total	66,065	100,000

Minimum Revenue Provision

The 2003 Capital Finance Regulations require amounts to be set aside from revenue for the repayment of external loans. This is known as the Minimum Revenue Provision (MRP) and in 2022/2023 the sum of £1.744m (2021/2022: £1.057m) has been set aside by the Authority based on statutory guidance, as disclosed in note 1.17 (page 30).

In November 2021, the Authority approved a revision to the MRP Policy, which reduces the expected MRP charge from 2022/2023 onwards. Under the previous policy the MRP charge for 2022/2023 was forecast to be £4.47m.

Interest on external loan debt of £3.751m has been charged to the Comprehensive Income & Expenditure Statement in 2022/2023 (2021/2022: £3.550m).

9. Pension Assets and Liabilities

The value of pension assets and liabilities disclosed in the accounting statements is:

Pension Assets and Liabilities	31 March 2023	31 March 2022
	£000	£000
Assets	456,819	465,432
Liabilities	(531,677)	(759,012)
Net Liabilities	(74,858)	(293,580)

All Pension Assets held relate to the Greater Gwent Local Government Scheme. Total liabilities at 31 March 2023 include £25.715m related to the Teachers Pension Fund (31 March 2022: £32.585m), with the remainder being in respect of liabilities held with the Local Government Scheme.

10. Movement in Valuation of Non-Current Assets

During 2022/2023, the net cost or valuation of non-current assets (Property, Plant & Equipment) recorded on the Authority's Balance Sheet showed an increase of £63.9m, from £291.9m to £355.8m.

This movement was largely the result of £37.3m expenditure on Assets Under Construction (including £29m on the Ebbw Valley Railway Project) a further £4.2m of additions or enhancements to existing assets and revaluations of £26.4m, as summarised below:

Movement in Property, Plant & Equipment Assets	2022/2023	2021/2022 (Restated)†
	£000	£000
Balance at 31 March	291,911	282,438
Adjustments to Balances Brought Forward	0	(4,942)
Adjusted Balance at 1 April	291,911	277,496
Expenditure on Assets Under Construction	37,331	6,125
Additions/Enhancements	4,221	4,374
Disposals	(220)	(1,696)
Revaluations	26,410	5,118
Depreciation Written Back on Revaluation	6,463	8,931
In-Year Depreciation & Impairment	(10,335)	(8,437)
Balance at 31 March 2022	355,781	291,911

†: Balances and transactions in 2021/2022 have been restated to remove that portion of the Lime Avenue Joint Venture Agreement relating to the Welsh Government Share in the Joint Operation and also to include (and write off) funding to the JVA for development of the business units, classified as REFUS expenditure. Transactions relating to the cost/valuation and depreciation of assets across all categories have been reclassified to correct inconsistencies identified during the preparation of the 2022/2023 Accounts.

Note 26 (pages 68-72) provides further detail of the additions, disposals, appropriations, depreciation and revaluations that comprise the overall net increase in value during the year.

11. Significant Changes in Accounting Policies

11.1 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023

The 2022/2023 Accounting Code of Practice includes the following new or revised accounting standards, none of which has impacted on the preparation of the Authority's Accounts:

- *Annual Improvements to IFRS Standards 2018-2020:*

IFRS 1 First-time Adoption of International Financial Reporting Standards - amendments to subsidiary as a first-time adopter.

IFRS 9 Financial Instruments - amendment to fees in the 10% test for derecognition of financial liabilities.

IFRS 16 Leases - amendment to lease incentives.

- *IAS 16 Property, Plant and Equipment* - Amendments to the treatment of amounts received from the sale of items produced while preparing an asset for its intended use.

12. Main Financial Statements

The Code interprets the requirements of IAS1 *Presentation of Financial Statements* for the local government context and requires the following main financial statements to be included:

12.1 The Comprehensive Income and Expenditure Statement (CIES) (Pages 18-19)

The Income and Expenditure Account and Statement of Total Recognised Gains and Losses (STRGL) required by UK GAAP have been combined into one statement that records the full accounting cost of providing services during the financial year.

12.2 The Movement in Reserves Statement (MiRS) (Pages 20-21)

Equivalent to the IAS1 Statement of Changes in Equity, this records the movement in the year on the different reserves held by the Authority, analysed into usable (those that can be used to fund expenditure or reduce local taxation) and unusable reserves (those that typically arise from timing differences between the identification of liabilities and the funding or settlement of those liabilities, which could be over a long period).

Whilst increases in usable reserves represent additional sums that can be utilised in the short term to provide funding for services, increases in unusable reserves represent an increasing burden on future taxpayers.

The MiRS includes adjustments that remove accounting entries made in accordance with proper accounting practice in order that the Council Taxpayer is charged only with amounts required by statute and regulations.

12.3 The Balance Sheet (Page 22)

Derived from the IAS1 requirement for a Statement of Financial Position, the Balance Sheet sets out the assets and liabilities of the Authority, and the usable and unusable reserves and balances that underlie those net assets. Much of the detail is presented within notes to the Balance Sheet, rather than in the Statement itself.

12.4 The Cash Flow Statement (Page 23)

The Cash Flow Statement summarises the cash and cash equivalents arising from transactions with third parties for revenue and capital purposes during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

13. Expenditure and Funding Analysis

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

The following table summarises the transactions recorded in the EFA for 2022/2023 - more detail is included in the full EFA on page 42.

Expenditure & Funding Analysis - Summary	2022/2023					2021/2022 (Restated)†				
	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding and Accounting Basis Adjustments	CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding and Accounting Basis Adjustments	CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
(Surplus)/Deficit on the Provision of Services	163,139	(164,631)	(1,492)	4,639	3,147	145,601	(162,578)	(16,977)	16,604	(373)
Tax Expenses			(7)					22		
Transfers to/(from) earmarked reserves			1,693					11,404		
(Increase)/Decrease in year			194					(5,551)		
Opening council Fund Balance as at 1 April			(13,104)					(7,553)		
Closing Council Fund Balance as at 31 March			(12,910)					(13,104)		

†: The Expenditure and Funding Analysis has been amended in 2021/2022 to reflect adjustments relating to the Lime Avenue Joint Venture Agreement (JVA). Detail of these adjustments can be found in Note 3 to the Core Financial Statements, pages 32-37.

14. Group Accounts

In May 2012, the Authority amended the structure and membership of the Board of Directors of Silent Valley Waste Services Limited, a wholly-owned subsidiary, in order to control the activities of the company. As a result of a change in these governance arrangements, the Authority is required to prepare Group Accounting Statements, consolidating the Accounts of the parent (Blaenau Gwent County Borough Council) and the subsidiary (Silent Valley Waste Services Ltd.).

The Authority's interest in the Education Achievement Service for South-East Wales has not been consolidated in the Group Accounts. Whilst the Authority holds a 20% interest in the company, which would normally trigger the requirements for inclusion as an associate company within group accounts, there are a number of factors that counter-indicate the Authority having significant influence over the EAS, including the level of control exercised by Welsh Government, and therefore the presumption for inclusion has been rebutted.

Bedwellty House & Park Charitable Trust (BHAP CT) was formally registered in 1981, with the Council as the sole trustee. The Trust Seal Documentation specifies that the assets of the Trust are vested with the Trustee (i.e. the Council) and as a result it has been agreed that the material balances relating to the charitable trust should be included in the Group Accounts. This has been actioned with effect from the 1 April 2021.

Group Accounts have been prepared in compliance with the Accounting Policies set out on pages 24-32 and 128-129 and are included in the Statement of Accounts on pages 124-143.

15. Future Developments

15.1 Budget-Setting Process

The Council recognises the challenges that it faces in the short, medium and long terms and has developed a programme of Strategic Business Reviews to deal with potential gaps between anticipated funding and expenditure that aims to build financial resilience. Based on strategic themes the 'Bridging the Gap' programme aims to identify savings opportunities, potential cost avoidance and new revenue streams. Designed to support a balanced budget it is also focussed on creating the conditions of a commercially-minded council.

15.2 Cardiff Capital Region City Deal (CCRCDD)

The Cardiff Capital Region City Deal between the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent, was formally ratified on 1 March 2017. The City Deal offers the opportunity to deliver an investment package of £1.2 billion into the City Region economy between now and 2036. Whilst much of this is already earmarked for certain activities, particularly investment in the South East Wales Metro, there are funds available as part of the £1.2 billion to leverage wider economic benefits. The City Deal has a small number of key targets. Notably, these include the creation of 25,000 new jobs by 2036, leveraging £4 billion of private sector investment and securing economic growth.

All ten Councils agreed the Joint Working Agreement Business Plan in 2018, which provides detail on the key themes or workstreams for future investment activity. The CCRCDD Investment Fund comprises two distinct elements:-

- The METRO scheme of £734 million. This will comprise £503m Welsh Government funding provided over the first seven years of the Investment Fund, from 2016/2017 to 2022/2023; £106 million from the European Development Fund, (which is committed and guaranteed by both UK and Welsh Governments); and £125m from UK Government. This element will be the direct responsibility of Welsh Government.
- The Investment Fund of £495m – comprising the ten Local Authorities' commitment to borrow £120 million over the 20 year period of the Fund, together with £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and "Metro plus" transport proposals. This element will be the responsibility of the CCRCDD Regional Cabinet. Based on the agreed proportion of total population for the City Deal area, Blaenau Gwent's share of the financial contributions is 4.6%.

Since inception, City Deal has evolved from a single funding program to the multiple funding functions and accountabilities of a wider City Region, which would be best managed via a Corporate Joint Committee. The South East Wales Corporate Joint Committee Regulations 2021 established a Corporate Joint Committee (CJC) for the Cardiff City Region, which came into effect on 1 April 2021. It was anticipated that the CJC would assume full delivery of the City Deal programme during 2021/2022 and in order to provide business continuity during the transition period, a 'twin-track' approach was adopted. During this initial phase, the CJC operated at a 'bare minimum', ahead of setting its first statutory budget on 31 January 2022. However, a number of technical/legal issues delayed the process of full delivery by the CJC until March 2024.

15.3 Impact of the United Kingdom's Exit From the European Union

On 31 January 2020 the United Kingdom formally left the European Union and entered into a transition period that ended on 31 December 2020. During and subsequent to the period of transition there have been no significant changes to the legal and financial environment in which the Authority operates and there has therefore been no direct material impact on the transactions and balances reported for the 2022/2023 financial year. There are still a range of areas across which exit from the EU has the potential to have a significant impact on the Authority in future years, including:

Replacement of European Structural and Other Transnational European Funding Streams;

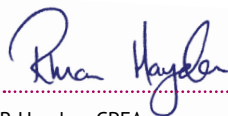
Blaenau Gwent has continued to receive funding from various EU structural and other transnational European funding schemes. To some extent these funding streams will be replaced by the UK Community Renewal Fund and the UK Shared Prosperity Fund, but there remains uncertainty regarding the level and duration of this funding. The Authority will need to consider these issues when determining its future Revenue and Capital budgets.

The Shared Prosperity Fund (UKSPF) is the UK Government replacement for European funding (European Structural Investment Fund ESIF) following the withdrawal of the UK from the European Union in 2020. It is a key part of the UK's Levelling Up agenda, forming part of complementary funding, including the Levelling Up Fund and Community Ownership Fund. The primary aim of the fund is to build pride in place and increase life chances across the UK. Underpinning this aim are three investment priorities: communities and place; supporting local businesses; and people and skills. Rhondda Cynon Taff County Borough Council will act as lead Local Authority for the Cardiff Capital Region. Blaenau Gwent has been allocated £28m, which is allocated over three years starting 1 April 2022.

16. Conclusion

The production of the IFRS-compliant annual Statement of Accounts continues to provide a considerable challenge. The Council's Accounts for 2021/2022 have been qualified due to the potential misstatement of depreciation charges and the net book value of assets, resulting from the absence of a systematic and regular review of the estimated useful life of assets. Identification of this issue and its subsequent resolution resulted in a significant delay in finalising the 2021/2022 accounts and subsequently those for 2022/2023.

In presenting this Statement of Accounts I am grateful to the Resources Team for their planning, professionalism, and unstinting commitment in order to produce a high quality publication. In addition, collaboration across departments remains essential in the production of this document and the support and assistance from colleagues in other departments requires recognition and thanks.



R Hayden, CPFA

Corporate Director of Corporate Services



Statement of Responsibilities

Datganiad O Gyfrifoldebau



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council



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Statement of Responsibilities

The Authority's Responsibilities

The Authority 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 Authority, that officer is the Corporate Director of Corporate Resources.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Responsibilities of the Corporate Director of Corporate Resources

The Corporate Director of Corporate Resources is responsible for the preparation of the Authority'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 Corporate Director of Corporate Resources has:

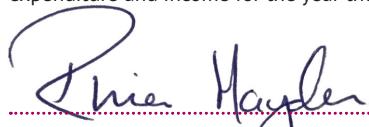
- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Local Authority Code.

The Corporate Director of Corporate Resources has also:

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

Certification of Accounts

In my opinion the Statement of Accounts gives a true and fair view of the financial position of Blaenau Gwent County Borough Council and the Blaenau Gwent County Borough Council Group as at 31 March 2023, and of their expenditure and income for the year then ended



Corporate Director of Corporate Services

20 November 2024

Date

I confirm that these Accounts were approved at the Governance & Audit Committee Meeting on 20 November 2024. Signed on behalf of Blaenau Gwent County Borough Council:



Chair of Meeting

20 November 2024

Date



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

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

Opinion on financial statements

I have audited the financial statements of:

- Blaenau Gwent County Borough Council and
- Blaenau Gwent County Borough Council Group

for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

Blaenau Gwent 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.

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

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-2023.

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

- give a true and fair view of the financial position of Blaenau Gwent County Borough Council and Blaenau Gwent County Borough Council Group as at 31 March 2023 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 2022-2023.

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

Conclusions relating to going concern

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-2023; and
- 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 Blaenau Gwent County Borough Council and the Blaenau Gwent County Borough Council Group 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 set out on page 14, the responsible financial officer is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- Enquiring of management, Blaenau Gwent County Borough Council's Audit and Risk Manager and those charged with governance, including obtaining and reviewing supporting documentation relating to Blaenau Gwent County Borough Council and Blaenau Gwent County Borough Council Group's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Obtaining an understanding of Blaenau Gwent County Borough Council and Blaenau Gwent County Borough Council Group's framework of authority as well as other legal and regulatory frameworks that Blaenau Gwent County Borough Council and Blaenau Gwent County Borough Council Group 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 Blaenau Gwent County Borough Council and Blaenau Gwent County Borough Council Group; 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 and the Governance and Audit Committee about actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance; and
- 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 Blaenau Gwent County Borough Council and Blaenau Gwent County Borough Council Group's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. 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 Blaenau Gwent County Borough Council and Blaenau Gwent County Borough Council Group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



Adrian Crompton

Auditor General for Wales

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

25 November 2024

Date

...the Statement of Accounts comprise the financial statements and the notes to the accounts, including the summary of significant accounting policies...



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Blaenau Gwent

County Borough Council



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Authority raises taxation to cover expenditure in accordance with regulations; this differs from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Comprehensive Income & Expenditure Statement	2022/2023			2021/2022 (Restated)†			Note:	Page:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
	£000	£000	£000	£000	£000	£000		
Continuing Operations								
Corporate Services	50,797	(23,275)	27,522	50,308	(24,984)	25,324	18	55
Education	17,631	(9,959)	7,672	25,322	(9,557)	15,765		
Education - Schools	58,443	(5,954)	52,489	47,619	(7,166)	40,453	31	80
Environment	35,715	(9,785)	25,930	34,783	(11,364)	23,419		
Cardiff Capital Region City Deal	1,074	(1,087)	(13)	318	(396)	(78)	47	118
Regeneration & Economic Development	10,744	(6,734)	4,010	9,529†	(4,360)	5,169		
Social Services	79,936	(27,271)	52,665	74,989	(30,655)	44,334	13	50
Licensing	255	(114)	141	226	(111)	115		
Planning	1,465	(457)	1,008	1,491	(729)	762		
Total Deficit on Continuing Services	256,060	(84,636)	171,424	244,585	(89,322)	155,263	8	42

Comprehensive Income & Expenditure Statement (Continued)	2022/2023			2021/2022 (Restated)†			Note:	Page:
	Gross	Gross	Net	Gross	Gross	Net		
	Expenditure	Income	Expenditure	Expenditure	Income	Expenditure		
	£000	£000	£000	£000	£000	£000		
Total Deficit on Continuing Services	256,060	(84,636)	171,424	244,585	(89,322)	155,263		
Other Operating Expenditure	10,932	(457)	10,475	11,770	(1,102)	10,668	10, 20, 21	48, 56, 57
Financing and Investment Income & Expenditure	25,538	(14,418)	11,120	20,578	(9,056)	11,522	11	48
Taxation & Non-Specific Grant Income	0	(189,872)	(189,872)	0	(177,826)†	(177,826)	9, 19, 20, 22	47, 56, 58
(Surplus)/Deficit on Provision of Services	292,530	(289,383)	3,147	276,933	(277,306)	(373)	8	42
Tax Expenses			(7)			22	47.1	118
(Surplus)/Deficit on Provision of Services less Tax Expenses			3,140			(351)	MiRS	20-21
(Surplus)/Deficit Arising on the Revaluation of Non-Current Assets			(20,003)			(7,408)		
Remeasurement of the net defined benefit pension liability			(237,700)			(76,461)	41	97
Other Comprehensive Income & Expenditure			(257,703)			(83,869)	MiRS, 24	20-21, 64
Total Comprehensive Income & Expenditure			(254,563)			(84,220)	MiRS	20-21

Note: In the Comprehensive Income & Expenditure Statement, amounts relating to expenditure are disclosed as positive and amounts relating to income are disclosed as negative (i.e. enclosed in brackets). Consequently, total figures disclosed in brackets are surpluses, representing net income to the Authority, whilst those not in brackets are deficits, where expenditure exceeds income.

†: Regeneration & Economic Development Expenditure has been amended to include the impairment of non-enhancing capital expenditure relating to the transfer of funding to the Lime Avenue JVA for the development of business units.
Taxation & Non-Specific Grant Income has been reduced to reflect the level of Capital Grant due to the Council as a result of transferring the Lime Avenue/Regain 2 development to the Lime Avenue Joint Operation.
Detail of these adjustments and their impact on the Comprehensive Income & Expenditure Statement can be found in Note 3 to the Core Financial Statements, pages 32-38.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves.

Movement in Reserves Statement 2021/2022 <i>(Restated)</i> †	Council Fund £000	Earmarked Council Fund Reserves £000	Capital Reserves		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Note	Page
			Capital Receipts Reserve £000	Capital Grants Unapplied £000					
Balance at 31 March 2021	(7,553)	(20,781)	(7,649)	(31,844)	(67,827)	235,307	167,480		
Restatement of Brought Forward Balance	0	0	0	0	0	4,941†	4,941		
Revised Balance as at 1 April 2021	(7,553)	(20,781)	(7,649)	(31,844)	(67,827)	240,248	172,421		
Total Comprehensive Income and Expenditure	(351)	0	0	0	(351)	(83,869)	(84,220)	CIES	19
Adjustments between accounting basis & funding basis under statutory provisions	(16,604)†	0	(549)	15	(17,138)	17,138†	0	25	65-67
Net (Increase)/Decrease before transfers to Earmarked Reserves	(16,955)	0	(549)	15	(17,489)	(66,731)	(84,220)		
Transfers from Council Fund (to) Earmarked Reserves	11,404	(11,404)	0	0	0	0	0		
(Increase)/Decrease in 2021/2022	(5,551)	(11,404)	(549)	15	(17,489)	(66,731)	(84,220)		
Balance at 31 March 2022	(13,104)	(32,185)	(8,198)	(31,829)	(85,316)	173,517	88,201	BS	22

The *(Surplus) or Deficit on the Provision of Services* line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This cost is different from the statutory amount required to be charged to the Council Fund for Council Tax setting purposes. The *Net (Increase)/Decrease before Transfers to Earmarked Reserves* line shows the statutory Council Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority. Earmarked Reserves have been disclosed separately in the MiRS to provide users with information regarding the use of these balances in comparison to the use of the Council Fund.

†: Balances and transactions were restated for 2021/2022 to remove amounts related to the Lime Avenue Joint Venture Agreement.
Detail of these adjustments and their impact on the Movement in Reserves Statement can be found in Note 3 to the Core Financial Statements, pages 32-38.

Movement in Reserves Statement 2022/2023	Council Fund £000	Earmarked Council Fund Reserves £000	Capital Reserves		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Note	Page
			Capital Receipts Reserve £000	Capital Grants Unapplied £000					
Balance at 31 March 2022	(13,104)	(32,185)	(8,198)	(31,829)	(85,316)	173,517	88,201		
Adjustments to brought forward balances	0	0	0	0	0	(2) *	(2)		
Revised Balance at 1 April 2022	(13,104)	(32,185)	(8,198)	(31,829)	(85,316)	173,515	88,199		
Total Comprehensive Income and Expenditure	3,140	0	0	0	3,140	(257,703)	(254,563)	CIES	19
Adjustments between accounting basis & funding basis under statutory provisions	(4,638)	0	(404)	26,528	21,486	(21,486)	0	25	65-67
Net (Increase)/Decrease before transfers to Earmarked Reserves	(1,498)	0	(404)	26,528	24,626	(279,189)	(254,563)		
Transfers from Council Fund (to) Earmarked Reserves	1,692	(1,692)	0	0	0	0	0	42	103-107
(Increase)/Decrease in 2022/2023	194	(1,692)	(404)	26,528	24,626	(279,189)	(254,563)		
Balance at 31 March 2023	(12,910)	(33,877)	(8,602)	(5,301)	(60,690)	(105,674)	(166,364)	BS	22

*: Balances brought forward at 1 April 2022 were adjusted to correct rounding errors arising in previous years.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by reserves held, reported in two categories:

- Usable reserves are those reserves that the Authority may use to provide services, subject to any statutory limitations on their use (*for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt*) and the need to maintain a prudent level of reserves.
- Unusable reserves are those that the Authority is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (*for example the Revaluation Reserve*), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under statutory provisions' (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

†: Balances in the 2021/2022 Accounts have been restated in relation to:

- Removal of the Welsh Government Capital Share of the Lime Avenue Joint Venture Agreement; and
- Correction of cash and accrual entries relating to Agency Accounts.

Detail of these adjustments and their impact on the Balance Sheet can be found in Note 3 to the Core Financial Statements, pages 32-38.

Balance Sheet	31 March 2023		31 March 2022 (Restated)†		Note:	Page:
	£000	£000	£000	£000		
Property, Plant & Equipment	355,781		291,911†		26, 28, 31	68-75, 77, 80
Investment Properties	2,938		1,337		47	118
Heritage Assets	726		726		27	75-76
Non-Current Investments	658		342		29	78
Non-Current Debtors	3,989		4,072		30	79
Sub Total: Long-Term Assets		364,092		298,388		
Assets Held for Sale	0		60		26	71-72
Current Investments	12,065		21,000		32	81
Inventories	1,004		2,425		33	82
Current Debtors	42,276		34,402†		34	82-84
Deferred Tax Asset	83		62		47.3	120
Cash and Cash Equivalents	51,381		89,623†		45	112
Sub Total: Current Assets		106,809		147,572		
Current Borrowing	(57,527)		(73,683)		38-39	89-93
Current Creditors	(20,362)		(24,072)†		35	85
Current Grants Receipts in Advance	(8,274)		(6,333)		22	58
Current Donated Assets	(615)		(2,112)		33	82
Current Provisions	(1,106)		(1,291)		36	86-88
Sub Total: Current Liabilities		(87,884)		(107,491)		
Non-Current Borrowing	(132,498)		(126,923)		38-39	89-93
Non-Current Provisions	(2,064)		(1,696)		36	86-88
Other Long-Term Liabilities	(82,091)		(298,051)†		37, 41	89, 95-103
Sub Total: Long-Term Liabilities		(216,653)		(426,670)		
Total Net Assets/(Liabilities)		166,364		(88,201)		
Usable Reserves	(60,690)		(85,316)		42.1	103-107
Unusable Reserves	(105,674)		173,517†		42.2	108-110
Total Reserves		(166,364)		88,201		

Cash Flow Statement

The Cash Flow Statement summarises the cash and cash equivalent transactions of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

Cash Flow Statement	2022/2023		2021/2022 (Restated)†		Note:	Page:
	£000	£000	£000	£000		
Net surplus/(deficit) on the provision of services less tax expenses	(3,140)		351†		CIES	19
Adjustments to the provision of services for non-cash movements	18,156		31,078†		43.1	111
Adjustments for items included in the provision of services that are investing and financing activities	(15,801)		(10,933)†		43.2	111
Net Cash Inflows/(Outflows) from Operating Activities		(785)		20,496		
Investing activities		(26,560)		(15,356)	44.1	111
Financing activities		(10,897)		(8,147)	44.2	112
Net increase or (decrease) in cash and cash equivalents		(38,242)		(3,007)		
Cash and cash equivalents at the beginning of the reporting period		89,623		92,630†	BS, 45	22, 112
Cash and cash equivalents at the end of the reporting period		51,381		89,623†	BS, 45	22, 112

- The amount of net cashflows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided.
- Investing activities represent cashflows relating to the acquisition, disposal and funding via capital grant of resources which are intended to contribute to the Authority's future service delivery, i.e. non-current assets.
- Cashflows arising from financing activities represent the extent to which borrowing and similar charges have increased/decreased during the year and are useful in predicting claims on future cash flows by providers of capital to the Authority.

†: The restatement of the Accounts resulting from the removal of the Welsh Government Capital Share of the Lime Avenue Joint Venture Agreement and the correction of entries relating to Agency Accounts has resulted in changes to the balance of cash recorded at the beginning and end of the 2021/2022 financial year, and to specific categories of cash/non-cash transactions during the year. Detail of these adjustments and their impact on the Cash Flow Statement can be found in Note 3 to the Core Financial Statements, pages 32-38.



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

1. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2022/2023 financial year and its position at the year-end of 31 March 2023. The Authority is required to prepare an annual Statement of Accounts in accordance with proper accounting practices by the Accounts and Audit (Wales) Regulations 2014.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 and the Service Reporting Code of Practice 2022/2023, supported by International Financial Reporting Standards (IFRS). Where there is no relevant IFRS or International Accounting Standard (IAS), reference is made to International Public Sector Accounting Standards (IPSASs); if there is no relevant IPSAS, domestic Financial Reporting Standards (FRSs) are applied.

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 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are held in call accounts, with other Local Authorities and banks, and that are readily convertible to known amounts of cash with insignificant risk of change in value, or are due to mature within 90 days of the Balance Sheet date.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

1.3 Employee Benefits

1.3.1 Post Employment Benefits

The Local Government Pension Scheme

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

- The liabilities of the Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.
- The assets of Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value.

- Liabilities are discounted to their value at current prices, with the default accounting assumptions used by Hymans Robertson being:

Duration Category	31 March 2023			31 March 2022		
	Discount			Discount		
	Rate	RPI	CPI	Rate	RPI	CPI
	%	%	%	%	%	%
Short (Less than 17 years)	4.75	3.30	3.00	2.70	3.85	3.30
Medium (between 17 and 23 years)	4.75	3.20	2.95	2.70	3.65	3.20
Long (over 23 years)	4.75	3.15	2.95	2.75	3.55	3.15

Discount rates have been derived for each duration profile at which payments may be due, based on a 'Hymans Robertson' corporate bond yield curve, constructed on the basis of the constituents of the iBoxx AA-rated corporate bond index.

Remeasurements of the net defined benefit liability

- Actuarial gains and losses – changes in the present value of the defined obligation resulting from changes in actuarial assumptions or the effects of differences between actuarial assumptions and actual events - debited or credited to the Remeasurement of the net defined benefit liability line in the CIES.
- Return on plan assets, excluding amounts included in Net Interest on the net defined benefit liability - the sum of any interest, dividends and other income derived from plan assets, together with realised and unrealised gains or losses, less any costs of managing plan assets and tax payable by the plan. Interest on plan assets is determined by multiplying the fair value of plan assets by the rate used to discount liabilities - credited to the Remeasurement of the net defined benefit liability line in the CIES.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority 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 appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

1.3.2 Discretionary Benefits

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

1.4 Contingent Liabilities

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

1.5 Provisions

Provisions are made where an event has taken place that gives the Authority 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.

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

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

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 Authority settles the obligation.

1.6 Financial Instruments

Valuation of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the net present value (NPV) of the cash flows that will take place over the remaining terms of the instruments, using the following assumptions:

- The discount rate used in the NPV calculation is equal to the current rate in relation to the same instrument from a comparable lender. This is the rate applicable in the market on the date of valuation (31 March 2022) for an instrument with the same duration, i.e. equal to the outstanding period from valuation date to maturity. For Public Works Loan Board (PWLB) borrowing the new PWLB borrowing rate has been used.

- Interest is calculated using the most common market convention (actual number of days/365).
- For fixed term deposits it is assumed that interest is received on maturity.

Fair value disclosures have not been calculated for short term financial assets including receivables (debtors), or short term financial liabilities including payables (creditors), since the carrying amounts represent a reasonable approximation of fair value.

Premiums/Discounts

1. Where premiums/discounts arising before April 2006 could be attributed to the replacement debt, then they were amortised using an effective interest basis and were included as part of the replacement loan carrying amount as at 31 March 2007. The additional interest resulting from the effective interest method is charged to the Comprehensive Income & Expenditure Statement.

2. Where premiums/discounts arising before 1 April 2006 could not be attributed to identifiable loan debt on the closing 2006/2007 Balance Sheet, then they were derecognised by writing off the balance as at 31 March 2007 to the Council Fund/HRA balance and then reversing out through the Financial Instruments Adjustment Account. The premium/discount write down for future years is charged/ (credited) to the Movement in Reserves Statement.

3. Where premiums/discounts have arisen after 1 April 2006, then the accounting treatment depends upon whether it can be classified as a modification or an extinguishment. In order to be classified as a modification, then the repayment and replacement must be on the same day and must meet the 10% test. If the modification test cannot be met then it is treated as an extinguishment. All post April 2006 premiums/discounts do not meet the modification test and therefore have been accounted for as extinguishments, with the accounting treatment being the same as for (2) above.

Interest

The interest expense & income disclosed in the Comprehensive Income & Expenditure Statement is calculated as follows:

- PWLB debt – on a nominal basis, with the exception of loans where premiums/discounts are included as part of the carrying amount, where interest is calculated using an effective interest basis.
- LOBO debt – on an amortised cost basis using an effective interest basis.
- Market loans - on a nominal basis.
- Temporary Loans & Investments – on a nominal basis.

1.7 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted 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.

1.8 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using last known cost.

1.9 Leases

Leases held by the Authority are defined as being finance leases or operating leases in accordance with the requirements of the Code and IAS17.

A Finance Lease is a lease that transfers substantially all the risks and rewards incidental to ownership to the lessee. The Code does not provide definitive guidance as to the meaning of 'substantially all' and the Authority has therefore exercised judgement in determining the status of each lease according to context.

The following accounting treatment applies to each type of lease:

Finance Lease

Where the Authority is lessee, the asset is recognised in the Authority's Balance Sheet, together with matching liabilities in respect of rentals. The asset is then accounted for in accordance with the capital accounting process:

- Depreciation is charged to the service revenue account over the useful life of the asset (or the lease term of the lease if shorter);
- The principal element of the lease rental writes down the liability;
- The interest element of the lease rental is charged to the revenue account;
- MRP equal to the principal element of the finance lease rental is charged to the revenue account; and
- Adjusting entries are made to ensure that the revenue accounts are only charged with the annual lease rentals.

Where the Authority is lessor, the asset is not on the Authority's Balance Sheet, as substantially all the risks & rewards of ownership have been transferred to the third party. The accounting process is as follows:

- A long term lease debtor is set up for the principal amount outstanding (the net investment in the lease)
- Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, the Deferred Capital Receipts Reserve is credited with the total value of the lease asset due.
- Lease income received from the third party is split into principal and interest. The principal element is treated as a capital receipt and will write down the long term lease debtor.
- The interest element is credited to the Comprehensive Income & Expenditure Statement as financing and investment income.
- For leases entered into prior to 31 March 2010, the capital accounting regulations allow mitigating accounting entries that enable the principal element to continue to be treated as revenue income.

Operating Lease

Where the Authority is lessee, operating lease payments are charged to revenue as they become payable. No asset is created in the Authority's Balance Sheet.

Where the Authority is lessor, the asset is recognised in the Authority's Balance Sheet, depreciation is charged to the service revenue account over the useful life of the asset and lease income received from the third party is credited to the revenue account.

Service Concessions and Arrangements Containing Leases

The Authority currently has no such arrangements.

1.10 Fair Value Measurement

The Authority measures some of its non-financial assets such as Surplus Assets and Assets Held for Sale at fair value at each reporting date in accordance with the measurement requirements of IFRS13 *Fair Value Measurement*.

Surplus assets are defined as Property, Plant & Equipment (PPE) assets that do not provide service potential for the Authority and are therefore not measured for their service potential but for the economic benefits inherent in the assets. They are revalued at fair value at the point of being declared surplus and then in accordance with the usual 5 year rolling programme of revaluations.

Assets Held for Sale are assets where it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use. They are held at the lower of carrying amount (before reclassification) or Fair Value.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- a) in the principal market for the asset; or
- b) in the absence of a principal market, in the most advantageous market for the asset.

The Authority measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In considering alternative higher and best uses for the asset being valued, consideration has been given to value for the asset that may not necessarily be reflected in the existing configuration or use of the asset. In the consideration of alternatives the physical, legal and financial feasibility of that alternative has been taken into account.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of non-financial assets for which fair value is measured or disclosed in the Authority's financial statements are categorised within the fair value hierarchy, as follows:

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

All valuations for surplus assets and assets held for sale fall into the level 3 category, due to the nature of the valuation technique. The valuation technique maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

Information about the valuation techniques and inputs used in determining the fair value of the Authority's surplus assets are disclosed in the note 26.4 to the Balance Sheet (*pages 71-72*).

1.11 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 asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to surplus assets under PPE and valued at fair value in accordance with the fair value measurement requirements of IFRS13 (*see Accounting Policy 1.10*).

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale, but are treated as surplus assets within Property, Plant & Equipment.

The following criteria have to be satisfied in order to classify an asset as held for sale:

- The asset must be available for immediate sale;
- The sale must be highly probable & there must be an active programme to locate a buyer;
- The asset must be marketed for sale at a price that is reasonable in relation to its fair value; and
- The sale should be anticipated to be completed within one year from the date of classification.

All Assets Held for Sale are included in the Balance Sheet as Current Assets.

1.12 Surplus Non-Current Assets Under PPE

Assets that have been declared surplus that do not meet the criteria above are reclassified as surplus assets under PPE and valued at fair value at the point they are declared surplus. This will be its highest and best use in accordance with the fair value measurement requirements of IFRS13 (*see Accounting Policy 1.10*).

1.13 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2022/2023 (SeRCoP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multifunctional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCoP and accounted for within the Corporate Services Portfolio in the Expenditure & Funding Analysis (EFA), as part of Net Expenditure on Continuing Services.

The total actual costs of central departments are recharged as central support charges to services on the basis of estimated staff time. Office accommodation charges are pooled and allocated on the basis of floor area. I.T. recharges are made on the basis of hardware and software usage.

The Authority's Management Accounts, included in the EFA, reflect the proper allocation of overhead and support costs to services. Where recharges are made between accounting segments (i.e. Portfolios), these have been removed by adjustment in the EFA and are not included in the Comprehensive Income & Expenditure Statement.

1.14 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

1.14.1 Recognition

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 Authority 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.

Only expenditure in excess of £50,000 has been capitalised, with amounts below this threshold being charged directly to revenue. The exceptions to this are highways and health & safety assets that individually fall below this de-minimis level but are capitalised because they are treated as one single item of expenditure in the year and expenditure that has a capital grant approval.

Measurement

Assets are initially measured at cost, comprising:

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

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

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 flows of the Authority). 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 Authority.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure assets – depreciated historical cost. Not all roads and infrastructure assets are included in the Balance Sheet as the asset valuation reflects historic expenditure incurred on such assets from a point in time. Any roads provided by private developers that are adopted by the Authority are not individually recognised on the Balance Sheet and are effectively recorded at nil value. From 2021/2022, only the Net Book Value of Infrastructure Assets has been reported in the Accounts, as allowed by CIPFA's temporary adjustment to the Accounting Code of Practice. In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022), where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.
- Community assets and assets under construction – depreciated historical cost;
- All other operational PPE assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV). Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value; and
- Surplus Assets under PPE – fair value in accordance with the definitions and measurement requirements in IFRS13.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end; as a minimum, all assets are revalued every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, the accounting treatment is:

- The carrying amount of the asset is written down against the balance of revaluation gains for the asset in the Revaluation Reserve (up to the amount of the accumulated gains), where a balance exists;
- The carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement where there is no balance or an insufficient balance in the Revaluation Reserve.

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

1.14.2 Impairment

Assets are assessed at each year-end as to 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 impairment losses are identified, they are accounted for by:

- Writing down the carrying amount of that asset against the balance (up to the amount of the accumulated gains) where there is a balance of revaluation gains for the asset in the Revaluation Reserve;
- Writing down the carrying amount of the asset against the relevant service line(s) in the Comprehensive Income and Expenditure Statement where there is no balance or an insufficient balance in the Revaluation Reserve.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

1.14.3 Depreciation

Depreciation is provided for on all Property, Plant and Equipment by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer;

- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer; and
- Infrastructure – straight-line allocation over 40 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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.

Where qualifying assets have been acquired or disposed of part way through the year, depreciation has been charged on a daily basis.

For buildings, a technical assessment of the useful life of the asset is provided by the Authority's appointed external valuers, Savills (UK) Limited.

For other asset-types, the following standard lives have been used to calculate depreciation amounts:

Asset Type	Standard Life (Years)
Vehicles	5
Equipment [†]	10
I.T. Equipment [†]	5
Infrastructure Assets	40
Street Lighting	40

[†]: In some cases the relevant technical officer may provide a different assessment of the useful life.

1.14.4 Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. These are credited to the Capital Receipts Reserve and can then only be used for new capital investment, or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

1.14.5 Componentisation

The following policy has been adopted for the componentisation of assets and applied to assets as acquired, enhanced and revalued:

- A material component is defined as one that has a gross replacement cost in excess of 25% or the total gross replacement cost for the asset;
- Where material components have been identified the current carrying amount of that component is reflected as a separate asset and depreciated over the life of that component.

1.15 Investments and Investment Properties

1.15.1 Investments - Silent Valley Waste Services

Where a reliable fair value cannot be established for an unquoted equity instrument then the investment has been measured at cost. In order to calculate a fair value for the investment in Silent Valley Waste Services, all future dividends receivable would need to be discounted to the value as at the Balance Sheet date. The time period for which such dividends would be receivable is undeterminable and therefore the asset has been measured at cost.

1.15.2 Investment Properties

Investment properties are those held solely to earn rentals and/or for capital appreciation such as ground leases, land held for future development as strategic sites and other land and buildings that meet investment property criteria. Investment properties are measured at fair value, based on the market value that would be received to sell an asset in an orderly transaction between market participants at the measurement date, reflecting the asset's highest and best use. In 2022/2023, no assets owned directly by the Council were classified as Investment Properties.

Investment properties are not depreciated, but a full revaluation of the assets is required on an annual basis. Gains and losses on revaluation and disposal are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The Cardiff Capital Region City Deal (CCRD) has a number of investment properties, with the most recent valuation of these having taken place during the preparation of their 2022/2023 accounts.

1.16 Heritage Assets

Tangible heritage assets are defined as having historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. Intangible heritage assets are defined as having cultural, environmental, or historical significance.

The Authority has identified two monuments meeting the definition of heritage assets, which have been valued on the basis of annually updated insurance replacement cost. Where significant physical deterioration or damage has occurred to the assets, this has been recognised as an impairment charge. The useful lives of these assets have been assessed as 'indefinite' and therefore no depreciation is charged.

The acquisition of heritage assets is a rare occurrence; in the event a new asset is acquired or identified it will be valued using an appropriate basis (where the expected value is estimated to be significant). Given the nature of heritage assets identified for inclusion in the accounts, disposal is also a rare occurrence. On disposal, proceeds would be accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts as outlined in section 1.14.4.

An Heritage Assets Register is maintained by the Authority which details qualifying assets within the boundaries of the County Borough, including those assets identified as heritage assets for the purposes of the Statement of Accounts.

Both monuments identified as heritage assets are located in areas with free and open public access.

1.17 Minimum Revenue Provision

Local Authorities are normally required each year to set aside some of their revenues as provision for capital expenditure financed by borrowing or credit arrangements. This is referred to as Minimum Revenue Provision (MRP).

The Welsh Government issued regulations for the making of MRP with effect from the 2008/2009 financial year, requiring Local Authorities to make a prudent provision for MRP. Local Authorities are legally obliged to "have regard" to such guidance (i.e. set a prudent MRP). The legislation does not define what constitutes a "prudent provision", however the MRP guidance issued by the Secretary of State interprets the term and provides some examples.

The MRP for 2022/2023 has been calculated in accordance with the MRP policy that was approved by full Council in March 2022, using the following method:

- Supported Borrowing – MRP is calculated on an annuity basis over 50 years.
- Unsupported Borrowing – The calculation looks at the average asset life for all unsupported borrowing in each year and applies the annuity calculation to the total unsupported borrowing capital expenditure for that year.
- Finance Leases – The MRP for finance leases is equal to the principal element of the rental payable each year.

As existing Council Taxpayers have been charged in previous years for MRP that has subsequently been reduced as a result of the retrospective policy changes introduced in 2018/2019, the level of MRP made in year has been reduced in order to provide those Taxpayers with the policy benefits arising within a reasonable time-frame. In 2022/2023 MRP has therefore been reduced by £3.2m.

1.18 Tax Income (Council Tax and National Non-Domestic Rates (NNDR))

The Authority follows the principles in IPSAS23 *Revenue from Non-Exchange transactions (Taxes and Transfers)* in respect of accounting for tax income collected, except where interpretations or adaptations to fit the public sector are detailed in the Code.

Council Tax

The Authority collects and distributes Council Tax on behalf of Gwent Police and four town or community councils. The precept for each of these bodies is paid in full during the financial year and is not affected by the level of Council Tax actually collected. As payment is made in full, there are no debtor or creditor balances recognised for precepting bodies on the Balance Sheet.

The Comprehensive Income & Expenditure Statement recognises the amount due to the Authority for the year. Any surplus or deficit arising on collection is also included in Taxation and Non-Specific Grant Income.

Council Tax Reduction Scheme (CTRS)

Costs relating to the Council Tax Reduction Scheme are included as expenses paid through the tax system and in accordance with IPSAS 23 are recognised as a service cost and not a reduction of Council Tax income through foregone revenues.

National Non-Domestic Rates (NNDR)

The Authority collects National Non-Domestic Rates (NNDR) under an agency arrangement with the Welsh Government. Cash collected from non-domestic ratepayers is not the income of the Authority and is therefore not included in its Accounting Statements. Debtor and creditor balances with taxpayers and the impairment allowance for doubtful debts are not the assets and liabilities of the Authority and are therefore not recognised in the Balance Sheet.

A debtor or creditor is included for cash collected on an agency basis that has been under or overpaid to the Welsh Government at the Balance Sheet date. The Comprehensive Income and Expenditure Statement includes the Authority's contribution due from the NNDR Pool, the cost of collection allowance for the year and accrued amounts billed in pursuit of unpaid NNDR debts.

1.19 Joint Arrangements

Joint Arrangements involve the provision of services by two or more parties that have joint control over the activity, bound by contract. These arrangements can be classed as Joint Ventures or Joint Operations, depending on the status of the arrangement as an entity in its own right, the degree to which the owning parties have control over the entity and the governance arrangements in place.

The Lime Avenue Joint Venture Agreement is a partnership between the Council and Welsh Government for the development of business units on the Lime Avenue and Regain 2 sites in Ebbw Vale. This arrangement has been classed as a joint operation as it is considered that joint control exists between the two parties, and that ultimately the authority has rights and obligations in relation to the assets and liabilities of the arrangement. In accordance with the Code requirements, the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures.

In assessing all other joint arrangements in which Blaenau Gwent participates, it has been concluded in each case that no separate legal entity exists and that the Authority does not have control (as defined by the Accounting Code and IFRS10). Consequently, the accounts of these arrangements have not been consolidated in the group accounting statements and in each case the Comprehensive Income and Expenditure Account reflects the transactions occurring between the Authority and the joint arrangement.

1.20 Accounting for Schools

The Accounting Code includes a prescribed treatment for the inclusion of schools in the Statement of Accounts. CIPFA/LASAAC is of the view that local authority maintained schools are capable of being treated as separate entities for control purposes, and that based on the indicators of control identified under the requirements of the Code's adoption of IFRS10 *Consolidated Financial Statements*, the balance of control lies with local authorities. Consequently, schools should be included in group accounts. However, the Code also includes an adaptation to the definition of single entity financial statements to include the income, expenditure, assets, liabilities, reserves and cash flows of local authority maintained schools.

All maintained schools in the County Borough are now therefore considered to be entities controlled by the Authority, with the income, expenditure, assets, liabilities, reserves and cash flows of each school recognised in the single entity accounts on the basis outlined below. The Authority has the following types of maintained schools under its control:

- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation

Schools Non-Current Assets are recognised on the Balance Sheet where the Authority directly owns the assets, holds the balance of control of the assets or where the school or the school Governing Body own the assets or have had rights to use the assets transferred to them. Land and buildings used by schools are recognised in accordance with the recognition tests relevant to the arrangements that prevail for the property.

Community schools are owned by the Authority and are, therefore, recognised on the Balance Sheet.

The four Voluntary Aided and Controlled schools within the County Borough are owned by the respective Diocese with no formal rights to use the assets through licence arrangements passed to the school or Governing Bodies. The assets are used under "mere" licences that pass no interest to the school and which are terminable by the trustees at any time without causal action. As a result these schools are not recognised on the Balance Sheet.

Ownership and control of the Foundation school lies with the school or the school's Governing Body and therefore the assets have been recognised on the Balance Sheet with effect from 1 April 2013.

For those maintained schools not controlled by the Authority, any transactions made on their behalf have been included in the Comprehensive Income & Expenditure Statement and related notes under the appropriate Service Code of Practice standard subjective grouping, or exceptionally as third party payments.

1.21 Group Accounts

In addition to the preparation of single entity financial statements, the Authority is required to prepare Group Accounts where it has interests in subsidiaries, associates and joint ventures, unless those interests are considered not material. The 2014/2015 Code included revisions resulting from the introduction or amendment in May 2011 of five accounting standards (IFRS10 *Consolidated Financial Statements*, IFRS11 *Joint Ventures*, IFRS12 *Disclosure of Interests in Other Entities*, IAS27 *Separate Financial Statements* and IAS28 *Investments in Associates*) relating to the preparation of group or consolidated accounts. These standards included amendments to the definition of the group boundary that could have impacted on the entities to be consolidated with the Authority in preparing group accounts.

The relevant standards and the CIPFA publication *Accounting for Collaboration in Local Government* have been used to determine the correct treatment of collaborative working arrangements in which the Authority is involved. As a result, the group boundary has been determined as including the Authority, Bedwellty House & Park Charitable Trust (of which the Council is the sole trustee) and Silent Valley Waste Services Ltd. (a wholly owned subsidiary over which it has control through the appointment of the majority of the company's board of directors).

The Authority's interest in the Education Achievement Service for South-East Wales has not been consolidated in the Group Accounts. Whilst the Authority holds a 20% interest in the company, which would normally trigger the requirements for inclusion as an associate company within group accounts, there are a number of factors that counter-indicate the Authority having significant influence over the EAS, including the level of control exercised by Welsh Government, and therefore the presumption for inclusion has been rebutted.

1.22 Determination of Operating Segments

For the purpose of classifying expenditure and income in the Comprehensive Income and Expenditure Statement (CIES) and Expenditure and Funding Analysis (EFA), operating segments disclosed have been aligned with the Authority's Portfolio structure. All Portfolios and Committees have been disclosed, regardless of size in monetary terms, and there has been no aggregation of segments in these Accounts.

2. Impact of changes in Accounting Policies and Estimates

There are no significant changes to accounting policies adopted or accounting estimates utilised for the 2022/2023 Accounts.

3. Correction of Prior Period Errors

In preparing the 2022/2023 Accounts, the following errors have been identified and included as prior period adjustments:

3.1 Lime Avenue Joint Venture Agreement

In 2019, the Council signed a Joint Venture Agreement with Welsh Government for the development of business units at Lime Avenue, Ebbw Vale. Construction of these units was procured by the Council and expenditure was included in the Accounts as 'Assets Under Construction'.

Following review of the terms of the original contract (and supplemental agreements), it was determined that this Joint Venture agreement should be treated as a Joint Operation, with the Council's accounts including only its proportion of transactions and balances, as specified in the JV agreement.

Adjustments have been made in the earliest possible financial year, resulting in changes to the cumulative balances brought forward at 1 April 2021 and subsequent transactions and balances for 2021/2022 and 2022/2023.

3.2 Agency Arrangements - Cash/Bank Balances

An error in the treatment of cash/bank balances relating to agency accounts was identified during the audit of the 2022/2023 Accounts. For activities classified as agency arrangements, surpluses or deficits on the net amount of cash received and expended by the Council through the agency arrangement were classified as 'Cash/Bank' balances.

However, the Council provides cash/bank facilities and effectively the agency owes the Council for any expenditure incurred that has not been funded by the principal, or the Council owes the agency for any funding received that has not been utilised. As a result, a debtor or creditor entry should be shown in the Council's accounts for amounts owed from or to the agency.

The Accounts have therefore been amended to reclassify these cash/bank balances as debtors or creditors.

3.3 Reclassification of transactions related to non-current assets

In preparing the 2022/2023 Accounts, a number of transaction misclassifications were identified in the Property, Plant & Equipment, Revaluation Reserve and Capital Adjustment Account. As these meet the Code definition of 'errors', which includes "the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts", the relevant disclosure lines have been amended. There is no bottom-line impact as a result of correction of these reclassifications.

3.4 Adjustments to Core Statements

The following tables provide additional details of the prior-year adjustments made to Accounts and disclosures.

3.4.1 Comprehensive Income and Expenditure Statement

	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture £000	2021/2022 Restated Disclosure £000
Prior Period Adjustments			
Comprehensive Income & Expenditure Statement (p.18-19)			
Gross Expenditure: Regeneration & Economic Development	6,761	2,768	9,529
Taxation & Non-Specific Grant Income	(179,355)	1,529	(177,826)
(Surplus)/Deficit on Provision of Services	(4,670)	4,297	(373)

3.4.2 Movement in Reserves Statement

	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture £000	Adjustment: Depreciation £000	2021/2022 Restated Disclosure £000
Prior Period Adjustments				
Movement in Reserves Statement (p.20)				
Balances Brought Forward 1 April 2021				
Unusable Reserves	235,307	4,941	0	240,248
Adjustments between accounting basis & funding basis under statutory provisions				
Council Fund	(12,270)	(4,297)	(37)	(16,604)
Capital Receipts Reserve	(549)	0	0	(549)
Capital Grants Unapplied	15	0	0	15
Unusable Reserves	12,804	4,297	37	17,138
Total Adjustments	0	0	0	0
Balances at 31 March 2022				
Usable Reserves	(85,279)	0	(37)	(85,316)
Unusable Reserves	164,242	9,238	37	173,517
Total Reserves	78,963	9,238	0	88,201

3.4.3 Balance Sheet

Prior Period Adjustments	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture £000	Adjustment: Agency Cash £000	Adjustment: Depreciation £000	2021/2022 Restated Disclosure £000
Balance Sheet (p.22)					
Property, Plant & Equipment	298,382	(6,471)	0	0	291,911
Current Debtors	34,358	0	44	0	34,402
Cash and Cash Equivalents	87,912	0	1,710	0	89,622
Current Creditors	(22,318)	0	(1,754)	0	(24,072)
Other Long-Term Liabilities	(295,283)	(2,768)	0	0	(298,051)
Total Net Assets/(Liabilities)	(78,963)	(9,239)	0	0	(88,201)
Usable Reserves	(85,279)	0	0	(37)	(85,316)
Unusable Reserves	164,242	9,239	0	37	173,518
Net Adjustment	78,963	9,239	0	0	88,202

3.4.4 Cash Flow

Prior Period Adjustments	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture £000	Adjustment: Agency Cash £000	2021/2022 Restated Disclosure £000
Cash Flow (p.23)				
Cash and cash equivalents at the beginning of the reporting period	90,919	0	1,711	92,630
Surplus/(Deficit) on provision of services <i>less</i> tax expenses	4,648	(4,297)	0	351
Adjustments to the provision of services for non-cash movements	28,310	2,768	0	31,078
Adjustments for items included in the provision of services that are investing and financing activities	(12,462)	1,529	0	(10,933)
Cash and cash equivalents at the end of the reporting period	87,912	0	1,711	89,623

3.5 Restated Balance Sheet at Start of Prior Period

Balance Sheet	31 March 2023		31 March 2022 <i>(Restated)</i>		01 April 2021 <i>(Restated)</i>	
	£000	£000	£000	£000	£000	£000
Property, Plant & Equipment	355,781		291,911		277,496	
Investment Properties	2,938		1,337		1,340	
Heritage Assets	726		726		600	
Non-Current Investments	658		342		342	
Non-Current Debtors	3,989		4,072		3,192	
Sub Total: Long-Term Assets		364,092		298,388		282,970
Assets Held for Sale	0		60		70	
Current Investments	12,065		21,000		0	
Inventories	1,004		2,425		1,217	
Current Debtors	42,276		34,402		33,977	
Deferred Tax Asset	83		62		66	
Cash and Cash Equivalents	51,381		89,623		92,630	
Sub Total: Current Assets		106,809		147,572		127,960
Current Borrowing	(57,527)		(73,683)		(71,233)	
Current Creditors	(20,362)		(24,072)		(16,798)	
Current Grants Receipt in Advance	(8,274)		(6,333)		(2,722)	
Current Donated Assets	(615)		(2,112)		(864)	
Current Provisions	(1,106)		(1,291)		(1,464)	
Sub Total: Current Liabilities		(87,884)		(107,491)		(93,081)
Non-Current Borrowing	(132,498)		(126,923)		(136,649)	
Non-Current Provisions	(2,064)		(1,696)		(1,882)	
Other Non-Current Liabilities	(82,091)		(298,051)		(351,784)	
Sub Total: Non-Current Liabilities		(216,653)		(426,670)		(490,315)
Total Net Assets		166,364		(88,201)		(172,466)
Usable Reserves	(60,690)		(85,316)		(67,827)	
Unusable Reserves	(105,674)		173,517		240,293	
Total Reserves		(166,364)		88,201		172,466

3.6 Restated Capital Adjustment Account

Capital Adjustment Account	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture £000	Adjustment: Reclassification of Transactions £000	2021/2022 Restated Disclosure £000
Balance at 1 April	(89,824)			(89,824)
Adjustments to Opening Balance	(1,195)	4,942		3,747
Revised Balance at 1 April	(91,019)	4,942	0	(86,077)
Reversal of items relating to capital expenditure debited or credited to the CIES:				
Charges for depreciation & impairment of non-current assets	5,355	0	(5,355)	0
Charges for depreciation	0	0	8,474	8,474
Impairment of non-current assets	0	0	1,233	1,233
Revaluation gains on Property, Plant & Equipment	(2,092)	0	(4,388)	(6,408)
Revenue expenditure funded from capital under statute	2,308	2,768	0	5,076
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	1,696	0	0	1,696
Capital grants and contributions applied to capital financing	(9,129)	1,523	0	(7,606)
Sub-Total: Capital Adjustment Transactions included in the CIES:	(1,862)	4,291	(36)	2,465
Items not debited or credited to the CIES:				
Statutory provision for the financing of capital investment charged against the Council Fund	(1,057)	0	0	(1,057)
Capital expenditure charged against the Council Fund	(458)	0	0	(458)
	(1,515)	0	0	(1,515)
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	(125)	0	0	(125)
Write Out of Infrastructure Loan Discount	913	0	0	913
Application of grants to capital financing from the Capital Grants Unapplied Account	(4,440)	6	0	(4,434)
	(3,652)	6	0	(3,646)
Sub-Total: Capital Adjustment Transactions included in the Movement in Reserves Statement:	(7,029)	4,297	(36)	(2,696)
Adjusting Amounts written out of the Revaluation Reserve:				
Charges for depreciation & impairment of non-current assets	(368)	0	(36)	(404)
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	0	0	0	0
	(368)	0	(36)	(404)
Balance at 31 March	(98,416)	9,239	(72)	(89,177)

3.7 Restated Revaluation Reserve

Revaluation Reserve	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture £000	Adjustment: Reclassification of Transactions £000	2021/2022 Restated Disclosure £000
Balance at 1 April	(26,799)			(26,799)
Adjustments to Opening Balance	1,613			1,613
Revised Balance at 1 April	(25,186)	0	0	(25,186)
Upwards revaluation of assets	(3,170)	0	477	(2,693)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	539	0	(197)	342
Depreciation - write back revaluation reserve	(4,777)	0	(280)	(5,057)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(7,408)	0	0	(7,408)
Difference between fair value depreciation and historical cost depreciation	368	0	36	404
Accumulated gains on assets sold or scrapped	0	0	0	0
	368	0	36	404
Balance at 31 March	(32,226)	0	36	(32,190)

3.8 Restated Infrastructure Assets Disclosure

Infrastructure Assets	2021/2022 Original Disclosure £000	Adjustment: Reclassification of Transactions £000	2021/2022 Restated Disclosure £000
Net Book Value at 1 April	93,485	0	93,485
Additions	2,196	105	2,301
Capital expenditure written off	(98)	(66)	(164)
Other movements in cost or valuation	203	(39)	164
Depreciation Charge & Appropriations	(3,474)	0	(3,474)
Net Book Value at 31 March	92,312	0	92,312

3.9 Restated Property, Plant & Equipment Accounts

Property, Plant & Equipment (Excluding Infrastructure)	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture		Adjustment: Reclassification of Transactions					2021/2022 Restated Disclosure £000
		Other Land and Buildings £000	Assets Under Construction £000	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Cost or Valuation as at 1 April 2021	208,004								208,004
Adjustment to Balances Brought Forward	0		(4,942)						(4,942)
Revised Balance at at 1 April 2021	208,004	0	(4,942)	0	0	0	0	0	203,062
Appropriations	0	0	0	0	0	0	0	0	0
Assets reclassified to/from held for sale	(1,696)	0	0	0	77	0	0	(77)	(1,696)
Additions	5,893	0	(1,529)	0	283	55	0	3,496	8,198
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,051	0	0	223	0	0	0	0	2,274
Revaluation increases/(decreases) recognised in the Provision of Services	2,676	0	0	168	0	0	0	0	2,844
Capital expenditure written off	(1,052)	(2,768)	0	(2,288)	(347)	0	0	0	(6,455)
Derecognition - disposals	0	0	0	0	0	0	0	0	0
Other movements in cost or valuation	5,277	2,768	0	1,896	(12)	(55)	0	(3,419)	6,455
Cost or Valuation as at 31 March 2022	221,153	0	(6,471)	(1)	1	0	0	0	214,682

Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture		Adjustment: Reclassification of Transactions					2021/2022 Restated Disclosure £000
		Other Land and Buildings £000	Assets Under Construction £000	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Accumulated Depreciation & Impairment as at 1 April 2021	(19,051)								(19,051)
Depreciation Charge & Appropriations	(4,963)	0	0	0	0	0	0	0	(4,963)
Depreciation written out to the Revaluation Reserve	4,777	0	0	280	0	0	0	0	5,057
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,154	0	0	(280)	0	0	0	0	3,874
Derecognition - disposals	0	0	0	0	0	0	0	0	0
Cost or Valuation as at 31 March 2022	(15,083)	0	0	0	0	0	0	0	(15,083)

4. Accounting Standards Issued but not yet Adopted

The 2023/2024 Accounting Code of Practice includes the following new or revised accounting standards that have effect from 1 April 2023.

Source, Requirement and Potential Impact
<i>IAS 8 Accounting Policies, Changes in Accounting Estimates & Errors</i> Amendments to the definition of accounting estimates issued in February 2021. No significant impact anticipated on the Authority's Accounts.
<i>IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2</i> Amendments to the disclosure of Accounting Policies, where entities are now required to disclose its material rather than significant accounting policies. No significant impact anticipated on the Authority's Accounts.
<i>IAS 12 Income Taxes</i> Amendments to IAS 12, issued in May 2021 - Deferred Tax related to Assets and Liabilities arising from a single transaction, gives an exemption from the initial recognition exemption provided. No significant impact anticipated on the Authority's Accounts.
<i>IFRS 3 - Business Combinations</i> Update to a reference to the Conceptual Framework was issued in May 2020. No significant impact anticipated on the Authority's Accounts.

Having previously deferred implementation of IFRS 16 *Leases* to 1 April 2021, CIPFA/LASAAC has agreed to a further deferral until the 2024/2025 financial year.

IFRS16 removes the current operating and financing lease classifications and requires local authorities that are lessees to recognise all leases on their balance sheets as right-of-use assets (with exemptions for short-term and low value leases) together with a corresponding liability representing the obligation to make lease payments for the asset.

5. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Local Government Scheme 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. The Greater Gwent Local Government Pension Scheme has engaged Hymans Robertson LLP as its consulting actuary to provide expert advice concerning the appropriate assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. The fund actuary has advised that a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £46.195m (<i>see pages 100-101 for further sensitivity analysis</i>). However, the assumptions interact in complex ways. During 2022/2023, the Authority's actuaries advised that the net pensions liability had decreased by £231.755m as a result of remeasurements of pension assets and liabilities. This decrease comprised a £21.563m loss on assets (representing the difference between actual and expected asset return for the year) and net decreases in liabilities of £253.318m (arising from changes in demographic/financial assumptions and other experience gains (<i>see page 97</i>)).
Revaluation of Property, Plant and Equipment	Property, Plant and Equipment assets are revalued on a sufficiently regular basis to ensure their carrying amount is not materially different from their fair value. As a minimum, all assets (other than those valued on an Historical Cost Basis) are revalued every five years. In addition, all assets are assessed annually for impairment. The value of the asset portfolio is based upon calculations and estimation techniques following the Royal Institute of Chartered Surveyors (RICS) guidance.	The appointed valuers have applied professional judgement and assumptions in determining the value of assets and the extent of any impairment. Given the revaluation of £54.429m of assets in 2022/2023, a 1% variation arising from the judgements and assumptions adopted could result in an over or understatement of the Gross Book Value of PPE of £0.544m. Such variations could result in the Statement of Accounts being materially mis-stated and their adjustment could have an impact on the Balance Sheet, CIES and the level of the Authority's Reserves.
Indexation of Property Assets valued at Depreciated Replacement Cost (DRC)	As a consequence of increases in material and rebuild costs, it was considered necessary to revalue those assets that are normally valued using the DRC method to ensure that the Balance Sheet valuations were not materially understated.	An indexation approach was adopted to update the carrying values of the relevant asset categories (schools and car parks). The impact of this indexation exercise using an assumed index of +8.9% was an increase in the gross value of the Authority's assets of £6.580 million. A 1% variation in the index figure would result in an adjustment to carrying balances of £0.739m.
Fair Value Estimations	<p>When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using the following valuation techniques:</p> <ul style="list-style-type: none"> - For Level 2 inputs, quoted prices for similar assets or liabilities in active markets at the balance sheet date; - For level 3 inputs, valuations based on a combination of available market data derived from a mixture of transactions on both Council and 3rd party assets which are then analysed to take into account yields, rates per sq. m, build costs etc.. <p>Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible, judgment is required in establishing fair values. These judgments typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value of the Authority's assets and liabilities.</p>	<p>The Authority uses a combination of available market data derived from a mixture of transactions on both Council and 3rd party assets which are then analysed to take into account yields, rates per sq. m, build costs etc. to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13, depending on which technique it considers most appropriate.</p> <p>The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, occupancy levels, floor area repairs backlogs, and others. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for these assets.</p>
Depreciation of Property, Plant and Equipment	Assets are depreciated based on 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 makes it uncertain that the Authority will be able to maintain the required level of expenditure on repairs and maintenance, resulting in uncertainty regarding the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation charged to the CIES increases and the carrying amount of assets on the Balance Sheet falls.
Impairment of Debtors	As at 31 March 2023, the Authority has an outstanding debtors balance of £47.254m. In accordance with proper accounting practice, impairment allowances totalling £5.645m have been calculated for the various classifications of debt outstanding. However, these allowances are based on estimates and judgements, including past experience of collecting similar debts, which may not accurately reflect future levels of debt recovery.	An understatement of debtor impairment allowances would result in an overstatement of income recovered that would require adjustment in the Accounting Statements. At 31 March 2023, impairment allowances represent 11.95% of debt outstanding. A 5% understatement in impairment would therefore represent a potential reduction in revenues of £2.365m.

6. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority 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:

- i. These accounts have been prepared on a going concern basis, which assumes that the functions and services provided by the Authority will continue in operational existence for the foreseeable future, although there will be significant financial challenges to be met (*see also note 15 to the Narrative Report, page 12*).
- ii. The Authority has reviewed all property assets in accordance with the relevant accounting policies and has made appropriate reclassifications for assets that are held for sale.
- iii. All maintained schools in the County Borough are considered to be entities controlled by the Authority, with the income, expenditure, assets, liabilities, reserves and cash flows of each school recognised in the single entity accounts on the basis outlined in the Authority's Accounting Policies (*1.20, pages 31-32*).
- iv. The Authority has determined that assets used for economic development purposes, e.g. industrial estates, are not held solely for the purpose of income generation or capital appreciation and therefore do not meet the definition of investment properties. These assets have been treated as Property, Plant and Equipment in the Balance Sheet.
- v. The Authority has classified its leases as finance or operating in accordance with IFRS. Finance leases are not precisely defined and therefore an element of judgement has been required in assessing each lease arrangement.
- vi. Capital and revenue grants and contributions continue to be reviewed to determine the existence of any conditions requiring repayment of sums involved to the awarding body, and the extent to which any conditions have been fulfilled. There has been a consequential impact on sums retained on the Balance Sheet and credited to the Comprehensive Income and Expenditure Statement.
- vii. Where disclosure notes required by the Accounting Code are insignificant or immaterial in value and their omission has been determined not to have a detrimental impact on the presentation of the financial position or performance of the Authority, these disclosures have not been presented.

7. Events After the Reporting Period

The Statement of Accounts was authorised for issue by Ms R. Hayden CPFA, Corporate Director of Corporate Services on 20 November 2024.

Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

On 1 May 2023, the Authority brought back in-house the services delivered by Silent Valley Waste Services Limited. The transfer of Silent Valley Waste Services into the parent company is not material by value and therefore this has been treated as a non-adjusting event after the reporting date.

Comprehensive Income and Expenditure Statement Notes

8. Expenditure and Funding Analysis

The Expenditure & Funding Analysis shows how annual expenditure is used and funded from resources (i.e. government grants, council tax and business rates) by the Authority in comparison with those resources consumed or earned 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 is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure & Funding Analysis	2022/2023					2021/2022 (Restated)†				
	Management Account Net Expenditure	Accounting Code Adjustments (Note 8.1)	Net Expenditure Chargeable to the Council Fund (Note 8.2)	Funding & Accounting Basis Adjustments (Note 8.3)	CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments (Note 8.1)	Net Expenditure Chargeable to the Council Fund (Note 8.2)	Funding & Accounting Basis Adjustments (Note 8.3)	CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services	16,209	8,914	25,123	2,399	27,522	16,140	6,711	22,851	2,473	25,324
Education	68,263	(55,204)	13,059	(5,387)	7,672	63,818	(50,749)	13,069	2,696	15,765
Education - School Spending	(4,820)	56,054	51,234	1,255	52,489	(6,228)	49,534	43,306	(2,853)	40,453
Environment	30,360	(10,496)	19,864	6,066	25,930	26,710	(11,278)	15,432	7,987	23,419
Cardiff Capital Region City Deal	0	(13)	(13)	0	(13)	0	107	107	(185)	(78)
Regeneration & Economic Development	1,628	(546)	1,082	2,928	4,010	1,519	(535)†	984†	4,185†	5,169†
Social Services	50,182	(2,208)	47,974	4,691	52,665	42,749	(3,378)	39,371	4,963	44,334
Licensing	128	(14)	114	27	141	95	(13)	82	33	115
Planning	1,189	(327)	862	146	1,008	798	(218)	580	182	762
Capital Adjustments*	0	0	0	0	0	0	(4)	(4)	4	0
Pension Adjustments**	0	465	465	(465)	0	0	396	396	(396)	0
Net Expenditure on Continuing Operations	163,139	(3,375)	159,764	11,660	171,424	145,601	(9,427)	136,174	19,089	155,263
Other Operating Expenditure	0	10,574	10,574	(99)	10,475	0	8,941	8,941	1,727	10,668
Financing & Investment Income & Expenditure	0	4,421	4,421	6,699	11,120	0	4,653	4,653	6,869	11,522
Taxation & Non-Specific Grant Income	0	(176,251)	(176,251)	(13,621)	(189,872)	0	(166,745)	(166,745)	(11,081)†	(177,826)†
(Surplus)/Deficit on the Provision of Services	163,139	(164,631)	(1,492)	4,639	3,147	145,601	(162,578)	(16,977)	16,604	(373)
Tax Expenses			(7)					22		
Transfers to/(from) earmarked reserves			1,693					11,404		
(Increase)/Decrease in year			194					(5,551)		
Opening Council Fund Balance as at 1 April			(13,104)					(7,553)		
Closing Council Fund Balance as at 31 March			(12,910)					(13,104)		

*: Capital Adjustments includes Deferred Charges and Minimum Revenue Provision.

** : Pension Adjustments represents corporate amounts for Past Service Cost/Curtailment payments to the Local Government Pension Scheme.

†: Transactions have been amended in 2021/2022 in relation to the revised accounting treatment of the Lime Avenue JVA. Detail of these adjustments can be found in Note 3 to the Core Financial Statements, pages 32-38.

8.1 Code-Compliant Adjustments to Management Accounts

This table shows the adjustments made to the 2022/2023 management accounts to arrive at 'Net Expenditure Chargeable to the Council Fund' on an Accounting Code of Practice-compliant basis:

Expenditure and Funding Analysis: Accounting Code Adjustments to Management Accounts	2022/2023							Total £000
	Capital Charges (Note 8.1.1)	Elimination of Internal Recharges (Note 8.1.2)	Pension Liabilities (Note 8.1.3)	Precepts & Levies (Note 8.1.4)	Provisions (Note 8.1.5)	Reserves (Note 8.1.6)	Other (Note 8.1.7)	
	£000	£000	£000	£000	£000	£000	£000	
Corporate Services	(11)	8,062	0	0	(25)	439	449	8,914
Education	(3,231)	(51,444)	0	0	(148)	(438)	57	(55,204)
Education - School Spending	0	49,715	0	0	0	0	6,339	56,054
Environment	(4,188)	(3,259)	0	(3,755)	439	123	144	(10,496)
Cardiff Capital Region City Deal	0	0	0	0	0	0	(13)	(13)
Regeneration & Economic Development	(425)	(137)	0	0	(3)	34	(15)	(546)
Social Services	(163)	(2,653)	0	0	(52)	643	17	(2,208)
Licensing	0	(9)	0	0	0	0	(5)	(14)
Planning	0	(269)	0	0	(1)	(57)	0	(327)
Capital Adjustments	0	0	0	0	0	0	0	0
Pension Adjustments	0	0	(466)	0	0	0	931	465
Net Expenditure on Continuing Operations	(8,018)	6	(466)	(3,755)	210	744	7,904	(3,375)
Other Operating Expenditure	0	0	0	3,755	0	0	6,819	10,574
Financing & Investment Income & Expenditure	0	0	8,066	0	0	0	(3,645)	4,421
Taxation & Non-Specific Grant Income	0	0	0	0	0	0	(176,251)	(176,251)
(Surplus)/Deficit on the Provision of Services	(8,018)	6	7,600	0	210	744	(165,173)	(164,631)

This table shows the adjustments made to the 2021/2022 management accounts to arrive at 'Net Expenditure Chargeable to the Council Fund' on an Accounting Code of Practice-compliant basis:

Expenditure and Funding Analysis: Accounting Code Adjustments to Management Accounts	2021/2022 (Restated)†							Total £000
	Capital Charges (Note 8.1.1) £000	Elimination of Internal Recharges (Note 8.1.2) £000	Pension Liabilities (Note 8.1.3) £000	Precepts & Levies (Note 8.1.4) £000	Provisions (Note 8.1.5) £000	Reserves (Note 8.1.6) £000	Other (Note 8.1.7) £000	
Corporate Services	(11)	7,624	0	0	(31)	(338)	(533)	6,711
Education	(3,231)	(47,472)	0	0	(202)	157	(1)	(50,749)
Education - School Spending	0	45,838	0	0	23	3,681	(8)	49,534
Environment	(4,127)	(3,207)	0	(3,630)	(93)	(261)	40	(11,278)
Cardiff Capital Region City Deal	0	0	0	0	0	0	107	107
Regeneration & Economic Development	(3,230)†	24	0	0	(4)	(27)	2,702	(535)†
Social Services	(163)	(2,461)	0	0	(65)	(858)	169	(3,378)
Licensing	0	(11)	0	0	0	0	(2)	(13)
Planning	0	(248)	0	0	(7)	37	0	(218)
Capital Adjustments	0	0	0	0	0	0	(4)	(4)
Pension Adjustments	0	0	(394)	0	0	0	790	396
Net Expenditure on Continuing Operations	(10,762)	87	(394)	(3,630)	(379)	2,391	3,260	(9,427)
Other Operating Expenditure	0	0	0	3,630	0	0	5,311	8,941
Financing & Investment Income & Expenditure	0	0	7,116	0	0	0	(2,463)	4,653
Taxation & Non-Specific Grant Income	(1,529)†	0	0	0	0	0	(165,216)	(166,745)
(Surplus)/Deficit on the Provision of Services	(12,291)	87	6,722	0	(379)	2,391	(159,108)	(162,578)

†: Transactions have been amended in 2021/2022 in relation to the revised accounting treatment of the Lime Avenue JVA. Detail of these adjustments can be found in Note 3 to the Core Financial Statements, pages 32-38.

The following notes provide additional detail for each of the adjustments made to management accounts:

8.1.1 Capital Charges

Capital charges reported to management are on the basis of estimates calculated prior to the commencement of the financial year during the budget-setting process. These are removed and replaced with actual capital charges for depreciation, impairment and leasing. The 'Capital Adjustments' line includes the calculated MRP for the year.

8.1.2

Elimination of Internal Recharges

The Accounting Code confirms that the EFA fulfils the Authority's requirements for segmental analysis in compliance with IFRS 8 *Operating Segments* and also stipulates that transactions between segments are not permitted in the service analysis section of the CIES. Management reports include expenses and revenues arising from recharges for a range of internally provided support services and services reported on a corporate basis (such as Centralised IT and Corporate Landlord functions). These entries are eliminated to avoid the overstatement of segment income and expenditure as reported in the CIES. Transactions relating to specific services provided to Schools have not been eliminated as these are not material in value but would distort the figures reported in relation to Schools Balances and the Council Fund General Reserve in a way that is not considered to be useful to the users of the Accounts.

8.1.3 Pension Liabilities

Current Service Costs included in management reports are on the basis of an estimated level of liabilities, with adjustment to the equivalent cash cost for grant funded schemes. Past Service and Curtailment Costs are also included on an estimate basis. These amounts are adjusted to the actuarially-calculated amounts for inclusion in the statutory accounts.

Accruals for short-term accumulating compensated absences are not included in management accounts; these are added for code-compliance.

8.1.4 Precepts & Levies

Precepts and levies are reported in the Environment Portfolio, but are reclassified as 'Other Operating Expenditure' in the CIES.

8.1.5 Provisions

Amounts are included in management accounts for early termination provision costs, on a case-by-case basis. No other entries relating to provisions are included. Adjustment is made to match the statutory accounts that include provisions on the basis required by IAS37 *Provisions, Contingent Liabilities and Contingent Assets*.

8.1.6 Reserves

Management accounts include transfers to or from earmarked reserves as income or expenditure against services. Amounts may also be included for revenue contributions to capital expenditure. These are adjusted to match the treatment in the statutory accounts, where transfers to/from reserves are recorded in the Movement in Reserves Statement and revenue contributions to capital expenditure are included as adjustments under statutory provisions.

8.1.7 Other Adjustments

This includes:

- Reclassification of the Council Tax Surplus on Collection, which is included as a credit against services in the management accounts and within 'Taxation and Non-Specific Grant Income' in the CIES;
- Adjustment for Impairment Charges for Debtors, which are not reported to management but included in the statutory accounts on the basis of type and age of debt;
- Inclusion of unhypothecated funding sources, such as Revenue Support Grant, NNDR and Council Tax, which are not included in reports to management;
- Correction of entries in relation to Housing Benefit overpayments and associated impairment; and
- Addition of Blaenau Gwent's share of the Cardiff Capital Region City Deal operating income and expenditure.

8.2 Expenditure and Income Charged to the Council Fund

Net Expenditure charged by Portfolios to the Council Fund can be analysed as follows:

Expenditure & Income Charged to Council Fund	2022/2023	2021/2022 (Restated)†
	£000	£000
External Fees, Charges & Other Service Income	(20,252)	(19,256)
Government Grants	(63,107)	(68,801)
Total Income	(83,359)	(88,057)
Employee Expenses	120,450	108,813
Other Service Expenses	122,673	115,418†
Total Expenditure	243,123	224,231
Net Expenditure	159,764	136,174

†: 'Other Services Expenses' reduced in 2021/2022 as a result of an adjustment to depreciation charges, for which a correcting adjustment is to be made in 2023/2024.

8.3 Adjustments Between Funding and Accounting Basis

This table shows the adjustments between the management accounts (restated to an Accounting Code of Practice-compliant basis) and the net expenditure reported in the Comprehensive Income and Expenditure Statement:

Expenditure & Funding Analysis: Adjustments between 'Code-Compliant' Management Accounts and the CIES	2022/2023				2021/2022 (Restated)†			
	Adjustments for Capital Purposes (Note 8.3.1)	Net Change for Pensions Adjustments (Note 8.3.2)	Other Adjustments (Note 8.3.3)	Total Adjustments	Adjustments for Capital Purposes (Note 8.3.1)	Net Change for Pensions Adjustments (Note 8.3.2)	Other Adjustments (Note 8.3.3)	Total Adjustments
	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services	6	2,498	(105)	2,399	(111)	2,584	0	2,473
Education	(6,959)	1,640	(68)	(5,387)	555	2,116	25	2,696
Education - School Spending	1,148	0	107	1,255	(3,040)	0	187	(2,853)
Environment	3,685	2,684	(303)	6,066	4,604	3,350	33	7,987
Cardiff Capital Region City Deal	0	0	0	0	(186)	0	1	(185)
Regeneration & Economic Development	2,560	416	(48)	2,928	3,680†	505	0	4,185†
Social Services	949	4,008	(266)	4,691	401	4,560	2	4,963
Licensing	0	29	(2)	27	0	33	0	33
Planning	0	161	(15)	146	0	187	(5)	182
Capital Adjustments	0	0	0	0	4	0	0	4
Pension Adjustments	0	(465)	0	(465)	0	(396)	0	(396)
Net Expenditure on Continuing Operations	1,389	10,971	(700)	11,660	5,907	12,939	243	19,089
Other Operating Expenditure	(99)	0	0	(99)	1,727	0	0	1,727
Financing & Investment Income & Expenditure	(2,212)	8,066	845	6,699	(143)	7,116	(104)	6,869
Taxation & Non-Specific Grant Income	(13,621)	0	0	(13,621)	(11,081)†	0	0	(11,081)
(Surplus)/Deficit on the Provision of Services	(14,543)	19,037	145	4,639	(3,590)	20,055	139	16,604

†: Transactions have been amended in 2021/2022 in relation to the revised accounting treatment of the Lime Avenue JVA. Detail of these adjustments can be found in Note 3 to the Core Financial Statements, pages 32-38.

8.3.1 Adjustments for Capital Purposes

This column adds in depreciation, impairment and revaluation gains & losses in the service lines, 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. 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.

8.3.2 Net Change for Pensions Adjustments

This column shows 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.

8.3.3 Other Adjustments

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

- For service lines, the adjustment for short-term accumulating compensated absences.
- 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.

†: Capital Grants and Contributions have been amended in 2021/2022 to reflect the revised accounting treatment of the Lime Avenue JVA. Detail of these adjustments can be found in Note 3 to the Core Financial Statements, pages 32-38

9. Taxation and Non-Specific Grant Income

This disclosure includes:

- Local taxation income, such as Council Tax receipts;
- Grants and contributions that are not attributable to specific services and are applied as general revenue funding; and
- Capital grants and contributions from a variety of funding bodies to cover expenditure on capital schemes.

No grants were received from Welsh Government in 2022/2023 that were not related to specific services. In 2021/2022 the Authority received £0.493m of these 'Unhypothecated Grants'.

Taxation & Non Specific Grant Income	2022/2023	2021/2022 (Restated) [†]
	£000	£000
Taxation & Non-Specific Revenue Grants		
Council Tax Income	(44,676)	(44,272)
Non-Domestic Rates	(25,180)	(23,334)
Revenue Support Grant	(105,616)	(98,387)
Unhypothecated Grants	0	(493)
Total Taxation and Non-Specific Revenue Grants	(175,472)	(166,486)
Capital grants and contributions	(14,400)	(11,340) [†]
Total	(189,872)	(177,826)

†: Capital Grants and Contributions have been amended in 2021/2022 to reflect the revised accounting treatment of the Lime Avenue JVA. Detail of these adjustments can be found in Note 3 to the Core Financial Statements, pages 32-38

10. Other Operating Expenditure

Other operating expenditure in the Comprehensive Income and Expenditure Statement consists of the following:

Other Operating Expenditure	2022/2023			2021/2022		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
(Gains)/losses on the Disposal of Non-Current Assets	280	(457)	(177)	1,696	(1,102)	594
Precepts & Levies:						
Gwent Police Authority Precept	6,342	0	6,342	5,988	0	5,988
South Wales Fire Authority Levy	3,548	0	3,548	3,482	0	3,482
Community Council Precepts	555	0	555	456	0	456
Coroners' Courts	175	0	175	116	0	116
National Park Levy	32	0	32	32	0	32
Total	10,932	(457)	10,475	11,770	(1,102)	10,668

11. Financing and Investment Income and Expenditure

Financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement consists of the following:

Financing and Investment Income and Expenditure	2022/2023			2021/2022		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Change in Fair Value of Investment Property *	0	108	108	5	0	5
Impairment **	194	0	194	190	0	190
Interest payable and similar charges - Financial Instruments	4,708	0	4,708	4,464	0	4,464
Interest payable and similar charges - Other ***	5	0	5	5	0	5
Interest receivable and similar income - Financial Instruments	0	(1,789)	(1,789)	0	(77)	(77)
Interest receivable and similar income - Other ****	0	(172)	(172)	0	(181)	(181)
Net Pensions Interest Cost	20,631	(12,565)	8,066	15,914	(8,798)	7,116
Total	25,538	(14,418)	11,120	20,578	(9,056)	11,522

*: Authority proportion of Cardiff Capital Region City Deal investment properties.

***: Interest on finance leases and school balances.

** : Movement in allowances for expected credit losses on financial assets.

****: Interest on (lessor) finance leases, car loans and contractor bonds.

12. Agency Income and Expenditure

During the Covid-19 pandemic, the Authority acted as an agent on behalf of Welsh Government in the distribution of a range of grants and reliefs. The following tables summarise the transactions and balances related to the various grants and reliefs administered during 2022/2023.

Funding Administered on Behalf of Welsh Government: Transactions	2022/2023		2021/2022	
	Funding Allocation	Payments Made or Reliefs Applied	Funding Allocation	Payments Made or Reliefs Applied
	£000	£000	£000	£000
Business Support Grants	0	0	(2,240)	1,577
Self Isolation Payments	(1,051)	1,051	(2,743)	2,743
SSP Enhancement Payments	(91)	91	(83)	83
Care Workers Payments	(2,903)	2,903	(2,000)	1,998
Cost of Living Scheme	(4,440)	4,440	0	0
Energy Support Scheme	(264)	0	0	0
Freelancer Grants	0	0	(108)	108
Retail, Leisure and Hospitality Rate Relief	(1,300)	530	(3,607)	2,055
Ukraine Resettlement Scheme	(108)	108	0	0
Unpaid Carers	(712)	712	0	0
Winter Fuel Payments	(1,973)	1,973	(1,102)	1,102
Total	(12,842)	11,808	(11,883)	9,666

Funding Administered on Behalf of Welsh Government: Balances	Balance at 31 March 2023	Balance at 31 March 2022
	£000	£000
Business Support Grants	0	(663)
Care Workers Payments	0	(2)
Energy Support Scheme	(264)	0
Retail, Leisure and Hospitality Rate Relief	(770)	(1,552)
Winter Fuel Payments	0	0
Total	(1,034)	(2,217)

Transactions relating to these schemes have not been included in the Authority's Accounts.

The following table summarises the purpose of each grant or relief scheme, and the number of individuals or businesses supported.

Funding Administered on Behalf of Welsh Government: Purpose	2022/2023	2021/2022
	Number of Businesses/ Individuals Supported	Number of Businesses/ Individuals Supported
Business Support Grants	0	734
<i>Grants were payable to business of specific types (including retail, hospitality and leisure) that were liable for non-domestic rates, and also for businesses that were forced to close or were materially impacted by the restrictions in place during lockdowns.</i>		
Self Isolation Payments	2,106	3,924
<i>Payments of £500 were issued to people required to self isolate as a result of either contracting Covid-19 themselves or coming into contact with a person identified as carrying Covid-19.</i>		
SSP Enhancement Payments	256	255
<i>The statutory sick payment enhancement scheme provides funding to allow employers to pay eligible social care workers at full pay if they cannot work due to Covid-19.</i>		
Care Workers Payments	1,664	2,309
<i>Payments to Carers, announced by Welsh Government during the year as part of a nationwide scheme. 2022/23: £1,498 (2021/22: £500)</i>		
Cost of Living Scheme	29,600	0
<i>A £150 cost of living payment was made to all occupiers of properties that are in Band A, B, C and D to assist with rising costs of utility bills.</i>		
Freelancer Grants	0	43
<i>Grant provided to support freelance workers in cultural and creative sectors.</i>		
Ukraine Resettlement Scheme	98	0
<i>To provide support for hosting accommodation for Ukraine Refugees £350 per month and £200 initial support payments.</i>		
Unpaid Carers Scheme	1,424	0
<i>Grant to provide financial support payment of £500 to unpaid carers.</i>		
Retail, Leisure and Hospitality Rate Relief	152	317
<i>To provide support for eligible properties by offering a discount of 100% on the non-domestic rates bill for 2021/2022 and 2022/2023.</i>		
Winter Fuel Support Scheme	9,867	5,511
<i>To provide support to eligible households towards paying winter fuel costs.</i>		

13. Partnership Schemes Under Section 33 of the NHS (Wales) Act 2006

13.1 The Gwent Wide Integrated Community Equipment Service (GWICES)

The Gwent Wide Integrated Community Equipment Service is an agreement for the provision of an efficient and effective integrated community equipment service to users who are resident in the partner localities. This agreement came into effect on 1 October 2008.

13.2 The Gwent Frailty Programme

The Gwent Frailty Programme is an agreement for the delivery of a range of services to avoid hospital admissions, facilitate early discharge and help individuals remain "happily independent". The Community Resource Teams provide integrated urgent response, re-ablement and falls services within each locality in line with agreed Locality Annual Commissioning Plans. This agreement came into effect on 4 April 2011.

13.3 The Gwent Care Home Accommodation Functions Pooled Fund

The Gwent Care Home Accommodation Functions Pooled Fund is an agreement for the provision of efficient and effective Care Home functions reflecting locally agreed priorities for older people who are assessed as in need of such care. The arrangement came into effect on 1 April 2018.

The Authority's transactions in relation to these partnership schemes are included in the Social Services Portfolio line of the CIES. Summarised transactions for the financial year ending 31 March 2023 were as follows.

Partnership Schemes:	2022/2023				2021/2022			
	GWICES £000	Gwent Frailty £000	Care Homes £000	Total £000	GWICES £000	Gwent Frailty £000	Care Homes £000	Total £000
Total Expenditure	3,940	16,447	118,709	139,096	4,991	16,109	99,844	120,944
Funding								
Blaenau Gwent County Borough Council	(164)	(599)	(8,185)	(8,948)	(480)	(610)	(6,953)	(8,043)
Caerphilly County Borough Council	(503)	(2,264)	(26,919)	(29,686)	(534)	(2,101)	(22,762)	(25,397)
Monmouthshire County Borough Council	(322)	(1,469)	(10,828)	(12,619)	(419)	(1,456)	(9,420)	(11,295)
Newport City Council	(334)	(1,891)	(23,144)	(25,369)	(414)	(1,824)	(18,629)	(20,867)
Torfaen County Borough Council	(1,195)	(805)	(13,070)	(15,070)	(1,700)	(783)	(10,670)	(13,153)
Aneurin Bevan University Health Board	(865)	(9,493)	(36,563)	(46,921)	(1,040)	(9,213)	(31,410)	(41,663)
Other	(557)	0	0	(557)	(404)	0	0	(404)
Total Funding	(3,940)	(16,521)	(118,709)	(139,170)	(4,991)	(15,987)	(99,844)	(120,822)
Net In-Year (Under)/Overspend	0	(74)	0	(74)	0	122	0	122
Balance Brought Forward	0	(382)	0	(382)	0	(504)	0	(504)
Balance Carried Forward	0	(456)	0	(456)	0	(382)	0	(382)

14. Members' Allowances

The total amount of allowances and expenses paid to Members during the year was £709,294 (2021/2022: £760,761), analysed as follows:

Members' Allowances	2022/2023 £000	2021/2022 £000
Allowances	709	761
Expenses	0	0
Total:	709	761

Within the allowances above are payments in 2022/2023 of £3,335 (£18,345 in 2021/2022) made to Members nominated to serve as Directors on the Board of Silent Valley Waste Services Ltd.. These costs are reimbursed by the Company.

15. Officers' Remuneration

15.1 The number of employees whose remuneration, including termination benefits but excluding employer pension contributions, was £60,000 or more, was:

Officers Emoluments	2022/2023					2021/2022				
	Teaching	Other	Total	Left During Year	Total excluding leavers	Teaching	Other	Total	Left During Year	Total excluding leavers
Remuneration Band										
£60,000 - £64,999	9	4	13	0	13	13	2	15	0	15
£65,000 - £69,999	10	2	12	0	12	5	3	8	1	7
£70,000 - £74,999	4	2	6	0	6	6	3	9	0	9
£75,000 - £79,999	6	1	7	0	7	2	0	2	0	2
£80,000 - £84,999	2	3	5	0	5	0	2	2	0	2
£85,000 - £89,999	0	0	0	0	0	2	1	3	0	3
£90,000 - £94,999	2	0	2	0	2	0	0	0	0	0
£95,000 - £99,999	0	0	0	0	0	0	0	0	0	0
£100,000 - £104,999	0	0	0	0	0	1	0	1	0	1
£105,000 - £109,999	0	0	0	0	0	2	0	2	0	2
£110,000 - £114,999	0	0	0	0	0	0	0	0	0	0
£115,000 - £119,999	2	0	2	0	2	0	0	0	0	0
Total	35	12	47	0	47	31	11	42	1	41

Notes: 1) Employees that are included in the Senior Officers Remuneration disclosure have been excluded from the above table.

2) Voluntary Aided School employees have been included in the above disclosure.

3) In 2021/2022 and 2022/2023 one employee has been included who would otherwise have been excluded if it were not for one-off severance payments.

Further details of termination benefits can be found in notes 16-17 (pages 54-55).

15.2 Remuneration Ratio

For 2022/2023, the ratio of the Chief Executive's remuneration in comparison to the median remuneration of all the Authority's employees was as follows:

	2022/2023	2021/2022
Ratio of Chief Executive pay to median pay of all staff	1:3.79	1:3.89

15.3 Senior Officers' Remuneration

The following table sets out the remuneration in 2022/2023 for senior officers (as defined by statute) whose salary for the year was between £60,000 and £150,000. There were no senior officers whose salary exceeded £150,000.

2022/2023 Post Title	Notes	Salary (including fees & allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration (excluding Pension Contributions) £	Employers Pension Contributions £	Total Remuneration (including Pension Contributions) £
Chief Executive		106,350	0	0	0	106,350	26,056	132,406
Corporate Director of Education		91,664	0	0	0	91,664	22,458	114,122
Corporate Director of Regeneration & Community Services (to 31/05/22)	Note 1	15,304	0	81,234	0	96,538	3,750	100,288
Corporate Director of Regeneration & Community Services (from 03/10/22)	Note 1	42,244	0	0	0	42,244	10,350	52,594
Chief Officer (Resources)	Note 2	83,582	0	0	0	83,582	20,478	104,060
Chief Officer (Commercial)		79,876	0	0	0	79,876	19,570	99,446
Head of Governance & Partnerships	Note 3	71,074	0	0	0	71,074	17,413	88,487
Head of Legal & Corporate Compliance	Notes 2 & 3	73,092	0	0	0	73,092	17,908	91,000
Corporate Director of Social Services		85,406	0	0	0	85,406	20,924	106,330
Total		648,592	0	81,234	0	729,826	158,907	888,733

Note 1: The Corporate Director of Regeneration & Community Services post became vacant in May 2022, and was filled with effect from 3 October 2022.

Note 2: The following post holders also received payments in their roles as Returning Officer and Deputy Returning Officer: Head of Legal & Corporate Compliance £4,574 and Chief Officer (Resources) £662.

Note 3: The Head of Governance & Partnerships and Head of Legal & Corporate Compliance report directly to the Chief Executive and are included in this disclosure on that basis.

The following table sets out the remuneration in 2021/2022 for senior officers (as defined by statute) whose salary for the year was between £60,000 and £150,000. There were no senior officers whose salary exceeded £150,000.

2021/2022 Post Title	Notes	Salary (including fees & allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration (excluding Pension Contributions) £	Employers Pension Contributions £	Total Remuneration (including Pension Contributions) £
Managing Director	Notes 1 & 2	111,055	0	0	0	111,055	26,098	137,153
Chief Executive (from 9 March 2022)	Note 1	6,367	0	0	0	6,367	1,496	7,863
Corporate Director of Education		87,658	0	0	0	87,658	20,600	108,258
Corporate Director of Regeneration & Community Services		91,826	0	0	0	91,826	21,579	113,405
Corporate Director of Social Services (to 8 March 2022)	Note 1	86,884	0	0	0	86,884	20,417	107,301
Chief Officer (Resources)	Note 2	79,799	0	0	0	79,799	18,753	98,552
Chief Officer (Commercial)	Note 2	77,557	0	0	0	77,557	18,226	95,783
Head of Governance & Partnerships (from 1 January 2022)	Notes 3 & 4	16,985	0	0	0	16,985	3,991	20,976
Head of Legal & Corporate Compliance	Note 4	71,167	0	0	0	71,167	16,724	87,891
Total		629,298	0	0	0	629,298	147,884	777,182

- Note 1: The employment of the Managing Director terminated on 31 March 2022. Further to the departure of the Managing Director, a temporary arrangement was established prior to a formal recruitment process to fill the post on a permanent basis, with the post redesignated as Chief Executive. The Corporate Director of Social Services was therefore 'acting up' as the Chief Executive with effect from the 9 March 2022.
- Note 2: The following post holders also received total payments in their roles as Returning Officer: Managing Director £10,840, Head of Legal & Corporate Compliance £4,240 and Chief Officer (Resources) £3,160.
- Note 3: The Head of Governance & Partnerships post remained vacant until 1 January 2022.
- Note 4: The Head of Governance & Partnerships and Head of Legal & Corporate Compliance report directly to the Managing Director and are included in this disclosure on that basis.

16. Termination Benefits and Exit Packages - Costs to Authority

The number and value of exit packages agreed by the Authority during the year were as follows:

Exit Package Cost Band	2022/2023		2021/2022	
	Exit Packages Nº	Total Cost of Exit Packages £000	Exit Packages Nº	Total Cost of Exit Packages £000
£0-£19,999	42	190	42	292
£20,000-£39,999	5	150	3	67
£40,000-£219,999	2	287	2	165
Total	49	627	47	524

Note: Value bands have been combined in order to ensure that individual exit packages cannot be identified..

Employment contracts may be terminated for a variety of reasons, including redundancy and retirement. On termination, the Authority incurs a range of liabilities including redundancy payments, pension lump sum payments and enhancements (e.g. added years). In 2022/2023, the contracts of 49 employees were terminated, incurring total liabilities of £0.627m (2021/2022: 47 employees, incurring liabilities of £0.524m). These payments can be disaggregated as follows:

Termination Benefits & Exit Packages	2022/2023 £000	2021/2022 £000
Pay in Lieu of Notice	188	170
Pension Costs	201	98
Redundancy Costs	90	166
Other Payments	148	90
Total	627	524

17. Termination Benefits and Exit Packages - Causes

The following were the significant causes of the termination benefits and exit packages:

Termination Benefits	2022/2023		2021/2022	
	No	£000	No	£000
Closure of Facilities / Cessation of Services	2	35	3	15
Financial Efficiency Project	2	223	10	109
Termination benefits arising for other reasons	45	369	34	400
Total	49	627	47	524

18. External Audit Fees

The Authority's appointed external auditors for the 2022/2023 financial year were Audit Wales (AW).
The following fees were incurred in relation to external audit and inspection:

External Audit Fees	2022/2023 £000	2021/2022 £000	CIES Service Line
Fees payable in respect of:			
External audit services relating to audit of the accounts	206	198	<i>Corporate Services Portfolio</i>
External audit services relating to Local Government Measures	112	108	<i>Corporate Services Portfolio</i>
Certification of grant claims and returns	52	50	<i>Portfolio responsible for the specific grant claim or return</i>
Additional audit fees relating to audit of the accounts	50*	0	<i>Corporate Services Portfolio</i>
Total Audit Fees	420	356	

* Additional fees charged for the 2021/2022 audit of Accounts.

19. National Non-Domestic Rates

Non-Domestic Rates are collected by the Authority based on local rateable values multiplied by a uniform rate. The total amount collected, less certain reliefs and deductions, is paid to a central pool (the NNDR pool) managed by the Welsh Government, which in turn pays back to authorities their share of the pool based on a statutory formula. NNDR is accounted for on an agency basis, i.e. Blaenau Gwent as a billing Authority acts as an agent of the Welsh Government in collecting non-domestic rates. Transactions with non-domestic ratepayers are typically not revenue activities of the agent and have therefore been excluded from the accounting statements.

Summary information for the year is as follows:

- The total non-domestic rateable value at 31 March 2023 was £31,510,109 (31 March 2022: £31,699,309).
- The national non-domestic rate multiplier for the year 2022/2023 was 0.535 (2021/2022: 0.535).
- The contribution received from the NNDR pool in 2022/2023 was £25,180,442 (2021/2022: £22,334,402).

20. Council Tax

The Council Tax is a local tax based upon 'banded' property values. The Council Tax requirement for the Authority is calculated by taking the budget requirement and dividing by the tax base expressed as a number of equivalent Band D properties. To this amount is added the elements precepted by Gwent Constabulary and Community Councils.

20.1 The following transactions occurred during the financial year related to Council Tax:

Council Tax Transactions	2022/2023 £000	2021/2022 £000
Council Tax Collected	(45,433)	(45,004)
Less: Impairment of bad & doubtful debts	757	732
Net Total Proceeds from Council Tax	(44,676)	(44,272)
Less: Gwent Police Authority Precept	6,342	5,988
Community Council Precepts:		
Abertillery & Llanhilleth Community Council	289	190
Brynmawr Town Council	43	43
Nantyglo & Blaina Town Council	85	85
Tredegar Town Council	138	138
Total Precepts:	6,897	6,444
Council Tax attributable to this Authority:	(37,779)	(37,828)

20.2 Council Tax Base

The Council Tax base is calculated with reference to the number of effective properties (i.e. properties net of specific exemptions, reliefs and discounts) in each of 10 property valuation bands, multiplied by a ratio related to that valuation band. For 2022/2023 the tax base, expressed as equivalent band D properties, has been calculated as follows:

	Band										Total
	A*	A	B	C	D	E	F	G	H	I	
Properties	56.00	18,713.00	7,922.00	2,612.00	1,677.00	834.00	323.00	58.00	14.00	6.00	32,215.00
Exemptions, Reliefs & Discounts	(7.50)	(2,169.75)	(662.00)	(188.50)	(94.00)	(42.25)	(12.25)	(2.25)	(6.00)	(1.50)	(3,186.00)
Effective Properties	48.50	16,543.25	7,260.00	2,423.50	1,583.00	791.75	310.75	55.75	8.00	4.50	29,029.00
Ratio	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	-
Band D Equivalents	26.94	11,028.84	5,646.67	2,154.22	1,583.00	967.69	448.86	92.92	16.00	10.50	21,975.64
Impairment											(1,098.78)
Council Tax Base											20,876.86

21. Precepts & Demands

21.1 Precepting Authorities

Details of precepting bodies and amounts are included in note 20.1 (page 56).

21.2 Levies & Demands by Joint Committees and Other Bodies

A number of services are operated by joint committees or organisations that operate across the boundaries of individual councils, to which this Authority makes a contribution. The following levies and demands have been made of the Authority:

Levies & Demands	2022/2023 £000	2021/2022 £000
Brecon Beacons National Park Authority	32	32
Coroners' Courts	175	116
South Wales Fire Authority	3,548	3,482
Total:	3,755	3,630

22. Grants and Contributions

Capital grants and contributions from the following awarding bodies were credited by the Authority to the Comprehensive Income and Expenditure Statement:

Capital Grants Credited to Services	2022/2023 £000	2021/2022 £000
Welsh Government	(1,279)	(1,062)
Other Grants & Contributions	(42)	(69)
Total:	(1,321)	(1,131)

Capital Grants Credited to taxation and non-specific grant income	2022/2023 £000	2021/2022 £000
Welsh European Funding Office	(5)	(69)
Welsh Government	(12,147)	(11,883)
Other Grants & Contributions	(2,249)	(647)
Total:	(14,401)	(12,599)

Revenue grants and contributions from the following awarding bodies were credited by the Authority to the Comprehensive Income and Expenditure Statement:

Revenue Grants Credited to Services	2022/2023 £000	2021/2022 £000
Welsh Government	(36,300)	(44,870)
Department for Work and Pensions	(19,192)	(19,831)
Other Central Government	(3,596)	(671)
Local Authorities	(2,614)	(2,408)
NHS	(873)	(919)
Other Grants & Contributions	(532)	(102)
Total:	(63,107)	(68,801)

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require the monies or property to be returned to the provider. The balances at the year-end, analysed by awarding body, are as follows:

Receipts in Advance - Capital	2022/2023 £000	2021/2022 (Restated)† £000
Welsh Government	(7,670)	(5,116)
Other Central Government	(2,985)	(17)
Other Grants & Contributions	(279)	0
Total	(10,934)	(5,133)

Receipts in Advance - Revenue	2022/2023 £000	2021/2022 £000
Welsh European Funding Office	(120)	(143)
Welsh Government	(1,142)	(1,952)
Other Central Government	(312)	(56)
Local Authorities	(155)	(1,728)
NHS	(3)	(3)
Other Grants & Contributions	(100)	(86)
Total	(1,832)	(3,968)

†: 2021/2022 balances have been restated to include the Capital Grant received in advance for the Lime Avenue JVA.

In 2022/2023 the Authority received grant funding from Welsh Government in relation to the Covid-19 pandemic. The following table summarises the purpose of each grant and the amount received or due.

Welsh Government Funding	2022/2023 £000	2021/2022 (Restated)† £000
Emergency Hardship Funding - Additional Costs	0	4,601†
<i>To fund additional costs incurred in responding to the pandemic.</i>		
Emergency Hardship Funding - Loss of Income	0	915
<i>To compensate for a loss/reduction in income as a result of pandemic restrictions e.g. from closure of services.</i>		
Council Tax Income Collection - Compensation	0	493
<i>To compensate for reduction in collection of Council Tax income as a result of the pandemic.</i>		
Administration Costs	242	229†
<i>Financial support to provide capacity in delivering Welsh Government support packages.</i>		
Free School Meals	664	637†
<i>Financial support Free school meal eligible pupils during school holidays.</i>		
Business and Community Grants Administration Costs	0	378
<i>Financial support to provide capacity in delivering Covid-19 grants to businesses and the community.</i>		
Total	906	7,253

†: Funding for 2021/2022 has been restated to correctly identify sums due for Emergency Hardship, Free School Meals and Administration. Total funding remains unchanged at £7.253m.

Grants due from Welsh Government have been credited to the appropriate service line in the Comprehensive Income & Expenditure Statement. Unhypothecated grants, i.e. those that do not relate to specific services, have been included in 'Taxation & Non-Specific Grant Income'.

Welsh Government Covid-19 Related Funding Applied to the Comprehensive Income & Expenditure Statement	2022/2023 £000	2021/2022 £000
Corporate Services	(142)	(460)
Education	(764)	(1,197)
Education - School Spending	0	(119)
Environment	0	(2,530)
Regeneration & Economic Development	0	0
Social Services	0	(2,454)
Net Expenditure on Continuing Operations	(906)	(6,760)
Taxation & Non-Specific Grant Income	0	(493)
(Surplus)/Deficit on the Provision of Services	(906)	(7,253)

23. Related Parties

23.1 Central Government

Central Government has effective control over the general operations of the Authority and provides the statutory framework within which the Authority operates, the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties. Details of the general and specific grants received in 2022/2023 can be found in note 22 (page 58); details of the amounts owed to or from central government are included in notes 35 (page 85) and 34 (pages 82-84) respectively.

23.2 Members

Related Party Disclosures for Members relate to all Councillors for the 2022/2023 financial year, including those prior to the Local Authority Elections in May 2023. For each related party, transactions reported are for the full 2022/2023 financial year, including where the relevant members were not re-elected in May 2023.

The following transactions related to elected members took place during the year, with associated balances due to or from the Authority at the year end:

Related Party & Relationship	Transaction Details	Year Ended 31 March 2023				Year Ended 31 March 2022			
		Transactions		Balances		Transactions		Balances	
		Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
		£	£	£	£	£	£	£	£
Blaenau Gwent & Caerphilly Care & Repair: A number of Members are trustees.	Payments for support for independent living, home adaptations and voluntary sector grants.	222,035	(16,125)	8,000	0	190,734	(16,078)	33,325	(332)
Blaina Community Centre: A Member of the Council is a Director of this organisation.	Grants, room hire and reimbursement of maintenance costs. Includes Covid-19 Recovery and NDR Grants in 2021/2022 totalling £15,338.	2,145	(885)	51	0	16,598	(859)	0	0
Brynmarwr Market Hall Cinema: A Member of the Council is a Trustee of this organisation.	Cinema screenings, Kickstart Scheme.	3,686	(5,853)	0	(8,441)	0	0	0	0
Hodge Municipal Services: A Member of the Council is the proprietor of this business.	Maintenance of public toilets in Brynmawr and other supplies.	4,315	0	0	(186)	6,973	(180)	0	0
Jim Davies Civil Engineering Ltd.: A member of the Council is the brother-in-law of one of the Directors.	Capital works including: Carriageway resurfacing, remedial works & active travel footpath works.	673,343	0	55,187	0	428,215	0	176,562	0
JP Print & Signs: A member of the Council is the proprietor of this business.	Leaflets, Posters, Flyers and Window Stickers.	12,595	0	630	0	1,429	0	0	0
Total:		918,119	(22,863)	63,868	(8,627)	643,949	(17,117)	209,887	(332)

Comparative amounts have been included in the table relevant to transactions and balances in the 2022/2023 financial year. (i.e. 'with balances at year end' or 'without balances at year end'). In some cases this will result in disclosure of related parties in a different table to that in which they were disclosed in the 2021/2022 Accounts.

The following transactions related to elected members took place during the year, for which there were no associated balances due to or from the Authority at the year end:

Related Party	Related Party Relationship	Year Ended 31 March 2023		Year Ended 31 March 2022		Notes
		Amounts Paid by Authority	Amounts Received by Authority	Amounts Paid by Authority	Amounts Received by Authority	
		£	£	£	£	
Blaina Post Office	A Member of the Council is Post Master of this business.	0	(84)	0	(78)	Waste transfer.
Brynmawr Museum	A Member of the Council is a Director of the organisation.	1,362	(269)	682	(271)	Member Grants, Welsh Church Fund Grant, Ground Rent and Insurance Income.
Circle of Beauty	A Member of the Council is joint proprietor of the business.	0	0	2,139	0	Heritage Grant towards the development of the property.
Highfield Properties (Tredegar)	A Member of the Council is a Director of the organisation.	12,049	0	12,005	0	Tenants' Rent Allowances.
Pins & Things	A Member of the Council is the partner of the proprietor of the business.	0	0	2,000	0	Covid-19 NDR Grant.
Sirhowy Community Centre	A Member of the Council is a Director of the organisation.	14,326	0	10,510	0	Grants.
Wilkins Foot Clinic	A Member of the Council is the partner of the proprietor of the business.	0	0	2,000	0	Covid-19 NDR Grant.
Total:		27,737	(353)	29,336	(349)	

In summary, transactions and balances related to elected members were as follows:

	Year Ended 31 March 2023				Year Ended 31 March 2022			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Summary - Related Party Transactions and Balances								
Related Parties (with year end balances)	918,119	(22,863)	63,868	(8,627)	643,949	(17,117)	209,887	(332)
Related Parties (with no year end balances)	27,737	(353)	0	0	29,336	(349)	0	0
Total:	945,856	(23,216)	63,868	(8,627)	673,285	(17,466)	209,887	(332)

23.3 Silent Valley Waste Services Limited

The Authority is the sole shareholder of the waste disposal company Silent Valley Waste Services Limited (SVWS Ltd.). Two of the Authority's Elected Members are non-executive directors of the company. To the 7th June 2022, these Members received a 'senior salary' allowance, as the responsibility involved was assessed to be of an equivalent level to a committee/scrutiny Chair. New directors appointed with effect from 7th June 2022 received no remuneration.

The Authority's former Chief Executive was a director for the full year. As at 31 March 2023, the Authority effectively holds 67% of the board membership. The following related party transactions took place with SVWS Ltd. during the year:

	Year Ended 31 March 2023				Year Ended 31 March 2022			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Related Party Transactions								
Silent Valley Waste Services Ltd.:								
Collection of waste; management of civic amenity sites; haulage charges:								
Payments relating to current year	1,496,526	0	131,764	0	1,035,104	0	99,057	0
Payments relating to previous year	99,057	0	0	0	78,948	0	0	0
Other	15,646	0	0	0	2,978	0	0	0
Reimbursement of payments made to directors of SVWS Ltd.:								
Payments in respect of Nominated Representatives	0	(3,335)	0	(1,668)	0	(18,345)	0	(1,668)
Leachate	0	(110,000)	0	0	0	(110,000)	0	(110,000)
Supply and erect vehicle barrier and ancillary works at HWRC Ebbw Vale	0	0	0	0	0	(24,816)	0	0
Total (Silent Valley Waste Services Ltd.):	1,611,229	(113,335)	131,764	(1,668)	1,117,030	(153,161)	99,057	(111,668)

23.4 Education Achievement Service for South East Wales

The five local authorities of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen have formed an Education Achievement Service (EAS) which is designed to raise education standards in South East Wales. The EAS is a separate legal entity, established as a company limited by guarantee, which is wholly owned by the five local authorities and operates on a not for profit basis. There is no lead authority, each being represented equally with a 20% interest and possessing equal voting rights. Services are commissioned from the EAS on behalf of the five local authorities.

The company board comprises the Director of the EAS and Elected Member representatives from the participating authorities.

In 2022/2023 total summarised transactions of the Service were as follows:

Education Achievement Service	2022/2023 £000	2021/2022 £000
Expenditure	6,812	6,286
Income	(6,960)	(6,294)
Net Expenditure	(148)	(8)

Related party transactions between the Authority and the EAS were:

Related Party Transactions	Year Ended 31 March 2023				Year Ended 31 March 2022			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Education Achievement Service:								
Partner contribution	350,046	0	0	(7,001)	351,805	0	0	0
Reimbursement of Clerks to Governors Fees	0	(11,847)	0	0	0	(23,210)	0	0
Total (Education Achievement Service):	350,046	(11,847)	0	(7,001)	351,805	(23,210)	0	0

23.5 Cardiff Capital Region City Deal

The Cardiff Capital Region City Deal is a joint arrangement involving the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent. The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Cardiff Capital Region City Deal Group have been included as a joint arrangement in the single entity accounting statements and disclosures. Related party transactions between the Authority and the City Deal are as follows:

Related Party Transactions	Year Ended 31 March 2023				Year Ended 31 March 2022			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Cardiff Capital Region City Deal:								
Partner contribution to support the work of the Joint Cabinet	56,271	0	0	0	104,631	0	0	0
Contributions towards Capital Expenditure	0	0	0	0	0	0	0	0
Reimbursement of Seconded Post	0	0	0	0	0	(27,952)	0	0
Total (Cardiff Capital Region City Deal):	56,271	0	0	0	104,631	(27,952)	0	0

Movements in Reserves Notes

24. Other Comprehensive Income & Expenditure

The following unrealised gains or losses and pension remeasurement gains or losses arose during the year:

Other Comprehensive Income & Expenditure	2022/2023 £000	2021/2022 £000
(Surplus)/Deficit arising on the revaluation of non-current assets	(20,003)	(7,408)
Remeasurement of the net defined benefit pension liability	(237,700)	(76,461)
Other Comprehensive Income & Expenditure	(257,703)	(83,869)

25. Adjustments Between Accounting Basis and Funding Basis Under Statutory Provisions

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. These adjustments include transactions relating to depreciation and impairment, pensions provision, employee accruals, unequal pay and capital grants. The following transactions were made in 2022/2023:

	2022/2023			2021/2022 (Restated)†		
	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions						
Transactions between Funds & Usable Reserves:						
Capital grants & contributions unapplied credited to the Comprehensive Income & Expenditure Statement	3,134	0	(3,134)	4,418	0	(4,418)
Transfer of cash sale proceeds credited as part of the loss on disposal to the Comprehensive Income & Expenditure Statement	457	(457)	0	606	(606)	0
Contribution from the Capital Receipts Reserve towards funding of prudential borrowing schemes	(70)	70	0	(67)	67	0
Total: Transactions between Funds & Usable Reserves:	3,521	(387)	(3,134)	4,957	(539)	(4,418)

	2022/2023		2021/2022	
	Council Fund Balance £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions				
Transactions involving Unusable Reserves:				
Adjustments to/from the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income & Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	105	(105)	105	(105)
Adjustments to/from the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	(34,808)	34,808	(34,213)	34,213
Employer's pensions contributions and direct payments to pensioners payable in the year	15,771	(15,771)	14,155	(14,155)

	2022/2023		2021/2022 (Restated)†	
	Council Fund Balance £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions				
Adjustments to/from Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement:				
Charges for depreciation	(10,334)	10,334	(8,474)	8,474
Impairment of non-current assets	(1,872)	1,872	(1,233)	1,233
Revaluation gains on Property, Plant & Equipment	13,217	(13,217)	6,408	(6,408)
Capital grants & contributions applied	12,210	(12,210)	7,606	(7,606)
Revenue expenditure funded from capital under statute	(4,513)	4,513	(5,076)	5,076
Write Out of Infrastructure Loan Discount	(950)	950	(913)	913
Amounts of non-current assets written off on disposal or sale as part of the gain on disposal to the Comprehensive Income & Expenditure Statement	99	(99)	(1,696)	1,696
Adjustments to/from Deferred Capital Receipts Account:				
Adjustment to Deferred Capital Receipts on Revaluation of Assets Leased to Third Parties	0	0	496	(496)
Items not debited or credited to the Comprehensive Income & Expenditure Statement:				
Statutory provision for the financing of capital investment	1,744	(1,744)	1,057	(1,057)
Capital expenditure charged against the Council Fund	468	(468)	458	(458)
Adjustment to/from the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	704	(704)	(241)	241
Total: Transactions between Funds & Unusable Reserves:	(8,159)	8,159	(21,561)	21,561

	2022/2023			2021/2022 (Restated)†		
	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions						
Transactions involving Other Capital Reserves:						
Adjustments to/from the Deferred Capital Receipts Reserve:						
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	(140)	0	140	(135)	0	135
Items involving Usable Capital Reserves:						
Application of grants to capital financing transferred to the Capital Adjustment Account	0	29,662	(29,662)	0	4,433	(4,433)
Use of the Capital Receipts Reserve to finance new capital expenditure	123	0	(123)	125	0	(125)
Total: Other Capital Reserve Transactions:	(17)	29,662	(29,645)	(10)	4,433	(4,423)

	2022/2023				2021/2022 (Restated)†			
	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions								
Total: Transactions between Funds & Usable Reserves:	3,521	(387)	(3,134)	0	4,957	(539)	(4,418)	0
Total: Transactions involving Unusable Reserves:	(8,159)	0	0	8,159	(21,561)	0	0	21,561
Total: Other Capital Reserve Transactions:	0	(17)	29,662	(29,645)	0	(10)	4,433	(4,423)
Total Adjustments:	(4,638)	(404)	26,528	(21,486)	(16,604)	(549)	15	17,138

†: Where necessary, transactions in 2021/2022 have been restated to reflect the changes required for the Lime Avenue Joint Venture Agreement, and also the recategorisation of transactions recorded in the Capital Adjustment Account.

Balance Sheet Notes

26. Property Plant & Equipment

26.1 Carrying Amount of Non-Current Assets

The Carrying Amount of Non-Current Assets in the Balance Sheet can be divided between Infrastructure and 'Other PPE' Assets as follows:

Property, Plant & Equipment	31 March 2023	31 March 2022 (Restated) [†]
	£000	£000
Infrastructure Assets	89,958	92,312
Other PPE Assets	265,823	199,599 [†]
Net Book Value	355,781	291,911

26.2 Carrying Amount of Infrastructure Assets

CIPFA has issued a temporary adjustment to the Accounting Code of Practice in relation to the disclosure of Infrastructure Assets. This requires that local authorities are not required to report gross book value and accumulated depreciation for Infrastructure Assets.

The movement in the Net Book Value of Infrastructure Assets is as follows:

Infrastructure Assets	2022/2023	2021/2022 (Restated) [†]
	£000	£000
Net Book Value at 1 April	92,312	93,485
Additions	1,178	2,301
Capital expenditure written off	(71)	(164)
Other movements in cost or valuation	71	164
Depreciation Charge & Appropriations	(3,532)	(3,474)
Net Book Value at 31 March	89,958	92,312

In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022, where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.

26.3 Carrying Amount of 'Other' Property, Plant & Equipment Assets

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment (excluding Infrastructure Assets) was:

Property, Plant & Equipment (Excluding Infrastructure)	31 March 2023	31 March 2022 (Restated) [†]
	£000	£000
Gross Carrying Amount	281,246	214,682 [†]
Accumulated Depreciation	(15,423)	(15,083)
Net Book Value	265,823	199,599

Details of the transactions relating to the carrying amounts and depreciation of non-current assets (excluding Infrastructure Assets) are set out on pages 69-70.

[†]: Balances and transactions in 2021/2022 relating to 'Assets Under Construction' have been restated to remove that portion of the Lime Avenue Joint Venture Agreement relating to the Welsh Government Share in the Joint Operation. Transactions for 'Other Land & Buildings' have been adjusted to include (and write off) funding to the JVA for development of the business units, classified as REFCUS expenditure.

Transactions relating to the cost or valuation of Infrastructure Assets have been reclassified to correct inconsistencies identified during the preparation of the 2022/2023 Accounts. These changes have not resulted in any change to the Gross Book Value or Accumulated Depreciation & Impairment of assets at 31 March 2022.

Movements in 2022/2023:

Property, Plant & Equipment (Excluding Infrastructure) (Restated)†						Total Property, Plant & Equipment
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	£000
Cost or Valuation as at 1 April 2022	178,672	18,429	106	3,061	14,414 [†]	214,682
Appropriations	666	0	0	(190)	(476)	0
Assets reclassified to/from held for sale	(140)	0	0	(80)	0	(220)
Additions	0	1,980	0	0	37,331	39,311
Revaluation increases/(decreases) recognised in the Revaluation Reserve	17,258	0	0	(138)	0	17,120
Revaluation increases/(decreases) recognised in the Provision of Services	9,173	0	0	117	0	9,290
Capital expenditure written off	(5,355)	(612)	0	0	0	(5,967)
Derecognition - disposals	0	0	0	0	0	0
Other movements in cost or valuation	6,418	612	0	0	0	7,030
Cost or Valuation as at 31 March 2023	206,692	20,409	106	2,770	51,269	281,246
Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment						Total Property, Plant & Equipment
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	£000
Accumulated Depreciation & Impairment as at 1 April 2022	(3,915)	(11,139)	(14)	(15)	0	(15,083)
Depreciation Charge & Appropriations	(5,483)	(1,332)	0	12	0	(6,803)
Depreciation written out to the Revaluation Reserve	2,883	0	0	0	0	2,883
Depreciation written out to the Surplus/Deficit on the Provision of Services	3,580	0	0	0	0	3,580
Derecognition - disposals	0	0	0	0	0	0
Accumulated Depreciation & Impairment as at 31 March 2023	(2,935)	(12,471)	(14)	(3)	0	(15,423)

†: Balances and transactions in 2021/2022 relating to 'Assets Under Construction' have been restated to remove that portion of the Lime Avenue Joint Venture Agreement relating to the Welsh Government Share in the Joint Operation.

Movements in 2021/2022:

	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Property, Plant & Equipment (Excluding Infrastructure) <i>(Restated)†</i>						
Cost or Valuation as at 1 April 2021	173,553	16,831	51	4,261	13,308	208,004
Adjustment to Balances Brought Forward	0	0	0	0	(4,942)	(4,942)
Revised Cost or Valuation as at 1 April 2021	173,553	16,831	51	4,261	8,366	203,062
Appropriations	0	77	0	0	(77)	0
Assets reclassified to/from held for sale	0	(496)	0	(1,200)	0	(1,696)
Additions	0	2,018	55	0	6,125	8,198
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,274	0	0	0	0	2,274
Revaluation increases/(decreases) recognised in the Provision of Services	2,844	0	0	0	0	2,844
Capital expenditure written off	(6,027)	(402)	(26)	0	0	(6,455)
Derecognition - disposals	0	0	0	0	0	0
Other movements in cost or valuation	6,027	402	26	0	0	6,455
Cost or Valuation as at 31 March 2022	178,671	18,430	106	3,061	14,414	214,682

	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment <i>(Restated)†</i>						
Accumulated Depreciation & Impairment as at 1 April 2021	(9,188)	(9,837)	(14)	(12)	0	(19,051)
Depreciation Charge & Appropriations	(3,658)	(1,302)	0	(3)	0	(4,963)
Depreciation written out to the Revaluation Reserve	5,057	0	0	0	0	5,057
Depreciation written out to the Surplus/Deficit on the Provision of Services	3,874	0	0	0	0	3,874
Derecognition - disposals	0	0	0	0	0	0
Accumulated Depreciation & Impairment as at 31 March 2022	(3,915)	(11,139)	(14)	(15)	0	(15,083)

†: Balances and transactions in 2021/2022 relating to 'Assets Under Construction' have been restated to remove that portion of the Lime Avenue Joint Venture Agreement relating to the Welsh Government Share in the Joint Operation. Transactions for 'Other Land & Buildings' have been adjusted to include (and write off) funding to the JVA for development of the business units, classified as REFCUS expenditure.

Transactions relating to the cost/valuation and depreciation of assets across all categories have been reclassified to correct inconsistencies identified during the preparation of the 2022/2023 Accounts. These changes have not resulted in any change to the Gross Book Value or Accumulated Depreciation & Impairment of assets at 31 March 2022.

Other movements in the cost or valuation of Property, Plant & Equipment are analysed as follows:

Property Plant & Equipment: Analysis of Other Movements in Cost or Valuation	2022/2023	2021/2022
	£000	£000
Expenditure on assets not resulting in enhancement to value	694	860
Revenue Expenditure Funded from Capital Under Statute (REFCUS)	2,789	2,308
DeMinimis Capital Expenditure	831	683
Lime Avenue Joint Venture Agreement (REFCUS)	1,724	2,768
<i>Sub-Total: Capital Expenditure Written Off</i>	<i>6,038</i>	<i>6,619</i>
Enhancing Capital Expenditure (not classified as Additions)	1,063	0
Total	7,101	6,619
Other Movements - Infrastructure	71	164
Other Movements - Other Property Plant & Equipment	7,030	6,455
Total	7,101	6,619

Valuation Techniques used to Determine Level 3 Fair Values for Surplus Assets

Significant Unobservable Inputs – Level 3

A combination of available market data derived from a mixture of transactions on both Authority-owned and third party assets is analysed to take into account yields, rates per square metre, build costs, etc. in order to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13 Fair Value Measurement, depending on which technique is considered most appropriate.

There has been no change in the valuation techniques used during the year.

Highest and Best Use

In estimating the fair value of the Authority's surplus assets, the highest and best use of some of the assets is their current use. However for some assets, in considering alternative highest and best uses for the asset being valued, consideration has been given to value for the asset that may not necessarily be reflected in the existing configuration or use of the asset. In the consideration of alternatives the physical, legal and financial feasibility of that alternative has been taken into account.

Valuation Process

For 2022/2023, the Authority has engaged the services of Savills (UK) Limited to provide valuations and estimated useful lives for those assets requiring revaluation or re-living by 31 March 2023.

All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

26.4 Fair Value Measurement of Surplus and Assets Held for Sale

Fair Value Hierarchy

Details of the Authority's surplus assets and assets held for sale and information about the fair value hierarchy are as follows:

	31 March 2023			31 March 2022		
	Surplus Assets £000	Assets Held for Sale £000	Total £000	Surplus Assets £000	Assets Held for Sale £000	Total £000
Recurring fair value measurements:						
Using significant unobservable inputs (Level 3)	2,767	0	2,767	3,016	60	3,076
Fair Value	2,767	0	2,767	3,016	60	3,076

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between levels of the fair value hierarchy during the year.

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised with Level 3 of the Fair Value Hierarchy

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised with Level 3 of the Fair Value Hierarchy	2022/2023			2021/2022		
	Surplus Assets £000	Assets Held For Sale £000	Total £000	Surplus Assets £000	Assets Held For Sale £000	Total £000
Balance at 1 April:	3,016	60	3,076	4,219	60	4,279
Adjustment to Balances Brought Forward	30 [†]	0	30	0	0	0
Revised Balance at 1 April:	3,046	60	3,106	4,219	60	4,279
Appropriations (to)/from Property, Plant & Equipment Operational Assets	(177)	140	(37)	0	496	496
Appropriations (to)/from Assets Held for Sale	(80)	0	(80)	(1,200)	0	(1,200)
Appropriations (to)/from Surplus Assets	0	80	80	0	1,200	1,200
Total Gains/(Losses) for the period included in the Surplus or Deficit on the Provision of Services, resulting from changes in the fair value	117	0	117	0	(200)	(200)
Total Gains/(Losses) for the period included in the Revaluation Reserve resulting from changes in the fair value	(138)	0	(138)	0	0	0
Disposals	0	(280)	(280)	0	(1,496)	(1,496)
In-Year Depreciation	(1)	0	(1)	(3)	0	(3)
Balance at 31 March:	2,767	0	2,767	3,016	60	3,076

[†]: The balance of Surplus Assets brought forward at 1 April 2022 has been adjusted by £30,000 to correct an historic imbalance between assets disclosed in the Fair Value Hierarchy and those included in the Property, Plant and Equipment notes.

Reconciliation of Assets measured at Fair Value to the Balance Sheet

The carrying value of a number of assets held for sale is lower than (or equal to) the fair value of those assets. These have therefore been included on the Balance Sheet at carrying amount in accordance with the requirements of the Accounting Code of Practice and consequently are not included in the disclosures for assets held at fair value. The following table reconciles those assets held at fair value with those carried on the Balance Sheet:

Reconciliation of Assets measured at Fair Value	31 March 2023			31 March 2022		
	Surplus Assets £000	Assets Held for Sale £000	Total £000	Surplus Assets £000	Assets Held for Sale £000	Total £000
Assets measured at Fair Value	2,767	0	2,767	3,016	60	3,076
Assets measured at carrying amount	0	0	0	30	0	30
Assets carried on Balance Sheet	2,767	0	2,767	3,046	60	3,106

26.5 Capital Commitments

Within the Authority's 2022/2023 capital programme, £56.733m relates to schemes that were contractually committed as at 31 March 2023 (£4.750m contractually committed as at 31 March 2022):

Capital Commitments	Commitment	Estimated	Commitment	Estimated
	Value	Timescale for	Value	Timescale for
	2022/2023	Completion	2021/2022	Completion
	£000	No of Years	£000	No of Years
Ebbw Vale Rail Infrastructure Project	37,326	2	0	0
Glyncoed Primary School and Child Care Facility	10,754	2	0	0
Regain 2†	3,999	1	27	2
Abertillery Rail Spur	1,499	1	0	0
LTF Metro Plus	1,410	1	1,411	1
Highways Improvement Works	570	1	551	1
Welsh Medium School Provision - Tredegar	225	2	0	0
Innovation for Decarbonisation - WBRID	159	1	159	1
Lime Avenue Development	140	1	187	1
Social Services	107	1	37	1
Active Travel	106	1	0	0
21st Century Schools - Band B Projects	51	1	93	4
Augusta House - Enablement Pods	40	1	491	1
Household Waste Recycling Centre	30	1	158	1
Remedial Works at Newtown Bridge, Ebbw Vale	24	1	756	1
Flying Start Projects	8	1	129	1
Schools Maintenance	6	1	80	1
Hive - Hi Value Engineering Centre	0	0	103	2
Flood Damage 2020	0	0	90	1
Other*	279	1	478	1
Total	56,733		4,750	

Regain 2 †: The Regain 2 development forms part of the Lime Avenue Joint Venture Agreement, with expenditure incurred and assets/liabilities arising being divided between the partner organisations in accordance with the terms of the agreement.

Other: Includes outstanding retentions on infrastructure & regeneration projects and various other scheme commitments.*

26.6 Revaluations

The Authority has adopted a rolling programme of revaluations to ensure that all assets are revalued at intervals of not more than 5 years.

The freehold and leasehold interests in the properties held by the Council were independently valued as at 1 April 2023 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book (but not, for the avoidance of doubt, as an External Valuer of the Fund as defined by the Alternative Investment Fund Managers Regulations 2013). The valuations accord with the requirements of IFRS 13, SSAP 19 and the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together, where applicable, with the UK National Supplement effective 14 January 2019, (together the “Red Book”).

The Valuers reported that the aggregate valuation of each of the properties held by the Council amounted to £56,958,262.97.

The valuations were arrived at predominantly by reference to market evidence for comparable property.

Property, Plant and Equipment that does not provide service potential for the Authority (that is those assets classified as surplus assets) are not measured for their service potential but for the economic benefits inherent in the assets. Therefore the current value measurement base for these assets is at Fair Value in accordance with the definitions and measurement requirements in IFRS13.

All assets subject to revaluation during 2022/2023 have been assessed for material components. The revaluations of those components, where considered to be material, are included in the figures below.

The effective date of revaluation is 31 March 2023.

As a consequence of continued increases in material and rebuild costs, it was considered necessary to revalue those assets that are normally valued using the DRC method to ensure that the Balance Sheet valuations were not materially understated. An indexation approach has been adopted to update the carrying values of the relevant asset categories, (schools and car parks). The impact of this indexation exercise has been an increase in the gross value of the Authority's assets of £6.580 million (in addition to the £19.830 million increase resulting from the formal valuation process).

The following statement shows the total gross value of assets during each financial year which were formally re-valued using current valuation methods. This provides an indication of the progress of the Authority's 5-year rolling programme for the revaluation of fixed assets.

Asset Valuations (Current Value)	Other Land & Buildings	Community Assets	Heritage Assets	Total
	£000	£000	£000	£000
Year Ending:				
31 March 2023	54,429 [†]	0	0	54,429
31 March 2022	136,441	0	727	137,168
31 March 2021	118,626	256	600	119,482
31 March 2020	79,326	0	532	79,858
31 March 2019	29,836	0	0	29,836

[†]: The value of assets revalued for 2022/2023 included in the Council's Single Entity Accounts differs to the value of assets valued by Savills as the appointed valuer included assets that were subsequently largely excluded from the Council's Accounts in relation to the Lime Avenue JVA, were owned by Silent Valley Waste Services Ltd. at 31 March 2023, or were disposed of by that date.

26.7 Capital Expenditure and Financing

Of the £47.590m capital investment made in 2022/2023, £41.634m was financed in-year through government grants, revenue contributions, and the application of capital receipts. The remaining £5.956m capital financing requirement has been funded through borrowing and finance leases, as indicated below:

Capital Expenditure & Financing	2022/2023 £000	2021/2022 (Restated) [†] £000
Capital Investment: Property, Plant & Equipment	43,077	13,014
REFCUS	4,513	5,076
	47,590	18,090
Sources of Finance:		
Revenue Provision	(468)	(458)
Capital Receipts	(123)	(57)
Government Grants & Other Contributions	(41,043)	(13,305)
	(41,634)	(13,820)
Increase in capital financing requirement:	5,956	4,270
Explanation of in-year movements:		
Borrowing Supported by Government Financial Assistance	1,759	972
Borrowing Unsupported by Government Financial Assistance	3,868	2,797
Finance Leases	329	501
Total Borrowing:	5,956	4,270

[†]: Expenditure and Financing transactions in 2021/2022 have been restated on the removal of the Welsh Government Capital Share of the Lime Avenue JVA, and the inclusion of funding to the JVA for development of the business units, classified as REFCUS expenditure.

27. Heritage Assets

The Authority owns the following heritage assets, preserved principally for their contribution to knowledge and culture:

Heritage Assets (On Balance Sheet)	Estimated Cost/Valuation £000
<i>The Guardian, Six Bells</i>	379
'Guardian' is the largest mining memorial in Wales and commemorates the 1960 Six Bells mining disaster in which 45 men and boys lost their lives in an underground gas and coal dust explosion. The memorial is a 12.6 meter high statue of a miner, constructed from over 20,000 individual slices of 10mm thick steel and stands on a 7.4 meter high sandstone plinth.	
<i>Ebbw Vale War Memorial</i>	225
Unveiled September 24th 1924 by Sir Frederick Mills. Listed as an unusually elaborate war memorial, in a prominent setting.	
<i>Civic Regalia</i>	122
Comprising the Mayoral Chain, Mayoress Chain and Civic Mace.	
Total Value:	726

These monuments have been valued on an insurance replacement cost basis and are not depreciated as their useful life is deemed to be indefinite.

The following assets meet the definition of 'heritage assets', but have not been included on the Authority's Balance Sheet:

Heritage Assets (Not Reported on Balance Sheet)	Description	Valuation
Aneurin Bevan Stones	This monument commemorates Aneurin Bevan, born in Tredegar in 1897 and elected M.P. for the area in 1929. The central monolith represents Aneurin Bevan himself, whilst three satellite stones represents his constituents in Ebbw Vale, Tredegar and Rhymney.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Clydach Coal Level	A pair of well preserved and dated coal levels with a tramroad connection to the Clydach Railroad.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Ebbw Vale Furnace Bank (aka 45 Yard)	Listed as an extremely scarce survival of a vast furnace bank, begun in the late 18th century, preserved largely intact. In size, only the furnace bank at Cyfarthfa may be a larger contemporary survival nationally and internationally.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Gorsedd Stones, Ebbw Vale	Originally erected at Ebbw Vale Park in June 1957 for the National Eisteddfod of 1958, the stone circle was later moved to its present location adjacent to Cemetery Road.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Llandafal Colliery Ventilation Furnace	This ventilation furnace probably dates from mining developments in the 1840s or 1850s. Listed as an early air furnace colliery chimney, the only one of this typical form known to survive in South Wales.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Marine Colliery Pumping Engine	A steam pumping engine built by Hathorn Davey of Leeds in 1893 and formerly used at Marine Colliery. Regarded as of national importance as a rare colliery pumping engine surviving intact from the late 19th century.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks	The impressive remains at Sirhowy Ironworks is the only 18th century ironworking complex still visible in the County Borough.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks Boundary Stone	Dated 1818 and erected as boundary stone for Sirhowy Ironworks. Listed as a rare survival of an early 19th century industrial boundary stone with unusual history.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Ty Mawr, Nantyglo House	Only the foundations remain of the Ty Mawr mansion house built by the Bailey family in 1816, close to the Roundhouse Towers in Nantyglo.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.

A number of other assets, including the Ebbw Vale Works General Offices, St. Illtyd's Church, Llanhilleth Miners' Institute and Newtown Bridge, are regarded as being operational in nature and have therefore not been included as heritage assets, but are included within appropriate Balance Sheet asset classifications.

28. Leases

28.1 Authority as Lessee - Finance Leases

The Council has acquired a number of assets under finance leases, the net value of which total £0.439m (2021/2022: £0.139m). The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet. The Authority is committed to making minimum payments under these leases comprising settlement of the non-current liability for the asset acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments required over a period of not more than 5 years total £0.673m (2021/2022: £0.474m).

28.2 Authority as Lessee - Operating Leases

The Authority has acquired various vehicles and equipment by entering into operating leases, with typical lives of 5 years. The minimum lease payments at 31 March 2023 due under non-cancellable leases in future years are:

	31 March 2023		31 March 2022	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Operating Lease Minimum Payments				
Not later than one year	30	218	106	248
Later than 1 year and not later than 5 years	44	278	71	476
Later than 5 years	0	820	12	840
Total Minimum Lease Payments	74	1,316	189	1,564

Charges to service revenue accounts in the Comprehensive Income and Expenditure Statement during the year in relation to these leases totalled £0.380m (2021/2022: £0.362m).

No balances are held on the Balance Sheet in relation to Operating Leases

28.3 Authority as Lessor - Finance Leases

The Authority has 2 finance lease arrangements as a lessor:

- In 2011/2012, the Authority entered into a 50 year arrangement to lease part of the General Offices building in Ebbw Vale to the Gwent Joint Records Committee hosted by Torfaen CBC, for housing of the Gwent County Archives facility.

- In 2021/2022, the Authority entered into a 7 year lease arrangement with Aneurin Leisure Trust in relation to equipment.

The Authority has a gross investment in the leases, made up of the minimum lease payments expected to be received over the remaining lease term.

The gross investment in the leases relating to these assets is made up as follows:

Finance Lease Debtor	31 March 2023		31 March 2022	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Current	70	74	69	70
Non-Current	289	2,640	358	2,714
Unguaranteed Residual Value of Property	0	(450)	0	(450)
Total	359	2,264	427	2,334

Finance Leases - Lessor	Gross Investment in Lease			
	31 March 2023		31 March 2022	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Not later than one year	70	74	69	70
Later than 1 year and not later than 5 years	289	338	285	321
Later than 5 years	0	1,852	73	1,943
Total	359	2,264	427	2,334

The gross investment in the leases and the minimum lease payments will be received over the following periods:

	Minimum Lease Payments			
	31 March 2023		31 March 2022	
	Vehicles, plant & equipment £000	Other land & buildings £000	Vehicles, plant & equipment £000	Other land & buildings £000
Finance Leases - Lessor				
Not later than one year	74	216	74	216
Later than 1 year and not later than 5 years	297	865	297	866
Later than 5 years	0	4,004	74	4,220
Total	371	5,085	445	5,302

28.4 Authority as Lessor - Operating Leases

The Authority leases out land and buildings under operating leases. The minimum lease payments receivable under non-cancellable leases in future years are £3.038m (2021/2022: £3.112m).

	31 March 2023	31 March 2022
Operating Lease Minimum Payments Receivable	Other land & buildings £000	Other land & buildings £000
Not later than one year	793	745
Later than 1 year and not later than 5 years	1,505	1,638
Later than 5 years	740	729
Total Minimum Lease Payments Receivable	3,038	3,112

29. Non-Current Investments

Non-current investments consist of the Authority's 100% shareholding in Silent Valley Waste Services Ltd. and a proportion of the equity shareholding made by the Cardiff Capital Region City Deal in Pharmatelligence Ltd.. The value of these shareholdings included in the Authority's Balance Sheet at 31 March 2023 was £0.657m (31 March 2022: £0.342m).

29.1 Silent Valley Waste Services Ltd. (SVWS)

The Authority is the owner of the Local Authority waste disposal company - Silent Valley Waste Services Ltd.. The Authority is the sole shareholder, providing £250,000 share capital of 1,000 ordinary shares and 249,000 redeemable shares of £1 each. The latter are redeemable at the sole option of the Authority. The company was established in 1994 in accordance with Part V of the Local Government and Housing Act 1989.

In 2011 the Environment Agency (Wales) issued a closure notice for the landfill site at Cwm, Ebbw Vale. On 22 August 2011 the site stopped accepting waste to landfill. Silent Valley Waste Service Ltd. continues to manage the Waste Transfer Station and the associated bulking and transportation of the Authority's waste at this facility, the Authority's Civic Amenity Site and the operations at the Leachate Lagoon.

At 31 March 2023 the company had three registered directors. Two Elected Members of Blaenau Gwent CBC were appointed as non-executive directors, one with effect from 19 March 2018 and one with effect from 1 June 2019; one of these resigned on 2 April 2020 and was replaced with another Elected Member with effect from that date. These two Elected Members resigned and were replaced on 7 June 2022.

One of the stated purposes of a board restructure in 2012 was for the Authority to take control of activities at Silent Valley Waste Services, and consequently the Authority is required to prepare Group Accounting statements. These have been included on pages 124-143, based on the company's 2022/2023 Accounts as approved by the Silent Valley Board on 31 July 2023.

In December 2017, the Council made the decision to bring back in-house the services delivered by Silent Valley Waste Services Limited. Following extensive due diligence the transfer process commenced with a target date of 31 January 2023. Due to a delay in obtaining the required environmental and operational permits, the Company's employees and activities could not be transferred to the Council until 1 May 2023. On that date the Company ceased trading and the Council assumed responsibility for all of the Company's assets and liabilities.

29.2 City Deal - Investment in Pharmatelligence Ltd.

During 2020/2021, the Cardiff Capital Region City Deal made a £2million equity investment in Pharmatelligence, a healthcare data consultancy providing expert, independent, real-world evidence for healthcare services and the pharmaceutical industry. The investment represented a stake in the company of approximately 16.6% and Blaenau Gwent's proportion, equating to £92,395, has been included on the Balance Sheet at cost.

30. Non-Current Debtors

Non-current debtors in the balance sheet consist of the following:

	31 March 2023				31 March 2022			
	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Non-Current Debtors £000	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Non-Current Debtors £000
Local Authorities	2,640	0	0	2,640	2,714	0	0	2,714
Other Entities & Individuals	1,392	(142)	99	1,349	1,414	(88)	32	1,358
Total	4,032	(142)	99	3,989	4,128	(88)	32	4,072

Impairment of Non-Current Debtors

Non-current debtor balances have been reduced to reflect sums that have not been written off but are considered to be potentially irrecoverable. Impairment allowance accounts have been established for the following debtors.

	31 March 2023			31 March 2022		
	Gross Debtor £000	Impairment £000	Net Debtor £000	Gross Debtor £000	Impairment £000	Net Debtor £000
Impairment of Non-Current Debtors						
Land & Property Charges	187	(142)	45	121	(88)	33
Total	187	(142)	45	121	(88)	33

31. Consolidation of Schools in Single Entity Accounts

The income, expenditure, assets, liabilities, reserves and cash flows of schools are accounted for in accordance with the prescribed treatment in the Accounting Code of Practice as set out in the Authority's accounting policies (*see policy 1.20, page 31*). The value of school assets included in the Balance Sheet is as follows:

Value of School Assets	31 March 2023				31 March 2022			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Land & Buildings	104,157	0	4,483	108,640	86,817	0	3,724	90,541

The net valuation of school non-current assets increased by £10.067m during 2022/2023 as a result of the revaluation of specific school assets by the appointed external valuer. Where School assets were not formally revalued, indexation resulted in an increase in carrying values of £8.032m.

The Authority has the following types of maintained schools under its control:

Analysis of School by Type	31 March 2023				31 March 2022			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
Primary Schools	15	4	0	19	15	4	0	19
Middle Schools	2	0	0	2	2	0	0	2
Secondary Schools	1	0	1	2	1	0	1	2
Special Schools	2	0	0	2	2	0	0	2
Total	20	4	1	25	20	4	1	25

For those maintained schools not controlled by the Authority, any transactions made on their behalf have been included in the Comprehensive Income & Expenditure Statement and related notes under the appropriate Portfolio, or exceptionally as third party payments.

During the year, transactions in relation to school entities resulted in the following surpluses or deficits:

School Transactions - In-Year (Surplus)/Deficit	2022/2023				2021/2022			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools	870	108	0	978	(1,060)	(167)	0	(1,227)
Middle Schools	189	0	0	189	(1,112)	0	0	(1,112)
Secondary Schools	(19)	0	309	290	29	0	(184)	(155)
Special Schools	(49)	0	0	(49)	(53)	0	0	(53)
Total In-Year (Surplus)/Deficit	991	108	309	1,408	(2,196)	(167)	(184)	(2,547)

The following balances were held by schools at the end of the financial year:

School Balances	31 March 2023				31 March 2022			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools	(2,435)	(558)	0	(2,993)	(3,305)	(666)	0	(3,971)
Middle Schools	(663)	0	0	(663)	(852)	0	0	(852)
Secondary Schools	(372)	0	(303)	(675)	(353)	0	(612)	(965)
Special Schools	(489)	0	0	(489)	(440)	0	0	(440)
Total	(3,959)	(558)	(303)	(4,820)	(4,950)	(666)	(612)	(6,228)

32. Current Investments

At 31 March 2023, the Authority had placed £12.065m of investments with other local authorities that were not due to be repaid within 90 days (2021/2022: £21.0m). These have therefore been classified as current investments. All other investments due for repayment within 90 days amounting to £54.0m (2021/2022: £79.0m) are shown within cash and cash equivalents.

33. Inventories

The Authority held stock balances valued at £1.004m at 31 March 2023, largely comprised of donated Lateral Flow Tests and Personal Protective Equipment:

Inventories	Balance at 1 April 2021 £000	Donations & Purchases £000	Recognised as an expense in the year £000	Written Off £000	Balance at 31 March 2022 £000	Donations & Purchases £000	Recognised as an expense in the year £000	Written Off £000	Balance at 31 March 2023 £000
General Stock	353	672	(712)	0	313	1,167	(1,091)	0	389
Donated Stock: Lateral Flow Tests	0	1,421	(111)	0	1,310	0	(337)	(554)	419
Donated Stock: Personal Protective Equipment	864	370	(432)	0	802	54	(660)	0	196
Total	1,217	2,463	(1,255)	0	2,425	1,221	(2,088)	(554)	1,004

34. Current Debtors

Amounts owing to the Authority, net of impairment, were as follows:

Current Debtors	31 March 2023				31 March 2022 (Restated) ^f			
	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Current Debtors £000	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Current Debtors £000
Welsh Government	23,727	0	0	23,727	19,182	0	0	19,182
Other Central Government	3,717	0	0	3,717	2,162	0	0	2,162
Local Authorities	3,384	(97)	0	3,287	2,653	(55)	0	2,598
NHS	2,002	(58)	0	1,944	1,700	(50)	0	1,650
Council Tax Arrears	8,184	(3,368)	0	4,816	7,677	(3,068)	0	4,609
Other Entities and Individuals	5,593	(1,611)	453	4,435	4,163	(1,437)	414	3,140
Trade	654	(369)	65	350	1,270	(463)	254	1,061
Total	47,261	(5,503)	518	42,276	38,807	(5,073)	668	34,402

^f: Current Debtors in 2021/2022 have been restated to correct the mis-categorisation of Welsh Government/Other Central Government grants, and to adjust for agency balances previously disclosed as cash.

Impairment of Current Debtors

Current debtor balances have been reduced to account for sums that have not been written off but are potentially irrecoverable. For those debtors falling within the scope of IFRS9, the 'Simplified Approach' has been applied under which impairment losses are automatically based on lifetime expected credit losses.

The Authority has also established impairment allowances for debtors falling outside of the scope of IFRS9, notably council tax arrears and housing benefit overpayments.

Impairment of Current Debtors	31 March 2023			31 March 2022		
	Gross Debtor	Impairment	Net Debtor	Gross Debtor	Impairment	Net Debtor
	£000	£000	£000	£000	£000	£000
<i>Impairment of Debtors within the scope of IFRS 9:</i>						
Land & Property Charges	288	(219)	69	313	(229)	84
Trade Debtors	373	(369)	4	723	(463)	260
Debtors related to Sales, Fees & charges	1,084	(488)	596	628	(314)	314
<i>Impairment of Debtors outside of the scope of IFRS 9:</i>						
Council Tax	8,184	(3,368)	4,816	7,677	(3,068)	4,609
Housing Benefits	1,168	(500)	668	1,183	(512)	671
Public Sector Bodies	2,857	(155)	2,702	2,315	(104)	2,211
Other Debtors	468	(404)	64	520	(383)	137
Total	14,422	(5,503)	8,919	13,359	(5,073)	8,286

Basis of Impairment of Current Debtors outside of the scope of IFRS9:

Council Tax

All Council Tax debts are considered to have fallen due by the 31 March in the financial year to which they relate. In determining whether these debts should be impaired, the Authority has taken into account any known specific circumstance in relation to individual debtors that would have a bearing on the ability or potential for settlement of the debt, e.g. bankruptcy, insolvency or absconding. In these specific cases, the debt is considered as unlikely to be recovered at that point in time and is impaired at 100% of the amount outstanding. For all other cases, the age of the debt is used to determine the level of impairment, ranging from 5% for those amounts less than 1 year overdue to 100% for amounts over 5 years overdue.

Housing Benefits

The simplified approach has been adopted to impairment of Housing Benefit Overpayments, with expected lifetime losses calculated using a probability matrix based on the age of debt outstanding and an assessment of the possibility of default occurring.

Public Sector Bodies

Where identified, debtors in relation to other public sector bodies are not impaired on the assumption that recovery will be made in full. Exceptionally, impairment is provided in cases where specific information indicates that the debt may not be fully settled.

Other Debtors

The simplified approach has been adopted to impairment of Other Debtors, with expected lifetime losses calculated using a probability matrix based on the age of debt outstanding and an assessment of the possibility of default occurring.

Impact of Covid-19

Where impairment has been calculated using a probability matrix, the assessment of the possibility of debtor default has been assumed to be higher than in 2019/2020 as a result of Covid-19 related impacts on individuals and businesses. This has increased the level of impairment included in the accounts.

Impairment of Debtors Outside of the Scope of IFRS9	31 March 2023						31 March 2022					
	Council Tax	Housing Benefit	Public Sector Bodies	Other Debtors	Total Debtors Outside Scope	Impairment	Council Tax	Housing Benefit	Public Sector Bodies	Other Debtors	Total Debtors Outside Scope	Impairment
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<i>Category of debtor:</i>												
General Arrears < 1 year old	2,657	145	614	128	3,544	(254)	2,767	72	665	111	3,615	(243)
General Arrears > 1 year <5 years old	4,519	523	178	187	5,407	(2,715)	3,836	689	67	264	4,856	(2,366)
General Arrears > 5 years old	851	500	3	170	1,524	(1,325)	652	440	5	184	1,281	(1,087)
Absconders	61	0	0	0	61	(61)	216	0	0	0	216	(216)
Bankruptcy/Liquidation/Insolvency	58	0	0	0	58	(58)	71	0	0	0	71	(71)
Other	7	0	0	7	14	(14)	73	0	0	7	80	(80)
Arrears not impaired	31	0	2,062	(24)	2,069	0	62	(18)	1,578	(46)	1,576	(4)
Total	8,184	1,168	2,857	468	12,677	(4,427)	7,677	1,183	2,315	520	11,695	(4,067)

35. Current Creditors

Amounts owed by the Authority were as follows:

Current Creditors	31 March 2023			31 March 2022 (Restated) [†]		
	Creditors £000	Receipts in Advance £000	Total Current Creditors £000	Creditors £000	Receipts in Advance £000	Total Current Creditors £000
Welsh Government	(2,877)	0	(2,877)	(1,842)	0	(1,842)
Other Central Government	(692)	(8)	(700)	(1,429)	0	(1,429)
Local Authorities	(955)	(98)	(1,053)	(1,152)	(72)	(1,224)
NHS	(270)	0	(270)	(395)	0	(395)
Capital Creditors	(2,434)	0	(2,434)	(4,527)	0	(4,527)
Council Tax Credits	(1,135)	0	(1,135)	(946)	0	(946)
Other Entities and Individuals	(8,846)	(355)	(9,201)	(9,691)	(339)	(10,030)
Trade	(2,692)	0	(2,692)	(3,679)	0	(3,679)
Total	(19,901)	(461)	(20,362)	(23,661)	(411)	(24,072)

[†]: Welsh Government Current Creditors in 2021/2022 have been restated to correct for agency balances previously disclosed as cash.

36. Provisions, Contingent Liabilities and Contingent Assets

36.1 Provisions - Purpose

Provisions are made where an event has taken place that gives the Authority 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. The purpose of each provision, categorised as 'Employee-related' or 'Other', is as follows:

Employee-Related Provisions:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Early Terminations	To provide for known sums in relation to early terminations where these had been approved prior to the end of the financial year.	Redundancy payments expected to be settled in 2023/2024.	The provision for early terminations comprises the known value of redundancy payments occurring after 31 March 2023 for which a legal or constructive obligation existed at that date. This obligation may have been through approval of the individual redundancies or through a decision that has a material impact on the structure or functions of the Authority. It is assumed that all employees included within the provision will have left during the next financial year.

Other Provisions:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Insurance	To provide for known insurance liabilities, including sums relating to the Municipal Mutual Insurance Scheme of Arrangement originally established in 1994 under section 425 of the Companies Act 1985 (now section 899 of the Companies Act 2006).	To be utilised from 2023/2024 on settlement of claims.	The amount and timing of settlement of insurance claims are inherently uncertain. It has been assumed that the timing and value of the settlement of future claims will be similar to known claims history. As the majority of known claims fall below the Authority's excess level(s) there is not expected to be any significant reimbursement by the Authority's insurers. In November 2012 the Directors and Board of Municipal Mutual Insurance agreed to the irrevocable triggering of the Scheme of Arrangement in order to avoid insolvent liquidation. As a result, the Authority has included £0.047m in the Insurance Provision, set at 25% of total outstanding claims. In addition, £0.027m has been included in respect of MMI claims for the former Gwent County Council.

Other Provisions (Continued):

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Lease Dilapidation	To provide for works to three leased assets (Anvil Court, Ebbw Vale Multi-Storey Car Park, and 20 Church Street) to return the assets to their condition as at the inception of the respective lease agreements.	Ebbw Vale Multi-Storey Car Park: ending in 2070. Anvil Court: ending in 2026. 20 Church Street: 2023/2024.	Sums provided are for estimated costs to restore leased assets to original condition. No allowance has been made for improvement works undertaken that may be retained by the lessor.
Part 1 Land Compensation Claims	To provide for claims under Part 1 of the Land Compensation Act 1973 in relation to depreciation of the value of an interest in land by physical factors caused by the use of public works.	There is uncertainty with regards to the timescale for agreement.	The sum provided is an estimate based on total proposed settlements, but is subject to change. Additional claims could become payable in respect of a number of other public works in the County Borough. It is assumed that all settlements will be as offered and no reimbursements will be expected. This provision has been reversed as the Authority is no longer exposed to liabilities in relation to the majority of schemes that were originally included.

36.2 Provisions - Movements

Movements in employee-related and other provisions during 2022/2023 were as follows:

	Balance at 1 April 2022 £000	Amounts Used in 2022/2023 £000	Unused Amounts Reversed in 2022/2023 £000	Additional Provisions made in 2022/2023 £000	Balance at 31 March 2023 £000
Provision Movements					
Current Provisions					
Employee Provisions:					
Early Terminations	(55)	55	0	(2)	(2)
<i>Total Current Employee Provisions:</i>	(55)	55	0	(2)	(2)

Provision Movements	Balance at 1 April 2022 £000	Amounts Used in 2022/2023 £000	Unused Amounts Reversed in 2022/2023 £000	Additional Provisions made in 2022/2023 £000	Balance at 31 March 2023 £000
Other Provisions (Current):					
Insurance	(1,236)	185	414	(467)	(1,104)
<i>Total Other Current Provisions:</i>	(1,236)	185	414	(467)	(1,104)
Total Current Provisions:	(1,291)	240	414	(469)	(1,106)
Other Provisions (Non-Current):					
Insurance	(1,547)	184	350	(388)	(1,401)
Lease Dilapidation - Anvil Court	(133)	0	0	(109)	(242)
Lease Dilapidation - Ebbw Vale Multi Storey Car Park	(14)	0	0	(405)	(419)
Lease Dilapidation - 20 Church Street	(2)	0	0	0	(2)
<i>Total Non-Current Provisions:</i>	(1,696)	184	350	(902)	(2,064)
Total Provisions:	(2,987)	424	764	(1,371)	(3,170)

36.3 Contingent Liabilities

- As part of the legal agreements associated with the transfer of the Authority's Housing Stock to Tai Calon, a number of warranties and indemnities have been provided for a period of 32 years from the transfer date (July 2010), covering areas including environmental, asbestos and redevelopment issues. The limit to claims made against these warranties is £15,000 for each property (uprated annually by RPI), with the exception of warranties for environmental pollution and asbestos, where the limits are £125m (environmental pollution and asbestos – works indemnity) and without limit (asbestos – personal injury and death). Claims are subject to an excess level below which the Authority is not liable to reimburse Tai Calon, these being £5,000 generally and £4.7625m for Asbestos works. Potential liabilities that could arise in respect of environmental pollution have been mitigated by means of insurance policies, providing aggregate cover of £30m. At this stage, there have been no definite claims associated with the warranties provided and it is not possible to determine the extent and value of claims that may arise in the future.
- On creation of Aneurin Leisure Trust in October 2014, pension assets and liabilities assessed on an actuarial basis were transferred from Blaenau Gwent CBC, such that the Trust's pension obligations were deemed to be fully funded. The funding deficit accruing to 30 September 2014 in respect of employees relocating to Aneurin Leisure Trust was not transferred, but was retained by Blaenau Gwent CBC. The Trust is therefore only responsible for any increase in liabilities

(on an actuarial valuation basis) occurring after the transfer date, with the Authority acting as a guarantor for the previously accrued net deficit. In addition, the Authority agreed to act as guarantor of last resort in order that the Leisure Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body and has therefore agreed to underwrite any costs arising in the event that the admitted body defaults on any or all of its payments in relation to its pension obligations. Further details of the liability on transfer are included in note 41 (*page 103*). However it is not possible to place an estimate on the level of other potential liabilities for which the Authority is acting as guarantor which are dependent on the occurrence of future events.

- Under the terms of the Municipal Mutual Insurance Scheme of Arrangement, the Authority is responsible for the payment of a percentage towards future claims, potentially for many years due to the inherent long-tail nature of the insured risks. Due to the nature of these claims it is not practicable to disclose an estimate of the potential sums payable.
- The Authority has received a number of Part 1 claims arising under the 1973 Land Compensation Act in relation to a number of public works projects. It is not possible to determine the final number and value of these claims in compliance with the Act and the full extent to which settlement will be made.

- As a result of decisions of the courts allowing the release of documentation in relation to specific past actions of the Authority, it is possible that obligations may arise to settle specific liabilities. Given the inherent complexity of these liabilities it has not been possible to provide an estimate of the settlement costs.
- The Council has agreed to enter into a Deed of Priority with Wells Fargo in respect of amounts loaned to the developer of the NMC site in Brynmawr, such that Wells Fargo would have unlimited first call on the site developer's assets in the event of a loan default situation. The Council have therefore agreed to secure the loan funding provided to the project developer by Welsh Government, being the sum of £0.750m. In mitigation, the developer is a reputable well-established financial services company and further legal agreements are in place such that, on disposal of the development, the Deed of Priority will cease. As the developer intends to dispose of the property as soon as possible after practical completion is achieved this should limit the duration of the risk to the Council.

37. Other Long-Term Liabilities

The Authority holds the following balances as long-term liabilities.

Other Long-Term Liabilities	31 March 2023	31 March 2022 (Restated) [†]
	£000	£000
Lime Avenue JVA Capital Grants Receipts in Advance	(4,492)	(2,768)
Cardiff Capital Region City Deal Non-Current Creditor	(2,148)	(1,282)
Deferred Liabilities	(593)	(421)
Net Pensions Liability	(74,858)	(293,580)
Total	(82,091)	(298,051)

- The Lime Avenue Joint Venture Agreement requires the Authority to either repay sums received from Welsh Government in the development of the business units, or to purchase any unsold units at market value in September 2039. This liability has currently been valued as the cumulative total grant funding received from Welsh Government at the end of each financial year, classified as a grant received in advance.
- Long-Term Liabilities for Cardiff Capital Region City Deal represent the Authority's share of HMT grant received by the joint arrangement but not yet utilised.
- Deferred Liabilities represent amounts outstanding for finance leases in relation to vehicles, plant and equipment leased by the Authority.
- The Net Pensions Liability represents the amount by which pension liabilities attributable to the Authority exceed pension assets held in order to settle current and future obligations.

[†]: 2021/2022 balances have been restated to include the Lime Avenue JVA liability.

38. Financial Instruments

Fair Value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value has been assessed by calculating the present value of the cash flows that take place over the remaining term of the instruments as at the balance sheet date.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Financial Liabilities	Fair Value Level	31 March 2023		31 March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		£000	£000	£000	£000
Public Works Loan Board	2	(70,712)	(69,353)	(73,584)	(95,784)
Lenders Option Borrowers Option	2	(4,043)	(3,873)	(4,042)	(6,929)
Market Loans	2	(18,000)	(17,427)	(14,000)	(14,198)
Temporary Loans	n/a	(48,368)	(48,365)	(62,365)	(62,365)
Rail Infrastructure Loan	n/a	(41,202)	(7,822)	(40,312)	(32,855)
Town Centre Loan	n/a	(1,932)	(1,431)	(1,890)	(2,042)
Salix Loan	n/a	(3,382)	(2,767)	(3,780)	(3,780)
Transforming Towns Loan	n/a	(2,386)	(2,324)	(633)	(711)
Total		(190,025)	(153,362)	(200,606)	(218,664)

The fair value of liabilities is less than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans, namely PWLB annuity and Lender's Option Borrower's Option (LOBO), where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. The commitment to pay interest below current market rates decreases the amount the Authority would have to pay if the lender requested or agreed to early repayment of loans.

Fair value disclosures have not been calculated for short term financial liabilities or short term financial assets, including payables (creditors), receivables (debtors) and temporary investments as the carrying amount is a reasonable approximation of fair value.

Financial Instrument Balances

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

	31 March 2023			31 March 2022		
	Non-Current £000	Current £000	Total £000	Non-Current £000	Current £000	Total £000
Financial Instruments						
Financial Liabilities						
Financial liabilities at amortised cost	(132,498)	(57,527)	(190,025)	(126,923)	(73,683)	(200,606)
Total Borrowings	(132,498)	(57,527)	(190,025)	(126,923)	(73,683)	(200,606)
Financial Assets						
Long term investments - Equity	658	0	658	342	0	342
Total Investments	658	0	658	342	0	342

Financial Instrument Gains/Losses

The gains and losses recognised in the Comprehensive Income & Expenditure Statement (*note 11, page 48*) in relation to financial instruments are made up as follows:

	2022/2023			2021/2022		
	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2022/2023 £000	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2021/2022 £000
Financial Instrument Gains/Losses						
Interest payable and similar charges:						
Interest expense	4,708	0	4,708	4,464	0	4,464
Interest and investment income:						
Interest income	0	(1,789)	(1,789)	0	(77)	(77)
Net (gain)/loss for the year:	4,708	(1,789)	2,919	4,464	(77)	4,387

Soft Loans

Car loans are classified as soft loans and should be included in the Balance Sheet at fair value. However, car loans have been included at their carrying amount, as the difference between the fair value and carrying amount is considered to be immaterial. As at 31 March 2023, 54 car loans were outstanding with a total value of £0.266m (31 March 2022: 72 loans with a value of £0.331m).

During 2020/2021 a single in-arrears payroll was implemented for all staff. To assist with cashflow issues caused by this change, interest-free bridging loans were offered. £0.460m was advanced, of which £0.457m has been repaid to 31 March 2023 (31 March 2022: £0.455). As the difference between fair value and carrying amount is considered to be immaterial, the outstanding balance of £0.003m has been included in the Balance Sheet at cost (31 March 2022: £0.005m).

The Authority received two interest free loans from Welsh Government in 2020/2021: £70.000m in relation to the Ebbw Valley Railway Infrastructure project and £2.570m as a Town Centre loan for Local Authority use. A further sum of £0.825m was received in 2021/2022 as a Transforming Towns loan. As these loans have interest rates below market rate, each has been treated as a soft loan in the Authority's accounts and have been included in the Balance Sheet at Fair Value.

In 2022/2023, in response to the cost of living crisis, a bridging loan was advanced to eligible employees who claimed business mileage. This was to be repaid by staff when the cost of fuel reduced or on implementation of the agreed pay award. A total of £0.016m was advanced of which none had been repaid to 31 March 2023. As the difference between fair value and carrying amount is considered to be immaterial, the outstanding balance of £0.016m has been included in the Balance Sheet at cost.

39. Disclosure of Nature and Extent of Risks Arising from Financial Instruments

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

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

Overall Procedures for Managing Risk

The economic impact of the Covid-19 pandemic, Ukrainian war and Cost of Living Crisis continue to present challenges to the financial services industry and its institutions. The main issues for the Council are credit risk; its ability to raise finance; and to a limited degree the interest rate payable and receivable on new loans and investments. However, these risks are mitigated as described below.

The Authority's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are defined through a legal framework set out in the Local Government Act 2003 and associated regulations and are managed by the Authority's Accountancy Division. These require compliance with the CIPFA Prudential Code of Practice, the CIPFA Treasury Management Code of Practice and investment guidance issued under the Local Government Act 2003.

Overall, these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;
- by approving an Investment Strategy for the forthcoming year, setting out its criteria for both investing and selecting investment counterparties in compliance with government guidance; and
- by approving annually in advance Prudential and Treasury Indicators for the following three years limiting:
 - the Authority's overall borrowing;
 - its maximum and minimum exposures to fixed and variable rates;
 - its maximum and minimum exposures to the maturity structure of its debt; and
 - its maximum annual exposures to investments maturing beyond a year.

The above are required to be reported and approved at or before the Authority's annual Council Tax setting meeting or before the start of the year to which they relate. These items are reported with the annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual Treasury Management Strategy, Investment Strategy and MRP Policy statement, which incorporates the Prudential Indicators, were approved by Council on 09 March 2022 and are available on the Authority's website:

[Ordinary Meeting of the Council - 9 Mar 2022](#)

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch and Moody's Credit Rating Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after this initial criteria is applied by using Credit Default Swap (CDS) spread data and credit rating alerts.

The full Investment Strategy for 2022/2023 was approved by Council on 09 March 2022.

The Authority's maximum exposure to credit risk in relation to its investments cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments.

However, all investments held by the Authority during the period are considered to be of low risk. No breaches of the Authority's counterparty criteria occurred during the reporting period and the Authority does not expect any losses from non-performance of any of its counterparties in relation to deposits.

Liquidity Risk

The Authority manages its liquidity position through the risk management procedures outlined above (*the setting and approval of Prudential Indicators and the approval of the Treasury and Investment Strategy reports*), as well as through a comprehensive cash flow management system. This seeks to ensure that cash is available when needed.

The Authority has ready access to borrowings from the money markets to cover any day to day cash flow need, and the Public Works Loan Board (PWLb) and money markets for longer term funds. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The source analysis of financial liabilities is as follows:

Financial Instruments	31 March 2023		31 March 2022	
	£000	%	£000	%
Source of Loan				
Public Works Loan Board	(71,147)	32.22	(74,067)	31.98
Lenders Option Borrowers Option	(4,000)	1.81	(4,000)	1.73
Market Loans	(18,000)	8.15	(14,000)	6.04
Temporary Loans	(48,365)	21.90	(62,365)	26.93
Rail Infrastructure Loan	(70,000)	31.69	(70,000)	30.22
Town Centre Loan	(2,570)	1.16	(2,570)	1.11
Transforming Towns Loan	(3,400)	1.54	(825)	0.36
Salix Loan	(3,382)	1.53	(3,780)	1.63
Total:	(220,864)	100.00	(231,607)	100.00

The maturity analysis of financial liabilities is as follows:

Maturity of Loan	31 March 2023		31 March 2022	
	£000	%	£000	%
Maturing in less than 1 year	(57,527)	26.05	(73,683)	31.80
Maturing in 1-2 years	(15,849)	7.18	(9,162)	3.96
Maturing in 2-5 years	(35,117)	15.90	(32,531)	14.05
Maturing in 5-10 years	(25,347)	11.48	(27,807)	12.01
Maturing in more than 10 years	(87,024)	39.39	(88,424)	38.18
Total:	(220,864)	100.00	(231,607)	100.00

Market Risk

Interest Rate Risk

The Authority is exposed to risk in terms of exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income & Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the liabilities will fall.
- Investments at variable rates – the interest income credited to the Comprehensive Income & Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact upon the Comprehensive Income & Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income & Expenditure Statement and will affect the Council Fund Balance.

The Authority has a number of strategies for managing interest rate risk. The Treasury Management Strategy sets an upper limit on variable rate exposures at 30% of its net outstanding sums. During periods of falling interest rates, long term fixed rate borrowings will be postponed and potential rescheduling from fixed rate funding into short term funding will be considered, where economic circumstances make it favourable to do so. The risk of loss is partly ameliorated by the fact that the debt financing element of the Standard Spending Assessment, which determines the amount of Revenue Support Grant receivable for non-current debt financing costs, is based on Authorities' average borrowing costs for existing debt and statistical forecasts of future interest rates for in-year debt. Hence a proportion of any higher costs arising on non-current debt from increased interest rates would be met from the Revenue Support Grant in future years.

In setting the annual revenue budget, the Authority takes a prudent view when assessing interest rate exposure, so as to mitigate as far as possible any adverse implications upon the Comprehensive Income & Expenditure Statement.

Of the Authority's non-current debt, 95% is currently at fixed rates; only the LOBO is considered to be variable, although the chances of repayment being demanded are relatively small. The effect of a 1% increase in interest rates would therefore only affect the interest receivable and payable on its current investments and borrowings, and on the LOBO.

If interest rates had been 1% higher, with all other variables held constant, the financial effect would have been:

Interest Rate Risk	2022/2023 £000	2021/2022 £000
Increase in interest payable on current variable rate borrowings	594	616
Increase in interest receivable on current variable rate investments	(939)	(750)
Increase in interest payable on non-current variable rate borrowings	40	40
Net impact upon Comprehensive Income & Expenditure Statement:	(305)	(94)

The impact of a 1% fall in interest rates would have been as above but with the movements being reversed.

Price Risk

The Authority does not invest in equity shares but does have a 100% shareholding to the value of £250,000 in Silent Valley Waste Services Ltd.. As the shareholding is unquoted the Authority is not exposed to losses arising from movements in the prices in the shares. The £250,000 shares are classified as unquoted investments at cost.

Included on the Balance Sheet is the Authority's proportion of a minor equity investment made by the Cardiff Capital Region City Deal in Pharmedelligence Ltd.. As the investment is unquoted the CCRCD is not exposed to losses arising from movements in the prices in the shares. The Authority's proportion, equating to £346,481, has been classified as unquoted investments at cost.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to losses arising from movements in exchange rates.

40. Post-Employment Benefits – Defined Contribution Plans (Teachers)

The Teachers' Pension Scheme is an unfunded scheme, in which pension benefit payments from the scheme are funded by current employee and employer contributions. The difference between these contributions and scheme expenditure are financed by the Exchequer. As an indication of the scale of the fund and the sums involved, the net cash requirement for 2022/2023 was £1.73bn and total net scheme liabilities amounted to £303.2bn.

Employer contributions are set by the Secretary of State, on the advice of the fund actuary. Following the recommendations of Lord Hutton on public sector pensions, a valuation as at 31 March 2012 was undertaken by the Government Actuary's Department in line with the revised valuation directions determined by HM Treasury. As a result of this valuation, the standard contribution rate (SCR) was assessed at 20.4% and the supplementary contribution rate (which funds the accumulated shortfall of liabilities within a period of up to 15 years) was set at 5.6% (a total contribution rate of 26.0%). The actuarial valuation based on scheme data for the period ending 31 March 2016 had been progressing and was expected to be implemented in 2019, with subsequent valuations to be undertaken on a four-yearly basis. However, the actuarial valuation was suspended following the Court of Appeal ruling against the government in respect of changes to the judges and firefighters pension schemes. Work on the next Scheme valuation, as at 31 March 2020, is underway, with any changes to contributions and benefit levels expected to be announced in early Autumn 2023 and to take effect in April 2024. The employers rate increased to 23.6% from September 2019, with no change to the average employee contribution of 9.5%.

The Authority is liable for other entities' obligations only to the extent that any deficit arising on the Teachers' Pension Scheme that is being recovered through the supplementary contribution element of the Employer Contribution rate may not have resulted from employees or former employees of the Authority.

The Authority is not required to include entries in its Balance Sheet relating to assets and liabilities for the Teachers' Pensions Scheme, as the liability for payment of these pensions rests ultimately with the Department for Education.

Teachers employed by the Authority are members of the Teachers' Pension Scheme (a defined benefit scheme) administered by Capita Teachers' Pensions. The Authority contributes towards the costs of retirement benefits by making contributions based on a percentage of employees' pensionable salaries.

The TPS is a multi-employer scheme which for 2022/2023 comprised 12,357 contributing employers that administered over 1.42 million active/deferred members and made payments to 756,565 pensioners. Given the complexities involved in administering pension arrangements for this volume of employees, it is not possible to disaggregate the scheme liabilities for each employer. Consequently, there is insufficient information available to account for the TPS as a defined benefit plan and as a result it has been accounted for as a defined contribution scheme.

In 2022/2023, the Authority paid employers contributions of £5.257m to Capita Teachers' Pensions in respect of teachers' pension costs, representing 23.6% of teachers' pensionable pay (2021/2022: £4.932m). At 31 March 2023, £0.451m remained payable to the Teachers' Pension Scheme relating to employers contributions arising in the March payroll (31 March 2022: £0.415m).

The total employers contributions to be made by the Authority to the Teachers' Pension Scheme in the year to 31 March 2024 is estimated at £5.520m.

The Authority made total contributions (employees and employers) to the TPS amounting to £7.411m in 2022/2023, which would have represented approximately 0.08% of the total contributions receivable by the TPS in 2022/2023.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement that fall outside of the terms of the Teachers' Scheme. These costs are accounted for on a defined benefit basis and are detailed in note 41 (page 95).

41. Post-Employment Benefits – Defined Benefit Plans

Retirement benefits are offered to the Authority's employees which, although not actually payable until employees retire, represent a commitment by the Authority that needs to be disclosed in the Accounts in the financial period in which the entitlement to benefits arises (i.e. when earned by employees through service provided).

The Authority participates in two formal schemes, the Local Government Pension Scheme (the Greater Gwent (Torfaen) Pension Fund), which is administered by Torfaen CBC, and the Teachers' Pensions Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education. Although technically a defined benefit scheme, the Teachers' Pensions Scheme is accounted for as a defined contribution scheme (*note 40, page 94*).

With effect from 1 April 2014, the Local Government Scheme is a funded defined benefit Career Average Revalued Earnings (CARE) scheme, in which the Authority and employees make contributions calculated at a level intended to balance pension liabilities arising with investment assets. The contribution rate is determined by the Fund's Actuary based on triennial valuations, the last completed review being 31 March 2022.

Pension benefits under the LGPS are summarised below:

	Service pre 1 April 2008
Pension	Each year worked is worth 1/80th of final pensionable salary.
Lump Sum	Automatic lump sum of 3x annual pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.
	Service between 1 April 2008 and 31 March 2014
Pension	Each year worked is worth 1/60th of final pensionable salary.
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

	Service after 31 March 2014
Pension	Each year worked is worth 1/49th of career average revalued earnings.
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

The Scheme is governed by the Public Service Pensions Act 2013 and administered in accordance with the following secondary legislation:-

- the LGPS Regulations 2013 (as amended);
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- the LGPS (Management and Investment of Funds) Regulations 2016.

As administering authority, Torfaen County Borough Council is responsible for interpreting all pension laws, keeping accurate records, calculating and paying benefits, and providing information to employees, employers and other relevant bodies. Torfaen County Borough Council has established within its Constitution a Pensions Committee to discharge its duties as administering authority of the Fund. The Council has also established a Pension Fund Management Group to provide wider stakeholder representation and communication in matters relating to the Fund. As required by the Public Services Pension Act 2013 and LGPS (Amendment) (Governance) Regulations 2015, a Pension Fund Board has been established to assist the Scheme manager with securing compliance with regulations, legislation and the Pension Regulator's Codes of Practice relating to administration and governance of the Local Government Pension Scheme.

The Fund's primary long term risk is that its assets will fall short of its liabilities (i.e. its promised benefits payable to members). Investment risk management across the Fund is therefore aimed to minimise the risk of an overall reduction in the value of the Fund whilst maximising the opportunity for gains across the whole portfolio. Within its investment strategy the Fund aims to manage this primary overall risk by:-

- asset diversification to reduce exposure to market risk (asset price risk, interest rate risk and currency risk);
- managing credit risk via appropriate selection, diversification and monitoring of its counterparties; and
- managing liquidity risk by ensuring there are sufficient liquid funds to meet member benefit commitments as they fall due.

To meet the requirements of the Regulations, the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the "funding target") assessed on an ongoing basis including allowance for projected final pay. The funding objective as set out in the FSS (Funding Strategy Statement) is to achieve and maintain a funding level of 100% of liabilities (the Funding Target). In line with the FSS, where a shortfall exists at the effective date of the actuarial valuation (31 March 2022), a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The maximum deficit recovery period has been set as 20 years.

The 2022 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 97% (2019 Valuation: 86%). As a result, employer contribution levels have been calculated for implementation from 1 April 2023 that will, subject to future revaluations, eliminate this deficit in 20 years. Scheme changes implemented under the Public Pensions Service Act 2013, including calculating pension and other benefits on the basis of career average re-valued earnings, will also need to be considered in meeting the future funding objectives.

As an indication of the level of the Authority's participation in the Greater Gwent (Torfaen) Pension Fund compared with other participating entities, Blaenau Gwent contributed 11.1% of the total employee and employer contributions receivable by the Fund as disclosed in the most recently available annual accounts (2021/2022).

More detailed information regarding the nature of benefits provided, regulatory framework, governance arrangements, investment principles, funding strategy, actuarial valuation and pension fund performance can be obtained from the Assistant Chief Executive (Resources), Torfaen County Borough Council, Civic Centre, Pontypool, NP4 6YB, or from the Greater Gwent Pensions Fund website:

<https://www.gwentpensionfund.co.uk>

Welsh Pension Partnership (WPP)

The Greater Gwent Pension Fund is one of eight Local Government Pension Scheme funds in Wales that since 2017 have collaborated in the Wales Pension Partnership (WPP). Pooling of the eight schemes' assets is undertaken in order to benefit from economies of scale and reduced administrative costs. As host authority, Carmarthenshire County Council is responsible for running the pooled fund. In 2022/2023, 70% of the Constituent Authorities' pension fund assets were pooled.

Discretionary Benefits

The Authority is responsible for all discretionary pension payments relating to added years awarded, together with related increases for both Local Government Scheme employees and teachers. This is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made but for which there are no investment assets built up to meet these pensions liabilities. Cash has to be generated to meet actual pensions payments as they fall due. For Local Government Scheme employees, liabilities are discharged within 1 year of awarding the discretionary payments; for Teachers' Scheme employees the liability is not discharged until the employee is deceased.

Accounting Treatment of Defined Benefit Transactions

The cost of retirement benefits are recognised in the 'Net Cost of Services' section of the Comprehensive Income & Expenditure Statement when those benefits are earned by employees, rather than when the benefits are actually paid as pensions. However, legislation requires that the pensions charge that falls for payment by Council Taxpayers is equal to the amounts payable for the year of account. Consequently adjustments are made in the Movement in Reserves Statement (Adjustments between accounting basis and funding basis under statutory provisions) to ensure that the notional cost of retirement benefits is reversed out of the accounts and replaced with the amounts paid.

The following transactions have been made in the Comprehensive Income and Expenditure Statement during the year:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Pension Scheme Transactions - Comprehensive Income & Expenditure Statement						
Cost of Services:						
Current Service Costs	26,308	0	26,308	26,833	0	26,833
Past Service Costs and Curtailments	158	0	158	15	0	15
Administration Expenses	276	0	276	249	0	249
Total Service Cost:	26,742	0	26,742	27,097	0	27,097
Financing and Investment Income and Expenditure:						
Interest on plan assets	(12,565)	0	(12,565)	(8,798)	0	(8,798)
Interest on defined benefit liabilities	19,775	856	20,631	15,217	697	15,914
Net Interest:	7,210	856	8,066	6,419	697	7,116
Total Charged to the Surplus/Deficit on Provision of Services:	33,952	856	34,808	33,516	697	34,213
Remeasurement of the Net Defined Liability, comprising:						
Return on plan assets (excluding amounts included in Net Interest)	21,563	0	21,563	(17,615)	0	(17,615)
Actuarial (Gains)/Losses arising from changes in demographic assumptions	(4,579)	(498)	(5,077)	(3,950)	(321)	(4,271)
Actuarial (Gains)/Losses arising from changes in financial assumptions	(269,114)	(6,479)	(275,593)	(53,531)	(1,286)	(54,817)
Experience (Gains)/Losses on defined benefit liabilities	20,375	1,032	21,407	685	(443)	242
Total remeasurements recognised in Other Comprehensive Income & Expenditure:	(231,755)	(5,945)	(237,700)	(74,411)	(2,050)	(76,461)
Total Charged to the Comprehensive Income & Expenditure Statement:	(197,803)	(5,089)	(202,892)	(40,895)	(1,353)	(42,248)

At 31 March 2023, £1.487m remained payable to the LGPS relating to contributions arising in the March payroll (31 March 2022: £1.546m). This amount has been excluded from the Pensions Asset in the Balance Sheet.

The following transactions have been made in the Movement in Reserves Statement during the year:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Pension Scheme Transactions - Movement in Reserves Statement						
Reversal of net charges for post employment benefits included in <i>'Total Charged to the Surplus/Deficit on Provision of Services'</i>	(33,952)	(856)	(34,808)	(33,516)	(697)	(34,213)
Actual Amount Charged Against Council Tax for Pensions in year:						
Employers' Contributions Payable to Scheme	13,990	0	13,990	12,332	0	12,332
Retirement Benefits Payable to Pensioners	0	1,781	1,781	0	1,823	1,823
Total amounts charged against Council Tax:	13,990	1,781	15,771	12,332	1,823	14,155
Net adjustment between accounting basis and funding basis for pension transactions:	(19,962)	925	(19,037)	(21,184)	1,126	(20,058)

Assets and Liabilities in Relation to Post-Employment Benefits

Transactions in respect of the fair value of pension scheme assets are as follows:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Reconciliation of the Movements in Fair Value of Scheme Assets						
Balance at 1 April:	465,432	0	465,432	440,901	0	440,901
Employer Contributions	14,049	1,781	15,830	12,030	1,823	13,853
Member Contributions	3,497	0	3,497	3,172	0	3,172
Benefits Paid	(17,161)	(1,781)	(18,942)	(17,084)	(1,823)	(18,907)
Interest on Plan Assets	12,565	0	12,565	8,798	0	8,798
Remeasurement Gains/(Losses):						
Return on Plan Assets (excluding amounts included in Interest)	(21,563)	0	(21,563)	17,615	0	17,615
Balance at 31 March:	456,819	0	456,819	465,432	0	465,432

Transactions in respect of the present value of pension scheme liabilities are as follows:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Reconciliation of the Movements in Present Value of Scheme Liabilities						
Balance at 1 April:	(726,427)	(32,585)	(759,012)	(754,821)	(35,761)	(790,582)
Current Service Cost	(26,308)	0	(26,308)	(26,833)	0	(26,833)
Past Service Cost and Curtailments	(158)	0	(158)	(15)	0	(15)
Administration Expenses	(276)	0	(276)	(249)	0	(249)
Interest Cost	(19,775)	(856)	(20,631)	(15,217)	(697)	(15,914)
Member Contributions	(3,497)	0	(3,497)	(3,172)	0	(3,172)
Benefits Paid	17,161	1,781	18,942	17,084	1,823	18,907
Remeasurement Gains/(Losses):						
Experience Gains/(Losses)	(20,375)	(1,032)	(21,407)	(685)	443	(242)
Actuarial Gains/(Losses) arising from changes in demographic assumptions	4,579	498	5,077	3,950	321	4,271
Actuarial Gains/(Losses) arising from changes in financial assumptions	269,114	6,479	275,593	53,531	1,286	54,817
Balance at 31 March:	(505,962)	(25,715)	(531,677)	(726,427)	(32,585)	(759,012)

The net liability arising from defined benefit scheme obligations can be analysed as follows:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Pension Assets & Liabilities Recognised in the Balance Sheet						
Fair Value of Scheme Assets	456,819	0	456,819	465,432	0	465,432
Present Value of Scheme Liabilities	(505,962)	(25,715)	(531,677)	(726,427)	(32,585)	(759,012)
Net Liability:	(49,143)	(25,715)	(74,858)	(260,995)	(32,585)	(293,580)

There are no assets to cover the discretionary benefits awarded to Teachers (Unfunded Teachers' Discretionary Pensions).

Assets held by the Local Government Pension Scheme can be categorised as follows:

Local Government Pension Scheme Asset Categorisation	31 March 2023				31 March 2022			
	Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total		Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total	
	£000	£000	£000	%	£000	£000	£000	%
Quoted Equity Securities:	0	0	0	0.00	0	0	0	0.00
Investment Funds and Unit Trusts:								
Equities	0	337,238	337,238	73.82	0	344,334	344,334	73.98
Bonds	0	60,856	60,856	13.32	0	65,404	65,404	14.05
Other	0	47,104	47,104	10.31	0	42,576	42,576	9.15
Real Estate: UK Property Funds	0	9,251	9,251	2.03	0	10,652	10,652	2.29
Cash and Cash Equivalents:	0	2,370	2,370	0.52	0	2,466	2,466	0.53
Total:	0	456,819	456,819	100.00	0	465,432	465,432	100.00

The Authority holds no investments in the Greater Gwent (Torfaen) Pension Scheme and does not occupy or otherwise utilise assets held by the Scheme.

Sensitivity Analysis

The impact of changes in the key actuarial assumptions has been calculated as follows:

Sensitivity Analysis: Impact of Change in Assumptions	31 March 2023		31 March 2022	
	Increase in Employer Liabilities		Increase in Employer Liabilities	
	£000	%	£000	%
0.5% decrease in Real Discount Rate	46,195	8.69	74,840	9.86
0.5% increase in the Salary Increase Rate	6,730	1.27	8,935	1.18
0.5% increase in the Pension Increase Rate	40,135	7.55	65,315	8.61
1 year increase in Member Life Expectancy	21,267	4.00	30,360	4.00

The impact of these changes on assets and liabilities at year end would be as follows:

Sensitivity Analysis	31 March 2023				
		Discount Rate:	Salary Increase:	Pension Increase:	Life Expectancy:
	Base	-0.5% p.a.	+0.5% p.a.	+0.5% p.a.	+1 Year
	£000	£000	£000	£000	£000
Liabilities	(531,677)	(577,872)	(538,407)	(571,812)	(552,944)
Assets	456,819	456,819	456,819	456,819	456,819
Net Deficit	(74,858)	(121,053)	(81,588)	(114,993)	(96,125)

	31 March 2022				
		Discount Rate:	Salary Increase:	Pension Increase:	Life Expectancy:
	Base	-0.5% p.a.	+0.5% p.a.	+0.5% p.a.	+1 Year
	£000	£000	£000	£000	£000
Liabilities	(759,012)	(833,852)	(767,947)	(824,327)	(789,372)
Assets	465,432	465,432	465,432	465,432	465,432
Net Deficit	(293,580)	(368,420)	(302,515)	(358,895)	(323,940)

The sensitivity analysis figures provided by the Actuary are approximate only. It has been assumed that there have been no changes in accounting policies, Scheme benefits, the age/sex/service profile of employees, levels of pay and contributions made. The Actuary has also indicated that the impact of an increase in member life expectancy would be in the range of 3-5%, subject to varying factors. These figures should not therefore be construed as providing accurate outturn figures for future accounting periods. No allowance has been made for the impact of Covid-19 on the pension fund, as the long term impact on the fund was not known in March 2021. The accounting position, due to the effect of Russia's Invasion of Ukraine, was seen as quite small by the actuary. The accounting assumptions used at 31 March 2023 are based on market expectations which are shaped by global events.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on financial and demographic assumptions. Hymans Robertson LLP are the appointed actuary for the Greater Gwent Local Government Pension Scheme, and have calculated attributable assets and liabilities (including those for Unfunded Teachers' Discretionary Pensions) using the following principal assumptions:

Principal Assumptions	31 March 2023	31 March 2022
Financial Assumptions:		
Rate of Increase in Salaries	3.5%	3.5%
Rate of Increase in Pensions	3.0%	3.2%
Discount Rate	4.8%	2.7%
Mortality Assumptions:		
Current Pensioners:	CMI 2021 Model, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	Vita Curves with improvements in line with the CMI 2020 model assuming long term rates of improvement of 1.5% p.a.
Future Pensioners:	CMI 2021 Model, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	Vita Curves with improvements in line with the CMI 2020 model assuming long term rates of improvement of 1.5% p.a.
Life Expectancy:		
Longevity of current pensioners (aged 65):		
Males	20.2	20.5
Females	22.9	23.5
Longevity of future pensioners (aged 65 in 20 years' time):		
Males	21.0	21.7
Females	24.7	25.3

The actuarial assumptions used in the calculation of year end Balance Sheet liabilities are based on the assumptions used in the last full valuation, other than those identified above. Liabilities for Teachers' Unfunded Discretionary Benefits are calculated on the same basis as the Local Government Scheme, except for those above.

The date of the last full actuarial valuation was 31 March 2022.

Impact on future cash flows

Entries are included in the Balance Sheet for this Authority's share of assets and liabilities of the Local Government Pension Scheme. Liabilities relating to Unfunded Teachers' Discretionary Pensions are also included. Disclosed liabilities show the underlying commitment that the Authority has in the long term to pay retirement benefits.

The scheme is financed by contributions paid by the employees, their employers and earnings from the investment of the Fund's money. The type of investment is decided by legislation and not by the local authorities. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013. Contributions are additionally made by Fund employers which are set by the Fund's triennial actuarial valuations. The last such formal valuation was at 31 March 2022.

In terms of funding via investment earnings, the Fund's assets are invested in accordance with its investment strategy, which is set out within the Fund's Funding Strategy Statement. Investment management policy, principles and arrangements are detailed within its Statement of Investment Principles.

To meet the requirements of the Regulations the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the "funding target") assessed on an ongoing basis including allowance for projected final pay. The funding objective as set out in the FSS (Funding Strategy Statement) is to achieve and maintain a funding level of 100% of liabilities (the Funding Target). In line with the FSS, where a shortfall exists at the effective date of the actuarial valuation (31 March 2022), a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The maximum deficit recovery period has been set as 20 years.

The 2022 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 97% (2019 Valuation: 86%). As a result, employer contribution levels have been calculated for implementation from 1 April 2023 that will, subject to future revaluations, eliminate this deficit in the next 20 years.

The Authority holds total usable reserves of £60.690m at 31 March 2023 (£85.316m at 31 March 2022). The effect of applying the net superannuation fund deficit of £74.858m to the Authority's usable reserves would be a deficit of £14.168m (2021/2022: the superannuation deficit of £293.580m exceeded usable reserves by £208.264m).

However, this deficit is dependent on a number of factors such as investment performance and retirement benefits payable. The long-term under-funding of the Local Government Scheme is currently being addressed over a number of years by staged increases to employer contributions. Consequently, the total liability would not arise in one financial year. The overall financial standing of the Superannuation Fund is regularly reviewed by Actuaries on behalf of the administering Authority (Torfaen CBC).

The total contributions expected to be made by the Authority to the Local Government Pension Scheme in the year to 31 March 2024 are estimated by the Fund Actuary as £14.093m.

In the event that a contributing fund member became unable to pay contributions or make good future deficits, the level of Pension Scheme assets would be lower than expected and this would have a negative impact on the Funding Level. At that time, the Administering Authority (Torfaen) would seek to recover any debt outstanding from the employer. This type of risk can be mitigated by the use of guarantees and/or covenants. However, if an employer defaults on payment and these sums cannot be recovered, the shortfall would then become the responsibility of any guarantor or all

other employers in the Fund. This could increase the level of employer contribution rates required to recover the overall Fund deficit.

Potential Liabilities Arising From the McCloud/Sargeant Ruling

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2015 by these members are subject to an 'underpin' which means that they cannot be lower than those they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling have also applied to the LGPS (and other public service schemes). The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019.

HM Treasury confirmed in February 2021 that all eligible scheme members would remain as members of the legacy (i.e. final salary) scheme for the remedy period between 1 April 2015 and 31 March 2022. At the point at which members start taking benefits (usually at retirement), they will then be able to opt for either legacy or reformed (i.e. career average) benefits for the remedy period. Eligibility may be limited to members active or within 10 years of normal pension age at 1 April 2012.

LGPS benefits accrued from 2015 may therefore need to be enhanced as all eligible members could benefit from the underpin. The Fund actuary included an increase in liabilities related to the McCloud/Sargeant judgement in the 2019/2020 accounts, based on the Government Actuary's Department (GAD) estimates, adjusted where appropriate to better reflect the Greater Gwent (Torfaen) Pension Fund's local assumptions, particularly salary increases and withdrawal rates. This amounted to £1.227m and was charged to the CIES as Past Service Cost.

If eligibility is limited to members who were active at 31 March 2012, the Actuary advised that the calculated increase in liabilities would reduce by approximately half. No adjustment has been made in the accounts for this potential reduction. The Actuary has advised that no further adjustments have been made to fund liabilities in the accounts as a result of the McCloud/Sargeant ruling.

Potential Liabilities Arising From the Virgin Media-NTL Case Ruling

In July 2024, a Court of Appeal decision upheld the High Court ruling of June 2023 that contracted out defined benefit pension scheme amendments made between 1997 and 2016 would be deemed void if no written sign-off from a scheme actuary can be found. The decision relates to the interpretation of section 37 of the Pension Schemes Act 1993.

The Government Actuary's Department (GAD) is currently reviewing all scheme changes for the LGPS to confirm whether actuarial certificates are available. It is currently not known whether DWP will provide a legislative solution to this issue.

There is a potential liability arising from this court ruling but given the current uncertainties and the absence of information concerning the value of any liability, the 2022/2023 Accounts have not been adjusted.

Contingent Liabilities (see also note 36.3, page 88)

Aneurin Leisure Trust

On creation of Aneurin Leisure Trust in October 2014, pension assets and liabilities assessed on an actuarial basis were transferred from Blaenau Gwent CBC, such that the Trust's pension obligations were deemed to be fully funded. The funding deficit accruing to 30 September 2014 in respect of employees relocating to Aneurin Leisure Trust was not transferred, but was retained by Blaenau Gwent CBC. The Trust is therefore only responsible for any increase in liabilities (on an actuarial valuation basis) occurring after the transfer date, with the Authority acting as a guarantor for the previously accrued net deficit. In addition, the Authority agreed to act as guarantor of last resort in order that the Leisure Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body and has therefore agreed to underwrite any costs arising in the event that the admitted body defaults on any or all of its payments in relation to its pension obligations.

However, in the Statement of Accounts the transferred pension assets and liabilities have been accounted for in accordance with the requirements of IAS19 *Employee Benefits*, the assumptions for which differ from those used in the actuarial valuation approach on which the funding position at inception of the Trust was based. Consequently, those elements of the settlement figures disclosed in 2014/2015 that related to Aneurin Leisure Trust did not reflect a fully funded position, but indicated the transfer of a net liability of up to £2.7m. Nevertheless, the Authority is still liable for the sums relating to the accrued net deficit on transfer and these amounts will be properly reflected in its accounts over time as they fall due in compliance with IAS19.

Guaranteed Minimum Pension (GMP) Equalisation/Indexation

In 2018, the High Court ruled that UK defined benefit pension schemes must compensate members for differences attributable to Guaranteed Minimum Pensions (GMPs) (*Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC and Others*). Guaranteed Minimum Pension represents the minimum pension an occupational pension scheme must provide a scheme member as an alternative to the State Earnings Related Pension Scheme (SERPS). GMP accrued in the LGPS between 6 April 1978 and 5 April 1997. Responsibility for paying annual pension increases on different tranches of benefit is divided between the LGPS fund and the State (via the State Pension), depending on when the member was in employment and when they reached State Pension Age (SPA). The Government implemented an 'interim' solution for members reaching SPA between 6 April 2016 and 5 December 2018, which involved the LGPS fund paying for everything i.e. both initial pension and all increases. This arrangement was subsequently extended to 5 April 2021. In March 2021 the HM Treasury announced that it has opted to make indexation of GMP payments a permanent measure, instead of merging GMP and pension scheme liabilities.

The Government's solution will lead to an increase in pension fund liabilities as a result of the scheme paying full GMP increases for all members with a SPA after 2016. Effectively this passes the cost from the State to LGPS funds (and therefore employers). There has been no indication of additional funding to cover this extra cost. The LGPS fund actuary has indicated that an estimate for full GMP indexation was included in the 2019 Actuarial Valuation and therefore these costs have already been built in to Balance Sheet liabilities and employer contribution rates.

42. Reserves

42.1 Usable Reserves

Fund balances and usable reserves are held by the Authority for the following purposes:

Fund Balances:

Council Fund General Reserve	The cumulative amount available to meet the future costs of Council services.
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Usable Earmarked Revenue Reserves:

Budget Contingency Fund / Invest to Save	To provide initial assistance in meeting new and emerging budget pressures and to establish an invest to save fund to provide one-off funding for initiatives that will generate financial and efficiency savings in the medium to long term.
Building Control Fees	To hold surpluses generated for future re-investment to improve the quality and performance of the Building Control Service.
Cardiff Capital Region City Deal (CCRCD)	The Authority's apportioned share of surpluses or deficits arising on the Cardiff Capital Region City Deal joint arrangement.
Corporate Services Portfolio	To provide for a variety of specific costs falling to the Corporate Services Portfolio, including: Additional future costs of elections; implementation of payroll system functionality; costs of implementing the new Hybrid Mail Model; holding deposits & bonds; meeting taxation liabilities, improving customer accessibility; recycling the interest from the rail loan back into the project; and to fund the Authority's contribution to the Citizens Advice Bureau.
Covid-19 Response & Recovery	To address additional costs arising from the continued impact of responding to/recovering from the Covid-19 global pandemic after specific Welsh Government funding has ceased.
Downsizing, Redundancy & Transitional Costs	To fund specific identified salary, pension strain and redundancy costs arising from the Authority's service transformation and downsizing projects, on a short-term (transitional) basis.
Economy Portfolio	To provide for a variety of specific costs falling to the Economy Portfolio, including: A review of the Authority's asset management systems and match funding for the Crowdfunding Project.

Usable Earmarked Revenue Reserves (Continued):

Education Portfolio	To provide for costs falling within the Education Portfolio, including: Funding of school based staff redundancies in 2023/2024 financial year.
Environment Portfolio	To provide for a variety of specific costs falling to the Environment Portfolio including: maintaining a stable transport oncost rate; decommissioning of the Civic Centre; highways network clearance work in adverse winter weather; fund the costs of specialist legal and financial advice in relation to Silent Valley and Corporate Landlord Re:Fit project loan repayments.
Financial Planning / Resilience	To improve the financial resilience of the Authority and support medium term financial planning, specifically for the later years of the MTFS.
Future Interest Rate	To provide protection against cost pressures arising from forecast rises in interest rates on the replacement of maturing debt and new borrowings to fund capital expenditure.
ICT	To meet the anticipated increase in capacity required for ICT in relation to staffing resources, licenses, equipment and training required to future-proof the service.
Individual Schools Budget (ISB)	To fund cost pressures relating to school expenditure including insurance and school reorganisation.
Inflation & Service Cost Pressure	To support budgets against inflationary and service pressures, the ending of the Hardship Fund and continuing to decarbonise services.
Insurance Liabilities	To protect against liabilities incurred but not settled. Such liabilities include insurance claims where an excess remains to be borne by the Authority and claims where no insurance cover exists.
Invest to Save	To provide "one off" funding for initiatives that would generate financial and efficiency savings in the medium to long term, or support commercial and investment opportunities.
Land & Property Charges (Social Services)	To mitigate the impact of establishing Land & Property charge debtors for adult residential care, the actual income for which will not be received until indeterminate points in the future.
LMS Balances	The aggregate amount of balances held by individual schools.

Usable Earmarked Revenue Reserves (Continued):

Local/Strategic Development Plan	To fund the review of the Local Development Plan.
Members Local Grants	To hold unallocated grant monies prior to distribution by Members.
Planning Committee	To provide for a variety of specific costs falling to the Planning Committee, including delivery of affordable housing, infrastructure and other community benefits through the planning process.
Rail Loan Interest	To hold interest received on investing the railway infrastructure loan before application to fund project expenditure.
Revenue Grants & Contributions Unapplied	To hold earmarked sums relating to a range of revenue grants and contributions received for which no accounting liability exists (i.e. do not have to be repaid), until applied to match specific service expenditure.
Social Services Portfolio	To provide for a variety of specific costs falling to the Social Services Portfolio including Gwent Supporting People Regional Development; funding future costs of SEW Adoption and Workforce Development Collaborations; and fees related to Children's Services.
Specialist Commercial Advice (Aneurin Leisure Trust Review)	To commission external consultants to support key elements of the review of current and future options for the provision and delivery of Leisure Services.
Strategic Business Reviews	To fund external support to strategic business reviews over a two year period.
Superannuation	To fund specific liabilities arising in respect of the Greater Gwent (Torfaen) Pension Fund falling outside of the normal contributions made by the Authority, including potential costs arising from guarantees provided to allow admission of entities to the Fund (e.g. Aneurin Leisure Trust).
Tai Calon Highways Maintenance (Commutated Sums)	To contribute to the maintenance of adopted road features over a 60 year period in areas covered by the transfer of housing stock and land to Tai Calon.
Technology Park Feasibility Study	To fund a feasibility study into the establishment of a High Tech Business Park and Test Facility focussed on the automotive and wider mobility/low carbon economic sectors.
Waste Services	To fund any potential financial penalties arising from a failure to meet the statutory recycling recovery target in 2023/2024 and future years.

Usable Reserves Earmarked for Capital Purposes:

Capital Inflation & Service Cost Pressures	To support the capital programme with the increased cost pressures being experienced when awarding capital contracts in the current market place.
Corporate Landlord	To fund various corporate landlord pressures recently identified.
Deminimis Capital Works	Receipts from minor land-related transactions to be utilised to fund associated land disposal fees that cannot be capitalised or off-set by regulation.
Facilities	To fund renovations in relation to the schools programme of works and other buildings.
Energy Centre	Provision for future repairs and maintenance of equipment in the Energy Centre.
Industrial Units	Match funding required to subsidise Industrial Units.
IT Infrastructure	To fund capital expenditure in relation to the upgrade of IT infrastructure to support workplace transformation.
New Operating Model	To support works required as part of the new operating model going forward.
The Hive	To be utilised against the Hive in 2023/2024 in relation to the ICT Road Map.
WRAP Regional Vehicles	To fund the future replacement of Regional Vehicles.

Capital Accounting Reserves:

Capital Grants Unapplied	Representing the balance of capital grants received (or receivable) for which grant conditions have been met but which have yet to be applied to match relevant capital expenditure.
Usable Capital Receipts	The proceeds of fixed asset sales available to meet future capital investment.

Movements on fund balances and reserves were as follows:

Fund Balances	Balance at 1 April 2021 £000	Transfers to Funds (Restated)† £000	Transfers from Funds £000	Balance at 31 March 2022 (Restated)† £000	Transfers to Funds £000	Transfers from Funds £000	Balance at 31 March 2023 £000
Council Fund	(7,553)	(5,551)†	0	(13,104)†	194	0	(12,910)
Total: Fund Balances	(7,553)	(5,551)	0	(13,104)	194	0	(12,910)

†: Transfers to the Council Fund increased in 2021/2022 as a result of an adjustment to depreciation charges (for which the compensating adjustment is to be transferred to the Capital Adjustment Account in 2023/2024).

Usable Earmarked Revenue Reserves	Balance at 1 April 2021 £000	Transfers to Reserves (Restated) [†] £000	Transfers from Reserves £000	Balance at 31 March 2022 (Restated) [†] £000	Transfers to Reserves £000	Transfers from Reserves £000	Balance at 31 March 2023 £000
Budget Contingency Fund/Invest to Save	(64)	0	0	(64)	0	64	0
Building Control Fees	(76)	(10)	48	(38)	(19)	0	(57)
Cardiff Capital Region City Deal	(135)	(534)	0	(669)	(387)	0	(1,056)
Corporate Services Portfolio	(277)	(430) [†]	78	(629) [†]	(190)	141	(678)
Covid-19 Response & Recovery	(2,000)	0	473	(1,527)	0	53	(1,474)
Downsizing, Redundancy & Transitional Costs	(184)	0	0	(184)	(104)	0	(288)
Economy Portfolio	(73)	(55)	1	(127)	0	23	(104)
Education Portfolio	(293)	0	193	(100)	(200)	0	(300)
Environment Portfolio	(603)	(245)	90	(758)	(61)	171	(648)
Financial Planning/Resilience	(2,500)	(1,054)	0	(3,554)	(1,500)	0	(5,054)
Future Interest Rate	(244)	(400)	0	(644)	(853)	0	(1,497)
I.C.T	(1,438)	(247)	297	(1,388)	(160)	273	(1,275)
Individual Schools Budget (ISB)	(169)	(41)	92	(118)	0	94	(24)
Inflation & Service Cost Pressure	0	(1,361)	0	(1,361)	0	450	(911)
Insurance Liabilities	(2,850)	(347)	0	(3,197)	(318)	0	(3,515)
Invest to Save	0	(1,000)	0	(1,000)	(395)	0	(1,395)
Land & Property Charges (Social Services)	(162)	0	45	(117)	0	4	(113)
LMS (Schools) Balances	(3,681)	(2,533)	0	(6,214)	(49)	1,553	(4,710)
Local/Strategic Development Plan	(143)	0	0	(143)	0	0	(143)
Members Local Grants	(55)	0	32	(23)	(21)	0	(44)
Planning Committee	0	(192)	0	(192)	(38)	82	(148)
Rail Loan Interest	0	(38) [†]	0	(38) [†]	(866)	0	(904)
Revenue Grants & Contributions Unapplied	(3,248)	(2,331)	2,330	(3,249)	(1,582)	1,085	(3,746)
Social Services Portfolio	(475)	(1,944)	125	(2,294)	(4)	697	(1,601)
Strategic Business Reviews	(193)	0	25	(168)	0	168	0
Superannuation	(601)	0	0	(601)	0	0	(601)
Supporting Additional Capacity	0	(369)	0	(369)	(17)	309	(77)
Tai Calon Highways Maintenance (Commutated Sums)	(375)	0	375	0	0	0	0
Technology Park Feasibility Study	(26)	0	0	(26)	0	26	0
Waste Services	(120)	0	0	(120)	0	0	(120)
Total: Usable Earmarked Revenue Reserves	(19,985)	(13,131)	4,204	(28,912)	(6,764)	5,193	(30,483)

[†]: Reserve transactions and balances for 'Corporate Services Portfolio' have been adjusted in 2021/2022 to separately disclose 'Rail Loan Interest', with no impact on the total of Usable Earmarked Reserves.

Usable Revenue Reserves Earmarked for Capital Purposes	Balance at 1 April 2021	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2022	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2023
	£000	£000	£000	£000	£000	£000	£000
Capital Inflation & Service Cost Pressure	0	(1,000)	0	(1,000)	0	0	(1,000)
Corporate Landlord	0	(150)	0	(150)	0	0	(150)
Deminimis Capital Works	(86)	(15)	0	(101)	(25)	0	(126)
Facilities	(119)	0	0	(119)	0	0	(119)
Energy Centre	(107)	(163)	0	(270)	(24)	0	(294)
Industrial Units	(50)	(190)	0	(240)	0	0	(240)
IT Infrastructure	(227)	0	0	(227)	0	0	(227)
New Operating Model	0	(492)	0	(492)	0	0	(492)
The Hive	0	(420)	0	(420)	0	0	(420)
WRAP Regional Vehicles	(207)	(47)	0	(254)	(72)	0	(326)
Total: Usable Reserves Earmarked for Capital Purposes	(796)	(2,477)	0	(3,273)	(121)	0	(3,394)

Usable Capital Reserves	Balance at 1 April 2021	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2022	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2023
	£000	£000	£000	£000	£000	£000	£000
Capital Grants Unapplied	(31,844)	(4,424)	4,439	(31,829)	(3,134)	29,662	(5,301)
Usable Capital Receipts	(7,649)	(741)	192	(8,198)	(597)	193	(8,602)
Total: Usable Capital Reserves	(39,493)	(5,165)	4,631	(40,027)	(3,731)	29,855	(13,903)

Summary: Usable Reserves	Balance at 1 April 2021	Transfers to Funds & Reserves (Restated)†	Transfers from Funds & Reserves	Balance at 31 March 2022 (Restated)†	Transfers to Funds & Reserves	Transfers from Funds & Reserves	Balance at 31 March 2023
	£000	£000	£000	£000	£000	£000	£000
Fund Balances	(7,553)	(5,551)†	0	(13,104)†	194	0	(12,910)
Earmarked Revenue Reserves	(19,985)	(13,131)	4,204	(28,912)	(6,764)	5,193	(30,483)
Revenue Reserves Earmarked for Capital Purposes	(796)	(2,477)	0	(3,273)	(121)	0	(3,394)
Capital Reserves	(39,493)	(5,165)	4,631	(40,027)	(3,731)	29,855	(13,903)
Total: Usable Reserves	(67,827)	(26,324)	8,835	(85,316)	(10,422)	35,048	(60,690)

†: Transfers to the Council Fund increased in 2021/2022 as a result of an adjustment to depreciation charges (for which the compensating adjustment is to be transferred to the Capital Adjustment Account in 2023/2024).

42.2 Unusable Reserves

42.2.1 Capital Adjustment Account

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

The Account 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 an historical cost basis).

The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account 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.

†: Balances and transactions in 2021/2022 have been restated to remove that portion of the Lime Avenue Joint Venture Agreement relating to the Welsh Government Share in the Joint Operation. Transactions have also been adjusted to include (and write off) funding to the JVA for development of the business units, classified as REFCUS expenditure.

Transactions relating to the cost/valuation and depreciation of assets have been reclassified in the Property, Plant & Equipment disclosures, to correct inconsistencies identified during the preparation of the 2022/2023 Accounts. These changes have consequently resulted in reclassifications to transactions recorded in the Capital Adjustment Account and Revaluation Reserve.

Capital Adjustment Account	2022/2023 £000	2021/2022 (Restated)† £000
Balance at 1 April	(89,177)	(91,019)
Adjustments to Opening Balance	(2)	4,942
Revised Balance at 1 April	(89,179)	(86,077)
Reversal of items relating to capital expenditure debited or credited to the CIES:		
Charges for depreciation	10,334	8,474
Impairment of non-current assets	1,872	1,233
Revaluation gains on Property, Plant & Equipment	(13,217)	(6,408)
Revenue expenditure funded from capital under statute	4,513	5,076
Capital grants and contributions applied to capital financing	(12,210)	(7,606)
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	(99)	1,696
Sub-Total: Capital Adjustment Transactions included in the CIES:	(8,807)	2,465
Items not debited or credited to the CIES:		
Statutory provision for the financing of capital investment charged against the Council Fund	(1,744)	(1,057)
Capital expenditure charged against the Council Fund	(468)	(458)
	(2,212)	(1,515)
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	(123)	(125)
Write Out of Infrastructure Loan Discount	950	913
Application of grants to capital financing from Capital Grants Unapplied	(29,662)	(4,434)
	(28,835)	(3,646)
Sub-Total: Capital Adjustment Transactions included in the MiRS:	(31,047)	(5,161)
Adjusting Amounts written out of the Revaluation Reserve:		
Charges for depreciation & impairment of non-current assets	(1,001)	(404)
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	(108)	0
Sub-Total: Transactions with the Revaluation Reserve:	(1,109)	(404)
Balance at 31 March	(130,142)	(89,177)

42.2.2 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

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

Revaluation Reserve	2022/2023 £000	2021/2022 (Restated) [†] £000
Balance at 1 April	(32,190)	(25,186)
Upward revaluation of assets	(18,471)	(2,693) [†]
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	1,351	342 [†]
Depreciation - write back revaluation reserve	(2,883)	(5,057) [†]
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(20,003)	(7,408)
Difference between fair value depreciation and historical cost depreciation	1,001	404
Accumulated gains on assets sold or scrapped	108	0
Amount written off to the Capital Adjustment Account	1,109	404
Balance at 31 March	(51,084)	(32,190)

[†]: Transactions relating to the cost/valuation and depreciation of assets have been reclassified in the Property, Plant & Equipment disclosures, to correct inconsistencies identified during the preparation of the 2022/2023 Accounts. These changes have consequently resulted in reclassifications to transactions recorded in the Capital Adjustment Account and Revaluation Reserve.

42.2.3 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

Financial Instruments Adjustment Account	2022/2023 £000	2021/2022 £000
Balance at 1 April	3,464	3,569
Proportion of premiums incurred in previous financial years to be charged against the Council Fund Balance in accordance with statutory requirements	(105)	(105)
Amount by which finance costs charged to the Comprehensive Income & Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(105)	(105)
Balance at 31 March	3,359	3,464

42.2.4 Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

Deferred Capital Receipts Reserve	2022/2023 £000	2021/2022 £000
Balance at 1 April	(3,291)	(2,930)
Transfer to the Capital Receipts Reserve upon receipt of cash	140	135
Adjustment to Deferred Receipts on Revaluation of Asset Leased to Third Party	0	(496)
Balance at 31 March	(3,151)	(3,291)

42.2.5 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 Authority 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 Authority 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 Authority has set aside to meet them. The statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid

Pensions Reserve	2022/2023 £000	2021/2022 £000
Balance at 1 April	291,885	348,288
Remeasurement of pensions assets & liabilities	(237,700)	(76,461)
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income & Expenditure Statement	34,808	34,213
Employer's pensions contributions and direct payments to pensioners payable in the year	(15,771)	(14,155)
Balance at 31 March	73,222	291,885

42.2.6 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from this Account. In 2022/2023, £2.826m of accruals for the preceding year were settled or cancelled and £2.122m was accrued at 31 March 2023 (2021/2022: £2.585m of accruals for the preceding year were settled or cancelled and £2.826m was accrued at year end).

42.2.7 Summary of Unusable Reserves

The Authority holds the following reserve balances that are classed as unusable:

Unusable Reserves	2022/2023 £000	2021/2022 (Restated) [†] £000
Capital Adjustment Account	(130,142)	(89,177) [†]
Revaluation Reserve	(51,084)	(32,190) [†]
Financial Instruments Adjustment Account	3,359	3,464
Deferred Capital Receipts Reserve	(3,151)	(3,291)
Pensions Reserve	73,222	291,885
Accumulated Absences Account	2,122	2,826
Total Unusable Reserves:	(105,674)	173,517

[†]: The 2021/2022 Capital Adjustment Account balance has been adjusted as a result of the revised accounting treatment of the Lime Avenue Joint Venture Agreement. The Revaluation Reserve balance changed due to an additional system transaction for the write-down of excess historic depreciation charges.

Cash Flow Notes

43. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows from Operating Activities

The following tables provide details of the adjustments made between the deficit on provision of services to arrive at a figure for operating activities cashflows.

43.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2022/2023 £000	2021/2022 (Restated)† £000
Depreciation, Revaluation & Impairment	(1,011)	3,263
REFCUS (deferred charges)	4,513	5,076†
Effective interest adjustment	48	46
Soft Loan Adjustment	950	912
Short Term Accumulated Absences	(704)	0
Net IAS19 charges made for Retirement Benefits	34,808	34,213
IAS19 Employers Contributions Paid to Pension Fund	(15,771)	(14,155)
	22,833	29,355
Increase/(Decrease) in Provisions	183	(359)
(Increase)/Decrease in Inventories	1,421	(1,208)
(Increase)/Decrease in Revenue Debtors	(2,335)	(2,220)
Increase/(Decrease) in Revenue Creditors	(3,946)	5,510
Total	18,156	31,078

43.2 Investing or Financing Activities Included in the Deficit on Provision of Services

Cash Flow - Adjustments for Investing & Financing Activities	2022/2023 £000	2021/2022 (Restated)† £000
(Gain)/Loss on Disposal of fixed assets	(456)	1,091
Capital Grants credited to CIES	(15,345)	(12,024)†
Total	(15,801)	(10,933)

†: Transactions in 2021/2022 have been restated for expenditure and financing arrangements related to the removal of the Welsh Government Share of the Lime Avenue Joint Venture Agreement, and also to include (and write off) funding to the JVA for development of the business units, classified as REFCUS expenditure. Cash Flow entries have been adjusted accordingly.

43.3 Receipts or Payments of Interest included in Operating Activities

Cash Flow - Interest included in Operating Activities	2022/2023 £000	2021/2022 £000
Interest Received	(1,738)	(95)
Interest Paid	3,703	3,504
Net Total	1,965	3,409

44. Analysis of the Amounts of Major Classes of Gross Cash Receipts and Gross Cash Payments

44.1 Investing Activities

The cash flows for investing activities consist of the following:

Cash Flow - Investing Activities	2022/2023 £000	2021/2022 £000
Cash Outflows		
Purchase of Non-Current Assets	(51,304)	(10,926)
Other Capital Cash Payments	(12,065)	(21,000)
	(63,369)	(31,926)
Cash Inflows		
Sale of Non-Current Assets	457	606
Capital Grants Received	15,352	15,964
Proceeds from Short and Long Term Investments	21,000	0
	36,809	16,570
Total	(26,560)	(15,356)

44.2 Financing Activities

The cash flows for financing activities consist of the following:

Cash Flow - Financing Activities	2022/2023 £000	2021/2022 £000
Cash Outflows		
Repayments of Amounts Borrowed	(81,318)	(81,918)
Capital Element of Finance Lease Rental Payments	(157)	(104)
	(81,475)	(82,022)
Cash Inflows		
New Loans Raised	14,578	825
New Short-Term Loans	56,000	73,050
	70,578	73,875
Total	(10,897)	(8,147)

44.3 Liabilities arising from Financing Activities

Movement in liabilities arising from financing activities are as follows:

Cash Flow - Liabilities arising from Financing Activities	2022/2023 £000	2021/2022 £000
Opening Liabilities arising from Financing Activities	231,585	239,185
Cash inflows relating to borrowing and investments	70,575	73,875
Repayments of Amounts Borrowed	(81,318)	(81,918)
Capital Element of Finance Lease Rental Payments	(157)	(104)
Net Cash Flows from Financing Activities	(10,900)	(8,147)
Adjustments for Non-Cash and Other Financing Activities		
Effective Interest Adjustment	48	46
Finance Lease Additions	329	501
	377	547
Closing Liabilities arising from Financing Activities	221,062	231,585

45. Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following:

Cash and Cash Equivalents	2022/2023 £000	2021/2022 (Restated)† £000
Cash Held by the Authority	53	52
Bank Accounts	(2,672)	10,571†
Short Term Investments	54,000	79,000
Total Cash & Cash Equivalents	51,381	89,623

†: Transactions and balances in 2021/2022 have been restated for adjustments to the Lime Avenue Joint Venture Agreement, and also to correct the treatment of amounts formerly classified as cash relating to Agency arrangements.



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Blaenau Gwent

County Borough Council



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Other Notes

46. Joint Operations - Lime Avenue Joint Venture Agreement

In September 2019, the Council entered into a Joint Venture Agreement (JVA) with Welsh Government for the provision of modular units on land at Lime Avenue, Ebbw Vale. Funding for this development was provided by Welsh Government, WEFO and the Council, with the calculated 'Capital Share' in the assets being calculated on the basis of contributions made (excluding WEFO grants).

Under the original agreement, the majority of funding was provided by Welsh Government and therefore the initial Capital Shares were calculated as:

- Blaenau Gwent CBC: 20.60%
- Welsh Government: 79.40%

As a result, the majority of the financial benefits arising from the development fall to Welsh Government, being the apportionment of the surplus of letting income over reasonable expenses, and capital receipts arising on the disposal of the assets.

The JVA was subsequently amended in August 2021. Under this supplemental agreement, Welsh Government provided 100% of the funding required for the adjacent Regain 2 development, which from that point was also covered by the terms of the original agreement. Consequently, the Capital Shares were recalculated as follows:

- Blaenau Gwent CBC: 8.69%
- Welsh Government: 91.31%

Following review of the terms of the original contract (and supplemental agreements), it was determined that this JVA should be treated as a Joint Operation, with the Council's accounts including only its proportion of transactions and balances.

Capital Expenditure incurred in the development of the Lime Avenue and Regain 2 Units is as follows:

Lime Avenue Joint Venture Agreement: Capital Expenditure & Financing		Cumulative to 31 March 2022	2022/2023	Cumulative to 31 March 2023
		£000	£000	£000
Capital Expenditure:	Lime Avenue	6,401	62	6,463
	Regain 2	686	2,763	3,449
Total Capital Expenditure:		7,087	2,825	9,912
Sources of Finance:	Welsh Government	3,747	2,765	6,512
	WEFO	2,342	60	2,402
	Blaenau Gwent CBC	989	0	989
	Other	9	0	9
Total Financing:		7,087	2,825	9,912

The Council has the option to purchase the Welsh Government Capital Share at any point. However, the JVA places an obligation on the Council to purchase the WG Share 20 years after signing of the original agreement (i.e. in September 2039), to the extent that the Council has not disposed of all or any of the assets by that time. The terms of the JVA set out the value of the Capital Share at any point over the 20 year period, being either the full value of grant received from Welsh Government or the Market Value of unsold units.

A liability has been included in the Council's Balance Sheet in relation to the requirement to purchase the Welsh Government Capital Share. At 31 March 2023, this has been included at £4.492m, being the value of grant received from Welsh Government at that date (31 March 2022: £2.768m).

The Council is responsible for administration, maintenance and rental of the business units. The JVA allows the Council to deduct all reasonable costs incurred in connection with letting, insuring, repairing and maintaining the units from rental income due, with any surplus being divided between Welsh Government and the Council on the basis of the calculated Capital Shares.

For 2022/2023, letting income and expenses were as follows:

Lime Avenue Joint Venture Agreement - Lettings Account	2022/2023	2021/2022
	£000	£000
Income & Expenditure		
Rental Income Due	(104)	(48)
Letting Expenditure	18	12
Insurance	3	3
Repairs & Maintenance	0	3
(Surplus)/Deficit Rental Income	(83)	(30)
Share of Surplus Rental Income:		
Blaenau Gwent CBC	(7)	(3)
Welsh Government	(76)	(27)
Total	(83)	(30)

To 31 March 2023, there have been no disposals of business units covered by the Lime Avenue Joint Venture Agreement, There are therefore no capital receipts arising from disposals.

The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Lime Avenue JVA have been included where appropriate in the single entity accounting statements and disclosures. Summary accounting statements for the Lime Avenue JVA are as follows:

46.1 Lime Avenue JVA - Summary Comprehensive Income & Expenditure Statement

Lime Avenue Joint Venture Agreement: Comprehensive Income & Expenditure Statement	2022/2023			2021/2022		
	Lime Avenue JVA	Blaenau Gwent Apportionment	Welsh Government Apportionment	Lime Avenue JVA	Blaenau Gwent Apportionment	Welsh Government Apportionment
	£000	£000	£000	£000	£000	£000
Cost of Services						
Operating Expenditure	4,663	405	4,258	0	0	0
Operating Income	0	0	0	0	0	0
Net Cost of Services	4,663	405	4,258	0	0	0
Taxation & Non-Specific Grant Income	(2,825)	(245)	(2,580)	(610)	(53)	(557)
(Surplus)/Deficit on Provision of Services	1,838	160	1,678	(610)	(53)	(557)

46.2 Lime Avenue JVA - Summary Movement in Reserves Statement

Lime Avenue Joint Venture Agreement: Movement in Reserves Statement	Lime Avenue JVA			Blaenau Gwent Apportionment			Welsh Government Apportionment		
	Usable Reserves	Unusable Reserves	Total Reserves	Usable Reserves	Unusable Reserves	Total Reserves	Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	0	(6,477)	(6,477)	0	(563)	(563)	0	(5,914)	(5,914)
(Surplus)/Deficit on Provision of Services	(610)	0	(610)	(53)	0	(53)	(557)	0	(557)
Adjustments between accounting basis & funding basis	610	(610)	0	53	(53)	0	557	(557)	0
Net(Increase)/Decrease	0	(610)	(610)	0	(53)	(53)	0	(557)	(557)
Balance at 31 March 2022	0	(7,087)	(7,087)	0	(616)	(616)	0	(6,471)	(6,471)
Balance at 1 April 2022	0	(7,087)	(7,087)	0	(616)	(616)	0	(6,471)	(6,471)
(Surplus)/Deficit on Provision of Services	1,838	0	1,838	160	0	160	1,678	0	1,678
Adjustments between accounting basis & funding basis	(1,838)	1,838	0	(160)	160	0	(1,678)	1,678	0
Net(Increase)/Decrease	0	1,838	1,838	0	160	160	0	1,678	1,678
Balance at 31 March 2023	0	(5,249)	(5,249)	0	(456)	(456)	0	(4,793)	(4,793)

46.3 Lime Avenue JVA - Summary Balance Sheet

Lime Avenue Joint Venture Agreement: Summary Balance Sheet	2022/2023			2021/2022		
	Lime Avenue JVA £000	Blaenau Gwent Apportionment £000	Welsh Government Apportionment £000	Lime Avenue JVA £000	Blaenau Gwent Apportionment £000	Welsh Government Apportionment £000
Non-Current Assets	5,249	456	4,793	7,087	616	6,471
Current Assets	0	0	0	0	0	0
Current Liabilities	0	0	0	0	0	0
Non-Current Liabilities	0	0	0	0	0	0
Total Net Assets	5,249	456	4,793	7,087	616	6,471
Usable Reserves	0	0	0	0	0	0
Unusable Reserves	(5,249)	(456)	(4,793)	(7,087)	(616)	(6,471)
Total Reserves	(5,249)	(456)	(4,793)	(7,087)	(616)	(6,471)

46.4 Lime Avenue JVA - Summary Cash Flow Statement

Lime Avenue Joint Venture Agreement: Cash Flow Statement	2022/2023			2021/2022		
	Lime Avenue JVA £000	Blaenau Gwent Apportionment £000	Welsh Government Apportionment £000	Lime Avenue JVA £000	Blaenau Gwent Apportionment £000	Welsh Government Apportionment £000
Net Surplus/(Deficit) on the provision of services	(1,838)	(160)	(1,678)	610	53	557
Adjustments to the provision of Services for non-cash movements	4,664	405	4,259	0	0	0
Adjustments for items included in the provision of services that are investing and financing activities	(2,826)	(245)	(2,581)	(610)	(53)	(557)
Net Cash Inflows/(Outflows) from Operating Activities	0	0	0	0	0	0
Investing Activities	(1,102)	(96)	(1,006)	2,200	191	2,009
Net increase or (decrease) in cash and cash equivalents	(1,102)	(96)	(1,006)	2,200	191	2,009
Cash and Cash equivalents at the beginning of the reporting period	(3,321)	(289)	(3,032)	(5,521)	(480)	(5,041)
Cash and cash equivalents at the end of the reporting period	(4,423)	(385)	(4,038)	(3,321)	(289)	(3,032)

47. Joint Arrangements - Cardiff Capital Region City Deal (CCRCD)

On 1 March 2017, the Cardiff Capital Region City Deal between the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent, was formally ratified. The City Deal offers the opportunity to deliver an investment package of £1.2 billion into the City Region economy between now and 2036. Whilst much of this is already earmarked for certain activities, particularly investment in the South East Wales Metro, there are funds available as part of the £1.2 billion to leverage wider economic benefits. The City Deal has a number of key targets. Notably, these include the creation of 25,000 new jobs by 2036, leveraging £4 billion of private sector investment and securing economic growth.

In the final quarter of 2017/2018, all ten Councils agreed the Joint Working Agreement Business Plan, which provides detail on the key themes or workstreams for future investment activity. In addition, the re-scheduling of finance was agreed for the first significant investment (the Compound Semi-Conductor project).

The CCRCD Investment Fund comprises two distinct elements:-

- The METRO scheme of £734 million. This will comprise £503m Welsh Government funding provided over the first seven years of the Investment Fund, from 2016/2017 to 2022/2023; £106 million from the European Development Fund, (which is committed and guaranteed following Brexit by both UK and Welsh Government); and £125m from UK Government. This element will be the direct responsibility of Welsh Government.
- The Investment Fund of £495m – comprising the ten Local Authorities' commitment to borrow £120 million over the 20 year period of the Fund, together with £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and "Metro plus" transport proposals. This element will be the responsibility of the CCRCD Regional Cabinet. Based on the agreed proportion of total population for the City Deal area, Blaenau Gwent's share of the financial contributions is 4.6%.

The CCRCD Joint Working Agreement Business Plan provides indicative Wider investment Fund expenditure totalling £495m over a 20 year period, with profiled expenditure between 2019/2020 to 2020/2021 (prior to the Gateway Review) of £65.7m. This profile is based on currently approved projects and assumptions around potential future revenue and capital projects and is subject to amendment as business plans are approved and funding applied.

Of the £120m Local Authority funding commitment to the Wider Investment Fund, Blaenau Gwent's share is £5.544m. This will be paid by the Authority over a period of up to 20 years, subject to the requirement to fund schemes as and when they are approved. Prior to the Gateway Review in 2021, Blaenau Gwent's estimated capital contributions are £1.285m, and this amount has been included in the Capital Programme. Over that same period, estimated revenue costs falling to the Authority total £0.139m.

Since inception, City Deal has evolved from a single funding program to the multiple funding functions and accountabilities of a wider City Region. The South East Wales Corporate Joint Committee Regulations 2021 established a Corporate Joint Committee (CJC) for the Cardiff City Region, which came into effect on 1 April 2021. It was anticipated that the CJC would assume full delivery of the City Deal programme during 2021/2022 and in order to provide business continuity during the transition period, a 'twin-track' approach was adopted. During this initial phase, the CJC operated at a 'bare minimum', ahead of setting its first statutory budget on 31 January 2022. However, a number of technical/legal issues delayed the process of full delivery by the CJC until 2023/2024.

The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Cardiff Capital Region City Deal Group have been included as a joint arrangement in the single entity accounting statements and disclosures. Summary accounting statements for the CCRCD Group are as follows:

47.1 CCRCD - Summary Group Comprehensive Income & Expenditure Statement

	2022/2023		2021/2022	
Summary CCRCD Group Comprehensive Income & Expenditure Statement	CCRCD Group £000	Blaenau Gwent Apportionment £000	CCRCD Group £000	Blaenau Gwent Apportionment £000
Cost of Services				
Operating Expenditure	23,247	1,074	6,273	290
Operating Income	(24,176)	(1,117)	(8,592)	(397)
Net Cost of Services	(929)	(43)	(2,319)	(107)
Financing and Investment Income & Expenditure	849	39	(56)	(3)
Taxation & Non-Specific Grant Income	(28,220)	(1,304)	(5,181)	(238)
Tax Expenses	(158)	(7)	488	22
(Surplus)/Deficit on Provision of Services	(28,458)	(1,315)	(7,068)	(326)

Summary CCRC Group Movement in Reserves Statement	CCRC Group			Blaenau Gwent Apportionment		
	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April 2021	(2,951)	(40,969)	(43,920)	(130)	(1,893)	(2,023)
Adjustment to Opening Balance	(6,981)	6,939	(42)	(329)	321	(8)
Revised Balance at 1 April 2021	(9,932)	(34,030)	(43,962)	(459)	(1,572)	(2,031)
(Surplus)/Deficit on Provision of Services	(7,068)	0	(7,068)	(326)	0	(326)
Adjustments between accounting basis & funding basis	4,026	(2,465)	1,561	186	(115)	71
Transfers to/(from) earmarked reserves	(1,537)	(24)	(1,561)	(71)	0	(71)
Net(Increase)/Decrease	(4,579)	(2,489)	(7,068)	(211)	(115)	(326)
Balance at 31 March 2022	(14,511)	(36,519)	(51,030)	(670)	(1,687)	(2,357)
Balance at 1 April 2022	(14,511)	(36,519)	(51,030)	(670)	(1,687)	(2,357)
Adjustment to Opening Balance	612	14	626	28	0	28
Revised Balance at 1 April 2022	(13,899)	(36,505)	(50,404)	(642)	(1,687)	(2,329)
(Surplus)/Deficit on Provision of Services	(28,458)	0	(28,458)	(1,315)	0	(1,315)
Adjustments between accounting basis & funding basis	29,435	(27,431)	2,004	1,360	(1,267)	93
Transfers to/(from) earmarked reserves	(9,963)	7,959	(2,004)	(460)	368	(92)
Net(Increase)/Decrease	(8,986)	(19,472)	(28,458)	(415)	(899)	(1,314)
Balance at 31 March 2023	(22,885)	(55,977)	(78,862)	(1,057)	(2,586)	(3,643)

47.3 Cardiff Capital Region City Deal - Summary Group Balance Sheet

Summary CCRCD Group Balance Sheet	2022/2023		2021/2022	
	CCRCD Group £000	Blaenau Gwent Apportionment £000	CCRCD Group £000	Blaenau Gwent Apportionment £000
Non-Current Assets	94,784	4,379	51,634	2,385
Current Assets	68,673	3,172	76,230	3,521
Current Liabilities	(38,033)	(1,757)	(49,091)	(2,268)
Non-Current Liabilities	(46,562)	(2,151)	(27,743)	(1,281)
Total Net Assets	78,862	3,643	51,030	2,357
Usable Reserve	(22,885)	(1,057)	(14,511)	(670)
Unusable Reserve	(55,977)	(2,586)	(36,519)	(1,687)
Total Reserves	(78,862)	(3,643)	(51,030)	(2,357)

47.4 Cardiff Capital Region City Deal - Summary Group Cash Flow Statement

Summary CCRCD Group Cash Flow Statement	2022/2023		2021/2022	
	CCRCD Group £000	Blaenau Gwent Apportionment £000	CCRCD Group £000	Blaenau Gwent Apportionment £000
Net Surplus/(Deficit) on the provision of services	(28,458)	(1,315)	(7,068)	(326)
Adjustments to the provision of Services for non-cash movements	43,611	2,015	7,366	340
Net Cash Inflows/(Outflows) from Operating Activities	15,153	700	298	14
Investing Activities	38,801	1,792	5,420	250
Financing Activities	(39,649)	(1,832)	(23,460)	(1,084)
Net increase or (decrease) in cash and cash equivalents	14,305	660	(17,742)	(820)
Cash and Cash equivalents at the beginning of the reporting period	(69,098)	(3,192)	(51,356)	(2,366)
Adjustment to Cash and Cash equivalents opening balance	0	0	0	(6)
Cash and cash equivalents at the end of the reporting period	(54,793)	(2,532)	(69,098)	(3,192)

48. Joint Arrangements - Other

The Authority participates in a number of joint arrangements as a means of delivering services in a more efficient and cost-effective manner. In assessing the joint arrangements in which Blaenau Gwent participates, it has been concluded in each case that no separate legal entity exists and that the Authority does not have control (as defined by the Accounting Code and IFRS10). Consequently, the accounts of these arrangements have not been consolidated in the group accounting statements. In each case, the relevant service line of the Comprehensive Income and Expenditure Account reflects the following transactions occurring between the Authority and the joint arrangement:

Joint Arrangements	2022/2023		
	Gross Expenditure	Gross Income	Net
	£000	£000	£000
Greater Gwent Cremation Joint Committee	0	(72)	(72)
Gwent Joint Records Committee	154	0	154
Gwent Transport Unit	953	0	953
South East Wales Strategic Planning Group	1	0	1
Total	1,108	(72)	1,036

Joint Arrangements	2021/2022		
	Gross Expenditure	Gross Income	Net
	£000	£000	£000
Greater Gwent Cremation Joint Committee	0	(138)	(138)
Gwent Joint Records Committee	143	0	143
Gwent Transport Unit	1,156	0	1,156
South East Wales Strategic Planning Group	1	0	1
Total	1,300	(138)	1,162

48.1 Greater Gwent Cremation Joint Committee (GGCJC)

The Cremation Joint Committee provides cremation services to the residents of the Greater Gwent area through a facility based at Croesyceiliog, Cwmbran. Further details of the arrangement can be obtained from the lead Authority for the joint committee, Newport City Council.

48.2 Gwent Joint Records Committee (JRC)

The Gwent Record Office provides the statutory archive service for 5 Local Authorities in the Greater Gwent area. It was founded as the Monmouthshire Record Office in 1938 and moved to Cwmbran in the 1970s. In 2010 a new Gwent Archives Joint Agreement was signed providing for the joint service for the next quarter century and for the construction of a new facility at the General Offices site in Ebbw Vale. This facility opened to the public in October 2011. Further details of the joint arrangement can be obtained from the lead Authority, Torfaen CBC.

48.3 Gwent Transport Unit (GTU)

The GTU is responsible for passenger transport co-ordination in Blaenau Gwent and Torfaen. The principal activities are procurement and monitoring of local bus services; provision of timetables, transport guides and leaflets; and administration of the concessionary fares scheme. Blaenau Gwent CBC was the lead Authority for the GTU, with responsibility transferring to Torfaen CBC on 1 May 2016.

The majority of transactions administered by the unit are associated with concessionary fares, bus subsidies, local transport services grant and 'section 106', the costs of which are allocated based on direct spend relative to the use of each service within the relevant local authority area. Administration costs of the joint arrangement are apportioned between the two Authorities, with Blaenau Gwent being charged 49.54% of these costs. The share of balances apportioned to Blaenau Gwent CBC for the GTU is also 49.54%.

48.4 South East Wales Strategic Planning Group (SEWSPG)

The South East Wales Strategic Planning Group (SEWSPG) produces regional planning guidance for South East Wales in partnership with 10 other local planning authorities in the region, and the Brecon Beacons National Park Authority.

The financial arrangements for the group are provided by the participating authorities on a rota basis - for 2022/2023, Blaenau Gwent was the host Authority, overseeing the following transactions:

South East Wales Strategic Planning Group	2022/2023 £000	2021/2022 £000
Balance at 1 April	(46)	(41)
Receipts (Member Subscriptions)	(5)	(5)
Payments	0	0
Balance at 31 March	(51)	(46)

49. Charitable Trusts

The Authority acts as trustee for the following charitable trusts:

- Bedwellty House and Park
- Cwm, Ebbw Vale and Tredegar Recreation Grounds.

Bedwellty Park is a 26 acre historic park and landscape. It has 6 listed structures within its grounds including a Grade II listed ironmaster's dwelling. The site has been the subject of a £5 million restoration project and is now a public open access space available for events such as weddings, art exhibitions and displays.

Cwm, Ebbw Vale and Tredegar recreation grounds are open access outdoor spaces used for sporting activities such as rugby, football, cricket and walking.

The summarised transactions for these charitable trusts are as follows:

Summary Statement of Financial Activities	2022/2023					2021/2022				
	Bedwellty House & Park £000	Cwm Recreation Ground £000	Ebbw Vale Recreation Ground £000	Tredegar Recreation Ground £000	Total £000	Bedwellty House & Park £000	Cwm Recreation Ground £000	Ebbw Vale Recreation Ground £000	Tredegar Recreation Ground £000	Total £000
Income										
Donations & Legacies	(104)	(1)	(26)	(3)	(134)	(104)	(2)	(11)	(9)	(126)
Other	0	(2)	(4)	(3)	(9)	0	(2)	(2)	(4)	(8)
Total Income	(104)	(3)	(30)	(6)	(143)	(104)	(4)	(13)	(13)	(134)
Expenditure										
Charitable Activities	111	3	30	6	150	117	4	13	13	147
Other	104	0	0	0	104	104	0	0	0	104
Total Resources Expended	215	3	30	6	254	221	4	13	13	251
Net Expenditure	111	0	0	0	111	117	0	0	0	117
Transfers between funds	(111)	0	0	0	(111)	(117)	0	0	0	(117)
Net Movement in Funds	0	0	0	0	0	0	0	0	0	0

Property, Plant and Equipment assets held by the charitable trusts are as follows:

Charitable Trusts - Property, Plant & Equipment	2022/2023			2021/2022		
	Gross Book Value £000	Accumulated Depreciation £000	Net Book Value £000	Gross Book Value £000	Accumulated Depreciation £000	Net Book Value £000
Bedwellty House and Park	5,571	(1,036)	4,535	5,571	(919)	4,652
Cwm Recreation Ground	15	(15)	0	15	(15)	0
Ebbw Vale Recreation Ground	298	(107)	191	298	(94)	204
Tredegarr Recreation Ground	86	(76)	10	86	(69)	17
Total	5,970	(1,234)	4,736	5,970	(1,097)	4,873

The Council is the sole trustee of the Bedwellty House & Park Charitable Trust and the Trust Seal Documentation specifies that the assets of the Trust vest with the Trustee (i.e. the Council). As a result it has been agreed that the material balances relating to the charitable trust should be included in the Group Accounts. This has been actioned with effect from the 1 April 2021.

The Authority also acts as sole trustee for 30 education trust funds, the main purpose of which is the provision of prizes to pupils based on examination success. At year-end, balances held were as follows:

Education Trust Funds	2022/2023	2021/2022
	£000	£000
Cash	57	56
Balance at 31 March	57	56



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...the Statement of Group Accounts comprise the group financial statements and notes, including the summary of significant group accounting policies...



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The Statement of Group Accounts

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Group Comprehensive Income and Expenditure Statement

The Group Comprehensive Income and Expenditure Statement (GCIES) shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Amounts relating to expenditure are disclosed as positive and

amounts relating to income are disclosed as negative (i.e. enclosed in brackets). Consequently, total figures disclosed in brackets are surpluses, representing net income to the Group, whilst those not in brackets are deficits, where expenditure exceeds income.

Group Comprehensive Income & Expenditure Statement	2022/2023			2021/2022 (Restated)†			Note:	Page:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
	£000	£000	£000	£000	£000	£000		
Continuing Operations								
Corporate Services	50,797	(23,272)	27,525	50,308	(24,966)	25,342	G7	135
Education	17,631	(9,959)	7,672	25,322	(9,557)	15,765		
Education - Schools	58,443	(5,954)	52,489	47,619	(7,166)	40,453		
Environment	34,071	(9,673)	24,398	33,646	(11,142)	22,504		
Cardiff Capital Region City Deal	1,074	(1,087)	(13)	318	(396)	(78)		
Regeneration & Economic Development	10,744	(6,734)	4,010	9,529	(4,360)	5,169		
Social Services	79,936	(27,271)	52,665	74,989	(30,655)	44,334		
Licensing	255	(114)	141	226	(111)	115		
Planning	1,465	(457)	1,008	1,491	(729)	762		
Silent Valley	1,893	(296)	1,597	1,662	(155)	1,507	G7	135
Total Deficit on Continuing Services	256,309	(84,817)	171,492	245,110	(89,237)	155,873	G4	133
Other Operating Expenditure	10,932	(539)	10,393	11,770	(1,176)	10,594	G5	134
Financing and Investment Income and Expenditure	25,532	(14,448)	11,084	20,580	(9,057)	11,523	G6	134
Taxation and Non-Specific Grant Income	0	(189,872)	(189,872)	0	(177,826)	(177,826)		
(Surplus)/Deficit on Provision of Services	292,773	(289,676)	3,097	277,460	(277,296)	164	G4	133
Tax Expenses			(7)			22	47	118
Group (Surplus)/Deficit			3,090			186	G4	133
(Surplus)/Deficit Arising on the Revaluation of Non-Current Assets			(20,003)			(7,408)		
Remeasurement of the net defined benefit pension liability			(238,072)			(76,687)	G15.2	141
Other Comprehensive Income & Expenditure			(258,075)			(84,095)	G8	135
Total Group Comprehensive Income & Expenditure			(254,985)			(83,909)	GMiRS	125

Group Movement in Reserves Statement

The Group Movement in Reserves Statement (GMiRS) shows the movement in the year on the different reserves held by the Group.

Group Movement in Reserves Statement	2022/2023			2021/2022 (Restated)†			Note	Page
	Total Authority Reserves £000	Charity & Subsidiary Reserves £000	Total Group Reserves £000	Total Authority Reserves £000	Charity & Subsidiary Reserves £000	Total Group Reserves £000		
Opening balance at 1 April	88,490	(6,466)	82,024	167,732	(2,071)	165,661		
Adjustments to brought forward balances	(2)	0	(2)	4,941	(4,669)	272		
Revised balance at 1 April	88,488	(6,466)	82,022	172,673	(6,740)	165,933		
Total Group Comprehensive Income & Expenditure	(254,563)	(422)	(254,985)	(84,220)	311	(83,909)	GCIES	124
Adjustments between Group Accounts and Authority Accounts	(160)	160	0	37	(37)	0	G9	135
Transfers from Earmarked Reserves	0	49	49	0	0	0		
(Increase)/Decrease in year	(254,723)	(213)	(254,936)	(84,183)	274	(83,909)		
Balance at 31 March	(166,235)	(6,679)	(172,914)	88,490	(6,466)	82,024	GBS, G16	126, 144

†: Transactions and balances were restated in 2021/2022 in relation to:

- the Lime Avenue Joint Venture Agreement (£4.941m), additional details of which can be found in the notes to the Single Entity Accounts; and
- Bedwellty House & Park Charitable Trust (£4.669m).

Group Balance Sheet

The Group Balance Sheet (GBS) shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group.

The net assets of the Group (assets less liabilities) are matched by reserves held, reported in two categories:

- Usable reserves are those reserves that the Group may use to provide services, subject to any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt) and the need to maintain a prudent level of reserves.
- Unusable reserves are those that the Group is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Group Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations' (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

†: Balances in the 2021/2022 Accounts have been restated in relation to:

- Removal of the Welsh Government Capital Share of the Lime Avenue Joint Venture Agreement; and
- Correction of cash and accrual entries relating to Agency Accounts.

Detail of these adjustments and their impact on the Balance Sheet can be found in Note 3 to the Single Entity Core Financial Statements, pages 32-38.

In 2021/2022 the balance of Property, Plant & Equipment was also increased by £4.669m to include assets of the Bedwellty House & Park Charitable Trust, with a matching adjustment to Unusable Reserves.

Group Balance Sheet	31 March 2023		31 March 2022 (Restated)†		Note:	Page:
	£000	£000	£000	£000		
Property, Plant & Equipment	360,474		296,636†		G10	136-138
Investment Properties	2,938		1,337			
Heritage Assets	726		726			
Non-Current Investments	408		92			
Non-Current Debtors	3,989		4,072			
Sub Total: Long Term Assets		368,535		302,863		
Assets Held for Sale	0		60		G11	139
Current Investments	12,065		21,000			
Inventories	1,004		2,425			
Current Debtors	42,163		34,449†			
Deferred Tax Asset	83		62			
Cash and Cash Equivalents	54,737		93,102†		G19	146
Sub Total: Current Assets		110,052		151,098		
Current Borrowing	(57,527)		(73,683)		G12	139
Current Creditors	(20,334)		(24,221)†			
Current Grants Receipts in Advance	(8,274)		(6,333)			
Current Donated Assets	(615)		(2,112)			
Current Provisions	(1,474)		(1,659)			
Sub Total: Current Liabilities		(88,224)		(108,008)		
Non-Current Borrowing	(132,498)		(126,923)		G13	140
Non-Current Provisions	(3,499)		(3,189)			
Other Long-Term Liabilities	(81,452)		(297,865)†			
Sub Total: Long-Term Liabilities		(217,449)		(427,977)		
Total Net Assets/(Liabilities)		172,914		(82,024)		
Usable Reserves	(62,571)		(86,824)		G16	144
Unusable Reserves	(110,343)		168,848†		G16	145
Total Reserves		(172,914)		82,024		

Group Cash Flow Statement

Group Cash Flow Statement	2022/2023		2021/2022 (Restated) [†]		Note:	Page:
	£000	£000	£000	£000		
Net surplus/(deficit) on the provision of services less tax expenses	(3,090)		(186) [†]		GCIES	124
Adjustments to the provision of services for non-cash movements	17,921		31,071 [†]		G17.1	145
Adjustments for items included in the provision of services that are investing and financing activities	(15,801)		(10,933) [†]		G17.2	146
Interest received	63		1			
Net Cash Inflows from Operating Activities		(907)		19,953		
Investing activities		(26,561)		(15,376)	G18	146
Financing activities		(10,897)		(8,147)	44.2	112
Net increase or (decrease) in cash and cash equivalents		(38,365)		(3,570)		
Cash and cash equivalents at the beginning of the reporting period		93,102		96,672 [†]	GBS, G19	126, 146
Cash and cash equivalents at the end of the reporting period		54,737		93,102 [†]	GBS, G19	126, 146

The Group Cash Flow Statement summarises the cash and cash equivalent transactions of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

- The amount of net cashflows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided.
- Investing activities represent cashflows relating to the acquisition, disposal and funding via capital grant of resources which are intended to contribute to the Group's future service delivery, i.e. non-current assets.

- Cashflows arising from financing activities represent the extent to which borrowing and similar charges have increased/decreased during the year and are useful in predicting claims on future cash flows by providers of capital to the Group.

[†]: The restatement of the Accounts resulting from the removal of the Welsh Government Capital Share of the Lime Avenue Joint Venture Agreement and the correction of entries relating to Agency Accounts has resulted in changes to the balance of cash recorded at the beginning and end of the 2021/2022 financial year, and to specific categories of cash/non-cash transactions during the year. Detail of these adjustments and their impact on the Cash Flow Statement can be found in Note 3 to the Single Entity Core Financial Statements, pages 32-38.



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G1. Group Accounting Policies

G1.1 General Principles

The Group Accounts summarise the transactions of the Authority and its Subsidiaries for the 2022/2023 financial year. The Accounts have been prepared in accordance with proper accounting practices as required by the Accounts and Audit (Wales) Regulations 2014.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 and the Service Reporting Code of Practice 2022/2023, supported by International Financial Reporting Standards (IFRS). Where there is no relevant IFRS or International Accounting Standard (IAS), reference is made to International Public Sector Accounting Standards (IPSASs); if there is no relevant IPSAS, domestic Financial Reporting Standards (FRSs) are applied.

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.

In preparing a set of Accounts for the Blaenau Gwent Group, it has been necessary to align the Accounting Policies adopted by the three constituent entities. The Group Policies are largely the same as those used in preparing the Accounts for the Parent Authority, as recorded on pages 24-32. However, where Policies differ, the Group Policy is included in this section.

The staff and activities of the Silent Valley Waste Services Company transferred to the Council on 28 April 2023. At this point the Company ceased to trade and the remaining assets and liabilities were transferred to the Council by 30 June 2023. The Group Accounts have been prepared using the Accounts prepared by Silent Valley Waste Services Ltd. to 30 June 2023.

G1.2 Intra Group Transactions and Balances

To the extent that balances and transactions have been identified and agreed between Silent Valley Waste Services Ltd. and Blaenau Gwent CBC, these have been eliminated as part of the consolidation process. As total transactions between the parties amount to £1.513m (2021/2022: £1.038m) and are therefore not considered to be material, any differences between identified and actual sums are therefore also not material.

G1.3 Acquisitions and Discontinued Operations

The principal activities of Silent Valley Waste Services Ltd. are waste management, disposal and ancillary services such as recycling and waste collection.

All operations were classified as continuing in 2022/2023 and there were no acquisitions or discontinuations of service during the financial year. In 2023/2024, all operations were transferred to the Parent (Blaenau Gwent County Borough Council) on a going concern basis.

G1.4 Employee Benefits

G1.4.1 Benefits Payable During Employment

The annual leave entitlement year for staff at SVWS Ltd. ends on 31 March with limited opportunity to carry forward unused balances. No staff carried forward leave at the end of 2022/2023 and consequently no short term compensated absences accrual has been calculated.

G1.4.2 Post Employment Benefits

Employees of Silent Valley Waste Services Ltd. are members of the following pension schemes:

- The Local Government Pensions Scheme, as an admitted body, administered by Torfaen County Borough Council; and
- Silent Valley Defined Contribution Scheme.

Both schemes provide benefits to members (retirement lump sums and pensions), earned as employees work for the company.

The required accounting treatments are as follows:

The Local Government Pension Scheme

As required for a defined benefit scheme, the employers pension costs that are charged to the Group's accounts are equal to the actuarially-calculated liabilities arising as a result of the service effected by employees. Additional costs arising for discretionary benefits paid to staff on retirement have also been accounted for on a liability basis, with the full amount of any such payments being recorded in service accounts in the year of occurrence.

Silent Valley Defined Contribution Scheme

In a defined contribution scheme, the employer has no obligation beyond payment of the agreed contributions. Therefore, the net cost of services in the Group Comprehensive Income and Expenditure Statement is charged with the amount of contributions payable for the year of account. Prepayments or accruals are recorded in the Group Balance Sheet if required.

Further details of the transactions undertaken and required disclosures for the Local Government Pension Scheme, Teachers Pension Scheme and Silent Valley Defined Contribution Scheme can be found in the notes to the Group Accounts.

G1.5 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

G1.5.1 Recognition

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 Authority 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.

Only expenditure in excess of £50,000 has been capitalised by the Parent Authority, with amounts below this threshold being charged directly to revenue. The exceptions to this are highways and health & safety assets that individually fall below this de-minimis level but are capitalised because they are treated as one single item of expenditure in the year and expenditure that has a capital grant approval.

G1.5.2 Measurement

Tangible Non-Current Assets attributable to the Subsidiary are recorded in the accounts on the basis of depreciated historic cost.

G1.5.3 Depreciation

For assets held by Silent Valley Waste Services Ltd., the following standard lives are used in calculating depreciation:

- Leasehold land and buildings – 10 - 15 years; and
- Plant and Machinery – 5 - 13 years.

These standard lives are not significantly different from those used by the Parent Authority, and any differences in calculated depreciation sums are not expected to be material. Consequently, a completely uniform set of standard lives has not been introduced for Group Accounting purposes and no adjustments have been made to depreciation amounts in the Group Comprehensive Income and Expenditure Statement, Group Balance Sheet or Group Cash Flow.

G1.6 Aftercare and Capping Provisions

Provision for the cost of aftercare and site capping was made by establishing a consumption factor which aimed to write off the estimated future costs over the anticipated useful life of the site.

G2. Correction of Prior Period Errors

In preparing the 2022/2023 Group Accounts, the following errors have been identified and included as prior period adjustments:

G2.1 Group Boundary - Bedwellty House and Park Charitable Trust (BHAP CT)

On the basis that the Council is the sole trustee of the Bedwellty House and Park Charitable Trust and given that the assets (which have a material value) vest with the trustee, i.e. the Council, it has been determined that BHAP CT should be included within the Blaenau Gwent County Borough Council Group boundary. As a result, the material balances of the BHAP CT have been included in the Group Accounts with effect from 1 April 2021.

The following tables outline the prior-year adjustments made to the Group Accounts:

Prior Period Adjustments	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture £000	Adjustment: Bedwellty House & Park £000	2021/2022 Restated Disclosure £000
Group Movement in Reserves Statement (p.125)				
Balances Brought Forward 1 April 2021				
Total Reserves - Blaenau Gwent CBC	167,732	4,941	0	172,673
Charity & Subsidiary Reserves	(2,071)	0	(4,669)	(6,740)
Total Group Reserves	165,661	4,941	(4,669)	165,933

Prior Period Adjustments	2021/2022 Original Disclosure £000	Adjustment: Lime Avenue Joint Venture £000	Adjustment: Depreciation £000	Adjustment: Bedwellty House & Park £000	2021/2022 Restated Disclosure £000
Group Balance Sheet (p.126)					
Property, Plant & Equipment	298,438	(6,471)	0	4,669	296,636
Other Long-Term Liabilities	(295,097)	(2,768)	0	0	(297,865)
Total Net Assets/(Liabilities)	(77,454)	(9,239)	0	4,669	(82,024)
Usable Reserves	(86,787)	0	(37)	0	(86,824)
Unusable Reserves	164,241	9,239	37	(4,669)	168,848
Net Adjustment	77,454	9,239	0	(4,669)	82,024

G2.2

Restated Group Balance Sheet at Start of Prior Period

Group 3-Year Balance Sheet	31 March 2023		31 March 2022 (<i>Restated</i>)		01 April 2021 (<i>Restated</i>)	
	£000	£000	£000	£000	£000	£000
Property, Plant & Equipment	360,474		296,636		282,241	
Investment Properties	2,938		1,337		1,340	
Heritage Assets	726		726		600	
Non-Current Investments	408		92		92	
Non-Current Debtors	3,989		4,072		3,192	
Sub Total: Long-Term Assets		368,535		302,863		287,465
Assets Held for Sale	0		60		70	
Current Investments	12,065		21,000		0	
Inventories	1,004		2,425		1,217	
Current Debtors	42,163		34,449		33,974	
Deferred Tax Asset	83		62		66	
Cash and Cash Equivalents	54,737		93,102		96,672	
Sub Total: Current Assets		110,052		151,098		131,999
Current Borrowing	(57,527)		(73,683)		(71,233)	
Current Creditors	(20,334)		(24,221)		(16,840)	
Current Grants Receipt in Advance	(8,274)		(6,333)		(2,722)	
Current Donated Assets	(615)		(2,112)		(864)	
Current Provisions	(1,474)		(1,659)		(1,634)	
Sub Total: Current Liabilities		(88,224)		(108,008)		(93,293)
Non-Current Borrowing	(132,498)		(126,923)		(136,649)	
Non-Current Provisions	(3,499)		(3,189)		(3,567)	
Other Non-Current Liabilities	(81,452)		(297,865)		(351,933)	
Sub Total: Non-Current Liabilities		(217,449)		(427,977)		(492,149)
Total Net Assets		172,914		(82,024)		(165,978)
Usable Reserves	(62,571)		(86,824)		(69,646)	
Unusable Reserves	(110,343)		168,848		235,624	
Total Reserves		(172,914)		82,024		165,978

G3. Notes to the Group Financial Statements

These notes should be read in conjunction with the notes to the Authority's Core Financial Statements. Notes have been included to the Group Financial Statements where:

- specifically required by the Accounting Code of Practice;
- a note to the single entity statements has been amended by the consolidation of the subsidiary undertaking; or
- the note relates solely to the activities of the subsidiary and has not been included in the Accounts of the Local Authority.

Group Comprehensive Income & Expenditure Statement Notes**G4. Group Expenditure and Funding Analysis**

The Expenditure & Funding Analysis shows how annual expenditure is used and funded from resources (i.e. government grants, council tax and business rates) by the Group in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Group Comprehensive Income and Expenditure Statement.

Group Expenditure & Funding Analysis	2022/2023					2021/2022 (Restated)†				
	Management Account Net Expenditure £000	Accounting Code Adjustments £000	Net Expenditure Chargeable to the Council Fund £000	Funding & Accounting Basis Adjustments £000	Group CIES Net Expenditure £000	Management Account Net Expenditure £000	Accounting Code Adjustments £000	Net Expenditure Chargeable to the Council Fund £000	Funding & Accounting Basis Adjustments £000	Group CIES Net Expenditure £000
Corporate Services	16,212	8,914	25,126	2,399	27,525	16,158	6,711	22,869	2,473	25,342
Education	68,263	(55,204)	13,059	(5,387)	7,672	63,818	(50,749)	13,069	2,696	15,765
Education - Schools	(4,820)	56,054	51,234	1,255	52,489	(6,228)	49,534	43,306	(2,853)	40,453
Environment	28,828	(10,496)	18,332	6,066	24,398	25,795	(11,278)	14,517	7,987	22,504
Cardiff Capital Region City Deal	0	(13)	(13)	0	(13)	0	107	107	(185)	(78)
Regeneration & Economic Development	1,628	(546)	1,082	2,928	4,010	1,519	(535)	984	4,185	5,169
Social Services	50,182	(2,208)	47,974	4,691	52,665	42,749	(3,378)	39,371	4,963	44,334
Licensing	128	(14)	114	27	141	95	(13)	82	33	115
Planning	1,189	(327)	862	146	1,008	798	(218)	580	182	762
Capital Adjustments	0	0	0	0	0	0	(4)	(4)	4	0
Pension Adjustments	0	465	465	(465)	0	0	396	396	(396)	0
Silent Valley	1,597	0	1,597	0	1,597	1,507	0	1,507	0	1,507
Net Expenditure on Continuing Operations	163,207	(3,375)	159,832	11,660	171,492	146,211	(9,427)	136,784	19,089	155,873
Other Operating Expenditure	(82)	10,574	10,492	(99)	10,393	(74)	8,941	8,867	1,727	10,594
Financing & Investment Income & Expenditure	(36)	4,421	4,385	6,699	11,084	1	4,653	4,654	6,869	11,523
Taxation & Non-Specific Grant Income	0	(176,251)	(176,251)	(13,621)	(189,872)	0	(166,745)	(166,745)	(11,081)	(177,826)
(Surplus)/Deficit on the Provision of Services	163,089	(164,631)	(1,542)	4,639	3,097	146,138	(162,578)	(16,440)	16,604	164
Tax expenses	(7)	0	(7)	0	(7)	22	0	22	0	22
Group (Surplus)/Deficit	163,082	(164,631)	(1,549)	4,639	3,090	146,160	(162,578)	(16,418)	16,604	186
Transfers to/(from) earmarked reserves			1,583					10,904		
(Increase)/Decrease in year			34					(5,514)		
Opening Group Balances as at 1 April			(12,815)					(7,301)		
Closing Group Balances as at 31 March			(12,781)					(12,815)		

†: Transactions have been amended in 2021/2022 in relation to the revised accounting treatment of the Lime Avenue JVA. Detail of these adjustments can be found in Note 3 to the Single Entity Core Financial Statements, pages 32-38.

G5. Other Operating Expenditure

Other Operating Expenditure in the Group Comprehensive Income and Expenditure Statement consists of the following:

	2022/2023			2021/2022		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Other Operating Expenditure						
Parent:						
(Gains)/losses on the Disposal of Non-Current Assets	280	(457)	(177)	1,696	(1,102)	594
Precepts & Levies	10,652	0	10,652	10,074	0	10,074
Subsidiary:						
Income from energy generation	0	(82)	(82)	0	(74)	(74)
Total	10,932	(539)	10,393	11,770	(1,176)	10,594

G6. Financing and Investment Income and Expenditure

Financing and investment income and expenditure in the Group Comprehensive Income and Expenditure Statement consists of the following:

	2022/2023			2021/2022		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Financing and Investment Income and Expenditure						
Change in Fair Value of Investment Property *	0	108	108	5	0	5
Impairment **	194	0	194	190	0	190
Interest payable and similar charges - Financial Instruments	4,708	0	4,708	4,464	0	4,464
Interest payable and similar charges - Other ***	5	0	5	5	0	5
Interest receivable and similar income - Financial Instruments	0	(1,789)	(1,789)	0	(77)	(77)
Interest receivable and similar income - Other ****	0	(202)	(202)	0	(182)	(182)
Net Pensions Interest	20,625	(12,565)	8,060	15,916	(8,798)	7,118
Total	25,532	(14,448)	11,084	20,580	(9,057)	11,523

*: Authority proportion of Cardiff Capital Region City Deal investment properties.

**: Movement in allowances for expected credit losses on financial assets.

***: Interest on finance leases and school balances.

****: Interest on (lessor) finance leases, bank charges, car loans and contractor bonds.

G7. External Audit Fees

The Group incurred the following fees relating to External Audit and inspection:

External Audit Fees	2022/2023 £000	2021/2022 £000
Fees payable in respect of:		
External audit services - Final Accounts	206	198
Silent Valley external audit services - Final Accounts	16	12
External audit services - Local Government Measures	112	108
Certification of grant claims and returns	52	50
Other services	50	0
Total Audit Fees	436	368

External Audit services for Blaenau Gwent CBC are provided by Audit Wales; for Silent Valley Waste Services Ltd. by Azets Audit Services.

Group Movements in Reserves Notes**G8. Other Comprehensive Income and Expenditure**

The following unrealised gains or losses and actuarial gains or losses arose during the year:

Other Comprehensive Income & Expenditure	2022/2023 £000	2021/2022 £000
(Surplus)/Deficit arising on the revaluation of Non-Current Assets	(20,003)	(7,408)
Remeasurement of the net defined benefit pension liability	(238,072)	(76,687)
Other Comprehensive Income & Expenditure	(258,075)	(84,095)

G9. Adjustments between Parent and Group Movement in Reserves Statements

In preparing the Group Movement in Reserves Statement, the following adjustments were made for intra-group transactions:

	31 March 2023		31 March 2022	
Adjustments between Single Entity and Group Movement in Reserves Statements	Total Authority Reserves £000	Authority's share of Reserves of Subsidiary £000	Total Authority Reserves £000	Authority's share of Reserves of Subsidiary £000
Adjustments between Group Accounts and Authority Accounts:				
Expenditure	(1,497)	1,497	(1,061)	1,061
Income	97	(97)	151	(151)
Debtors & Creditors	(130)	130	13	(13)
Retained Profits	933	(933)	461	(461)
Accumulating Dividend	725	(725)	725	(725)
Less cumulative adjustments brought forward	(288)	288	(252)	252
Total intra-group adjustments	(160)	160	37	(37)

Group Balance Sheet Notes

G10. Property Plant & Equipment

G10.1 Carrying Amount of Non-Current Assets

The Carrying Amount of Group Non-Current Assets in the Balance Sheet can be divided between Infrastructure and 'Other PPE' Assets as follows:

Property, Plant & Equipment	31 March 2023	31 March 2022 (Restated) [†]
	£000	£000
Infrastructure Assets	89,958	92,312
Other PPE Assets	270,516	204,324 [†]
Net Book Value	360,474	296,636

G10.2 Carrying Amount of Infrastructure Assets

CIPFA has issued a temporary adjustment to the Accounting Code of Practice in relation to the disclosure of Infrastructure Assets. This requires that local authorities are not required to report gross book value and accumulated depreciation for Infrastructure Assets.

The movement in the Group Net Book Value of Infrastructure Assets has therefore been represented as follows:

Infrastructure Assets	2022/2023	2021/2022 (Restated) [†]
	£000	£000
Net Book Value at 1 April	92,312	93,485
Additions	1,178	2,301
Capital expenditure written off	(71)	(164)
Other movements in cost or valuation	71	164
Depreciation Charge & Appropriations	(3,532)	(3,474)
Net Book Value at 31 March	89,958	92,312

In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022, where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.

G10.3 Carrying Amount of 'Other' Property, Plant & Equipment Assets

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment (excluding Infrastructure Assets) was:

Property, Plant & Equipment (Excluding Infrastructure)	31 March 2023	31 March 2022 (Restated) [†]
	£000	£000
Gross Carrying Amount	288,004	221,439 [†]
Accumulated Depreciation	(17,488)	(17,115)
Net Book Value	270,516	204,324

Details of the transactions relating to the carrying amounts and depreciation of non-current assets (excluding Infrastructure Assets) are set out on pages 137-138.

[†]: Balances and transactions in 2021/2022 relating to 'Assets Under Construction' have been restated to remove that portion of the Lime Avenue Joint Venture Agreement relating to the Welsh Government Share in the Joint Operation. Transactions for 'Other Land & Buildings' have been adjusted to include (and write off) funding to the JVA for development of the business units, classified as REFCUS expenditure.

Transactions relating to the cost or valuation of Infrastructure Assets have been reclassified to correct inconsistencies identified during the preparation of the 2022/2023 Accounts. These changes have not resulted in any change to the Gross Book Value or Accumulated Depreciation & Impairment of assets at 31 March 2022.

From 1 April 2021, the Gross Carrying Amount and Accumulated Depreciation balances for 'Other Land and Buildings' and 'Vehicles, Plant & Equipment' have been adjusted to include assets relating to the Bedwellty House and Park Charitable Trust.

Movements in 2022/2023:

	Operational Assets					Total
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Property, Plant & Equipment £000
Property, Plant & Equipment (Excluding Infrastructure) <i>(Restated)</i> †						
Cost or Valuation as at 1 April 2022	184,878	18,980	106	3,061	14,414 [†]	221,439
Appropriations	666	0	0	(190)	(476)	0
Assets reclassified to/from held for sale	(140)	0	0	(80)	0	(220)
Additions	0	1,981	0	0	37,331	39,312
Revaluation increases/(decreases) recognised in the Revaluation Reserve	17,258	0	0	(138)	0	17,120
Revaluation increases/(decreases) recognised in the Provision of Services	9,173	0	0	117	0	9,290
Capital expenditure written off	(5,355)	(612)	0	0	0	(5,967)
Derecognition - disposals	0	0	0	0	0	0
Other movements in cost or valuation	6,418	612	0	0	0	7,030
Cost or Valuation as at 31 March 2023	212,898	20,961	106	2,770	51,269	288,004

	Operational Assets					Total
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Property, Plant & Equipment £000
Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment						
Accumulated Depreciation & Impairment as at 1 April 2022	(5,440)	(11,646)	(14)	(15)	0	(17,115)
Depreciation Charge & Appropriations	(5,483)	(1,332)	0	12	0	(6,803)
Depreciation written out to the Revaluation Reserve	2,883	0	0	0	0	2,883
Depreciation written out to the Surplus/Deficit on the Provision of Services	3,580	0	0	0	0	3,580
Derecognition - disposals	(10)	(23)	0	0	0	(33)
Accumulated Depreciation & Impairment as at 31 March 2023	(4,470)	(13,001)	(14)	(3)	0	(17,488)

†: Balances and transactions in 2021/2022 relating to 'Assets Under Construction' have been restated to remove that portion of the Lime Avenue Joint Venture Agreement relating to the Welsh Government Share in the Joint Operation.

Balances for 'Other Land and Buildings' and 'Vehicles, Plant & Equipment' have been adjusted to include assets relating to the Bedwellty House and Park Charitable Trust.

Movements in 2021/2022:

Property, Plant & Equipment (Excluding Infrastructure) <i>(Restated)†</i>	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Cost or Valuation as at 1 April 2021	174,203	17,289	51	4,261	13,308	209,112
Adjustment to Balances Brought Forward	5,556	73	0	0	(4,942)	687
Revised Cost or Valuation as at 1 April 2021	179,759	17,362	51	4,261	8,366	209,799
Appropriations	0	77	0	0	(77)	0
Assets reclassified to/from held for sale	0	(496)	0	(1,200)	0	(1,696)
Additions	0	2,038	55	0	6,125	8,218
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,274	0	0	0	0	2,274
Revaluation increases/(decreases) recognised in the Provision of Services	2,844	0	0	0	0	2,844
Capital expenditure written off	(6,027)	(402)	(26)	0	0	(6,455)
Other movements in cost or valuation	6,027	402	26	0	0	6,455
Cost or Valuation as at 31 March 2022	184,877	18,981	106	3,061	14,414	221,439

Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment <i>(Restated)†</i>	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Accumulated Depreciation & Impairment as at 1 April 2021	(9,817)	(10,240)	(14)	(12)	0	(20,083)
Adjustment to Balances Brought Forward	(887)	(73)	0	0	0	(960)
Adjusted Accumulated Depreciation & Impairment as at 1 April 2021	(10,704)	(10,313)	(14)	(12)	0	(21,043)
Depreciation Charge & Appropriations	(3,658)	(1,302)	0	(3)	0	(4,963)
Depreciation written out to the Revaluation Reserve	5,057	0	0	0	0	5,057
Depreciation written out to the Surplus/Deficit on the Provision of Services	3,874	0	0	0	0	3,874
Derecognition - disposals	(9)	(31)	0	0	0	(40)
Accumulated Depreciation & Impairment as at 31 March 2022	(5,440)	(11,646)	(14)	(15)	0	(17,115)

†: Balances and transactions in 2021/2022 relating to 'Assets Under Construction' have been restated to remove that portion of the Lime Avenue Joint Venture Agreement relating to the Welsh Government Share in the Joint Operation. Transactions for 'Other Land & Buildings' have been adjusted to include (and write off) funding to the JVA for development of the business units, classified as REFCUS expenditure.

Transactions relating to the cost/valuation and depreciation of assets across all categories have been reclassified to correct inconsistencies identified during the preparation of the 2022/2023 Accounts. These changes have not resulted in any change to the Gross Book Value or Accumulated Depreciation & Impairment of assets at 31 March 2022.

Balances for 'Other Land and Buildings' and 'Vehicles, Plant & Equipment' have been adjusted to include assets relating to the Bedwellty House and Park Charitable Trust.

G11. Current Debtors

Amounts owing to the Group were as follows:

Current Debtors	31 March 2023				31 March 2022 (Restated)†			
	Gross Debtors	Impairment	Prepayments	Total Net Current Debtors	Gross Debtors	Impairment	Prepayments	Total Net Current Debtors
	£000	£000	£000	£000	£000	£000	£000	£000
Welsh Government	23,727	0	0	23,727	19,182	0	0	19,182
Other Central Government	3,717	0	0	3,717	2,162	0	0	2,162
Local Authorities	3,384	(97)	0	3,287	2,653	(55)	0	2,598
NHS	2,002	(58)	0	1,944	1,700	(50)	0	1,650
Council Tax Arrears	8,184	(3,368)	0	4,816	7,677	(3,068)	0	4,609
Other Entities & Individuals	5,459	(1,611)	453	4,301	4,175	(1,437)	414	3,152
Trade	675	(369)	65	371	1,305	(463)	254	1,096
Total Current Debtors:	47,148	(5,503)	518	42,163	38,854	(5,073)	668	34,449

G12. Current Creditors

Amounts owed by the Group were as follows:

Current Creditors	31 March 2023			31 March 2022 (Restated)†		
	Creditors	Receipts in Advance	Total Current Creditors	Creditors	Receipts in Advance	Total Current Creditors
	£000	£000	£000	£000	£000	£000
Welsh Government	(2,877)	0	(2,877)	(1,842)	0	(1,842)
Other Central Government	(692)	(8)	(700)	(1,429)	0	(1,429)
Local Authorities	(955)	(98)	(1,053)	(1,152)	(72)	(1,224)
NHS	(270)	0	(270)	(395)	0	(395)
Capital Creditors	(2,434)	0	(2,434)	(4,527)	0	(4,527)
Council Tax Credits	(1,135)	0	(1,135)	(946)	0	(946)
Other Entities and Individuals	(8,800)	(355)	(9,155)	(9,751)	(339)	(10,090)
Trade	(2,710)	0	(2,710)	(3,768)	0	(3,768)
Total Current Creditors:	(19,873)	(461)	(20,334)	(23,810)	(411)	(24,221)

†: Current Debtors in 2021/2022 have been restated to correct the mis-categorisation of Welsh Government/Other Central Government grants, and to adjust for agency balances previously disclosed as cash.

Welsh Government Current Creditors in 2021/2022 have been restated to correct for agency balances previously disclosed as cash.

G13. Provisions

Details of the purposes of the Authority's provisions can be found in note 36.1, pages 86-87. Movements in the Group provisions during 2022/2023 were as follows:

Provision Movements	Balance at 1 April 2022 £000	Amounts Used in 2022/2023 £000	Unused Amounts Reversed in 2022/2023 £000	Additional Provision Made in 2022/2023 £000	Balance at 31 March 2023 £000
Current Provisions					
Employee Provisions:					
Parent's Employee Provisions	(55)	55	0	(2)	(2)
Other Provisions:					
Parent's Other Provisions	(1,236)	185	414	(467)	(1,104)
Silent Valley Aftercare	(368)	58	0	(58)	(368)
	(1,659)	298	414	(527)	(1,474)
Non-Current Provisions					
Parent's Provisions	(1,696)	184	350	(902)	(2,064)
Silent Valley Aftercare	(1,493)	0	58	0	(1,435)
	(3,189)	184	408	(902)	(3,499)
Total Provisions:	(4,848)	482	822	(1,429)	(4,973)

Silent Valley Waste Services Ltd. hold a provision for Aftercare to provide for estimated costs of maintaining the landfill site after capping works have been completed. The timescale for utilisation of the provision is over a period of 60 years following closure of the site. Due to the timescales involved there are inherent uncertainties regarding the level and value of aftercare works required.

G14. Other Long-Term Liabilities

The Group holds the following balances as long-term liabilities:

Other Long-Term Liabilities	31 March 2023 £000	31 March 2022 (Restated)† £000
Lime Avenue JVA Capital Grants Receipts in Advance	(4,492)	(2,768)
Cardiff Capital Region City Deal Non-Current Creditor	(2,148)	(1,282)
Deferred Liabilities	(593)	(421)
Net Pensions Liability	(74,219)	(293,394)
Total	(81,452)	(297,865)

†: 2021/2022 balances have been restated to include the Lime Avenue JVA liability.

G15. Post-Employment Benefits

Retirement benefits are offered to the Group's employees which, although not actually payable until employees retire, represent a commitment by the Group that needs to be disclosed in the Accounts in the financial period in which the entitlement to benefits arises (i.e. when earned by employees through service provided).

The Group participates in three formal schemes: an independently administered defined contribution scheme for employees of Silent Valley Waste Services Ltd., the Teachers' Pension Scheme administered by Capita Teachers' Pensions and the Local Government Pension Scheme administered by Torfaen CBC. A number of employees of Silent Valley Waste Services Ltd. are members of the Local Government Pension Scheme, of which the company is an admitted body.

G15.1 Defined Contribution Schemes

Silent Valley

A defined contribution scheme was established by the Company in November 1995. The assets of the scheme are held separately from the Company in independently administered funds. Employer contributions to this fund are at a rate of between 6% and 12% of members' pensionable earnings.

In 2022/2023, the total defined contribution scheme charge to the Group CIES was £0.161m (2021/2022: £0.139m). There were no outstanding contributions to the scheme at 31 March 2022 or 31 March 2023.

Teachers' Pension Scheme

Teachers employed by Blaenau Gwent CBC are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions.

Further details of this Scheme and the Authority's contributions can be found in the notes to the Single Entity Core Statements (*notes 40 & 41, pages 94-103*)

G15.2 Defined Benefit Scheme

The Local Government Scheme is a funded defined benefit Career Average Revalued Earnings (CARE) scheme, in which the Group and employees make contributions calculated at a level intended to balance pension liabilities arising with investment assets. The contribution rate is determined by the Fund's Actuary based on triennial valuations, the last review being 31 March 2022.

Further information can be found in the Greater Gwent (Torfaen) Pension Fund's Annual Report which is available upon request from the Chief Financial Officer, Torfaen County Borough Council, Civic Centre, Pontypool, NP4 6YB.

The cost of retirement benefits are recognised in the 'Net Cost of Services' section of the Group Comprehensive Income & Expenditure Statement when those benefits are earned by employees, rather than when the benefits are actually paid as pensions.

The following pension scheme transactions have been made in the Group Comprehensive Income and Expenditure Statement during the year:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Group Pension Scheme Transactions						
Group Comprehensive Income & Expenditure Statement:						
Cost of Services:						
Current Service Costs	26,414	0	26,414	26,895	0	26,895
Other Service Costs	434	0	434	264	0	264
Total Service Cost:	26,848	0	26,848	27,159	0	27,159
Financing and Investment Income and Expenditure:						
Interest on Plan Assets	(12,571)	0	(12,571)	(8,796)	0	(8,796)
Interest on Defined Benefit Liabilities	19,775	856	20,631	15,217	697	15,914
Net Interest:	7,204	856	8,060	6,421	697	7,118
Total Charged to the Surplus/Deficit on Provision of Services:	34,052	856	34,908	33,580	697	34,277
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:						
Return on plan assets (excluding amounts included in Net Interest)	21,563	0	21,563	(17,615)	0	(17,615)
Actuarial (Gains)/Losses arising from changes in demographic assumptions	(4,579)	(498)	(5,077)	(3,950)	(321)	(4,271)
Actuarial (Gains)/Losses arising from changes in financial assumptions	(269,114)	(6,479)	(275,593)	(53,531)	(1,286)	(54,817)
Experience (Gains)/Losses on defined benefit liabilities	20,003	1,032	21,035	459	(443)	16
Total remeasurement recognised in Other Comprehensive Income & Expenditure	(232,127)	(5,945)	(238,072)	(74,637)	(2,050)	(76,687)
Total Charged to the Group Comprehensive Income & Expenditure Statement:	(198,075)	(5,089)	(203,164)	(41,057)	(1,353)	(42,410)

No adjusting entries are made in relation to the Silent Valley Waste Services Pension Scheme transactions and consequently there are no changes to the relevant entries made in the Parent Movement in Reserves Statement.

Transactions in respect of the fair value of pension scheme assets and present value of scheme liabilities are as follows:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Pension Scheme Assets						
Balance at 1 April:	467,693	0	467,693	442,900	0	442,900
Employer Contributions	14,230	1,781	16,011	12,203	1,823	14,026
Member Contributions	3,502	0	3,502	3,181	0	3,181
Benefits Paid	(17,209)	(1,781)	(18,990)	(17,128)	(1,823)	(18,951)
Interest on Plan Assets	12,628	0	12,628	8,839	0	8,839
Remeasurement Gains/(Losses):						
Return on Plan Assets (excluding amounts included in Interest)	(21,734)	0	(21,734)	17,698	0	17,698
Balance at 31 March:	459,110	0	459,110	467,693	0	467,693
Reconciliation of the Movements in Present Value of Scheme Liabilities						
	£000	£000	£000	£000	£000	£000
Balance at 1 April:	(728,502)	(32,585)	(761,087)	(756,969)	(35,761)	(792,730)
Current Service Cost	(26,414)	0	(26,414)	(26,895)	0	(26,895)
Past Service Cost and Curtailments	(158)	0	(158)	(15)	0	(15)
Administration Expenses	(276)	0	(276)	(249)	0	(249)
Interest Cost	(19,832)	(856)	(20,688)	(15,260)	(697)	(15,957)
Member Contributions	(3,502)	0	(3,502)	(3,181)	0	(3,181)
Benefits Paid	17,209	1,781	18,990	17,128	1,823	18,951
Experience Gains/(Losses)	(20,375)	(1,032)	(21,407)	(685)	443	(242)
Actuarial Gains/(Losses) arising from changes in demographic assumptions	4,579	498	5,077	3,950	321	4,271
Actuarial Gains/(Losses) arising from changes in financial assumptions	269,657	6,479	276,136	53,674	1,286	54,960
Balance at 31 March:	(507,614)	(25,715)	(533,329)	(728,502)	(32,585)	(761,087)

The Group's net liability arising from defined benefit scheme obligations can be analysed as follows:

Pension Assets & Liabilities Recognised in the Balance Sheet	31 March 2023			31 March 2022		
	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total
	£000	£000	£000	£000	£000	£000
Fair Value of Scheme Assets	459,110	0	459,110	467,693	0	467,693
Present Value of Scheme Liabilities	(507,614)	(25,715)	(533,329)	(728,502)	(32,585)	(761,087)
Net Liability:	(48,504)	(25,715)	(74,219)	(260,809)	(32,585)	(293,394)

Entries are included in the Group Balance Sheet for the Group's share of assets and liabilities of the Local Government Pension Scheme. Liabilities relating to Unfunded Teachers' Discretionary Pensions are also included. Disclosed liabilities show the underlying commitment that the Group has in the long term to pay retirement benefits.

The Group holds total usable reserves of £62.571m at 31 March 2023 (£86.824m at 31 March 2022). The effect of applying the net superannuation fund deficit of £74.219m to the Group's usable reserves would be a deficit of £11.648m (2021/2022: the superannuation deficit of £293.394m exceeded usable reserves by £206.570m). Further information regarding the treatment of this deficit can be found in note 41 (page 102).

G16. Reserves

The Silent Valley Profit & Loss Reserve represents the balance of accumulated profit made on trading activities. The transactions and balances on this reserve in the Group Accounts have been adjusted to remove the profit element relating to the Parent. Movements on the Group Usable Reserves were as follows:

Summary: Group Usable Reserves	1 April 2021	Net Transfers 2021/2022 (Restated)†	31 March 2022 (Restated)†	Net Transfers 2022/2023	31 March 2023
	£000	£000	£000	£000	£000
Council Fund	(7,301)	(5,514)†	(12,815)†	34	(12,781)
Silent Valley Profit & Loss Reserve	(2,071)	274	(1,797)	(213)	(2,010)
Parent's Usable Earmarked Reserves	(60,274)	(11,938)	(72,212)	24,432	(47,780)
Total: Usable Reserves	(69,646)	(17,178)	(86,824)	24,253	(62,571)

†: Transfers to the Council Fund increased in 2021/2022 as a result of an adjustment to depreciation charges (for which the compensating adjustment is to be transferred to the Capital Adjustment Account in 2023/2024).

Group Unusable Reserves include amounts held by Blaenau Gwent CBC and Bedwellty House and Park Charitable Trust. Silent Valley Waste Services Ltd. held no reserves that are classed as 'Unusable' at the Balance Sheet date.

Unusable Group Reserves	2022/2023 £000	2021/2022 (Restated)† £000
Capital Adjustment Account	(134,560)	(93,595)†
Revaluation Reserve	(51,335)	(32,441)†
Financial Instruments Adjustment Account	3,359	3,464
Deferred Capital Receipts Reserve	(3,151)	(3,291)
Pensions Reserve	73,222	291,885
Accumulated Absences Account	2,122	2,826
Total Unusable Group Reserves:	(110,343)	168,848

†: From 1 April 2021 the Group Capital Adjustment Account balance has been adjusted to include the balance of the Capital Grant Funding Reserves held by the Bedwellty House and Park Charitable Trust. The Group Revaluation Reserve has also been adjusted to include the balance of the Bedwellty House and Park Charitable Trust Revaluation Reserve from that date.

Group Cash Flow Notes

G17. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows from Operating Activities

The following tables provide details of the adjustments made between the deficit on provision of services to arrive at a figure for operating activities cashflows.

G17.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2022/2023 £000	2021/2022 (Restated)† £000
Depreciation, Revaluation & Impairment	(978)	3,304
REFCUS (deferred charges)	4,513	5,076†
Effective interest adjustment	48	46
Soft loan adjustment	950	912
Short Term Compensated Absences	(704)	0
Net IAS19 charges made for Retirement Benefits	34,721	34,102
IAS19 Employers Contributions Paid to Pension Fund	(15,771)	(14,155)
	22,779	29,285
Increase/(Decrease) in Provisions	78	(375)
(Increase) / Decrease in Inventories	1,421	(1,208)
(Increase) / Decrease in Revenue Debtors	(2,215)	(2,273)
Increase / (Decrease) in Revenue Creditors	(4,142)	5,642
Total	17,921	31,071

G17.2 Investing or Financing Activities included in the Deficit on Provision of Services

Cash Flow - Adjustments for Investing & Financing Activities	2022/2023 £000	2021/2022 (Restated)† £000
(Gain)/Loss on Disposal of fixed assets	(456)	1,091
Capital Grants credited to CIES	(15,345)	(12,024)†
Total	(15,801)	(10,933)

†: Transactions in 2021/2022 have been restated for expenditure and financing arrangements related to the removal of the Welsh Government Share of the Lime Avenue Joint Venture Agreement, and also to include (and write off) funding to the JVA for development of the business units, classified as REFCUS expenditure. Group Cash Flow entries have been adjusted accordingly.

G17.3 Receipts or Payments of Interest included in Operating Activities

Cash Flow - Interest included in Operating Activities	2022/2023 £000	2021/2022 £000
Interest Received	(1,732)	(97)
Interest Paid	3,703	3,504
Net Total	1,971	3,407

G18. Analysis of the Amounts of Major Classes of Gross Cash Receipts and Gross Cash Payments

Investing Activities

The cash flows for investing activities consist of the following:

Cash Flow - Investing Activities	2022/2023 £000	2021/2022 £000
Cash Outflows		
Purchase of Non-Current Assets	(51,305)	(10,946)
Other Capital Cash Payments	(12,065)	(21,000)
	(63,370)	(31,946)
Cash Inflows		
Sale of Non-Current Assets	457	606
Capital Grants Received	15,352	15,964
Proceeds from Short and Long Term Investments	21,000	0
	36,809	16,570
Total	(26,561)	(15,376)

G19. Cash and Cash Equivalents

The balance of group cash and cash equivalents is made up of the following:

Cash and Cash Equivalents	2022/2023 £000	2021/2022 (Restated)† £000
Cash Held by the Authority	53	52
Bank Accounts	684	14,050†
Short-term investments	54,000	79,000
Total Cash & Cash Equivalents	54,737	93,102

†: Transactions and balances in 2021/2022 have been restated for adjustments to the Lime Avenue Joint Venture Agreement, and also to correct the treatment of amounts formerly classified as cash relating to Agency arrangements.



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