



GOVERNANCE AND AUDIT COMMITTEE

10.00 AM - FRIDAY, 12 JULY 2024

**MULTI-LOCATION MEETING - COUNCIL CHAMBER, PORT TALBOT
& MICROSOFT TEAMS**

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PART 1

1. Appointment of Chair and Deputy Chair for the Civic Year 2024/25
2. Chairperson's Announcement/s
3. Declarations of Interest
4. Minutes of Previous Meeting (*Pages 5 - 10*)
5. Audit Wales - Use of performance information: Service user perspective and outcomes - Neath Port Talbot Council (*Pages 11 - 30*)
6. Audit Wales - Annual Audit Summary 2023 (*Pages 31 - 40*)
7. Audit Wales - Programme & Timetable - Quarter 4 Update to 31st March 2024 (*Pages 41 - 60*)
8. Audit Wales - 2024 Audit Plan Neath Port Talbot Council (*Pages*

61 - 84)

9. Annual Governance Statement 2023-2024 (*Pages 85 - 186*)
10. Register of Regulators Reports & Recommendations. (*Pages 187 - 198*)
11. Governance & Audit Committee Annual Report 2023/24 (*Pages 199 - 206*)
12. 2023/24 Annual Internal Audit Report (*Pages 207 - 216*)
13. Closure of Accounts 2023/24 (*Pages 217 - 306*)
14. Forward Work Programme (*Pages 307 - 308*)
15. Urgent Items
Any urgent items at the discretion of the Chairperson pursuant to Section 100BA(6)(b) of the Local Government Act 1972 (as amended).

K.Jones
Chief Executive

Civic Centre
Port Talbot

Monday, 8 July 2024

Committee Membership:

Chairperson: J.Jenkins

Members: Councillors S.Grimshaw, O.S.Davies, R.Mizen,
W.Carpenter, A.J.Richards, A.R.Aubrey,
C.Clement-Williams and J.Henton

**Voting Lay
Member:** A. Bagley, M. Owen

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GOVERNANCE AND AUDIT COMMITTEE

(Multi-Location meeting Council Chamber Port Talbot/Microsoft Teams)

Members Present:

21 March 2024

Chairperson: J.Jenkins

Councillors: A.J.Richards, P.D.Richards, P.Rogers,
S.Grimshaw and W.Carpenter

Officers In Attendance: N. Daniel, H.Jones, A.O'Donnell, C.Furlow-Harris, D.Mulligan, L.McAndrew, S.McCluskie and J.Woodman-Ralph

Representing Audit Wales: A.Lewis and J.Brown

1. **CHAIRPERSON'S ANNOUNCEMENT/S**

The Chairperson welcomed all to the meeting and updated Members on the recent risk management training which was facilitated by the Welsh Local Government Association (WLGA). Officers explained that feedback had been received on the content of the training which will be fed back to the WLGA. Officers were currently reviewing the training to address the needs of the committee going forward.

2. **DECLARATIONS OF INTEREST**

That the following Members made a declaration of interest at the commencement of the meeting.

Councillor W.Carpenter

Agenda Item 8, Internal Audit Quarterly Update Report as he is a school governor at Melin Primary School but has dispensation to vote and speak.

Councillor P.Rogers

Agenda Item 8, Internal Audit Quarterly Update Report as he has been involved in discussion with Pale Road, Supported Living on a Personal matter.

3. **MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting held on the 26th of January 2024, were approved as a true and accurate account.

4. **AUDIT WALES - STRATEGIC WORKFORCE MANAGEMENT - NPTCBC ORGANISATIONAL RESPONSE**

Members received the Council's response to the Audit Wales – Springing Forward: Strategic Workforce Management – Neath Port Talbot Council as detailed in the circulated report.

Wales Audit Office representatives attended the meeting and explained that the report was a very positive report and the Council had a clear vision for its Workforce.

Discussion took place on the recommendations contained within the circulated report that needed further focus on to continue to build on the good practice already in place.

- Progression and pathways for Staff;
- Resilience around business critical roles and identification;
- Succession planning;
- Better understanding of the impact of the Workforce Strategy;
- Consider and build on the benchmarking of measures and metrics and identify key areas of good practice and potential areas for improvement.

Following on, Members queried what work was taking place to increase the number of succession plans, the quality of those plans and how managers were going to be encouraged to use the improved toolkit.

Officers explained that a number of workshops had taken place with all managers, informing managers of the importance of succession planning and the use of the toolkit. These workshops had now formed part of the core training for new managers and will take place annually with all managers.

In addition, a Talent Management Team had been created which had started to look at the future skills sets required and by working with colleges and universities how these needs could be planned for. The team are also looking at the current workforce and developing career pathways within the Council.

Members were very pleased and reassured by what they had received today and thanked all the team for all the work they had undertaken to progress this and looked forward to hearing more on the progress in future.

Members noted that the continued monitoring of this would be an important part of the Governance and Audit Committees role.

RESOLVED: That the report be noted.

5. **AUDIT WALES - WORK PROGRAMME AND TIMETABLE - QUARTER 2 UPDATE**

Members received the Audit Wales – Programme & Timetable – Quarterly Update to 31st December 2023 as detailed in the circulated report.

It was noted an error on the agenda which stated Quarter 2 and should have read Quarter 3.

Audit Wales representatives attended the meeting and updated Members on the planned delivery timescales contained within the report. It was highlighted that after meeting with Officers it had been agreed that the Financial Sustainability Review would now take place between April and July and the Commissioning Arrangements review would follow on in the Autumn. This was because the Financial Sustainability Review takes place across all Councils in Wales and it informs the Welsh Government on the sustainability of councils across Wales and to feed into budget planning.

Audit Wales explained that the Wellbeing of Future Generations Act (Wales) 2025 timetable and status links into when each authority updates their wellbeing objectives and it is a statutory function of Audit Wales which has to be undertaken on a 5 yearly basis. Officers confirmed that this has been completed and considered by Members.

In addition, information was received on Review of Unscheduled Care Report. Audit Wales explained that the report had been delayed but has now been completed and will be reported to the Health Board and the Directors of Social Services as it's a joint piece of work. On receipt of the responses a report will be submitted for consideration at a future date of Governance and Audit Committee.

RESOLVED: That the report be noted.

6. **AUDIT WALES - REGISTER OF REGULATORS REPORT AND RECOMMENDATIONS**

Members received an overview of the Register of Regulators Reports and Recommendations as detailed in the circulated report.

Officers explained that the Neath Port Talbot Council – Use of Performance Information: Service User Perspective and Outcomes (November 2023) will be considered at the next meeting of the Governance and Audit Committee.

In addition, the report will be considered at Cabinet on the 17th April and not as stated in the report 17th March 2024.

Discussion took place on the current format of the data. Officers confirmed that they have taken on board the comments of the Governance and Audit Committee and will be bringing forward alternative ways for displaying the data in future.

Members were disappointed at the negative wording contained within one of the national reports, Sustainable Development – making the best use of brownfield land and empty buildings. The report stated that “NPT did not wish to take part” in the above fieldwork. When actually the reason given was that NPT was not in a position at the current time due to the exceptional workload, Celtic Freeports, Wildfox Development, Global Centre for Rail Excellence, a number of Levelling Up Bids and the drawing down of the Shared Prosperity Fund being undertaken by Officers. It was agreed that in future a more detailed explanation would be stated in Audit Wales reports.

Members queried how the recommendations in these reports are monitored to ensure they are implemented/actioned. Officers explained they were looking at developing a process for monitoring

the implementation of recommendations to ensure they are tracked and understood by all Officers and that there is a mechanism in place to share the learning from all regulators reports and recommendations.

RESOLVED: That the report be noted.

7. **DRAFT INTERNAL AUDIT STRATEGY AND INTERNAL AUDIT PLAN FOR 2024/25**

The Committee received details of the draft Internal Audit Strategy and Risk Based Plan for the period 1st April 2024 to 31st March 2025 and the Internal Charter as detailed in the circulated report.

Members asked that officers when agreeing ways of disseminating information to all Members, they must consider and include lay members in the process for sharing information.

Following on, it was asked whether the Audit Team were going to be able to achieve the number of audits detailed in the plan with the current level of staff. Officer explained that the vacant trainee post within the audit team had now been filled. In addition, a number of contingency days had been added into the plan so Officers were confident they could meet the timescale in the plan.

RESOLVED: That the draft Internal Audit Strategy, the Internal Audit Plan 2024/25 and the Updated Internal Audit Charter as detailed in Appendices 1,2 and 3 be approved.

8. **INTERNAL AUDIT QUARTERLY UPDATE REPORT**

The Committee received an overview of the Internal Audit Quarterly Update Report since the last meeting in January 2024 as detailed in the circulated report.

Officers explained that six reports had been issued with one post audit review had been undertaken. This number was due to staff sickness and a vacancy within the team. Recently, a member of the team on long term sick had returned to work and the vacancy had been filled.

Members were disappointed with the lack of detail in the response received in regard to the Internal Audit Report No 50 – Mandatory Training Engineering Service and asked that in future more detail be included in all responses to the Governance and Audit Committee.

RESOLVED: That the report be noted.

9. **URGENT ITEMS**

No Urgent Items were received.

10. **ACCESS TO MEETINGS**

RESOLVED: that pursuant to Section 100A(4) and (5) of the Local Government Act 1972, the public be excluded for the following items of business which involved the likely disclosure of exempt information as defined in Paragraphs 12, 13 and 14 of Part 4 of Schedule 12A to the above Act.

11. **SPECIAL INVESTIGATIONS UPDATE REPORT (EXEMPT UNDER PARAGRAPH 14)**

Officers provided an update on all special investigation reports issued since the last meeting and included details of all current special investigations.

RESOLVED: That the report be noted.

CHAIRPERSON

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12th JULY 2024

Report of the Director of Strategy & Corporate Services

Noelwyn Daniel

Matter for Information

Wards Affected: All Wards

Audit Wales – Use of performance information: Service user perspective and outcomes – Neath Port Talbot Council

Purpose of Report

1. To present Members with the council's response to the above examination undertaken by Audit Wales during 2023 and to provide an update on progress made on recommendations.

Executive Summary

2. The Well-being of Future Generations (Wales) Act 2015 places a “well-being duty” on 48 public bodies. The duty requires those bodies to set and publish “well-being objectives” that are designed to maximise their contribution to achieving each of the Act's seven national well-being goals.
3. Section 15(1) (a) of the above Act requires the Auditor General to carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle when setting their well-being objectives.
4. The aim of the examination was to determine:

‘Does the council's performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance?’

Summary of Findings

5. The examination found:

'The performance information provided by the council to senior leaders to enable them to understand the service user perspective and the outcomes of the council's activities is limited'

A copy of the Audit Wales report is attached at Appendix 1

6. The examination concluded with the following three recommendations:

Information on the perspective of the service user

R1 - The council should ensure that the information provided to its senior leaders enables them to understand the service user perspective on a broader range of services and policies. The council should ensure this information is drawn from the diversity of service users.

Outcomes information

R2 - The council should strengthen the information provided to senior leaders to help them evaluate whether the council is delivering its objectives and intended outcomes

Quality and accuracy of data

R3 - The council needs to assure itself that it has robust arrangements to check the quality and accuracy of the information it provides to senior leaders relating to service user perspective and outcomes.

7. Whilst we did not wholly accept the above recommendations, it was acknowledged that there is further work to be done to ensure that we bring together corporately the service user feedback we already have processes in place to collect across a number of service areas. This will further strengthen decision making and service delivery.
8. The council's response to the above recommendations is set out in the attached Organisational Response Form (attached at Appendix 2). The Organisational Response Form was scrutinised at Cabinet Scrutiny Committee and approved at Cabinet on 17th April 2024.

9. A column has been added to the Form to provide the Governance & Audit Committee with an update on progress made against each of the recommendations.

Financial Appraisal

10. The programme of audit work undertaken by Audit Wales has been delivered within the budget allocated for audit and inspection work.

Integrated Impact Assessment

11. There is no requirement to undertake an Integrated Impact Assessment.

Valleys Communities Impact

12. No impacts.

Workforce Impact

13. There are no workforce impacts.

Legal Impact

14. Section 15(1) (a) of the Well-being of Future Generations (Wales) Act 2015 requires the Auditor General to carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle when setting their well-being objectives.

Risk Management

15. The findings of Audit Wales examinations are a key input into the council's corporate governance and self-assessment arrangements.

Consultation

16. There is no requirement for external consultation on this item.

Recommendation

17. For Governance and Audit Committee to note the council's response attached at Appendix 2 and to note the progress against each of the recommendations.

Appendices

- 18.** Appendix 1 – Audit Wales Report – Service user perspective and outcomes - Neath Port Talbot Council
Appendix 2 – Council Organisational Response Form and progress

List of Background Papers

- 19.** None

Officer Contact

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Use of performance information: service user perspective and outcomes – Neath Port Talbot Council

Audit year: 2022-23

Date issued: January 2024

Document reference: 3979A2023

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In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

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

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Report summary

- 1 We considered the service user perspective and outcome information provided to senior officers and senior members (senior leaders), and how this information is used.
- 2 Overall, we found **the performance information provided by the Council to senior leaders to enable them to understand the service user perspective and the outcomes of the Council's activities is limited.**
- 3 We have made three recommendations to strengthen the performance information given to senior leaders.
- 4 Our findings are based on fieldwork we did between July and September 2023.

What we looked at – the scope of this audit

- 5 We focused on the performance information provided to senior officers and senior members (senior leaders) about service user perspective and outcomes, and how this information is used. We did not undertake a full review of the Council's performance management arrangements or an in-depth review of the quality of the data that the Council collects. Neither did the review focus on engagement with service users on specific service changes or the development of policies and strategies.
- 6 We have set out our audit questions and audit criteria in **Appendix 1**. The audit criteria essentially set out what good looks like and what we would expect to find.
- 7 Overall, we were looking for performance information to be shared with senior leaders to help them understand how well services and policies are meeting the needs of service users and how well they are helping the Council to achieve the outcomes it is working towards. We were also looking to see that senior leaders use this information to monitor progress and take action where necessary to improve outcomes.
- 8 This is an important part of arrangements to ensure that councils are securing value for money in the use of their resources. It is also an important way in which the Council can assure itself that it is acting in accordance with the 'involvement' way of working in taking steps to meet its well-being objectives. Without this information, it is difficult to see how senior leaders can understand whether their policies and actions are having the intended impact and make changes where they are not.
- 9 Our findings are based on document reviews and interviews with the Cabinet Member, Chief Executive, and senior officers with responsibility for the Council's performance management arrangements. The evidence we have used to inform our findings is limited to these sources.

- 10 We set out to answer the question ‘**Does the Council’s performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance?**’ We did this by exploring the following questions:
- Does the performance information provided to senior leaders include appropriate information on the perspective of service users?
 - Does the performance information provided to senior leaders include appropriate information on the outcomes of the Council’s activities?
 - Does the Council have robust arrangements to ensure that the data provided is accurate?
 - Does the Council use the information to help it achieve its outcomes?
 - Does the Council review the effectiveness of its arrangements?

Why we undertook this audit

- 11 This audit was undertaken to help fulfil the Auditor General’s duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015.
- 12 We sought to:
- gain assurance that the performance information the Council provides to senior officers and elected members enables them to understand the service user perspective and the outcome of its activities;
 - gain assurance that this information forms part of the Council’s arrangements to secure value for money in the use of its resources and its application of the sustainable development principle; and
 - identify opportunities for the Council to strengthen its arrangements.

The Council’s performance reporting arrangements

- 13 The Cabinet and three Cabinet Boards receive quarterly performance reports that include details of service performance and some corporate cross cutting measures that show a contribution link towards the Council’s well-being objectives. All quarterly performance data that is reported to the Cabinet and the Cabinet Boards is reviewed by the Corporate Directors’ Group (CDG) beforehand. A set of strategic dashboard performance indicators were being reported to the CDG on broadly a six-weekly basis which have recently moved to quarterly reporting.
- 14 Budget monitoring reports are provided monthly to CDG and quarterly to Cabinet. Information on compliments and complaints data is presented to the Cabinet and Cabinet Boards at the same time as the performance information.

- 15 The Council published its Annual Self-Assessment for 2021-22 in March 2023. Prior to this, the Governance and Audit Committee considered it in February 2023 in line with the requirements of the Local Government and Elections (Wales) Act 2021.
- 16 Our review focused on these key performance reporting mechanisms.

What we found: the performance information provided by the Council to senior leaders to enable them to understand the service user perspective and the outcomes of the Council's activities is limited

The performance information the Council provides to senior leaders on the perspective of service users is limited

- 17 The Council's performance reports do not generally include information on the perspective of service users, apart from a few examples. It is, therefore, difficult to see how senior leaders would be able to understand how well services and policies are meeting the needs of service users.
- 18 The Council's Service Recovery Plans (SRP) are a key component of its Corporate Performance Management Framework. The accompanying SRP Guidance is very clear on the need for services to understand the needs of, and engage with, service users. However, this information is not reflected in the quarterly performance reports. This is a missed opportunity to give senior leaders information which would help them understand the views of service users and to take action to address any issues.

The performance information the Council provides to senior leaders largely focuses on activities and outputs, rather than evaluating their impact

- 19 Despite a few exceptions, the Council's performance reports generally describe activities and outputs, as opposed to an assessment of progress against the outcomes the Council is seeking to achieve. This limits the ability of senior leaders to understand the impact of the Council's activities and assess whether it is meeting its overall objectives.
- 20 In its Corporate Plan Annual Report 2021-22, the Council provides some case study examples to illustrate the outcomes it has achieved under each of its three Wellbeing Objectives. These examples contain a range of information, including feedback and quotes from service users. Sharing this information can help senior leaders understand the impact of the Council's activities. However, the small

number of examples does not provide a comprehensive picture of performance and does not enable senior leaders to fully understand the impact of the Council's activities.

- 21 The Council acknowledges that reporting on the progress of outcomes is an area it needs to improve. It has identified the outcomes it wants to achieve. Its Strategic Change Programme 2023-24 (for the Corporate Plan 2022-27) lists the intended outcomes under each of its Wellbeing Objectives. The SRP Guidance is clear on the need to deliver outcomes. One of the key questions managers must answer when creating their SRP is, "How well is the service improving outcomes and improving the well-being of residents/stakeholders?" But this information has not featured in the recent quarterly reports, which is a missed opportunity to give senior leaders information to help them understand the impact of the Council's activities.

The Council has limited arrangements to ensure the information it provides to senior leaders on the service user perspective and outcomes is accurate

- 22 The Council does not have comprehensive arrangements in place to routinely check the data quality of performance information relating to outcomes and the service user perspective.
- 23 The Council relies on individual service areas to ensure their own data is accurate before submitting it. The performance data is then 'sense checked' by the Performance User Group (PUG) and the Corporate Performance Management Team. It then goes to Heads of Service to be signed off for presentation at the CDG, Cabinet and Cabinet Boards.
- 24 The Council created the PUG to oversee the operational performance management arrangements of the Council. The PUG uses a checklist to review the Council's performance reports. One of the items on the checklist is 'accuracy of data', but it does not give any further detail or explain how the PUG would know the data is inaccurate or how they would check the accuracy.
- 25 The Council's Interim Performance Management Framework makes no reference to data quality. We found no recent evidence that the Council's Internal Audit Service has done any reviews of data quality.
- 26 As a result of the Council having limited arrangements in place to ensure the accuracy of its service user perspective and outcomes performance information, the Council cannot assure itself that its performance information is accurate. Consequently, there is a risk that any actions and decisions it takes, and the resources it deploys, may be based upon inaccurate performance information.

As the information provided on outcomes and the perspective of service users is limited, the extent to which the Council can use this information to help it achieve its outcomes is also limited

- 27 As set out above, our main finding is that limited performance information is provided to senior leaders to enable them to understand the service user perspective and the outcomes of the Council's activities. Therefore, it follows logically that the extent to which the Council uses the service user perspective and outcomes information to help it achieve its outcomes from this performance information is limited.
- 28 Where we did find a few examples of the Council providing performance information on the perspective of service users and outcomes, we found some evidence of the Council using this information to make changes. For example, the Council receives and records complaints information and monitors the outcomes of the action it takes in response to those complaints.

The Council recognises it needs to improve the performance information it provides to senior leaders so they can better understand the service user perspective and the outcomes of its activities

- 29 In its 2021-22 Annual Self-Assessment, the Council stated it needed to strengthen its performance management arrangements during the development of its revised Corporate Plan and to do more work to gauge residents' satisfaction levels with the services they access and use. Consequently, the Council has begun a review of its existing Corporate Performance Management Framework.
- 30 It has introduced interim arrangements as it conducts its review. For example, it has introduced a new quarterly Highlight Report that presents performance information in a clearer and more user-friendly way. It also includes more cumulative quarterly trend data over a longer timescale. However, the Council has not outlined how it will include the service user perspective or information on the progress of outcomes. The Council now has the opportunity to use its review to action the findings of this report and address this issue.
- 31 The Council does not compare its arrangements for collecting and reporting performance information on outcomes and the service user perspective with other similar organisations. We do not mean comparing performance per se, but to help it learn how other organisations are providing information about service user perspectives and outcomes to help strengthen its own arrangements. This is an important element of arrangements to secure value for money. As the Council undertakes its review, it will be important for it to compare arrangements with other organisations.

Recommendations

Exhibit 1: recommendations

Information on the perspective of the service user

- R1 The Council should ensure that the information provided to its senior leaders enable them to understand the service user perspective on a broader range of services and policies. The Council should ensure this information is drawn from the diversity of service users.

Outcomes information

- R2 The Council should strengthen the information provided to senior leaders to help them evaluate whether the Council is delivering its objectives and intended outcomes.

Quality and accuracy of data

- R3 The Council needs to assure itself that it has robust arrangements to check the quality and accuracy of the information it provides to senior leaders relating to service user perspective and outcomes.

Appendix 1

Key questions and what we looked for

Exhibit 2: key questions and what we looked for

The table below sets out the question we sought to answer in carrying out this audit, along with the audit criteria we used to arrive at our findings.

Level 1	
Does the Council's performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance?	
Level 2	Audit Criteria ¹ (what we are looking for)
2.1 Does the performance information provided to senior leaders include appropriate information on the perspective of service users?	<ul style="list-style-type: none"> • The information is: <ul style="list-style-type: none"> – relevant to the objectives the Council has set itself; – sufficient to enable an understanding of the service user perspective; – sufficient to provide an understanding of progress towards the outcomes the Council is planning to achieve; – drawn from the diversity of service users including groups who share protected characteristics; and – used to inform comparisons with the performance of similar bodies where relevant. • The Council has involved service users in determining which information to collect.
2.2 Does the performance information provided to senior leaders include appropriate information on the outcomes of the Council's activities?	<ul style="list-style-type: none"> • The information draws on a range of evidence sources to provide a holistic view of progress. • The information enables senior leaders to monitor progress over the short, medium and long term. • The information enables senior leaders to monitor the delivery of outcomes that cover multiple service areas and/or organisations.

¹ Our audit criteria have been informed by our cumulative knowledge of previous audit work, as well as the question hierarchy and positive indicators we have developed to support our sustainable development principle examinations.

Level 1

Does the Council's performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance?

Level 2

Audit Criteria¹ (what we are looking for)

2.3 Does the Council have robust arrangements to ensure that the data provided is accurate?

- The Council has clear arrangements to check the quality and accuracy of the data it provides to senior leaders.
- Where weaknesses in data quality are identified, the Council addresses them.

2.4 Does the Council use the information to help it achieve its outcomes?

- Where poor performance is identified, the Council uses the information to make changes/interventions.
- There is evidence of the Council improving its progress towards its outcomes as a result of interventions.

2.5 Does the Council review the effectiveness of its arrangements?

- The Council reviews the information provided to senior leaders to ensure it is appropriate and relevant.
- The Council compares the information it collects with the information collected by similar organisations to identify opportunities to strengthen its arrangements.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Organisational response form

Report title: Use of Performance Information; Service User Perspective and Outcomes

Completion date: January 2024

Document reference: 3979A2023

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Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)	Update on Progress
R1	<p>Information on the perspective of the service user</p> <p>The Council should ensure that the information provided to its senior leaders enable them to understand the service user perspective on a broader range of services and policies. The Council should ensure this information is drawn from the diversity of service users.</p>	<p>Work is underway to identify service user perspective information that is already collected across the council by services. In addition, research is also being undertaken to identify other examples of service user perspective information that is collected by other local authorities for inclusion in the Council's updated Corporate Plan and Business Plans for 2024 onwards.</p>	30 th April 2024	Caryn Furlow-Harris	<p>As the focus of the reset Corporate Plan for the period 2024/2027 is on the delivery of 9 transformation programmes Senior Management Teams are being asked to include service user perspective information in their service delivery plans which are currently being developed.</p>
R2	<p>Outcomes information</p> <p>The Council should strengthen the information provided to senior leaders to help them evaluate whether the Council is delivering its objectives and intended outcomes.</p>	<p>Information provided to senior leaders has been strengthened during 2023/2024 with the provision of 6 monthly report on progress made on delivering the Council's well-being objectives.</p> <p>A review is underway of the Council's Corporate Performance Framework and a key consideration in that review will be how we can further strengthen the information provided to senior leaders.</p>	30 th April 2024	Caryn Furlow-Harris	<p>The review of the Council's Corporate Performance Management Framework is now underway.</p> <p>This has been delayed due to the resetting of the council's Corporate Plan for the period 2024/2027 which has included the development of 9 transformation programmes and the introduction of service delivery plans at head of</p>

					<p>service level. In addition, the new model of scrutiny is bedding in.</p> <p>These are all key factors in the council's Corporate Performance Management Framework so it was deemed timely to commence the review in early 2024 to ensure the revised Framework reflected the above developments / changes.</p> <p>The review will be completed mid July 2024 with the revised framework implemented in readiness for quarter 2 reporting (April – Sept 24).</p>
<p>Quality and accuracy of data The Council needs to assure itself that it has robust arrangements to check the quality and accuracy of the information it provides to senior leaders relating to service user perspective and outcomes.</p>	<p>Engaging with the Internal Audit Service on an approach to the checking of quality and accuracy of information provided to senior leaders.</p>	<p>30th April 2024</p>	<p>Caryn Furlow-Harris</p>	<p>Following a discussion with the Internal Audit Manager, a review of the quality and accuracy of performance information has been included in the Internal Audit Plan for 2024/2025.</p>	

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12TH JULY 2024

JOINT REPORT OF

DIRECTOR OF STRATEGY & CORPORATE SERVICES – N DANIEL

&

DIRECTOR OF FINANCE – H JONES

Matter for Information

Wards Affected: All Wards

Audit Wales – Annual Audit Summary 2023

Purpose of Report

1. To present the Audit Wales Annual Audit Summary 2023 to Governance and Audit Committee.

Executive Summary

2. The Annual Audit Summary attached at Appendix 1, sets out the work completed by Audit Wales since the last Annual Audit Summary was issued March 2023. This Summary will be presented to Council on 6th September 2024.
3. **Summary of work undertaken by Audit Wales:**
 - a. **Audit of Neath Port Talbot's 2022-2023 Accounts** – Every year the Auditor General audits the council's financial statements to make sure that public money is being properly accounted for. On 14th November 2023, the Auditor General gave an unqualified true and fair opinion on

the Council's financial statements for 2022-2023, following a small number of changes which were made as a result of Audit Wales' work.

- b. **Assurance and Risk Assessment Review** – Audit Wales have reviewed the arrangements put in place by the council to secure value for money in the use of its own resources.

The work included the council's arrangements in relation to the setting of well-being objectives and the use of performance information. Both pieces of work require further work to develop monitoring arrangements and use of service user perspectives to better inform decision making at a senior leader level.

- c. **Digital Strategy** – Audit Wales reported on the strategic approach to digital, and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the council's resources. This report and the organisational response form was presented to Governance and Audit Committee on 26th January 2024.

- d. **Review of Scrutiny Arrangements** – Audit Wales reported on the effectiveness of the council's scrutiny arrangements. They found that the council is missing opportunities for scrutiny to maximise its impact, influence and effectiveness in holding cabinet to account, shaping council policies and reviewing performance. This report and the organisational response form was presented to Governance and Audit Committee on 26th January 2024.

- e. **Springing Forward – Strategic Management of Assets** – The report focused on the council's arrangements for managing its assets, namely office accommodation and buildings from which the Council delivers services to its residents. Audit Wales looked at how the council strategically plans the use of its assets, how it monitors the use of its assets and how it reviews and evaluates the effectiveness of its arrangements. The report will be presented to Governance and Audit Committee in the autumn.

- f. **Springing Forward – Strategic Workforce Management – Audit Wales** reported on the council's strategic approach to its workforce and if this was strengthening its ability to transform adapt and maintain the delivery of its services in the short and longer term. This report and the organisational response form was presented to Governance and Audit Committee on 21st March 2024.

4. **Other Inspectorates** - Audit Wales also consider the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response. No reports have been issued relating to Neath Port Talbot Council since the last Annual Audit Summary in March 2023.
5. **On-going Work** - The Annual Audit Summary also sets out ongoing work, which includes:
 - Assurance and risk assessment work:
 - Thematic review – financial sustainability
 - Thematic review – commissioning arrangements
 - Unscheduled care review

Financial Appraisal

6. The programme of local audit and improvement assessment work undertaken by the Audit Wales during the period has been delivered within the budget allocated for audit and inspection work.

Integrated Impact Assessment

7. There is no requirement to undertake an Integrated Impact Assessment as this report is for information purposes.

Valleys Communities Impact

8. No implications.

Workforce Impact

9. There are no workforce impacts.

Legal Impact

10. The Auditor General is required to conduct local government value for money studies and assess compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and Local Government & Elections (Wales) Act 2021.

Risk Management

11. The findings of Audit Wales are a key input into the council's corporate governance arrangements and the areas identified for improvement work inform the Annual Governance Statement, Self-Assessment and the associated improvement action plans.

Consultation

12. There is no requirement for external consultation on this item.

Recommendation

13. For Governance and Audit Committee to note the content of the Annual Audit Summary 2023.

Appendices

14. Appendix 1 – Audit Wales – Annual Audit Summary 2023

List of Background Papers

15. None

Officer Contact

16. Noelwyn Daniel – Director of Strategy & Corporate Services
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Huw Jones – Chief Finance Officer
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Caryn Furlow-Harris – Strategic Manager – Policy & Executive Support
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Louise McAndrew – Corporate Strategic Planning & Governance Officer
Email: l.mcandrew@npt.gov.uk

Draft - Neath Port Talbot Council Annual Audit Summary 2023

This is our audit summary for Neath Port Talbot Council. It shows the work completed since the last Annual Audit Summary, which was issued in March 2023. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

About the Council

Some of the services the Council provides



Key facts

The Council is made up of 60 councillors (1 seat is currently vacant) who represent the following political parties:

- Welsh Labour 26
- Independent 17
- Plaid Cymru 11
- Coedffranc Liberal and Green 3
- Dyffryn Independent 2

The Council spent £372.1 million on providing services¹ during 2022-23².

¹ We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

² Source: 2022-23 Statement of Accounts

Key facts

As at 31 March 2023, the Council had £91 million of useable financial reserves³. This is equivalent to 24.5% of the Council's annual spending on services⁴.

Neath Port Talbot has 15% of its 91 areas considered to be within the most deprived 10% of areas in Wales, this is the 5th highest of the 22 unitary councils in Wales⁵.

The population of Neath Port Talbot is projected to increase by 5% between 2023 and 2043 from 144,900 to 151,900, including a 1% decrease in the number of children, a 1% increase in the number of the working-age population and a 20% increase in the number of people aged 65 and over⁶.

The Auditor General's duties

We completed work during 2022-23 to meet the following duties

- **Audit of Accounts**

Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

³ We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools' balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

⁴ Source: 2022-23 Statement of Accounts

⁵ An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

⁶ Source: [Stats Wales, Population Projections](#)

What we found

Audit of Neath Port Talbot Council's 2022-23 Accounts



To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

Each year we audit the Council's financial statements.

For 2022-23:

- The draft statements were presented for audit on 26 May 2023. This was before the deadline of 31 July 2023 set by Welsh Government.
- The quality of the draft statements presented for audit was good.
- The Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 14 November 2023, before the deadline agreed with Welsh Government of 30 November 2023. The audit was delivered later than in previous years mainly due to the impact of new auditing standard requirements. These were covered in our audit plan agreed with officers in June 2023 and considered by the Governance and Audit Committee on 13 November 2023.
- The Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.
- A small number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Audit Committee in our Audit of Financial Statements Report in November 2023.
- In addition to the Auditor General's responsibilities for auditing the Authority's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues.
- The Auditor General issued the certificate confirming that the audit of accounts for 2022-23 has been completed.

Assurance and risk assessment review

We reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. We produced the following reports from our assurance and risk assessment work:

- Setting of well-being objectives – we looked at the Council’s approach to setting its well-being objectives. We found that the Council has applied the Sustainable Development Principle and carried out extensive engagement when setting its Wellbeing objectives but will need to further develop its monitoring arrangements.
- Use of performance information – service user perspective and outcomes – we looked at the service user perspective and outcome data provided to members and senior officers, and how this information is used. We found that the performance information provided by the Council to senior leaders to enable them to understand the service user perspective and the outcomes of the Council’s activities is limited.

Digital Strategy

We reported on the Council’s strategic approach to digital, and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council’s resources. We found that the Council has an integrated and well-articulated digital strategy but does not have a clear timeframe to deliver it which makes it more difficult for the Council to assess progress and value for money.

Review of Scrutiny Arrangements

We reported on the effectiveness of the Council’s scrutiny arrangements. We found that the Council is missing opportunities for scrutiny to maximise its impact, influence and effectiveness in holding cabinet to account, shaping council policies and reviewing performance.

Springing Forward – Strategic Management of Assets

We reported on the Council’s arrangements for managing its assets with a focus on office accommodation and buildings from which the Council delivers services to its residents. We looked at how the Council strategically plans the use of its assets, how it monitors the use of its assets and how it reviews and evaluates the effectiveness of its arrangements. We found that the Council does not have a current vision and plan for managing its assets or timely and comprehensive monitoring arrangements.

Springing Forward – Strategic Workforce Management

We reported on the Council’s strategic approach to its workforce and if this was strengthening its ability to transform adapt and maintain the delivery of its services in the short and longer term. We found that the Council has a clear vision for its workforce, strengthened by its work with partners.

Other inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response.

Ongoing work

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council's ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

Our ongoing work includes:

- Assurance and risk assessment (2023-24)
- Thematic review – financial sustainability (2023-24)
- Thematic review – commissioning arrangements (2023-24)
- Unscheduled care review (2022-23)

The Auditor General is independent of government and was appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission, and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

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

This document is also available in Welsh.

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

12th JULY 2024

Report of the Director of Strategy & Corporate Services

Noelwyn Daniel

Matter for Information

Wards Affected – All wards

Report Title - Audit Wales – Programme & Timetable – Quarter 4
Update to 31st March 2024.

Purpose of the Report

The purpose of this report is to provide the Committee with an update on the work undertaken by Audit Wales up to the 31st March 2024. The update includes information on the following work undertaken by Audit Wales covering:

- Annual Audit Summary
- Financial Audit Work
- Performance Audit Work
- Local Government National Studies (planned / in progress)

The update also includes progress on the planned work of:

- Estyn
- Care Inspectorate Wales (CIW)

In addition to the above, the update also lists Audit Wales National Reports and others that have been published since June 2022 and reports and other outputs in progress/planned for 2024.

Financial Impact

There are no financial impacts in respect of this item.

Integrated Impact Assessment

There is no requirement for an integrated impact assessment in respect of this item.

Valleys Communities Impacts

There are no impacts in respect of this item.

Workforce impacts

There are no workforce impacts in respect of this item.

Legal Impacts

There are no legal impacts in respect of this item.

Risk Management

There are no risk management issues in respect of this item.

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendation

It is recommended that:

Members note the attached update.

Appendix

Appendix 1 - Audit Wales – Quarter 4 Work Programme Update

Background Papers

None

Officer Contact

For further information on this report item, please contact:

Noelwyn Daniel, Director of Strategy & Corporate Services

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Mrs Caryn Furlow-Harris, Strategic Manager – Policy & Executive Support

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Audit Wales Work Programme and Timetable – Neath Port Talbot Council

Quarterly Update: 31 March 2024

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in March 2022	March 2023	Complete & Published Neath Port Talbot Council – Annual Audit Summary 2022

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2023-24 financial statements	To provide an opinion on the 'truth and fairness' of the Council's financial statements for the financial year ended 31 March 2024.	Audit Opinion by 30 November 2024	Audit work ongoing
Certification of Grant returns for financial year 2022-23 <ul style="list-style-type: none"> Housing Benefit Subsidy 	Certification that nothing has come to our attention to indicate that the return is <ul style="list-style-type: none"> Not fairly stated Is not in accordance with the relevant terms and conditions 	In line with the deadlines for each individual grant and return.	Partly complete Ongoing <ul style="list-style-type: none"> Housing Benefit Subsidy Complete

Description	Scope	Timetable	Status
<ul style="list-style-type: none"> • Non-Domestic Rates • Teachers' Pension Contributions • Social Care Workforce Development Plan 			<ul style="list-style-type: none"> • Non-Domestic Rates • Teachers' Pension Contributions • Social Care Workforce Development Plan
<p>Certification of Grant returns for financial year 2023-24</p> <ul style="list-style-type: none"> • Housing Benefit Subsidy • Non-Domestic Rates • Teachers' Pension Contributions • Social Care Workforce Development Plan 	<p>Certification that nothing has come to our attention to indicate that the return is</p> <ul style="list-style-type: none"> • Not fairly stated • Is not in accordance with the relevant terms and conditions 	<p>In line with certification deadlines.</p>	<p>Audit work not yet started</p>

Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <ul style="list-style-type: none"> • Financial position • Capital programme management • Use of performance information – with a focus on service user feedback and outcomes 	<p>Ongoing monitoring of financial position</p> <p>Complete</p>	<p>Ongoing</p> <p>Audit Wales will not undertake detailed work at all councils as part of our 2022-23 work programme. We intend to undertake a local government study looking at capital planning in local government commencing in 2024.</p> <p><u>Report issued to the Council January 2023.</u></p>

2022-23 Performance Audit work	Scope	Timetable	Status
	<ul style="list-style-type: none"> Setting of well-being objectives 	Complete	Report issued to the Council August 2023
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – October 2023	Reporting from February 2024 onward.
Thematic review – Digital	A review of councils’ strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils’ resources.	Complete	Report issued to Council October 2023
Scrutiny Review	A review to seek assurance on the effectiveness of the Council’s scrutiny arrangements.	Complete	Report issued to Council October 2023

2023-24 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	Ongoing	Ongoing
Thematic review – commissioning and contract management	A review focusing on how councils' arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.	March – December 2024	Not yet started
Thematic review – Financial Sustainability	A review of councils' financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	March – July 2024	Fieldwork May 2024

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Neath Port Talbot Council
Governance of special purpose authorities – National Parks	Review of systems and effectiveness of governance	November 2022 – September 2023	Report drafting – publication due April 2024.	No
Governance in Fire and Rescue Authorities	Review of systems and effectiveness of governance	September 2023 – August 2024	Fieldwork underway. Publication due July 2024.	No
Homelessness	Examining how services are working together to progress the response to homelessness	To be confirmed	Scoping	To be confirmed
Capital Planning in Local Government	Examining whether capital investment in the asset base in local government is able to keep pace with demand	To be confirmed	Not started	To be confirmed

Study	Scope	Timetable	Status	Fieldwork planned at Neath Port Talbot Council
Financial constraints/ discretionary local government services	Examining the potential impacts and councils' decision making processes in the context of the sustainable development principle.	To be confirmed	Not started	To be confirmed

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. Conwy local government education service report was published on 18 January 2024, and we highlighted strong practice in the way the local authority worked across its service areas to provide integrated support for vulnerable young people.

We piloted a few new approaches to our inspection arrangements in the Vale of Glamorgan in the week beginning 11 March. We also inspected the Vale of Glamorgan's youth work in the week beginning 19 February 2024, and the findings of that inspection informed the evidence base for the LGES inspection. Both the youth and the LGES reports will be published on 30 April. During the spring term, Estyn link inspectors contributed to the assurance and risk workshops with local authorities across Wales.

During the summer term, we will be piloting our enhanced link visits in two local authorities. The visits will involve three link inspectors visiting a local authority for two days, focusing on one or two specific aspects of the local authority's work. The output is a letter to the Chief Executive Officers which is published on our website. We will also be inspecting Ceredigion and Caerphilly local government education services. We will be carrying out field work in all local authorities on the Implementation of the Additional Learning Needs and Education Tribunal [Wales] Act 2018 in non-maintained settings, primary and secondary schools, and all-age schools Year 2. This review follows on from the year 1 review of the implementation of the ALNET Act in schools, which was published in September 2023.

Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
<p>Thematic reviews</p> <p>Community Learning Disability Team (CLDT)</p>	<p>Working jointly with HIW we completed an assurance check in Rhondda Cynon Taf focusing on Community Learning Disability Teams (CLDT).</p> <p>We are planning our second CLDT assurance check in Blaenau Gwent.</p>	<p>2024-25</p> <p>March 2024</p>	<p>Delivery</p> <p>Planning</p>
<p>National Review of Care Planning for Children and Young People Subject to the Public Law Outline Pre-proceedings</p>	<p>Purpose of the review</p> <p>To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings.</p> <p>To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre-proceedings' and the publication of the PLO working group report 2021 including best practice guidance.</p>	<p>January 2024</p>	<p>Published</p>
<p>Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23</p>	<p>The 2021-22 report was published on 28 February 2024 Deprivation of Liberty Safeguards (DoLS) annual monitoring report 2022-23</p>	<p>February 2024</p>	<p>Published</p>

CIW planned work 2023-25	Scope	Timetable	Status
Joint Inspection Child Protection Arrangements (JICPA)	<p>We will complete a further two multi-agency joint inspections in total.</p> <p>The findings following Denbighshire County Council have been published – <u>Joint Inspectorate Review of Child Protection Arrangements (JICPA): Denbighshire 2023</u></p> <p>The findings following Bridgend County Borough Council have been published – <u>Joint Inspectorate Review of Child Protection Arrangements (JICPA): Bridgend 2023</u></p> <p>The findings from Powys County Council have been published – <u>Joint Inspectorate Review of Child Protection Arrangements (JICPA): Powys 2023</u></p> <p>Our findings from the Cardiff JICPA will be published shortly.</p> <p>We will publish a national report in early summer 2024.</p>	<p>April 2023 – April 2024</p> <p>Awaiting publication</p> <p>July 2024</p>	<p>Delivery</p> <p>Awaiting publication</p> <p>Planning</p>

CIW planned work 2023-25	Scope	Timetable	Status
Performance review of Local Authorities	<p><u>We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity</u></p> <p><u>How we inspect local authority services and CAF/CASS Cymru</u></p> <p>We published our report for Flintshire County Council children and adult services in February 2024 – <u>Inspection report for Flintshire County Council’s adults and children’s services published</u></p> <p>We completed a Performance Evaluation Inspection in Monmouthshire County Council between February and March. We will publish our report shortly.</p>	Ongoing	Ongoing
Her Majesty’s Inspectorate of Probation – Youth Offending Inspection	<p>We supported the delivery of HMIP’s Youth Offending Services Inspection in Denbighshire and Conwy. The report will be published shortly</p>	Awaiting publication	Awaiting publication

Audit Wales national reports and other outputs published since March 2023

Report title	Publication date and link to report
Supporting Ukrainians in Wales	March 2024
From firefighting to future-proofing – the challenge for Welsh public services	February 2024
Betsi Cadwaladr University Health Board – board effectiveness follow-up	February 2024
Local Government Financial Sustainability Data tool update uses data from the draft 2022-23 accounts	January 2024
Planning for sustainable development – Brownfield regeneration	January 2024
Corporate Joint Committees – commentary on their progress	November 2023
Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales	November 2023
Failures in financial management and governance and losses incurred – Harlech Community Council	November 2023
Putting out the false alarms: Fire and Rescue Authorities’ responses to Unwanted Fire Signals	October 2023
Covering teachers’ absence – follow-up (letter to the Public Accounts and Public Administration Committee)	October 2023
NHS workforce – data briefing	September 2023

Report title	Publication date and link to report
Income Diversification for National Park Authorities in Wales	September 2023
Approaches to achieving net zero across the UK	September 2023
Springing Forward: Lessons learnt from our work on workforce and assets (in local government)	September 2023
NHS finances data tool – to 31 March 2023	September 2023
Public interest reports – Ammanford Town Council and Llanferres Community Council	September 2023
Cwm Taf Morgannwg University Health Board - Quality Governance Arrangements Joint Review Follow-up	August 2023
'Cracks in the Foundations' – Building Safety in Wales	August 2023
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	June 2023

Audit Wales national reports and other outputs (work in progress/planned)^{1, 2}

Title	Indicative publication date
Findings from community pharmacy data matching pilot	April 2024
A465 Section 2 – update	May 2024
Financial management and governance in town and community councils	May/June 2024
Local government digital strategy review – national summary	June 2024
Local government use of performance information, outcomes and service user perspective – national summary	June 2024
Affordable housing	Summer 2024
Active travel	Summer 2024
NHS finances data tool – to 31 March 2024	Summer 2024

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow-up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

² We have also published a paper on our website – [Our work programme for 2023-2026](#) – that provides additional detail about our national work (including local thematic reviews). In addition to new work that we will be taking forward in 2023-24, the paper includes details about indicative topics for work to start in 2024-24 or 2025-26. We have recently identified plans for new areas of work to start during 2024-25 in our Annual Plan 2024-25.

Title	Indicative publication date
NHS workforce planning (national messages)	Summer 2024
Cancer services	Late summer 2024
Findings from GP registration data matching pilot	Late summer 2024
National Fraud Initiative – biennial report	Autumn 2024
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	Pan-public sector review – autumn 2024 NRW to be confirmed (scoping)
Welsh Government capital and infrastructure investment	Late autumn 2024
Findings from sustainable development examinations (statutory report under the WFG Act)	By early May 2025
The senior public service	Scoping underway, delivery planned early summer
Challenges for the cultural sector	To be confirmed (scoping)
Rebalancing care and support	To be confirmed (scoping)
Tackling NHS waiting lists (local audit work at health boards)	To be confirmed (local work at each Health Board starting in May 2024)
Access to education for children with Additional Learning Needs	To be confirmed (scoping)

Title	Indicative publication date
Velindre Cancer Centre	To be confirmed (scoping)
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (scoping)
Support for business	To be confirmed (starting in 2024-25)
Support for bus and rail services	To be confirmed (starting in 2024-25)
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	To be confirmed (starting in 2024-25)
NHS bodies' approaches to digital transformation (local audit work)	To be confirmed (starting in 2024-25)

Good Practice Exchange events and resources

Title	Link to resource
Audit Committees. 'What does good look like?'. Research and Development work to understand the broad audit committee landscape across all sectors in Wales. Outputs to support Good Practice Exchange events and potential future audit work.	Research and Development work September – December 2023 Good Practice Event Spring 2024

Title	Link to resource
<p>Audit Committees: Effective practices and a positive impact</p> <p>Good governance arrangements are a critical part of how public service organisations function effectively and deliver value for money services for the citizens and communities of Wales. Audit Committees are one of the foundation stones that support good governance. With significant current and future pressures on public sector finances, there is an increasing need for effective practices and a positive impact. Audit Committees play a vital role in this. This event provides an opportunity to share experiences, learn, and network with peers across the public sector in Wales.</p>	<p><u>Register for this event – Audit Committees: effective practices and a positive impact – Cardiff City Stadium, Wed 22 May 2024 10 am to 3:30 pm (tickettailor.com)</u></p>
<p>The Good Practice Exchange – Our yearly round up of events and resources</p>	<p><u>December 2023</u></p>

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12TH JULY 2024

JOINT REPORT OF

DIRECTOR OF STRATEGY & CORPORATE SERVICES – N DANIEL

&

DIRECTOR OF FINANCE – H JONES

Matter for Information

Wards Affected: All Wards

Audit Wales – 2024 Audit Plan Neath Port Talbot Council

Purpose of Report

The purpose of this report is to provide details of the work which Audit Wales intends to undertake during 20224/2025. The report also contains details of the fees which will be charged. The report will be presented by Audit Wales.

Executive Summary

The Audit Wales 2022 Audit Plan, attached as appendix to this report, sets out the work Audit Wales plan to undertake to discharge their statutory responsibilities as the council's external auditor and to fulfil their obligations under the Code of Audit Practice.

Summary of work undertaken by Audit Wales:

- Financial Audit - Audit of Financial Statement
 - Performance Audit – Assurance & Risk Assessment
 - Performance Audit – Local project work – Review of Cyber Security Arrangements

- Certification of grant claims and returns

Financial Appraisal

The proposed fees have been accounted for in the council's budget.

Integrated Impact Assessment

There is no requirement to undertake an Integrated Impact Assessment as this report is for information purposes.

Valleys Communities Impact

No implications.

Workforce Impact

There are no workforce impacts.

Legal Impact

The Council is required to appoint an external auditor and have appointed Audit Wales to fulfil this obligation.

Risk Management

The findings of Audit Wales are a key input into the council's corporate governance arrangements and the areas identified for improvement work inform the Annual Governance Statement and associated improvement plans.

Consultation

There is no requirement for external consultation on this item.

Recommendation

For Governance and Audit Committee to note work Audit Wales plan to undertake during 2024/2025.

Appendices

Appendix 1 – Audit Wales – Audit Plan 2024

List of Background Papers

None

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Neath Port Talbot Council – Audit Plan 2024

Audit year: 2024

Date issued: July 2024

Document reference: 4268A2024



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

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

About Audit Wales

Our aims and ambitions

Assure



the people of
Wales that public
money is well
managed

Explain



how public
money is being
used to meet
people's needs

Inspire



and empower
the Welsh
public sector to
improve



Fully exploit
our unique
perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent
voice



Increase our
visibility,
influence and
relevance



Be a model
organisation for
the public sector
in Wales and
beyond

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Introduction

I have now largely completed my planning work.

This Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2024.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



Adrian Crompton

Auditor General for
Wales

Audit of financial statements

I am required to issue a report on your financial statements which includes an opinion on their 'truth and fairness' and the proper preparation in accordance with accounting requirements.

I will also report by exception on a number of matters which are set out in more detail in our Statement of Responsibilities.

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary);
- the independent examination of the Welsh Church Act Trust fund;
- the independent examination of Margam Crematorium Joint Committee; and
- the certification of a number of grant claims and returns as agreed with the funding bodies.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

There have been no limitations imposed on me in planning the scope of this audit.

Performance audit work

I must satisfy myself that the Council:

- has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. I do this by undertaking an appropriate programme of performance audit work each year; and
- is acting in accordance with the sustainable development principle when setting and taking steps to meet their well-being objectives.

My work programme is informed by specific issues and risks facing the Council and wider local government in Wales. I have also taken account of the work that is being undertaken or planned by other external review bodies and by internal audit.

My local performance audit programme will continue to be delivered through a combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

My performance audit work is designed to comply with auditing standards set out by the International Organisation of Supreme Audit Institutions (INTOSAI). This is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

Your audit at a glance



My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk:

- Risk of Management Override

Other areas of audit focus:

- Valuation of pension fund net liability
- Valuation of land and buildings
- Senior Officer Remuneration



My performance audit will include:

- Assurance and Risk Assessment
- Local work – Review of Cyber Security Arrangements



Materiality

Materiality	£6.1 million
Reporting threshold	£0.307 million

Financial statements' materiality



Materiality £6.1 million

My aim is to identify and correct material misstatements, that is, those that might otherwise mislead the user of the accounts.

Materiality is calculated using:

- 2023-24 actual gross expenditure of £614 million
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality i.e. £0.307 million).



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:

- Senior Officer Remuneration disclosures £1,000
- Related party disclosures £10,000 (individuals), £6.1 million (other bodies)

Significant financial statements' risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

Exhibit 1: significant financial statement risks

Significant risk	Our planned response
<p>Risk of Management Override</p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>The audit team will:</p> <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for bias; and• evaluate the rationale for any significant transactions outside the normal course of business.

Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

Exhibit 2: other areas of focus

Audit risk	Our planned response
<p>Valuation of pension fund net liability</p> <p>The Local Government Pension scheme (LGPS) pension fund liability as reflected in the financial statements are material estimates.</p> <p>The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.</p> <p>The impact of economic conditions, particularly interest rate levels means that the liability as at 31 March 2024 is now a surplus.</p> <p>There are also several LGPS wide legal cases potentially impacting on the valuation of the net liability.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • evaluate the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary’s work; • assess the competence, capabilities and objectivity of the actuary who carried out the valuations; • assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; • test the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary; • assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor’s expert) and undertaking any additional procedures required; and • assess whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.

Audit risk	Our planned response
<p>Valuation of land and buildings</p> <p>The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates.</p> <p>Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions, and changes in these can result in material changes to valuations.</p> <p>Assets are required to be revalued every five years, but values may also change year on year, and there is a risk that the carrying value of assets reflected in the accounts could be materially different to the current value of assets as at 31 March 2024, particularly in the current economic environment.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • review the information provided to the valuer to assess for completeness; • evaluate the competence, capabilities and objectivity of the professional valuer; • test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements; and • test the reconciliation between the financial ledger and the asset register.
<p>Senior Officer Remuneration</p> <p>Due to a movement in a senior post during 2023-24, there is a risk that these are not appropriately disclosed in the financial statements as remuneration paid to senior officers continues to be of high interest and is material by nature.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • understand the movement in the senior management team during 2023-24; • ensure that remuneration disclosed is consistent with supporting evidence; and • ensure that amounts paid are consistent with those approved by the Council.

Financial statements' audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2024 Detailed Audit Plan	April – June 2024	July 2024
Audit of financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on the Financial Statements	July – November 2024	November 2024

Planned performance audit work

I set out below details of my performance audit work and key dates for delivery of planned outputs.

Exhibit 4: key dates for delivery of planned outputs

Assurance and risk assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	Ongoing
Local project work – Review of Cyber Security Arrangements	A review of the Council's arrangements to address cyber security.	Timescales for the project will be discussed with the Council and detailed within the specific project brief produced for the audit.

Certification of grant claims and returns, and statutory audit functions

Certification of grant claims and returns

I have also been requested to undertake certification work on Neath Port Talbot Council's grant claims, which I anticipate will include Housing Benefits, Teachers Pension, NDR and Social Care Workforce Development Plan returns.

Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee below. If I do receive questions and objections, I will discuss potential audit fees at the time.

Fee and audit team

In January 2024, we published our [Fee Scheme](#) for the 2024-25 year as approved by the Senedd Finance Committee. My fee rates for 2024-25 have increased by an average of 6.4%, as a result of unavoidable inflationary pressures and the ongoing need to invest in audit quality.

I estimate your total audit fee will be £402,122.

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Director of Finance.

Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables set out the expected working paper requirements to support the financial statements and include timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

Exhibit 5: breakdown of audit fee

Audit area	Proposed fee for 2024 (£) ¹	Estimated fee for 2023 (£)
Audit of financial statements ²	221,917	208,569
Performance audit work ³	115,265	108,332
Grant certification work ⁴	62,778	59,002
Other financial audit work ⁵	2,162	2,032
Total fee	402,122	377,935

¹ The fees shown in this document are exclusive of VAT, which is not charged to you.

² Payable November 2023 to October 2024.

³ Payable April 2024 to March 2025.

⁴ Payable as work is undertaken.

⁵ Margam Crematorium Joint Committee £1,153, Welsh Church Act Trust Fund £1,009.

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

Exhibit 6: my local audit team

Name	Role	Contact details
Matthew Edwards	Engagement Director	Matthew.edwards@audit.wales
Gary Emery	Audit Director (Performance Audit)	Gary.emery@audit.wales
Michelle Phoenix	Audit Manager (Financial Audit)	Michelle.phoenix@audit.wales
Non Jenkins	Audit Manager (Performance Audit)	Non.jenkins@audit.wales
Carys Bates	Audit Lead (Financial Audit)	Carys.bates@audit.wales
Alison Lewis	Audit Lead (Performance Audit)	Alison.lewis@audit.wales

I can confirm that my team members are all independent of the Council and your officers.

Audit quality

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

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

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

Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

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

Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

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

* QAD is the quality monitoring arm of ICAEW.

Supporting you

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

Visit our website to find:

	our Good Practice work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our newsletter which provides you with regular updates on our public service audit work, good practice, and events.
	our publications which cover our audit work completed at public bodies.
	information on our forward performance audit work programme 2023-2026 which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various data tools and infographics to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).



Audit Wales

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Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

12th JULY 2024

DIRECTOR OF STRATEGY & CORPORATE SERVICES

N Daniel

&

JOINT REPORT OF DIRECTOR OF FINANCE

H JONES

Matter for Information

Wards Affected – All wards

Report Title – Draft Annual Governance Statement 2023-2024

Purpose of the Report:

1. To present to Governance and Audit Committee the council's draft Annual Governance Statement 2023-2024.

Background:

2. The draft Annual Governance Statement (AGS) for 2023-2024 (attached at Appendix 1) has been prepared by the Corporate Governance Group, which is chaired by the Director of Strategy and Corporate Services and is made up of Directors and Heads of Service who are directly responsible for governance aspects.
3. The draft AGS complies with the Delivering Good Governance in Local Government Framework: (CIPFA/SOLACE, 2016) and demonstrates the system of internal controls which have been in place within the council for the year ending 31st March 2024 and provides examples of how the council demonstrates compliance with good practice and meets the core and sub principles of effective

governance. The draft AGS also provides details on the assurances taken during the year on the effectiveness of our governance arrangements.

4. The council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.
5. The draft AGS forms part of the Statement of Accounts and reports on the extent of the council's compliance with its principles and practices of good governance, including how the council has monitored the effectiveness of its governance arrangements in the year ending 31st March 2024.
6. The draft AGS also contains:
 - An update on the progress made during 2023-2024 against the improvement areas that were identified during the development of the 2022-2023 AGS (Table 1 on page 83).
 - Improvement areas proposed for 2024-2025 following the development of 2023-2024 AGS (Table 2 - Governance Improvement Action Plan - on page 87). The Corporate Governance Group will keep this work under review and report progress to Cabinet following a period of six months.
7. The work undertaken to develop the draft AGS will also be used to inform the council's annual Self-Assessment for 2023-2024.
8. As the council moves forward in delivering the priorities contained in the Corporate Plan, the council's governance arrangements will continually be kept under review by the Corporate Governance Group to ensure that they remain effective.

Financial Impact

9. The improvement work undertaken during 2023-2024 was delivered within existing resources.

Integrated Impact Assessment

10. There is no requirement for an integrated impact assessment in respect of this item.

Valleys Communities Impacts

11. There are no impacts in respect of this item.

Workforce impacts

12. There are no workforce impacts in respect of this item.

Legal Impacts

13. The council has a general duty under the Local Government & Elections (Wales) Act 2021 to keep its performance under review and the extent to which:
 - a) It is exercising its functions effectively;
 - b) It is using resources economically, effectively and efficiently; and
 - c) Its governance is effective for securing the matters set out in a) and b) above.
14. The Annual Governance Statement explains how the council has met the requirements of Regulation 5(2) of the Accounts and Audit (Wales) Regulations 2014 in relation to an annual review of the effectiveness of the council's systems of internal control and the preparation and approval of an Annual Governance Statement.

Risk Management

15. Risk management is a key component of the council's corporate governance arrangements in supporting and maintaining a strong control environment. The Corporate Risk Management Policy was reviewed and approved by Cabinet on 5th April 2023.

Consultation

16. There is no requirement under the Constitution for external consultation on this item.

Recommendation

17. It is recommended that Governance and Audit Committee:
- i. Review the draft Annual Governance Statement 2023-2024 attached at Appendix 1.

Appendix

18. Appendix 1 – Draft Annual Governance Statement 2023-2024

Background Papers

19. None

Officer Contact

20. For further information on this report item, please contact:

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Huw Jones, Director of Finance

Email: h.jones@npt.gov.uk

Caryn Furlow-Harris, Strategic Manager – Policy & Executive Support

Email: c.furlow@npt.gov.uk

Louise McAndrew, Corporate Strategic Planning & Governance Officer

Email: l.mcandrew@npt.gov.uk

**Neath Port Talbot Council
Annual Governance Statement
2023/2024**



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Introduction

To prepare our Annual Governance Statement the council has adopted the 2016 Delivering Good Governance in Local Government: Framework (the Framework), developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

The council must publish an Annual Governance Statement (AGS) to comply with this Framework. The AGS explains the processes and procedures in place to enable the council to carry out its functions effectively. The governance framework comprises of the systems, processes, cultures and values by which the council is directed and controlled, and through which we engage with, and lead, the local community. The framework brings together an underlying set of legal requirements, good practice and management processes.

Supporting the work of the AGS the council is now in its third year of conducting a self-assessment, meeting the requirements of the Local Government and Elections (Wales) Act 2021. The self-assessment allows us to score ourselves on the effectiveness of the council's system of internal control in place for the year ending 31st March 2024. This Annual Governance Statement contributes to the self-assessment by demonstrating:

- the council's business is conducted in accordance with all relevant laws and regulations;
- public money is safeguarded and properly accounted for;
- there is sound and inclusive decision making;
- resources are used economically, efficiently and effectively; and
- there is clear accountability for the use of those resources to achieve agreed priorities which benefit local people and communities.

“Corporate governance is about making sure that the council is run properly. It is about ensuring the council does the right things, at the right time and in the right way.”

The council’s systems of internal control are designed to manage risk to a reasonable level. The council cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

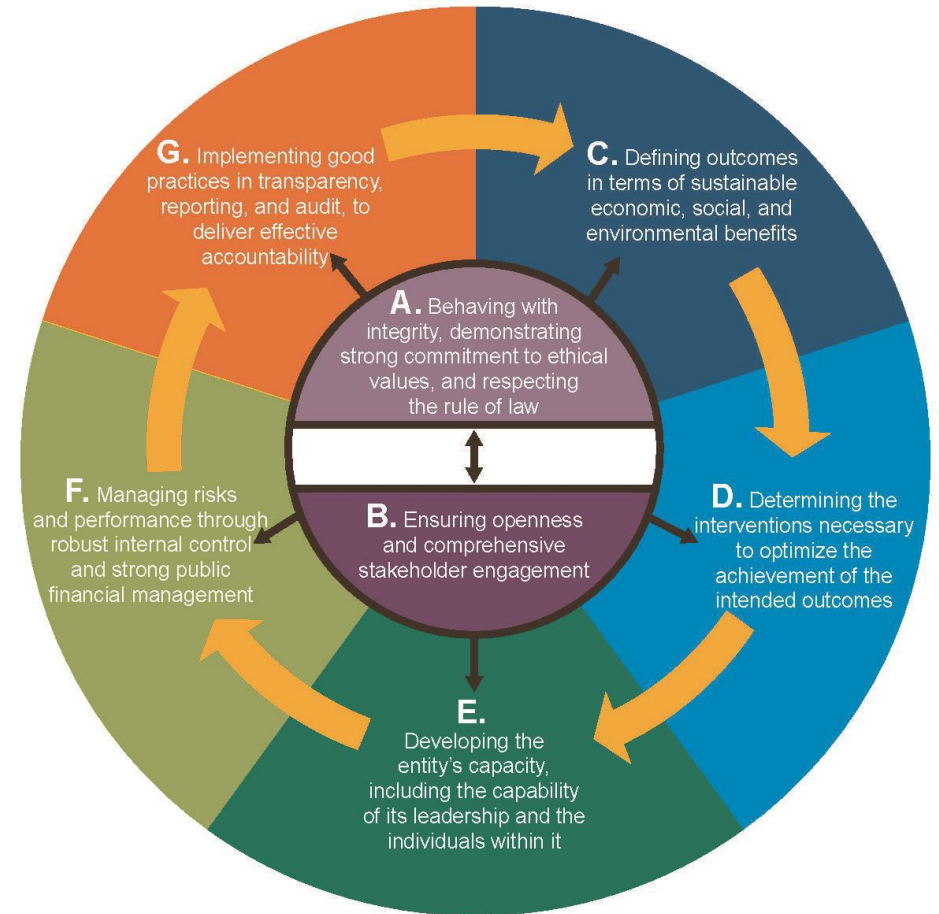
Delivering Good Governance in Local Government: Framework (The Framework) 2016

The Framework comprises of two core principles and five supporting principles as illustrated in the diagram.

Principles A and B run through principles C to G but good governance is dynamic, and the council as a whole is committed to improving governance on a continuing basis through a process of evaluation and review.

The next section: Putting the Principles into Practice, illustrates examples of how the council demonstrates compliance to meet these seven principles. In addition, the council uses a number of ways to review and assess the effectiveness of its governance arrangements and **Table 1** on page 83 highlights the difference mechanisms during 2023/2024.

Whilst preparing the annual governance statement we have reflected on any governance improvement areas which need reviewing or will be further developed in 2024-2025, these have been included in an action plan set out in **Table 2** on page 87. The Corporate Governance Group, will oversee the action plan and progress will be reported to Corporate Directors Group, Cabinet and Governance & Audit Committee throughout the financial year.



Putting the Principles into Practice

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 94</p> <p>1.1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</p>	1.1.1 <u>Employee Code of Conduct</u>	In November 2020 an Internal Audit review was published of the compliance need to make the necessary declarations regarding interests, gifts and hospitality accepted/rejected. The recommendations made were taken into account and the Code was updated in January 2021.	None identified
	1.1.2 Corporate Induction	The HR Future of Work Team re-instated the Corporate Induction Programme in 2023. In terms of its purpose: participants benefit from consistent, council-wide information – gaining an appreciation of our purpose and values, prompting them to consider how they can embody these on a day to day basis (in other words: How do I fit into the “big picture”?). There are contributions from HR colleagues, Health & Safety, Learning & Development etc. as well as a “welcome” from the Chief Executive. New starters still receive a “local induction” from their line managers – addressing departmental matters. Corporate Induction days are now scheduled to take place on a quarterly basis. In 2023/2024, 157 employees attended the programme.	None identified

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 95</p>	<p>1.1.3 <u>Member Code of Conduct</u></p>	<p>Monitored by the <u>Standards Committee</u> and Corporate Governance Group.</p> <p>On signing their Declaration of Acceptance of Office, Members are required to give an undertaking to abide by the Members' Code of Conduct.</p> <p>A detailed member induction programme took place following local government elections in May 2022. This included specified training relating to the member code of conduct, social media issues, gifts and hospitality and officer/member protocols. As of the 31st March 2023, all 60 elected members had attended and received this training with 39 of the 60 attending a second refresher training event.</p> <p>Refresher training takes place on an annual basis to enhance member's compliance with the Members Code of Conduct and to ensure members are aware of the responsibility to act ethically and with integrity, with advice provided on a variety of matters throughout the year on interests and predetermination matters.</p> <p>The Local Government and Elections (Wales) Act 2021 provided an additional duty on group leaders to ensure members within their political group also comply with the</p>	<p>Ensure all members attend annual refreshers in respect of the Members Code of Conduct undertaken by the Monitoring Officer;</p> <p>Ensure all Group Leaders make Standards and Ethics a standing item on their political group meeting agendas;</p> <p>Ensure all members are completing their declarations of gifts and hospitality, including where such gifts and hospitality are declined;</p> <p>Encourage Group Leaders to consider bi-annual meetings with the Monitoring Officer to discuss standards and ethics and how they can work together to promote standards within their political groups;</p>

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 96		<p>Members Code of Conduct and ongoing support will be provided on this function via the Standards Committee.</p> <p>The Standards Committee were pleased to note the approach that Group Leaders take in promoting standards and the personal commitment they have to encourage members within their groups to embed ethical processes in their day to day activities. Of interest particularly to the Standards Committee was how Group Leaders deal with the “thick skin” ideology that the Public Service Ombudsman and other regulatory bodies adopt and the views that all Group Leaders have that often this is an inappropriate test and it is not something that any elected member should have to have if they face abuse from members of the public, particularly in a social media setting.</p> <p>The Standards Committee are required to conduct an assessment of how political group leaders have complied with their new duty to promote high standards of conduct and the Standards Committee are able to confirm that throughout 2023/2024 Group Leaders have discharged their duty, in the views of the Standards Committee, and that there were no ethical concerns arising.</p>	<p>A series of guidance documents be circulated to all members in respect of key conduct matters such as declarations of interest, predetermination, conduct case studies and key information for members.</p>

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 97		The Standards Committee approved their <u>Annual Report</u> in April 2024 for the work of the previous finance year which will be received by Full Council in Summer 2024.	
	1.1.4 Members: An <u>induction programme for Members</u> was published on the council website in 2022 and updated in 2023.	<p>The induction programme forms part of the authority’s Strategy and Charter for Member Development and is structured for both new and returning members. The aim is to provide a supportive and structured development framework to enable Members perform their duties. Members elected through by-elections receive a tailored induction.</p> <p>This training programme took place following local government elections in May 2022 and continues to be embedded in member training. An annual survey takes place of members to identify any training and development needs.</p>	None identified
	1.1.5 Staff: <u>New Starter Induction Checklist</u>	New starter induction checklist contains information about the expected standards of behaviour) must be signed by managers and their employees.	None identified

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p style="text-align: center;">Page 98</p>	<p>1.1.6 <u>Performance Appraisal Process</u></p>	<p>In 2024, the Learning, Training & Development Team will continue with progress in relation to the implementation of the iTrent HR / Payroll Database, launching the Development module, which will facilitate more effective recording of the appraisal process and provide greater assurance. We will be able to report against the number of appraisals carried out to conclusion.</p>	<p>None identified</p>
<p>1.2 Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p>	<p>1.2.1 Updated vision and set of values have been published in the council's Corporate Plan 2022-2027</p>	<p>The council's vision and values are incorporated into recruitment processes (and written into all new and revised job descriptions and person specifications).</p>	<p>None identified</p>
	<p>1.2.2 The vision and priorities for staff are contained within the Strategic Workforce Plan: <u>The Future of Work Strategy 2022 – 2027</u></p>	<p>The Strategic Workforce Plan was developed following extensive consultation across the council's workforce and key stakeholders, and agreed by the council's Personnel Committee in October 2022. A review of the Strategy was considered by Personnel Committee in March 2024, and the strategic priorities confirmed as remaining fit for purpose, and the Delivery Plan for 2024 / 2025 was approved for implementation</p> <p>During 2023/2024 Audit Wales published their Springing Forward: Strategic Workforce report. The content of the report</p>	<p>Progress recommendations made in Audit Wales Springing Forward: Strategic Workforce report.</p>

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 99		<p>concluded that the council has a clear vision for its workforce, strengthened by its work with partners, which continues to be a strategic priority for delivering its well-being objectives. Two overall recommendations were made by Audit Wales, and accepted by the council, these will be progressed as improvements.</p> <p>Recommendation made: R1 – Workforce planning and delivery:</p> <ul style="list-style-type: none"> • to ensure there are progression pathways for staff and there is resilience around its business-critical roles, the council should ensure all services have succession plans and have identified their business-critical roles. <p>R2 - Workforce governance and monitoring</p> <ul style="list-style-type: none"> • to have a better understanding of the impact of its workforce strategy the council should develop measures that focus on outcomes and impacts in addition to inputs. • the council should build on its benchmarking with the Chartered Institute of Personnel and Development and consider where there may be opportunities to benchmark its measures and metrics with its peers to ensure it can identify areas of good practice and potential areas for improvement. 	

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 100		<ul style="list-style-type: none"> to enable the council to have a clearer understanding of the progress it is making towards meeting its workforce ambitions the council should assure itself that the Organisational Delivery Board is providing effective oversight and driving integration across related programmes of work. 	
	See section 1.1.3- <u>Member Code of Conduct</u> - The Standards Framework for Members (Section 1, Ethical framework)		
1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions	<p>1.3.1 Integrated Impact Assessment (IIA)</p> <p>The tool assesses the impact of proposed initiatives (e.g. policy, service, procedures, strategies, projects etc.) relating to key legislation (i.e. equality, sustainable development, the Welsh language etc.). It is applied to decisions relating to the initiative and to</p>	<p>The IIA tool, guidance and associated forms were updated in autumn 2023 to comply with the enforcement actions as contained in the Welsh Language Commissioner’s decision notice in relation to complaint CS 114 (for further details see the Complaints section page 16).</p> <p>In addition training on the requirements of the policy making standards as they relate to consultation documents is being arranged for relevant officers during 2024.</p>	None identified

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 101	consider whether the initiative will have a positive, negative or neutral impact on the community.		
	1.3.2 Declarations of Interest	<p>These are made by Members at the beginning of Committee meetings and recorded in the meeting minutes, with guidance and training and provided by the Monitoring Officer.</p> <p>The Standards Committee reviews declarations of interest and the granting of dispensations to ensure ethical decision making.</p>	None identified

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 102	1.3.3 The <u>Standards Committee</u>	<p>Monitored by the <u>Standards Committee</u> and Corporate Governance Group.</p> <p>On signing their Declaration of Acceptance of Office, Members are required to give an undertaking to abide by the Members' Code of Conduct.</p> <p>A detailed member induction programme took place following local government elections in May 2022. This included specified training relating to the member code of conduct, social media issues, gifts and hospitality and officer/member protocols. As of the 31st March 2023, all 60 elected members had attended and received this training with 39 of the 60 attending a second refresher training event.</p> <p>Refresher training takes place on an annual basis to enhance member's compliance with the Members Code of Conduct and to ensure members are aware of the responsibility to act ethically and with integrity throughout the year, with advice provided on a variety of matters throughout year on interests and predetermination matters.</p> <p>The Local Government and Elections (Wales) Act 2021 provided an additional duty on group leaders to ensure members within their political group also comply with the</p>	None identified

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 103</p>		<p>Members Code of Conduct and ongoing support will be provided on this function via the Standards Committee.</p> <p>The Standards Committee were pleased to note the approach that Group Leaders take in promoting standards and the personal commitment they have to encourage members within their groups to embed ethical processes in their day to day activities. Of interest particularly to the Standards Committee was how Group Leaders deal with the “thick skin” ideology that the Public Service Ombudsman and other regulatory bodies adopt and the views that all Group Leaders have that often this is an inappropriate test and it is not something that any elected member should have to have if they face abuse from members of the public, particularly in a social media setting.</p> <p>The Standards Committee are required to conduct an assessment of how political group leaders have complied with their new duty to promote high standards of conduct, and the Standards Committee are able to confirm that throughout 2023/2024, Group Leaders have discharged their duty, in the views of the Standards Committee, and that there were no ethical concerns arising.</p>	

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 104		The Standards Committee prepared their Annual Report in April 2024 for the work of the previous finance year and this will be received by full Council in summer 2024.	

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 105</p>	<p>1.3.4 <u>Member and Officer Relations Protocol</u></p>	<p>A protocol is in place as part of the council's Constitution and Employee Code of Conduct. A review of the protocol was undertaken at the early stages of the member induction programme, as part of the wider review of the council's Constitution. Copies of which have been distributed to officers.</p> <p>A detailed member induction programme took place following local government elections in May 2022. This included specified training relating to the member code of conduct, social media issues, gifts and hospitality and officer/member protocols. By the end of June 2022, all 60 elected members had attended and received this training.</p> <p>Training has also been provided to officer groups within the council on the nature of the relationship between officers and members and this training will continue in future years.</p> <p>The protocol is monitored by the Standards Committee who considered the protocol and its implementation at a meeting of the Standards Committee recommending a few minor changes for consideration which will now be included within the Constitution going forward and circulated to officers and members.</p>	<p>Continue with future training of officer groups in the significance of the member and officer relations protocol.</p>

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	1.4.1 The Anti-fraud, Corruption and Malpractice Strategy	Cabinet approved the updated Anti-Fraud & Corruption Strategy at their meeting on 25 th April 2023. The Strategy was presented to Governance & Audit Committee at their meeting on 16 th June 2023. It has also been publicised on the authority's Intranet.	None identified
	1.4.2 <u>Member Interests</u> are shown by individual Members on the council website	Declarations of Interest for Members is a standing item on all meeting agendas and recorded in minutes of meetings. The Standards Committee reviews declarations of interest and the granting of dispensations to ensure ethical decision making.	None identified
	1.4.3 Staff Interests	An up-to-date register is held by each Director and is subject to Internal Audit review annually.	None identified
	1.4.4 Members: <u>The Constitution</u>	<p>The council's Monitoring Officer is required, by law, to keep a Register of all notifications made by Members. The Register is available on the council's website and a copy is open to public inspection during normal office hours.</p> <p>The Standards Committee reviews declarations of interest and the granting of dispensations to ensure ethical decision making.</p>	None identified

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 107		The Constitution is regularly updated and available for public inspection either on the website or in person.	
	1.4.5 Staff Gifts & Hospitality	An up-to-date register is held by each Director and is subject to Internal Audit review annually.	None identified
	1.4.6 <u>Whistleblowing Policy</u>	Whistleblowing Policy was approved by Personnel Committee in August 2015 and reviewed in January 2020. The Audit Manager presented a report to Standards Committee on 31 st January 2023. The report provided details of the Whistleblowing Arrangements in place and the number of referrals received in recent years.	None identified
	1.4.7 <u>Corporate Comments, Compliments and Complaints Policy</u>	The Corporate Comments, Compliments and Complaints Policy meets the requirements set out in the Public Service Ombudsman for Wales Model Complaints Policy.	None identified
	1.4.8 <u>Social Services Compliments and Complaints</u>	The latest <u>Social Services Compliments and Complaints Annual Report 2022/2023</u> was prepared and reported to Social Services, Housing and Community Safety Cabinet on 25 th January 2024. No systemic issues were identified.	None identified

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 108	<p>1.4.9 <u>Corporate Comments, Compliments and Complaints</u></p>	<p>The Corporate Comments, Compliments and Complaints Annual Report for 2022/2023 was reported to Cabinet on 20th September 2023. No systemic issues were identified. This report was also presented to Governance & Audit Committee on 12th October 2023 to enable the Committee to discharge the following functions contained in the Local Government & Elections (Wales) Act 2021:</p> <ul style="list-style-type: none"> • to review and assess the authority’s ability to handle complaints effectively • to make reports and recommendations in relation to the authority’s ability to handle complaints effectively <p>During 2023/2024 complaints and compliments data have been reported to relevant Cabinet Boards on a quarterly basis. The Corporate Complaints Group (made up of officers with responsibility for dealing with complaints) meets on a quarterly basis to share best practice and to identify and implement any identified improvement work.</p>	None identified

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 109	See section 1.4.4 Members: The <u>Constitution</u> , Part 5, Section 3 'Personal Interests' addresses this	<p>Member's interests are published on the NPT Council website for each meeting throughout the year.</p> <p>The Standards Committee reviews declarations of interest and the granting of dispensations to ensure ethical decision making.</p>	None identified
	1.4.10 – Contract Procedure Rules	<p>The council's Contract Procedure Rules, Employee Code of Conduct and the Public Contract Regulations (2015) require officers and members not to have any involvement in a tender process where they have a potential conflict of interest.</p> <p>They should have no role whatsoever which should negate the need for any declarations of interest to be made.</p>	The Contract Procedure Rules and Standing Orders will be updated to take into account the requirements of the Procurement Act 2023
2.1 Seeking to establish, monitor and maintain the organisation's ethical standards and performance	2.1.1. Corporate Procurement Team	<p>Ethical standards are acknowledged by the team when undertaking tender work for other sections and when developing and evaluating procurement process.</p> <p>The team also monitor and evaluate compliance looking at what approach sections adopt.</p> <p>The Ethical Employment Code of Practice and Modern Slavery Statement issued to all sections sets out processes that should be valued.</p>	Corporate Procurement to monitor and evaluate compliance looking at what approach sections adopt. Head of Legal & Democratic Services to report annually to the Corporate Governance Group.

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>2.2 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation</p>	<p>2.2.1 Member training</p>	<p>The induction programme forms part of the authority's Strategy and Charter for Member Development and is structured for both new and returning members. The aim is to provide a supportive and structured development framework to enable Members to perform their duties. Members elected through by-elections receive a tailored induction.</p> <p>This training programme took place following local government elections in May 2022 and continues to be embedded in member training. An annual survey takes place of members to identify any training and development needs.</p> <p>Annual reports are presented to Standards Committee. Members Declaration of Acceptance of Office – undertaken to abide by the Members' Code of Conduct.</p> <p>Leading in the Welsh Public Service Behaviours Framework.</p>	<p>None identified</p>
		<p>See section 1.1.3 - Member Code of Conduct</p>	
		<p>See section 1.3.3 - Standards Committee – special dispensation to vote</p>	

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 23</p> <p>2.3 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p>	<p><u>2.3.1 Recruitment and Selection Policy 2018</u></p>	<p>Training is provided to recruiting managers and courses undertaken in relation to Recruitment and Selection, Safe Recruitment and other Employment Policies and Procedures delivered in 2023/2024.</p> <p>Unconscious bias training is available for managers; a review of equalities training is underway and a matrix approach is being considering, setting out what training is mandatory for particular groups of employees, including recruiting line managers. It will be proposed that all recruiting managers undergo unconscious bias training. During 2023/2024 27 officers undertook the training.</p> <p>The Recruitment Policy has been reviewed and will be considered by Personnel Committee in September 2024.</p>	<p>None identified</p>
	<p><u>2.3.2 Pay Policy Statement 2023/2024</u></p>	<p>The 2024/2025 review has taken place and the revised Pay Policy Statement was presented to Council on 20th March 2024.</p>	<p>None identified</p>
	<p><u>2.3.3 Contract Procedure Rules</u></p>	<p>Training is available to staff and advice booklets are provided. Ongoing support is provided to sections in complying with procurement rules and processes. A dedicated section of the council's intranet has provided standard documents and processes for officers to follow.</p>	<p>None identified</p>

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 12</p> <p>2.4 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation</p>	<p>2.4.1 <u>Ethical Employment in Supply Chain Policy 2019</u></p>	<p>Policy introduced in 2019 and annual reports brought to Cabinet and Cabinet Scrutiny setting out how the council complies with the arrangements set out in the policy.</p>	<p>None identified</p>
	<p>2.4.2 Continue to participate in a number of partnerships. Governance arrangements are in place for each for partnership which:</p> <ul style="list-style-type: none"> • Clarify the roles of members both individually and collectively in relation to the partnership and to the council; • Clearly set out the legal status of the partnership; and • Make clear the extent to which representatives or 	<p>Given the importance of collaboration to this council, Scrutiny committees review existing collaborations to make sure they were all on a strong footing, and are productive to enable the council's Cabinet to be confident that those arrangements are working in the best interest of citizens. Also, ensuring that there is clear and effective democratic oversight of those arrangements. The focus of this work was reviewed in 2023/2024 as part of the council's Corporate Plan work.</p> <p>To ensure that a copy of all partnership agreements are logged centrally with the Head of Legal & Democratic Services. This work was completed in 2023/2024.</p>	<p>None identified</p>

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p style="text-align: center;">Page 113</p>	<p>organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.</p>		
<p>3.1 Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p>	<p>3.1.1 Cabinet and Committee reports contain a section entitled “Legal Impacts” so that legal obligations are placed at the forefront of decision making.</p>	<p>‘Safe and Legal Decision Making Training’ is available for relevant officers and is provided on an annual basis by the Head of Legal and Democratic Services to council officers.</p> <p>Democratic Services Officers and Legal Services monitor reports to ensure legal compliance.</p>	<p style="text-align: center;">None identified</p>
<p>See section 1.4.4 - The <u>Constitution</u></p>			

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
3.2 Creating the conditions to ensure that statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	3.2.1 Financial management arrangements	<p>We have a range of policies and procedures (such as financial regulations, financial procedures, contract standing orders, accounting instructions and officer delegations) that conform to the governance requirements of the CIPFA Statement of the Role of the Chief Financial Officer in Local Government (2010).</p> <p>A review of Accounting Instructions was completed during 2022/2023</p>	None identified
	3.2.2 Democratic Services - support function.	<p>The Head of Democratic Services presents an annual report to Democratic Services Committee and Council, outlining the resource requirements to enable the Council, Cabinet and Committee to receive high level support and discharge of its democratic functions. The Chair of the Democratic Services Committee presents an Annual Report of the Democratic Services Committee to full Council updating Members on the work that has been undertaken by the Committee during the previous civic year.</p>	None identified

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 115</p>	<p>See section 1.4.4 The council's Constitution sets out the different responsibilities of Members and Officers. Clear job descriptions for all staff, which highlight their roles and responsibilities.</p>	<p>The Monitoring Officer oversees the council's Constitution and ensures it is kept up to date.</p> <p>A review of the Constitution takes place at regular intervals to ensure it is constantly up to date and annual reports will be produced to the Democratic Services Committee on any updates required to the Constitution and to seek Members views on constitutional provisions.</p>	<p>None identified</p>
<p>3.3 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</p>	<p>3.3.1 Cabinet and Committee Reports contain a section entitled "Legal Impacts" so that legal obligations are placed at the forefront of decision making.</p>	<p>Legal Enterprise Case Management Software providing audit trails of legal advice given and time spent providing legal advice on all matters.</p> <p>Transaction documentation and hard copies of legal advice provided are stored by the council.</p> <p>Legal training provided to officers on regular basis to ensure they are up to date with recent legal developments and powers available.</p>	<p>None identified</p>
<p>3.4 Dealing with breaches of legal and regulatory provisions effectively</p>	<p>3.4.1 Data Protection Breaches Panel review cases.</p>	<p>Head of Legal & Democratic Services and Information Risk Officers report annually to the Corporate Governance Group to give an assurance that the current system for dealing with data protection breaches is fit for purpose. The authority retains a breach register and 2 referrals were made to the Information Commissioner's Office. One is presently being</p>	<p>None identified</p>

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 116		considered and the other was marked with no further action by the Information Commissioner's Office.	
	3.4.2 Internal Audit Special Investigations / Disciplinary Cases	The council requires that all officers who carry out disciplinary investigations have undertaken the ACAS Investigation Officers training. In addition, Heads of Service who are the decision makers in disciplinary investigations must have attended the ACAS Decision Maker training.	None identified
	See section 3.3.1 - Cabinet and Committee Reports		

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Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 17</p> <p>3.5 Ensuring corruption and misuse of power are dealt with effectively</p>	<p>3.5.1 Standards Committee</p>	<p>The Standards Committee has oversight of the complaints and any themes or patterns emerging (but only considers specific details of individual cases if a complaint is formally referred to the Standards Committee by the Monitoring Officer or the Ombudsman for Wales).</p> <p>During the period 1st April 2023 to 31st March 2024, the Monitoring Officer was notified of a total of 7 complaints made against Members of Neath Port Talbot County Borough Council alleging a breach of the Code of Conduct.</p> <p>All bar one of these complaints were dismissed by the Ombudsman for Wales with one now being considered by the Standards Committee with a determination to be reached in summer 2024.</p>	<p>None identified</p>
	<p>See section 1.4.1 - Anti-fraud, Corruption and Malpractice Policy</p>		
	<p>See section 1.4.6 - Whistleblowing Policy</p>		

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p style="text-align: center;">Page 11</p> <p>4.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</p>	<p>4.1.1 The council produces a number of annual reports throughout the year to give assurances about our governance arrangements.</p>	<p>The following reports are available to the public and the Corporate Governance Group oversee any risks identified to governance arrangements, arising from these annual reports.</p> <ol style="list-style-type: none"> 1. Corporate Plan Annual Report 2. Strategic Equalities Plan Annual Report 3. PSB Well-being Plan Annual Report 4. Welsh Language Standards Annual Report 5. Welsh Language Promotion Strategy Annual Report 6. Internal Audit Report 7. Complaints, Compliments and Comments Annual Report 8. Social Services Complaints Annual Report 9. Ombudsman Annual Report 10. Pay Policy Statement 	<p>None identified</p>
	<p>4.1.2 <u>FOI Policy / FOI Publication Scheme</u></p>	<p>Freedom of Information (FOI) Policy was published in March 2014. A review of the Publication Scheme took place in 2020, to consider updated advice from the Information Commissioner's Office and found only minor changes were required to consider updated legislative requirements. This was then considered and the Publication Scheme updated in Autumn 2023.</p> <p>This will be continually monitored to ensure legislative compliance. Work is also ongoing to look at ways to further promote and publish other information held by the council such as Freedom of Information Act responses.</p>	<p>None identified</p>

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 119	4.1.3 The council's strategic purpose, vision and values are set out in the <u>Corporate Plan 2022/2027</u>	The council's strategic purpose, vision and values are set out in the council's Corporate Plan 2022/2027. The Plan is currently being updated for the period 2024/2027. The Future of Work Strategy embeds the council's vision, values and priorities in everything we do.	None identified
	4.1.4 <u>Council Meeting Cycle</u>	The council agrees its meeting cycle at its Annual Meeting and this is published on the council's website. Meetings are supported with forward work programmes detailing items for the next 3 meetings.	None identified
	4.1.5 Corporate Communications and Community Relations Strategy 2018/2020	<p>The delayed review of the 2018/2020 Strategy due to capacity and other priorities is underway. The principle purpose of the revised Strategy is to ensure all communications and marketing work carried out across the council supports the delivery of the priorities set out in the council's Corporate Plan.</p> <p>We have improved the accessibility of information to better engage all stakeholders in the council's work, with the intention that there will be a continuous flow of information about how the council is delivering on its well-being objectives and to keep stakeholders up-to-date.</p> <p>Council website (www.npt.gov.uk) performance is monitored using Google analytics to see how our website is being used. We</p>	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
		also carry out an annual website survey to measure our effectiveness and ensure the website is performing as expected.	
4.2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case the justification for the reasoning for keeping a decision confidential should be provided	4.2.1 Executive and non-executive and regulatory report guidance and report templates	<p>The guidance was developed and circulated to reporting officers in May 2019. As and when changes arise the guidance is updated and circulated to report authors/officers.</p> <p>Report templates ensure the relevant information and advice is presented to substantiate recommendations.</p> <p>Guidance has been presented to officers throughout the year on matters such as Welsh Language considerations and other legislative updates.</p>	None identified
	4.2.2 Safe and Legal Decision Making	Training is available for relevant officers and takes place at regular intervals by the Head of Legal and Democratic Services.	None identified
4.3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used.	4.3.1 <u>Modern.gov system</u>	All publically accessible reports are published on the council website via <u>Modern.gov system</u> showing the decisions taken at each meeting.	None identified
	See section also 1.3.1 Integrated Impact Assessment (IIA)		

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
In due course, ensuring that the impact and consequences of those decisions are clear.			
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 19</p> <p>4.4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action</p>	4.4.1 Neath Port Talbot Consultation and Engagement Strategy 2018/2020	<p>The delayed review of the 2018/2020 Strategy, due to capacity and other priorities, is now underway. The principle purpose of the revised Strategy is to set working standards for consultation and engagement activity across the council and there will be an accompanying toolkit. The aim will be to ensure that our consultation and engagement is effective, robust, consistent and accessible so that everyone in our communities can have the opportunity to have their say on the decisions that affect them.</p> <p>The council uses Snap Survey software for corporate consultations for both internal and external stakeholders. The Planning Policy Service use Objective consultation software for the Local Development Plan. These arrangements are regularly reviewed to ensure they are effective and value for money when reviewing budget for the forthcoming financial year.</p>	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 122	4.4.2 Community of Practice on Involvement and Engagement	<p>The NPT Community of Practice on Involvement and Engagement was launched in 2019 and membership has grown to 60+ council officers and representatives from partner organisations. Members regularly engage with a range of specific stakeholder groups as part of their work and the Community of Practice provides a forum for members to work more smartly and in a more collaborative way to ensure that everyone in our communities can have the opportunity to have their say on the decisions that affect them. It is intended to provide a professional and respectful forum for members to share experiences and knowledge on involvement and engagement issues in a spirit of mutual learning and peer support.</p> <p>The Community of Practice undertook a key role during 2023/2024 in supporting the Let's Keep Talking campaign which has informed the development of the priorities contained in the council's updated Corporate Plan for the period 2024/2027 and the consultation on the 2024-2025 budget.</p>	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 123	4.4.3 <u>Citizens' Panel</u>	<p>Launched in January 2020, the NPT Citizens' Panel is made up of residents from across the county borough and actively involves them in decision making at a very early stage, so they help shape proposals before these go out to wider public consultation. This will strengthen the council's approach to consultation and engagement and also help us to meet our obligations under the Wellbeing of Future Generations (Wales) Act 2015 and Local Government & Elections (Wales) Act 2021.</p> <p>Following a recent recruitment drive, there are currently over 700 members on the Panel. Officers will analyse the data to establish how closely it matches the make-up of residents in Neath Port Talbot from the 2021 Census (specifically in relation to geographical location, age, gender, disability, Welsh language, and ethnicity). Targeted recruitment will take place during 2024/2025 for groups that are under-represented.</p>	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 124	4.4.4 <u>Public Participation Strategy</u>	<p>The Local Government and Elections (Wales) Act 2021 (“the Act”) requires local authorities to publish, consult on, and regularly review a public participation strategy to encourage local people to participate in their decision making. This includes where councils make decisions in partnership with another council or in conjunction with another individual or body such as a local health board.</p> <p>The council’s Public Participation Strategy 2023/2027 was approved on 26th April 2023 by the council’s Cabinet and outlines the council’s objectives, approach and mechanisms for encouraging and enabling public participation, together with information on how local people can influence decision-making. It also supports the priorities in the council’s Corporate Plan and reflects our values by setting out how we will encourage and enable local people and communities in Neath Port Talbot to be actively involved in decisions that affect them.</p> <p>The first progress report is being prepared and will be presented to the council’s Cabinet in September 2024.</p>	None identified
4.5 Effectively engaging to ensure	See section 4.1.5 - Corporate Communications and Community Relations Strategy 2018/2020		

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	See section 4.4.1 - Neath Port Talbot Consultation and Engagement Strategy 2018/2020		
	4.5.3 Key Stakeholder List	We have a list of key stakeholders that we engage with on major policies and plans. These include: Youth Council; Black Minority Ethnic Community Association; and consultee database for the Local Development Plan.	None identified
	4.5.4 Youth Mayor	First established in September 2019 and elected by the young people of the borough. The role involves representing the voice of all children and young people across the borough at a number of pre-determined civic duties.	None identified
	4.5.5 Partnership working with our trade unions and teaching associations	This is a major feature of the council's culture in relation to workforce engagement. It involves elected Members, managers, employees and trade unions developing and implementing a way of working based on mutual respect and trust, shared objectives and joint ownership of problem solving. We are working together with trade unions to implement the new Social Partnership Duty.	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 29</p> <p>4.6 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p>	4.6.1 Third Sector Partnerships	<p>The council has a long and productive relationship with community and voluntary sector organisations and awards grant funding to organisations so they can support our communities in a wide range of ways.</p> <p>The Partnership Agreement (Compact), between the council and the community and voluntary sector in Neath Port Talbot, formally recognises and values the contribution of voluntary work to local people, communities and supporting us to deliver on some of our services. It provides a framework for further developing the many years of partnership working in the county borough, in pursuit of our shared interest to build strong communities where everyone has an equal chance to lead a fulfilled life. It also sets out the partnership responsibilities and expectations on both the council and the voluntary sector. A review of the Partnership Agreement is underway in collaboration with the community and voluntary sector and will be concluded by autumn 2024.</p>	None identified
	4.6.2 Voluntary Sector Liaison Forum	The Voluntary Sector Liaison Forum meets on a quarterly basis and is regularly consulted on key council policies e.g. budget and Corporate Plan.	None identified
	4.6.3 County Borough Council / Community Councils Liaison Forum	The council meets with the Town and Community Councils throughout the year to discuss a wide number of issues. Meetings were held throughout 2023/2024 to discuss issues of concern to	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
Page 127		<p>the Town and Community Councils and to consult with the Forum on key council policies e.g. budget and Corporate Plan</p> <p>Ongoing training was also provided to Town and Community Councils by the Monitoring Officer on the Member's Code of Conduct.</p>	
	4.6.4 Informal partnerships	There are a number of informal partnerships in place, which are made up of both officers from across the council and representatives of external organisations.	None identified
	4.6.5 Public Services Board (PSB)	PSB members work together to deliver the objectives set out in the PSB Well-being Plan and monitor progress on delivery of the work. In May 2023 the PSB published its revised Well-being Plan 2024/2028 setting out the priorities the PSB will focus on to improve the well-being of Neath Port Talbot.	None identified
<p>4.7 Ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> • Trust • A shared commitment to change 	See section 2.4.2 - Continue to participate in a number of partnerships and 4.5.4 Youth Mayor	<p>The council plays an active role in collaborative arrangements to ensure the best return for our citizens and other stakeholders.</p> <p>These arrangements are reviewed regularly to ensure they meet the required needs of the council and where they do not reports are brought to members highlighting various risks and concerns for the decisions to be made on future actions.</p>	None identified

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<ul style="list-style-type: none"> • A culture that promotes and accepts challenge among partners; and • that the added value of partnership working is explicit 	4.7.1 Staff Council (Consists of: LGS Green Book Negotiating Forum, LSPG (Schools trade union partnership forum), Service Joint Consultative Groups, and the Corporate Health & Safety Trade Union Forum).	All of these groups meet regularly and are an opportunity for two-way information sharing, consultation and where necessary, negotiation. As part of our approach to partnership working, trade unions have representation in other forums; so for example, trade unions sit as an integral part of the Future of Work Team. We are working together with trade unions to implement the new Social Partnership Duty.	None identified
4.8 Engaging stakeholders effectively, including individual citizens and service users - establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is	See section 1.3.1 - Integrated Impact Assessment (IIA)		

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Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
contributing towards the achievement of intended outcomes			
4.9 Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	<p>See section 1.1.1 - <u>Employee Code of Conduct</u></p> <p>See section 1.1.3 - <u>Member Code of Conduct</u> - monitored by the <u>Standards Committee</u></p> <p>See section 4.1.5 - Corporate Communications and Community Relations Strategy 2018/2020</p> <p>See section 4.4.1 – Neath Port Talbot Consultation and Engagement Strategy 2018/2020</p>		
4.10 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	<p>See section 4.4.2 – Community of Practice – Involvement and Engagement</p> <p>See section 4.4.3 – Citizens Panel</p> <p>See section 4.4.4 – Public Participation Strategy 2023/2027</p>		

Principle B: Ensuring openness and comprehensive stakeholder engagement			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
4.11 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	See section 4.4.1 – Neath Port Talbot Consultation and Engagement Strategy 2018/2020 See section 4.4.3 – Citizens Panel		
Page 130 4.12 Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	4.12.1 Council has a number of duties through the following legislation to ensure inclusivity of feedback from all stakeholder groups: <ul style="list-style-type: none"> • Equality Act 2010 • Welsh Language Standards (No.1) Regulations 2015, • Well-being of Future Generations (Wales) Act 2015 • Local Government & Elections (Wales) Act 2021 • Environment (Wales) Act 2016) 	See section 1.3.1 – Integrated Impact Assessment (IIA)	

Principle B: Ensuring openness and comprehensive stakeholder engagement

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>Page 11</p> <p>4. Taking account of the interests of future generations of tax payers and service users</p>	<p>4.13.1 Well-being of Future Generations (Wales) Act 2015.</p>	<p>During 2023/2024 work was initiated to reset the council’s Corporate Plan which sets out the council’s purpose, vision, values and wellbeing objectives. The Plan was informed by the extensive Lets Keep Talking campaign. The Corporate Plan demonstrates how the council contributes to the economic, social, environmental and cultural wellbeing of Neath Port Talbot and to the seven national wellbeing goals contained in the Wellbeing of Future Generations (Wales) Act 2015. The Plan sets out the council’s four well-being objectives and under each one, the vision for 20 years’ time and the aims we plan to achieve in the next three years. The Transformation Programme contained within the Corporate Plan, sets out the areas where the council is expecting to make a step change, undertaking actions that are essential to service and financial sustainability, whilst in a number of areas focusing on themes that have been derived from the extensive engagement undertaken over the last three years.</p>	<p>None identified</p>
	<p>4.13.2 The council’s four Well-being Objectives and statement are published in the <u>Corporate Plan 2022-2027</u></p>	<p>Audit Wales has issued certificates confirming that the council has discharged its duties under relevant legislation for both the council’s <u>Corporate Plan</u> and <u>Annual Report</u>.</p>	<p>None identified</p>

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
5.1 Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	See section 4.1.3 - The council's vision is set out in the Corporate Plan		
	5.1.1 Corporate Performance Management Framework (CPMF)	<p>During 2023/2024 an interim Corporate Performance Management Framework (CPMF) was in place to demonstrate how the council meets the duties contained within the Local Government & Elections (Wales) Act 2021.</p> <p>These duties include the undertaking of an annual corporate self-assessment and Service Recovery Planning at an accountable manager level.</p> <p>The current CPMF is an "interim" framework as it was acknowledged performance management arrangements required strengthening across the authority at the strategic, service and individual levels. A resetting of the CPMF is underway which will define an improved performance management capability that will enable the council to better demonstrate the delivery of the vision, purpose and priorities set out in the Corporate Plan and to achieve the required savings as part of the council's Medium Term Financial plan (MTFP) in future years.</p>	Reset the council's Corporate Performance Management Framework (CPMF)

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
5.2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	5.2.1 Commissioning	<p>The council delivers or commissions an enormous range of services and functions that affect the day to day life of everyone who lives in the county borough.</p> <p>Service user questionnaires are undertaken as part of contract monitoring; contracts require processes to be in place to ensure providers actively engage with service users, informing service and feedback on proposed changes. Contract Monitoring Officers review practice, including interviewing service users.</p>	None identified
5.3 Delivering defined outcomes on a sustainable basis within the resources that will be available	See section 4.1.1	We examine the progress made in achieving our well-being objectives set out in the <u>Corporate Plan</u> , including the key performance indicators. On an annual basis progress is summarised in our <u>Annual Report</u> which includes data on key areas of performance.	None identified
5.4 Identifying and managing risks to the achievement of outcomes	5.4.1 Corporate Risk Management Policy	<p>The council's <u>Risk Management Policy</u> was reviewed and approved by Cabinet in 2023.</p> <p>The Strategic Risk Register is reviewed at Corporate Directors Group quarterly and presented to Cabinet and Governance & Audit Committee every six months.</p>	Further strengthen the council's risk management arrangements

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
Page 134	5.4.2 Senior Information Risk Owner (SIRO)	<p>The Chief Digital Officer acts as the Senior Information Risk Owner (SIRO) for the council, with overall responsibility for managing information risk, ensuring that information risks are treated as a priority across all service areas.</p> <p>They support the engagement with teams from across the council, fostering strong working relationships with colleagues and stakeholders, supporting them with the critical consideration of Risk and Information Governance in all aspects of their work.</p> <p>The SIRO reports directly to the Corporate Directors Group and Corporate Governance Group on information security matters.</p>	None identified
	5.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	5.5.1 Let's Keep Talking Campaign	The priorities that are set out in the revised Corporate Plan for the period 2024/2027 were informed by an extensive engagement exercise "Let's Keep Talking". This was undertaken 29 June to 8 October 2023
	See section 4.1.3 – Corporate Plan 2022/2027		

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
5.6 Sustainable economic, social and environmental benefits - considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	See section 1.3.1 - Integrated Impact Assessment (IIA) See section 4.1.3 - <u>Corporate Plan 2022/2027</u>		
5.7 Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.	5.7.1 <u>Welsh Government Procurement Policy</u>	Complying with the policy, by ensuring that contracts over the value of £1,000,000 include community benefits clauses and contracts split into "Lots" or smaller arrangements – allowing smaller organisations to bid for elements of contracts if they are unable to bid for larger packages. The council has made a commitment to actively examine where it sources its goods and services from to ensure those arrangements are ethical.	None identified
		See section 2.4.1 - <u>Ethical Employment in Supply Chain Policy 2019</u>	

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvements / action
5.8 Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social, and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	<p>See section 4.1.3 – Corporate Plan 2022/2027</p> <p>See section 4.4.4 – Public Participation Strategy 2023/2027</p> <p>See section 4.13.1 – Well-being of Future Generations (Wales) Act 2015</p>		
5.9 Ensuring fair access to services	5.9 <u>Strategic Equality Plan (SEP)</u>	<p>Work to review the actions as contained in the Strategic Equalities Plan (SEP) continued into 2023/2024. A number of actions have been identified as being no longer appropriate for inclusion for variety of reasons, including:</p> <ul style="list-style-type: none"> • Now considered ‘business as usual’ • Have been completed; and • Circumstances in which they were developed have now changed. <p>A workshop was held in February 2024 for officers to review and amend existing actions as well as to develop new ones as appropriate. Each Senior Management Team will have the opportunity to agree/further amend the actions as necessary prior to the final draft SEP 2024/2028 being presented to Cabinet at the end of July 2024.</p>	None identified

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>6.1 Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided</p>	<p>6.1.1 <u>Corporate Self-Assessment</u></p>	<p>The requirement to publish an annual self-assessment is contained within the Local Government and Elections (Wales) Act 2021 and is a corporate, organisational assessment rather than an assessment of individual services.</p> <p>As part of the self-assessment, the council is required to consider the extent to which it is:</p> <ul style="list-style-type: none"> • exercising its functions effectively (how well are we doing?) • using its resources economically, efficiently and effectively (how do we know?) • ensuring its governance is effective for securing the above (what and how can we do better?) <p>In undertaking this self-assessment process across 7 key areas, in addition to stating what arrangements we have in place to ensure we do the above well, we have also considered how effective those arrangements are by reflecting and scoring ourselves and identifying how these areas can be further improved. These improvement areas are also reflected within this AGS.</p>	<p>Further refine the council's annual self-assessment process.</p>

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
	<p>See section 1.4.4 - The council's Constitution sets out the different responsibilities of Members and Officers. Clear job descriptions for all staff highlight roles and responsibilities.</p>	<p>The Monitoring Officer oversees the council's Constitution and ensure it is kept up to date.</p> <p>The report guidance for both Executive and Non-Executive reports requires report authors to describe all options that have been considered, not just any preferred option.</p>	None identified
<p>6.2 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</p>		<p>See section 1.3.1. – Integrated Impact Assessment (IIA)</p> <p>See section 4.1.5 – Corporate Communications and Community Relations Strategy 2018/2020</p> <p>See section 4.4.4 – Public Participation Strategy 2023/2027</p> <p>See section 4.4.2 – Community of Practice – Involvement and Engagement</p> <p>See section 4.4.3 – Citizens Panel</p> <p>The Monitoring Officer oversees the council's Constitution and ensure it is kept up to date.</p> <p>The report guidance for both Executive and Non-Executive reports requires report authors to describe all options that have been considered, not just any preferred option.</p>	None identified

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Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
6.3 Planning Interventions - establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets		See section 5.1.1 Corporate Performance Management Framework (CPMF)	
6.4 Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered		See section 1.3.1. – Integrated Impact Assessment (IIA) See section 4.1.5 – Corporate Communications and Community Relations Strategy 2018/2020 See section 4.4.4 – Public Participation Strategy 2023/2027 See section 4.4.2 – Community of Practice – Involvement and Engagement See section 4.4.3 – Citizens Panel	
6.5 Considering and monitoring risks facing each partner when working collaboratively including shared risks		See section 2.4.2 - Continue to participate in a number of partnership See section 5.4.1 - Corporate Risk Management Policy	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
6.6 Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances		See section 4.13.1 - Well-being of Future Generations Act (Wales) 2015	
6.7 Establishing appropriate local performance indicators (as well as relevant statutory or other national performance indicators) as part of the planning process in order to identify how the performance of services and projects is to be measured		See section 5.1.1 - Corporate Performance Management Framework	
6.8 Ensuring capacity exists to generate the information required to review service quality regularly		See section 5.1.1 - Corporate Performance Management Framework	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
6.9 Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan	6.9.1 <u>Budget</u> setting process	On 7th March 2024, Council approved the 2024/2025 budget following stakeholder consultation. The requirement to set a balanced budget was met.	Further development of a medium term financial strategy.
6.10 Informing medium and long-term planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	See section 6.9.1 Budget setting process		
6.11 Optimising achievement of intended outcomes - ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	See section 6.9.1 Budget setting process		

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
6.12 Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term		See section 6.9.1 Budget setting process	
6.13 Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage		See section 6.9.1 Budget setting process	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>6.14 Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community....over and above the direct purchasing of goods, services and outcomes"</p>	<p>See section 2.4.1 - <u>Ethical Employment in Supply Chain Policy 2019</u></p> <p>An updated Procurement Strategy to ensure socially responsible procurement has been developed and will be presented to elected members in summer 2024.</p>		

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p>7.1 Developing the entity's capacity - reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</p>	<p>See section 1.2.2 - The purpose, vision and values of the council are contained within the Corporate Plan 2022 – 2027, along with key objectives and priority actions for the next twelve months. The Strategic Workforce Plan, <u>The Future of Work Strategy 2022/2027</u> is aligned to the Corporate Plan.</p>	<p>The Strategic Workforce Plan identifies the key challenges and priorities for our employees over the next 3 year period, as set out in the Corporate Plan objectives and priorities, Medium Term Financial Plan, Digital Strategy and the Risk Register.</p> <p>The 12 month Delivery Plan appended to the strategy sets out how the council will address these challenges, and to ensure that the council has the right number of people, with the right skills and attitudes, in the right place, at the right time, and in order to deliver its services and functions. The Delivery Plan will be reviewed every 12 months.</p>	<p>None identified</p>
<p>7.2 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently</p>	<p>7.2.1 There are a number of examples of research and benchmarking exercises undertaken across the council:</p>	<p>The Corporate Policy Team are members of Data Cymru's Corporate Performance Data network (CPDn). Its purpose is to inform and support the development of the self-assessment performance dataset (SAPD). The current SAPD holds data across range of services/themes and can be used to compare against other authorities. The link to this data has been shared with strategic officers, all service mangers and performance leads.</p>	<p>None identified</p>

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Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
		<p>A number of services benchmark via APSE (Association for Public Service Excellence). A number of service areas also benchmark data with other services from other local authorities via benchmarking groups/networks/data platforms, some of which are provided by Data Cymru, Welsh Government and Welsh Local Government Association (WLGA).</p> <p>Examples of benchmarking groups include:</p> <ul style="list-style-type: none"> • The council's Electoral Services officers participate in the Association of Electoral Administrators network to benchmark electoral administration. • Participation by officers and members in networks facilitated by the WLGA to benchmark and research out best practice across Democratic Services functions in other councils • Wales waste data flow for fly tipping; • County Surveyor Society Wales benchmarking; • Road Safety Benchmarking; • Workforce planning benchmarking; <p>Services also use other platforms for benchmarking data such as Welsh Government</p>	

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
		<p>STATS Wales's website and other platforms provided by Data Cymru.</p> <p>From April 2022, where benchmarking data is available, all services were required to use benchmarking data to inform their self-assessment of performance when they complete their Service Recovery Plans. All services through self-assessment will also have to demonstrate if they are achieving their intended outcomes and delivering value for money. The Service Recovery Plan process helps services reflect on and challenge what they do to help them continuously improve. Benchmarking arrangements within Service Recovery Plan guidance has been further strengthened from April 2023, a link has also been made within the guidance to the SAPD referred to above.</p> <p>Benchmarking data (where available) is included in performance reports provided to members as part of our performance scrutiny arrangements.</p>	
See section 6.1.1 - Corporate Self-Assessment			

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
7.3 Recognising the benefits of partnerships and collaborative working where added value can be achieved	See section 2.4.2 - See section 2.4.2 - Continue to participate in a number of partnership		
7.4 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	7.4.1 Social Care Wales Workforce Development Partnership (SCWWDP)	The broad aim of the SCWWDP is to ensure partnership working to support social care staff across all organisations, support the ambition of the health and social care workforce strategy and build a digitally ready workforce. In addition, deliver excellent education and learning, provide qualifying and post qualifying social work training and shape and supply the workforce.	None identified
	See section 7.1 <u>Future of Work Strategy 2022-2027</u>		

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p>7.5 Developing the capability of the entity's leadership and other individuals - developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</p>	<p>See section 1.4.4 - The Constitution (different responsibilities of Members and Officers / clear job descriptions for all staff).</p>		
<p>7.6 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p>	<p>7.6.1 List of officer delegation</p>	<p>The Constitution requires the Head of Legal & Democratic Services to keep a list of all officer delegations made in accordance with the Constitution.</p> <p>The work to review all proposals and to keep a central electronic list of delegations is ongoing. Work with individual directorates to gather evidence of delegations is continuing with the aim of a report to Corporate Governance Group on methods of record keeping.</p>	<p>None identified</p>
<p>7.7 Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of</p>	<p>7.7.1 Cross party panel</p>	<p>The panel which is made up elected Members (and chaired by the Leader) undertakes the Chief Executive's appraisal and agrees the objectives for year ahead and personal learning.</p>	<p>None identified</p>

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Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p>services and other outputs set by members and each provides a check and a balance for each other's authority.</p>	<p>See section 1.4.4 - The Constitution sets out the different responsibilities of Members and Officers. Clear job descriptions for all staff highlight roles and responsibilities.</p>		
<p>7.8 Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged • Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis 	<p>7.8.1 Member support and development.</p>	<p>The Local Government Elections took place in May 2022 and the main focus for the first two years was their induction. Members were invited to undertake the following sessions as part of their induction:</p> <ul style="list-style-type: none"> • Introduction to the Council, its role, Corporate Governance, Corporate Plan, Wellbeing Goals • Code of Conduct and Ethics (including civility and respect) • Health and Safety • Replacement Local Development Plan • Service Area Introductions • Community Leadership and Casework • Budget and Financial Management • Treasury Management • Committee Procedures and the role of Scrutiny and how to be an effective Scrutiny Member • Equalities, Diversity and the Socio-Economic Duty • Safe Data Management and GDPR • Freedom of Information (FOIs) • Welsh Language 	<p>None identified</p>

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<ul style="list-style-type: none"> Ensuring personal, organisation and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses 		<ul style="list-style-type: none"> Corporate Parenting Social Media Safeguarding Housing Violence against Women, Domestic Violence and sexual violence Member Officer Relations Women's Rights/Gender Equality Public Speaking and Working with the Media (Cabinet Members only) The role of members in relation to the Wellbeing of Future Generations Act. To include sustainable development. The role of members in relation to the Social Services and Well-Being (Wales) Act Climate Change, mitigation and decarbonisation <p>Members undertook committee specific training during 2023/2024 depending on their committee allocations, with particular mandatory training for members of the Licensing, Planning, Governance and Audit, Standards and other regulatory committees. Chairs and Members of Scrutiny also undertook targeted training by external providers.</p>	

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
		<p>Member Seminars were also presented on the following topics:</p> <ul style="list-style-type: none"> • Liberty Protection Safeguards (LPS) • EFC Carers Induction • RLDP • Emergency Preparedness for Elected Members • Introduction Voter ID and other election act reforms • Code of Conduct Refresher Training and Council Procedure Rules • Corporate Joint Committee • Vapes and the Law • Culture, Destination and Built Heritage Strategies • 'Same Resident' – Police and Community Safety • State of Nature Report from the Local Nature Partnership • Budget • Single Transferable Vote • Audit Wales Scrutiny Review • Cyber Ninjas • Curriculum for Wales • Local Development Plan and Housing Strategy • What is SAB? 	

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p>Page 152</p>		<ul style="list-style-type: none"> • Cost of Living Crisis • Digital, Data and Technology Strategy • RLDP 	
	7.8.2 Reviewing individual member performance	This is done on a regular basis taking account of their attendance and considering any training or development needs.	None identified
	7.8.3 Officer support and development	The training available for officers is reviewed and updated on an ongoing basis to ensure they can fulfil their roles and responsibilities.	None identified
	7.8.4 Reviewing individual officer performance: See section 1.1.4 - An <u>induction programme for Members</u> See section 1.1.5 - Staff: the Induction Checklist, (which contains information about the expected standards) See section 1.1.6 - Performance Appraisal Process See section 1.2.2 - The vision and priorities for staff		
7.9 Ensuring that there are structures in place to encourage public participation	See section 4.4.4 – Public Participation Strategy 2023/2027		

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
<p>7.10 Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p>	<p>7.10.1 External regulator inspections</p>	<p>Reports and reviews undertaken by Audit Wales including the Annual Report and Assurance Risk Assessment reference the council's leadership approach and provide improvement recommendations where necessary.</p> <p>Both Estyn and Care Inspectorate Wales have a programme of inspections based on their annual performance evaluation.</p> <p>The Local Government & Elections (Wales) Act 2021 also contains a requirement for Panel Assessments (Peer reviews) to be undertaken once every electoral (ordinary) cycle.</p> <p>Ombudsman for Wales undertakes regular 'own initiative' pieces of work which investigate service provision linked to particular areas across the public sector.</p>	<p>None identified</p>
	<p>7.10.2 Internal Process</p>	<p>The Strategic Workforce Plan, The Future of Work Strategy 2022/2027 sets out actions for the development of leadership and management across the council.</p>	<p>None identified</p>
	<p>See section 6.1.1 - Self-Assessment</p>		

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
7.11 Holding staff to account through regular performance reviews which take account of training or development needs	See section 1.1.6 - <u>Performance Appraisal Process</u>	The majority of employees within the council have regular 1:1s or supervision sessions with their manager to address their performance and to discuss training and development needs.	None identified
7.12 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	See section 1.2.2 - <u>The Future of Work Strategy - Strategic Workforce Plan 2022-2027</u> <u>Maximising Attendance at Work Procedure</u> <u>Health and Safety</u>	The council has signed the Time to Change Wales Employer Pledge. We have in place an action plan which contains initiatives to support employees across the council with mental ill health. Progress on the action plan is reported annually to Personnel Committee. As part of the Future of Work Strategy we have set out an intention to develop a Health and Wellbeing Strategy. The council has a dedicated Occupational Health & Safety & Well-being Team providing advice, support and expertise in relation to the health, safety and well-being of our employees. The council has a number of policies and procedures to support the health and well-being of employees, including the Maximising Attendance at Work Procedure and the Rehabilitation Procedure, as well as a suite of Health and Safety at procedures all aiming to protect the health and safety of people in our workplaces. In 2024 the council adopted an Employee Assistance	None identified

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Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement /action
		Programme delivered by Vivup, and offers a financial well-being platform accessible to all employees, both actions supporting employee mental health and well-being.	

Principle F: Managing risks and performance through robust internal control and strong public financial management

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action			
8.1 Managing risk - recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	See section 5.4.1 – Corporate Risk Management Policy					
8.2 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively				See section 5.4.2 – Senior Information Risk Owner (SIRO)		
8.3 Ensuring that responsibilities for managing individual risks are clearly allocated						

Principle F: Managing risks and performance through robust internal control and strong public financial management

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>8.4 Managing Performance - monitoring service delivery effectively including planning, specification, execution and independent post-implementation review</p>	<p>8.4.1 Corporate Performance Management Framework</p> <p>Our interim CPMF outlines our current evaluation, planning, risk and performance measurement arrangements at corporate, service and individual level. These arrangements are currently being reviewed.</p> <p>See section 5.1.1 - Corporate Performance and Risk Management system (CPMS)</p> <p>We have a range of performance indicators that enable the council to measure performance of services. To support the delivery of the framework, there is a corporate performance management team as well as directorate performance management teams.</p>		
<p>8.5 Making decisions based on relevant, clear, objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</p>	<p>See section 1.4.4 - The council's Constitution</p> <p>The Constitution sets out how the council operates and the process for policy and decision-making. Within this framework all the decisions are taken by Council, Cabinet or Cabinet Boards. The decisions are presented in a comprehensive written format in a standard template. The Cabinet Scrutiny Committee considers any decisions directly before the Cabinet meets. This is referred to as contemporaneous scrutiny. A record of decision-making and supporting materials are published (publically accessible reports only) on the council's website via Modern.gov.</p>		

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Principle F: Managing risks and performance through robust internal control and strong public financial management

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>8.6 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the organisation's performance and that of any organisation for which it is responsible</p>	<p>8.6.1 Scrutiny Committees</p>	<p>The role and responsibility for scrutiny has been established and is clear. Annual forward work programme sessions are arranged to identify items for the committees to focus on in the new civic year.</p> <p>Throughout the year scrutiny Members also undertake specific training to enhance their skills (e.g. Chair and Vice Chair training).</p> <p>During summer 2023, Audit Wales were asked to carry out a review of the scrutiny arrangements at Neath Port Talbot CBC. The results of this review were produced in a report published in October 2023.</p> <p>Having considered the conclusions of the review undertaken by Audit Wales, the Chairs and Vice Chairs of the council's scrutiny committees formed a Task & Finish Group to consider how the audit findings could be responded to. All members were invited to attend contribute to the task and finish group work, The work undertaken has included research into other models of scrutiny practiced across Wales.</p>	<p>None identified</p>

Principle F: Managing risks and performance through robust internal control and strong public financial management

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
		<p>From the research undertaken, members of the Task & Finish group identified several themes which they considered important and were keen to see reflected in any amended model of scrutiny that they were going to bring forward. These themes included:</p> <ul style="list-style-type: none"> • Cabinet Members to be held to account; • Public engagement being very important; • Members need to have option to be involved in decisions at an earlier stage; • There process needs to be more accessible and transparent so it is clear to the public what is going to be scrutinised; • The council need to consider a system which operates consistently both pre and post decision scrutiny; and • Ongoing performance monitoring is very important 	

Principle F: Managing risks and performance through robust internal control and strong public financial management

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
		From these themes members were able to set out a model which took into consideration the aspects of scrutiny that members felt took priority, whilst also being sympathetic to the requirement to not lose the role of scrutiny in putting a proposal forward.	
8.7 Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	See section 4.1.4 <u>Council Meeting Cycle</u> The cycle of meetings sets out a calendar of dates for submitting, publishing and distributing timely performance reports.		
8.8 Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements)	8.8.1 Financial standards, guidance and regulations	The Director of Finance is responsible for ensuring there are proper arrangements in place for the administration of the financial affairs of the council. Corporate Directors are responsible for the financial management of their respective services and are supported by regular financial management information, which includes monthly financial monitoring reports.	None identified
8.9 Robust internal control - aligning the risk management strategy and policies on internal control with achieving objectives	See section 5.4.1 - Corporate Risk Management Policy		

2023/24

Principle F: Managing risks and performance through robust internal control and strong public financial management

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
8.10 Evaluating and monitoring risk management and internal control on a regular basis	See section 5.4.1 - Corporate Risk Management Policy		
8.11 Ensuring effective counter fraud and anti-corruption arrangements are in place	See section 1.4.1 - The Anti-fraud, Corruption and Malpractice Strategy		
8.12 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	8.12.1 Annual Governance Statement	The Annual Governance Statement reports on the extent of the council's compliance with its principles and practices of good governance, including how the council has monitored the effectiveness of its governance arrangements in the year. The Annual Governance Statement is reviewed every year and updated to reflect the improvement work undertaken during the year.	None identified
	See section 9.9.1 - Internal audit service		

Principle F: Managing risks and performance through robust internal control and strong public financial management

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>8.13 Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon</p>	<p>8.13.1 Governance and Audit Committee (Terms of reference, Membership and Training)</p>	<p>Governance and Audit Committee complies with best practice (Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA 2022) and the Public Sector Internal Audit Standards.</p>	<p>None identified</p>
<p>8.14 Managing Data - ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p>	<p>8.14.1: Data management framework and procedures / data protection officer / policies and procedures</p>	<p>The Information Governance (IG) Team provide support to the Information Asset Owners who have local responsibility for Information Management in their area.</p> <p>The team develop, implement and maintain information management and information security policies and guidance. Providing operational support, training, expert advice, guidance on these areas.</p> <p>The Information Governance team provide additional assurance through the undertaking of information governance and information security audits and information risk assessments with Information Asset Managers and key stakeholders.</p>	<p>A review of Data Processing, Data Protection and Data Sharing work to be undertaken by the Information Governance team.</p>

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Principle F: Managing risks and performance through robust internal control and strong public financial management

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
		<p>A number of actions have been completed as part of the information governance work including registers of the relevant agreements and assessments, with procedures to identify new processing and sharing.</p> <p>Assurance is in place through information audits and the Information Asset Audit for the Information Asset Register.</p> <p>The Information Governance Strategy Group provides overview and scrutiny of IG arrangements. Making recommendations to both the Head of Legal & Democratic Services as the council's Data Protection Officer (DPO) with responsibility for ensuring compliance with the Data Protection Act 2018 and the Chief Digital Officer as the council's Senior Information Risk Owner with responsibility for information risk and security.</p> <p>The DPO and SIRO report directly to the Corporate Governance Group on</p>	

Principle F: Managing risks and performance through robust internal control and strong public financial management

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
		information governance and security matters.	
8.15 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	See section 8.14.1 - Data management framework and procedures / data protection officer / policies and procedures		
8.16 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	See section 9.9.1 - Internal audit service		
8.17 Strong public financial management - ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance	See section 3.2.1 – Financial Management Arrangements The CIPFA Financial Management Code 2019 (FM Code) was introduced during 2020/2021, to improve the financial resilience of organisations by embedding enhanced standards of financial management.		
8.18 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	See section 3.2.1 - Financial Management Arrangements		

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
9.1 Implementing good practice in transparency - writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	See section 4.3.1 - Modern.gov system		
9.2 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	See section 4.1.1 - The council produces a number of annual reports throughout the year to give assurances to our governance arrangements.		
9.3 Implementing good practices in reporting - reporting at least annually on performance, value for money and the stewardship of its resources			
9.4 Ensuring members and senior management own the results	See section 1.4.4 - The <u>Constitution</u>		

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
<p>9.5 Ensuring robust arrangements for assessing the extent to which the principles contained in the framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)</p>	<p>9.5.1 Corporate Governance Group</p>	<p>The role of the Corporate Governance Group is to:</p> <ul style="list-style-type: none"> • Review the adequacy of the council’s corporate governance arrangements and ensure that an appropriate governance framework operates. • Provide recommendations for improvements in corporate governance practices to enhance the council’s performance, encourage innovation and maintain public trust. <p>During 2023/2024 the Corporate Governance Group developed a Code of Corporate Governance which sets out the council’s approach to achieving and maintain good corporate governance.</p>	<p>Develop an assurance framework to monitor and review the council’s key systems, documents and processes as set out in the Code of Corporate Governance.</p>
<p>9.6 Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate</p>	<p>See section 8.12.1 - Annual Governance Statement</p>		
<p>9.7 Ensuring the performance information that accompanies the financial statement is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations</p>	<p>See section 8.12.1 - Annual Governance Statement</p>		

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
9.8 Assurance and effective accountability - ensuring that recommendations for corrective action made by external audit are acted upon	9.8.1 - <u>External audit / regulatory reports</u>		
9.9 Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	9.9.1 Internal audit service	<p>The annual Internal Audit Plan was approved by the Governance & Audit Committee on 17th March 2023.</p> <p>Members approved the revised Internal Audit Charter in September 2022.</p> <p>The Governance & Audit Committee received quarterly updates of progress against the Internal Audit Plan and details of any factors affecting achievement of the plan. Members were provided with the assurance rating of each completed audit.</p> <p>All recommendations made by auditors were accepted by the service managers and implementation will be confirmed during the post audit review process.</p> <p>Compliance with CIPFA's Statement on the Role of the Head of internal Audit (2019).</p>	None identified

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Behaviours and actions that demonstrate good governance in practice	Evidence of key systems, documents and processes	Assurance of arrangements in place	Suggested improvement / action
		Compliance with Public Sector Internal Audit Standards.	
9.10 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	See section 9.8.1 – External and regulatory reports		
9.11 Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	See section 8.12.1 - Annual Governance Statement		
9.12 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	See section 2.4.2 - Governance arrangements are in place for each partnership we are involved in.		

Review of Effectiveness

The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Chief Officers and the Internal Audit Service who have responsibility for the development and maintenance of the governance environment and also by comments made by the external auditors and other review agencies and inspectorates. A Corporate Governance Group, reporting to the Corporate Directors Group ensures that improvement work is scheduled, resourced and monitored. The council uses a number of ways to review and assess the effectiveness of its governance arrangements, the table below highlights the different mechanisms during 2023/2024:

Governance Arrangements	Update for 2023/2024
<p>Page 168</p> <p>Constitution Review & Monitoring</p>	<p>The Constitution is reviewed on a regular basis to ensure it is up to date and amendments taken through the decision making process as and when required.</p> <p>Amendments took place in summer 2023 to reflect decision making structures within the council and the changes proposed by the new administration.</p> <p>Reports are taken as and when necessary to ensure the Constitution is up to date and Democratic Services Committee have been tasked to work with the Monitoring Officer to review arrangements as and when necessary.</p> <p>Formal reports by s151 or Monitoring Officer – no reports were issued by the s151 or Monitoring Officer in 2023/2024.</p>
<p>Internal Audit Service</p>	<p>The focus of Internal Audit work in 2023/24 was on auditing areas considered to be a high / medium risk. Overall 81% of the plan was achieved.</p> <p>60% high risk audits were completed and 100% medium to low risk audits were completed. The remaining high risk audits were carried for completion in the early part of 2024/25.</p> <p>The Head of Internal Audit's opinion is that the council's internal control environment and systems of internal control in the areas audited are satisfactory and reasonable assurance can be given that</p>

	<p>there have been no major weaknesses noted in relation to the internal control systems operating within the authority.</p>
<p>Governance & Audit Committee</p>	<p>Approved the council's Internal Audit Plan on 17th March 2023.</p> <p>Monitored Internal Audit performance against the plan.</p> <p>Monitored External Audit Performance and received update reports from Audit Wales.</p> <p>The Committee received Treasury Management Progress Reports in order to fulfill their obligations in relation to the Scrutiny of Treasury Management activity.</p>
<p>Page 169</p> <p>Standards Committee</p>	<p>On signing their Declaration of Acceptance of Office, Members are required to give an undertaking to abide by the Members' Code of Conduct.</p> <p>A detailed member induction programme took place following local government elections in May 2022. This included specified training relating to the member code of conduct, social media issues, gifts and hospitality and officer/member protocols. Refresher training takes place on an annual basis to enhance member's compliance with the Members Code of Conduct and to ensure members are aware of the responsibility to act ethically and with integrity throughout the year, with advice provided on a variety of matters throughout year on interests and predetermination matters.</p> <p>The Local Government and Elections (Wales) Act 2021 provided an additional duty on group leaders to ensure members within their political group also comply with the Members Code of Conduct and ongoing support will be provided on this function via the Standards Committee.</p> <p>The Standards Committee were pleased to note the approach that Group Leaders take in promoting standards and the personal commitment they have to encourage members within their groups to embed ethical processes in their day to day activities. Of interest particularly to the Standards Committee was how Group Leaders deal with the "thick skin" ideology that the Public Service Ombudsman and other regulatory bodies adopt and the views that all Group Leaders have that often this is an inappropriate test and it is not something that any elected member should have to have if they face abuse from members of the public, particularly in a social media setting.</p>

	<p>The Standards Committee are required to conduct an assessment of how political group leaders have complied with their new duty to promote high standards of conduct and the Standards Committee are able to confirm that throughout 2023/2024, Group Leaders have discharged their duty, in the views of the Standards Committee, and that there were no ethical concerns arising.</p> <p>The Standards Committee prepared their Annual Report in April 2024 for the work of the previous finance year.</p>
<p>External Auditors</p>	<p>In the Audit Wales Annual Audit Summary 2023, which detailed the work completed since the council's last Annual Audit Summary, the Auditor General provided an unqualified true and fair opinion on the council's financial statements on 14th November 2023, in line with the statutory deadline.</p> <p>The Auditor General also certified that the council has met its legal duties for improvement planning and reporting, and believes that it is likely to meet the requirements of the Local Government (Wales) Measure 2009 and Local Government & Elections Act (Wales) 2021 during 2022/2023.</p>

Table 1 – Governance Improvement Action Plan - 2023/2024

Ref (action)	Improvement Action to be undertaken during 2023/2024	Responsible Officer	Progress During 2023/2024
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law			
Page 171.3	<ul style="list-style-type: none"> I. All members ensure they attend annual refreshers in respect of the Members Code of Conduct undertaken by the Monitoring Officer; II. All Group Leaders make Standards and Ethics a standing item on their political group meeting agendas; III. All members ensure they are completing their declarations of gifts and hospitality, including where such gifts and hospitality are declined; IV. Group Leaders consider bi-annual meetings with the Monitoring Officer to discuss standards and ethics and how they can work together to promote standards within their political groups; V. Steps be taken to promote the Member Officer Protocol to all elected members and officers of the Council, with training provided as appropriate; VI. A series of guidance documents to be circulated to all members in respect of key conduct matters such as declarations of interest, predetermination, conduct case studies and key information for members. 	Head of Legal & Democratic Services	<p>All 60 members of Council have received code of conduct training on commencement of their role in 2022. Two refresher sessions were held in 2023/2024, with approximately 72% of members attending the refresher session provided. Further refresher sessions will continue to be provided.</p> <p>As per a request of the Standards Committee, all Group Leaders have been requested to make standards a standard item on their agenda and confirmation has been received that this is the case.</p> <p>Meetings are held on a regular basis with Group Leaders, over and above the target of bi-annual meetings.</p> <p>The Member/Officer Protocol has been considered by the Standards Committee and copies provided to elected members. Key principles associated with the protocol are now incorporated as standard in code of conduct training.</p>

Ref (action)	Improvement Action to be undertaken during 2023/2024	Responsible Officer	Progress During 2023/2024
			Guidance documents in respect of declaration of interests, predetermination, social media and other matters have been forwarded to elected members when created.
1.3.4 Page 172	Continue with future training of officer groups in the significance of the member and officer relations protocol.	Head of Legal & Democratic Services	Training has been rolled out throughout the council and in 2023/2024 four sessions were held for officers. The training has also now been incorporated into the corporate training programme for new Accountable Managers and sessions provided as part of training provided in that forum.
2.1.1	Corporate Procurement to monitor and evaluate compliance looking at what approach sections adopt. Head of Legal & Democratic Services to report annually to the Corporate Governance Group.	Head of Legal & Democratic Services	A detailed review of procurement practices has been undertaken throughout 2023/2024 to help frame the preparation of the Neath Port Talbot Procurement Strategy. As part of this an analysis of strengths and weaknesses and corporate priorities have been undertaken to help identify strategic objectives and the development of a delivery plan to achieve the same.
Principle B: Ensuring openness and comprehensive stakeholder engagement			
4.4.3	Review the Citizens' Panel and further develop in line with the action plan in the Public Participation Strategy	Strategic Manager - Policy & Executive Support	Following a recent recruitment drive, there are over 700 members on the Panel. Officers will analyse the data to

Ref (action)	Improvement Action to be undertaken during 2023/2024	Responsible Officer	Progress During 2023/2024
			establish how closely it matches the make-up of residents in Neath Port Talbot from the 2021 Census (specifically in relation to geographical location, age, gender, disability, Welsh language, and ethnicity). Targeted recruitment will take place during 2024/2025 for groups that are under-represented in line with the action plan in the Public Participation Strategy.
Page 173 4.6.1	Commence the review of the Partnership Agreement (Compact) between the council and the voluntary sector (to be completed by September 2024)	Strategic Manager - Policy & Executive Support	The review of the Partnership Agreement commenced in 2023/2024 and will be concluded in the autumn 2024. The review has been undertaken jointly between the council and the community and voluntary sector which has included workshops and a consultation exercise to inform the final document.
4.6.3	Commence the review of the Charter between the council and Town and Community Councils (to be completed by September 2024)	Strategic Manager - Policy & Executive Support	At the meeting of the Town & Community Council Liaison Forum on 4 th December 2023 it was agreed for volunteers to join a working group to tease out common areas of interest for the Forum to focus on going forward. Two representatives came forward to take part in a discussion on 29 th January 2024. The output of that discussion was to be presented to the meeting of the Forum on 27 th February but was unfortunately cancelled. For the 2024/2025 Civic year, two meetings of the Liaison Forum have been scheduled.

Ref (action)	Improvement Action to be undertaken during 2023/2024	Responsible Officer	Progress During 2023/2024
Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Page 74 5.1.1	Review business planning and performance management arrangements across the council	Strategic Manager - Policy & Executive Support	<p>The review of the council's Corporate Performance Management Framework is now underway.</p> <p>This has been delayed due to the resetting of the council's Corporate Plan for the period 2024/2027 which has included the development of 9 transformation programmes and the introduction of service delivery plans at head of service level. In addition, the new model of scrutiny is bedding in. These are all key factors in the council's Corporate Performance Management Framework so it was deemed timely to commence the review in early 2024 to ensure the revised Framework reflected the above developments / changes.</p> <p>The review will be completed mid July 2024 with the revised framework implemented in readiness for quarter 2 reporting (April – Sept 2024).</p>
5.4.1	Ensure all strategic risk are embedded and further refine Directorate (operational) Risk Registers	Director of Finance / Strategic Manager - Policy & Executive Support	The Strategic Risk Register has been reviewed by Corporate Directors Group and presented to both Cabinet and Governance & Audit Committee. The Directorate Registers have been further

Ref (action)	Improvement Action to be undertaken during 2023/2024	Responsible Officer	Progress During 2023/2024
			refined and are being monitored by Senior Management Teams.
5.5.1	Revisit the Let's Talk campaign during 2023/2024 to inform priorities for 2024/2025.	Strategic Manager - Policy & Executive Support	The Let's Keep Talking campaign was launched at the end of June 2023 and ran until 8 th October. The output has informed the council's updated Corporate Plan for the period 2024/2027.
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
6.1.1	Further refine the council's annual self-assessment process.	Strategic Manager - Policy & Executive Support	Due to other priorities and capacity this improvement work will now be undertaken during 2024/2025.
7.9.1	Further development of a medium term financial strategy.	Director of Finance	Work has progress on development of a MTFP however further work is required to develop proposals to ensure the council has a sustainable financial footing.
Principle F: Managing risks and performance through robust internal control and strong public financial management			
8.14.1	A review of data processing, data protection and data sharing work to be undertaken by the Information Governance team.	Chief Digital Officer	The audit of Council information assets and handling is continuing as planned, with higher risk items identified and addressed. Upon completion of the Information Asset Audit, there will be an ongoing review of these information assets and council processing activities as 'Business as Usual' to provide adequate assurance of

Ref (action)	Improvement Action to be undertaken during 2023/2024	Responsible Officer	Progress During 2023/2024
			compliance Data Processing, Data Protection and Data Sharing.
Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability			
9.5.1	Work to deliver governance awareness training across the council is ongoing and will continue during 2023/2024 to ensure appropriate training takes place with council officers.	Head of Legal & Democratic Services	Governance training has been rolled out throughout the council and in 2023/2024 four sessions were held for officers. The training has also now been incorporated into the corporate training programme for new accountable managers and sessions provided as part of training provided in that forum.

Table 2 - Governance Improvement Action Plan – 2024/2025

Ref (action)	Improvement Action to be undertaken during 2024/2025	Responsible Officer
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law		
1.1.3 Page 177	<ul style="list-style-type: none"> i. Ensure all members attend annual refreshers in respect of the Members Code of Conduct undertaken by the Monitoring Officer; ii. Ensure all Group Leaders make Standards and Ethics a standing item on their political group meeting agendas; iii. Ensure all members are completing their declarations of gifts and hospitality, including where such gifts and hospitality are declined; iv. Encourage Group Leaders to consider bi-annual meetings with the Monitoring Officer to discuss standards and ethics and how they can work together to promote standards within their political groups; v. A series of guidance documents be circulated to all members in respect of key conduct matters such as declarations of interest, predetermination, conduct case studies and key information for members. 	Head of Legal & Democratic Services
1.2.2	Progress recommendations made by Audit Wales as a result of the Springing Forward: Strategic Workforce report.	Head of People & Organisational Development
1.3.4	Continue with future training of officer groups in the significance of the member and officer relations protocol.	Head of Legal & Democratic Services
1.4.10	The Contract Procedure Rules and Standing Orders will be updated to take into account the requirements of the Procurement Act 2023.	Head of Legal & Democratic Services

Ref (action)	Improvement Action to be undertaken during 2024/2025	Responsible Officer
2.1.1	Corporate Procurement to monitor and evaluate compliance looking at what approach sections adopt. Head of Legal Democratic Services to report annually to the Corporate Governance Group.	Head of Legal & Democratic Services
Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits		
5.1.1	Reset the council's Corporate Performance Management Framework (CPMF).	Strategic Manager - Policy & Executive Support
5.4.1	Further strengthen the council's risk management arrangements.	Strategic Manager - Policy & Executive Support
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
6.1.1	Further refine the council's annual self-assessment process.	Strategic Manager - Policy & Executive Support
6.9.1	Further development of a medium term financial strategy.	Director of Finance
Principle F: Managing risks and performance through robust internal control and strong public financial management		
8.14.1	A review of Data Processing, Data Protection and Data Sharing work to be undertaken by the Information Governance team.	Chief Digital Officer
Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability		
9.5.1	Develop an assurance framework to monitor and review the council's key systems, documents and processes as set out in the Code of Corporate Governance.	Strategic Manager - Policy & Executive Support

Signed:

Chief Executive: Karen Jones

Date:

Signed:

Leader of the Council: Cllr Steve Hunt

Date:

Financial Management Code of Self-Assessment

CIPFA issued a new code, The FREM, which sets out the standards of financial management for local authorities. Adoption of the Code commenced in April 2021. This appendix provides a self-assessment which has been approved by Corporate Directors Group and provides assurance that the financial management of the council are being met.

Section 1: The Responsibilities of the Director of Finance and the Leadership Team

Standard Reference	Financial Management	Rating (Red / Amber / Green)
A	The Leadership Team is able to demonstrate that the services provided by the authority provide value for money.	<p>The Auditor General examines whether the council has put in place arrangements to get value for money for the resources it uses, and has to be satisfied that it has done this. The 2023 Annual Audit Summary issued by Audit Wales identified no issues in relation to value for money.</p> <p>RAG Rating = Green</p>
B	The authority complies with the CIPFA Statement on the Role of the Director of Finance in Local Government.	<p>We comply with the requirements of the code. The Director of Finance is a CIPFA qualified accountant with over 20 years of local government experience. Reports directly to Director of Finance and sits on the Leadership Team, influencing material decisions and ensuring financial implications are provided in all reports. The Director of Finance is responsible for maintaining and resourcing an effective Internal Audit service and leads on risk management.</p> <p>RAG Rating = Green</p>

Section 2: Governance and Financial Management Style

Standard Reference	Financial Management	Rating (Red / Amber / Green)
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	<p>The council adopts the Nolan principles as can be evidenced in the Annual Governance Statement (AGS). The AGS was signed off by Audit Wales as part of the accounts audit process.</p> <p>RAG Rating = Green</p>
D	The authority applies CIPFA/ SOLACE Delivering Good Governance in Local Government: Framework 2016.	<p>The Governance & Audit committee reviews the adequacy of Governance arrangements of the authority, reviewing the AGS and receiving risk management updates.</p> <p>RAG Rating = Green</p>
E	The financial management style of the authority supports financial sustainability.	<p>Audit Wales Annual Audit Summary for 2023 concluded that the council is financially stable, helped recently by additional Welsh Government funding, but needs to develop a sustainable plan to address cost pressures and close its medium-term funding gap in an increasingly challenging financial climate.</p> <p>RAG Rating = Amber</p>

Section 3: Long to Medium-Term Financial Management

Standard Reference	Financial Management	Rating (Red / Amber / Green)
F	The authority has carried out a credible and transparent financial resilience assessment.	<p>The budget setting for 2023/2024 includes a statement relating to the robustness of the estimates used in calculating the budget requirement and indicates the budget process has been prepared in conjunction with officers. It also identifies the risk areas that will be actively managed during the financial year.</p> <p>RAG Rating = Green</p>
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	<p>The council has developed a Medium Term Financial Plan (MTFP) to 2027/28 and are in the process of finalising the 2028/2029 MTFP.</p> <p>RAG Rating = Green</p>
H	The authority complies with the Prudential Code for Capital Finance in Local Authorities	<p>The authority complies will all elements of the Prudential Code.</p> <p>RAG Rating = Green</p>
I	The authority has a rolling multi-year financial plan with sustainable service plans	<p>During 2021/2022 the council developed its medium-term financial plan, work is ongoing in finalising 2028/2029 MTFP. Service recovery plans have been developed and are being monitored and updated annually.</p> <p>RAG Rating = Green</p>

Section 4: The Annual Budget

Standard Reference	Financial Management	Rating (Red / Amber / Green)
J	The authority complies with its statutory obligations in respect of the budget setting process	<p>The council complies with its statutory obligations in respect of the budget setting process as set out in the Local Government Finance Act (1992). A legal and balanced budget set by the council by the statutory deadline was approved by Council on 2nd March 2023. The council is aware of the circumstances under which a S114 notice should be issue.</p> <p>RAG Rating = Green</p>
K	The budget report includes a statement by the Director of Finance on the robustness of the estimates on the adequacy of the proposed financial reserves.	<p>The budget setting report comments upon the robustness of the estimates included therein and a balanced affordable budget has been set. The reserves are reported within the budget setting process and monitored throughout the financial year. The council agreed a general reserves policy which states reserves should be maintained at circa 4% of the net revenue budget.</p> <p>RAG Rating = Green</p>

Section 5: Stakeholder Engagement and Business Plans

Standard Reference	Financial Management	Rating (Red / Amber / Green)
L	The authority has engaged with key stakeholders where appropriate in developing its long term financial strategy, medium term financial plan and annual budget.	<p>Key stakeholders are consulted on key projects for example stakeholder views were sought when developing the corporate plan.</p> <p>Member workshops are run at budget setting. Cabinet approved the consultation process with stakeholders on the draft budget. Consultation responses are reported to Council.</p> <p>RAG Rating = Green</p>
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	<p>An investment proposal template has been created and utilised. More work is needed to refine the processes around agreement and priority of the investment appraisals put forward.</p> <p>RAG Rating = Amber</p>

Section 6: Monitoring Financial Performance

Standard Reference	Financial Management	Rating (Red / Amber / Green)
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	<p>Monthly reports are considered by budget holders and reported to the Corporate Directors Group. Quarterly Finance revenue and capital reports are presented to Cabinet.</p> <p>Treasury management reports are taken to Cabinet on a quarterly basis, any significant issues identified are reported to Senior Management Team</p> <p>RAG Rating = Green</p>
O	The leadership team monitors the elements of its balance sheet that pose a significant to its financial sustainability.	<p>The balance sheet is monitored by the relevant service department accountants as part of the budget monitoring process. With the balance sheet being reviewed by the Director of Finance as part of the closure of accounts process.</p> <p>RAG Rating = Green</p>

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Section 7: External Financial Reporting

Standard Reference	Financial Management	Rating (Red / Amber / Green)
P	The Director of Finance has personal and statutory responsibility for ensuring that the statement of accounts produced by the local	The Director of Finance's responsibilities are set out in the "Statement of responsibilities" within the Statement of accounts. This clearly sets out that the Director of Finance is responsible for the preparation of the council's Statement of Accounts in accordance with proper practices as set out by the Code of Practice on Local Authority Accounting in the United Kingdom. The annual audit letter confirms

	authority complies with the Code Practice in Local Authority Accounting in the United Kingdom.	that the statement of accounts have been prepared on time and in accordance with the code of practice. RAG Rating = Green
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.	The outturn figures are reported to Corporate Directors Group and Cabinet and is included in the narrative report of the Statement of Accounts. RAG Rating = Green

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12th JULY 2024

Report of the Director of Strategy & Corporate Services

Noelwyn Daniel

Matter for Information

Wards Affected – All wards

Register of Regulators Reports & Recommendations.

Purpose of the Report

To provide the Governance & Audit Committee with an updated Register of Regulators Reports and Recommendations.

Background

This report presents a summary of the reports issued by external review bodies since March 2024 and an updated Register of Regulators Reports (Appendix 1).

National Reports

1. **Supporting Ukrainians in Wales (March 2024)**

The report looks at how the Welsh Government worked with partners to plan for the arrival of Ukrainians. It focuses primarily on the Welsh Government's super sponsor scheme and considers overall spend in 2022-23 compared with initial estimates. It also describes UK Government funding flowing to, and/or through, the Welsh Government for the super sponsor scheme and other elements of the UK Government's Homes for Ukraine scheme.

4 recommendations were made for Welsh Government, these can be found via the link in appendix 1.

Local Reports

2. Neath Port Talbot Council Annual Audit Summary 2023 (March 2024)

Audit Wales has published its Annual Audit Summary for Neath Port Talbot Council. It shows the work completed since the last Annual Audit Summary, which was issued in March 2023. The Audit Summary forms part of the Auditor General for Wales' duties and is on the agenda for this meeting of the Governance and Audit Committee.

Financial Impact

There are no financial impacts in respect of this item.

Integrated Impact Assessment

There is no requirement for an integrated impact assessment in respect of this item.

Valleys Communities Impacts

There are no impacts in respect of this item.

Workforce impacts

There are no workforce impacts in respect of this item.

Legal Impacts

There are no legal impacts in respect of this item.

Risk Management

There are no risk management issues in respect of this item.

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendation

It is recommended that:

- The Governance & Audit Committee note the reports issued by the Council's external review bodies since January 2024 and the updated Register of Regulators Reports and Recommendations.

Appendix

- Appendix 1 – Register of Regulators Reports

Background Papers

None

Officer Contact

For further information on this report item, please contact:

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Neath Port Talbot Council - Springing Forward - Strategic Management of Assets	<p>R2 Strategic asset management planning and delivery</p> <ul style="list-style-type: none"> Once the Council has agreed its new Corporate Asset Management Strategy it should develop the supporting arrangements to ensure that it has sufficient corporate oversight and a consistent approach to the delivery of its asset objectives across the organisation. 	Nicola Pearce	3 Recommendations	Dec-23	26.01.2024	Local	TBC	TBC	21.03.2024	TBA
Neath Port Talbot Council - Springing Forward - Strategic Workforce Management (2021-2022)	<p>R3 Strategic asset management governance and monitoring</p> <ul style="list-style-type: none"> To ensure that the Council is able to understand the progress its asset management strategy and arrangements are making and how those are helping to deliver and achieve its Well-being Objectives, it will need to assure itself that its current governance arrangements are sufficient to effectively monitor its progress. To ensure that it can better understand the progress it is making around its assets, and to determine if it is delivering value for money, the Council needs to: <ul style="list-style-type: none"> develop and communicate regular progress monitoring reports; develop a broader set of asset related measures; and look for opportunities to benchmark itself against other organisations 	Noelwyn Daniel	2 recommendation	Dec-23	26.01.2024	Local	Cabinet	14.02.2024	21.03.2024	TBA
Neath Port Talbot Council - Review of Scrutiny	<p>R1 Workforce planning and delivery:</p> <ul style="list-style-type: none"> To ensure there are progression pathways for staff and there is resilience around its business-critical roles, the Council should ensure all services have succession plans and have identified their business-critical roles. <p>R2 Workforce governance and monitoring:</p> <ul style="list-style-type: none"> To have a better understanding of the impact of its workforce strategy the Council should develop measures that focus on outcomes and impacts in addition to inputs. The Council should build on its benchmarking with the Chartered Institute of Personnel and Development and consider where there may be opportunities to benchmark its measures and metrics with its peers to ensure it can identify areas of good practice and potential areas for improvement. To enable the Council to have a clearer understanding of the progress it is making towards meeting its workforce ambitions the Council should assure itself that the Organisational Delivery Board is providing effective oversight and driving integration across related programmes of work. <p>R1 Current model and role of scrutiny: The Council should review its current model for scrutiny to ensure scrutiny can fulfil its broader range of roles and responsibilities. Any revised model should ensure there are opportunities for scrutiny to engage in its wider roles, including for example, in relation to: Policy development – Performance monitoring – Holding cabinet members to account throughout the decision-making process – Following up outcomes of previous recommendations or decisions Public engagement</p> <p>R2 Public Engagement - The Council's scrutiny model should be more citizen focused by strengthening its arrangements for public involvement and engagement in scrutiny. This should include ensuring greater transparency and timeliness about which items will be on the scrutiny committee agendas; and using existing engagement and consultation work to inform its scrutiny work including consideration of scrutiny topics, as part of its scrutiny reviews, in holding cabinet members and decisions to account, and in its performance monitoring roles.</p> <p>R3 Planning and work programme - To enable the scrutiny model to be more citizen focused, the Council should review its arrangements for the way in which scrutiny is planned to ensure scrutiny can independently plan and strategically prioritise its own work programme.</p> <p>R4 Support - The Council should review the type of scrutiny support it requires across all areas of the organisation including service areas, to enable scrutiny to perform its wider role and ensure that any resourcing implications arising from any changes to the scrutiny model are understood and planned for.</p> <p>R5 Evaluation - The Council should strengthen its arrangements for assessing the effectiveness and impact of scrutiny.</p>	Noelwyn Daniel	5 recommendations	Nov-23	26.01.2024	Local	Council	20.03.2024	TBC	TBA
Audit Wales Equality Report 2022-23	No recommendations listed	N/A	No recommendations	Nov-23	26.01.2024	National	N/A	N/A	N/A	N/A

Neath Port Talbot Council - Digital Strategy Review	R1 Monitoring benefits: If the Council continues with the approach of not stating a timeframe to deliver its Digital, Data and Technology strategy, it should put in place arrangements to: – clearly articulate its short, medium and long term outcomes and intended benefits; – cost its short, medium and long term ambitions and match them with available resources; and – assess if it is delivering the strategy and its intended outcomes at the intended pace.	Noelwyn Daniel	1 recommendation	Oct-23	26.01.2024	Local	Cabinet	28.11.2023	21.03.2024	N/A
Audit Wales Interim Report 2023-2024	No recommendations listed	N/A	No recommendations	Oct-23	26.01.2024	National	N/A	N/A	N/A	TBA
Neath Port Talbot Council - Setting of Well-being Objectives	In order to support the effective delivery of and accountability for its WBOs, the Council should: • develop a clearer understanding of when and how partners will support the delivery of its WBOs; • ensure its MTFs 2023-2027 clearly considers how the Council's resources support the delivery of its WBOs and identifies how any future financial risks or savings might impact on the delivery of its WBOs; and • ensure that as it refreshes its CPMF, it looks for opportunities to develop more outcome-focused metrics that will enable it to measure its crosscutting WBOs.	Noelwyn Daniel	1 recommendation	Sep-23	12.10.2023	Local Letter	Cabinet	20.09.2023	21.03.2023	TBA
Approaches to achieving net zero across the UK	No Recommendations listed - report shared with relevant officers	Nicola Pearce	No recommendations	Sep-23	12.10.2023	National	N/A	N/A	N/A	N/A
Springing Forward: Lessons for our work on workforce and assets	No Recommendations listed - report shared with relevant officers. Awaiting draft local report.	Noelwyn Daniel	No recommendations	Sep-23	12.10.2023	National	N/A	N/A	N/A	N/A
Cracks in the Foundations' - Building Safety in Wales	<p>R1 The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties. This should include: • clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes; • a specific timetable for development and adoption of Welsh guidance to ensure local authorities and others can deliver their duties; and • the Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.</p> <p>R2 The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks. Recommendations page 12 'Cracks in the Foundations' – Building Safety in Wales Recommendations</p> <p>R3 The Welsh Government should review the mixed market approach to building control and conclude whether it continues to be appropriate and effective in keeping buildings in Wales safe. This should: • assess the status quo against potential changes, such as the model of delivery in Scotland; • be framed around a SWOT analysis of costs, benefits, threats, and risks; • draw on existing research to identify good practice; and • be published and agree a way forward.</p> <p>R4 The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by: • creating a national performance framework with clear service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny. • developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publication, as well as coverage of priorities, such as: - a greater focus on trainees to mitigate succession risks; - establishing aligned, national job roles matched to competency levels; - increasing the diversity of the sector to ensure it reflects modern Wales; and - specific funding to enable surveyors to obtain and maintain competence should also be considered. • the Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency. page 13 'Cracks in the Foundations' – Building Safety in Wales Recommendations</p> <p>R5 Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act. The Plans should: • be based on an assessment of local risks and include mitigation actions; • set out how building control services will be resourced to deliver all their statutory responsibilities; • illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and • include outcome measures that are focused on all building control services, not just dangerous structures.</p>		4 recommendations for local authorities / 4 recommendations for Welsh Government	Aug-23	12.10.2023	National		12.10.2023		

	<p>R6 Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include: • establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations; • annually reporting and publishing financial performance in line with the Regulations; • ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and • revise fees to ensure services are charged for in accordance with the Regulations.</p> <p>R7 Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities, establishing joint ventures and/or adopting a regional model where beneficial. page 14 'Cracks in the Foundations' – Building Safety in Wales Recommendations R8 Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny</p> <p>R8 Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.</p>									
Audit Wales Annual Plan 2023-2024	No Recommendations listed	N/A	No recommendations	Apr-23	16.06.2023	National	N/A	N/A	N/A	N/A
Digital inclusion in Wales	No Recommendations listed	N/A	No recommendations	Mar-23	16.06.2023	National	N/A	N/A	N/A	16.06.2023
Neath Port Talbot Council - Annual Audit Summary 2022	No Recommendations listed	Karen Jones	No recommendations	Mar-23	16.06.2023	Local Letter	Council	26.04.2023	N/A	N/A
Neath Port Talbot Council - Assurance and Risk Assessment 2021-22 Financial Position Update	No Recommendations listed	Huw Jones	No recommendations	Jan-23	17.03.2023	Local Letter	Cabinet	17.05.2023	16.06.2023	16.06.2023
Together we can' - Community Resilience and Self-Reliance	<p>R1 To strengthen community resilience and support people to be more self-reliant, local authorities need to ensure they have the right arrangements and systems in place. We recommend that local authorities use the evaluation tool in Appendix 2 to: • self-evaluate current engagement, management, performance and practice; • identify where improvement is needed; and • draft and implement an action plan with timeframes and responsibilities clearly set out to address the gaps and weaknesses identified in completing the evaluation tool.</p> <p>R2 To help local authorities address the gaps they identify following their self-evaluation, we recommend that they: • formally approve the completed Action Plan arising from the evaluation exercise; • regularly report, monitor and evaluate performance at relevant scrutiny committees; and • revise actions and targets in light of the authority's evaluation and assessment of its performance</p>	TBD	2 recommendations for local government	Jan-23	17.03.2023	National	Cabinet	TBD	16.06.2023	16.06.2023
A Missed Opportunity' – Social Enterprises	<p>R1 To get the best from their work with and funding of Social Enterprises, local authorities need to ensure they have the right arrangements and systems in place. We recommend that local authority officers use the checklist in Appendix 2 to: • self-evaluate current Social Enterprise engagement, management, performance and practice; • identify opportunities to improve joint working; and • jointly draft and implement an action plan with timeframes and responsibilities clearly set out to address the gaps and weaknesses identified through the self-evaluation</p> <p>R2 To drive improvement we recommend that the local authority: • formally approve the completed Action Plan; • regularly report, monitor and evaluate performance at relevant scrutiny committees; and • revise actions and targets in light of the authority's evaluation and assessment of its performance</p> <p>R3 To ensure the local authority delivers its S.16 responsibilities to promote Social Enterprises we recommend that it reports on current activity and future priorities following the evaluation of its Action Plan including the Annual Report of the Director of Social Services.</p>	TBD	3 recommendations for local government	Dec-22	12.01.2023	National	N/A	TBD	16.06.2023	17.03.2023
A Picture of Flood Risk Management	No Recommendations listed	N/A	No recommendations for local government	Dec-22	12.01.2023	National	N/A	N/A	N/A	N/A
Poverty in Wales data tool	No Recommendations listed	N/A	No recommendations for local government	Nov-22	12.01.2023	National	N/A	N/A	N/A	N/A

"Time for Change" – Poverty in Wales	<p>R2 In Paragraphs 2.13 – 2.23 and Paragraphs 3.33 – 3.35 we highlight that councils and partners have prioritised work on poverty, but the mix of approaches and a complicated delivery landscape mean that ambitions, focus, actions and prioritisation vary widely. We highlight that evaluating activity and reporting performance are also variable with many gaps. We recommend that the councils use their Wellbeing Plans to provide a comprehensive focus on tackling poverty to co-ordinate their efforts, meet local needs and support the revised national plan targets and actions. This should: • include SMART local actions with a greater emphasis on prevention; • include a detailed resourcing plan for the length of the strategy; • be developed with involvement from other public sector partners, the third sector, and those with experience of poverty; • include a robust set of consistent outcome indicators and measures to increase understanding of poverty locally; and • be subject to annual public reporting to enable a whole system view of poverty locally to help improve delivery and support</p>									
	<p>R3 In Paragraph 2.23 we note that just over a third of councils have lead members and lead officers for addressing poverty. Given the importance of effective leadership in driving the poverty agenda forward and breaking silos within councils and between public bodies, we recommend that each council designate a cabinet member as the council's poverty champion and designate a senior officer to lead and be accountable for the anti-poverty agenda.</p>									
	<p>R5 In Paragraphs 3.2 – 3.6 we highlight that people in poverty are often in crisis, dealing with extremely personal and stressful issues, but they often find it difficult to access help from councils because of the way services are designed and delivered. We recommend that councils improve their understanding of their residents' 'lived experience' through meaningful involvement in decision-making using 'experience mapping' and/or 'Poverty Truth Commissions' to review and improve accessibility to and use of council services.</p>									
	<p>R6 In Paragraph 3.14 we highlight the difficulties people in poverty face accessing online and digital services. To ensure people are able to get the information and advice they need, we recommend that councils optimise their digital services by creating a single landing page on their website that: • is directly accessible on the home page; • provides links to all services provided by the council that relate to poverty; and • provides information on the work of partners that can assist people in poverty</p>	N/A	2 recommendations for Welsh Government / 6 recommendations for local government	Oct-22	12.01.2023	National	Cabinet	TBD	16.06.2023	17.03.2023
	<p>R7 In Paragraphs 3.15 and 3.16 we note that no council has created a single gateway into services. As a result, people have to complete multiple application forms that often record the same information when applying for similar services. We highlight that whilst it is important that councils comply with relevant data protection legislation, they also need to share data to ensure citizens receive efficient and effective services. We recommend that councils: • establish corporate data standards and coding that all services use for their core data; • undertake an audit to determine what data is held by services and identify any duplicated records and information requests; • create a central integrated customer account as a gateway to services; • undertake a data audit to provide refresher training to service managers to ensure they know when and what data they can and cannot share; and • review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities</p>									
<p>R8 In Paragraphs 3.27 to 3.32 we set out that while all councils undertake some form of assessment to determine the likely socio-economic impact of policy choices and decisions, approaches vary and are not always effective. We recommend that councils review their integrated impact assessments or equivalent to: • ensure that they draw on relevant, comprehensive and current data (nothing over 12 months old) to support analysis; • ensure integrated impact assessments capture information on: - involvement activity setting out those the service has engaged with in determining its strategic policy such as partners, service users and those it is co-producing with; - the cumulative impact/mitigation to ensure the assessment considers issues in the round and how it links across services provided across the council; - how the council will monitor and evaluate impact and will take corrective action; and - an action plan setting out the activities the Council will take as a result of the Integrated Impact Assessment</p>										
Assurance and Risk Assessment Progress – Carbon Reduction	<p>In order to meet its net zero ambition the Council needs to fully cost its action plan and ensure that it is aligned with its Medium Term Financial Plan.</p>	Nicola Pearce	1 recommendation for local government	Oct-22	12.01.2023	Local Letter	Environment, Regeneration and Streetscene Services Cabinet Board	20.01.2023	17.03.2023	17.03.2023

Care Home Commissioning for Older People	No Recommendations listed	N/A	2 recommendations for Welsh Government / No recommendations for local government	Dec-21	12.01.2023	National	N/A	N/A	N/A	N/A
Audit of NPT's Assessment of Performance (Dec 21) (Public Pack)Agenda Document for Cabinet, 12/01/2022 14:01 (npt.gov.uk)	No Recommendations listed	N/A	No recommendations	Dec-21	12.01.2023	Local	Cabinet	12.01.2022	N/A	N/A

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

12th JULY 2024

Annual Report of the Governance and Audit Committee 2023/24

Matters for Information

Wards Affected

All Wards

Governance & Audit Committee Annual Report 2023/24

Purpose of the Report

To update Members on the work undertaken by the Governance and Audit Committee for the Civic year 2023/24.

- Background

To provide an overview of the work of the Committee for 2023/24.

Financial Impacts

No impact.

Integrated Impact Assessment

- There is no requirement to undertake an Integrated Impact Assessment.
- Valleys Communities Impacts
- No impact.
- Workforce Impacts
- No impact.
- Legal Impacts
- No implications.
-
- Risk Management Impacts
- No impact

Consultation

- There is no requirement for external consultation on this item.
- Recommendation

- That Council note and endorse the Governance and Audit Committee Annual report as detailed in Appendix 1.
 - Reason for Decision
 - To update Members on the work of the Governance and Audit Committee for 2023/24
 - Implementation of Decision
 - This report will be for immediate implantation.
- Appendices:
- Appendix 1. Chairs Annual report
 - Appendix 2. Committee Terms of Reference

Officer Contact:

J Jenkins – Chair of the Governance and Audit Committee
E-mail j.jenkins8@npt.gov.uk

**Governance and Audit Committee – Draft Annual Report 2023-2024
To be presented to the Governance and Audit Committee on the 12th July
2024**

Introduction

This report summarises the work undertaken by the Governance and Audit Committee (the Committee) of Neath Port Talbot County Borough Council (the Council) during the 2023-2024 Civic Year.

The Committee is a regulatory committee. It is a decision making forum providing independent assurance on the adequacy and effectiveness of the risk management framework; internal control environment; performance assessment; complaints handling; and the integrity of the financial reporting and governance processes. It focusses on matters to do with Assurance; Governance; Accountability; Risk Management; and Independence.

The Terms of Reference for the Committee can be found at **Appendix 2** of this report.

Membership

The Committee consisted of eight councillor members and four lay members: Councillors A Aubrey, A Richards, M Spooner, O Davies, P D Richards, P Rogers, R Mizen, and W Carpenter; and Voting Lay Members A Bagley, M Owen, H Griffiths, and J Jenkins.

The Committee Chair and Deputy Chair are elected annually. They were Joanna Jenkins (Chair) and Helen Griffiths (Deputy).

Sadly, Cllr Marcia Spooner died on the 30th October 2023. She had been a diligent member of the Committee: her death is a great loss to the community and to the County Borough of Neath Port Talbot. The Committee also noted the untimely death of a previous long standing member, Cllr Sheila Penry.

Work Programme

While the Committee's forward work programme is agreed by members on a rolling basis, the work is often driven by statutory requirements and by events as they emerge.

The Committee met five times during the year. The meetings, held via Microsoft Teams / Hybrid in the Council Chamber Council Chamber, were filmed and made available for viewing on the Council's internet site.

The Chair and officers attended Welsh Local Government Association training sessions in October 2023 and March 2024.

Specific Duties and Tasks Undertaken by the Committee

In order to discharge their duties in respect of audit services, the Committee considered a large number of documents during the Civic Year. Documents received and discussed by the Committee included:

- An updated version of the Register of Regulators' Reports and Recommendations. The report provided an overview of the regulators' reports received since the previous Governance and Audit Committee; and noted what actions had been taken to address recommendations.
- The Council's Draft Annual Governance Statement 2022-2023. The statement assured the Committee of the Council's robust governance procedures.
- A six monthly Annual Governance statement update report. The report updated the Corporate Governance Improvement Action Plan for 2023-24.
- The Council Audited Statement of Accounts 2022- 23.
- Audit Wales presented the main findings of the Audit of Accounts 2022-23. The report highlighted the Auditor General's intention, as the statutory external auditor for most of the Welsh public sector, to issue an unqualified audit report.

- A report regarding the 2022-23 Statement of Accounts. The report had been prepared following completion of the external audit and the receipt of the final Statement of Accounts 2022-23.
- The final 2022-23 Statement of Accounts; the Letter of Representation; and the Annual Governance Statement. The meeting authorised the Chair to sign the Statement of Accounts and the Letter of Representation.
- The Corporate Risk Management Policy.
- A revised version of the Anti-Fraud and Corruption Strategy.
- The Internal Audit Annual Report 2022/23. The report provided assurances on the audit work undertaken and the governance arrangements. Officers confirmed that this year the Head of Internal Audit had issued “a reasonable assurance” rating. Noting that assurance can never be absolute, it was noted that this is the highest possible rating.
- The Chair’s Draft Governance and Audit Committee Annual Report 2022-23. The Chair subsequently presented the Governance and Audit Committee Annual Report 2022-2023 to Full Council.
- Audit Wales’ Setting of Well-being Objectives report together with the organisational response to the report.
- The Compliments and Complaints Annual Report 2022-23.
- The Treasury Management Monitoring 2023-24 report. Having already been presented for consideration to the Cabinet, the document set out treasury management action and information. A further update monitoring report was also presented to the Committee in line with the Committee’s terms of reference.
- An Internal Audit External Quality Assessment update report. To comply with Public Sector Internal Standards, an external assessment must be carried out every five years by an external party. This latest assessment, undertaken by a Conwy County Council assessor, saw the assessor award the highest level of conformance available to them.

- The Council's Strategic Risk Register.
- The Draft Self-Assessment 2022-23 – a means of keeping performance under review.
- Audit Wales presented a review of the effectiveness of the Council's scrutiny arrangements. Having conducted an initial, baseline, audit of the scrutiny arrangements in 2018 this latest review, which contained five recommendations, suggested that 'the Council is missing areas of opportunity for scrutiny to maximise its impact, its influence and effectiveness in holding Cabinet to account.'
- Audit Wales presented a Strategic Approach to Digital Service report. The report was positive but concluded that, while the Council had an integrated and well-articulated digital strategy, it lacked a clear delivery period making it more difficult for the Council to assess progress and value for money.
- Details of the Draft Internal Audit Strategy and Risk Based Plan for 1st April 2022 to 31st March 2023; and the current Internal Charter were presented and approved by the Committee.
- Audit Wales presented quarterly updates detailing a summary of the work undertaken by external regulators and inspectorates.
- Members received details of the internal audit work undertaken on a quarterly basis. The reports included details of new and ongoing special investigations.
- Audit Wales – Strategic Workforce Management – NPTCBC Organisational Response Report.

Joanna Jenkins
Chair, Governance and Audit Committee

Terms of Reference

The Governance and Audit Committee has been required to discharge, with delegated authority, the following functions since March 2021:

- review and scrutinise the authority's financial affairs, including approval of the Annual Statement of Accounts;
- make reports and recommendations in relation to the authority's financial affairs;
- review and assess the risk management, internal control and corporate governance arrangements of the authority;
- make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements;
- oversee the authority's internal and external audit arrangements, including internal and external audit work plans, receive, review and make reports on audit work and performance;
- review the financial statements prepared by the authority;
- review and assess the authority's ability to handle complaints effectively and make reports and recommendations in relation to the authority's ability to handle complaints effectively.

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Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

GOVERNANCE AND AUDIT COMMITTEE

12th JULY 2024

REPORT OF THE CHIEF ACCOUNTANT TECHNICAL & GOVERNANCE (Head of Internal Audit) – DIANE MULLIGAN

Matter for Information

Wards Affected:

All Wards

2023/24 Annual Internal Audit Report

1. Purpose of the report

The purpose of this report is to provide the committee with the Head of Internal Audit's (HIA) Annual Opinion on the internal controls, governance and risk management arrangements operating within the Council during the financial year 2023/24. It also provides details of the work undertaken by the Internal Audit Service during 2023/24 and achievement against the plan.

2. Background

- 2.1 The Public Sector Internal Audit Standards (The Standards) define Internal Audit as an independent, objective assurance and consulting activity designed to add value and improve an organisation's objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

- 2.2 The Standards require the HIA to provide an annual internal audit assurance statement which informs the Annual Governance Statement. The annual internal audit opinion must reflect the overall adequacy and effectiveness of the internal controls, governance and risk management arrangements operating within the Council; provide a summary of the audit work undertaken; draw attention to any issues which have impacted the assurance provided; provide a summary of the service's performance and comment on the service's conformance with The Standards.

3. Assurance Statement

- 3.1 In accordance with The Standards the HIA is required to provide a statement of assurance on the systems of internal control, governance and risk management arrangements operating within the Authority.
- 3.2 A total of 62 audit were undertaken during the year of which 20 received a substantial assurance rating, 23 reasonable assurance rating 5 a limited assurance rating and 1 no assurance. The remaining audits were of the type that do not require an assurance rating e.g. special investigations / grant audits.

No significant cross directorate control issues have been identified which would impact on the Council's overall control environment and any weaknesses identified were service specific. All recommendations made were accepted by management and no issues were found during the post audit review process.

- 3.3 No recommendations were made by external regulators in relation to governance matters in the year.
- 3.4 Following the work carried out by Internal Audit via the risk based audit plan approved by the Governance & Audit Committee; the assurance ratings applied to individual audit assignments and reported to Governance & Audit Committee; the acceptance and implementation of internal audit recommendations by management; the overall coverage of internal audit work and considering other sources of assurance provided by external agencies. The HIA's opinion

is that **reasonable assurance** can be given that there have been no major weaknesses noted in the relation to the internal control systems, governance arrangements and risk management processes operating within the Council.

- 3.5 It must be stressed that in providing this annual audit opinion that assurance can never be absolute, the most that the HIA can provide to this committee is reasonable assurance that there are no major weaknesses in the internal control systems examined during the year.

4. Internal Audit Performance

- 4.1 During 2023/24 the section again lost a substantial amount of time, 336 audit days, due to staff sickness and vacancies. The sickness and vacancy had an obvious effect on performance and required a revised audit plan to be approved by committee in January 2024. Despite the loss of days the team achieved the following:
- 60 % of high risk audits were undertaken
 - 100% of medium to low risk audits were undertaken
 - 81% of the plan was achieved
 - 100% of recommendations were accepted and there were no significant issues identified during Post Audit Reviews in relation to the recommendations being implemented
 - A total of 62 formal audit reports were issued
 - 60% of client satisfaction surveys issued were completed
 - 100% of clients audited rated the services as good from a choice of good, satisfactory, unsatisfactory or poor.
- 4.2 Appendix 1 provides a comparison of the work undertaken against the work planned.
- 4.3 In addition to the formal audits undertaken, which resulted in a report being issued, the team provided advice and guidance on an ongoing basis to staff across the Council; attended working parties/task and finish groups/project boards and provided advice on new systems being implemented.

5. Conformance with The Standards

- 5.1 The Standards which became effective on 1st April 2013 introduced a requirement that each internal audit service be externally quality reviewed every 5 years. The latest review of this Council's internal audit service was finalised in August 2023 and concluded that the service generally conforms to The Standards, there is no higher rating.
- 5.2 The standards mandate that each service must maintain a Quality Assurance & Improvement Programme (QAIP) which is intended to aid the raising of standards within the service. The current QAIP is attached as appendix 2.
- 5.3 The organisational independence of the service remains unchanged. Both the HIA and the Audit Manager are 3rd tier officers who have unrestricted access to the Chair of this committee, the Chief Executive and all Chief Officers. The day to day management of the service is undertaken by the Audit Manager and the HIA has no input into the content of any audits undertaken in areas also managed by her.
- 5.4 On an annual basis all members of the team make an annual declaration in relation to land or property within the county borough in which they have an interest; any personal relationships with other Council employees or members; any outside business interests and any gifts or hospitality accepted or declined. Additionally they sign a declaration acknowledging that they have received a copy of The Standards Code of Ethics and agree to conform to its principles.

6. Integrated Impact Assessment

There is no requirement to undertake an Integrated Impact Assessment as this report is for monitoring/information purposes.

7. Valley Community Impacts

No implications.

8. Work Force Impacts

No implications.

9. Legal Impacts

No implications.

10. Risk Management Impacts

The work of Internal Audit is key in relation to ensuring compliance with internal controls and good governance. This work forms part of the Council's overall risk management arrangements.

11. Consultation

There is no requirement for external consultation on this item.

12. Recommendation

Having due regard to the Integrated Impact Assessment it is recommended that members note the information contained within this report.

13. Reason for proposed recommendation

To ensure compliance with the Public Sector Internal Audit Standards and the Council's governance framework.

14. Appendices

Appendix 1 – Internal Audit Plan Year End Position

Appendix 2 – Quality Assurance & Improvement Programme

Officer Contacts

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Anne-Marie O'Donnell, Audit Manager
am.odonnell@npt.gov.uk tel. 01639 763628

Appendix 1 - Audit Plan Year End Position

Audit Plan Item	Risk Rating	Year-end position as at 31st March 2024
Ethics – Members(carried forward from 22/23)	M	Audit not completed at year-end to be finalised quarter 1 2024/25
Payroll	H	Not complete at year-end carried forward to 2024/25
Council Tax	L	Completed via Controlled Risk Self-Assessment
Housing Benefits	L	Completed via Controlled Risk Self-Assessment
National Non-Domestic Rates	M	Completed via Controlled Risk Self-Assessment
Debtors	L	Completed via Controlled Risk Self-Assessment
Creditors (monthly checks)	M	Monthly checks completed
Creditors	M	Audit Completed
Risk Management	M	Not completed at year-end carried forward to 2024/25
Direct Payments (added from contingency budget)	H	Audit Complete
Capital Programme	H	The Audit Manager has continued to attend meetings of the Capital Programme Steering Group
Court Deputy Service (added at request of Chief Finance Officer)	H	Audit Complete
Licencing	M	Audit Complete
Cyber Security	H	Audit not completed at year-end to be finalised quarter 1 2024/25
Glamorgan Education Trust Grant & any other grants received	M	Audit Complete
Primary Schools	M	All planned completed
Comprehensive Schools	H	All planned completed
Safe Recruitment in Comprehensive Schools	M	Audit Complete

Audit Plan Item	Risk Rating	Year-end position as at 31st March 2024
Leisure Services Insourcing	H	All meetings attended
Stores	H	Audit complete
Waste Costs	H	Audit not completed at year-end to be finalised quarter 1 2024/25
Waste Transfer Station (added from contingency budget)	H	Audit Complete
Supported Living Arrangements	H	Audit not completed at year-end to be finalised quarter 1 2024/25
Follow up on use of respite care (carried forward from 22/23)	M	Audit Complete
Disabled Facilities Grants	M	Audit Complete
Homelessness to include youth homelessness	H	Carried Forward to 2024-25 due to ongoing sickness
Community Independence Team	M	Audit Complete
Procurement Cards	H	Audit Complete
Officers Declarations	M	Audit Complete
Mandatory Training (added from contingency budget following concerns raised)	H	Audit Complete
National Fraud Initiative (NFI)	H	A number of reports investigated
Staff Association/Lottery	Not applicable	Advice has been given and bonus draws attended.
Vision Impaired West Glamorgan	Not applicable	Audit Complete
FOI requests	Not applicable	All received have been answered.
Attendance at working parties & task & finish groups	Not Applicable	Various attended.
Advice & Guidance requests	Not applicable	Ongoing

Quality Assurance & Improvement Programme (QAIP)

The QAIP should be based on the following to ensure compliance with the standards:

- Work undertaken by auditors is supervised and reviewed.
- An internal review of the quality of work undertaken and compliance with The Standards should be undertaken annually.
- External quality reviews should be undertaken at least every 5 years by an independent qualified person to assess the quality of the work undertaken and compliance with the Standards.

Internal Assessment

The following processes are in place to assess the quality of work and inform any potential training needs:

- Internal audit work programmes are devised by the Audit Manager or the Senior Auditor and loaded onto our internal audit management system. Each audit clearly states the audit objectives, risks, expected controls and audit testing to be undertaken. This approach is only varied by agreement with the Audit Manager.
- Every audit is reviewed by the Audit Manager or Senior Auditor and any review points added to the system for the auditor to respond to before the draft report is reviewed.
- All draft reports are reviewed by the Audit Manager before they are issued.
- The HIA undertakes periodic dip sampling of audits undertaken.
- All audits are allocated to staff based on their experience and skill set.
- A client satisfaction survey is issued to the accountable manager of the service audited following the audit. These are returned under confidential cover to the Chief Finance Officer before being shared with the Audit Manager. Any issues identified from the questionnaires are dealt with by the Audit Manager.
- A number of KPIs are maintained all of which are recorded via the audit management system and collated by the Senior Auditor.
- Regular 1:1 meetings are held between all staff and the Audit Manager where workloads, training needs and any identified issues are discussed.

- Staff regularly undertake training and have all completed the mandatory NPT training courses.
- 2 members of the team are currently studying for the Chartered Internal Auditor qualification.
- On a quarterly basis progress against the plan is reported to the Governance & Audit Committee.
- It is intended that going forward the HIA will complete an annual assessment using the guidance contained within CIPFAs Local Government Application Note

- **External Assessment**

An external assessment of compliance with the Standards must be undertaken at least every 5 years and can be either an internal self-assessment which is subject to external evaluation or a full external quality assessment.

The preferred method is an internal self-assessment independently reviewed and reported upon. This is facilitated via the Welsh Chief Auditors Group and our review has been undertaken by Conway County Borough Council.

The findings of the review were reported in full to the Governance Audit Committee.

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

12th JULY 2024

REPORT OF THE DIRECTOR OF FINANCE

Matter for Information

Wards Affected – All wards

Closure of Accounts 2023/24

Purpose of the Report

The purpose of this report is to present the Council's Draft (unaudited) Statement of Accounts for 2023/24 to committee for information purposes.

Background

The Council's financial year ends on 31st March and following this date, the exercise starts to complete the annual outturn and the statutory statement of accounts.

The Council prepares its revenue and capital position which provides financial information reflecting the structure and operations of the Council. A draft statement of accounts is also prepared to comply with the current Accounting Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Accounts and Audit (Wales) regulations requires the responsible financial officer to sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the Council by 31 May 2024 and following this certification that published audited statement of accounts should be completed by 31 July 2024.

Following the pandemic and audit issues raised in 2020/21 there has been some disruption in the standard accounts preparation timetable for a number of years. Audit Wales (AW) have recently provided their 2024 Audit Plan in which they have indicated that the proposed finalisation for the current year sign off will be November 2024.

The Accounts and Audit (Wales) Regulations 2014 already make provision for an authority having to delay preparing and publishing their annual financial accounts. By virtue of regulation 10(4) authorities are able to include a note on websites to say why they haven't prepared or published their accounts within existing deadlines to comply with legislation.

Closure of Accounts 2023/24

The draft (unaudited) statement of accounts are included in Appendix 1, the statements were signed and certified by the Director of Finance on 31st May 2024 and subsequently passed to Audit Wales.

The statements are now subject to audit by Audit Wales culminating in them being approved by Committee and signed by the Chair of this Committee once the audit has been completed.

Summary

The Draft Statement of Accounts for 2023/24 are forwarded to Governance & Audit Committee for information and review.

Financial Impact

All financial impacts are contained within the body of the report.

Integrated Impact Assessment

There is no requirement for an integrated impact assessment in respect of this item.

Valleys Communities Impacts

There are no impacts in respect of this item.

Workforce impacts

There are no workforce impacts in respect of this item.

Legal Impacts

There are no legal impacts in respect of this item.

Risk Management

There are no risk management issues in respect of this item.

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendations

It is recommended that Members of the Governance and Audit Committee **note** the contents of the report.

Appendix

Appendix 1 –Draft (Unaudited) Statement of Account 2023/24

Background Papers

Outturn / Closing working papers 2023/24

Officer Contact

For further information on this report item, please contact:

Mr Huw Jones, Director of Finance

E-mail: h.jones@npt.gov.uk

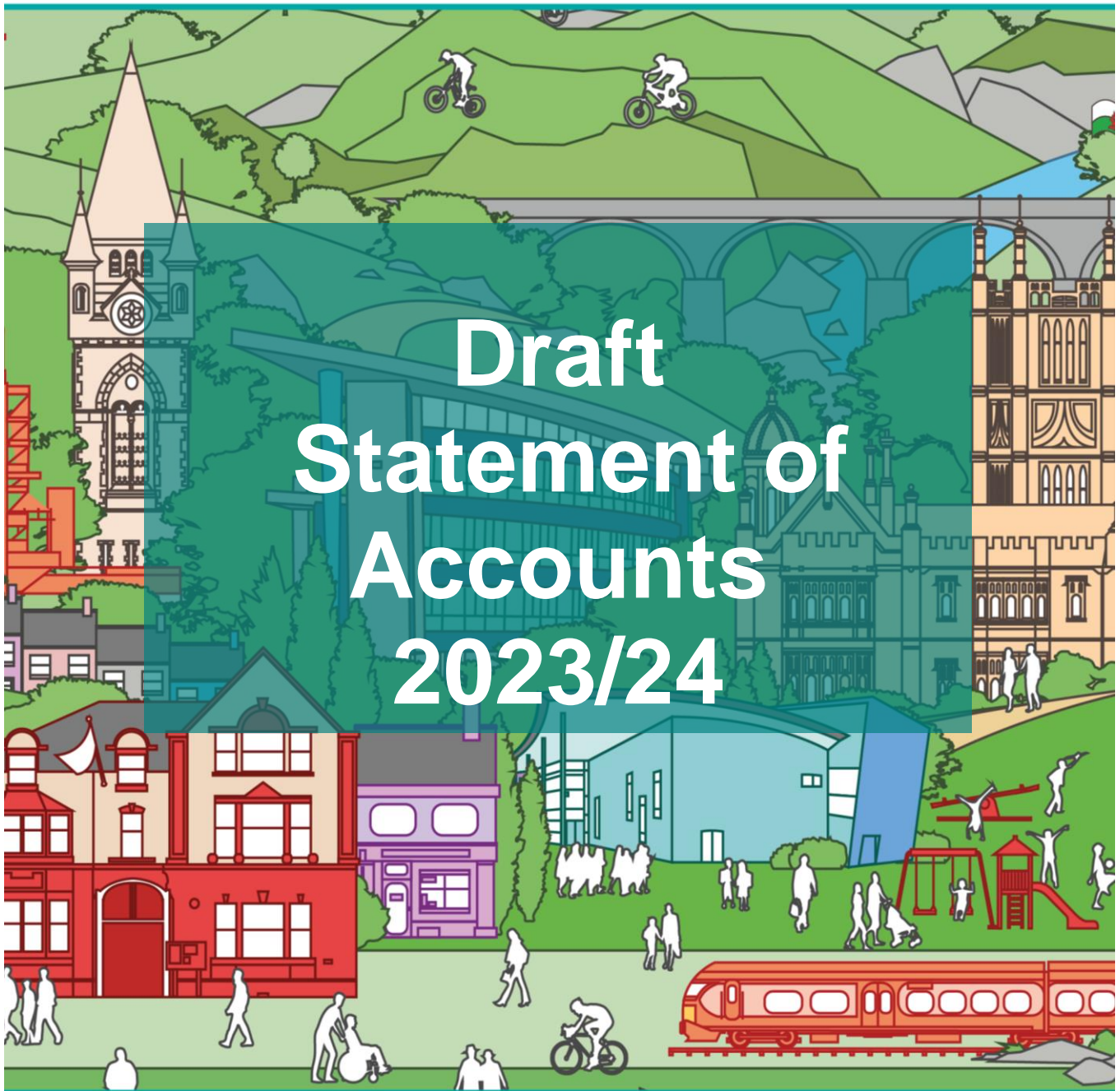
Mrs Diane Mulligan, Chief Accountant – Technical & Governance

E-mail: d.mulligan@npt.gov.uk

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Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council



Draft Statement of Accounts 2023/24

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NARRATIVE REPORT

1. INTRODUCTION

This report presents the 2023/24 Statement of Accounts for Neath Port Talbot County Borough Council. It sets out our financial performance for the past year and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Our Services and the Way We Work

Neath Port Talbot County Borough covers over 170 square miles. It is home to around 141,000 people living and working in more than 64,000 households in communities across the County Borough.

The Council provides a variety of services supporting local communities on a daily basis, a number of which are shown below:

<p>Education, Leisure & Lifelong Learning</p> <ul style="list-style-type: none"> • Primary, Secondary & Special Schools • School Catering • Adult Education • Youth Services • Libraries • Theatres and Leisure 	<p>Social Services, Health & Housing</p> <ul style="list-style-type: none"> • Homecare • Residential Care • Supporting Children & Vulnerable Adults with Disabilities • Homelessness • Disabled Facility Grants
<p>Environment</p> <ul style="list-style-type: none"> • Highways Maintenance • Street Lighting • Building Control • Planning and Economic Development • Waste Management • Food Hygiene and Trading Standards • Pest Control • Cemeteries & Crematoria • Waste Collection, Recycling & Disposal 	<p>Strategy & Corporate Services</p> <ul style="list-style-type: none"> • Council Tax Support & Administration • Licencing • Finance and Human Resources • Customer and Digital Services • Legal Services
<p>Other Housing Services</p> <ul style="list-style-type: none"> • Housing Benefit Support and Administration 	<p>Other Corporate Services</p> <ul style="list-style-type: none"> • Precepts, Levies and Contributions • Other Corporate Initiatives

NARRATIVE REPORT

The Council is made up of 60 locally elected councillors who represent 34 divisions of Neath Port Talbot. The constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure decisions are efficient, transparent and accountable to local people. Council appoint a leader of the Council who appoints Cabinet Members, each with a responsibility for a specific portfolio of services.

The role of Cabinet is:

- to be responsible for most major decisions;
- provide leadership;
- propose the budget framework and subsequent budget.

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

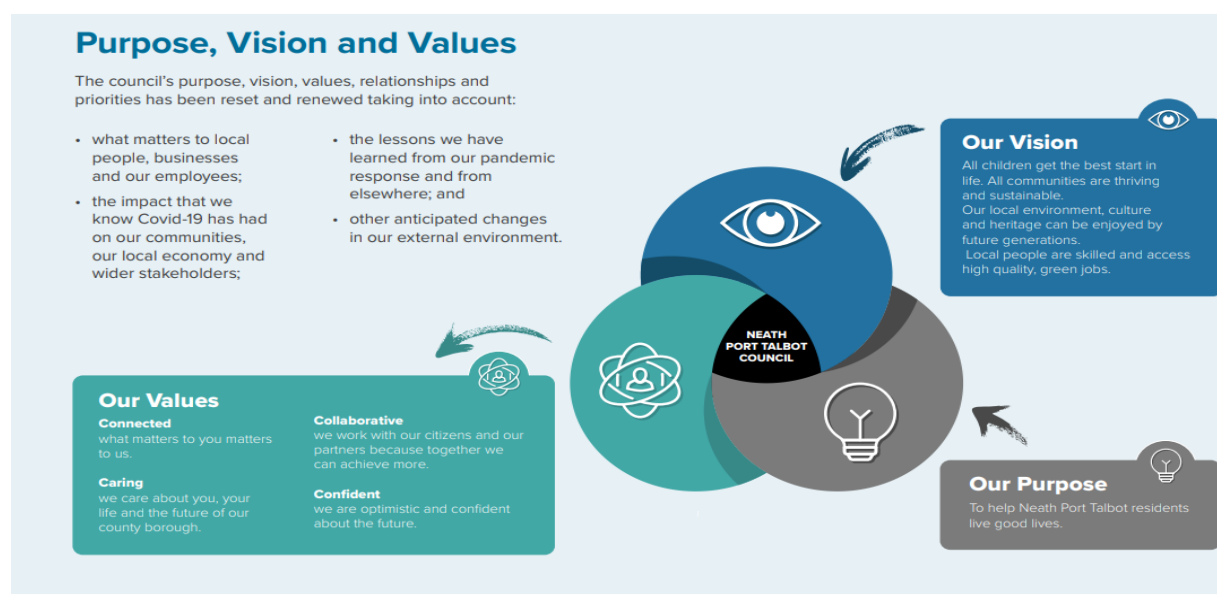
- Monitoring decisions of the Cabinet
- Allowing all Councillors, citizens and stakeholders to have a say in matters concerning the Council
- Producing reports and recommendations to support development of policies and decision
- Having the ability to review a decision that has been made but not yet implemented

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

During 2023/24 the Council's Management Team was led by the Chief Executive and included Corporate Directors and the Chief Finance officer, (including the monitoring Officer and Section 151 Officer). The Chief Finance officer post was redesignated to Director of Finance in May 2024. They are responsible for:

- providing impartial advice on policy and implementing decisions of the Cabinet and Council; and
- delivery of services and performance

The Council's purpose, vision, values, relationships and priorities are set out in the corporate plan 2022-2027 and strategic change programme 2023-2027.



NARRATIVE REPORT

Our continued commitment to the Strategic Change Programme will drive forward the work we are undertaking to achieve our vision. This is organised at three levels:

Strategic level – we will continue to implement a strategic change programme to ensure we are embracing a ‘one council’ strategic approach to achieving the vision. The key well-being objectives include:

- All children get the best start in life
- All communities are thriving and sustainable
- Our local environment, heritage and culture can be enjoyed by future generations
- Our jobs and skills - local people are skilled and can access high quality, green jobs
- Enabling Programme – Organisational Development

Corporate level - corporate strategies will be realigned to support the achievement of the vision and the delivery of the strategic change programme.

Operational level - Every service and function within the council will align their service recovery plans to maximise their contribution to achieving the vision that we have set.

2. ACCOUNTING STATEMENTS

The statement of accounts is made up of a number of statements that are accompanied by explanatory notes. The following paragraphs provide an explanation of the purpose of the information included within these statements.

Statement of Responsibilities

This sets out the respective responsibilities of the Authority and the Section 151 officer for the preparation and approval of the Statement of Accounts.

Expenditure and Funding Analysis

The expenditure and funding analysis starts by showing how annual expenditure is used and funded from resources, such as government grants, council tax and business rates. It then updates this position to show those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between directorates, which reflect the Council’s management structure. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the comprehensive income and expenditure statement.

Comprehensive Income and Expenditure Statement (CIES)

This shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations and this may be different from the accounting cost. The taxation position is shown in the movement in reserves statement.

NARRATIVE REPORT

Movement in Reserves Statement

This shows the movement in the year on the different reserves held by the Authority, analysed into usable reserves, that is, those that can be applied to fund expenditure or reduce local taxation and other unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Authority's services, more details of which are shown in the comprehensive income and expenditure statement. These are different from the statutory amounts required to be charged to the general fund balance.

Balance Sheet

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

Cash Flow Statement

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

NARRATIVE REPORT

3. REVENUE SPENDING IN 2023/24

The Authority's budget requirement for 2023/24 was set at £361m. Actual spending compared to the budget was as follows:

Neath Port Talbot Management Accounts	Original Budget £000	Revised Budget £000	Outturn £000	Variance Under / (Over) £000
Directly Controlled Expenditure				
Delegated Schools Budget	102,086	102,086	102,086	-
Education, Leisure and Lifelong Learning	31,677	31,847	31,846	1
Social Services, Housing and Community Safety	105,572	106,909	108,449	(1,540)
Environment	46,262	47,288	47,719	(431)
Finance, Strategy and Corporate Services	21,357	21,673	21,673	-
Directly Controlled Expenditure	306,954	309,803	311,773	(1,970)
Levies and Contributions	10,203	10,203	10,361	(158)
Capital Financing	19,608	19,607	19,095	512
Council Tax Support	19,413	19,413	18,952	461
Contingency	8,294	5,451	4,116	1,335
Other Expenditure	57,518	54,674	52,524	2,150
Contribution from General Fund Working Balance & Reserves	(3,500)	(3,500)	1,169	(4,669)
Total Budget	360,972	360,977	365,466	(4,489)
Funded by:				
Revenue Support Grant / Non Domestic Rates	276,691	276,696	276,696	-
Less Discretionary Rate Relief	(387)	(387)	(175)	(212)
Council Tax - Neath Port Talbot	84,668	84,668	84,668	-
TOTAL FUNDING	360,972	360,977	361,189	(212)
NET BUDGET SURPLUS / (DEFICIT) TO BALANCES				(4,701)
General Fund Working Balance				
Opening Working Balance 1st April				(20,151)
Movement in Working Balance				4,701
Closing Working Balance 31st March				(15,450)

NARRATIVE REPORT

4. CAPITAL SPENDING IN 2023/24

	Actual £000
Capital Investment	39,129
The expenditure was financed by:	
Government Grants and Other Contributions	(22,682)
Loans	(13,864)
Capital Receipts	(465)
Direct Revenue Contributions and Reserves	(2,118)
	(39,129)

The capital investment figure of £39.129 includes £38.689m incurred directly by the Council and £440k incurred on behalf of the Council by Caerphilly CBC. Caerphilly CBC are acting on behalf of all Welsh Authorities in purchasing schools Information and Communication Technology infrastructure as part of the Welsh Governments HWB Programme. Whilst the expenditure is being incurred by Caerphilly, for accounting purposes each Authority is required to reflect their element within their Statement of Accounts.

5. EXTERNAL DEBT

At the year end, the Authority's total external debt was £269.920m which excludes accrued interest of £2.563m that is included within debt in the balance sheet. Sources of borrowing include the Public Works Loan Board and banks for long term borrowing and other financial institutions for short term borrowing.

6. RESERVES AND BALANCES AT 31ST MARCH 2024

The Authority holds both General and Earmarked Reserves. Earmarked reserves are set aside to support specified future revenue expenditure while the General Reserve is available to support the Authority against unexpected events and emergencies. Reserves held by the authority are as follows:

	Actual £000
Earmarked Reserves to Support Revenue Expenditure	58,650
General Reserve Working Balances	15,450
Total General Reserve Balance	74,100

7. REVALUATION OF ASSETS

The net book value of assets increased during 2023/24 by £4.692m There was a £16.9m gain relating to the revaluation of assets undertaken by the Director of Environment / Strategic Property and Valuation Manager.

The Authority's property, plant and equipment are valued on a five year rolling programme by the Director of Environment / Strategic Property and Valuation Manager in accordance with the Royal Institute of Chartered Surveyors Statements of Asset Valuation Practice.

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The significant assumption applied when estimating the fair value of property, plant and equipment is that the asset will continue in its existing use. Where there is a market value for the asset, its value will be determined with reference to the market, but in instances where no market exists for an asset, depreciated replacement cost, which is the current cost of replacing an asset with the modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation, will be used as the basis of valuation.

During 2023/24, the following categories of assets were revalued:

- Bus Facilities were valued as at 1st December 2023 on a Current Value Depreciated Replacement Cost basis;
- Car Park were valued as at 1st December 2023 on a Current Value Existing Use basis;
- Garage Compounds, Plots and Domestic Garages were valued as at 1st January 2024 on a Current Value Existing Use Valuation basis;
- Outdoor Leisure Facilities were valued as at 1st February 2024 on a Current Value Depreciated Replacement Cost and Current Value Existing Use basis;

During 2023-24 not all assets valued under the Depreciated Replacement Cost basis have been fully revalued, only those in the current cycle were revalued in line with our accounting policy, whilst those assets not within the current cycle were only partially revalued. This partial revaluation exercise was undertaken to reflect the current economic climate and the increase in construction costs relating to these asset valuations.

Assets held for sale are valued annually and two assets with a value of £4.850m were valued at 31st March 2024.

8. INTERNATIONAL ACCOUNTING STANDARD 19 - PENSIONS

The accounts comply with the requirements of the above standard with the revenue accounts reflecting the current year cost of pension provision to employees as advised by the pension fund actuary. The balance sheet contains the actuary's assessment of the Authority's share of the pension fund liability at 31st March.

At 31st March 2024 there was a pension fund surplus of £103.86m for the Funded Pension Scheme. Following IAS19 restrictions, the asset ceiling has a nil value and additional liability of £29.95m due to a minimum funding requirement being recognised. The deficit or surplus changes on an annual basis dependent on the performance of investments and the actuarial assumptions that are made in terms of current pensioners, deferred pensioners and current employees.

The Unfunded Pension Funds deficit at 31st March 2024 is £23.85m.

The fund is subject to a 3 yearly actuarial valuation which assesses the then state of the pension fund and advises the various admitted bodies on the appropriate rate of employers contributions that needs to be made in order to restore the fund to a balanced position over a period of time. The contribution rate used in 2023/24 relates to the valuation undertaken on 31st March 2022.

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The Local Government Pension Scheme is a statutory scheme and, as such, benefits accruing under the scheme can only be changed by legislation. The Department for Communities and Local Government legislated for a new scheme which commenced in April 2014 which was designed to have a material and beneficial effect on the projected cost of the scheme over future years.

9. SIGNIFICANT PROVISIONS

The Authority holds four significant provisions:

- An insurance provision of £3.756m to cover the likely cost of settling outstanding insurance liabilities. This is made up of a long term provision of £2.442m and a short term provision of £1.314m.
- A provision of £0.923m for housing warranties following the transfer of the Housing stock to Tai Tarian in March 2011.
- A provision of £0.129m to provide the costs of early retirements and redundancies which have been agreed by 31st March 2024, with leaving dates during 2024/25.
- A provision of £1.565m for site restoration costs and landscaping relating to the landfill site at Giants Grave Briton Ferry following the transfer of the landfill site to the Council.

10. IMPACT OF CURRENT ECONOMIC CLIMATE ON THE AUTHORITY

The Public Sector has faced a sustained period of real term reductions in funding levels with Neath Port Talbot Council securing reductions in the revenue budget in excess of £100m in real terms since 2008. As well as finding genuine efficiencies and economies in the cost of services and functions (as has been the case in other councils) the scale of austerity measures imposed by the UK Government has also seen deep cuts in services and jobs, particularly in those services delivered under discretionary powers.

2023/24 has proved to be a period characterised by challenges on several fronts, including:

- The economic shock that arose from the illegal war waged by the Russian Government on Ukraine with its associated energy and general inflation impacts;
- Exceptional workload demands arising from the legacy of the Covid-19 pandemic;
- Additional workload demands arising from the Cost of Living crisis;
- Pay awards agreed in excess of funds made available from the Government;
- Continuing supply chain disruption arising from Covid-19 and the wider impacts of BREXIT;
- Structural changes in the labour market creating recruitment and retention challenges across many occupational groups;
- A substantial programme of policy initiatives arising from the Labour-Plaid Cymru Co-operation Agreement;
- Local policy initiatives prioritised by the Council;
- Significant new investor interest.

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The budget agreed for 2023/24, following consultation, was set at £361m and provided for an increase in unavoidable costs of £42.189m (unfunded pay awards from 2022-23; pay awards and inflation in 2023/24; and unavoidable pressures). This was funded by £14.352m net savings across the revenue budget; the use of £3.5m general reserves; the use of £1.4m from the leisure specific reserve; an increase in council tax of 4.5% (which in part provided for an increase in the Mid and West Wales Fire and Rescue Authority levy equivalent to 1.8% on council tax); and an increase in the council tax collection rate).

In proposing the budget strategy for 2023/24, members of council were advised that a number of significant risks would need to also be managed in-year and that the prospects over the medium term were challenging, estimating a further £48 million pressures over the four year period 2024-28. A number of areas for review were highlighted to inform the development of the budget strategy for future years, including:

- Further work to review the Council's accommodation portfolio, delivered in phases;
- Work to reduce energy consumption, improve energy efficiency and to accelerate the move to renewable energy sources;
- A review of the Council's fleet and wider transport arrangements;
- A series of reviews to examine external commissioning and procurement spend;
- Further re-basing of the Council budget to reflect changes to the operating model;
- Re-modelling of statutory services to meet the needs of our population differently and at lower cost;
- Work to re-model discretionary services with a focus on alternative income and efficiency;
- Further automation of services and functions;
- Consideration of increased council tax rates for empty properties and second properties.

The work outlined above has been progressed throughout this financial year. Additionally, officers have reviewed all of the budget ideas submitted as part of the 2023-24 public consultation exercise and which were noted in the final budget report.

In terms of service pressures, the most recent data suggests that demands in many areas of the Council continue to be at increased volume and in many instances increased complexity.

In setting the budget, Members consider the requirement of delivering its statutory services, as well as those other services that the public and users have come to expect. The challenge is to set a budget at activity levels that are sustainable and equitable. Members also have to consider the demand for services and changes to these services in light of the impact on:

NARRATIVE REPORT

- Service users
- Employees
- Legislation including the Equality Act 2010 and Wellbeing of Future Generations (Wales) Act 2015 considerations
- Income generation
- Council tax level

The Council has set a budget of £376.599m for 2024/25. This includes increased funding of 2.8% from the Welsh Government and an increase of 7.9% in council tax.

Overall, the budget proposals protect service levels and jobs, maintaining stability across the Council at a time when there is considerable volatility and uncertainty in the external operating environment. The proposals recognise that demand across the Council remains at a very high level as a result of:

- More people seeking help and support following the pandemic period, many with more complex needs, particularly in housing, social services and education;
- Levels of investment interest with a number of significant planning applications and prospective developments happening in the same broad time frame.

Medium Term Financial Outlook

The current medium term financial outlook for local authorities in Wales is challenging to say the least. The Welsh Government have recently indicated that the local government settlement for 2025/26 is likely to be 'cash flat' at best.

The latest outlook from the Wales Fiscal Analysis team includes the following observation:

'local authority finances appear to be on an unsustainable path, with the funding gap growing in each year of the projection'.

In terms of the Council's Medium Term Financial Plan (MTFP) a budget gap of circa £48m by 2028/29 is being forecast. This increase is a mix of pay/inflation, service pressures and demographic demand. Since the Medium Term Financial Plan was prepared the Welsh Government have provided forecasts which are far worse than previously modelled which will increase this gap significantly.

11. GROUP ACCOUNTS

There is a requirement for local authorities to produce group accounts to recognise material financial or controlling interests in companies, voluntary organisations, public bodies, etc. An assessment was made of all such interests and this did not identify any relationship which is considered material, therefore, group accounts have not been prepared.

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12. CHANGE IN ACCOUNTING POLICIES

Changes in accounting policies are made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance.

13. FURTHER INFORMATION

Further information relating to the accounts can be obtained from the Director of Finance, Neath Port Talbot County Borough Council, Civic Centre, Port Talbot, SA13 1PJ.

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 2023/24 for this Authority this officer was the Chief Finance Officer, whose post was redesignated as Director of Finance from May 2024 ;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the statement of accounts.

Chief Finance Officer Responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practice as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- ensured that the accounts show a true and fair view of the financial position of the Authority as at the date of preparation and of its expenditure and income for the year ended 31st March 2024.



Director of Finance (Section 151 Officer)
31st May 2024

EXPENDITURE AND FUNDING ANALYSIS

2022/23			2023/24			
Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
133,137	20,073	153,210	Education, Leisure & Lifelong Learning	142,572	14,953	157,525
100,092	8,489	108,581	Social Services, Health & Housing	112,877	1,243	114,120
47,660	28,871	76,531	Environment	47,128	14,167	61,295
21,794	2,756	24,550	Corporate Services	23,225	(573)	22,652
(377)	86	(291)	Other Housing Services	(57)	80	23
33,658	(11,774)	21,884	Other Central Services	36,072	(11,040)	25,032
335,964	48,501	384,465	Net Cost of Services	361,817	18,830	380,647
(322,140)	(767)	(322,907)	Other Income & Expenditure	(344,967)	(11,361)	(356,328)
13,824	47,734	61,558	(Surplus) or Deficit	16,850	7,469	24,319
104,774			Opening General Fund Balance	90,950		
(13,824)			In year movement Surplus / (Deficit)	(16,850)		
90,950			Closing General Fund Balance	74,100		

Further information in relation to the adjustments column in the expenditure and funding analysis can be found in note 4.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2022/23			2023/24				
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000	£000
210,199	(56,989)	153,210	Education, Leisure & Lifelong Learning		209,378	(51,853)	157,525
154,994	(46,413)	108,581	Social Services, Health & Housing		170,855	(56,735)	114,120
106,456	(29,925)	76,531	Environment		97,970	(36,675)	61,295
27,811	(3,261)	24,550	Corporate Services		25,854	(3,202)	22,652
40,771	(41,062)	(291)	Other Housing Services		42,166	(42,143)	23
25,505	(3,621)	21,884	Other Central Services		27,368	(2,336)	25,032
565,736	(181,271)	384,465	Cost of Services		573,591	(192,944)	380,647
25,448	-	25,448	Other Operating Expenditure	8	28,262	-	28,262
22,871	(1,523)	21,348	Financing & Investment Income & Expenditure	9	12,545	(3,436)	9,109
-	(369,703)	(369,703)	Taxation and Non-specific Grant Income	10	-	(393,699)	(393,699)
614,055	(552,497)	61,558	(Surplus) or Deficit on Provision of Services		614,398	(590,079)	24,319
		(46,329)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	20			(15,086)
		(426,870)	Actuarial (Gains)/Losses on Pension Assets/Liabilities	20			6,361
		(473,199)	Other Comprehensive (Income) & Expenditure				(8,725)
		(411,641)	Total Comprehensive (Income) & Expenditure				15,594

MOVEMENTS IN RESERVES STATEMENT

	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000
Balance at 31st March 2022	104,774	8,702	20,857	134,333	72,692	207,025
Movement in Reserves during 2022/23						
Total Comprehensive Income and Expenditure.	(61,558)	-	-	(61,558)	473,199	411,641
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 6).	47,734	(3,062)	(3,509)	41,163	(41,163)	-
Increase/(Decrease) in Year	(13,824)	(3,062)	(3,509)	(20,395)	432,036	411,641
Balance at 31st March 2023	90,950	5,640	17,348	113,938	504,728	618,666
Movement in Reserves during 2023/24						
Total Comprehensive Income and Expenditure.	(24,319)	-	-	(24,319)	8,725	(15,594)
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 6).	7,469	(200)	(3,485)	3,784	(3,784)	-
Increase/(Decrease) in Year	(16,850)	(200)	(3,485)	(20,535)	4,941	(15,594)
Balance at 31st March 2024	74,100	5,440	13,863	93,403	509,669	603,072

BALANCE SHEET

31st Mar 2023 £000		Note	31st Mar 2024 £000
914,274	Property, Plant and Equipment	11	918,966
995	Heritage Assets		995
10,086	Long Term Investments	12	10,086
589	Long Term Debtors	12	420
925,944	Long Term Assets		930,467
43,900	Short Term Investments	12	26,142
1,980	Assets Held for Sale	16	4,850
802	Inventories		828
60,894	Short Term Debtors	13	47,953
6,792	Cash and Cash Equivalents	15	4,609
114,368	Current Assets		84,382
(22,869)	Short Term Borrowing	12	(10,135)
(51,598)	Short Term Creditors	17	(61,585)
(1,083)	Short Term Provisions	18	(1,443)
(75,550)	Current Liabilities		(73,163)
(16,567)	Long Term Creditors	12	(17,536)
(274,954)	Long Term Borrowing	12	(262,348)
(51,620)	Other Long Term Liabilities	35	(53,800)
(2,956)	Long Term Provisions	18	(4,930)
(346,097)	Long Term liabilities		(338,614)
618,665	Net Assets		603,072
(113,938)	Usable Reserves	19	(93,403)
(504,727)	Unusable Reserves	20	(509,669)
(618,665)	Total Reserves		(603,072)

CASH FLOW STATEMENT

2022/23 £000		Note	2023/24 £000
(61,558)	Net Surplus or (Deficit) on the Provision of Services.		(24,319)
97,054	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements.	21a	62,444
(17,967)	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities.	21b	(18,393)
17,529	Net Cash Flows from Operating Activities.	*	19,732
247	Investing Activities.	22	3,360
(15,322)	Financing Activities.	23	(25,275)
2,454	Net Increase or Decrease in Cash and Cash Equivalents.		(2,183)
4,338	Cash and Cash Equivalents at the Beginning of the Reporting Period.		6,792
6,792	Cash and Cash Equivalents at the End of the Reporting Period.	15	4,609

* The cash flows for operating activities include the following items:

2022/23 £000		2023/24 £000
(1,269)	Interest Received	(3,495)
10,450	Interest Paid	10,192

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

i. General Principles

The statement of accounts summarises the Council's financial transactions for 2023/24 and its position at 31st March 2024. The Council is required to prepare an annual statement of accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended by The Accounts and Audit (Wales) (Amendment) Regulations 2018), in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS). The accounts are prepared on a going concern basis.

ii. Recognition of Income and Expenditure

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

- revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the balance sheet.
- services received (including employees services) are recorded as expenditure when the services are received, rather than when payments are made.
- interest receivable on investments and payable on borrowing is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Government grants and third party contributions are recognised when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and that grant monies and contributions will be received. Where conditions attached to grants and contributions remain outstanding, monies received to date are carried forward in the balance sheet as creditors (receipts in advance) until the conditions have been satisfied.
- where revenue and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts are not considered collectable, the balance is reduced by a provision for doubtful debts.

iii. Changes in accounting policies and prior period adjustments

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

NOTES TO THE ACCOUNTS

iv. Property, Plant and Equipment (PPE)

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.

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis subject to a de-minimus limit of £10,000, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains, but does not add to an asset's potential to deliver future economic benefits or service potential, such as repairs and maintenance, is charged as an expense when it is incurred.

Assets are initially measured at cost, comprising of the purchase price and any costs attributable to bringing the asset to an operational condition. The Council 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, that is estimated at highest and best use from a market participant's perspective. Where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are carried in the balance sheet using the following measurement basis:

Asset type	Measurement basis	Latest Full Revaluation year	Depreciation basis (straight line unless not finite usable life)
Other operational land and buildings	Existing use value or depreciated replacement cost if no market based evidence.	Rolling programme across five years	Land n/a Buildings 3 to 40 years
Vehicles, Plant, Furniture and Equipment	Existing use value or depreciated historical cost if of low value or short life.	n/a	5 to 20 years
Infrastructure assets	Depreciated historical cost.	n/a	40 years
Community assets	Depreciated historical cost.	2019/20	5 to 40 years
Surplus assets	Fair value.	2020/21	5 to 40 years
Assets under construction	Depreciated historical cost	n/a	n/a
Assets held for sale	Revalued immediately before reclassification.	Annually	n/a
School assets	Depreciated replacement cost (modern equivalent asset).	2021/22	Land n/a Buildings usually 50 years, though varied for agreed closures
Service Concession	Existing use value or depreciated replacement cost if no market based evidence.	2022/23	Land n/a Buildings 3 to 40 years

NOTES TO THE ACCOUNTS

Revaluations

The Council's internal valuer undertakes this exercise in accordance with the professional standards of the Royal Institution of Chartered Surveyors. Assets included in the balance sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years. The Council must balance the requirement to include asset values at their fair or current value each year end with the costs involved in providing valuations. To ensure the information is materially correct, the Council valuer undertake an annual review to identify any significant impairments or change in the usage of assets.

The revaluation reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

Impairment and Downward Revaluation

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired in value because of a change in service potential or significant and permanent changes to the market value.

- Where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the revaluation reserve, the carrying amount of the asset is written down against the relevant service lines in the comprehensive income and expenditure statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines 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.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the balance sheet is written off to the other operating expenditure line in the CIES against any receipts arising from the disposal as a gain or loss on disposal. If more than £10,000 is received at disposal, this is treated as a capital receipt and kept in a reserve that can only be used for capital purposes.

Componentisation

Where a single asset may have a number of different components, each having a different useful life, three factors are taken into account to determine whether a separate valuation of components is to be recognised in the accounts in order to provide an accurate figure for depreciation.

These factors are:

- materiality with regards to the Council's financial statements. Componentisation will only be considered for individual non land assets that have a net book value of more than £2.5m or 0.5% of total net book value.

NOTES TO THE ACCOUNTS

- significance of component. For individual assets meeting the above threshold, where services within a building, such as boilers, heating, lighting, ventilation, etc., are a material component of the cost of that asset, i.e. greater than 30%, then those services will be valued separately on a component basis.
- difference in rate or method of depreciation compared to the overall asset. Only those elements that normally depreciate at a significantly different rate from the non-land element as a whole, or that require a different method of depreciation will be identified for componentisation.

Assets that do not meet the test above can be disregarded for componentisation on the basis that any adjustment to depreciation charges would not result in a material misstatement in the accounts.

v. Charges to Revenue for Non-Current Assets

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

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

vi. Financial Instruments

These are recognised in the balance sheet when the Council becomes a party to the contractual provisions and are initially measured at fair value.

Financial liabilities are carried at their amortised cost. For most of the Council's borrowing, it means that the amount presented in the balance sheet is the outstanding principal repayable, plus accrued interest. Annual interest, which is the amount payable for the year according to the loan agreement, is charged to the financing and investment income and expenditure line within the comprehensive income and expenditure statement. The Council has spread the cost of historical premiums and discounts arising from debt rescheduling over the term of the replacement loan. The reconciliation of amounts charged to the comprehensive income and expenditure statement to the net charge required against the general fund balance is managed by a transfer to or from the financial instruments adjustment account in the movement in reserves statement.

Financial assets are classified to reflect the business model for holding the financial assets and their cash flow characteristics and are held at fair value. The Council's investments at 31st March 2024 had no impairment allowance included for these financial assets, as the risk is immaterial. The Council's debtor position, excluding council tax, is included within the financial assets statement. These debts have been reviewed and although there is no significant financing component, funds are set aside for any potential impairment based on a collective assessment of the value and age of the outstanding debt.

NOTES TO THE ACCOUNTS

vii. Heritage Assets

Heritage assets are defined as assets that have historical, artistic, scientific, technological, geographical or environmental qualities, which are held and maintained principally for their contribution to knowledge and culture.

The Council holds heritage assets on the balance sheet in relation to works of art. Assets are included when an insurance valuation has been undertaken and the valuation for the individual asset is £5,000 or more. In the absence of historic cost, the insurable sum is deemed as an appropriate and relevant method of valuation, with the last valuation undertaken by Sotheby's in 2022. These items are considered to have indeterminate lives and a high residual value, consequently the Council does not consider it appropriate to charge depreciation.

viii. Leases

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

The Council holds one finance lease, as a lessee, for other land and buildings, which is recognised on the balance sheet. This is matched by a liability for the obligation to pay the lessor.

Where the Council grants an operating lease as a lessor for property or land, the asset is retained in the balance sheet and rental income is credited to the comprehensive income and expenditure statement.

ix. Service Concessions

These are agreements for services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. The Council is deemed to control the services provided under the contract and as ownership of the assets will pass to them at the end of the contract period, the Council carries the assets on its balance sheet as part of property, plant and equipment.

Further details of service concession costs and liabilities can be found in note 32.

x. Revenue Expenditure Funded from Capital Under Statute

Legislation requires defined items of revenue expenditure charged to services within the comprehensive income and expenditure statement to be treated as capital expenditure. This is transferred from the general fund balance via the movement in reserves statement to the capital adjustment account and is included in the capital expenditure and financing disclosure at note 31.

NOTES TO THE ACCOUNTS

xi. Cash and Cash Equivalents

Cash includes cash in hand, overnight deposits and bank overdrafts. Cash equivalents can be quickly converted to known amounts of cash with low risk of change in value. Cash equivalents held as part of treasury management operations are included as short term investments.

xii. Employee Benefits

Short term employee benefits such as wages and salaries, paid annual leave, sick leave and expenses are paid on a monthly basis and reflected as expenditure on an accruals basis in the relevant service line in the comprehensive income and expenditure statement.

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the comprehensive income and expenditure statement.

xiii. Retirement Benefits

The Council participates in two formal pension schemes, the Local Government Pensions Scheme, which is administered by the City and County of Swansea Pension Fund and the Teachers' Pension Scheme, administered by the Teachers Pension Agency. Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Council.

The nature of the teachers' scheme prevents the Council's individual share of the pension liability from being separately identified. The scheme is therefore accounted for as if it were a defined contribution scheme.

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

- i. The assets attributable to the Council are measured at fair value at the balance sheet date, after deducting accrued expenses. The attributable liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities of the fund discounted to their present value. Net pension assets are recognised only to the extent that the Council is able to recover a surplus, either through reduced contributions in the future or through refunds from the scheme. Unpaid contributions to the schemes are recorded as creditors due within one year.
- ii. For pension charges, the change in defined benefit asset or liability is analysed and charged to the comprehensive income and expenditure statement as follows:
 - Current service cost, past service cost and gains / losses on curtailments and settlements are included within Cost of Services;
 - Net interest on the net defined benefit liability is included within financing and investment income and expenditure; and
 - Actuarial gains / losses are incorporated within other comprehensive income and expenditure.

Further details for pensions can be found in notes 34 and 35.

NOTES TO THE ACCOUNTS

xiv. Interest in Companies and Other Entities

The Council holds no material value interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and therefore there is no requirement to prepare group accounts. Transactions for the Council's companies are included within the Council's own single entity accounts.

xv. Inventories

Inventories are included in the balance sheet at average purchase price or latest purchase price, which is a departure from normal practice which values stock at the lower of cost or net realisable value. The effect of this departure is not material.

xvi. Overhead and Support Costs

The costs of overheads and support services are charged to services in accordance with the Council's arrangements for accountability and financial performance.

xvii. Provisions, Contingent Liabilities and Contingent Assets

Provisions are based on the Council's obligations arising from a past event, the probability that a transfer of economic benefit will take place and when a reliable estimate can be made of the value of the obligation. They are charged to the appropriate service revenue account in the year the obligation becomes known and are reviewed at each balance sheet date.

Contingent liabilities and assets are included where an event has taken place that gives a possible obligation or asset arising from past events, which will only materialise if certain events not wholly within the control of the Council take place. They are not recognised in the balance sheet, but disclosed in a note to the accounts when material.

xviii. Reserves

Usable reserves are set aside for future policy purposes or contingencies. Unusable reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and do not represent usable resources for the Council.

xix. Schools

Schools assets, liabilities, reserves, transactions and cash flows are included in the Council's financial statements, which complies with the accounting Code.

xx. Value Added Tax (VAT)

VAT payable is excluded from spend except when it cannot be recovered from HM Revenues and Customs. VAT receivable is excluded from income.

NOTES TO THE ACCOUNTS

2. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Code of Practice requires that the Council disclose information relating to the anticipated impact of any accounting change required by a new International Accounting Standard (IAS) or International Financial Reporting Standards (IFRS) that has been issued but not yet adopted by the Code. This requirement applies to the adoption of the following new or amended standards.

The 2024/25 Code introduces changes arising from the accounting guidance in relation to:

- IFRS 16 Leases issued in January 2016. Requires local authorities to recognise most leases on their balance sheets as assets, with a balancing lease liability.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020 The amendments:
 - specify that an entity's right to defer settlement must exist at the end of the reporting period
 - clarify that classification is unaffected by management's intention to expectations about whether the entity will exercise its right to defer settlement
 - clarify how lending conditions affect classification and
 - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer a liability for at least 12 months is subject to compliance covenants.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level turnover.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The requirements were developed to provide users of financial statements with information to enable them to:
 - Assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
 - Understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

NOTES TO THE ACCOUNTS

None of the matters covered in the annual improvements and IFRS amendments are expected to materially affect this Council.

The Code requires implementation after 1st April 2024, there is therefore no impact on the 2023/24 statement of accounts.

3. 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 Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's balance sheet at 31st March 2024, for which there is a significant risk of material adjustment in the forthcoming financial year, are as follows:

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries was engaged to provide the Council with expert advice and assumptions and the various costings and disclosures necessary to comply with the code of practice. If any of the assumptions change as a result of actual experience then the net liability of the Council would increase or decrease as a result.

Provisions – Insurance Claims

The Council has a provision of £3.756m as at 31st March 2024 to meet the potential cost of insurance liabilities. The number and value of potential claims includes actuarial assumptions particularly in respect of the most recent financial years, as these are immature in terms of insurance experience. Any significant change in assumptions and/or number and value of claims could significantly alter the value of the provision. The Council holds insurance reserves to mitigate any risk.

NOTES TO THE ACCOUNTS

4. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

These adjustments are made to present the Council's accounts on an accounting and funding basis in accordance with generally accepted accounting practices. Further details in relation to these adjustments can be found in the note on "Adjustments between accounting basis and funding basis under regulations".

2023/24				
	Adjustments for Capital Purposes	Net Charge for Pensions	Other Differences	Total Adjustments
	£000	£000	£000	£000
Education, Leisure & Lifelong Learning	19,018	(2,080)	(1,985)	14,953
Social Services, Health & Housing Environment	3,245	(1,671)	(331)	1,243
Corporate Services	15,531	(1,309)	(55)	14,167
Other Housing Services	197	(780)	10	(573)
Other Central Services	-	-	80	80
	(10,855)	-	(185)	(11,040)
Net Cost of Services	27,136	(5,840)	(2,466)	18,830
Other Income & Expenditure	(13,511)	1,660	490	(11,361)
Difference Between General Fund and CIES Surplus/Deficit	13,625	(4,180)	(1,976)	7,469

2022/23				
	Adjustments for Capital Purposes	Net Charge for Pensions	Other Differences	Total Adjustments
	£000	£000	£000	£000
Education, Leisure & Lifelong Learning	13,379	5,910	784	20,073
Social Services, Health & Housing Environment	3,898	4,883	(292)	8,489
Corporate Services	24,857	3,873	141	28,871
Other Housing Services	402	2,266	88	2,756
Other Central Services	-	-	86	86
	(11,655)	118	(237)	(11,774)
Net Cost of Services	30,881	17,050	570	48,501
Other Income & Expenditure	(13,091)	11,670	654	(767)
Difference Between General Fund and CIES Surplus/Deficit	17,790	28,720	1,224	47,734

NOTES TO THE ACCOUNTS

5. EXPENDITURE AND INCOME ANALYSED BY NATURE

The following table discloses the nature of expenses and income, analysing the comprehensive income and expenditure on a subjective basis. These figures include the expenditure and income for all schools, which follows the reporting requirements stipulated by the Code of Practice.

2022/23 £000		2023/24 £000
	Expenditure	
266,249	Employee Benefits.	254,531
265,992	Other Service Expenses.	291,637
34,149	Depreciation, Amortisation and Impairment.	27,913
22,217	Interest Payable.	12,055
25,539	Precepts and Levies.	28,339
(91)	Gain on the Disposal of Assets.	(77)
614,055	Total Expenditure	614,398
	Income	
(65,516)	Fees, Charges and Other Service Income.	(78,846)
(1,523)	Interest and Investment Income.	(3,436)
(150,551)	Income from Council Tax, National Non Domestic Rates.	(150,317)
(334,907)	Government Grants and Contributions.	(357,480)
(552,497)	Total Income	(590,079)
61,558	(Surplus) / Deficit for Year	24,319

The total income for fees, charges and other service income identified in the table above is collected from the following service segments, which reflect the Council's management structure:

2022/23 £000		2023/24 £000
	Income	
(10,801)	Education, Leisure & Lifelong Learning	(10,657)
(27,598)	Social Services, Health & Housing	(32,456)
(19,533)	Environment	(28,578)
(2,347)	Corporate Services	(2,251)
(5,237)	Other Central Services	(4,904)
(65,516)	Fees, Charges and Other Service Income	(78,846)

NOTES TO THE ACCOUNTS

6. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

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

General Fund Balance

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

Capital Receipts Reserve

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

Capital Grants Unapplied

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

NOTES TO THE ACCOUNTS

	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2023/24	£000	£000	£000	£000
Adjustments primarily involving the capital adjustment account				
<i>Reversal of items debited or credited to the comprehensive income and expenditure statement:</i>				
Charges for depreciation and impairment of non current assets.	29,728	-	-	(29,728)
Revaluation (gains) / losses on property, plant and equipment.	(1,815)	-	-	1,815
Capital grants and contributions applied.	(18,128)	-	-	18,128
Revenue expenditure funded from capital under statute.	18,551	-	-	(18,551)
Amounts of non current assets written off on disposal or sale as part of the (gain)/loss on disposal to the comprehensive income and expenditure statement.	188	-	-	(188)
<i>Insertion of items not debited or credited to the comprehensive income and expenditure statement:</i>				
Statutory provision for the financing of capital investment.	(11,447)	-	-	11,447
Capital expenditure charged against the general fund.	(2,118)	-	-	2,118
Adjustments primarily involving the capital grants unapplied account:				
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement.	(1,069)	-	1,069	0
Application of grants to capital financing transferred to the capital adjustment account.	-	-	(4,554)	4,554
Adjustments primarily involving the capital receipts reserve:				
Transfer of cash sale proceeds credited as part of the (gain) / loss on disposal to the comprehensive income and expenditure statement.	(265)	265	-	0
Use of the capital receipts reserve to finance new capital expenditure.	-	(465)	-	465
Transfer from deferred capital receipts reserve upon receipt of cash.	-	-	-	0
Adjustments primarily involving the deferred capital receipts reserve:				
Transfer of deferred sale proceeds credited as part of the (gain)/loss on disposal to the comprehensive income and expenditure statement.	-	-	-	0
Adjustment primarily involving the financial instruments adjustment account:				
Amount by which finance costs charged to the comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements.	-	-	-	0
Adjustments primarily involving the pensions reserve:				
Reversal of items relating to retirement benefits debited or credited to the comprehensive income and expenditure account.	29,000	-	-	(29,000)
Employer's pension contributions and direct payments to pensioners payable in the year.	(33,180)	-	-	33,180
Adjustments primarily involving the accumulated absences account:				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(1,976)	-	-	1,976
Total adjustments	7,469	(200)	(3,485)	(3,784)

NOTES TO THE ACCOUNTS

	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2022/23	£000	£000	£000	£000
Adjustments primarily involving the capital adjustment account				
Reversal of items debited or credited to the comprehensive income and expenditure statement:				
Charges for depreciation and impairment of non current assets.	29,340	-	-	(29,340)
Revaluation (gains) / losses on property, plant and equipment.	4,809	-	-	(4,809)
Capital grants and contributions applied.	(17,613)	-	-	17,613
Revenue expenditure funded from capital under statute.	16,725	-	-	(16,725)
Amounts of non current assets written off on disposal or sale as part of the (gain)/loss on disposal to the comprehensive income and expenditure statement.	263	-	-	(263)
Insertion of items not debited or credited to the comprehensive income and expenditure statement:				
Statutory provision for the financing of capital investment.	(10,647)	-	-	10,647
Capital expenditure charged against the general fund.	(3,338)	-	-	3,338
Adjustments primarily involving the capital grants unapplied account:				
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement.	(74)	-	74	0
Application of grants to capital financing transferred to the capital adjustment account.	-	-	(3,583)	3,583
Adjustments primarily involving the capital receipts reserve:				
Transfer of cash sale proceeds credited as part of the (gain) / loss on disposal to the comprehensive income and expenditure statement.	(354)	354	-	0
Use of the capital receipts reserve to finance new capital expenditure.	-	(3,416)	-	3,416
Transfer from deferred capital receipts reserve upon receipt of cash.	-	-	-	0
Adjustments primarily involving the deferred capital receipts reserve:				
Transfer of deferred sale proceeds credited as part of the (gain)/loss on disposal to the comprehensive income and expenditure statement.	-	-	-	0
Adjustment primarily involving the financial instruments adjustment account:				
Amount by which finance costs charged to the comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements.	(1,321)	-	-	1,321
Adjustments primarily involving the pensions reserve:				
Reversal of items relating to retirement benefits debited or credited to the comprehensive income and expenditure account.	64,680	-	-	(64,680)
Employer's pension contributions and direct payments to pensioners payable in the year.	(35,960)	-	-	35,960
Adjustments primarily involving the accumulated absences account:				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	1,224	-	-	(1,224)
Total adjustments	47,734	(3,062)	(3,509)	(41,163)

NOTES TO THE ACCOUNTS

7. MOVEMENT IN RESERVES

This note sets out the amounts set aside from the general fund into reserves to provide financing for future expenditure plans.

	Balance at 1st Apr 2022 £000	Movement in 2022/23 £000	Balance at 31st Mar 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000
EDUCATION, LEISURE & LIFELONG LEARNING					
DELEGATED SCHOOLS CASH					
Under Local Government Management of Schools, schools are able to carry forward surpluses and deficits. These reserves are ring fenced for each individual school.					
Primary Schools Reserves	(6,888)	3,641	(3,247)	3,864	617
Secondary Schools Reserves	(3,526)	1,142	(2,384)	1,401	(983)
Special Schools Reserves	(734)	(92)	(826)	(65)	(891)
Middle Schools Reserves	(1,472)	1,373	(99)	1,534	1,435
ER/VR SCHEME FOR PRIMARY SCHOOLS					
This is set aside for Teachers and Staff that have agreements approved to take early retirement or voluntary redundancy during the following year.					
	(8)	(2)	(10)	10	-
REPAIR & MAINTENANCE					
This includes funding to meet the cost of repairs and maintenance in schools.					
	(161)	-	(161)	-	(161)
TOTAL DELEGATED SCHOOL	(12,789)	6,062	(6,727)	6,744	17
ADDITIONAL LEARNING NEEDS (ALN)					
This reserve is to support children with ALN and the implementation of the Additional Learning Needs reform act.					
	(1,051)	(1,203)	(2,254)	1,152	(1,102)
EQUALISATION ACCOUNT EDUCATION					
To provide year on year equalisation support for the directorate.					
	(2,409)	598	(1,811)	(223)	(2,034)
HOME TO SCHOOL TRANSPORT					
This reserve was created to manage the variation between academic and financial years.					
	(291)	291	-	(253)	(253)
TOTAL EDUCATION, LEISURE & LIFELONG LEARNING	(16,540)	5,748	(10,792)	7,420	(3,372)

NOTES TO THE ACCOUNTS

	Balance at 1st Apr 2022 £000	Movement in 2022/23 £000	Balance at 31st Mar 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000
SOCIAL SERVICES, HEALTH & HOUSING					
HEMOCARE EQUIPMENT					
Electronic Call Monitoring (ECM) Equipment reserve to replace mobile phones.	(97)	-	(97)	7	(90)
COMMUNITY CARE TRANSFORMATION					
To fund support and expertise needed to drive forward change required to achieve savings put forward in the Financial Plan.	(4,207)	1,693	(2,514)	1,464	(1,050)
CHILDREN RESIDENTIAL PLACEMENTS					
To fund the cost of delays in young people stepping down or a surge in unexpected placements.	(275)	275	-	-	-
SOCIAL SERVICES, HEALTH & HOUSING INFORMATION TECHNOLOGY RENEWALS FUND					
To replace information technology equipment, systems and telephony when required.	(1,900)	-	(1,900)	-	(1,900)
EQUALIATION SOCIAL SERVICES					
To meet high cost cases - must make placements.	(5,700)	2,330	(3,370)	2,100	(1,270)
COMMUNITY RESILIENCE FUND					
To support the development of community activity and volunteering opportunities.	(1,750)	-	(1,750)	-	(1,750)
HOUSING WARRANTIES					
This reserve has been set aside in recognition of the warranties to potential liabilities following the transfer of Housing Services.	(220)	-	(220)	-	(220)
HILLSIDE GENERAL RESERVE					
The depreciation charge recovered through fees is set aside for capital renewal.	(581)	150	(431)	(144)	(575)
RING FENCED HEMOCARE FUNDING					
To support driving test and electric vehicle provision for Homecare workers.	(450)	216	(234)	163	(71)
YOUTH OFFENDING SERVICE (YOS)					
To meet the costs of providing Therapeutic Remand placements for young offenders, and also to meet the costs of YOS Managers Cymru and South Wales YOS Training.	(168)	-	(168)	-	(168)
ADOPTION SERVICE					
To fund the additional contribution to the regional adoption service if NPT adoption placements are higher than expected.	(500)	(380)	(880)	500	(380)
TOTAL SOCIAL SERVICES, HEALTH & HOUSING	(15,848)	4,284	(11,564)	4,090	(7,474)

NOTES TO THE ACCOUNTS

	Balance at 1st Apr 2022 £000	Movement in 2022/23 £000	Balance at 31st Mar 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000
ENVIRONMENT					
TRANSPORT					
To fund a cost effective transport and plant renewal programme.	(282)	(33)	(315)	(225)	(540)
ASSET RECOVER INCENTIVE SCHEME					
To smooth timing of expenditure.	(126)	81	(45)	(43)	(88)
SWANSEA BAY CITY DEAL					
To cover future expenditure as part of the five year plan.	(334)	113	(221)	(44)	(265)
LOCAL DEVELOPMENT PLAN					
Statutory obligation to develop a local development plan by all unitary authorities in Wales in line with Welsh Government	(365)	2	(363)	8	(355)
PARKING IMPROVEMENT					
Car park maintenance and up keep.	(190)	102	(88)	24	(64)
DECARBONISATION AND RENEWABLE ENERGY (DARE)					
To cover the cost of ongoing Capital & Revenue de-carbonisation Schemes.	(2,000)	-	(2,000)	2,000	-
WASTE					
To provide funding to ensure that an efficient and economical waste service can be provided.	(898)	(638)	(1,536)	(1,153)	(2,689)
WINTER MAINTENANCE					
To aid in event of severe flooding / gritting.	(604)	36	(568)	(100)	(668)
NEATH MARKET					
To fund future repairs at Neath Market.	(253)	-	(253)	-	(253)
BAGLAN BAY INNOVATION CENTRE, DILAPIDATION					
Funding from Welsh Government for outstanding maintenance works including future essential repairs & upgrades.	(178)	100	(78)	-	(78)
RENEWABLE ENERGY					
Feeding tariff income to fund future schemes.	(18)	-	(18)	(6)	(24)
EQUALISATION ACCOUNT ENVIRONMENTAL HEALTH, HOUSING					
To smooth timing of expenditure for inspections delayed due to the COVID pandemic.	(130)	35	(95)	58	(37)
LAWDC CONTINGENCY					
This is held for aftercare obligations at the Giants Grave site.	(815)	-	(815)	815	-
WORKWAYS NPT					
Funding from Welsh European Funding Office ring fenced for scheme.	(290)	(36)	(326)	326	-
EQUALISATION ACCOUNT ENVIRONMENT					
To fund Directorate one off pressures.	(1,065)	(32)	(1,097)	(756)	(1,853)
METAL BOX					
To smooth maintenance costs until building has been fully leased.	(930)	150	(780)	780	-

NOTES TO THE ACCOUNTS

	Balance at 1st Apr 2022 £000	Movement in 2022/23 £000	Balance at 31st Mar 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000
ENVIRONMENT CONTINUED					
PANTTEG LANDSLIP					
The reserve is set up to fund ongoing costs.	(500)	-	(500)	65	(435)
TRADING ACCOUNTS					
EQUALISATION ACCOUNT OPERATING					
Smooth timing of expenditure.	(36)	-	(36)	-	(36)
VEHICLE TRACKING					
To provide funds for the vehicle tracking initiative.	(92)	-	(92)	(29)	(121)
VEHICLE RENEWALS					
To fund a cost effective transport & plant programme to meet service requirements and enhancements.	(2,331)	(1,141)	(3,472)	(1,134)	(4,606)
TOTAL ENVIRONMENT	(11,437)	(1,261)	(12,698)	586	(12,112)
CHIEF EXECUTIVES					
EQUALISATION ACCOUNT ELECTIONS FUND					
To meet cost of 4 year cycle of elections.	(350)	199	(151)	46	(105)
HEALTH & SAFETY / OCCUPATIONAL HEALTH					
Equalisation of spend.	(41)	-	(41)	-	(41)
DIGITAL TRANSFORMATION					
To support the Council's Digital Transformation Programme.	(1,170)	-	(1,170)	-	(1,170)
EQUALISATION ACCOUNT SCHOOLS IT (HWB)					
This reserve is to fund schools IT costs.	(600)	130	(470)	70	(400)
DEVELOPMENT FUND FOR MODERNISATION					
Funding for Members IT renewals, training and development.	(76)	-	(76)	76	-
DIGITAL RENEWAL FUND					
To spread the cost of major investment in the Council's IT.	(1,233)	(521)	(1,754)	468	(1,286)
CHIEF EXECUTIVE EQUALISATION					
To fund one off pressures arising across the directorate.	(164)	(196)	(360)	158	(202)
ORGANISATIONAL DEVELOPMENT					
To support the organisational development programme.	(4,270)	(366)	(4,636)	1,041	(3,595)
BUILDING CAPACITY					
This relates to developing capacity in relation to transformational projects across the Council.	(155)	(86)	(241)	64	(177)
VOLUNTARY ORGANISATIONS					
This reserve is to be used towards Voluntary Organisation payments.	(87)	(3)	(90)	90	-
TOTAL CHIEF EXECUTIVES	(8,146)	(843)	(8,989)	2,013	(6,976)

NOTES TO THE ACCOUNTS

	Balance at 1st Apr 2022 £000	Movement in 2022/23 £000	Balance at 31st Mar 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000
CORPORATE OTHER RESERVES					
INSURANCE					
This reserve is generated from insurance settlements and surpluses from claims handling arrangements. It will be used to fund future insurance related projects and claims.	(8,276)	3,831	(4,445)	280	(4,165)
COVID RECOVERY					
To help NPT services after two years of COVID with one off posts and works.	-	(1,407)	(1,407)	750	(657)
INCOME GENERATION					
This reserve is to support income generation ideas.	(1,713)	50	(1,663)	1,550	(113)
MEMBERS COMMUNITY FUND					
The reserve is set up to enable members to invest in activities and projects that improve outcomes within their local wards.	(514)	162	(352)	352	-
CAPITAL SUPPORT					
To fund future capital expenditure.	(683)	-	(683)	-	(683)
HARDSHIP RELIEF SCHEME					
To develop a range of measures to support the cost of living crisis.	(2,000)	275	(1,725)	913	(812)
SERVICE RESILIENCE					
To meet short term service staffing issues.	(2,000)	1,126	(874)	777	(97)
DISCRETIONARY FUND					
Funds set aside to support Welsh Government discretionary cost of living support scheme .	(1,402)	1,066	(336)	236	(100)
CORPORATE CONTINGENCY					
To fund unforeseen future pressures in delivering the forward financial plan.	(4,567)	2,074	(2,493)	(15)	(2,508)
EQUALISATION ACCOUNT TREASURY MANAGEMENT					
This reserve will be used to equalise the impact of fluctuations in Treasury Management returns and fund future borrowing decisions.	(8,594)	186	(8,408)	(605)	(9,013)
ACCOMMODATION STRATEGY					
This reserve will be used to support the Authority's Accommodation Strategy and other property costs.	(2,274)	-	(2,274)	(699)	(2,973)
STRATEGIC REGENERATION CAPACITY BUILDING					
To assist with capacity building.	-	(1,500)	(1,500)	1,500	-
TRANSFORMATION AND MODERNISATION					
Strategic investment to transform services.	-	-	-	(6,700)	(6,700)
TOTAL CORPORATE OTHER RESERVES	(32,023)	5,863	(26,160)	(1,661)	(27,821)

NOTES TO THE ACCOUNTS

	Balance at 1st Apr 2022 £000	Movement in 2022/23 £000	Balance at 31st Mar 2023 £000	Movement in 2023/24 £000	Balance at 31st Mar 2024 £000
HELD ON BEHALF OF THIRD PARTY AGENCIES					
MARGAM DISCOVERY CENTRE, BUILDING MAINTENANCE					
To build up a renewal fund that can be used to help fund large building maintenance recharges in the future.	(60)	(57)	(117)	(57)	(174)
WORKWAYS, REGIONAL RESERVE					
Funding from Welsh European Funding Office ring fenced for scheme.	(169)	(1)	(170)	170	-
ENVIRONMENT LEGACY (South Wales Trunk Road Agency)					
Financial assistance to help ensure contract success.	(60)	-	(60)	(200)	(260)
SUBSTANCE MISUSE AREA PLANNING BOARD					
To fund the service across the Western Bay area.	(35)	(119)	(154)	(219)	(373)
WESTERN BAY SAFEGUARDING BOARD					
Transfer of partner's surplus contributions to fund future safeguarding work across Western Bay.	(113)	18	(95)	7	(88)
INTERMEDIATE CARE POOLED FUND					
Transfer of partner's surplus contributions, to safeguard against future deficits or to fund additional capacity.	(192)	192	-	-	-
TOTAL HELD ON BEHALF OF THIRD PARTY AGENCIES	(629)	33	(596)	(299)	(895)
TOTAL REVENUE EARMARKED RESERVES	(84,623)	13,824	(70,799)	12,149	(58,650)
GENERAL RESERVE WORKING BALANCES					
Revenue reserve to fund non-specific future expenditure.	(20,151)	-	(20,151)	4,701	(15,450)
GENERAL FUND TOTAL	(104,774)	13,824	(90,950)	16,850	(74,100)

NOTES TO THE ACCOUNTS

8. OTHER OPERATING EXPENDITURE

2022/23 £000		2023/24 £000
2,406	Community Council Precepts.	2,579
23,133	Precepts and Levies (Police and Fire).	25,760
(91)	(Gains)/Losses on the Disposal of Non Current Assets.	(77)
25,448	Total	28,262

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2022/23 £000		2023/24 £000
10,547	Interest Payable and Similar Charges.	10,395
11,670	Pension Interest Cost and Expected Return on Pension Assets.	1,660
654	Changes in Impairment Loss Allowance.	490
(1,523)	Interest Receivable and Similar Income.	(3,436)
21,348	Total	9,109

10. TAXATION AND NON SPECIFIC GRANT

2022/23 £000		2023/24 £000
(98,859)	Council Tax Income.	(103,743)
(51,692)	Non Domestic Rates.	(46,574)
(206,151)	Non Ring Fenced Government Grants.	(229,948)
(13,001)	Capital Grants and Contributions.	(13,434)
(369,703)	Total	(393,699)

11. PROPERTY, PLANT AND EQUIPMENT (PPE)

In accordance with the Temporary Relief offered by the Update to the 2021/22 Code of Practice on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

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

NOTES TO THE ACCOUNTS

Service Concessions - These are agreements for services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. The Council is deemed to control the services provided under the contract and as ownership of the assets will pass to them at the end of the contract period, the Council carries the assets on its balance sheet as part of property, plant and equipment.

Further details of service concession costs and liabilities can be found in note 32.

2023/24	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE	Service Concession in PPE
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000
At 1st April 2023	624,408	28,050	873	13,182	6,101	672,614	23,155
Additions.	13,126	3,642	46	-	2,897	19,711	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve.	2,281	36	-	(94)	-	2,223	(365)
Revaluation Increases / (Decreases) Recognised in the Surplus/Deficit on the Provision of Services.	420	-	-	-	-	420	-
Derecognition - Disposals.	(36)	(760)	-	(140)	-	(936)	-
Derecognition - Other.	(12,108)	(1,190)	(46)	-	-	(13,344)	-
Assets Reclassified (to)/from Held for Sale.	-	-	-	(2,870)	-	(2,870)	-
Change in Asset Classification.	(1,039)	1,205	-	339	-	505	-
At 31st March 2024	627,052	30,983	873	10,417	8,998	678,323	22,790
Accumulated Depreciation and Impairment							
At 1st April 2023	(25,963)	(15,899)	-	(127)	(4)	(41,993)	1
Depreciation Charge.	(15,291)	(3,447)	-	(73)	-	(18,811)	(2,044)
Impairment Charged to Surplus/Deficit on Provision of Services.	-	-	-	-	-	0	-
Depreciation Written Out to the Revaluation Reserve.	12,855	-	-	7	-	12,862	2,044
Depreciation Written Out to the Surplus / Deficit on the Provision of Services.	1,395	-	-	-	-	1,395	-
Derecognition - Disposals.	-	747	-	-	-	747	-
Derecognition - Other.	-	1,190	-	-	-	1,190	-
Change in Asset Classification.	95	(88)	-	(7)	-	0	-
At 31st March 2024	(26,909)	(17,497)	0	(200)	(4)	(44,610)	1
Net Book Value							
At 31st March 2024	600,143	13,486	873	10,217	8,994	633,713	22,791
At 31st March 2023	598,445	12,151	873	13,055	6,097	630,621	23,156

NOTES TO THE ACCOUNTS

2022/23	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE	Service Concession in PPE
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000
At 1st April 2022	539,810	28,340	651	12,482	56,160	637,443	21,943
Additions	10,034	3,442	4	-	12,572	26,052	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve.	33,814	-	-	160	-	33,974	1,212
Revaluation Increases / (Decreases) Recognised in the Surplus / Deficit on the Provision of Services.	(7,268)	-	222	(157)	-	(7,203)	-
Derecognition - Disposals.	(149)	(850)	-	-	-	(999)	-
Derecognition - Other.	(10,034)	(2,882)	(4)	-	-	(12,920)	-
Assets Reclassified (to) / from Held for Sale.	-	-	-	-	-	0	-
Change in Asset Classification.	58,201	-	-	697	(62,631)	(3,733)	-
At 31st March 2023	624,408	28,050	873	13,182	6,101	672,614	23,155
Accumulated Depreciation and Impairment							
At 1st April 2022	(25,761)	(15,912)	-	(87)	(4)	(41,764)	1
Depreciation Charge.	(15,119)	(3,595)	-	(71)	-	(18,785)	(1,713)
Impairment Charged to Surplus / Deficit on Provision of Services.	-	-	-	-	-	0	-
Depreciation Written Out to the Revaluation Reserve.	12,422	-	-	121	-	12,543	1,713
Depreciation Written Out to the Surplus/Deficit on the Provision of Services.	2,309	-	-	85	-	2,394	-
Derecognition - Disposals.	11	726	-	-	-	737	-
Derecognition - Other.	-	2,882	-	-	-	2,882	-
Change in Asset Classification.	175	-	-	(175)	-	0	-
At 31st March 2023	(25,963)	(15,899)	0	(127)	(4)	(41,993)	1
Net Book Value							
At 31st March 2023	598,445	12,151	873	13,055	6,097	630,621	23,156
At 31st March 2022	514,049	12,428	651	12,395	56,156	595,679	21,944

Depreciation

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

Land	Depreciation not applicable
Buildings	At least 20 years
Vehicles, plant, furniture and equipment	3 - 20 years
Infrastructure	40 years

Effects of Changes in Estimates

During 2023/24, there have been no material changes made to the accounting estimates for property, plant and equipment.

NOTES TO THE ACCOUNTS

Infrastructure Assets

2022/23 £000		2023/24 £000
279,117	Net Book Value 1st April	283,653
11,368	Additions	13,022
(10)	Derecognition	-
3,733	Change in Asset Classification	(505)
(10,555)	Depreciation	(10,917)
283,653	Total	285,253

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

2022/23 £000		2023/24 £000
283,653	Infrastructure Assets	285,253
630,621	Other Property Plant & Equipment Assets	633,713
914,274	Total Property Plant & Equipment	918,966

Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is revalued at least every five years. All valuations are carried out internally. Valuations of land and buildings is carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment is based on historic cost.

During 2023-24 not all assets valued under the Depreciated Replacement Cost basis have been fully revalued, only those in the current cycle were revalued in line with our accounting policy, whilst those assets not within the current cycle were only partially revalued. This partial revaluation exercise was undertaken to more accurately reflect the current economic climate and the increase in construction costs relating to these asset valuations.

NOTES TO THE ACCOUNTS

12. FINANCIAL INSTRUMENTS

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at principal plus accrued interest. Accrued interest is included within the current values as it is effectively payable or receivable within one year.

The debtors position differs from that reported in the balance sheet as the debts relating to council taxation do not meet the definition of a financial instrument.

Categories of Financial Instruments

The following categories of financial instrument are carried in the balance sheet:

2023/24	Long term (Non-current)		Short term (Current)	
	Investments	Debtors	Investments	Debtors
	31st Mar 2024 £000	31st Mar 2024 £000	31st Mar 2024 £000	31st Mar 2024 £000
	Amortised Cost.	10,086	420	26,142
Total Financial Assets	10,086	420	26,142	45,083

Financial Liabilities	Long term (Non-current)		Short term (Current)	
	Borrowings	Creditors	Borrowings	Creditors
	31st Mar 2024 £000	31st Mar 2024 £000	31st Mar 2024 £000	31st Mar 2024 £000
	Amortised Cost.	(262,348)	(17,536)	(10,135)
Total Financial Liabilities	(262,348)	(17,536)	(10,135)	(61,585)

2022/23	Long term (Non-current)		Short term (Current)	
	Investments	Debtors	Investments	Debtors
	31st Mar 2023 £000	31st Mar 2023 £000	31st Mar 2023 £000	31st Mar 2023 £000
	Amortised Cost.	10,086	589	43,900
Total Financial Assets	10,086	589	43,900	58,077

Financial Liabilities	Long term (Non-current)		Short term (Current)	
	Borrowings	Creditors	Borrowings	Creditors
	31st Mar 2023 £000	31st Mar 2023 £000	31st Mar 2023 £000	31st Mar 2023 £000
	Amortised Cost.	(274,954)	(16,567)	(22,869)
Total Financial Liabilities	(274,954)	(16,567)	(22,869)	(51,598)

NOTES TO THE ACCOUNTS

Income, Expenses, Gains and Losses

31st Mar 2023 £000	Surplus or Deficit on the Provision of Services	31st Mar 2024 £000
10,547	Financial Liabilities Measured at Amortised Cost.	10,395
10,547	Total Net Gains/Losses	10,395
(1,523)	Interest Expense	(3,436)

Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried on the balance sheet at amortised cost. The fair value of the loans and receivables and financial liabilities is determined by calculating the net present value (NPV) of future cash flows, which provides an estimate of the value of payments in the future as at 31st March 2024, using the following assumptions:

- For loans from the Public Works Loan Board (PWLB) and other loans payable, borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The discount rate used in the NPV calculation is equal to the current rate in relation to the same instrument from a comparable lender and is the rate applicable in the market as at 31st March 2024, for an instrument with the same duration. Where it is difficult to obtain the rate for an instrument with identical features in an active market then the prevailing rate of a similar instrument with a published market rate has been used as the discount factor.

The values calculated are as follows:

31st Mar 2023			31st Mar 2024	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
(216,446)	(165,649)	Public Works Loan Board (PWLB) Debt.	(210,803)	(147,098)
(67,152)	(60,760)	Long Term Non-PWLB Debt.	(56,957)	(45,975)
(10,000)	(10,000)	Short Term Non-PWLB Debt.	-	-
(1,597)	(1,597)	Non-PWLB Debt Temporary Borrowing.	(2,160)	(2,160)
(295,195)	(238,006)	Total Debt	(269,920)	(195,233)
(16,567)	(16,567)	Long Term Creditors	(17,536)	(17,536)

NOTES TO THE ACCOUNTS

31st March 2024 – Debt

The fair value of the liabilities is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest payable is lower than the prevailing rates available for similar loans in the market at the balance sheet date. This shows a notional future gain, based on economic conditions at 31st March 2024, arising from a commitment to pay interest to lenders below market rates.

Fair value of assets:

31st Mar 2023			31st Mar 2024	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
43,600	43,600	Short Term Loans and Receivables.	25,900	25,900
10,000	9,979	Long Term Loans and Receivables.	10,000	9,984
589	589	Long Term Debtors.	420	420

13. DEBTORS

31st Mar 2023 £000		31st Mar 2024 £000
40,148	Central Government Bodies.	26,258
2,861	Other Local Authorities.	2,832
5,948	NHS Bodies.	5,614
13,334	Other Entities and Individuals.	13,901
4,543	Payments in Advance.	5,750
(5,940)	Less Provision for Impairment Loss.	(6,402)
60,894	Total	47,953

14. DEBTORS FOR LOCAL TAXATION

Included within the total debtors figure above are debts relating to the collection of local taxation, as adjusted for those that are unlikely to be collected.

31st Mar 2023 £000		31st Mar 2024 £000
1,840	Less than One Year.	1,864
2,321	More than One Year.	2,321
(1,344)	Less Provision for Impairment Loss.	(1,315)
2,817	Total	2,870

NOTES TO THE ACCOUNTS

15. CASH AND CASH EQUIVALENTS

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

31st Mar 2023 £000		31st Mar 2024 £000
111	Cash Held by the Authority.	85
6,681	Bank Current Accounts.	4,524
6,792	Total	4,609

16. ASSETS HELD FOR SALE

2022/23 Current Assets £000		2023/24 Current Assets £000
1,980	Balance Outstanding at Start of Year	1,980
	<i>Assets Newly Classified as Held For Sale:</i>	
-	Property, Plant and Equipment.	3,050
	<i>Assets Declassified as Held For Sale:</i>	
-	Property, Plant and Equipment.	(180)
1,980	Balance Outstanding at Year End	4,850

17. CREDITORS

31st Mar 2023 £000		31st Mar 2024 £000
(5,159)	Central Government Bodies.	(6,167)
(8,594)	Other Local Authorities.	(8,452)
(562)	NHS Bodies.	(1,108)
(32,785)	Other Entities and Individuals.	(34,809)
(4,498)	Receipts in Advance.	(11,049)
(51,598)	Total	(61,585)

18. PROVISIONS

The Council holds a number of provisions as detailed below:

Insurance & Municipal Mutual Insurance (MMI) Scheme

This provision covers the estimated cost of settling all the outstanding insurance claims of the Council that existed at 31st March 2024.

Housing Warranties

This provision has been set aside in recognition of the warranties and commitments relating to potential liabilities following the transfer of housing services in 2010/11. The provision reflects the costs likely to be incurred in future years.

NOTES TO THE ACCOUNTS

Redundancy

The provision has been set up to fund redundancy costs for agreements approved to leave in the next financial year in line with accounting regulations. A charge has been made to this year's individual revenue accounts, for the cost of these leaving.

Waste

This provision has been set aside following the transfer of the landfill licence from Neath Port Talbot Waste Management Ltd to the Council on 31st March 2023. The site is in an aftercare phase and provision reflects the potential aftercare costs likely to be incurred in the future.

	Balance at 31st March 2023 £000	Utilised / Released in year £000	Transfers to Provision £000	Balance at 31st March 2024 £000	Short Term £000	Long Term £000
Insurance & MMI Scheme.	(3,043)	-	(713)	(3,756)	(1,314)	(2,442)
Housing Warranties.	(923)	-	-	(923)	-	(923)
Redundancy.	(73)	73	(129)	(129)	(129)	-
Waste Provision	0	-	(1,565)	(1,565)	-	(1,565)
Total	(4,039)	73	(2,407)	(6,373)	(1,443)	(4,930)

19. USABLE RESERVES

Movements in the Council's usable reserves are detailed in the movement in reserves statement and summarised below:

31st Mar 2023 £000		31st Mar 2024 £000
(90,950)	Earmarked and General Reserve Working Balance.	(74,100)
(17,348)	Unapplied Grants.	(13,863)
(5,640)	Usable Capital Receipts.	(5,440)
(113,938)	Total	(93,403)

NOTES TO THE ACCOUNTS

20. UNUSABLE RESERVES

31st Mar 2023 £000		31st Mar 2024 £000
(215,278)	Revaluation Reserve.	(225,268)
(346,519)	Capital Adjustment Account.	(341,675)
-	Financial Instruments Adjustment Account.	-
51,620	Pensions Reserve.	53,800
(2)	Deferred Capital Receipts Reserve.	(2)
5,452	Accumulated Absences Account.	3,476
(504,727)	Total	(509,669)

Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost,
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1st April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

2022/23		Revaluation Reserve	2023/24	
£000	£000		£000	£000
	(175,058)	Balance at 1st April		(215,278)
(54,299)		Upward Revaluation of Assets.	(17,925)	
7,970		Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services.	2,839	
	(46,329)	Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services.		(15,086)
5,991		Difference Between Fair Value Depreciation and Historical Cost Depreciation.	5,062	
118		Accumulated Gains on Assets Sold or Scrapped.	34	
	6,109	Amount Written Off to the Capital Adjustment Account.		5,096
	(215,278)	Accumulated Gains on Assets Sold		(225,268)

NOTES TO THE ACCOUNTS

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 CIES (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account also contains revaluation gains accumulated on property, plant and equipment before 1st April 2007, the date that the revaluation reserve was created to hold such gains. Note 6 provides details of the source of all the transactions posted to the account, apart from those involving the revaluation reserve.

2022/23		Capital Adjustment Account	2023/24	
£000	£000		£000	£000
	(352,950)	Balance at 1st April		(346,519)
		Reversal of Items Relating to Capital Expenditure Debited or Credited to the Comprehensive Income and Expenditure Statement.		
29,340		Charges for Depreciation and Impairment of Non Current Assets.	29,728	
4,809		Revaluation (Gains) / Losses on Property, Plant and Equipment.	(1,815)	
16,725		Revenue Expenditure Funded from Capital Under Statute.	18,551	
263		Non Current Assets Written Off on Disposal or Sale as Part of the (Gain)/Loss on Disposal to the Comprehensive Income and Expenditure Statement.	188	
	51,137			46,652
	(6,109)	Adjusting Amounts Written Out of the Revaluation Reserve.		(5,096)
	(307,922)	Net Written out Amount of the Cost of Non Current Assets Consumed in the Year.		(304,963)
		Capital Financing Applied in the Year:		
(3,416)		Use of the Capital Receipts Reserve to Finance New Capital Expenditure.	(465)	
(21,196)		Application of Grants to Capital Financing from the Capital Grants Unapplied Account.	(22,682)	
(10,647)		Statutory Provision for the Financing of Capital Investment Charged Against the General Fund.	(11,447)	
(3,338)		Capital Expenditure Charged Against the General Fund.	(2,118)	
	(38,597)			(36,712)
	(346,519)			(341,675)

NOTES TO THE ACCOUNTS

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. The Council uses the account to release premiums and discounts paid which were received on the early redemption of loans. Over time, the premiums are posted back to the general fund balance in accordance with statutory arrangements for spreading the effect on council tax.

During 2022/23 the Council took the decision to charge the remaining balance to the General Fund.

2022/23		Financial Instruments Adjustment Account	2023/24	
£000	£000		£000	£000
(1,321)	1,321	Balance at 1st April		-
		Proportion of Premiums Incurred in Previous Financial Years to be Charged Against the General Fund Balance in Accordance with Statutory Requirements.	-	
	(1,321)			-
	0	Balance at 31st March		0

Pensions Reserve

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

2022/23 £000	Pension Reserve	2023/24 £000
449,770	Balance at 1st April	51,620
(426,870)	Actuarial (Gains) or Losses on Pensions Assets and Liabilities.	6,360
64,680	Reversal of Items Relating to Retirement Benefits Debited or Credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	29,000
(35,960)	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year.	(33,180)
51,620	Balance at 31st March	53,800

NOTES TO THE ACCOUNTS

Deferred Capital Receipts Reserve

The deferred capital receipts reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council 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.

2022/23 £000	Deferred Capital Receipts Reserve	2023/24 £000
(3)	Balance at 1st April	(2)
1	Transfer of Deferred Sale Proceeds Credited as Part of the (Gain)/Loss on Disposal to the Comprehensive Income and Expenditure Statement.	-
(2)	Balance at 31st March	(2)

Accumulated Absences Account

The accumulated absences account absorbs the differences that would otherwise arise on the general fund balance from accruing for compensated absences earned but not taken in the year, that is, annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the general fund balance is neutralised by transfers to or from the account.

2022/23		Accumulated Absences Account	2023/24	
£000	£000		£000	£000
(4,228)	4,228	Balance at 1st April	(5,452)	5,452
5,452		Settlement or Cancellation of Accrual made at the end of the Preceding Year.	3,476	
		Amounts Accrued at the end of the Current Year.		
	1,224	Amount by which Officer Remuneration Charged to the Comprehensive Income and Expenditure Statement on an Accruals Basis is Different from Remuneration Chargeable in the Year in Accordance with Statutory Requirements.		(1,976)
	5,452	Balance at 31st March		3,476

NOTES TO THE ACCOUNTS

21. CASH FLOW STATEMENT – OPERATING ACTIVITIES

- a. Adjustments to net surplus or deficit on the provision of services for non-cash movements

2022/23 £000		2023/24 £000
29,340	Depreciation and Impairment on Non Current Assets.	29,728
4,809	Revaluation (Gains) / Losses on Property, Plant and Equipment.	(1,815)
239	(Increase)/Decrease in Long Term Debtors.	169
21,437	(Increase)/Decrease in Short Term Debtors.	12,941
3	(Increase)/Decrease in Inventories.	(26)
1,950	Increase/(Decrease) in Short Term Creditors.	9,987
540	Increase/(Decrease) in Long Term Creditors.	969
(174)	Increase/(Decrease) in Short Term Provisions.	360
327	Increase/(Decrease) in Long Term Provisions.	1,974
263	Amounts of Non Current Assets Written Off on Disposal or Sale as Part of the Gain/ Loss on Disposal to The Comprehensive Income And Expenditure Statement.	188
28,720	Increase/ (Decrease) in Pension Liability.	(4,180)
(40)	Finance Lease Interest.	(39)
10,048	Adjustment for Non Enhancing Spend Included in the Property Plant and Equipment Additions.	12,155
(408)	Other Non-Cash Items Charged to Net Surplus/Deficit on the Provision of Services.	33
97,054		62,444

- b. Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities

2022/23 £000		2023/24 £000
(354)	Proceeds from the Sale of Property, Plant and Equipment.	(265)
(17,613)	Other Receipts from Investing Activities.	(18,128)
(17,967)		(18,393)

22. CASH FLOW STATEMENT – INVESTING ACTIVITIES

2022/23 £000		2023/24 £000
(37,420)	Purchase of Property, Plant and Equipment.	(32,733)
(963,500)	Purchase of Short Term and Long Term Investments.	(718,600)
354	Proceeds from the Sale of Property, Plant and Equipment.	265
983,200	Proceeds from Short Term and Long Term Investments.	736,300
17,613	Other Receipts from Investing Activities.	18,128
247	Net Cash Flows From Investing Activities	3,360

NOTES TO THE ACCOUNTS

23. CASH FLOW STATEMENT – FINANCING ACTIVITIES

2022/23 £000		2023/24 £000
14,040	Cash Receipts of Short and Long Term Borrowing.	563
(29,362)	Repayments of Short and Long Term Borrowing.	(25,838)
(15,322)	Net Cash Flows from Financing Activities	(25,275)

The financing activities relate to non-cash changes. The financing cash flows can be further split between short and long term borrowing as follows:

	Long Term £000	Short Term £000	Total £000
Cash Receipts	-	563	563
Repayments	12,838	13,000	25,838
Net Cash Flows from Financing Activities	12,838	13,563	26,401

24. AGENCY SERVICES

South Wales Trunk Road Agency (SWTRA)

The Council performs agency work on trunk roads in South and West Wales on behalf of the Welsh Government who fully reimburse the related expenditure. The financial activity relating to this contract is not included in the comprehensive income and expenditure statement.

Cost of Living and Ukrainian Support Schemes Agency Arrangements

The Council administers schemes on behalf of the Welsh Government and Central Government Departments as an Agency service to pay grants to individual recipients totalling £261,000. These sums are not reflected within the Councils Income and Expenditure but any debtors or creditors relating to these sums are included in the Balance Sheet in accordance with the accounting arrangements in relation to Agency arrangements.

Details of the grants treated in this manner are set out below:

2023/24	Expenditure £000	Income £000
Alternative Fuel Payment Scheme	110	110
Ukraine host payments £350/£500	132	132
Ukraine cash payments £200	2	2
Ukraine thank you payment top ups £150	17	17
	261	261

NOTES TO THE ACCOUNTS

25. POOLED BUDGETS

Community Equipment Store – Health, Neath Port Talbot Council and the City and Country of Swansea

Neath Port Talbot Council is party to a pooled arrangement with the Swansea Bay University Health Board and the City and County of Swansea Council. This arrangement is led by the City and County of Swansea.

The agreement for this pool is that the host partner shall retain operational responsibility for any costs, expenses or liabilities in excess of the pooled fund at any time during its existence, other than where these have been incurred with the express agreement of the partners. Where this agreement has been made, the partners are jointly responsible in the proportions of their respective contributions to the pool.

2022/23			2023/24	
£000	£000		£000	£000
(432)		Funding Provided to the Pooled Budget:		
(634)		Grant.	(326)	
(357)		City and County of Swansea.	(648)	
(1,309)		Neath and Port Talbot Council.	(364)	
		Swansea Bay University Health Board.	(1,488)	
	(2,732)	Total In Year Contributions.		(2,826)
	(200)	In Year Reserve Utilisation.		(700)
	(2,932)	Total Income		(3,526)
	3,420	Expenditure Met from the Pooled Budget:		3,873
	488	Net (Surplus)/Deficit Arising on the Pooled Budget During the Year.		347
	0	Authority Share of the Net (Surplus) / Deficit Arising on the Pooled Budget		0

Intermediate Care – Neath Port Talbot Council and Health

Neath Port Talbot Council is host to a pooled arrangement with the Health Board, which covers arrangements to plan and arrange provision of adult and older people's services.

The arrangement for this pool is that the partners shall be jointly responsible, in accordance with the funding agreement for any costs, claims, expenses or liabilities incurred in accordance with the terms of the pool agreement. Any underspend is either put into a ring-fenced reserve or distributed to partners as agreed by the partnership board. During 2023/24, the surplus was paid out in full.

NOTES TO THE ACCOUNTS

2022/23			2023/24	
£000	£000		£000	£000
(2,892)		Funding Provided to the Pooled Budget:	(3,155)	
(3,162)		Neath and Port Talbot Council.	(4,213)	
		The Health Board.		
	(6,054)	Total Income		(7,368)
	5,861	Expenditure Met from the Pooled Budget:		6,699
	(193)	Net (Surplus)/Deficit Arising on the Pooled Budget During the Year.		(669)
	0	Authority Share of the Net (Surplus) / Deficit Arising on the Pooled Budget		(122)

26. MEMBERS REMUNERATION

The Council paid the following amounts to members of the Council during the year, including on-costs for national insurance and pensions.

2022/23		2023/24
£000		£000
1,601	Basic and Senior Salaries.	1,689
1	Expenses.	2
1,602	Total	1,691

27. OFFICERS REMUNERATION

The Council is required to provide details on a range of remuneration issues, such as the median remuneration for all employees compared to the Chief Executive, the amounts earned by senior officers, salary costs greater than £60,000 and the cost and number of any exit packages. As the effect of including voluntary aided schools is not material, the information prepared for the remuneration notes includes the staff employed at the voluntary aided faith schools in the area, which are:

- Alderman Davies Church in Wales Primary
- Bryncoch Church in Wales Primary
- St Therese's Catholic Primary
- St Joseph's Catholic Primary, Infants and Junior schools
- St Joseph's Comprehensive.

The Accounts and Audit Regulations (Wales) 2014 introduced the requirement for the statement of accounts to disclose the organisations pay multiple. This is the ratio of the highest paid employee, the Chief Executive and the median earnings across the organisation. In 2023/24 this ratio is 5.48 times the median remuneration of the organisation which is £28,770.

The remuneration paid to the Council's senior employees is as follows:

NOTES TO THE ACCOUNTS

	2023/24			
	Salary, Fees and Allowances	Expenses Allowances	Employers Pension Contribution	Total
	£	£	£	£
Chief Executive Karen Jones.	152,296	-	24,329	176,625
Director of Education, Leisure & Lifelong Learning.	120,768	-	25,724	146,492
Director of Environment Nicola Pearce.	126,424	142	26,928	153,494
Director of Social Services, Health & Housing Andrew Jarrett.	126,424	-	26,928	153,352
Director of Strategy & Corporate Services.	89,664	-	19,099	108,763
Chief Finance Officer.	100,412	-	21,388	121,800
Chief Digital Officer.	89,958	112	19,161	109,231
Head of People & Organisational Development.	89,958	-	19,161	109,119
Head of Legal Services.	89,958	-	19,161	109,119

	2022/23			
	Salary, Fees and Allowances	Expenses Allowances	Employers Pension Contribution	Total
	£	£	£	£
Chief Executive Karen Jones.	143,770	-	-	143,770
Director of Education, Leisure & Lifelong Learning.	113,954	-	23,133	137,087
Director of Environment.	119,416	-	24,241	143,657
Director of Social Services, Health & Housing.	122,149	-	24,796	146,945
Chief Finance Officer.	94,503	-	19,184	113,687
Chief Digital Officer.	86,916	-	17,644	104,560
Head of People & Organisational Development.	86,916	-	17,644	104,560
Head of Legal Services.	86,916	-	17,644	104,560

The Employers pension contribution of 21.3% (20.3% in 2022/23) excludes any deficit contribution to the Fund and represents the normal contribution required for the year. No contribution cost is included when an officer has left the employers pension scheme.

NOTES TO THE ACCOUNTS

The Chief Executive opted out of the pension scheme between 31st January 2022 and 30th June 2023. The figures do not include any remuneration for the Chief Executive in her role as returning officer. The amount paid to the Chief Executive in 2023/24 was £495 (2022/23 was £6,980) which is based on rates defined by the respective election bodies and election expenses of £20 were reimbursed for 2023/24 (2022/23 NIL).

The Director of Strategy and Corporate Services was appointed on 26th June 2023. Since his appointment the Chief Digital Office, Head of People & Organisational Development and Head of Legal Services report to him and not the Chief Executive. Full year costs have been include in the Senior Employees table to avoid duplication with those advised to receive remuneration over £60,000.

The number of other staff employed by the Council, including teachers, receiving more than £60,000 remuneration for the year, excluding employer's pension contributions, is listed below, in bands of £5,000. The number being included is increasing each year due to annual pay awards.

Number of Employees 2022/23				Number of Employees 2023/24
65	£60,000	-	£64,999	59
37	£65,000	-	£69,999	45
18	£70,000	-	£74,999	35
18	£75,000	-	£79,999	19
6	£80,000	-	£84,999	15
7	£85,000	-	£89,999	18
3	£90,000	-	£94,999	1
3	£95,000	-	£99,999	-
2	£100,000	-	£104,999	4
1	£105,000	-	£109,999	1
1	£110,000	-	£114,999	4
161				201

As a result of a voluntary redundancy scheme in 2023/24, six employees received remuneration above £60,000. These individuals were paid the following amount:

Number of Employees 2022/23				Number of Employees 2023/24
2	£60,000	-	£64,999	2
-	£65,000	-	£69,999	1
1	£70,000	-	£74,999	-
-	£90,000	-	£94,999	1
-	£115,000	-	£119,999	1
-	£135,000	-	£139,999	1
3				6

NOTES TO THE ACCOUNTS

The Council continues to minimise compulsory redundancy as far as is possible by using alternatives such as voluntary redundancy and redeployment to alternative employment. Those who left under either voluntary or compulsory redundancy received redundancy payments in line with the Council's scheme and where eligible, accessed their pensions.

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit Package cost band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23 £000	2023/24 £000
£0 - £20,000	5	1	10	35	15	36	118	274
£20,001 - £40,000	1	-	4	9	5	9	132	262
£40,001 - £60,000	-	-	1	4	1	4	50	195
£60,001 - £80,000	-	-	-	2	-	2	-	149
Total	6	1	15	50	21	51	300	880

28. EXTERNAL AUDIT COSTS

The Council has incurred the following costs in relation to the audit of the statement of accounts, certification of grant claims and statutory inspections provided by the Council's external auditors:

2022/23 £000		2023/24 £000
209	Fees Payable to Audit Wales for External Audit Services Carried Out by the Appointed Auditor for the Year.	222
108	Fees Payable to Audit Wales for Statutory Work Carried Out Under the Local Government Measure.	115
59	Fees Payable to Audit Wales for the Certification of Grant Claims and Returns for the Year.	63
376	Total	400

NOTES TO THE ACCOUNTS

29. GRANT INCOME

The Council credited the following grants and contributions to the comprehensive income and expenditure statement:

2022/23 £000	Grant Income	2023/24 £000
	Credited to Services	
2,164	Post 16.	2,185
502	Youth.	215
2,794	Childcare Offer.	990
8,892	Children & Communities.	8,664
6,864	Regional Consortia School Improvement Grant (RCSIG).	7,004
7,707	Local Authority Education Grant.	9,172
6,495	Pupil Deprivation Grant.	6,812
351	Other Schools Grants.	241
497	Young Person Guarantee.	-
718	Early Years Integration Transformation.	718
-	Communities for Work.	1,708
4,035	Other Education Grants.	3,808
1,898	Concessionary Bus Fares.	1,760
1,841	Community Renewal Fund Grant.	-
538	Enabling Natural Resources and Well being.	1,178
1,718	Other Highways Grants.	3,094
1,337	Social Care Workforce Development.	1,049
4,115	Substance Misuse.	4,675
1,384	Homes for Ukraine.	1,130
842	Homelessness Phase 2 Funding.	1,298
2,234	Sustainable Social Services.	2,235
1,916	Other Social Services Grants.	2,931
561	Housing Benefit Administration.	561
38,069	Mandatory Rent Allowances.	38,933
3,055	General Capital Grant for Housing Expenditure.	3,655
341	Housing Energy Efficiency Grant.	281
6,693	Housing Support Grant.	6,704
3,194	Workways.	821
713	Sustainable Waste.	-
1,602	Other Services Grants.	2,276
2,685	COVID19 Grants.	-
115,755	Total Grants Credited to Services	114,098

NOTES TO THE ACCOUNTS

2022/23 £000	Grant Income	2023/24 £000
	Credited to Taxation and Non Specific Grant Income	
206,151	Revenue Support Grant.	229,948
366	Regeneration and Town Centre Redevelopments.	695
651	21st Century Schools.	359
601	Local Transport Fund.	557
1,308	Safe Routes / Accident Reduction Measures.	1,910
-	Community Focused Schools.	10
623	Active Travel.	1,065
1	Flying Start.	-
68	Childcare Offer Capital Grant.	19
5,500	Additional Schools Funding.	244
455	HWB - Education Technology Grant.	440
2,479	Drainage.	2,167
-	Levelling Up Fund.	1,679
949	Other Capital Grants.	4,289
219,152	Total Grants Credited to Taxation and Non Specific Grant Income	243,382
334,907	Total Grant Income	357,480

30. RELATED PARTIES

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

Members

Members of the Council have direct control over the Council's financial and operating policies. The total paid to members in 2023/24, including on-costs, is shown in note 26.

Under the code of conduct incorporated in the Council's Constitution, members are required to record in the register of members interests any financial and other personal interests, together with any gift, hospitality, material interest or advantage. The register is open to inspection by the public and is available on an individual member basis on the Council Website.

Members of the Council serve on numerous outside bodies some of which either receive funding from the Council or issue levies and precepts to be paid by the Council. These payments are made with proper consideration of declarations of interest and relevant members do not take part in any discussion or decision relating to the grants.

NOTES TO THE ACCOUNTS

Officers

The Head of Legal Services is an unpaid shareholder representative on behalf of the Council with Neath Port Talbot Waste Management Ltd; the company is in the process of being dissolved.

The Chief Executive was the Chief Executive for South West Wales Corporate Joint Committee (CJC) until 31st October 2023. The Head of Legal Services is the Monitoring Officer; the Council is reimbursed by the CJC for costs.

Under the Employees' Code of Conduct, officers are required to declare potential conflicts of interest arising from employment arrangements together with gifts or hospitality received. Several Senior Officers benefited from gifts and hospitality during 2023/24 none of which were material or deemed to be a conflict of interest.

Central Government

Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties, such as council tax bills and housing benefits. Grants and contributions received from government departments are set out in the notes 5 and 29.

Entities Significantly Influenced by the Council

Swansea Bay City Deal

The Swansea Bay City Deal is a £1.3bn investment in 9 major projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

The Swansea Bay City Deal is being led by the four regional local authorities through a Joint Committee Agreement, together with non-voting partners - Swansea Bay and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David.

The Head of Legal is the monitoring officer and cost of £21,000 for Democratic Services in respect of the Joint Scrutiny Committee were recharged for 2023/24.

The two projects for Neath Port Talbot Council are Supporting Innovation and Low Carbon Growth and Homes as Power Stations.

NOTES TO THE ACCOUNTS

Celtic Leisure

The Council has a contract with Celtic Leisure (a company limited by guarantee) to manage its indoor leisure activities and the Gwyn Hall. Following negotiations with the Council the Trustees have agreed to surrender the contract prior to the Trust commencing liquidation procedures. The Council has agreed to provide the Trust with funding to meet its obligations until the date of the completion of the contract and in respect of the planned liquidation.

A decision was taken by Cabinet on 1st February 2022 to insource indoor leisure activities and arrangements will continue to develop in that regard. The indemnity agreement that the Council has with Celtic Leisure remains in place until the insourcing is complete.

The Council pays Celtic Leisure an annual management fee to run the service (excluding the structural maintenance of buildings) which for 2023/24 was £3.469m (£2.839m in 2022/23). There was £106,000 (£93,000 in 2022/23) balance owed by Celtic Leisure to the Council on 31st March 2024.

South West Wales Corporate Joint Committee

Formally constituted in January 2022, the Corporate Joint Committee for South West Wales covers the local authority areas of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. The Committee will improve the regional planning, co-ordination and delivery of transport, land use planning, economic development and energy.

The Corporate Joint Committee has been created by the Local Government and Elections (Wales) Act 2021 and is made up of representatives from the four Councils as well as Bannau Bryncheniog and the Pembrokeshire Coast National Park Authority.

Neath Port Talbot Council commits a sum by way of a levy, £126,022 for 2023/24 (£117,384 for 2022/23), and are reimbursed for officer time associated with the governance arrangements of the Corporate Joint Committee. Service Level Agreements are in place between the Corporate Joint Committee and the respective public bodies for service delivery.

NOTES TO THE ACCOUNTS

31. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

2022/23 £000		2023/24 £000
37,420	Capital Investment	32,733
6,677	Property, Plant and Equipment.	6,396
	Revenue Expenditure Funded from Capital Under Statute.	
44,097		39,129
	Sources of Finance	
(3,416)	Capital Receipts.	(465)
(21,196)	Government Grants and Other Contributions.	(22,682)
	Sums Set Aside from Revenue:	
(3,338)	Direct Revenue Contributions and Reserves.	(2,118)
(16,147)	Loans.	(13,864)
(44,097)		(39,129)

As at 31st March 2024, the Authority has entered into a number of contracts for the construction of Property, Plant and Equipment. The budgeted cost of these commitments for 2024/25 and future years are shown in the table below.

The major commitments are:

Major Capital Commitments	2024/25 £000	Future £000	Total £000
Education Demountable Units	425	-	425
Pontardawe Arts Centre Cinema	1,506	-	1,506
	1,931	0	1,931

Where Capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

2022/23 £000		2023/24 £000
(349,573)	Opening Capital Financing Requirement	(355,073)
(4,433)	Increase in Underlying Need to Borrow (Supported by Government Financial Assistance).	(4,426)
(11,714)	Increase in Underlying Need to Borrow (Unsupported by Government Financial Assistance).	(9,439)
10,647	Minimum Revenue Provision and Prudential Borrowing.	11,447
(355,073)	Closing Capital Financing Requirement	(357,491)

NOTES TO THE ACCOUNTS

32. SERVICE CONCESSION

On 1st April 2012, the Council entered into a service concession arrangement with Tai Gwalia CYF to take over and operate the Council's long term care and short term respite care homes. As part of this arrangement, the Council transferred its existing care homes to Tai Gwalia CYF who have constructed two new residential care homes, Plas Bryn Rhosyn in Neath and Llys Y Seren in Port Talbot, on land owned by the Council. This arrangement is in place until 2037.

The agreement included the construction of two residential care homes with a commitment that the Council will purchase a guaranteed number of beds for the duration of the contract. The contract includes a series of events which could trigger termination of the contract. At the end of the contract the assets transfer into the ownership of the Council for no additional charge. The Council carries the non-current assets used under the contract on the balance sheet as service concession assets.

The following table shows the payments to be made under the service concession:

	Payment for Services £000	Reimburse Capital Expenditure £000	Interest £000	Total £000
Payable:				
Within 1 year	4,300	115	138	4,553
Within 2 to 5 years	15,008	535	474	16,017
Within 6 to 10 years	16,022	880	382	17,284
Within 11 to 15 years	9,613	672	86	10,371
Total	44,943	2,202	1,080	48,225

The future service liability for reimbursing capital expenditure is:

2022/23 £000		2023/24 £000
2,412	Balance Outstanding at 1st April.	2,310
(102)	Payments During the Year.	(108)
2,310	Balance outstanding at 31st March	2,202

33. LEASES

Council as Lessee

Finance Leases

The Council has one finance lease recognised in its balance sheet.

NOTES TO THE ACCOUNTS

31st Mar 2023 £000		31st Mar 2024 £000
3,744	Other Land and Buildings - Asset Value.	3,745

The Council is committed to making minimum payments under these leases comprising settlement of the long term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years, while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

31st Mar 2023 £000		31st Mar 2024 £000
	Finance Lease Liabilities	
13	Current.	13
819	Non Current.	805
714	Finance Lease Costs Payable in Future Years.	676
1,546	Minimum Lease Payments	1,494

These minimum lease payments will be payable over the following periods:

Minimum Lease Payments	Finance Lease Liabilities		Minimum Lease Payments	Finance Lease Liabilities
31st Mar 2022 £000	31st Mar 2022 £000		31st Mar 2023 £000	31st Mar 2023 £000
52	13	Not Later than One Year.	52	13
206	57	Between 1 and 5 Years.	206	59
1,288	762	Later than 5 Years.	1,236	746
1,546	832		1,494	818

Council as Lessor

Operating Lease

The Council currently leases out property under operating lease agreements ranging from indoor market units to shops, clubs, land, etc.

The lease income received in 2023/24 was £1.194m (2022/23 was £1.299m). The leases are short term by nature and future income streams will be affected by external factors, most noticeably economic conditions and therefore cannot be estimated with certainty.

NOTES TO THE ACCOUNTS

34. PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is a multi-employer defined benefit scheme. The Scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years.

The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this statement of accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2023/24 the Council paid £13.5m (£12.7m in 2022/23) to Teachers' Pensions in respect of teachers' retirement benefits, based on a 23.68% which has been the effective rate from 1st September 2019.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a discretionary basis within the defined benefit detailed in note 36.

The Council is not liable to the scheme for any other entities' obligations under the plan.

35. DEFINED BENEFIT PENSION SCHEMES

Participation in Pension Schemes

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

The Council participates in two post-employment schemes:

- the Local Government Pension Scheme, administered locally by the City and County of Swansea. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets.
- arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there is no investment assets built up to meet these pensions' liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

NOTES TO THE ACCOUNTS

The City and County of Swansea Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of the City and County of Swansea Council. Policy is determined in accordance with the pension fund regulations. The investment managers of the fund are appointed by the committee and the committee consist of the Director of Finance, Council members and independent investment advisers.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme, (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the general fund the amounts required by statute.

Discretionary Post–Retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserves statement.

McCloud

The Local Government Pension Scheme Regulations covering the McCloud remedy has been concluded. The net pension liability reported in the accounts includes the liability related to the McCloud judgement.

Actuarial Valuation

The pension fund liability disclosed in the balance sheet is the total projected surplus or deficit that exists over the expected life of the fund. This surplus or deficit changes on an annual basis dependent on the performance of investments and the actuarial assumptions that are made in terms of current pensioners, deferred pensioners and current employees.

The fund is subject to a 3 yearly actuarial valuation which assesses the then state of the pension fund and advises the various admitted bodies on the appropriate rate of employers' contributions that needs to be made in order to restore the fund to a balanced position over a period of time. The contribution rate used in 2023/24 relates to the valuation undertaken on 31st March 2022.

The effect of allowing for this is shown in the 'Actuarial (gains) / losses due to liability experience' and the 'Return on plan assets (in excess of)/below that

NOTES TO THE ACCOUNTS

recognised in net interest' and is reflected in the balance sheet position. The demographic assumptions have also been updated to reflect those of the 2022 valuation. These changes have had a positive effect on the balance sheet position.

Surplus Recognition and Additional Liability

The defined benefit Pension Scheme has a net pension asset at the accounting date. The Actuary has calculated the maximum economic benefit that can be recognised in the accounts (referred to as the asset ceiling) calculated in accordance with IFRIC 14. As the asset ceiling is below the net pension asset, the net pension asset has been restricted to the asset ceiling.

The Council is currently paying deficit contribution. IFRIC 14 requires recognition of an additional liability with the current year's accounts due to the obligation to pay deficit contributions in the future under a minimum funding requirement. The additional liability is equal to the value of the future deficit contributions that cannot be recognised as a net pension asset after they have been paid into the Fund (i.e. they would have no economic benefit to the Council).

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the Council's obligation in respect of its defined benefits plan is as follows:

Local Government Pension Scheme	Discretionary Benefits Arrangement		Local Government Pension Scheme	Discretionary Benefits Arrangement
2022/23 £m	2022/23 £m		2023/24 £m	2023/24 £m
(960.14)	(26.46)	Present Value of the Defined Benefit Obligation. Fair Value of Plan Assets. Unrecognised Asset. Additional liability due to minimum funding requirement.	(965.68)	(23.85)
934.98			1,069.54 (103.86) (29.95)	
(25.16)	(26.46)	Additional liability due to minimum funding requirement.	(29.95)	(23.85)

The transactions made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year are disclosed in the following table.

NOTES TO THE ACCOUNTS

Local Government Pension Scheme	Discretionary Benefits Arrangements		Local Government Pension Scheme	Discretionary Benefits Arrangements
2022/23			2023/24	
£m	£m		£m	£m
		Comprehensive Income and Expenditure Statement (CIES)		
		Cost of Services:		
52.99	-	Current Service Cost.	27.24	-
0.02	-	Past Service Costs.	0.10	-
		Financing and Investment Income and Expenditure		
10.88	0.79	Net Interest Expense.	0.47	1.19
63.89	0.79	Total Post-Employment Benefit Charged to the Surplus or Deficit on the Provision of Services.	27.81	1.19
		Other Post-Employed Benefit Charged to the Comprehensive Income and Expenditure Statement		
		Remeasurement of the Net Defined Benefit Liability Comprising:		
12.24	-	Return on Plan Assets (excluding the amount included in the net interest expense).	(88.38)	-
13.71	(0.33)	Actuarial Gains and Losses Arising on:	(15.07)	(0.61)
(521.52)	(4.71)	Changes in Demographic Assumptions.	(34.19)	(0.33)
71.10	2.64	Changes in Financial Assumptions.	11.62	(0.49)
-	-	Liability Experience.	103.86	-
-	-	Restriction of Surplus.	29.95	-
		Minimum Funding Requirement.		
(424.47)	(2.40)	Total Amount Recognised in Other Comprehensive Income.	7.79	(1.43)
(360.58)	(1.61)	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement.	35.60	(0.24)
		Movement in Reserves Statement		
360.58	1.61	Reversal of Net Charges Made to the Surplus or Deficit for the Provision of Services for Post Employment Benefits in Accordance with the Code.	(35.60)	0.24
		Actual Amount Charged Against the General Fund Balance for Pensions in the		
33.55	-	Employers' Contributions Payable to Scheme.	30.81	-
-	2.41	Retirement Benefit Payable to Pensioners.	-	2.37

NOTES TO THE ACCOUNTS

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

Funded Liabilities: Local Government Pension	Unfunded Liabilities: Discretionary Benefits		Funded Liabilities: Local Government Pension	Unfunded Liabilities: Discretionary Benefits
2022/23 £m	2022/23 £m		2023/24 £m	2023/24 £m
(1,330.69)	(30.48)	Opening Balance at 1st April	(960.14)	(26.46)
(52.99)	-	Current Service Cost.	(27.24)	-
(35.64)	(0.79)	Interest cost.	(44.48)	(1.19)
(8.04)	-	Contributions from Scheme Participants.	(8.78)	-
(13.71)	0.33	Remeasurement Gains and (Losses): Actuarial Gains/Losses Arising from Changes in Demographic Assumptions.	15.07	0.61
521.52	4.71	Actuarial Gains/Losses Arising from Changes in Financial Assumptions.	34.19	0.33
(71.10)	(2.64)	Actuarial Gains and Losses Due to Liability Experience.	(11.62)	0.49
(0.02)	-	Past Service Cost.	(0.10)	-
30.53	2.41	Benefits Paid.	37.42	2.37
(960.14)	(26.46)	Closing Balance at 31st March	(965.68)	(23.85)

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

2022/23 £m		2023/24 £m
911.40	Opening Fair Value of Scheme Assets	934.98
24.76	Interest Income on assets.	44.01
(12.24)	Remeasurement Gains/(Losses): The Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense.	88.38
33.55	Contributions by the Employer.	30.81
8.04	Contributions from Employees into the Scheme.	8.78
(30.53)	Benefits Paid.	(37.42)
934.98	Closing Fair Value of Scheme Assets	1,069.54

NOTES TO THE ACCOUNTS

Local Government Pension Scheme Assets for Neath Port Talbot

Estimated 2022/23	Final 2022/23	Fair value of Scheme Assets	Estimated 2023/24
£'000	£'000		£'000
5,098	5,096	Cash and Cash Equivalents	5,684
-	-	Pooled Equity Investment Vehicles:	-
596,910	596,772	UK	-
596,910	596,772	Global	683,503
32,279	32,270	Property	30,652
40,701	40,691	Fixed Interest:	-
8,932	8,930	Fixed Interest	44,237
49,633	49,621	Index-Linked	8,522
19,752	19,747	Hedge Funds	21,519
68,998	68,982	Private Equity	78,782
34,444	34,580	Infrastructure	49,822
22,473	22,578	Private Debt	25,915
7,347	7,310	Residential Housing	10,953
43	44	Timberland & Farmland	25,115
3,708	3,707	Derivatives	3,100
32,965	32,957	Trade Finance	35,400
60,442	60,428	Global Bond Funds	45,746
1	1	Cash - Dividends Due	38
887	887	Net Current Assets	552
934,980	934,980	Total Assets	1,069,540

The three segregated equity funds with JP Morgan, Aberdeen and Schroders UK were transitioned in January 2019 to the Wales Pension Partnership Global Opportunities Fund, a Pooled Equity Investment Vehicle.

The following investments represented more than 5% of the Fund's net assets;

Neath Port Talbot Share 2022/23			Neath Port Talbot Share 2023/24	
Value of Net Assets £000	Proportion of Net %		Value of Net Assets £000	Proportion of Net %
185,164	19.8	Blackrock ACS Low Carbon Tracker Fund.	211,879	19.8
397,207	42.5	WPP Global Opportunities	382,784	35.8
-	-	WPP Sustainable Active Equity	73,566	6.9
48,396	5.2	Harbour Vest - Private Equity Fund.	-	-
52,884	5.7	T Rowe - Global Bond Fund.	-	-

NOTES TO THE ACCOUNTS

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by AON Hewitt Ltd, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 31st March 2022.

The significant assumptions used by the actuary have been:

Local Government Pension Scheme	Discretionary Benefit Arrangements		Local Government Pension Scheme	Discretionary Benefit Arrangements
2022/23			2023/24	
		Mortality Assumptions:		
		Longevity at 65 for Current Pensioners:		
22.2	22.2	Men.	21.7	21.7
24.7	24.7	Women.	24.3	24.3
		Longevity at 65 for Future Pensioners:		
22.9	-	Men.	22.4	-
25.8	-	Women.	25.3	-
		Rate of Inflation:		
2.7%	2.7%	Consumer Price Index (CPI).	2.6%	2.6%
4.2%	-	Rate of Increase in Salaries.	4.1%	-
2.7%	2.7%	Rate of Increase in Pensions.	2.6%	2.6%
4.7%	4.7%	Rate for Discounting Scheme	4.8%	4.8%

Sensitivity Analysis

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31st March 2023 and the projected service cost for the year ending 31st March 2024 is set out below:

NOTES TO THE ACCOUNTS

Discount Rate Assumption

Adjustment to Discount Rate.	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£m's).	949.26	982.10
% Change in Present Value of Total Obligation.	-1.7%	1.7%
Projected Service Cost (£m's).	24.80	26.95
Approximate % Change in Projected Service Cost.	-4.1%	4.2%

Rate of General Increase in Salaries

Adjustment to Salary Increase Rate.	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£m's).	967.61	963.75
% Change in Present Value of Total Obligation.	0.2%	-0.2%
Projected Service Cost (£m's).	25.86	25.86
Approximate % Change in Projected Service Cost.	0.0%	0.0%

Rate of Increase to Pensions in Payment and Deferred and Rate of Revaluation of Pension Accounts Assumption

Adjustment to pension increase rate.	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£m's).	980.17	951.19
% Change in Present Value of Total Obligation.	1.5%	-1.5%
Projected Service Cost (£m's).	26.95	24.80
Approximate % Change in Projected Service Cost.	4.2%	-4.1%

Post Retirement Mortality Assumption

Adjustment to mortality age rating assumption.	-1 year	+1 year
Present Value of Total Obligation (£m's).	991.75	939.61
% Change in Present Value of Total Obligation.	2.7%	-2.7%
Projected Service Cost (£m's).	26.79	24.90
Approximate % Change in Projected Service Cost.	3.6%	-3.7%

Asset Liability Matching Strategy (ALM)

The pension committee of the City and County of Swansea has agreed to an asset and liability matching strategy (ALM) that matches, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. The fund has matched assets to the pensions' obligations by investing in long-term fixed interest securities and index linked gilt edged investment with maturities that match the benefits payments as they fall due. This is balanced with a need to maintain the liquidity of the fund to ensure that it is able to make current payments.

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The City and County of Swansea has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over 25 years. Funding levels are monitored on an annual basis.

The last triennial valuation was as at 31st March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31st March 2014. The Act provides for scheme regulations to be made within a common framework, to

NOTES TO THE ACCOUNTS

establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Council expects to pay £31.7m contributions to the scheme in 2024/25. Expected payments to beneficiaries of the discretionary benefits schemes in the year to 31st March 2025 are £0.97m for the LGPS Scheme and £1.56m for Teachers.

36. DISCLOSURE OF NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Key Risks

The Council's activities expose it to a variety of financial risks. The key risks are:

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

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. Risk management is carried out by a central treasury team, under policies approved by Council in the treasury management strategy, annual investment strategy, capital strategy and minimum revenue policy report. The full report can be accessed on the Council's web site.

Credit Risk

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

This risk is minimised through the annual investment strategy, which is available on the Council website.

The key areas of the investment strategy in relation to minimum criteria for investment counterparties and investment limits are included within the Council Annual Investment Strategy.

The Council's maximum exposure to credit risk in relation to its investments in individual banks and building societies 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. A minimal risk of irrecoverability applies to all of the Council's deposits and by adopting stringent investment criteria this risk continues to be minimised.

NOTES TO THE ACCOUNTS

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

The Council does not allow credit for its trade debtors. The following analysis shows the age profile of the due amounts:

31st Mar 2023 £000		31st Mar 2024 £000
4,320	Current - Up to One Month.	2,818
727	One to Three Months.	3,381
742	Three to Six months.	1,193
771	Six Months to One Year.	1,206
2,165	More than One Year.	2,739
8,725	Total	11,337

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money and the Public Works Loan Board. There is no significant risk that it will be unable to raise finances to meet its commitments under financial instruments.

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters.

The maturity analysis of financial liabilities (excluding interest) is as follows:

31st Mar 2023 £000		31st Mar 2024 £000
(20,436)	Less than 1 Year.	(7,767)
(5,606)	Between 1 and 2 Years.	(1,194)
(2,009)	Between 2 and 5 Years.	(1,009)
(22,313)	Between 5 and 10 Years.	(29,240)
(244,831)	More than 10 Years.	(230,710)
(295,195)	Total	(269,920)

NOTES TO THE ACCOUNTS

Market Risk

Interest Rate Risk

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

- Borrowings at variable rates – the interest expense charged to the surplus or deficit on the provision of services will rise;
- Borrowings at fixed rates – the fair value of the liabilities borrowing will fall;
- Investments at variable rates – the interest income credited to the surplus or deficit on the provision of services will rise;
- Investments at fixed rates – the 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 on the surplus or deficit on the provision of services or other comprehensive income and expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the general fund balance.

The Council has a number of strategies for managing interest rate risk. The annual treasury management strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. This strategy is used to set a treasury indicator which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor the market and interest rate forecasts during the year and adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

If there were a fluctuation of 1% in the interest rates (with all other variables held constant) the financial effect at 31st March would be:

	31st Mar 2024 £000
Increase/Decrease in Interest Received and Credited to the Comprehensive Income and Expenditure Statement.	245
Increase/Decrease in External Interest Payable and Debited to the Comprehensive Income and Expenditure Statement.	2,663

Price Risk

The Council does not invest in equity shares or marketable bonds.

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37. LOCAL TAXATION

Council Tax

Council tax is the current form of local taxation for domestic properties. All domestic properties are placed into one of nine valuation bands according to their open market value at 1st April 2003. The average amount of council tax for a property in Band D in 2023/24 was £2,112. This was calculated by dividing the amount of council tax required by Neath Port Talbot Council, each community council, and the South Wales Police Authority by the council tax base of 48,808 (which is the number of properties we collect council tax from, adjusted by discounts etc., and converted to the equivalent number of band d properties). The amounts for properties in other bands are calculated by multiplying the band d figure by the relevant multiplier in the table below:

Band	A	B	C	D	E	F	G	H	I	Total
Multiplier	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	
Number of Chargeable Dwellings	13,258	26,403	11,377	7,134	4,401	1,357	525	92	15	64,562

Significant Precepts or Demands

An element of the council tax bill relates to funding which is paid over to other organisations. The main demands and precepts were:

Town or Community Councils	2023/24 £000
Blaengwrach	53
Blaenhonddan	252
Briton Ferry	218
Cilybebyll	115
Clyne and Melincourt	29
Coedffranc	449
Crynant	60
Cwmllynfell	43
Dyffryn Clydach	62
Glynneath	216
Gwaencaegurwen	113
Neath	401
Onllwyn	28
Pelenna	43
Pontardawe	234
Resolven	62
Seven Sisters	56
Tonna	49
Ystalyfera	96
	2,579
Other Levies and Demands	
Police and Crime Commission for South Wales	15,837
Mid and West Wales Fire and Rescue Authority	9,923
	25,760

NOTES TO THE ACCOUNTS

Business Rates

Non-domestic rates are calculated by multiplying a property's rateable value by the rating multiplier (or rate in the pound). Rateable values are determined by the Valuation Office Agency and the multiplier is set by the Welsh Government. The multiplier for 2023/24 was 53.5p (2022/23 53.5p). The Council is responsible for collecting rates due from businesses in its area but pays the proceeds into the NNDR pool administered by the Welsh Government. The Welsh Government redistributes the sums payable back to local authorities on the basis of a fixed amount per head of population.

In 2023/24, the total non-domestic rateable value at the year-end was £105.399m (2022/23 £103.264m).

38. ANNUAL GOVERNANCE STATEMENT

The Council is required by statute to provide an Annual Governance Statement that covers all significant corporate systems, processes and controls, spanning the whole range of its activities. It is signed by the Council's Leader and Chief Executive and approved by Cabinet.

The Independent Auditor’s Report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

Report on the audit of the financial statements to be inserted upon completion of Audit

The Independent Auditor's Report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

**The Independent Auditor’s Report of the Auditor General for Wales to
the Members of Neath Port Talbot County Borough Council**

GLOSSARY OF TERMS

This glossary of terms has been prepared on the basis that a basic knowledge of accountancy terms is held. It provides a description of specialist terms relating to local government finance.

Audit	An audit is an independent examination of the Council's activities
Accumulated Absences	The Code of Practice requires an adjustment for accumulated absences which gives a monetary value to the cost of holidays accrued by staff but not taken at the end of the financial year. The net effect of this adjustment is reversed from the accounts.
Actuary	An actuary is someone who works out insurance and pension fund valuations, taking into account relevant factors such as trends in insurance claims and life expectancy.
Amortised Cost	Amortised costs are used to spread the financial impact of depreciation or using an equivalent interest rate or the effect of a premium or discount over a number of years on the income and expenditure account.
Balance Sheet	This is a statement of our assets, liabilities and other balances at the balance sheet date i.e. 31 st March.
Budget	A budget is a spending plan, based upon which the Council tax is set. Actual expenditure and income is subsequently monitored against this plan.
Capital Expenditure	Capital expenditure is spending on fixed assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment and vehicles.
Capital Receipt	Capital receipts are proceeds from the sale of fixed assets such as land and buildings.
Cash Flow Statement	This statement summarises the movements in cash during the year.
CIPFA/LASAAC	The Chartered Institute of Public Finance and Accountancy and Local Authority Scotland Accounts Advisory Committee (CIPFA/LASAAC) is the body that sets the Code of Practice on Local Authority Accounting in the United Kingdom.
Comprehensive Income and Expenditure Statement (CIES)	This account records day to day spending and income on items such as salaries and wages, the running costs of services and the financing of capital expenditure.
Componentisation	Accounting standards require that assets are split into separate components where there are significant differences in the life of elements of the assets which would have a significant effect on the depreciation costs.

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Contingent Asset	This is a possible asset that arises from past events but whose existence will only be confirmed after an uncertain future.
Contingent Liability	This is a possible obligation that may arise from past events and whose existence will be confirmed by the occurrence of uncertain future events.
Creditor	A creditor is someone we owed money to at the date of the balance sheet for goods or services received.
Current Asset	These are short-term assets which are available for us to use in the following accounting year.
Current Liability	These are short-term liabilities which are due for payment by us in the following accounting year.
Debtor	A debtor is someone who owed money to us at the date of the balance sheet.
Depreciation	Depreciation is the estimated loss in value of fixed assets that are presented in the Balance Sheet.
Expenditure and Funding Analysis	This analysis is designed to provide a more direct link between the Council's budgeted spend and the figures reported under generally accepted accounting practices. It provides a link between management information and the figures included in the Comprehensive Income and Expenditure Statement.
Fair Value	This is the estimated value of an asset or liability at the balance sheet date. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Finance Lease	Leasing is a method of financing capital expenditure by paying the owner to use property or equipment for a number of years. Finance leases are used to finance purchases where the Council takes on most of the risks associated with owning the asset.
Financial Year	This is the accounting period. For local Authorities it starts on 1 April and finishes on 31 March of the following year.
Financial Instruments	This relates to any contract which gives rise to a financial asset in one organisation and a financial liability or equity instrument of another. A collective name for investments, trade debtors and borrowings.
General Fund Balance	This represents the cumulative retained surpluses on the Council's revenue budget. It includes reserves the Council has earmarked to fund its plans as well as a cushion against unexpected events or

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emergencies. The level of the balance is considered as part of the annual budget process each year.

IFRIC	International Financing Reporting Interpretations Committee.
Impairment	This happens when fixed asset or investment values change significantly due to changes in circumstances. It can occur if there is a significant change in a fixed asset's market value or significant physical damage such as fire. The cost of impairment is charged to the revenue account in the year it occurs.
Liability	A liability is an amount payable at some time in the future.
Minimum Revenue Provision (MRP)	This is an amount we have set aside to repay loans.
Movement in Reserves Statement	This statement shows the movement in the year on the different reserves held by the Council, analysed between the usable reserves which can be applied to fund expenditure or reduce local taxation and the unusable reserves which cannot be utilised in this way.
National Non-Domestic Rates (NDR)	Also known as the Business Rate, it is the charge occupiers of business premises pay which is collected by this Council and paid to the Welsh Government for reallocation. The charge is based on the rateable value of the business premises.
Net Realisable Value	The selling price of an asset, reduced by the relevant cost of selling it.
Pension Reserve	The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits (pensions) and for funding benefits in accordance with statutory provisions.
Pooled Budgets	These are budgets which are joined up across differing organisations with similar objectives and used to ensure improvements through coordinating expenditure.
Precepts	Precepts are levied on the Council by non-billing organisations such as the police and community councils to enable them to cover their costs in the performance of their services or duties.
Provision	This is an amount set aside in the accounts for a past event which is likely or certain to result in a financial cost some time in the future, though the exact amount and date may be uncertain.
Public Works Loans Board(PWLB)	This is a Government Agency which provides longer term loans to local authorities.

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Related Party Transactions	These are disclosed to highlight any relationships that may exist between the Council and third parties who may materially affect or influence the way the Council or third parties are able to operate.
Reserves	These are sums set aside to meet future expenditure. This Council splits the total reserve to show those earmarked to fund specific expenditure and those held to fund non-specific future expenditure in the general reserve.
Revaluation Reserve	This reserve is used to record gains in fixed asset values as a result of formal revaluations of the Council's fixed assets.
Revenue Expenditure Funded from Capital under Statute	This represents revenue expenditure which the Council is allowed to apply to Capital under statutory provisions. It does not result in fixed assets controlled by the Council.
Revenue Support Grant/NDR	This is general government grant in support of local council services which is paid by the Welsh Government. The distribution of this grant tries to take account of the differing needs in each Council.
Service Concession	A service concession arrangement arises when a Council grants a contract to a supplier who provides or maintains capital assets on the Council's behalf, which revert to the Council's ownership at the end of the contract. The grantor regulates the services the operator must provide using the assets and also controls any significant residual interest in the assets at the end of the term of the arrangement.
The Code of Practice	The Code of Practice incorporates guidance in line with IFRS, IPSAS and UK GAAP accounting standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council.

Note: values throughout these accounts are presented rounded to whole values as shown throughout the accounts. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the core statements or other tables due to rounding differences.

Governance and Audit Committee

Meeting Date 2024	Agenda Item	Contact Officer
27th September 2024	Internal Audit quarterly update report 23/24	Head of Internal Audit
	Special investigations Update report	Head of Internal Audit
	Audit Wales – Annual Audit Summary 2023	Louise McAndrew/Caryn Furlow-Harris

Meeting Date 2024	Agenda Item	Contact Officer
29 th November 2024	Compliments and Complaints Annual Report 23/24.	Louise McAndrew/Caryn Furlow-Harris
	Internal Audit quarterly update report 23/24	Head of Internal Audit
	Special investigations Update report	Head of Internal Audit
	Final Statement of Accounts	Diane Mulligan / Huw Jones
	Audit Wales Springing Forward – Strategic Assets	Simon Brennan/Nicola Pearce

Meeting Date 2024	Agenda Item	Contact Officer
21 st February 2025	Internal Audit quarterly update report 23/24	Head of Internal Audit
	Special investigations Update report	Head of Internal Audit
	Internal Audit Strategy & Internal Audit Plan for 2025-26	Head of Internal Audit

Meeting Date 2025	Agenda Item	Contact Officer
16 th May 2025	Internal Audit quarterly update report 23/24	Head of Internal Audit
	Special investigations Update report	Head of Internal Audit
	Internal Audit annual report 24/25	Head of Internal Audit