



## **GOVERNANCE AND AUDIT COMMITTEE**

**10.00 AM - FRIDAY, 22 NOVEMBER 2024**

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

**ALL MOBILE TELEPHONES TO BE SWITCHED TO SILENT FOR THE  
DURATION OF THE MEETING**

### **Webcasting/Hybrid Meetings:**

This meeting may be filmed for live or subsequent broadcast via the Council's Internet Site. By participating you are consenting to be filmed and the possible use of those images and sound recordings for webcasting and/or training purposes.

### **PART 1**

1. Chairperson's Announcement/s
2. Declarations of Interest
3. Minutes of Previous Meeting (*Pages 5 - 10*)
4. Forward Work Programme (*Pages 11 - 12*)
5. Closure of Accounts 2023/2024 (*Pages 13 - 210*)
6. Audit Wales - Closure of Accounts 2023/2024 (*Pages 211 - 242*)
7. Audit Wales - Programme & Timetable - Quarter 2 Update April to September 2024 (*Pages 243 - 266*)
8. Corporate Risk Management Arrangements (*Pages 267 - 308*)
9. Progress Update - Use of Performance Information: Service User

Perspective and Outcomes (*Pages 309 - 314*)

10. Register of Regulators Reports & Recommendations (*Pages 315 - 328*)
11. Public Service Ombudsman for Wales Annual Report 2023/2024 (*Pages 329 - 346*)
12. Internal Audit Update Report 2024/25 (*Pages 347 - 378*)
13. 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).

## **PART 2**

14. Access to Meetings  
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 Paragraph 12 and 15 of Part 4 of Schedule 12A of the above Act.
15. Special Investigations Update Report (*Pages 379 - 384*)

**K.Jones**  
**Chief Executive**

**Civic Centre**  
**Port Talbot**

**Thursday, 14 November 2024**

**Committee Membership:**

**Chairperson:** J.Jenkins

**Vice  
Chairperson:** M.Owen

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

**Voting Lay  
Member:** A.Bagley

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## GOVERNANCE AND AUDIT COMMITTEE

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

**Members Present:** **12 July 2024**

**Chairperson:** Councillor J.Jenkins

**Vice Chairperson:** Councillor M.Owen

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

**Officers In Attendance:** H.Jones, R.Livingstone, C.Furlow-Harris,  
L.McAndrew, K.Usher and N.Jones

**Representing Audit Wales:** M.Gibson, M.Phoenix, A.Lewis and C.Bates

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1. **APPOINTMENT OF CHAIR AND DEPUTY CHAIR FOR THE CIVIC YEAR 2024/25**

**RESOLVED:**

- That Lay Member, Joanna Jenkins, be appointed Chairperson of the Committee for the 2024/25 Civic Year
- That Lay Member, Mark Owen, be appointed Deputy Chairperson of the Committee for the 2024/25 Civic Year

2. **CHAIRPERSON'S ANNOUNCEMENT/S**

The Chairperson welcomed all to the meeting.

3. **MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting held on the 21<sup>st</sup> of March, 2024, were approved as a true and accurate account.

4. **AUDIT WALES - USE OF PERFORMANCE INFORMATION:  
SERVICE USER PERSPECTIVE AND OUTCOMES - NEATH PORT  
TALBOT COUNCIL**

Officers from Audit Wales provided an overview to the circulated report.

Audit Wales Officers informed the committee that the audit was undertaken in 22 Councils in Wales as well as Neath Port Talbot, also they intend to publish a national summary of the work in the late summer.

A draft was shared with council officers and the report was published in January, 2024.

Audit Wales Officers mentioned the performance information that is provided in the quarterly reports is not reflected in the report and feel that it is a missed opportunity to give senior leaders information which would help them understand the views of service users. Officers recommended that the council should ensure that the information that is provided to senior leaders enable them to understand the service user perspective on a broader range services and policies, the council should ensure this information is drawn from the diversity of service users.

Audit Wales Officers highlighted that performance information that the council provides to senior leaders focuses on activities and outputs, as opposed to evaluating their impact. In the Corporate Plan Annual Report (2021-2022) the council provides some case studies examples to illustrate the outcomes that is achieved under each of the three wellbeing objectives. The council quarterly performance reports describe activities and outputs, as opposed to as assessment for progress against the outcomes that the council is seeking to achieve. Officers recommended that the Council should strengthen the information it provides to senior leaders to help them evaluate whether the council is delivering its objectives and intended outcomes.

Audit Wales Officers highlighted that the council has limited arrangements to ensure the information it provides to the senior leaders on the service users perspective and outcomes is accurate. Officers recommended that 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 the service user perspective and outcomes.

NPT Officers explained to the committee that they acknowledge that there is work for them to do to bring together the information corporately and ensure that information is reported to senior leaders. Officers stated the response was submitted towards the end of last year. Officers highlighted that in the papers, there is an organisational response form which the recommendations have been responded to. Officers also added that the Corporate Plan will be going to Cabinet the end of July for approval and Council for adoption. Officers also stated that the new model of scrutiny is now embedded.

Members asked when there will be another update. Officers stated they will give an update at the next meeting. Members asked in relation to the data quality, has management considered the impact of models and spreadsheet application in the reporting process. Officers mentioned they had a corporate performance system which they no longer have but are looking at a system that will help them in the future. An update will be brought to the next meeting, also a digital services officer has been appointed and taken the lead on data. An invite will be sent to the new officer to attend a future committee.

Resolved: That the report be noted.

5. **AUDIT WALES - ANNUAL AUDIT SUMMARY 2023**

Officers from Audit Wales provided an overview to the circulated report.

Officers updated the Committee that the summary will be presented to Council on the 6<sup>th</sup> September, 2024.

Officers mentioned that the Corporate Performance Management Framework update will be brought back to the next meeting.

Resolved: That the report be noted.

6. **AUDIT WALES - PROGRAMME & TIMETABLE - QUARTER 4 UPDATE TO 31ST MARCH 2024**

Officers from Audit Wales provided an overview to the circulated report.

Resolved: That the report be noted.

7. **AUDIT WALES - 2024 AUDIT PLAN NEATH PORT TALBOT COUNCIL**

Officers from Audit Wales provided an overview to the circulated report.

Officers explained that in relation to performance, they have a standard piece of work that they do every year in every council which is called Our Assurance in Risk Assessment Work. Each year, Officers meet with the Councils Corporate Management Team (January/February), discuss the assurances with risk and find out what areas they can be supported, Officers take the Councils views and put all the information into an Audit Plan. Officers explained there will be a review on Cyber Security arrangements and there is a meeting scheduled for September 2024.

Officers informed the committee they have a Thematic (Service User Information) on the Performance Audit Work Programme, they are two pieces of work ongoing, one in relation to financial sustainability and the other on commissioning. Officers updated the committee that The Work Force Pressures in local government will be deferred to the 2025/26 work programme as opposed to the 24/25 programme. Members asked if they could have a list of the audits that had been undertaken in relation to cyber security. Officers will get the information to the committee.

Decision: That the report be noted.

8. **ANNUAL GOVERNANCE STATEMENT 2023-2024**

Officers provided an overview to the circulated report.

Officers updated members that this report will be going to Cabinet 24<sup>th</sup> July, 2024.

Decision: That the report be noted.

9. **REGISTER OF REGULATORS REPORTS & RECOMMENDATIONS.**

Officers provided an overview to the circulated report.

Officers and members agreed that a report would be brought back to the next meeting.

Decision: That the report be noted.

10. **GOVERNANCE & AUDIT COMMITTEE ANNUAL REPORT 2023/24**

Officers provided an overview to the circulated report.

Officers gave apologies in relation to the formatting of the covering report and will be corrected the next time it comes to committee.

Decision: That the report be noted.

11. **2023/24 ANNUAL INTERNAL AUDIT REPORT**

Officers provided an overview to the circulated report.

Officers updated the committee that there will be a new Head of Internal Audit appointed from September 2024.

Decision: That the report be noted.

12. **CLOSURE OF ACCOUNTS 2023/24**

Officers provided an overview to the circulated report.

Decision: That the report be noted.

13. **FORWARD WORK PROGRAMME**

In relation to Social Services, members asked for information on Performance Indicators to service users.

Officers mentioned they can attend Social Services Scrutiny Committee to get this information but will also check if this information can go to Governance and Audit Committee.

Members asked is there any work being undertaken in relation to poverty outcomes.

Officers mentioned that they do have a poverty prevention working group, Officers suggested that members have a look at minutes/reports from that group. Officers will ask the chair of the group to speak to members with more information.

Members asked if they could bring an update to the next Committee in relation to Risk Registers.

Officers mentioned Corporate Directors Group are having a workshop the end of August, Officers will bring an update to the next meeting with the outcomes.

Decision: That the forward work programme 2024/ 2025 be noted.

## **CHAIRPERSON**

# Agenda Item 4

## Governance and Audit Committee

<b>Meeting Date 2025</b>	<b>Agenda Item</b>	<b>Contact Officer</b>
14 <sup>th</sup> January 2025 (Special)	Self-Assessment 2023/2024	Louise McAndrew/Caryn Furlow-Harris

<b>Meeting Date 2025</b>	<b>Agenda Item</b>	<b>Contact Officer</b>
21 <sup>st</sup> February 2025	Internal Audit Update Report 24/25	Steph Payne
	Special investigations Update report	Steph Payne
	Internal Audit Strategy & Internal Audit Plan for 2025-26	Steph Payne
	Scrutiny Update	Stacy Curran/Alison Thomas
	Audit Wales Report - Springing Forward Strategic Assets	Caryn Furlow-Harris/Louise McAndrew
	Compliments and Complaints Annual Report 23/24	Caryn Furlow-Harris/Louise McAndrew

<b>Meeting Date 2025</b>	<b>Agenda Item</b>	<b>Contact Officer</b>
16 <sup>th</sup> May 2025	Internal Audit Update Report 24/25	Steph Payne
	Special investigations Update report	Steph Payne
	Internal Audit annual report 24/25	Steph Payne
	Strategic Risk Register	Louise McAndrew/Caryn Furlow-Harris

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## **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

### **GOVERNANCE AND AUDIT COMMITTEE**

**22<sup>nd</sup> NOVEMBER 2024**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **Matter for Decision**

**Wards Affected** – All wards.

#### **Closure of Accounts 2023/24**

#### **Purpose of the Report**

The purpose of this report is to consider and approve the 2023/24 Statement of Accounts following completion of the external audit.

#### **Background**

The Council's financial year ends on 31<sup>st</sup> 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 authority by 31 May 2024 and following this certification that published audited statement of accounts should be completed by 31 July 2024.

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

### **Closure of Accounts 2023/24**

Neath Port Talbot's Draft Statement of Accounts were signed and certified by the Director of Finance on 31<sup>st</sup> May 2024, and passed to Audit Wales to begin the audit process.

Audit Wales intend to issue an unqualified audit report on the financial statements once the Letter of Representation found in Appendix 2 has been approved and issued to Audit Wales by this committee.

Their work has identified 2 unidentified misstatements, 3 adjusted misstatements and 4 significant issues to be reported upon.

### **Uncorrected misstatements**

£390,000 of government creditors were misclassified and should have been treated as an earmarked reserve. As the amendment has no effect on the closing general reserve position for 2023-24, and also in respect of the extended timing for the sign off of the statement of accounts in relation to the budgeting monitoring cycle for 2024-25 a decision was made to amend this item in the 2024-25 financial year.

£356,525 of costs relating to electric vehicle charges and solar panels were misclassified as infrastructure assets instead of property plant and equipment with a differing useful life on the asset. Due to the significant number of accounting entries that would be required within the statement of accounts it was felt it was beneficial to transact the adjustments during 2024-25 financial year. To ensure this does not happen in the future, there will be more stringent checks on the useful lives of assets.

### **Adjusted misstatements.**

All other corrections identified as part of the audit of the draft accounts have been actioned in the final accounts and it should be noted that although the amendments had a £1.383m effect on the balance sheet and a corresponding effect on the Comprehensive Income and

Expenditure Account there was no overall impact on the Council's reported outturn, net expenditure, or usable reserves.

Members should note the main changes to the Final Statement of Accounts related to the derecognition of capital expenditure held within the Property Plant and Equipment (PPE). Derecognition other was reduced by £963,792 and reclassified within the PPE and infrastructure notes to the accounts. The remaining balance relates to the surplus assets that were required to be revalued due to new projects coming into existence. Due to this misstatement, there will be quarterly meetings with officers to discuss the correct classification of the assets, and the assets that are being held as surplus. This will mitigate the likelihood of this misstatement reoccurring.

### **Significant Issues**

As well as the items above 2 further items have been highlighted within the Auditors report as significant issues.

#### Internal Recharges

Although Audit Wales identified a net credit within the recharge coding structure the postings were identified as being in the main recharges for capital purposes. Audit Wales concluded that the recharges were treated correctly within the statement of accounts. Work has already commenced to provide an improved transparency of coding for audit purposes.

#### Classification of Surplus Assets

A review of surplus assets identified the double counting of land within the fixed asset register, one entry being within surplus assets the other included within other land and buildings. Audit Wales have recommended that all surplus assets going forward that processes are in place to ensure all surplus assets are reviewed each year. Processes have now already been agreed between Finance staff and the valuation team.

### **Annual Governance Statement**

Members should note the Annual Governance Statement was approved by Cabinet on 24 July 2024. A copy can be found in Appendix 3.

## **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:

- Approve the Letter of representation, included in Appendix 1.
- Approve the final 2023/24 Statement of Accounts as included in Appendix 2.
- Note the Annual Governance Statement included in Appendix 3.
- Authorise the Chair of Governance and Audit Committee to provide their electronic signature for both the Letter of Representation and the Statement of Accounts.

## **Appendix**

Appendix 1 - Letter of Representation 2023/24

Appendix 2 - Statement of Accounts 2023/24

Appendix 3 - Annual Governance Statement 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](mailto:h.jones@npt.gov.uk)

Mrs Diane Mulligan, Chief Accountant – Technical

E-mail: [d.mulligan@npt.gov.uk](mailto:d.mulligan@npt.gov.uk)

Mr Ross Livingstone – Chief Accountant – Capital, Exchequer & Financial Systems

E-mail: [r.livingstone@npt.gov.uk](mailto:r.livingstone@npt.gov.uk)

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Dyddiad/ Date	22 November 2024
Rhif Ffôn/ Direct Line	01639 763575
Ebost/ Email	<a href="mailto:h.jones@npt.gov.uk">h.jones@npt.gov.uk</a>
Cyswllt/ Contact	Mr Huw Jones
Eich cyf / Your ref	
Ein cyf/ Our ref	SOA2324

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

### **Representations regarding the 2023-24 financial statements**

This letter is provided in connection with your audit of the financial statements of Neath Port Talbot County Borough Council for the year ended 31 March 2024 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

### **Management representations**

#### ***Responsibilities***

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2024; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

#### **Information provided**

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;  
additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.

- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Neath Port Talbot County Borough Council and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

### **Financial statement representations**

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

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

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

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

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

The financial statements are free of material misstatements, including omissions. The effects of the uncorrected misstatement identified during the audit is immaterial to the financial statements taken as a whole. The unadjusted misstatement is set out below:

- **Note 17 Creditors – Central Government bodies**
  - £390,000 of Welsh Government creditors are misclassified as creditors and should be treated as ear-marked reserves.
  - The balances relate to grant funding received in previous years that has not been completely spent but which does not have the requirement to be repaid to Welsh Government.
  - The misstatement is not considered material to the accounts and will be amended within the 2024-25 accounts.



- **Note 11 Property Plant and Equipment – Infrastructure Assets**
  - £356,525 of costs relating to EV charges and solar panels are classified as infrastructure assets and given an estimated useful life of 40 years.
  - These assets are considered to be equipment and should be included within vehicles, plant, furniture and equipment and given a more realistic estimate of useful life.
  - The misstatement is not considered material to the accounts and will be amended within the 2024-25 accounts.
  -

**Representations by the Governance and Audit Committee**

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

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Neath Port Talbot County Borough Council on 22 November 2024.

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

Signed by:

Signed by:

Director of Finance  
S.151 Officer

Chair of the Governance and  
Audit Committee

Date: 22/11/2024

Date: 22/11/2024

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Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

# 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:

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

# 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:

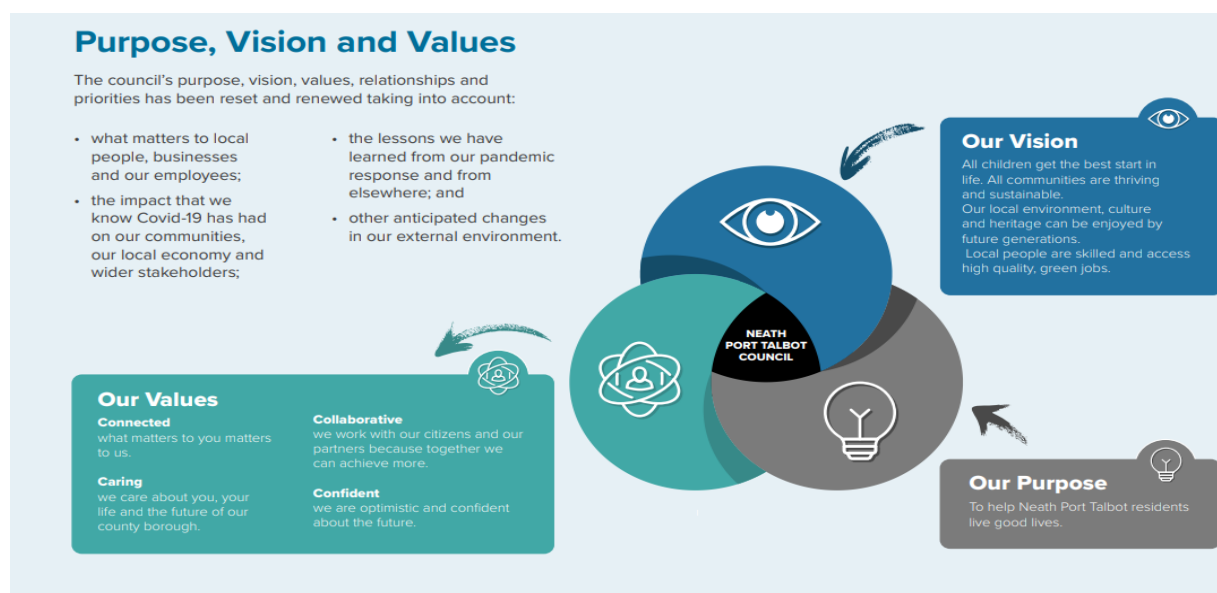
- Monitoring decisions of the Cabinet
- Allowing all Councillors, citizens and stakeholders to have a say in matters concerning the Council
- Producing reports and recommendations to support development of policies and decision
- Having the ability to review a decision that has been made but not yet 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 Councils 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
<b>Directly Controlled Expenditure</b>				
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	-
<b>Directly Controlled Expenditure</b>	<b>306,954</b>	<b>309,803</b>	<b>311,773</b>	<b>(1,970)</b>
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
<b>Other Expenditure</b>	<b>57,518</b>	<b>54,674</b>	<b>52,524</b>	<b>2,150</b>
Contribution from General Fund Working Balance & Reserves	(3,500)	(3,500)	1,169	(4,669)
<b>Total Budget</b>	<b>360,972</b>	<b>360,977</b>	<b>365,466</b>	<b>(4,489)</b>
<b>Funded by:</b>				
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	-
<b>TOTAL FUNDING</b>	<b>360,972</b>	<b>360,977</b>	<b>361,189</b>	<b>(212)</b>
<b>NET BUDGET SURPLUS / (DEFICIT) TO BALANCES</b>				<b>(4,701)</b>
<b>General Fund Working Balance</b>				
Opening Working Balance 1st April				<b>(20,151)</b>
Movement in Working Balance				<b>4,701</b>
Closing Working Balance 31st March				<b>(15,450)</b>

# NARRATIVE REPORT

## 4. CAPITAL SPENDING IN 2023/24

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

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 31<sup>ST</sup> 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
<b>Total General Reserve Balance</b>	<b>74,100</b>

## 7. REVALUATION OF ASSETS

The net book value of assets increased during 2023/24 by £3.309m There was a £14.554m 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.

## NARRATIVE REPORT

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 1<sup>st</sup> December 2023 on a Current Value Depreciated Replacement Cost basis;
- Car Parks were valued as at 1<sup>st</sup> December 2023 on a Current Value Existing Use basis;
- Garage Compounds, Plots and Domestic Garages were valued as at 1<sup>st</sup> January 2024 on a Current Value Existing Use Valuation basis;
- Outdoor Leisure Facilities were valued as at 1<sup>st</sup> 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 31<sup>st</sup> March.

At 31<sup>st</sup> 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 31<sup>st</sup> 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.

# NARRATIVE REPORT

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 31<sup>st</sup> 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.

## NARRATIVE REPORT

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.

# NARRATIVE REPORT

## 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

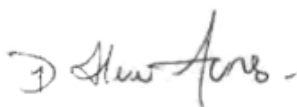
The Chief Finance Officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practice as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

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 31<sup>st</sup> March 2024.



**Director of Finance (Section 151 Officer)**  
**11<sup>th</sup> October 2024**

**Chair of Governance and Audit Committee**  
**22<sup>nd</sup> November 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	142,571	14,762	157,333
100,092	8,489	108,581	Social Services, Health & Housing	112,877	1,243	114,120
47,660	28,871	76,531	Environment	47,129	14,863	61,992
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
<b>335,964</b>	<b>48,501</b>	<b>384,465</b>	<b>Net Cost of Services</b>	<b>361,817</b>	<b>19,335</b>	<b>381,152</b>
(322,140)	(767)	(322,907)	Other Income & Expenditure	(344,967)	(11,361)	(356,328)
<b>13,824</b>	<b>47,734</b>	<b>61,558</b>	<b>(Surplus) or Deficit</b>	<b>16,850</b>	<b>7,974</b>	<b>24,824</b>
<b>104,774</b>			<b>Opening General Fund Balance</b>	<b>90,950</b>		
(13,824)			In year movement Surplus / (Deficit)	(16,850)		
<b>90,950</b>			<b>Closing General Fund Balance</b>	<b>74,100</b>		

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	
210,199	(56,989)	<b>153,210</b>		209,186	(51,853)	<b>157,333</b>	
154,994	(46,413)	<b>108,581</b>		170,855	(56,735)	<b>114,120</b>	
106,456	(29,925)	<b>76,531</b>		98,667	(36,675)	<b>61,992</b>	
27,811	(3,261)	<b>24,550</b>		25,854	(3,202)	<b>22,652</b>	
40,771	(41,062)	<b>(291)</b>		42,166	(42,143)	<b>23</b>	
25,505	(3,621)	<b>21,884</b>		27,368	(2,336)	<b>25,032</b>	
<b>565,736</b>	<b>(181,271)</b>	<b>384,465</b>		<b>574,096</b>	<b>(192,944)</b>	<b>381,152</b>	
			<b>Cost of Services</b>				
25,448	-	<b>25,448</b>	Other Operating Expenditure	8	28,262	-	<b>28,262</b>
22,871	(1,523)	<b>21,348</b>	Financing & Investment Income & Expenditure	9	12,545	(3,436)	<b>9,109</b>
-	(369,703)	<b>(369,703)</b>	Taxation and Non-specific Grant Income	10	-	(393,699)	<b>(393,699)</b>
<b>614,055</b>	<b>(552,497)</b>	<b>61,558</b>	<b>(Surplus) or Deficit on Provision of Services</b>		<b>614,903</b>	<b>(590,079)</b>	<b>24,824</b>
		<b>(46,329)</b>	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	20			<b>(14,208)</b>
		<b>(426,870)</b>	Actuarial (Gains)/Losses on Pension Assets/Liabilities	20			<b>6,361</b>
		<b>(473,199)</b>	<b>Other Comprehensive (Income) &amp; Expenditure</b>				<b>(7,847)</b>
		<b>(411,641)</b>	<b>Total Comprehensive (Income) &amp; Expenditure</b>				<b>16,977</b>

## 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
<b>Balance at 31st March 2022</b>	<b>104,774</b>	<b>8,702</b>	<b>20,857</b>	<b>134,333</b>	<b>72,692</b>	<b>207,025</b>
<b>Movement in Reserves during 2022/23</b>						
Total Comprehensive Income and Expenditure.	(61,558)	-	-	<b>(61,558)</b>	473,199	<b>411,641</b>
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 6).	47,734	(3,062)	(3,509)	<b>41,163</b>	(41,163)	-
<b>Increase/(Decrease) in Year</b>	<b>(13,824)</b>	<b>(3,062)</b>	<b>(3,509)</b>	<b>(20,395)</b>	<b>432,036</b>	<b>411,641</b>
<b>Balance at 31st March 2023</b>	<b>90,950</b>	<b>5,640</b>	<b>17,348</b>	<b>113,938</b>	<b>504,728</b>	<b>618,666</b>
<b>Movement in Reserves during 2023/24</b>						
Total Comprehensive Income and Expenditure.	(24,824)	-	-	<b>(24,824)</b>	7,847	<b>(16,977)</b>
Adjustments between Accounting Basis and Funding Basis Under Regulations (Note 6).	7,974	(200)	(3,485)	<b>4,289</b>	(4,289)	-
<b>Increase/(Decrease) in Year</b>	<b>(16,850)</b>	<b>(200)</b>	<b>(3,485)</b>	<b>(20,535)</b>	<b>3,558</b>	<b>(16,977)</b>
<b>Balance at 31st March 2024</b>	<b>74,100</b>	<b>5,440</b>	<b>13,863</b>	<b>93,403</b>	<b>508,286</b>	<b>601,689</b>

## BALANCE SHEET

31st Mar 2023 £000		Note	31st Mar 2024 £000
914,274	Property, Plant and Equipment	11	917,583
995	Heritage Assets		995
10,086	Long Term Investments	12	10,086
589	Long Term Debtors	12	420
<b>925,944</b>	<b>Long Term Assets</b>		<b>929,084</b>
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
<b>114,368</b>	<b>Current Assets</b>		<b>84,382</b>
(22,869)	Short Term Borrowing	12	(10,135)
(51,598)	Short Term Creditors	17	(61,585)
(1,083)	Short Term Provisions	18	(1,443)
<b>(75,550)</b>	<b>Current Liabilities</b>		<b>(73,163)</b>
(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)
<b>(346,097)</b>	<b>Long Term liabilities</b>		<b>(338,614)</b>
<b>618,665</b>	<b>Net Assets</b>		<b>601,689</b>
(113,938)	Usable Reserves	19	(93,403)
(504,727)	Unusable Reserves	20	(508,286)
<b>(618,665)</b>	<b>Total Reserves</b>		<b>(601,689)</b>

## CASH FLOW STATEMENT

2022/23 £000		Note	2023/24 £000
(61,558)	Net Surplus or (Deficit) on the Provision of Services.		(24,824)
97,054	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements.	21a	62,948
(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.	*	19,731
247	Investing Activities.	22	3,361
(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
<b>6,792</b>	<b>Cash and Cash Equivalents at the End of the Reporting Period.</b>	15	<b>4,609</b>

\* 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 31<sup>st</sup> 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:

<b>Asset type</b>	<b>Measurement basis</b>	<b>Latest Full Revaluation year</b>	<b>Depreciation basis (straight line unless not finite usable life)</b>
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 between 40 and 50 years, though may be 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 31<sup>st</sup> 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 1<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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	18,828	(2,080)	(1,986)	14,762
Social Services, Health & Housing Environment	3,245	(1,671)	(331)	1,243
Corporate Services	16,227	(1,309)	(55)	14,863
Other Housing Services	197	(780)	10	(573)
Other Central Services	-	-	80	80
	(10,855)	-	(185)	(11,040)
<b>Net Cost of Services</b>	<b>27,642</b>	<b>(5,840)</b>	<b>(2,467)</b>	<b>19,335</b>
Other Income & Expenditure	(13,511)	1,660	490	(11,361)
<b>Difference Between General Fund and CIES Surplus/Deficit</b>	<b>14,131</b>	<b>(4,180)</b>	<b>(1,977)</b>	<b>7,974</b>

	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)
<b>Net Cost of Services</b>	<b>30,881</b>	<b>17,050</b>	<b>570</b>	<b>48,501</b>
Other Income & Expenditure	(13,091)	11,670	654	(767)
<b>Difference Between General Fund and CIES Surplus/Deficit</b>	<b>17,790</b>	<b>28,720</b>	<b>1,224</b>	<b>47,734</b>



## 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
	<b>Expenditure</b>	
266,249	Employee Benefits.	254,531
265,992	Other Service Expenses.	290,672
34,149	Depreciation, Amortisation and Impairment.	29,383
22,217	Interest Payable.	12,055
25,539	Precepts and Levies.	28,339
(91)	Gain on the Disposal of Assets.	(77)
<b>614,055</b>	<b>Total Expenditure</b>	<b>614,903</b>
	<b>Income</b>	
(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)
<b>(552,497)</b>	<b>Total Income</b>	<b>(590,079)</b>
<b>61,558</b>	<b>(Surplus) / Deficit for Year</b>	<b>24,824</b>

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
	<b>Income</b>	
(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)
<b>(65,516)</b>	<b>Fees, Charges and Other Service Income</b>	<b>(78,846)</b>



## 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
<b>2023/24</b>	£000	£000	£000	£000
<b>Adjustments primarily involving the capital adjustment account</b>				
<b>Reversal of items debited or credited to the comprehensive income and expenditure statement:</b>				
Charges for depreciation and impairment of non current assets.	29,728	-	-	(29,728)
Revaluation (gains) / losses on property, plant and equipment.	(345)	-	-	345
Capital grants and contributions applied.	(18,128)	-	-	18,128
Revenue expenditure funded from capital under statute.	17,587	-	-	(17,587)
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)
<b>Insertion of items not debited or credited to the comprehensive income and expenditure statement:</b>				
Statutory provision for the financing of capital investment.	(11,447)	-	-	11,447
Capital expenditure charged against the general fund.	(2,118)	-	-	2,118
<b>Adjustments primarily involving the capital grants unapplied account:</b>				
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
<b>Adjustments primarily involving the capital receipts reserve:</b>				
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
<b>Adjustments primarily involving the deferred capital receipts reserve:</b>				
Transfer of deferred sale proceeds credited as part of the (gain)/loss on disposal to the comprehensive income and expenditure statement.	-	-	-	0
<b>Adjustment primarily involving the financial instruments adjustment account:</b>				
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
<b>Adjustments primarily involving the pensions reserve:</b>				
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
<b>Adjustments primarily involving the accumulated absences account:</b>				
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.	(1,977)	-	-	1,977
<b>Total adjustments</b>	<b>7,974</b>	<b>(200)</b>	<b>(3,485)</b>	<b>(4,289)</b>

## NOTES TO THE ACCOUNTS

	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
<b>2022/23</b>	£000	£000	£000	£000
<b>Adjustments primarily involving the capital adjustment account</b>				
<b>Reversal of items debited or credited to the comprehensive income and expenditure statement:</b>				
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)
<b>Insertion of items not debited or credited to the comprehensive income and expenditure statement:</b>				
Statutory provision for the financing of capital investment.	(10,647)	-	-	10,647
Capital expenditure charged against the general fund.	(3,338)	-	-	3,338
<b>Adjustments primarily involving the capital grants unapplied account:</b>				
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
<b>Adjustments primarily involving the capital receipts reserve:</b>				
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
<b>Adjustments primarily involving the deferred capital receipts reserve:</b>				
Transfer of deferred sale proceeds credited as part of the (gain)/loss on disposal to the comprehensive income and expenditure statement.	-	-	-	0
<b>Adjustment primarily involving the financial instruments adjustment account:</b>				
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
<b>Adjustments primarily involving the pensions reserve:</b>				
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
<b>Adjustments primarily involving the accumulated absences account:</b>				
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)
<b>Total adjustments</b>	<b>47,734</b>	<b>(3,062)</b>	<b>(3,509)</b>	<b>(41,163)</b>

## 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
<b>EDUCATION, LEISURE &amp; LIFELONG LEARNING</b>					
<b>DELEGATED SCHOOLS CASH</b>					
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
<b>ER/VR SCHEME FOR PRIMARY SCHOOLS</b>					
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	-
<b>REPAIR &amp; MAINTENANCE</b>					
This includes funding to meet the cost of repairs and maintenance in schools.					
	(161)	-	(161)	-	(161)
<b>TOTAL DELEGATED SCHOOL</b>	<b>(12,789)</b>	<b>6,062</b>	<b>(6,727)</b>	<b>6,744</b>	<b>17</b>
<b>ADDITIONAL LEARNING NEEDS (ALN)</b>					
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)
<b>EQUALISATION ACCOUNT EDUCATION</b>					
To provide year on year equalisation support for the directorate.					
	(2,409)	598	(1,811)	(223)	(2,034)
<b>HOME TO SCHOOL TRANSPORT</b>					
This reserve was created to manage the variation between academic and financial years.					
	(291)	291	-	(253)	(253)
<b>TOTAL EDUCATION, LEISURE &amp; LIFELONG LEARNING</b>	<b>(16,540)</b>	<b>5,748</b>	<b>(10,792)</b>	<b>7,420</b>	<b>(3,372)</b>

## NOTES TO THE ACCOUNTS

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

# NOTES TO THE ACCOUNTS

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

## NOTES TO THE ACCOUNTS

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



## NOTES TO THE ACCOUNTS

	<b>Balance at 1st Apr 2022 £000</b>	<b>Movement in 2022/23 £000</b>	<b>Balance at 31st Mar 2023 £000</b>	<b>Movement in 2023/24 £000</b>	<b>Balance at 31st Mar 2024 £000</b>
<b>CORPORATE OTHER RESERVES</b>					
<b>INSURANCE</b>					
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)
<b>COVID RECOVERY</b>					
To help NPT services after two years of COVID with one off posts and works.	-	(1,407)	(1,407)	750	(657)
<b>INCOME GENERATION</b>					
This reserve is to support income generation ideas.	(1,713)	50	(1,663)	1,550	(113)
<b>MEMBERS COMMUNITY FUND</b>					
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	-
<b>CAPITAL SUPPORT</b>					
To fund future capital expenditure.	(683)	-	(683)	-	(683)
<b>HARDSHIP RELIEF SCHEME</b>					
To develop a range of measures to support the cost of living crisis.	(2,000)	275	(1,725)	913	(812)
<b>SERVICE RESILIENCE</b>					
To meet short term service staffing issues.	(2,000)	1,126	(874)	777	(97)
<b>DISCRETIONARY FUND</b>					
Funds set aside to support Welsh Government discretionary cost of living support scheme .	(1,402)	1,066	(336)	236	(100)
<b>CORPORATE CONTINGENCY</b>					
To fund unforeseen future pressures in delivering the forward financial plan.	(4,567)	2,074	(2,493)	(15)	(2,508)
<b>EQUALISATION ACCOUNT TREASURY MANAGEMENT</b>					
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)
<b>ACCOMMODATION STRATEGY</b>					
This reserve will be used to support the Authority's Accommodation Strategy and other property costs.	(2,274)	-	(2,274)	(699)	(2,973)
<b>STRATEGIC REGENERATION CAPACITY BUILDING</b>					
To assist with capacity building.	-	(1,500)	(1,500)	1,500	-
<b>TRANSFORMATION AND MODERNISATION</b>					
Strategic investment to transform services.	-	-	-	(6,700)	(6,700)
<b>TOTAL CORPORATE OTHER RESERVES</b>	<b>(32,023)</b>	<b>5,863</b>	<b>(26,160)</b>	<b>(1,661)</b>	<b>(27,821)</b>



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

## 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)
<b>25,448</b>	<b>Total</b>	<b>28,262</b>

### 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)
<b>21,348</b>	<b>Total</b>	<b>9,109</b>

### 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)
<b>(369,703)</b>	<b>Total</b>	<b>(393,699)</b>

### 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.	12,162	3,890	46	-	3,567	19,665	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve.	1,404	36	-	(94)	-	1,346	(365)
Revaluation Increases / (Decreases) Recognised in the Surplus/Deficit on the Provision of Services.	(307)	-	-	(742)	-	(1,049)	-
Derecognition - Disposals.	(36)	(760)	-	(140)	-	(936)	-
Derecognition - Other.	(11,144)	(1,190)	(46)	-	-	(12,380)	-
Assets Reclassified (to)/from Held for Sale.	-	-	-	(2,870)	-	(2,870)	-
Change in Asset Classification.	566	1,205	-	(816)	(450)	505	-
<b>At 31st March 2024</b>	<b>627,053</b>	<b>31,231</b>	<b>873</b>	<b>8,520</b>	<b>9,218</b>	<b>676,895</b>	<b>22,790</b>
<b>Accumulated Depreciation and Impairment</b>							
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	-
<b>At 31st March 2024</b>	<b>(26,909)</b>	<b>(17,497)</b>	<b>0</b>	<b>(200)</b>	<b>(4)</b>	<b>(44,610)</b>	<b>1</b>
<b>Net Book Value</b>							
At 31st March 2024	600,144	13,734	873	8,320	9,214	632,285	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
<b>Cost or Valuation</b>	£000	£000	£000	£000	£000	£000	£000
At 1st April 2022	539,810	28,340	651	12,482	56,160	<b>637,443</b>	21,943
Additions	10,034	3,442	4	-	12,572	<b>26,052</b>	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve.	33,814	-	-	160	-	<b>33,974</b>	1,212
Revaluation Increases / (Decreases) Recognised in the Surplus / Deficit on the Provision of Services.	(7,268)	-	222	(157)	-	<b>(7,203)</b>	-
Derecognition - Disposals.	(149)	(850)	-	-	-	<b>(999)</b>	-
Derecognition - Other.	(10,034)	(2,882)	(4)	-	-	<b>(12,920)</b>	-
Assets Reclassified (to) / from Held for Sale.	-	-	-	-	-	<b>0</b>	-
Change in Asset Classification.	58,201	-	-	697	(62,631)	<b>(3,733)</b>	-
<b>At 31st March 2023</b>	<b>624,408</b>	<b>28,050</b>	<b>873</b>	<b>13,182</b>	<b>6,101</b>	<b>672,614</b>	<b>23,155</b>
<b>Accumulated Depreciation and Impairment</b>							
At 1st April 2022	(25,761)	(15,912)	-	(87)	(4)	<b>(41,764)</b>	1
Depreciation Charge.	(15,119)	(3,595)	-	(71)	-	<b>(18,785)</b>	(1,713)
Impairment Charged to Surplus / Deficit on Provision of Services.	-	-	-	-	-	<b>0</b>	-
Depreciation Written Out to the Revaluation Reserve.	12,422	-	-	121	-	<b>12,543</b>	1,713
Depreciation Written Out to the Surplus/Deficit on the Provision of Services.	2,309	-	-	85	-	<b>2,394</b>	-
Derecognition - Disposals.	11	726	-	-	-	<b>737</b>	-
Derecognition - Other.	-	2,882	-	-	-	<b>2,882</b>	-
Change in Asset Classification.	175	-	-	(175)	-	<b>0</b>	-
<b>At 31st March 2023</b>	<b>(25,963)</b>	<b>(15,899)</b>	<b>0</b>	<b>(127)</b>	<b>(4)</b>	<b>(41,993)</b>	<b>1</b>
<b>Net Book Value</b>							
At 31st March 2023	598,445	12,151	873	13,055	6,097	<b>630,621</b>	23,156
At 31st March 2022	514,049	12,428	651	12,395	56,156	<b>595,679</b>	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	13,067
(10)	Derecognition	(1,145)
3,733	Change in Asset Classification	(505)
(10,555)	Depreciation	(10,917)
0	Derecognition - Other	1,145
<b>283,653</b>	<b>Total</b>	<b>285,298</b>

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	285,298
630,621	Other Property Plant & Equipment Assets	632,285
<b>914,274</b>	<b>Total Property Plant &amp; Equipment</b>	<b>917,583</b>

### 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 Financial Assets	Long term (Non-current)		Short term (Current)	
	Investment	Debtors	Investment	Debtors
	31st Mar 2024	31st Mar 2024	31st Mar 2024	31st Mar 2024
	£000	£000	£000	£000
Amortised Cost.	10,086	420	26,142	45,083
<b>Total Financial Assets</b>	<b>10,086</b>	<b>420</b>	<b>26,142</b>	<b>45,083</b>

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

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

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

## 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
<b>10,547</b>	<b>Total Net Gains/Losses</b>	<b>10,395</b>
<b>(1,523)</b>	<b>Interest Expense</b>	<b>(3,436)</b>

### 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 31<sup>st</sup> 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 31<sup>st</sup> 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)	(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)
<b>(295,195)</b>	<b>(238,006)</b>	<b>Total Debt</b>	<b>(269,920)</b>	<b>(195,233)</b>
<b>(16,567)</b>	<b>(16,567)</b>	<b>Long Term Creditors</b>	<b>(17,536)</b>	<b>(17,536)</b>

## NOTES TO THE ACCOUNTS

### 31<sup>st</sup> 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 31<sup>st</sup> 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	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)
<b>60,894</b>	<b>Total</b>	<b>47,953</b>

### 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)
<b>2,817</b>	<b>Total</b>	<b>2,870</b>



## 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
<b>6,792</b>	<b>Total</b>	<b>4,609</b>

### 16. ASSETS HELD FOR SALE

2022/23 Current Assets £000		2023/24 Current Assets £000
1,980	<b>Balance Outstanding at Start of Year</b>	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)
<b>1,980</b>	<b>Balance Outstanding at Year End</b>	<b>4,850</b>

### 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)
<b>(51,598)</b>	<b>Total</b>	<b>(61,585)</b>

### 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 31<sup>st</sup> 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 31<sup>st</sup> 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)
<b>Total</b>	<b>(4,039)</b>	<b>73</b>	<b>(2,407)</b>	<b>(6,373)</b>	<b>(1,443)</b>	<b>(4,930)</b>

## 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)
<b>(113,938)</b>	<b>Total</b>	<b>(93,403)</b>

## NOTES TO THE ACCOUNTS

### 20. UNUSABLE RESERVES

31st Mar 2023 £000		31st Mar 2024 £000
(215,278)	Revaluation Reserve.	(224,390)
(346,519)	Capital Adjustment Account.	(341,169)
-	Financial Instruments Adjustment Account.	-
51,620	Pensions Reserve.	53,800
(2)	Deferred Capital Receipts Reserve.	(2)
5,452	Accumulated Absences Account.	3,475
<b>(504,727)</b>	<b>Total</b>	<b>(508,286)</b>

#### 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 1<sup>st</sup> 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)	<b>Balance at 1st April</b>		(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.	3,717	
	(46,329)	Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services.		(14,208)
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
	<b>(215,278)</b>	<b>Accumulated Gains on Assets Sold</b>		<b>(224,390)</b>

## 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 1<sup>st</sup> 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)	<b>Balance at 1st April</b>		(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.	(345)	
16,725		Revenue Expenditure Funded from Capital Under Statute.	17,587	
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			47,158
	(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.		(304,457)
		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)
	<b>(346,519)</b>			<b>(341,169)</b>

## 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	<b>Balance at 1st April</b>		-
		Proportion of Premiums Incurred in Previous Financial Years to be Charged Against the General Fund Balance in Accordance with Statutory Requirements.	-	
	(1,321)			-
	<b>0</b>	<b>Balance at 31st March</b>		<b>0</b>

### Pensions Reserve

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

2022/23 £000	Pension Reserve	2023/24 £000
449,770	<b>Balance at 1st April</b>	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)
<b>51,620</b>	<b>Balance at 31st March</b>	<b>53,800</b>

## 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)	<b>Balance at 1st April</b>	(2)
1	Transfer of Deferred Sale Proceeds Credited as Part of the (Gain)/Loss on Disposal to the Comprehensive Income and Expenditure Statement.	-
<b>(2)</b>	<b>Balance at 31st March</b>	<b>(2)</b>

### 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 31<sup>st</sup> 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	<b>Balance at 1st April</b>		5,452
		Settlement or Cancellation of Accrual made at the end of the Preceding Year.	(5,452)	
5,452		Amounts Accrued at the end of the Current Year.	3,475	
	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.		(1,977)
	<b>5,452</b>	<b>Balance at 31st March</b>		<b>3,475</b>

## 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.	(345)
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.	11,190
(408)	Other Non-Cash Items Charged to Net Surplus/Deficit on the Provision of Services.	32
<b>97,054</b>		<b>62,948</b>

- 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)
<b>(17,967)</b>		<b>(18,393)</b>

### 22. CASH FLOW STATEMENT – INVESTING ACTIVITIES

2022/23 £000		2023/24 £000
(37,420)	Purchase of Property, Plant and Equipment.	(32,732)
(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
<b>247</b>	<b>Net Cash Flows From Investing Activities</b>	<b>3,361</b>



## 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)
<b>(15,322)</b>	<b>Net Cash Flows from Financing Activities</b>	<b>(25,275)</b>

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
<b>Net Cash Flows from Financing Activities</b>	<b>12,838</b>	<b>13,563</b>	<b>26,401</b>

### 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
	<b>261</b>	<b>261</b>



## 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
		Funding Provided to the Pooled Budget:		
(432)		Grant.	(326)	
(634)		City and County of Swansea.	(648)	
(357)		Neath and Port Talbot Council.	(364)	
(1,309)		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
	<b>0</b>	<b>Authority Share of the Net (Surplus) / Deficit Arising on the Pooled Budget</b>		<b>0</b>

#### **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)	
	(6,054)	The Health Board.		
	5,861	Total Income		(7,368)
	(193)	Expenditure Met from the Pooled Budget:		6,699
		Net (Surplus)/Deficit Arising on the Pooled Budget During the Year.		(669)
	<b>0</b>	<b>Authority Share of the Net (Surplus) / Deficit Arising on the Pooled Budget</b>		<b>(122)</b>

### 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
<b>1,602</b>	<b>Total</b>	<b>1,691</b>

### 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 5.29 times the median remuneration of the organisation which is £28,770.

## NOTES TO THE ACCOUNTS

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

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

	2022/23			
	Salary, Fees and Allowances	Expenses Allowances	Employers Pension Contribution	Total
	£	£	£	£
<b>Chief Executive Karen Jones.</b>	143,770	-	-	143,770
<b>Director of Education, Leisure &amp; Lifelong Learning.</b>	113,954	-	23,133	137,087
<b>Director of Environment.</b>	119,416	-	24,241	143,657
<b>Director of Social Services, Health &amp; Housing.</b>	122,149	-	24,796	146,945
<b>Chief Finance Officer.</b>	94,503	-	19,184	113,687
<b>Chief Digital Officer.</b>	86,916	-	17,644	104,560
<b>Head of People &amp; Organisational Development.</b>	86,916	-	17,644	104,560
<b>Head of Legal Services.</b>	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 31<sup>st</sup> January 2022 and 30<sup>th</sup> 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 26<sup>th</sup> 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 included 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
<b>161</b>				<b>201</b>

As a result of a voluntary redundancy scheme in 2023/24, seven 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
-	£130,000	-	£134,999	1
-	£135,000	-	£139,999	1
<b>3</b>				<b>7</b>

## 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
£80,001 - £100,000	-	-	-	1	-	1	-	85
<b>Total</b>	<b>6</b>	<b>1</b>	<b>15</b>	<b>51</b>	<b>21</b>	<b>52</b>	<b>300</b>	<b>965</b>

### 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
<b>376</b>	<b>Total</b>	<b>400</b>

## 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
	<b>Credited to Services</b>	
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.	-
<b>115,755</b>	<b>Total Grants Credited to Services</b>	<b>114,098</b>

## NOTES TO THE ACCOUNTS

2022/23 £000	Grant Income	2023/24 £000
	<b>Credited to Taxation and Non Specific Grant Income</b>	
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
<b>219,152</b>	<b>Total Grants Credited to Taxation and Non Specific Grant Income</b>	<b>243,382</b>
<b>334,907</b>	<b>Total Grant Income</b>	<b>357,480</b>

### 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 31<sup>st</sup> 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 1<sup>st</sup> 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 31<sup>st</sup> 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
	<b>Capital Investment</b>	
37,420	Property, Plant and Equipment.	32,732
6,677	Revenue Expenditure Funded from Capital Under Statute.	6,397
<b>44,097</b>		<b>39,129</b>
	<b>Sources of Finance</b>	
(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)
<b>(44,097)</b>		<b>(39,129)</b>

As at 31<sup>st</sup> 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
Rock Street Construction	125	-	125
Coal Tip Safety - Dyffryn Rhondda	4,014	-	4,014
	<b>6,070</b>	<b>0</b>	<b>6,070</b>

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
<b>(349,573)</b>	<b>Opening Capital Financing Requirement</b>	<b>(355,073)</b>
(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
<b>(355,073)</b>	<b>Closing Capital Financing Requirement</b>	<b>(357,491)</b>

# NOTES TO THE ACCOUNTS

## 32. SERVICE CONCESSION

On 1<sup>st</sup> 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:

	<b>Payment for Services £000</b>	<b>Reimburse Capital Expenditure £000</b>	<b>Interest £000</b>	<b>Total £000</b>
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
<b>Total</b>	<b>44,943</b>	<b>2,202</b>	<b>1,080</b>	<b>48,225</b>

The future service liability for reimbursing capital expenditure is:

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

## NOTES TO THE ACCOUNTS

### 33. LEASES

#### Council as Lessee

##### Finance Leases

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

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
	<b>Finance Lease Liabilities</b>	
13	Current.	13
819	Non Current.	805
714	Finance Lease Costs Payable in Future Years.	676
<b>1,546</b>	<b>Minimum Lease Payments</b>	<b>1,494</b>

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 2023 £000	31st Mar 2023 £000		31st Mar 2024 £000	31st Mar 2024 £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
<b>1,546</b>	<b>832</b>		<b>1,494</b>	<b>818</b>

#### 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 1<sup>st</sup> 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 35.

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.

### **Virgin Media Case**

In June 2023 the High Court found that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993 and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. An appeal in June 2024 was dismissed. The Government Actuary's Department is reviewing the scheme changes to confirm whether actuarial certificates are available. Due to the time periods covered, it is unclear how long this review process will take.

Due to the uncertainty over whether there is a liability, and where there is, the current lack of information about the timing and value of the liability. The Pension Liability included within the accounts does not include an adjustment for the Virgin Media Case.

# NOTES TO THE ACCOUNTS

## **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 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).

## NOTES TO THE ACCOUNTS

### 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)	
<b>(25.16)</b>	<b>(26.46)</b>	<b>Additional liability due to minimum funding requirement.</b>	<b>(29.95)</b>	<b>(23.85)</b>

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
		<b>Comprehensive Income and Expenditure Statement (CIES)</b>		
		<b>Cost of Services:</b>		
52.99	-	Current Service Cost.	27.24	-
0.02	-	Past Service Costs.	0.10	-
		<b>Financing and Investment Income and Expenditure</b>		
10.88	0.79	Net Interest Expense.	0.47	1.19
<b>63.89</b>	<b>0.79</b>	<b>Total Post-Employment Benefit Charged to the Surplus or Deficit on the Provision of Services.</b>	<b>27.81</b>	<b>1.19</b>
		<b>Other Post-Employed Benefit Charged to the Comprehensive Income and Expenditure Statement</b>		
		<b>Remeasurement of the Net Defined Benefit Liability Comprising:</b>		
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.		
<b>(424.47)</b>	<b>(2.40)</b>	<b>Total Amount Recognised in Other Comprehensive Income.</b>	<b>7.79</b>	<b>(1.43)</b>
<b>(360.58)</b>	<b>(1.61)</b>	<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement.</b>	<b>35.60</b>	<b>(0.24)</b>
		<b>Movement in Reserves Statement</b>		
<b>360.58</b>	<b>1.61</b>	Reversal of Net Charges Made to the Surplus or Deficit for the Provision of Services for Post Employment Benefits in Accordance with the Code.	<b>(35.60)</b>	<b>0.24</b>
		<b>Actual Amount Charged Against the General Fund Balance for Pensions in the</b>		
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
<b>(960.14)</b>	<b>(26.46)</b>	<b>Closing Balance at 31st March</b>	<b>(965.68)</b>	<b>(23.85)</b>

### 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)
<b>934.98</b>	<b>Closing Fair Value of Scheme Assets</b>	<b>1,069.54</b>

# 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	-
<b>596,910</b>	<b>596,772</b>	Global	683,503
32,279	32,270	Property	30,652
40,701	40,691	Fixed Interest:	-
8,932	8,930	Fixed Interest	44,237
<b>49,633</b>	<b>49,621</b>	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
<b>934,980</b>	<b>934,980</b>	<b>Total Assets</b>	<b>1,069,540</b>

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.	-	-

### Basis for Estimating Assets and Liabilities

## NOTES TO THE ACCOUNTS

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 31<sup>st</sup> 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	
		<b>Mortality Assumptions:</b>		
		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	-
		<b>Rate of Inflation:</b>		
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 31<sup>st</sup> March 2023 and the projected service cost for the year ending 31<sup>st</sup> 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 £31.97m contributions to the scheme in 2024/25. Expected payments to beneficiaries of the discretionary benefits schemes in the year to 31<sup>st</sup> 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
<b>8,725</b>	<b>Total</b>	<b>11,337</b>

### 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)
<b>(295,195)</b>	<b>Total</b>	<b>(269,920)</b>



# 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 31<sup>st</sup> March would be:

	<b>31st Mar 2024 £000</b>
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.



## NOTES TO THE ACCOUNTS

### 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 1<sup>st</sup> 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
	<b>2,579</b>
<b>Other Levies and Demands</b>	
Police and Crime Commission for South Wales	15,837
Mid and West Wales Fire and Rescue Authority	9,923
	<b>25,760</b>

# 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, processing, 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 report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

## Opinion on financial statements

I have audited the financial statements of Neath Port Talbot County Borough Council for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

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

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

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

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

## Basis of opinion

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

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

## Conclusions relating to going concern

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

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

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

# The report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

## Other Information

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

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

I have nothing to report in this regard.

## Opinion on other matters

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

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

## Matters on which I report by exception

In the light of the knowledge and understanding of [name of local government body and the group] and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

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

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

## The report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

### Responsibilities of the responsible financial officer for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

- Enquiring of management, the Neath Port Talbot County Borough Council's internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Neath Port Talbot County Borough Council's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

## The report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: management override and the posting of unusual journals;
- Obtaining an understanding of Neath Port Talbot County Borough Council's framework of authority as well as other legal and regulatory frameworks that Neath Port Talbot County Borough Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Neath Port Talbot County Borough Council; and
- Obtaining an understanding of related party relationships.

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

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

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

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

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

## The report of the Auditor General for Wales to the Members of Neath Port Talbot County Borough Council

### Other auditor's responsibilities

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

### Certificate of completion of audit

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

Adrian Crompton  
Auditor General for Wales

1 Capital Quarter  
Tyndall Street  
Cardiff,  
CF10 4BZ

## 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 <sup>st</sup> 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.



## GLOSSARY OF TERMS

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

## GLOSSARY OF TERMS

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.

## GLOSSARY OF TERMS

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	<p>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.</p> <p>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.</p>

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**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 31<sup>st</sup> 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.



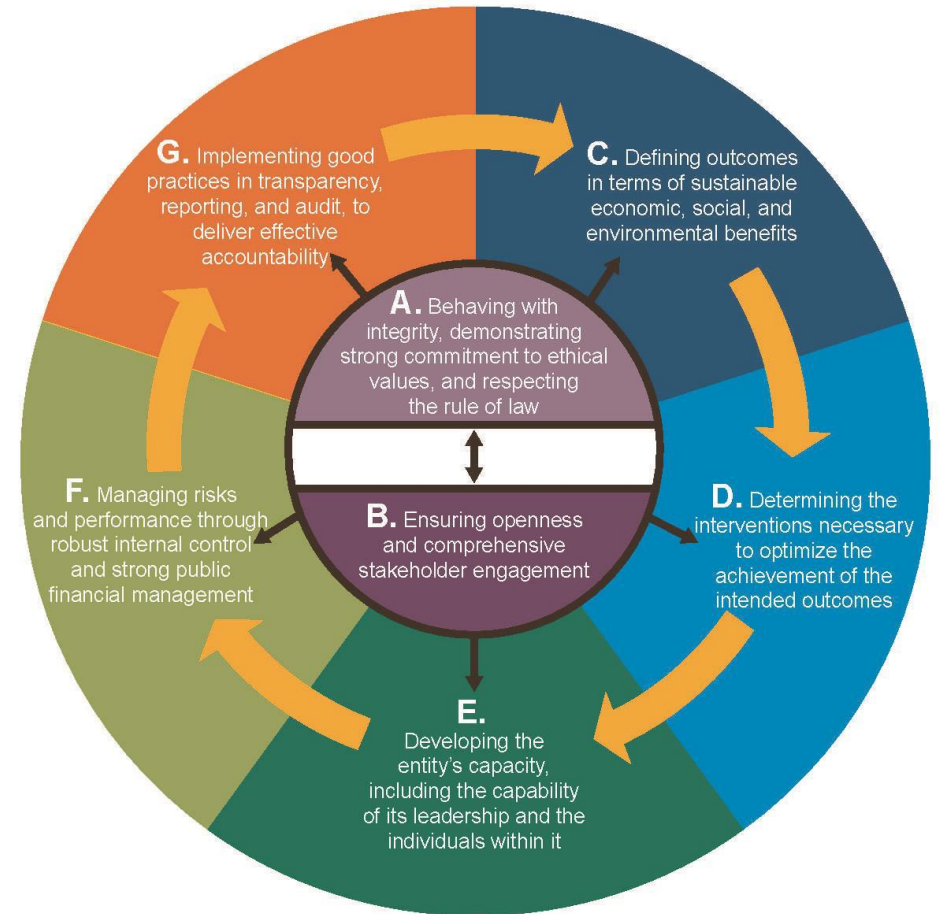
## Delivering Good Governance in Local Government: Framework (The Framework) 2016

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 118</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 Employee Code of Conduct	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 style="text-align: center;">Page 119</p>	<p>1.1.3 <a href="#">Member Code of Conduct</a></p>	<p>Monitored by the <a href="#">Standards Committee</a> 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 31<sup>st</sup> 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
<p>Page 120</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>	<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 121		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><a href="#">induction programme for Members</a></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: New Starter Induction Checklist	New starter induction checklist contains information about the expected standards of behaviour) must be signed by managers and their employees.	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 122</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>1.1.6 Performance Appraisal Process</p>	<p>In 2024, the Learning, Training &amp; 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>1.2.1 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: <a href="#">The Future of Work Strategy 2022 – 2027</a></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>	

**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 123		<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"> <li>• 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.</li> </ul> <p>R2 - Workforce governance and monitoring</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>	



**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 124		<ul style="list-style-type: none"> <li>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.</li> </ul>	
	See section 1.1.3- <a href="#">Member Code of Conduct</a> - 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



**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 125	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

**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 126	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 31<sup>st</sup> 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

**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 127</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>	

**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 128		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
Page 129	1.3.4 Member and Officer Relations Protocol	<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>	Continue with future training of officer groups in the significance of the member and officer relations protocol.

**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>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 <sup>th</sup> April 2023. The Strategy was presented to Governance & Audit Committee at their meeting on 16 <sup>th</sup> 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

**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 131		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 Whistleblowing Policy	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 <sup>st</sup> 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 <sup>th</sup> 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 132	<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 20<sup>th</sup> September 2023. No systemic issues were identified. This report was also presented to Governance &amp; Audit Committee on 12<sup>th</sup> October 2023 to enable the Committee to discharge the following functions contained in the Local Government &amp; Elections (Wales) Act 2021:</p> <ul style="list-style-type: none"> <li>• to review and assess the authority’s ability to handle complaints effectively</li> <li>• to make reports and recommendations in relation to the authority’s ability to handle complaints effectively</li> </ul> <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 133	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.

**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 14</p> <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 35</p> <p>2.3 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p>	<p>2.3.1 Recruitment and Selection Policy 2018</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>2.3.2 <u>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 20<sup>th</sup> 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>

**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 16</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"> <li>• Clarify the roles of members both individually and collectively in relation to the partnership and to the council;</li> <li>• Clearly set out the legal status of the partnership; and</li> <li>• Make clear the extent to which representatives or</li> </ul>	<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 &amp; Democratic Services. This work was completed in 2023/2024.</p>	<p>None identified</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 137	organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.		
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	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.  See section 1.4.4 - The <u>Constitution</u>	‘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.  Democratic Services Officers and Legal Services monitor reports to ensure legal compliance.	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
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

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

<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
<p>Page 139</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 &amp; 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>

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

<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
Page 140		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		



**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 11</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>		

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
<p>Page 14</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"> <li>1. Corporate Plan Annual Report</li> <li>2. Strategic Equalities Plan Annual Report</li> <li>3. PSB Well-being Plan Annual Report</li> <li>4. Welsh Language Standards Annual Report</li> <li>5. Welsh Language Promotion Strategy Annual Report</li> <li>6. Internal Audit Report</li> <li>7. Complaints, Compliments and Comments Annual Report</li> <li>8. Social Services Complaints Annual Report</li> <li>9. Ombudsman Annual Report</li> <li>10. Pay Policy Statement</li> </ol>	<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 143	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 (<a href="http://www.npt.gov.uk">www.npt.gov.uk</a>) performance is monitored using Google analytics to see how our website is being used. We</p>	None identified

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
		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)		

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
In due course, ensuring that the impact and consequences of those decisions are clear.			
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 14</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

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
Page 146	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

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
Page 147	4.4.3 <a href="#">Citizens' Panel</a>	<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 &amp; 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

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
Page 148	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 26<sup>th</sup> 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		



<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
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

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
<p style="text-align: center;">Page 150</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

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
Page 151		<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 <u>Public Services Board (PSB)</u>	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"> <li>• Trust</li> <li>• A shared commitment to change</li> </ul>	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

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
<ul style="list-style-type: none"> <li>• A culture that promotes and accepts challenge among partners; and</li> <li>• that the added value of partnership working is explicit</li> </ul>	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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<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
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 – <u>Citizens Panel</u></p> <p>See section 4.4.4 – <u>Public Participation Strategy 2023/2027</u></p>		

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
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 – <u>Citizens Panel</u>		
Page 154  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"> <li>• Equality Act 2010</li> <li>• Welsh Language Standards (No.1) Regulations 2015,</li> <li>• Well-being of Future Generations (Wales) Act 2015</li> <li>• Local Government &amp; Elections (Wales) Act 2021</li> <li>• Environment (Wales) Act 2016)</li> </ul>	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 15</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>

<b>Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvements / action</b>
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 &amp; 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)



<b>Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvements / action</b>
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 <u>Corporate Risk Management Policy</u>	<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 &amp; Audit Committee every six months.</p>	Further strengthen the council's risk management arrangements

<b>Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvements / action</b>
Page 158	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	None identified
	See section 4.1.3 – <u>Corporate Plan 2022/2027</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
5.6 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 - <a href="#">Corporate Plan 2022/2027</a>		
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 <a href="#">Welsh Government Procurement Policy</a>	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 - <a href="#">Ethical Employment in Supply Chain Policy 2019</a>		

<b>Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvements / action</b>
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 – <u>Corporate Plan 2022/2027</u></p> <p>See section 4.4.4 – <u>Public Participation Strategy 2023/2027</u></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"> <li>• Now considered ‘business as usual’</li> <li>• Have been completed; and</li> <li>• Circumstances in which they were developed have now changed.</li> </ul> <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"> <li>• exercising its functions effectively (how well are we doing?)</li> <li>• using its resources economically, efficiently and effectively (how do we know?)</li> <li>• ensuring its governance is effective for securing the above (what and how can we do better?)</li> </ul> <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 – <u>Public Participation Strategy 2023/2027</u></p> <p>See section 4.4.2 – Community of Practice – Involvement and Engagement</p> <p>See section 4.4.3 – <u>Citizens Panel</u></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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<b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
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 – <u>Public Participation Strategy 2023/2027</u> See section 4.4.2 – Community of Practice – Involvement and Engagement See section 4.4.3 – <u>Citizens Panel</u>	
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 - <u>Corporate Risk Management Policy</u>	

<b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
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	



<b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>			
<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
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**

<b>Behaviours and actions that demonstrate good governance in practice</b>	<b>Evidence of key systems, documents and processes</b>	<b>Assurance of arrangements in place</b>	<b>Suggested improvement / action</b>
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><a href="#">Ethical Employment in Supply Chain Policy 2019</a></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"> <li>• The council's Electoral Services officers participate in the Association of Electoral Administrators network to benchmark electoral administration.</li> <li>• 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</li> <li>• Wales waste data flow for fly tipping;</li> <li>• County Surveyor Society Wales benchmarking;</li> <li>• Road Safety Benchmarking;</li> <li>• Workforce planning benchmarking;</li> </ul> <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 &amp; 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>



**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"> <li>• 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</li> <li>• 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</li> </ul>	<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"> <li>• Introduction to the Council, its role, Corporate Governance, Corporate Plan, Wellbeing Goals</li> <li>• Code of Conduct and Ethics (including civility and respect)</li> <li>• Health and Safety</li> <li>• Replacement Local Development Plan</li> <li>• Service Area Introductions</li> <li>• Community Leadership and Casework</li> <li>• Budget and Financial Management</li> <li>• Treasury Management</li> <li>• Committee Procedures and the role of Scrutiny and how to be an effective Scrutiny Member</li> <li>• Equalities, Diversity and the Socio-Economic Duty</li> <li>• Safe Data Management and GDPR</li> <li>• Freedom of Information (FOIs)</li> <li>• Welsh Language</li> </ul>	<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"> <li>Ensuring personal, organisation and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses</li> </ul>		<ul style="list-style-type: none"> <li>Corporate Parenting</li> <li>Social Media</li> <li>Safeguarding</li> <li>Housing</li> <li>Violence against Women, Domestic Violence and sexual violence</li> <li>Member Officer Relations</li> <li>Women's Rights/Gender Equality</li> <li>Public Speaking and Working with the Media (Cabinet Members only)</li> <li>The role of members in relation to the Wellbeing of Future Generations Act. To include sustainable development.</li> <li>The role of members in relation to the Social Services and Well-Being (Wales) Act</li> <li>Climate Change, mitigation and decarbonisation</li> </ul> <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"> <li>• Liberty Protection Safeguards (LPS)</li> <li>• EFC Carers Induction</li> <li>• RLDP</li> <li>• Emergency Preparedness for Elected Members</li> <li>• Introduction Voter ID and other election act reforms</li> <li>• Code of Conduct Refresher Training and Council Procedure Rules</li> <li>• Corporate Joint Committee</li> <li>• Vapes and the Law</li> <li>• Culture, Destination and Built Heritage Strategies</li> <li>• 'Same Resident' – Police and Community Safety</li> <li>• State of Nature Report from the Local Nature Partnership</li> <li>• Budget</li> <li>• Single Transferable Vote</li> <li>• Audit Wales Scrutiny Review</li> <li>• Cyber Ninjas</li> <li>• Curriculum for Wales</li> <li>• Local Development Plan and Housing Strategy</li> <li>• What is SAB?</li> </ul>	

**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 176</p>		<ul style="list-style-type: none"> <li>• Cost of Living Crisis</li> <li>• Digital, Data and Technology Strategy</li> <li>• RLDP</li> </ul>	
	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 – <a href="#">Public Participation Strategy 2023/2027</a>		

**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 &amp; 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	<p>See section 1.2.2 - <u>The Future of Work Strategy - Strategic Workforce Plan 2022-2027</u></p> <p>Maximising Attendance at Work Procedure</p> <p>Health and Safety</p>	<p>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.</p> <p>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 &amp; Safety &amp; Well-being Team providing advice, support and expertise in relation to the health, safety and well-being of our employees.</p> <p>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</p>	None identified

**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 – <u>Corporate Risk Management Policy</u>		
8.2 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively			
8.3 Ensuring that responsibilities for managing individual risks are clearly allocated			

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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>8.4 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>		



**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 &amp; 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 &amp; 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"> <li>• Cabinet Members to be held to account;</li> <li>• Public engagement being very important;</li> <li>• Members need to have option to be involved in decisions at an earlier stage;</li> <li>• There process needs to be more accessible and transparent so it is clear to the public what is going to be scrutinised;</li> <li>• The council need to consider a system which operates consistently both pre and post decision scrutiny; and</li> <li>• Ongoing performance monitoring is very important</li> </ul>	

**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 - <u>Corporate Risk Management Policy</u>		

**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 - <u>Corporate Risk Management Policy</u>		
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 &amp; 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"> <li>• Review the adequacy of the council’s corporate governance arrangements and ensure that an appropriate governance framework operates.</li> <li>• Provide recommendations for improvements in corporate governance practices to enhance the council’s performance, encourage innovation and maintain public trust.</li> </ul> <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 &amp; Audit Committee on 17<sup>th</sup> March 2023.</p> <p>Members approved the revised Internal Audit Charter in September 2022.</p> <p>The Governance &amp; 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 192</p> <p><b>Constitution Review &amp; Monitoring</b></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><b>Internal Audit Service</b></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><b>Governance &amp; Audit Committee</b></p>	<p>Approved the council's Internal Audit Plan on 17<sup>th</sup> 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 193</p> <p><b>Standards Committee</b></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><b>External Auditors</b></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 14<sup>th</sup> 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 &amp; 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
<b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law</b>			
Page 195.3	<ul style="list-style-type: none"> <li>I. All members ensure they attend annual refreshers in respect of the Members Code of Conduct undertaken by the Monitoring Officer;</li> <li>II. All Group Leaders make Standards and Ethics a standing item on their political group meeting agendas;</li> <li>III. All members ensure they are completing their declarations of gifts and hospitality, including where such gifts and hospitality are declined;</li> <li>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;</li> <li>V. Steps be taken to promote the Member Officer Protocol to all elected members and officers of the Council, with training provided as appropriate;</li> <li>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.</li> </ul>	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 196	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.
<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>			
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 197 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 <sup>th</sup> 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 <sup>th</sup> January 2024. The output of that discussion was to be presented to the meeting of the Forum on 27 <sup>th</sup> 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
<b>Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits</b>			
Page 98 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 <sup>th</sup> October. The output has informed the council's updated Corporate Plan for the period 2024/2027.
<b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>			
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.
9.9.1	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.
<b>Principle F: Managing risks and performance through robust internal control and strong public financial management</b>			
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.
<b>Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>			
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
<b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law</b>		
1.1.3 Page 201	<ul style="list-style-type: none"> <li>i. Ensure all members attend annual refreshers in respect of the Members Code of Conduct undertaken by the Monitoring Officer;</li> <li>ii. Ensure all Group Leaders make Standards and Ethics a standing item on their political group meeting agendas;</li> <li>iii. Ensure all members are completing their declarations of gifts and hospitality, including where such gifts and hospitality are declined;</li> <li>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;</li> <li>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.</li> </ul>	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
<b>Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits</b>		
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
<b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b>		
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
<b>Principle F: Managing risks and performance through robust internal control and strong public financial management</b>		
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
<b>Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>		
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><b>RAG Rating = Green</b></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><b>RAG Rating = Green</b></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><b>RAG Rating = Green</b></p>
D	The authority applies CIPFA/ SOLACE Delivering Good Governance in Local Government: Framework 2016.	<p>The Governance &amp; Audit committee reviews the adequacy of Governance arrangements of the authority, reviewing the AGS and receiving risk management updates.</p> <p><b>RAG Rating = Green</b></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><b>RAG Rating = Amber</b></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><b>RAG Rating = Green</b></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><b>RAG Rating = Green</b></p>
H	The authority complies with the Prudential Code for Capital Finance in Local Authorities	<p>The authority complies with all elements of the Prudential Code.</p> <p><b>RAG Rating = Green</b></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><b>RAG Rating = Green</b></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><b>RAG Rating = Green</b></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><b>RAG Rating = Green</b></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><b>RAG Rating = Green</b></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><b>RAG Rating = Amber</b></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><b>RAG Rating = Green</b></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><b>RAG Rating = Green</b></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.  <b>RAG Rating = Green</b>
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.  <b>RAG Rating = Green</b>



## **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

### **GOVERNANCE AND AUDIT COMMITTEE**

**22<sup>nd</sup> NOVEMBER 2024**

### **REPORT OF THE CHIEF FINANCE OFFICER**

#### **Matter for Information**

**Wards Affected** – All wards

#### **Closure of Accounts 2023/24**

#### **Purpose of the Report**

The purpose of this report is to provide details of the main findings of the Audit of the Accounts for the 2023-24 undertaken by Audit Wales, and to provide details of their intention to issue an unqualified audit report on the accounts.

The Audit Wales – Audit of Accounts Report 2023-43 can be found in Appendix 1, this report will be presented by a member of the Audit Wales team.

#### **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 Audit Wales report.

**Appendix**

Appendix 1 – Audit Wales - Audit of Accounts Report 2023-24

**Officer Contact**

For further information on this report item, please contact:

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# Audit of Accounts Report – Neath Port Talbot County Borough Council

Audit year: 2023-24

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

# 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 audit in line with my Detailed Audit Plan.

This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 statement of accounts. My team have already discussed these issues with the Director of Finance.

I am very grateful to your officers for their support in undertaking this audit.



**Adrian Crompton**

Auditor General for  
Wales

# Your audit at a glance



## Audit opinion

We are proposing to give an unqualified opinion on the accounts.

We have nothing to report under the other sections of my report, ie those relating to going concern; other information; other matters; or matters I report by exception.



## Significant issues

There are uncorrected misstatements accounts of £746,525 in the accounts.

We have identified the following significant issues:

- Derecognition of capital expenditure.
- Nil net book value assets.

In addition to the above, during our audit we identified two additional risks to those reported to you within our detailed audit plan:

Significant risk	Our response
<p><b>Treatment of internal recharges</b></p> <p>We identified a net credit of £14.6 million within gross expenditure in the Comprehensive Income and Expenditure Statement (CIES).</p> <p>We would expect internal recharges of income and expenditure to net off to nil within the general ledger.</p> <p>The Council was unaware of this issue and had to undertake considerable work during the audit to review the transactions and provide us with details of what the transactions related to.</p>	<p>The audit team:</p> <ul style="list-style-type: none"> <li>• gained an understanding of the process undertaken by the Council to account for internal recharges during the year;</li> <li>• gained an understanding of the process to remove all internal recharges during the preparation of the year end accounts;</li> <li>• reviewed the detailed population provided by the Council to identify any significant values; and</li> <li>• tested a sample of transactions to gain assurance that they were valid and were supported by evidence.</li> </ul> <p>Our audit findings are summarised in the other significant issues section of this report.</p>
<p><b>Classification of surplus assets</b></p> <p>Note 11 Property, Plant and Equipment included Surplus Assets of £10.2 million.</p> <p>Our initial review of surplus assets identified a piece of land valued at £1.6 million that was a duplication of land held within other land and buildings.</p> <p>We were unable to treat this error as isolated and therefore conclude that the value of surplus assets within the accounts was not materially misstated.</p>	<p>The audit team:</p> <ul style="list-style-type: none"> <li>• reviewed the detailed list of all assets considered by the Council to be surplus;</li> <li>• requested the Council review all surplus assets valued over £100,000 to identify any further duplications or operational assets; and</li> <li>• tested a further sample of assets classified as surplus to ensure correctly treated.</li> </ul> <p>Our audit findings are summarised in the other significant issues section of this report.</p>

# Financial Statements Materiality



## Materiality

Materiality	£6,143,000
Reporting threshold ('trivial')	£307,200
Areas of specific interest:	
• Remuneration report	£1,000
• Related party disclosures	£10,000



## Materiality £6.143 million

My aim is to identify and correct material misstatements, ie those that might otherwise cause the user of the accounts to be misled.

Materiality is calculated using:

- 2023-24 gross expenditure of £614.398 million calculated using 2023-24 final draft actual expenditure.
- Materiality percentage of 1%

I apply the materiality percentage to gross expenditure to calculate materiality.

I will report to you any misstatements above £307,200, calculated as 5% of materiality (called the 'trivial level').





## Areas of specific interest

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

- Remuneration report £1,000
- Related party disclosures £10,000

# Ethical compliance



## Compliance with ethical standards

We believe that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

# Proposed audit opinion



## Audit opinion

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

Our proposed audit report is set out in **Appendix 1**.



## Letter of representation

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

The letter we are requesting you to sign is included in **Appendix 2**.

# Issues arising during the audit



## Misstatements

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

### Uncorrected misstatements

We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these misstatements be corrected.

If you decide not to correct these misstatements, we ask that you provide us with the reasons in writing for not correcting them:

#### **Note 17 Creditors – Central Government bodies**

We identified £390,000 of Welsh Government creditors that were misclassified as creditors and should be treated as earmarked reserves.

The balances relate to grant funding received in previous years that has not been completely spent but which does not have a requirement to be repaid to Welsh Government.

The Council will amend the treatment of these balances within the 2024-25 financial statements.

#### **Note 11 Property Plant and Equipment – Infrastructure Assets**

We identified £356,525 of costs relating to EV charges and solar panels that were misclassified as infrastructure assets and given an estimated useful life of 40 years.

We do not believe that such assets should be treated as infrastructure and given such a long estimated useful life. We consider the assets to be equipment and should be included within vehicles, plant, furniture and equipment and given a more realistic estimate of useful life.

The Council will amend the treatment of these balances within the 2024-25 financial statements.

## Corrected misstatements

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

The amendments made to the financial statements increased the Council's reported deficit in the year within the Comprehensive Income and Expenditure Statement (CIES) by £1.383 million from £15.594 million to £16.977 million.

The impact on the Balance Sheet was to reduce Net Assets by £1.383 million from £603.072 million to £601,689 million.

The corrected misstatements are set out in **Appendix 3**.



### Other significant issues

In the addition to misstatements identified during the audit we also report other significant issues to you.

The following significant issues were identified during the audit.

#### Weaknesses in Controls – internal recharges

We identified a net credit of £14.0 million within gross expenditure in the CIES due to the incorrect posting of some internal recharges during the year. Whilst the CIES was not misstated, we would expect internal recharges of income and expenditure to net off to nil within the general ledger.

We were able to conclude that the transactions were legitimate internal recharges that had been posted to the wrong ledger code during the year.

We recommend that the Council reviews its procedures and guidance for the treatment and allocation of internal recharges to ensure all finance staff are aware of the correct ledger codes to post recharges.

## Surplus Assets

Note 11, Property Plant and Equipment (PPE) included Surplus Assets of £10.2 million. We identified property classified as Surplus Assets that was either in operational use by the Council or was duplicated within Other Land and Buildings.

As a consequence of our audit, the Council reduced the value of surplus assets by £1.9 million. £1.6 million of this was removed from the PPE balance altogether due to the duplication of the asset within surplus assets and other land and buildings.

There remains an immaterial balance in surplus assets of £2.166 million that has not been specifically reviewed this year.

We have recommended that, going forward the Council undertakes a review of all surplus assets (including the £2.166 million not reviewed in year) to ensure only true assets that are surplus for the Council's purposes are classified as such

## Derecognition of capital expenditure

Note 11 Property, Plant and Equipment included additions in year of £19.7 million of which £13.3 million was derecognised as it was deemed not to add value to the asset to which it related.

This is a significant level of capital expenditure that the Council does not believe has added value to its assets.

Our review identified that £963,792 was incorrectly removed from additions as it related to either Assets Under Construction or other assets. We also noted that some expenditure included as capital additions (and subsequently derecognised) was below the £10,000 de-minimus level applied by the Council for expenditure to be classified as capital.

We recommend the Council undertakes a detailed review each year of the capital expenditure incurred to ensure:

- any expenditure which is considered revenue in nature is charged directly to revenue;
- spend incurred against a longer-term project is kept as assets under construction; and
- spend on equipment is correctly classified.

### **Nil net book value assets**

Note 11 Property, Plant and Equipment included £11.7 million of assets that were fully depreciated and therefore had a nil net book value at the year-end.

Our audit identified five assets that were no longer owned by the Council such as Pwllwatkin Restoration which had a gross cost (and corresponding gross depreciation) of £1.1 million. As a consequence of our audit work, the asset was removed from infrastructure assets.

We were able to confirm the existence and continued use of £7.7 million of assets, but there remains a residual immaterial balance of £4.0 million where a further review is required to determine if the assets are still owned or in use by the Council.

We recommend the Council reviews the remaining £4.0 million of assets with a nil net book value to ensure that they are still owned, are in operational use and should be retained in the fixed asset register and disclosed in the financial statements.

Consideration should also be given to the estimated useful life applied to assets. We identified 89 assets (mainly vehicles) still in use, despite being fully depreciated which may suggest that the Council is underestimating their useful life.

# Appendix 1

## Proposed audit report

### The report of the Auditor General for Wales to the members of Neath Port Talbot County Borough Council

#### Opinion on financial statements

I have audited the financial statements of Neath Port Talbot County Borough Council for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

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

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

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

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

#### Basis of opinion

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

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

#### Conclusions relating to going concern

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

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



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

## **Other Information**

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

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

I have nothing to report in this regard.

## **Opinion on other matters**

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

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

## **Matters on which I report by exception**

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

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

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

## **Responsibilities of the responsible financial officer for the financial statements**

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

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

My procedures included the following:

- Enquiring of management, the Neath Port Talbot County Borough Council's internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Neath Port Talbot County Borough Council's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: management override and the posting of unusual journals;
- Obtaining an understanding of Neath Port Talbot County Borough Council's framework of authority as well as other legal and regulatory frameworks that Neath Port Talbot County Borough Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Neath Port Talbot County Borough Council; and
- Obtaining an understanding of related party relationships.

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

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

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

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

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

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

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

## **Certificate of completion of audit**

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

Adrian Crompton  
Auditor General for Wales

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

# Appendix 2

## Letter of representation

Audited body's letterhead

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

Date

## Representations regarding the 2023-24 financial statements

This letter is provided in connection with your audit of the financial statements of Neath Port Talbot County Borough Council for the year ended 31 March 2024 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

## Management representations

### Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2024; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

## Information provided

We have provided you with:

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

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

## Financial statement representations

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

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

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

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

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

The financial statements are free of material misstatements, including omissions. The effects of the uncorrected misstatement identified during the audit is immaterial to the financial statements taken as a whole. The unadjusted misstatement is set out below:

- **Note 17 Creditors – Central Government bodies**
  - £390,000 of Welsh Government creditors are misclassified as creditors and should be treated as ear-marked reserves.
  - The balances relate to grant funding received in previous years that has not been completely spent but which does not have the requirement to be repaid to Welsh Government.
  - The misstatement is not considered material to the accounts and will be amended within the 2024-25 accounts.
- **Note 11 Property Plant and Equipment – Infrastructure Assets**
  - £356,525 of costs relating to EV charges and solar panels are classified as infrastructure assets and given an estimated useful life of 40 years.
  - These assets are considered to be equipment and should be included within vehicles, plant, furniture and equipment and given a more realistic estimate of useful life.
  - The misstatement is not considered material to the accounts and will be amended within the 2024-25 accounts.

## Representations by the Governance and Audit Committee

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

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Neath Port Talbot County Borough Council on 22 October 2024.

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

Signed by:

Signed by:

Chief Finance Officer

Chair of the Governance and Audit  
Committee

Date:

Date:

# Appendix 3

## Summary of corrections made to the financial statements

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

Correction	Nature of correction	Reason for correction
<p><b>Note 11 Property Plant Furniture and Equipment.</b> Cost or valuation 'derecognition - other' reduced by £963,792.</p> <p>The amendments impacted on the reported deficit in the CIES which reduced by £235,000 and the net assets in the Balance Sheet which increased by the same amount.</p>	<p>Note 11 cost or valuation 'derecognition - other' was reduced by £963,792. The following amendments were made as part of the adjustment:</p> <ul style="list-style-type: none"> <li>• £45,397 was removed from other land and buildings additions to infrastructure assets as an addition to correct the classification.</li> <li>• £670,340 was removed from other land and buildings additions to assets under construction</li> <li>• £248,055 was removed from other land and buildings additions into vehicle plant furniture and equipment additions.</li> </ul> <p>The amendments also impacted on:</p> <ul style="list-style-type: none"> <li>• The revaluation gains charged to cost or valuation within Note 11.</li> <li>• Both gross expenditure and the total comprehensive income and expenditure in the CIES.</li> <li>• Movements within and the closing balance of the revaluation reserve.</li> <li>• Movements within and the closing balance of the capital adjustment account.</li> <li>• The movement in reserves statement (MiRS).</li> <li>• The Cashflow Statement.</li> </ul>	<p>To ensure capital expenditure incurred in the year was correctly treated in the accounting records and the financial statements.</p> <p>To ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024.</p>



	<ul style="list-style-type: none"> <li>The overall net assets in the Balance Sheet and Supporting notes.</li> </ul>	
<p><b>Note 11 Property Plant Furniture and Equipment.</b></p> <p>Cost or valuation 'surplus assets' reduced by £1.9 million.</p> <p>Amendments impacted on the reported deficit in the CIES which increased by £1.6 million and the net assets in the Balance Sheet which reduced by the same amount.</p>	<p>Note 11 surplus assets reduced by £1.9 million. The following amendments were made as part of the adjustment:</p> <ul style="list-style-type: none"> <li>£1.61 million was removed from surplus assets as it was a duplication of an asset held within other land and buildings.</li> <li>£450,000 was removed from assets under construction to correctly classify as surplus assets.</li> <li>A further reduction of £742,000 was made to surplus assets due to overstated values.</li> </ul> <p>The amendments also impacted on:</p> <ul style="list-style-type: none"> <li>The revaluation gains charged to cost or valuation within Note 11.</li> <li>The total comprehensive income and expenditure in the CIES.</li> <li>Movements within and the closing balance of the revaluation reserve.</li> <li>Movements within and the closing balance of the capital adjustment account.</li> <li>The movement in reserves statement (MiRS).</li> <li>The Cashflow Statement.</li> <li>The overall net assets in the Balance sheet and supporting notes.</li> </ul>	<p>To ensure the assets were correctly accounted for and disclosed as such in the financial statements.</p> <p>To ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024.</p>
<p><b>Note 11 Infrastructure assets</b></p> <p>Nil net book value assets reduced by £1.1 million.</p>	<p>Note 11 Infrastructure assets nil net book value assets of £1.1 million were removed.</p> <p>The amendment related to one asset that was included within infrastructure assets, disclosed in a separate table within Note 11.</p>	<p>To ensure only assets owned by the Council were included within accounting records and the accounts.</p>

No other classification of assets within Note 11 were affected.

As the asset had a nil net book value there was no impact and no historic valuation movements there was no impact on any other areas of the accounts.

To ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024

There were other minor amendments to the accounts following our audit that collectively were below our 'trivial' reporting threshold.

# 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 <a href="#">Good Practice</a> 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 <a href="#">newsletter</a> which provides you with regular updates on our public service audit work, good practice, and events.
	our <a href="#">publications</a> which cover our audit work completed at public bodies.
	information on our <a href="#">forward performance audit work programme 2023-2026</a> which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various <a href="#">data tools</a> and <a href="#">infographics</a> 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](#).





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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.

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### GOVERNANCE AND AUDIT COMMITTEE

#### REPORT OF THE DIRECTOR OF STRATEGY & CORPORATE SERVICES

MR NOELWYN DANIEL

22<sup>nd</sup> NOVEMBER 2024

#### **Matter for Information**

**Wards Affected** – All wards

**Report Title** - Audit Wales – Programme & Timetable – Quarter 2  
Update April to September 2024

#### **Purpose of the Report**

The purpose of this report is to provide the Governance and Audit Committee with an update on the work undertaken by Audit Wales up to the 30<sup>th</sup> September 2024. The update includes information on the following work undertaken by Audit Wales:

- 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 September 2023.

#### **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 Audit Wales Programme and Timetable contained in Appendix 1.

**Appendix**

- Audit Wales – Quarter 2 Work Programme Update and Timetable

**Background Papers**

None

**Officer Contact**

For further information on this report item, please contact:

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## Audit Wales Work Programme and Timetable – Neath Port Talbot Council

**Quarterly Update: 30 September 2024**

### Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in March 2023.	Published March 2024	Complete. <a href="#">Neath Port Talbot Annual Audit Summary 2023</a>

### Financial Audit work

Description	Scope	Timetable	Status
<b>Audit of the Council's 2023-24 financial statements</b>	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 substantially complete.

Description	Scope	Timetable	Status
<p><b>Certification of Grant returns for financial year 2022- 23</b></p> <ul style="list-style-type: none"> <li>• Housing Benefit Subsidy</li> <li>• Non-Domestic Rates</li> <li>• Teachers’ Pension Contributions</li> <li>• Social Care Workforce Development Plan</li> </ul>	<p>Certification that nothing has come to our attention to indicate that the return is:</p> <ul style="list-style-type: none"> <li>• Not fairly stated</li> <li>• Is not in accordance with the relevant terms and conditions</li> </ul>	<p>In line with the deadlines for each individual grant and return.</p>	<p>Partly complete.</p> <p>Ongoing:</p> <ul style="list-style-type: none"> <li>• Housing Benefit Subsidy</li> </ul> <p>Complete:</p> <ul style="list-style-type: none"> <li>• Non-Domestic Rates</li> <li>• Teachers’ Pension Contributions</li> <li>• Social Care Workforce Development Plan</li> </ul>

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

## Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
<p><b>Assurance and Risk Assessment</b></p>	<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>	<p>Complete</p>	<p>Complete</p>

2022-23 Performance Audit work	Scope	Timetable	Status
	<ul style="list-style-type: none"> <li>• Financial position</li>   <li>• Use of performance information – with a focus on service user feedback and outcomes</li>   <li>• Setting of well-being objectives</li> </ul>	<p>Ongoing monitoring of financial position</p> <p><u>Report issued to the Council January 2023.</u></p> <p><u>Report issued to the Council August 2023</u></p>	<p>Ongoing</p> <p>Complete</p> <p>Complete</p>
<p><b>Thematic Review – Unscheduled Care</b></p>	<p>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.</p>	<p>August 2022 – October 2023</p>	<p>Reporting from October 2024 onward.</p>

2022-23 Performance Audit work	Scope	Timetable	Status
<b>Thematic review – Digital</b>	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.	<u>Report issued to Council October 2023</u>	Complete
<b>Scrutiny Review</b>	A review to seek assurance on the effectiveness of the Council’s scrutiny arrangements.	<u>Report issued to Council October 2023</u>	Complete

2023-24 Performance Audit work	Scope	Timetable	Status
<b>Assurance and Risk Assessment</b>	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
<b>Thematic review – commissioning</b>	A review focusing on how councils’ arrangements for commissioning, apply value for money considerations and the sustainable development principle.	March 2024– March 2025	Fieldwork stage
<b>Thematic review – Financial Sustainability</b>	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.	<u>Report issued to Council September 2024</u>	Complete  National Summary Report indicative publication date: November 2024



<b>2024-25 Performance Audit work</b>	<b>Scope</b>	<b>Timetable</b>	<b>Status</b>
<b>Assurance and Risk Assessment</b>	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
<b>Review of Cyber Security Arrangements</b>	A project to review the Council's cyber security arrangements.	Autumn/Winter 2024	Fieldwork stage
<b>Review of risk management arrangements</b>	A project to review the Council's risk management arrangements.	Jan – May 2025	Scoping

## Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Neath Port Talbot Council
<p><b>Temporary Accommodation</b></p>	<p>Examining the costs, demand and how services are working together to progress the response to temporary accommodation.</p>	<p>Report publication planned for early 2025</p>	<p>Fieldwork underway</p>	<p>Fieldwork interviews being undertaken at:</p> <ul style="list-style-type: none"> <li>• Conwy County Council</li> <li>• Pembrokeshire County Council</li> <li>• Cardiff City Council</li> <li>• Newport City Council</li> <li>• Wrexham County Borough Council</li> </ul> <p>Surveys will also be issued to Heads of Housing and Section 151 Officers at each principal council.</p>

Study	Scope	Timetable	Status	Fieldwork planned at Neath Port Talbot Council
<b>Capital Planning in Local Government</b>	Examining whether capital investment in the asset base in local government is able to keep pace with demand	tbc	Scoping	tbc
<b>Financial constraints / discretionary local government services</b>	Examining the potential impacts and councils' decision making processes in the context of the sustainable development principle.	tbc	Not started	tbc

## Estyn

We inspected Caerphilly and Ceredigion local government education services (LGES) during the summer term. The reports were published in early September. We identified strong practice in both local authorities.

During the autumn term we will be inspecting Newport LGES. We have also scheduled a standalone inspection of the local authority's youth work a few weeks prior to the LGES inspection. Although these are two separate pieces of work, the findings of the youth inspection will inform the LGES inspection. We piloted this arrangement in the Vale of Glamorgan last spring, and our evaluation of this arrangement indicates that stream-lining the inspection process works well and adds value to our work overall.

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. We will be carrying out a monitoring visit in Torfaen in October to consider their progress against the recommendations from their core inspection.

We will also carry out an enhanced link visit to Denbighshire in October, with the focus being on specific aspects of attendance and additional learning needs. The outcome letter from this visit will be published on our website.

We will be carrying out field work in a sample of local authorities to support two thematic reports. We will be visiting 10 LAs to learn about their approaches to promoting positive behaviour in secondary schools; and another five LAs to evaluate their support for mathematics and numeracy AOLE in their schools.

In early September, we trained a new cohort of peer inspectors who will be deployed on our inspection teams as well as running an update session for our current peer inspectors.

## Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
<p><b>Thematic reviews</b></p> <p><b>Community Learning Disability Team (CLDT)</b></p>	<p>Working jointly with HIW we completed an assurance check inspection in Rhondda Cynon Taff focusing on Community Learning Disability Teams (CLDT). <a href="#">RCT CLDT Joint inspection</a></p> <p>A second single agency <a href="#">assurance check inspection in Blaenau Gwent</a></p> <p>We will continue an annual programme of joint work focusing on CLDT and Community Mental Health Team (CMHT)</p>	<p>2024-25</p> <p>March 2024</p>	<p>Published April 2024</p> <p>Published</p>
<p><b>Joint Inspection Child Protection Arrangements (JICPA)</b></p>	<p>Overview report for Joint Inspections of Child Protection Arrangements (JICPA) 2019 – 2024 <a href="#">Overview report for Joint Inspections of Child Protection Arrangements (JICPA) 2019 – 2024   Healthcare Inspectorate Wales (hiw.org.uk).</a></p> <p>The findings from Bridgend County Borough Council - <a href="#">Joint Inspectorate Review of Child Protection Arrangements (JICPA): Bridgend 2023   Care Inspectorate Wales</a></p>	<p>September 2024</p> <p>June 2024</p>	<p>Published</p> <p>Published</p>

CIW planned work 2023-25	Scope	Timetable	Status
	<p data-bbox="389 640 975 712"><u>Our findings from the Cardiff County Council Cardiff Joint Inspection Report</u></p> <p data-bbox="389 790 943 981"><u>The findings from Denbighshire County Council Joint Inspectorate Review of Child Protection Arrangements (JICPA): Denbighshire 2023   Care Inspectorate Wales</u></p> <p data-bbox="389 1059 975 1205"><u>The findings from Powys County Council - Joint Inspectorate Review of Child Protection Arrangements (JICPA): Powys 2023   Care Inspectorate Wales</u></p>	<p data-bbox="1066 640 1145 712">7 May 2024</p> <p data-bbox="1042 790 1166 824">Feb 2024</p> <p data-bbox="1050 1059 1158 1131">October 2023</p>	<p data-bbox="1238 640 1353 712">Published</p> <p data-bbox="1238 790 1353 862">Published</p> <p data-bbox="1238 1059 1353 1131">Published</p>
<p data-bbox="142 1285 320 1435"><b>Performance review of Local Authorities</b></p>	<p data-bbox="389 1285 967 1518"><u>We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity   Care Inspectorate Wales</u> <u>How we inspect local authority services and CAFCASS Cymru</u></p> <p data-bbox="389 1597 906 1668"><u>We are currently reviewing our Code of Practice and will be publishing shortly.</u></p> <p data-bbox="389 1821 970 2011"><u>Inspection of Flintshire County Council children and adult services in February 2024 - Inspection report for Flintshire County Council's adults and children's services published   Care Inspectorate Wales</u></p>	<p data-bbox="1050 1597 1158 1668">October 2024</p> <p data-bbox="1058 1821 1150 1892">22 Feb 2024</p>	<p data-bbox="1238 1597 1353 1742">Due to be published</p> <p data-bbox="1238 1821 1353 1892">Published</p>

CIW planned work 2023-25	Scope	Timetable	Status
	<p>We published <a href="#">Monmouthshire County Council children's services Inspection report PEI   Care Inspectorate Wales</a></p> <p>We published Pembrokeshire - Improvement check inspection <a href="#">Improvement-check Pembrokeshire-county-council-adult services</a></p> <p>We published Swansea adult service PEI <a href="#">240711-swanea-pei-report-en.pdf (careinspectorate.wales)</a></p>	<p>2 May 2024</p> <p>13 June 2024</p> <p>May 2024</p>	<p>Published</p> <p>Published</p> <p>Published</p>
<p><b>Her Majesty's Inspectorate of Probation – Youth Offending Inspection</b></p>	<p>We supported the delivery of HMIP's Youth Offending Services Inspection in Denbighshire and Conwy. <a href="#">A joint inspection of youth justice services in Conwy &amp; Denbighshire (justiceinspectorates.gov.uk)</a></p>	<p>8 May 2024</p>	<p>Published</p>

## Audit Wales national reports and other outputs published since September 2023

Report title	Publication date and link to report
Active travel (report and data tool)	<a href="#">September 2024</a>
Governance of Fire and Rescue Authorities	<a href="#">September 2024</a>
Affordable housing	<a href="#">September 2024</a>
NHS finances – and data tool update to 31 March 2024	<a href="#">August 2024</a>
Digital by design? - Lessons from our digital strategy review across councils in Wales	<a href="#">August 2024</a>
Councils use of performance information: service user perspective and outcomes - A summary of findings from our review at Welsh councils	<a href="#">July 2024</a>
The Welsh Government's support for TVR Automotive Ltd	<a href="#">July 2024</a>
A465 Section 2 – update	<a href="#">June 2024</a>
Community Pharmacy data matching pilot	<a href="#">May 2024</a>
Governance of National Park Authorities	<a href="#">April 2024</a>
Supporting Ukrainians in Wales	<a href="#">March 2024</a>



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

## Audit Wales national reports and other outputs (work in progress / planned)<sup>1, 2</sup>

Title	Indicative publication date
National Fraud Initiative – bi-ennial report	October 2024
Cancer services	November 2024
Local Government Financial Sustainability Data tool update uses data from the draft 2023-24 accounts	November 2024
Findings from GP registration data matching pilot	November / December 2024
Unscheduled care (national messages – patient flow in hospital and delayed discharge)	November / December 2024
Financial management and governance in town and community councils	November / December 2024
NHS workforce planning (national messages)	November / December 2024

<sup>1</sup> 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.

<sup>2</sup> Our [Annual Plan 2024-25](#) also lists work in progress, some of which has since been published, or work planned to start during 2024-25. [Our work programme for 2023-2026](#) –also provides some additional detail about certain topics and will continue to inform our work programme planning for 2025-26.

Title	Indicative publication date
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	Pan-public sector review – November / December 2024  NRW to be confirmed (scoping)
Welsh Government capital and infrastructure investment	December 2024 / January 2025
Challenges for the cultural sector	By end of 2024 (for most local reporting – any national messaging in early 2025)
New Velindre Cancer Centre	Early 2025
Further and higher education funding and oversight – Commission for Tertiary Education and Research	By March 2025 (for initial phase of work on setting of well-being objectives)
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
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 started in May 2024)

Title	Indicative publication date
Access to education for children with Additional Learning Needs	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 (local audit work rolling out from October 2024)
NHS bodies' cost savings arrangements	To be confirmed (local audit reporting nearing completion)

## Good Practice Exchange events and resources

Title	Link to resource
<p><b>Audit Committees: Effective practices and a positive impact</b></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>9<sup>th</sup> October 2024, 10:30 – 15:30 Conwy Business Centre</p> <p>The resources from our event in Cardiff on 22 May are <a href="#">available here</a>.</p>
<p><b>GPX Blog: 100 Stories Project</b></p>	<p><a href="https://www.audit.wales/blog/gpx/2024/7/11/good-practice-exchange-100-stories-project">https://www.audit.wales/blog/gpx/2024/7/11/good-practice-exchange-100-stories-project</a></p>
<p><b>GPX Blog: A multiagency approach to falls</b></p>	<p><a href="https://www.audit.wales/blog/gpx/2024/8/19/good-practice-exchange-multi-agency-approach-falls">https://www.audit.wales/blog/gpx/2024/8/19/good-practice-exchange-multi-agency-approach-falls</a></p>
<p><b>GPX Blog: The councillors and care research project</b></p>	<p><a href="https://www.audit.wales/blog/gpx/2024/9/11/good-practice-exchange-councillors-and-care-research-project">https://www.audit.wales/blog/gpx/2024/9/11/good-practice-exchange-councillors-and-care-research-project</a></p>

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## **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

### **GOVERNANCE & AUDIT COMMITTEE**

#### **REPORT OF THE DIRECTOR OF STRATEGY & CORPORATE SERVICES**

**MR NOELWYN DANIEL**

**22<sup>nd</sup> NOVEMBER 2024**

#### **Matter for Monitoring**

#### **Wards Affected - All**

#### **Corporate Risk Management Arrangements**

#### **Purpose of the report**

1. To present to Governance & Audit Committee an update on the council's risk management arrangements to enable the Committee to review and assess the risk management arrangements of the council.

#### **Executive Summary**

2. The council's Strategic Risk Register was presented to Cabinet on 13<sup>th</sup> November 2024 for monitoring purposes.
3. The Register is presented to Governance & Audit Committee to enable the Committee to discharge the requirements contained within S81 (c) (d) of the Local Government (Wales) Measure 2011 to "review and assess the risk management arrangements of the authority" and "make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements".
4. A Risk Appetite Statement, attached at Appendix 1, has been developed in recent months to enhance the council's risk management arrangements and will be a key element of the council's Code of Corporate Governance framework. The strategic risk register has been updated to reflect the risk category and appetite as set out in the Risk Appetite Statement.

5. In addition, a number of improvements have been made to the Register.

For ease of monitoring of the content of the Register by Cabinet (as set out in the council's Corporate Risk Management Policy) each risk is set out on its own page, setting out the risk description, mitigating actions, owner's comments and both the inherent and revised risk scoring. To further strengthen the risk register the set of mitigating actions had been split into risk controls and mitigating actions.

### Strategic Risks

6. The revised Strategic Risk Register is included at Appendix 2 of this report and includes 20 risks. Members should note that there have been a number of updates since the register was last reported to Governance and Audit. The updates have been noted below and are presented in red text within Appendix 2.

Ref:	Current Version
SR 1	<ul style="list-style-type: none"> <li>Update to owners comments</li> </ul>
SR 2	<ul style="list-style-type: none"> <li>Residual risk score reduced from 16 to 12</li> <li>Update to owners comments</li> </ul>
SR 3	<ul style="list-style-type: none"> <li>Residual risk score reduced from 20 to 15</li> </ul>
SR 4	<ul style="list-style-type: none"> <li>Update to risk control 3</li> <li>Update to owners comments</li> <li>Residual risk score reduced from 16 to 12</li> </ul>
SR 5	<ul style="list-style-type: none"> <li>No changes</li> </ul>
SR 6	<ul style="list-style-type: none"> <li>Update to owners comments</li> <li>Residual risk score reduced from 15 to 12</li> <li>Additional mitigations added as a result of incorporating SR10 into this risk</li> </ul>
SR 7	<ul style="list-style-type: none"> <li>Update to owners comments</li> </ul>
SR 8	<ul style="list-style-type: none"> <li>Team name changed from Emergency Planning Team to Civil Protection and Preparedness Team</li> </ul>
SR 9	<ul style="list-style-type: none"> <li>No changes</li> </ul>
SR 10	Merged with SR 06
SR 11	<ul style="list-style-type: none"> <li>No changes</li> </ul>



SR 12	<ul style="list-style-type: none"> <li>• 2 mitigation plans added</li> </ul>
SR 13	Risk de-escalated to Social Services, Health and Housing Directorate Risk Register
SR 14	<ul style="list-style-type: none"> <li>• Update to owners comments</li> <li>• Residual risk score reduced from 15 to 10</li> </ul>
SR 15	<ul style="list-style-type: none"> <li>• No changes</li> </ul>
SR 16	<ul style="list-style-type: none"> <li>• No changes</li> </ul>
SR 17	Risk de-escalated to Education, Leisure and Lifelong Learning Directorate Risk Register
SR 18	<ul style="list-style-type: none"> <li>• Update to owners comments</li> <li>• All risk controls and mitigation plans completed</li> </ul>
SR 19	<ul style="list-style-type: none"> <li>• No changes</li> </ul>
SR 20	Risk merged with SR 06

In addition, the following risks have been added to the register to cover recent local, national and global issues which could potentially impact the council, residents and businesses alike.

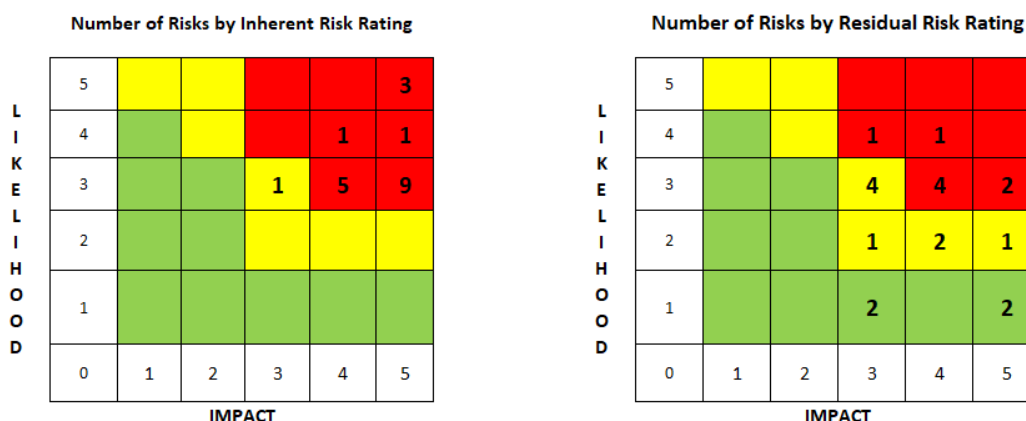
SR 21	<ul style="list-style-type: none"> <li>• <b>IF</b> the continued use of hotel accommodation to discharge the council's statutory homeless duties leads to a 'change of use' in planning terms of such premises, and such use is not assessed and/or regularised, <b>THEN</b> the council will be at risk of legal challenge.</li> </ul>
SR 22	<ul style="list-style-type: none"> <li>• <b>IF</b> council, schools and partners do not fulfil responsibilities and fail to comply with statutory duties and timescales as set out in the Additional Learning Needs Education Tribunal Wales (ALNET) Act and Code of Practice <b>THEN</b> there is potential for reputational damage and financial pressures.</li> </ul>
SR 23	Risk merged with SR 01
SR 24	<ul style="list-style-type: none"> <li>• <b>IF</b> we don't prepare for climate change impacts with partner agencies <b>THEN</b> people, property and critical infrastructure may become increasingly susceptible to coastal, fluvial and foul water flooding.</li> </ul>

SR 25	<ul style="list-style-type: none"> <li>• <b>IF</b> the council does not invest sufficient time, money and effort into decarbonisation, or appropriate technical solutions are not available, <b>THEN</b> we will not achieve 'net zero' target.</li> </ul>
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### Risk Overview

- Tables 1 and 2 below indicate the number of risks ranked low (green), medium (yellow), high (red), both inherent and residual. Table 2 demonstrates a positive shift in the number of risks which have been downgraded due to individual risk controls and mitigation plans.
- Table 3 (Appendix 3) provides an additional overview of each risk description, the inherent and revised risk and whether there has been a change since this risk was previously reported in June 2024. The risks have also been ranked from highest revised score to lowest, to allow highest scoring risks to be identified more swiftly.

### Table 1 & 2



- As contained in the Corporate Risk Management Policy, the Strategic Risk Register should be presented to Cabinet for monitoring, and Governance and Audit as part of their responsibility to review and assess the risk management arrangements on a six monthly basis. The table below sets out a proposed timeline.

Quarter	CDG	Cabinet	Governance & Audit
Qtr. 2	23.10.2024	13.11.2024	29.11.2024
Qtr. 3	22.01.2025	N/A	

Qtr. 4	16.04.2025	30.04.2025	16.05.2024
Qtr. 1 (2025/2026)	16.07.2025	To be confirmed following AGM	

### **Integrated Impact Assessment**

10. There is no requirement for an Integrated Impact Assessment as the report is for monitoring purposes only.

### **Valleys Communities Impacts**

11. No Impact.

### **Workforce Impacts**

12. There are no workforce impacts arising from this report.

### **Legal Impacts**

13. This report enables the Governance and Audit Committee to discharge the requirements contained within S81 (c) (d) of the Local Government (Wales) Measure 2011 to “review and assess the risk management arrangements of the authority” and “make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements

### **Risk Management Impact**

14. This report ensures compliance with the approved Corporate Risk Management Policy.

### **Consultation**

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

### **Recommendations**

16. It is recommended that Governance & Audit Committee review and assess the council’s risk management arrangements.

## **Reason for Proposed Decision**

17. To ensure compliance with the approved Corporate Risk Management Policy.

## **Appendices**

18. Appendix 1 - Risk Appetite Statement
19. Appendix 2 - Strategic Risk Register V14
20. Appendix 3 - Risk Ranking Table

## **Background Papers**

21. Corporate Risk Management Policy – April 2023

## **Officer Contact**

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

Noelwyn Daniel, Director of Strategy & Corporate Services

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Email: [c.furlow@npt.gov.uk](mailto:c.furlow@npt.gov.uk)

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Email: [l.mcandrew@npt.gov.uk](mailto:l.mcandrew@npt.gov.uk)

## Neath Port Talbot Council

### Risk Appetite Statement

The council has set its ambitions in the Corporate Plan 2024/2027: Working Towards a More Prosperous, Fairer and Greener NPT and recognises that in order to achieve these ambitions it will need to take risks. The Risk Appetite Statement acknowledges this fact, setting out how the council balances the risks and opportunities in pursuit of delivering the well-being objectives and strategic priorities and associated plans and strategies contained within the Corporate Plan.

The Statement is a key element of the council's Code of Corporate Governance and should provide guidance when decisions are made by Full Council, Cabinet and other committees within their Terms of Reference, and officers under the Powers Delegated to Officers.

From time to time, the council may deviate from its agreed risk appetite. When this is case, it will be important to exercise judgement whilst assessing the potential impacts across the council.

The Statement will be reviewed annually by the Corporate Leadership Team.

Risk appetite can be defined as 'the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives'.

In some circumstances, a degree of risk may be accepted in order that a benefit can be gained or an opportunity taken.

The council uses the following definitions of risk appetite levels (as contained within The Government's Orange Book: Management of Risk – Principles and Concepts):

<b>Risk Appetite</b>	<b>Description</b>
<b>Averse</b>	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
<b>Minimalist</b>	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
<b>Cautious</b>	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
<b>Open</b>	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
<b>Eager</b>	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

Risk appetite will vary between risks, departments and functions.

The following table displays the council's risk appetite levels by risk category (as contained within The Government's Orange Book: Management of Risk – Principles and Concepts).

<b>Risk Category</b>	<b>Risk Appetite</b>	<b>Comment</b>
<b>Strategic</b>	Open	The council will be open to risk that may prevent us from achieving our well-being objectives and strategic priorities.
<b>Governance</b>	Cautious	The council will seek to ensure that strong leadership and governance is in place at all times, but accepts there may be instances where a cautious approach to governance and decision making risks is needed.
<b>Operations</b>	Open	The council will be averse to risks that could result in the failure to deliver essential services to our residents. We will, however, be open in situations where there is a high degree of benefit and value for money to be gained and the risk will not impact directly on essential services.
<b>Legal</b>	Cautious	The council will not accept any risk that may result in a deliberate failure to comply with laws and regulations but accepts there may be instances where a cautious approach is needed.
<b>Property &amp; Infrastructure</b>	Open	The council will have an open approach to risks arising from property deficiencies or poorly designed or ineffective/ inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
<b>Financial</b>	Open	The council will have an open approach to financial risks where there is value for money to be gained.
<b>Commercial</b>	Cautious	The council will have a cautious approach to risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives. Includes risks associated with procurement of goods/works/services.

<b>People</b>	Open	The council will not accept any risks that may result in non-compliance with any employment policies or HR regulation or cause harm to people. We will, however, take an open approach to some risks that have a high degree of inherent risk.
<b>Technology</b>	Open	We will take an open approach to risks where technological innovation is possible.
<b>Data &amp; Information Management</b>	Minimalist	The council will not accept any risk that may result in a breach of personal or sensitive data. We will however, take a minimalist approach to activities where they have a low degree of inherent risk.
<b>Security</b>	Cautious	The council will have a cautious approach to risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and noncompliance with General Data Protection Regulation requirements.
<b>Project/Programme</b>	Open	The council will have an open approach to risks arising from change programmes and projects which are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.
<b>Reputational Risk</b>	Cautious	The council will be cautious to risk that may result in reputational risk in order to achieve its objectives

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# Infrastructure

**Risk Owner/s:** Nicola Pearce

**Risk Reference:** SR01

**Risk Description**

**IF** there is insufficient investment in the council's major infrastructure **THEN** it is at risk of failure.

**Date Risk Added:** 2022

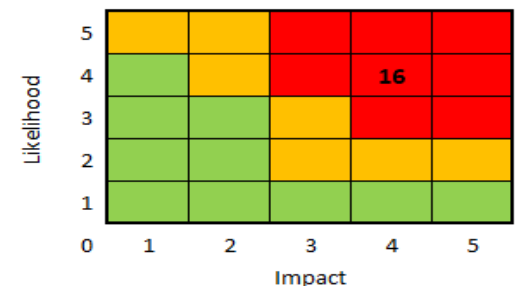
**Risk Category:** Property & Infrastructure

**Risk Control/s**

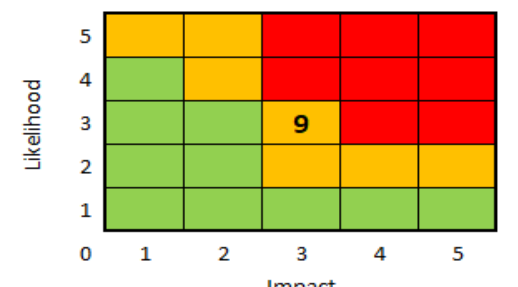
**Risk Appetite :** Open

Action/s:	Progress	Responsible	Owner's Comment
<b>Bridges &amp; Retaining Structures Highway Asset Management Plan (HAMP)</b>	In progress	Dave Griffiths	Rolling programme of Statutory Principle and General inspections and surveys are undertaken to determine condition of assets and identify areas that require further investigation and mitigation to avoid structural failure. Prioritise programmes of work and where possible, remove/replace/re-construct and refurbish the highest risk assets. Following the Welsh Government Roads review the Cymmer Bridge which has been identified as a High Risk structure in terms of Community Severance and has been categorised for further investigation. Subsequently a Welsh Government Local Transport Grant of £1.16M was provided for 2023/24 financial year to carry out enabling works and to further the design development solution which impacts on the local health centre. The council are working closely with the Health Authority on an alternative health provision within the upper Afan Valley which will allow the scheme to proceed to the next stage of development to mitigate this risk.
<b>Fleet Asset Management Plan - Renewals Programme and Investment Plan in place.</b> Annual reports to Streetscene & Engineering Cabinet Board for Scrutiny and approval of procurement programme. All vehicles and plant purchased off National / Regional Framework, or council's approved list of suppliers. Internal Health & Safety audits of plant and equipment, risk assessments and workshop operating procedures. Vehicle and plant disposals via auctions.	In progress	Dave Griffiths	<b>The fleet asset management plan has identified a shortfall with the vehicle renewals budget of circa £500K during 2023/24 for the renewal of the councils recycling fleet to ULEV which cost considerably more than the existing diesel/petrol fleet which will need to be considered as part of the budget review.</b>
<b>Property Asset Management Plan - the plan sets out the direction of travel for the management of the council's operational and non-operational portfolio.</b>	Complete	Simon Brennan	The Property Asset Management Plan (PAMP) <b>has been adopted and sets out</b> how the council's buildings will be managed over the next 5 year period. In conjunction with the PAMP it is proposed that the programme of undertaking condition assessments of the council's buildings will be re-commenced.

**Inherent Risk**



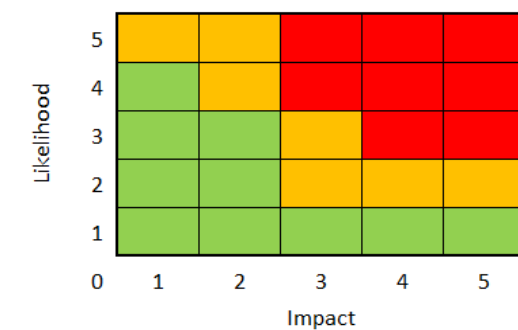
**Residual Risk**



**Mitigation Plan**

Action/s:	Progress	Responsible Officer	Owner's Comment
<b>Cymmer Bridge - Secure an alternative route for Cymmer Bridge to avoid community severance.</b>	In progress	Dave Griffiths	Alternative route designed. Consultation is on-going ABMU Health Centre re-location to facilitate scheme. Funding has been allocated from WG to undertake the detailed design work. Capital funding to be identified to deliver scheme. The council have now secured ownership of the Health Centre Site although the Health Centre will continue to operate until an alternative centre in the Afan Valley is identified for them to accommodate, this may involve a new building been constructed or an existing building been adapted in the Afan Valley to serve the Local Communities. The council will be entering negotiations with Dwr Cymru Welsh Water to secure the remaining land to enable the construction of the scheme. The council has been awarded a Welsh Government Local Transport Grant of circa £500K to further develop the scheme during 2024/2025. Construction of the new highway arrangements are planned to start on site in 2027 for a 22 month period. The risk therefore remains a medium to high risk and continues to be monitored. Funding for the overall project is subject to final approval by Welsh Government as part of the New Highway Roads Review.
<b>Cwmafan Landslip Area - New Landslip Area - Stabilise area and reopen highway network</b>	In progress	Dave Griffiths	Area partially stabilised and highway reopened. Landslip area remains a medium risk and will require further stabilisation in future years. Visual inspections on-going. *Capital Funding to be identified to address future works (Circa £5 Million). A new Landslip has occurred in the Cwmafan area resulting from unauthorised engineering works on private land adjacent to the highway. The council have had to partially close the road for Health and Safety reasons with the traffic now controlled by traffic lights. This is expensive and causing on-going congestion and disruption to road users and the local community. The council are in discussions with both land owners and notices have been served accordingly to rectify the situation. This is likely to be protracted and it will be necessary for the council to step in to resolve the issues with a legal case to follow to recover costs from the owners currently estimated to be in the region of circa £150K. A business case has been produced for CPSG's urgent consideration to fund the works from uncommitted contingencies. In the interim the Engineering sections are developing designs for the permanent solution subject to funding been approved.

**Target Risk**



**Has there been any change in risk rating since last report?**

**Other Notes**

Asset management of non-highway civil engineering infrastructure (such as

Asset management of non-highway civil engineering infrastructure (such as countryside bridges and dams) - Produce single inventory of assets vested with Streetcare, Property and Regeneration, and Planning & Public protection, obtain preliminary condition data, undertake an initial prioritisation exercise, and produce a programme to address high priority issues.

In progress

Dave Griffiths

Inventory produced. Process of gathering condition data and prioritising now ongoing. Initial prioritisation and some high priority work completed. Cycles of data gathering and prioritisation will now continue

**Highway Asset Management** - undertake a rolling programme of surveys and inspections to understand adopted highway infrastructure condition (aside from Bridges) that require further investigation and action. Prioritise issues and produce programmes of work annually. An update of the HAMP was agreed by members in Nov 23, with a further update to be done on completion of the Regional Transport Plan for SW Wales, and an overall review of the management of cycleways.

In progress

Mike Roberts

Inspections & surveys ongoing. Further update of HAMP due after RTP and review of cycleway network maintenance completed. Risks are increasing with budget not keeping up with inflation and freeze on supplies and services budgets. **Currently lobbying internally for further funding. 'Inspections & surveys ongoing.**

# Landslip

**Risk Owner/s:** Nicola Pearce

**Risk Reference:** SR02

## Risk Description

**Date Risk Added:** 2022

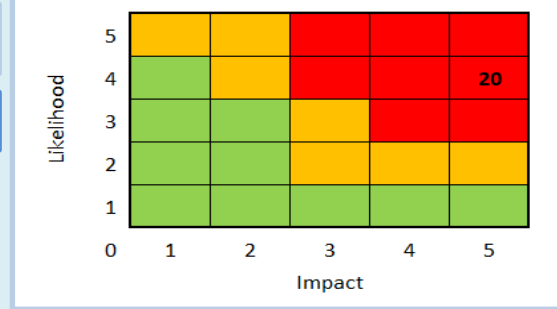
IF action is not taken to respond to the technical surveys showing that there is a risk of landslip at Panteg THEN there could be harm or death caused to people.

**Risk Category:** Property & Infrastructure

## Risk Control/s

**Risk Appetite:** Open

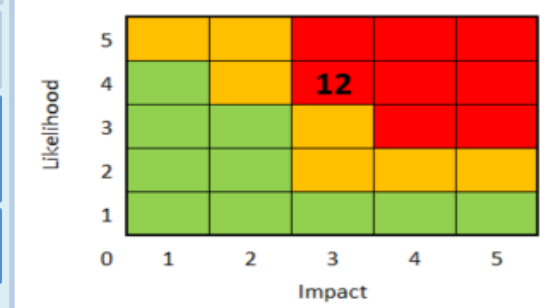
Action/s:	Progress	Responsible	Owner's Comment
Hazard & Risk Maps of the area finalised.	Complete	Dave	Activity closed and map published
Monitoring & slope analysis complete informed final report.	Complete	Dave Griffiths	Final report completed, monitoring on-going <b>some logging devices have been damaged and are currently been replaced to enable the on-going monitoring of the site.</b>
Multi-agency response plan to incident in place (Dragon System).	Complete	Dave Griffiths / Sheenagh Rees	Activity Completed and Emergency Response Plan published within Dragon System



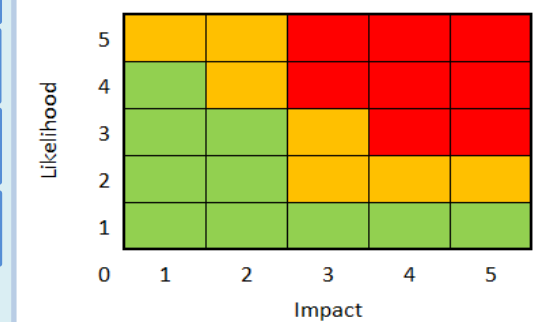
## Mitigation Plan

## Residual Risk

Action/s:	Progress	Responsible Officer	Owner's Comment
Council opinion to be sought on extent of on going liability due to large area of land in private ownership and having regard to the councils duties as outlined in the legislation relating to housing and drainage.	Complete	Nicola Pearce	Demolition of phase 1 of Cyfyng Road has been undertaken and works to support the highway currently underway. Demolition works associated with phase one have now been completed.
Public meeting held January 18th with further meetings thereafter as required.	Complete	Nicola Pearce	No additional comments
Sharing of information with public via councils' internet site.	Complete	Dave Griffiths	Several reports published
Land tribunal hearing held to consider householders concerns on council action.	Complete	Ceri Morris	No additional comments
Discussions are ongoing with the insurance companies representing all but one of the owners through a third party consultancy.	In progress	Ceri Morris	Discussions continue with the insurance companies representing all but one of the owners through a third party consultancy.
Discussions are underway with tenants to conclude compensations payments.	In progress	Ceri Morris	Discussions with Phase 1 tenants concluded. Discussions continue with Phase 2 tenants to conclude compensation payments
Develop Strategic Planning Framework to inform future development proposals in the area.	In progress	Ceri Morris	Work on preparing the Replacement LDP has now commenced. Preferred strategy to be issued for consultation in 2024.



## Target Risk



Has there been any change in risk rating since last report?

Other Notes

# Coal Tips & Quarries

**Risk Owner/s:** Nicola Pearce

**Risk Reference:** SR03

**Risk Description**

**Date Risk Added:** 2022

IF there isn't an effective management system to address historic coal tips and quarries on council owned land THEN there will be harm to people and the wider community.

**Risk Category:** Property & Infrastructure

**Risk Appetite:** Open

**Risk Control/s**

**Inherent Risk**

Action/s:	Progress	Responsible Officer	Owner's Comment



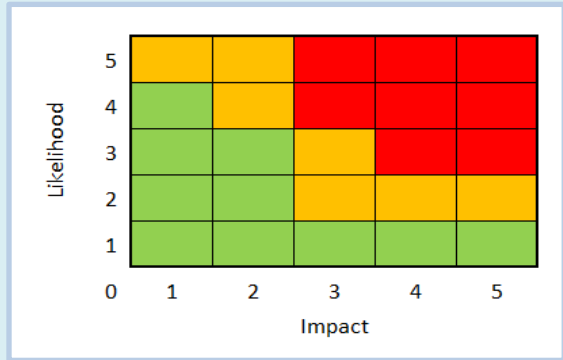
**Mitigation Plan**

**Residual Risk**

Action/s:	Progress	Responsible Officer	Owner's Comment
Welsh Government Task Force Established to review current legislation. Over 600 Tips identified within Neath Port Talbot County Borough Council. All high risk category D tips have been identified and jointly inspected by the Coal Authority and council officers. Welsh Government grant secured 2021/22 to mitigate risks however it should be noted that these risks will continue to remain active and require on-going inspections and maintenance. Inspections currently being undertaken on all category C Tips with a view to securing further Welsh Government grants to mitigate the the risk from becoming worse. Category B-C tips to be surveyed thereafter.	In progress	Dave Griffiths	Inspection regime ongoing, with capital bids made to Welsh Government to mitigate high risk category D tips. Welsh Government grant (£1.4 million) secured to carryout surveys, maintenance and / or remediation works to High Risk Tips during the financial year 2022/2023. The council has been awarded a further £6.64M of Welsh Government grant for the continuation of surveys, maintenance and remediation works on coal tips within the authority. Major works at Dyffryn Tips has commenced on site to protect the River Afan. Phase 1 of the tip remediation is complete. Phase 2 works are subject to grant becoming available to complete the works. A recent decision has also been taken by the council to demolish Godre'r Graig School which is located directly below a nearby Quarry Tip which has been confirmed as actively unstable. Demolition works have started on site and are planned for completion during summer 2024. A sum of £445K is included in the 2024/25 Capital programme for the the demolition and remediation works. The protection bund is currently undergoing stability testing which once confirmed will allow for the landscaping works to commence with a view to completing all remedial works by spring 2025.



**Target Risk**



Has there been any change in risk rating since last report?

**Oher Notes**

# Recruitment

**Risk Owner/s:** Noelwyn Daniel

**Risk Reference:** SR04

## Risk Description

**IF** the council is unable to recruit and retain appropriately skills and qualified employees in sufficient numbers, in light of national and local recruitment shortages **THEN** service delivery may be adversely impacted and the objectives set out in the Corporate Plan may not be fully realised.

**Date Risk Added:** 2022

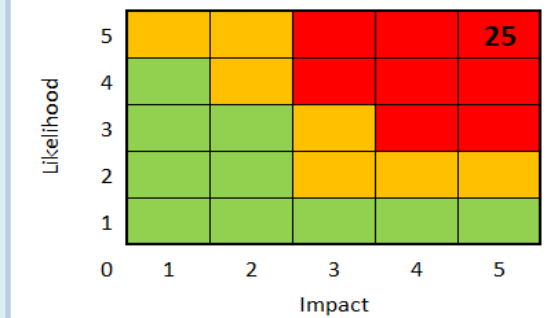
**Risk Category:** People

**Risk Appetite:** Open

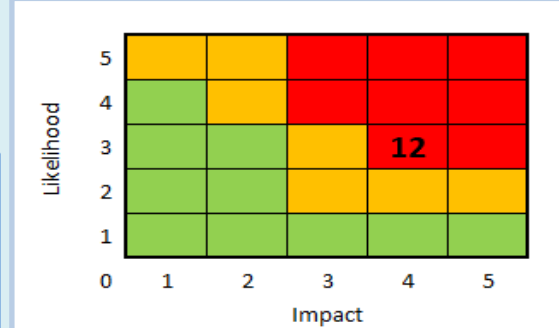
## Risk Control/s

## Inherent Risk

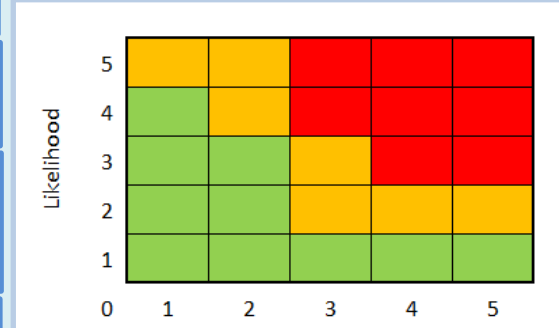
Action/s:	Progress	Responsible Officer	Owner's Comment
A Recruitment Taskforce was established in November 2021, chaired by the Head of People & Organisation Development, bringing together resources from across the council, and working with external partners including DWP, Council for Voluntary Services, universities and education providers amongst others, to develop actions to increase capacity in the workforce across the council, with short term actions to recruit immediately and long term actions to develop the future	Completed	Sheenagh Rees	The Taskforce continue to meet and develop short term and longer term strategies to support recruitment of hard to fill roles, retention and succession planning.
The development and implementation of a Recruitment website in March 2022 creating the brand #TeamNPT ensures that the council has a visible and attractive employer brand, marketing the council as an employer of choice. The website will be reviewed in 2024 to ensure it remains fit for purpose.	Completed	Sheenagh Rees	<b>Updated 26.09.2024-</b> The review of the website is currently underway. Recruitment data is available on request.
The succession planning toolkit has been designed to assist managers to plan and develop future workforce requirements. Early in 2022 / 2023 the OD team provided mandatory accountable manager training to support the development of a succession plan for every service. These local plans are helping to inform corporate planning and OD actions. The majority of services have a plan in place. <b>The talent management team have undertake a review of the toolkit and developed an interactive version to make it easier for managers to complete and keep updated. The team are in the process of briefing management teams.</b>	In progress	Sheenagh Rees	<b>Updated 26.09.2024 -</b> Mandatory training for accountable managers is now part of the annual training programme.
The Corporate Recovery Board developed an outline Future of Work Strategy, informed by feedback from employees, Accountable Managers and Heads of Service. This has been further developed with input from managers into a Future of Work Strategy signed off by Elected Members autumn 2022. In 2023 the Strategy and Delivery Plan were reviewed to ensure that the priorities remain fit for purpose and to set out the delivery actions for the next 12 month period, this was approved by Members at Personnel Committee in March 2024.	Complete	Sheenagh Rees	<b>Updated 26.09.2024 -</b> For further information please refer to Personnel Committee report - March 2024.
The council has committed resource to support the implementation of the Future of Work Organisational Development, funding a delivery team which will be in place until March 2025, and the commissioning of development programmes, and actions linked to employee well-being, reward and recognition and succession planning.	Complete	Sheenagh Rees	<b>Updated 26.09.2024 -</b> Resources are in place until December 2025.
Development of data analytics capacity within the HR team will support the development of evidence based workforce planning.	In progress	Sheenagh Rees	<b>Updated 26.09.2024 -</b> The People Analytics and Systems Team was established in 2023 within the HR team. They are currently piloting Power BI on behalf of the council, and in order to enhance our data analytics capability.
The implementation of the Interim Hybrid Working Framework, embracing flexible, agile and mobile workstyles, to be tested and reviewed prior to confirmation of the workforce model to be agreed and signed off by Elected Members in Autumn 2022, will ensure that the council has an employment offer that keeps pace with the external environment and competitor employers.	Complete	Sheenagh Rees	Review has taken place, extensive consultation and approval given <u>at Personnel Committee on 24th October 2022.</u>
Commitment to employment security to the maximum extent possible factored into the emerging Medium Term Financial Plan	In progress	Sheenagh Rees	<b>Updated 26.09.2024 -</b> In light of budget proposals the council's redeployment action group, chaired by the Director of Strategy & Corporate Services, has been stood up and will be agreeing actions to maximise employment security.



## Residual Risk



## Target Risk



## Mitigation Plan

**Has there been any change in risk rating since last report?**

Action/s:	Progress	Responsible Officer	Owner's Comment
The council funded additional temporary resources based in the HR team for a period of 18 months in 2021/2022. These resources enabled the development of a new recruitment website, and new resources to support recruitment and retention activity, as well as bespoke work with managers of hard to recruit to posts, unskilling them and helping them to identify better and improved ways to	Completed	Sheenagh	

## Other Notes

hard to recruit to posts, upskilling them and helping them to identify better and improved ways to recruit. This resource has been replaced with the Talent Management Team established in January 2024, for a 3 year period. The team will continue to embed the work developed by the recruitment specialists but with a wider remit, focussing not only on external recruitment markets, but also focussing on internal career development, retention and talent management.

Completed

Sineagh  
Rees

Updated 26.09.2024 - Recruitment data available on request.

# Safeguarding

**Risk Owner/s:** Andrew Jarrett

**Risk Reference:** SR05

## Risk Description

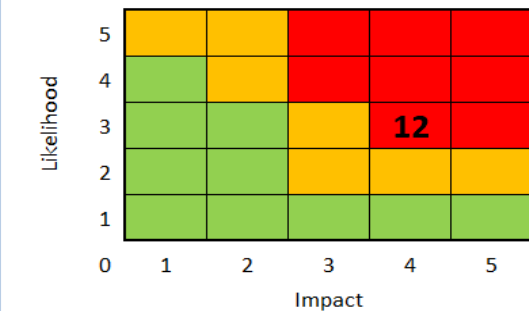
IF the council does not manage the safeguarding regime safely THEN significant harm will be caused to children and vulnerable people

**Date Risk Added:** 2022

**Risk Category:**

**Risk Appetite:** Open

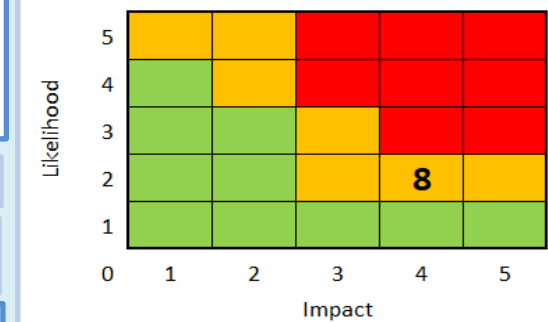
## Inherent Risk



## Risk Control/s

Action/s:	Progress	Responsible Officer	Owner's Comment
We will ensure that the new Client Information System being introduced across the Service will create positive systems to allow social workers to effectively record and monitor information about safeguarding concerns.	In progress	Keri Warren	No additional comments.
The Quality Strategic Practice Group to monitor the effectiveness of Safeguarding practices across Social Services in line with the 'Quality Assurance Framework'.	Complete	Keri Warren	No additional comments.
The Corporate Safeguarding Group, which oversees the councils Safeguarding Duties and Responsibilities will continue to integrate safeguarding practices across the council to ensure a consistent response, whilst learning from best practice across Social Care.	Complete	Keri Warren	No additional comments.

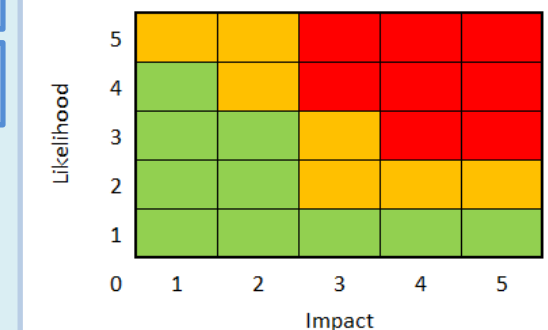
## Residual Risk



## Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
Continue to develop practices to better identify priority risks when supporting vulnerable people.	In progress	Keri Warren	No additional comments.
Identify opportunities to enhance multi-agency working across Children's and Adult Services front-doors and Safeguarding team.	In progress	Keri Warren	No additional comments.
Embed a "Transitional Safeguarding Pathway" to support vulnerable young people's safe transition into adulthood.	In progress	Keri Warren	No additional comments.

## Target Risk



Has there been any change in risk rating since last report?

## Other Notes



# Financial Sustainability

**Risk Owner/s:** Huw Jones

**Risk Reference:** SR06

## Risk Description

IF there are insufficient capital and revenue resources for 2025/2026 AND the council fails to take account of demographic changes accurately THEN the council will have to agree priorities, raise council tax and make cuts in jobs and services to deliver a balanced budget.

**Date Risk Added:** 2022

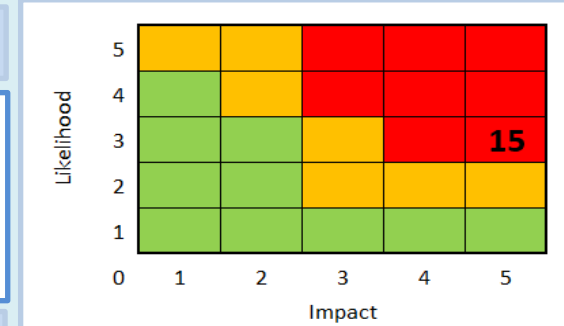
**Risk Category:** Financial

**Risk Appetite:** Open

## Risk Control/s

## Inherent Risk

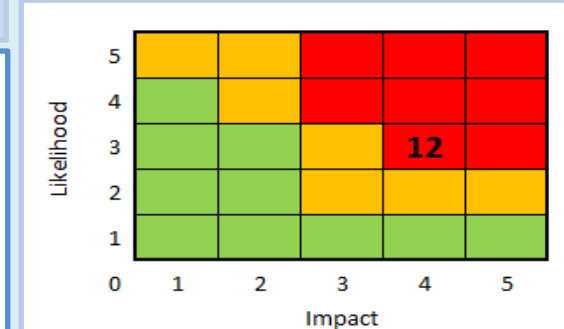
Action/s:	Progress	Responsible Officer	Owner's Comment
Financial procedure rules and accounting instructions in place setting out clear roles and responsibilities.	Complete	Huw Jones	Welsh Government have indicated a 0% settlement for 2025/26 (WLGA Leaders meeting April 2024)
Monthly budget monitoring undertaken, reviewed by Corporate Directors Group on a monthly basis and reported to the Executive quarterly.	In progress	Huw Jones	



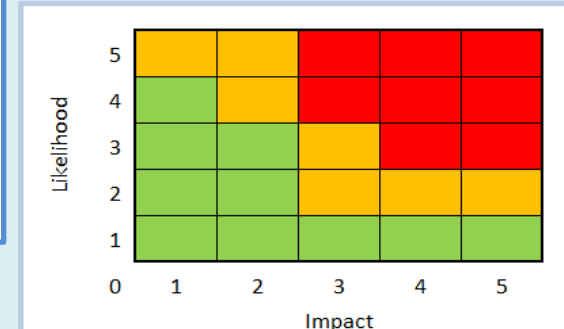
## Mitigation Plan

## Residual Risk

Action/s:	Progress	Responsible Officer	Owner's Comment
A robust Medium Term Financial Plan is being developed to ensure the council can plan activity in line with estimated resources.	In progress	Huw Jones	<p><b>Updated 26.09.2024</b> - Welsh Government have indicated a 0% settlement for 2025/26 (WLGA Leaders meeting April 2024) - <b>Reaffirmed by Cabinet Secretary in June 2024.</b></p> <p><b>Updated 26.09.2024</b> - Once the current budget round is complete these will be further revised as part of the production of a Medium Term Financial Plan (MTFP)</p>
Intensive lobbying of UK and Welsh Government needs to be undertaken to secure sufficient funding to meet statutory duties	In progress	Huw Jones	
Extensive programme of employee, elected member and stakeholder being planned to create ownership of the overall budget position and to secure maximum effort to create a sustainable financial and corporate strategy for the next planning period	In progress	Huw Jones	
Build forecast demographic changes into the assumptions underpinning the medium term financial planning model.	In progress	Huw Jones	
Explicitly consider demographic pressures in devising strategies and policies to respond to changes forecast in the demographic profile of the area.	In progress	Heads of Service	
Ensure people from all backgrounds are engaged and involved in devising policy and strategy that is intended to meet their needs.	In progress	Heads of Service	



## Target Risk



**Has there been any change in risk rating since last report?**

## Other Notes

06.11.2024 - Demographic profiling risk (SR10) merged into Financial Sustainability



# Health & Safety

**Risk Owner/s:** Noelwyn Daniel

**Risk Reference:** SR07

**Risk Description**

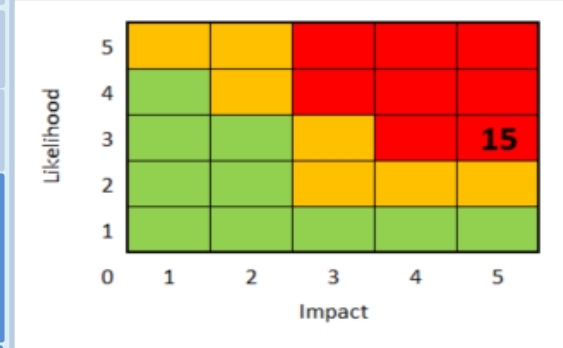
**Date Risk Added:** 2022

**IF** the council fails to embed a culture of Health and Safety within its workforce **THEN** accidents and incidents could occur leading to injury and / or death.

**Risk Category:** People

**Risk Appetite:** Open

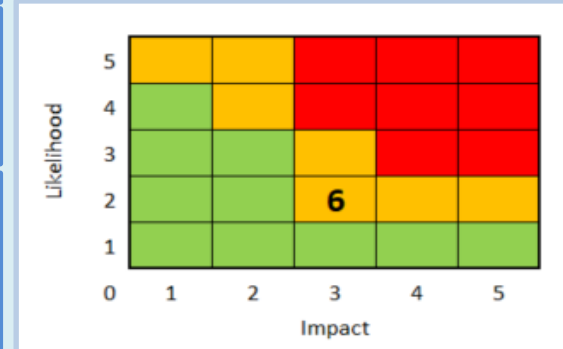
**Inherent Risk**



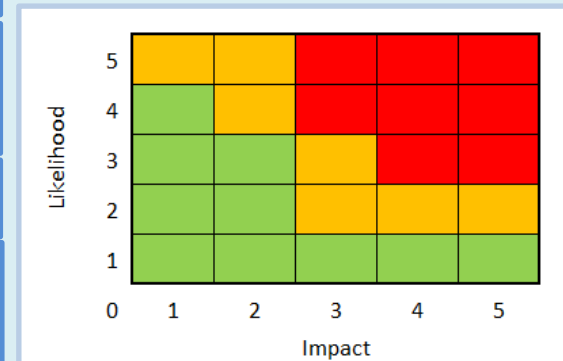
**Risk Control/s**

Action/s:	Progress	Responsible Officer	Owner's Comment
The Corporate Occupational Health & Safety Policy is reviewed annually and includes a signed statement from the Chief Executive. The Policy sets out clear roles and responsibilities in relation to Health and Safety. This policy is issued to every employee as part of the induction process and is available on the council's intranet.	Complete	Sheenagh Rees	In place.
A Health and Safety Law poster is displayed prominently in every council workplace.	Complete	Sheenagh Rees	In place
The council has allocated resources to the Health & Safety Team to employ an appropriately experience and qualified Occupational Health & Safety Manger and a team of Health and Safety Officers, to provide advice and guidance in relation to Occupational Health & Safety matters across the council, ensuring that an appropriate policy	Complete	Sheenagh Rees	In place.
The council has implemented a Risk Assessment process to facilitate the identification of hazards and mitigating actions which include ensuring employees have the necessary skills and training to undertake their jobs safely, that employees have appropriate Personal Protective Equipment and know how to use it, and that employees know and understand the health and safety rules that apply to their job and workplace and adhere to them. Line managers receive training in relation to the Risk Assessment process and are responsible for ensuring that Risk Assessments are carried out and are up-to-date. Regular auditing by the Health and Safety team takes place.	Complete	Sheenagh Rees	In place
The council has an agreed process in place to identify and appoint a Responsible Officer for every building in which employees of the council work, and mandatory Responsible Officer eLearning which every Responsible Officer is required to complete.	Complete	Simon Brennan	Updated 26.09.2024 - A review of the arrangements for the Responsible Persons in being undertaken in 2024.
The council has an agreed Accident and Incident reporting process in place, and keeps records as required of all accidents and incidents.	Complete	Sheenagh Rees	No additional comments
The Health & Safety Team have implemented a proactive model of internal cross auditing which features four elements necessary for success: assessment of conformance to written procedures, assessment of the effectiveness of the process being audited, detection of external elements affecting the process being audited, and documentation of exceptional performance.	Complete	Sheenagh Rees	No additional comments
Mandatory IOSH Safety for Executives and Directors eLearning completed by Heads of Service and Corporate Directors February 2022 to ensure a top down approach to Health & Safety culture. This will need to renewed every 3 years.	Complete	Sheenagh Rees	On-line training available to every Corporate Director and Head of Service.
The Occupational Health Unit carry out pre-appointment assessments to ensure that new recruits are fit for appointment, and carry out a programme of health surveillance, and safety critical medicals, as well as supporting attendance management, medical	Complete	Sheenagh Rees	No additional comments

**Residual Risk**



**Target Risk**



**Has there been any change in risk rating since last report?**

**Other Notes**

redeployment and rehabilitation processes.

**Mitigation Plan**

<b>Action/s:</b>	<b>Progress</b>	<b>Responsible Officer</b>	<b>Owner's Comment</b>
In 2024 a review of data collection, management and reporting will be undertaken with the aim of improving the availability of Health & Safety Reporting, and to ensure that managers from Corporate Director Group downwards have awareness of any accidents and incidents, and can consider any action that may need to be taken as a result.	In progress	Sheenagh Rees	<i>No additional comments</i>
An Annual Health & Safety Report will be provided to the council's Personnel Committee, to raise awareness of any accidents and incidents and consideration of actions that need	In progress	Sheenagh Rees	<i>No additional comments</i>
The 'Bee Healthy, Bee Safe, Bee Happy' Health & Safety Campaign is to be launched and rolled out throughout 2024/25, with the aim of embedding Health & Safety culture throughout the council engaging employees in a fun way.	In progress	Sheenagh Rees	Ongoing

# Emergency Planning

**Risk Owner/s:** Noelwyn Daniel

**Risk Reference:** SR08

## Risk Description

**IF** the council fails to comply with the requirements of the Civil Contingencies Act 2004 **THEN** in the event of a major incident council services may be significantly adversely affected and the council may be in breach of its statutory responsibilities leading to litigation and reputational damage.

**Date Risk Added:** 2022

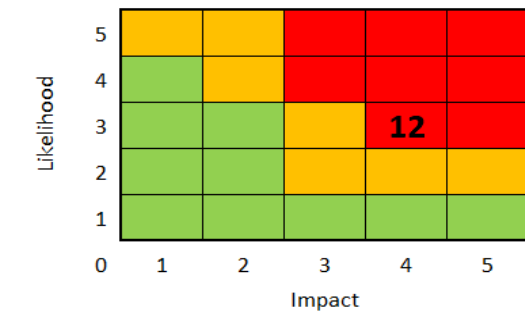
**Risk Category:** Reputational

**Risk Appetite:** Cautious

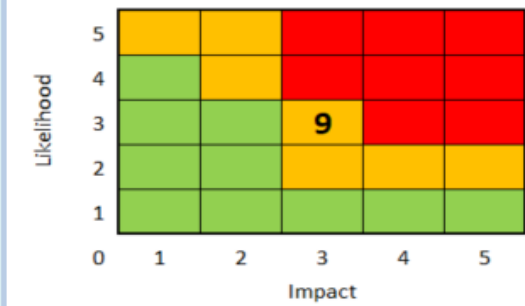
## Risk Control/s

## Inherent Risk

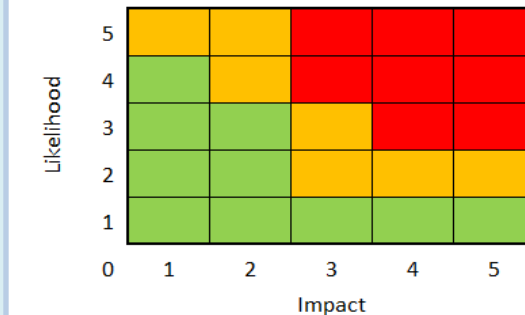
Action/s:	Progress	Responsible Officer	Owner's Comment
The Civil Protection and Preparedness Team have an established Business Continuity Planning Framework in place, and provide training and support to Accountable Managers to support the completion of a business continuity	Complete	Sheenagh Rees	The Civil Protection and Preparedness Team are currently reviewing the BCP framework and will be relaunching new arrangements early in 2025.
The Civil Protection and Preparedness Team monitor the completion and review of Business Continuity Plans across the council providing an annual report to Corporate Director Group.	In progress	Sheenagh Rees	An update will be provided following renewal process.
The Civil Protection and Preparedness Team have in place a rolling programme to test corporate disaster recovery and business continuity plans against service plans and a range of scenarios.	Complete	Sheenagh Rees	No additional comments
A Strategic Officer Duty Rota is in place to ensure that an allocated senior officer is on call 24/7, 365 days a year, to support the council response in the event of a Major Incident and to represent the council at GOLD or SILVER Strategic Command Group should this be required.	Complete	Sheenagh Rees	No additional comments
The Civil Protection and Preparedness Team provide appropriate training and guidance to officers on the Strategic Officer Duty Rota ensuring that they are appropriately prepared to support the council's response in the event of a major incident.	Complete	Sheenagh Rees	No additional comments
The Civil Protection and Preparedness Team have a 24/7, 365 days a year rota to ensure that tactical support is available to support the council response in the event of a major incident, supporting emergency services as necessary.	Complete	Sheenagh Rees	No additional comments
The council allocated resources in 2022 to enable the establishment of an additional officer to support Environment and Regeneration Directorate with risks associated with coalmines and landslips.	Complete	Sheenagh Rees	No additional comments
The council allocated additional resources in 2022 to enable the establishment of two additional officers to support the council comply with the PROTECT Duty.	Complete	Sheenagh Rees	No additional comments
In April 2022 the council established a Protective Security Preparedness Group (PSPG), to deliver an integrated security approach that is consistent with national guidance and standards to ensure local communities are safe and to enhance and support protective security and preparedness at public accessible locations within the council.	Complete	Sheenagh Rees	<b>Updated 26.09.2024 - The PSPG continue to meet on a quarterly basis and in 2024/2025 will be considering the implications of Martyn's Law.</b>



## Residual Risk



## Target Risk



**Has there been any change in risk rating since last report?**

## Other Notes

## Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment

The council has allocated resources to the Civil Protection and Preparedness Team, employing suitably qualified and experienced officers to support the provision of advice and guidance in relation to business continuity planning.	Complete	Sheenagh Rees	No additional comments
The Civil Protection and Preparedness Team assess local risk to identify what the council needs to plan for and then writes and reviews response plans against each identified risk.	Complete	Sheenagh Rees	No additional comments
The Civil Protection and Preparedness Team represent the council at the South Wales Local Resilience Forum, supporting regional risk assessments and planning.	Complete	Sheenagh Rees	No additional comments

# Personal Information

**Risk Owner/s:** Noelwyn Daniel

**Risk Reference:** SR09

## Risk Description

**Date Risk Added:** 2022

**IF** personal/ sensitive information is unlawfully disclosed **THEN** there will be major financial penalty and loss of public confidence.

**Risk Category:** Security

**Risk Appetite:** Cautious

## Risk Control/s

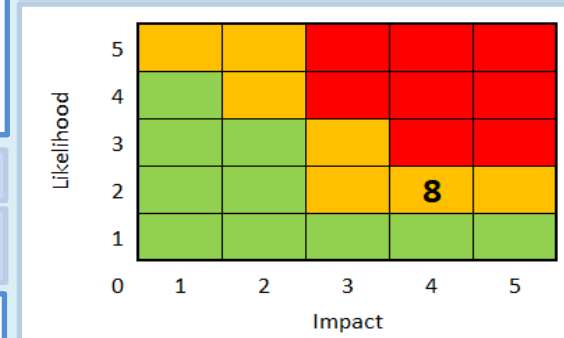
### Inherent Risk



Action/s:	Progress	Responsible Officer	Owner's Comment
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GDPR Compliance Group meets as required to consider individual reported cases.	In progress	Craig Griffiths	Mitigation plans are ongoing on a constant basis.
Continued training and refresher training for officers on Data Protection responsibilities.	In progress	Craig Griffiths	
Audit of Data Protection Compliance within all sections of the council to ensure appropriate measures in place to meet obligations under Data Protection Act 2018	In progress	Craig Griffiths / Chris Owen	
Continued targeted training; provision of encryption technology; access to secure email transmission and receipt.	In progress	Craig Griffiths / Chris Owen	

### Residual Risk

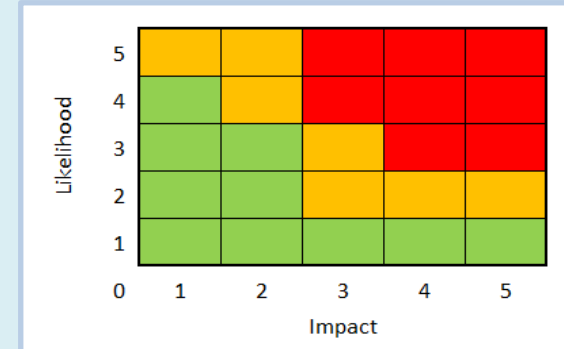


## Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
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Continual review and testing of Perimeter base and Information security.	In progress	Craig Griffiths / Chris Owen	Mitigation plans are ongoing on a constant basis.
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### Target Risk



**Has there been any change in risk rating since last report?**

### Other Notes

# Digital Operations

**Risk Owner/s:** Noelwyn Daniel

**Risk Reference:** SR11

## Risk Description

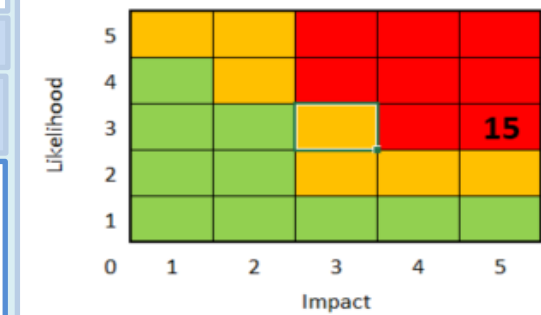
**IF** there is a disruption in operations or unavailability of technology or services, due to high dependency on tightly coupled technology or external environmental factors (such as total power loss, flood, etc.), **THEN** this would have a significant impact on service delivery across the council.

**Date Risk Added:** 2022

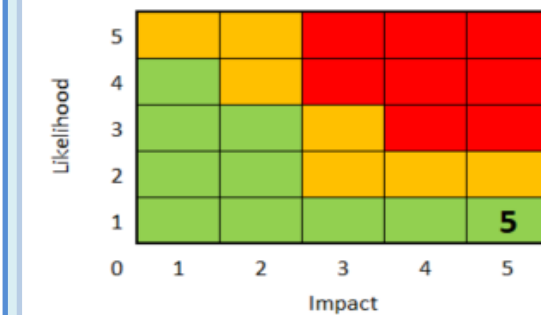
**Risk Category:** Data & Information

**Risk Appetite:** Minimalist

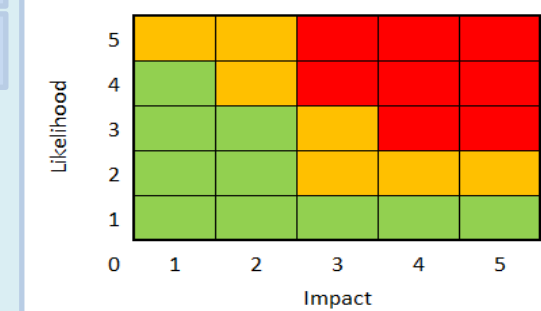
## Inherent Risk



## Residual Risk



## Target Risk



**Has there been any change in risk rating since last report?**

## Other Notes

## Risk Control/s

Action/s:	Progress	Responsible Officer	Owner's Comment
Business Continuity Plans.	In progress	Chris Owen	Digital operations must ensure a high performing and resilient operation layer across the councils technical architecture..
Disaster Recovery Plans.	In progress	Chris Owen	
Operations and Product Roadmaps / Infrastructure review / Full map all services and dependencies.	In progress	Chris Owen	
Data and Systems are secured and replicated across two civic centre sites to provide resilience and swift recovery in the event of systems failure.	Complete	Chris Owen	
Routine - IT Health Checks, maintenance, patch management, capacity management etc.	In progress	Chris Owen	
Disaster recovery of individual systems is tested during system upgrades. A full test of each system type will be performed on an annual basis.	In progress	Chris Owen	
Migration of device management workload from System Centre Configuration Manager to Intune.	In progress	Chris Owen	

## Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
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# Digital Protection

**Risk Owner/s:** Noelwyn Daniel

**Risk Reference:** SR12

## Risk Description

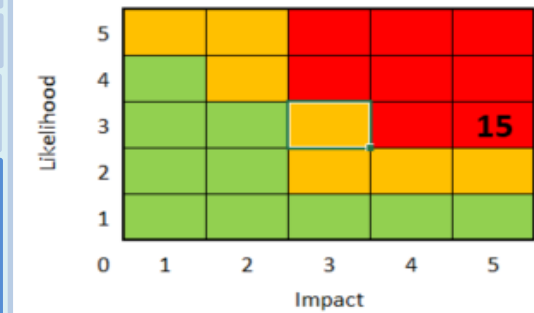
**IF** there is a lack of protection around the digital and data ecosystem, **THEN** there is a risk to ensuring confidentiality and integrity of the technology systems and safeguarding of data.

**Date Risk Added:** 2022

**Risk Category:** Security

**Risk Appetite:** Cautious

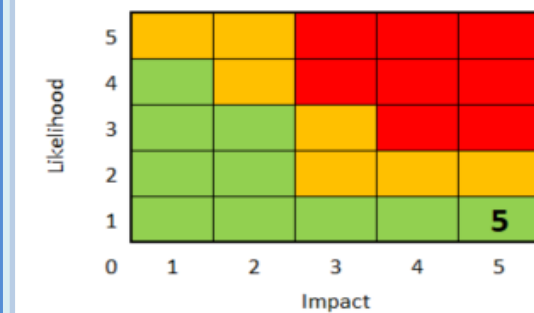
### Inherent Risk



## Risk Control/s

Action/s:	Progress	Responsible Officer	Owner's Comment
Cyber Security Strategy review / Action Plan implementation	In progress	Chris Owen	We must give assurance to residents, businesses and other stakeholders of the council's commitment to delivering robust information security measures to protect resident and stakeholder data from misuse and cyber threats. Safeguarding their privacy through increasingly secure and modern information governance and data sharing arrangements - both internally and with partners.
Cyber Playbooks.	Complete	Chris Owen	
Routine Testing / Bobs Phishing	In progress	Chris Owen	
IT Health Checks - Regular tests of the quality of internal and external controls are carried out by external accredited organisations.	In progress	Chris Owen	
Layer of technology controls including Nessus, MFA, Intune etc.	Complete	Chris Owen	
Cyber Essentials (+).	In progress	Chris Owen	
Digital forensics.	In progress	Chris Owen	
Technical controls including Rubrik backup solution - immutable data, Bullwall real-time encryption prevention, lock down for USB devices.	Complete	Chris Owen	
Information Security training is carried out (face to face and online) and available to all staff.	In progress	Chris Owen	
Deploy Intrusion Detection / Prevention Solution.	In progress	Chris Owen	

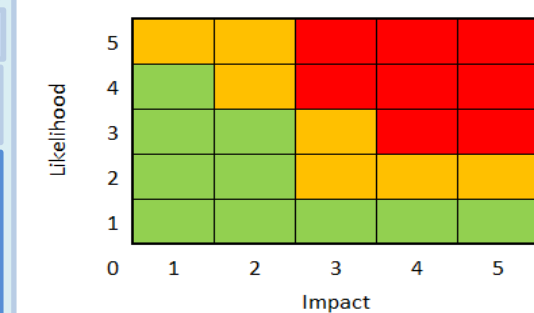
### Residual Risk



## Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
Explore new opportunities including consideration of Microsoft enhanced controls such as DLP to further protect.	In progress	Chris Owen	No additional comments
Adopt appropriate data encryption, authentication, authorisation and back up methods.	In progress	Chris Owen	
Monitor and respond to data incidents promptly and effectively	In progress	Chris Owen	

### Target Risk



**Has there been any change in risk rating since last report?**

### Other Notes



# Inward Investment

**Risk Owner/s:** Nicola Pearce

**Risk Reference:** SR14

## Risk Description

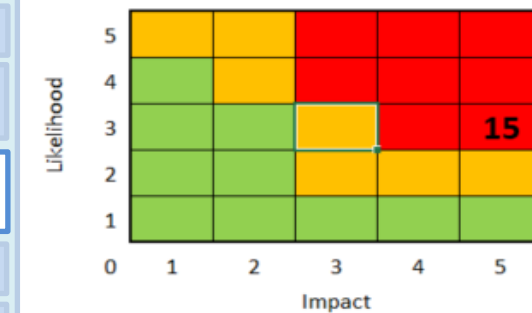
**IF** the council does not put in place sufficient capacity and capability **THEN** developer interest in the county borough will not be realised losing the opportunity to create new sustainable jobs and grow the local economy and opportunities to lever in funding will be lost.

**Date Risk Added:** 2022

**Risk Category:** Project/Programme

**Risk Appetite:** Open

### Inherent Risk



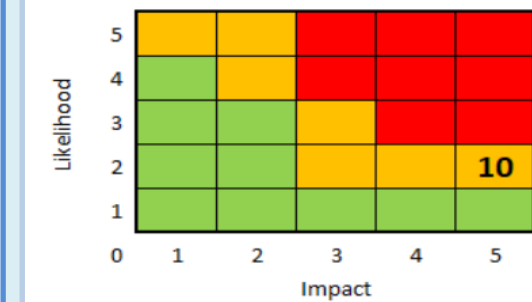
## Risk Control/s

Action/s:	Progress	Responsible Officer	Owner's Comment

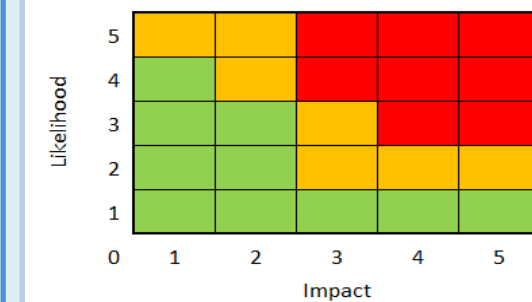
## Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
Develop and monitor the place based strategy.	In progress	Simon Brennan	<p><b>Updated 14.10.2024</b> - The Place Plans for the major town centres will be completed shortly, with the plans for a number of the smaller town centres following during <b>early 2025</b>. These plans will be subject to consultation with members followed by sessions with other stakeholders. Place Plans are a mechanism to enable Welsh Government to allocation grants of up to £250k and as such are not a means to masterplan areas. They will however inform the Regeneration Strategy, which is being drafted in parallel with the Place Plans. With regard to recruitment to improve resilience in the Economic Development/ Regeneration area, a number of posts have been filled to support the SPF programme, and other existing posts back-filled. Freeport status has been secured, as part of a joint bid with Associated British Ports, Milford Haven Ports &amp; Pembrokeshire Council. The Outline Business Case was submitted in December 2023 and <b>the full Business Case will be submitted before the end of 2024</b>. At the same time, officers across the Directorate will need to ensure that potential constraints preventing development of the Freeport tax sites are mitigated, thus enabling efficient delivery of the Freeport vision. Support is also being given to a number of high profile inward investment opportunities including the Wildfox Resort Development in the Afan Valley and the GCRE project in the Dulais Valley. Shared Prosperity Fund Anchor projects have been launched, and work is underway on the Neath Heritage Corridor Levelling Up Fund (LUF) projects, as well as those approved under LUF Round 3 for the Port Talbot town centre scheme. <b>Confirmation</b> of the Newbridge Road Bridge scheme <b>has not yet been received</b>. In addition to delivering these projects the team is also working with partners to help mitigate the the decision made by Tata Steel to transition to an electric arc furnace method of manufacturing steel. This support is provided in terms of the regulatory functions and by supporting affected employees to secure access to alternative employment. Business cases are being delivered to provide further resources to the team. The <b>consultancy</b> teams are experiencing extreme difficulty in recruiting <b>specialist technical</b> staff to facilitate major schemes putting at risk delivery of projects, alternatives are being pursued to now outsource this work with the private sector at enhanced rates to reflect the market rates in this sector.</p>
Continue to implement and monitor the Community Benefits toolkit.	In progress	Simon Brennan	
Ensure sufficient capacity to deliver within both Regeneration and Planning teams to enable the delivery of these strategically important projects.	In progress	Simon Brennan / Ceri Morris	
Ensure pipeline of schemes to develop into funding applications to secure allocative and competitive UK Government funding.	In progress	Simon Brennan	
Monitor post construction.	In progress	Simon Brennan	
Ensure alliance to established and emerging Regeneration Strategies wherever possible.	In progress	Simon Brennan	

### Residual Risk



### Target Risk



**Has there been any change in risk rating since last report?**

### Other Notes



# Supporting Vulnerable People

**Risk Owner/s:** Andrew Jarrett

**Risk Reference:** SR15

## Risk Description

**Date Risk Added:** 2022

**IF** there are insufficient resources provided to meet the needs of the most vulnerable people in the County Borough **THEN** outcomes for the population will be poor and the council may breach its statutory duties.

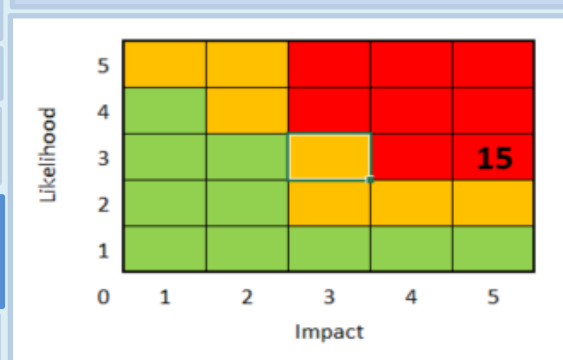
**Risk Category:** People

**Risk Appetite:** Open

## Risk Control/s

### Inherent Risk

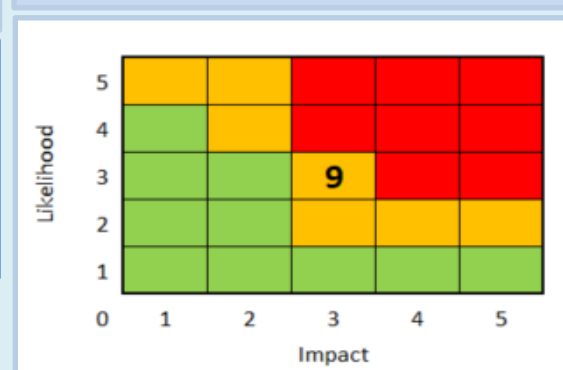
Action/s:	Progress	Responsible Officer	Owner's Comment
In 2023 Adult Services, Children and Young People Services and Housing Services will clearly set out their strategies for meeting increasing demand in the coming years.	In progress	Andrew Jarrett	No additional comments.



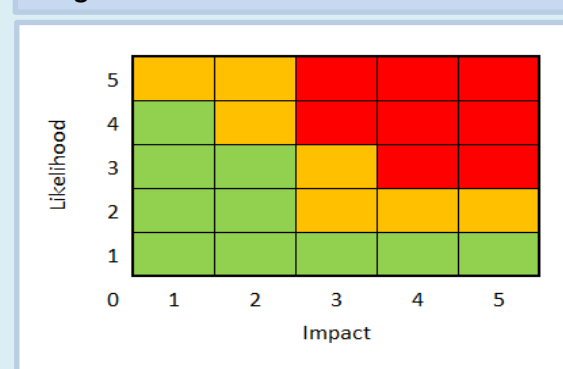
## Mitigation Plan

### Residual Risk

Action/s:	Progress	Responsible Officer	Owner's Comment
A clear analysis of yearly demand and the anticipated resources needed to meet it will be clearly communicated to Senior Officers and Members as a part of annual budget setting considerations.	In progress	Andrew Jarrett	No additional comments.
The Director of Social Services, Health and Housing will advise CDG, Cabinet and Members of any likelihood that the council could/ may breach its statutory duties.	In progress	Andrew Jarrett	



### Target Risk



**Has there been any change in risk rating since last report?**

**Other Notes**

# Decision Making

**Risk Owner/s:** Noelwyn Daniel

**Risk Reference:** SR16

### Risk Description

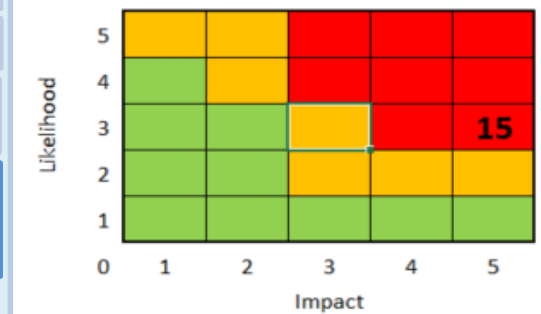
IF officers and members do not adhere to appropriate steps to be undertaken when making decisions, **THEN** the council may be challenged on making unlawful decisions which could cause reputational damage.

**Date Risk Added:** 2022

**Risk Category:** Governance

**Risk Appetite:** Cautious

### Inherent Risk



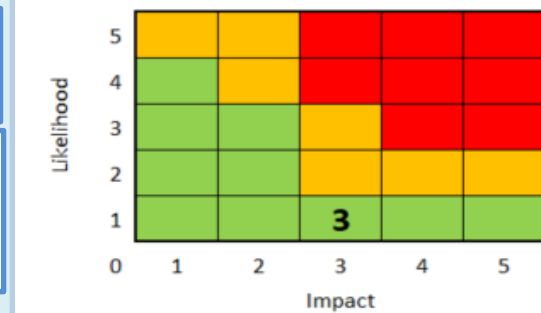
### Risk Control/s

Action/s:	Progress	Responsible Officer	Owner's Comment

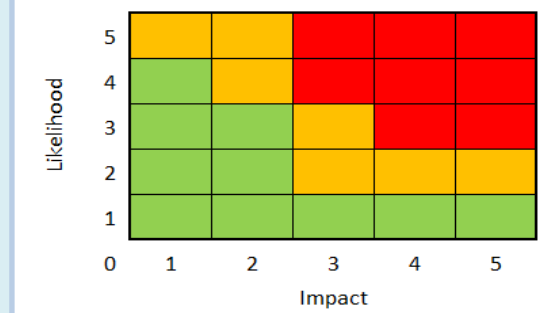
### Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
Ensuring that legal advice is provided at the earliest opportunity in decision making to mitigate against challenge and the council taking unlawful decisions.	In progress	Craig Griffiths	No additional comments.
Good governance, and ensuring legal advice is embarked on, lies at the heart of an council's ability to achieve its objectives, manage its finances and maintain the trust of those that it serves. Good governance also encourages more robust decision making, greater scrutiny of decisions and better planning for the future.	In progress	Craig Griffiths	02.05.2024 - '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. Democratic Services Officers and Legal Services monitor reports to ensure legal compliance.

### Residual Risk



### Target Risk



**Has there been any change in risk rating since last report?**

### Other Notes

The Procurement Act 2023 is set to reform

the UK's public procurement regime, aiming to make it quicker, simpler, more transparent and better aligned with the UK's needs whilst remaining compliant with international obligations. In summary, the Procurement Act 2023 aims to streamline processes, enhance transparency, and ensure efficient public procurement while adhering to international standards. A work programme is underway to ensure compliance with obligation by end of October 2024.

# Tata Transition

**Risk Owner/s:** Karen Jones

**Risk Reference:** SR18

## Risk Description

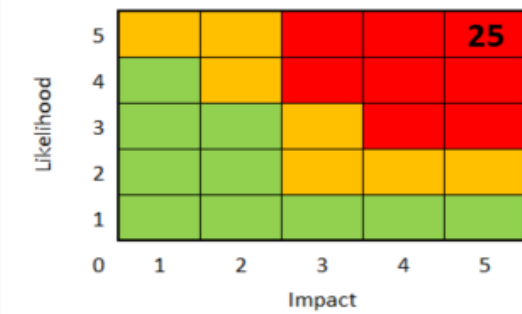
**Date Risk Added:** 31.10.2023

**IF** there isn't a sufficient government and industry response to the announcement of the changes at Tata **THEN** local people and the local economy will be severely impacted.

**Risk Category:** People

**Date Risk Added:** Open

### Inherent Risk



## Risk Control/s

Action/s:	Progress	Responsible Officer	Owner's Comment
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Transition Board membership.	Complete	Karen Jones	17.10.2024 - The Leader and Chief Executive are members of the Board. Key officers are involved in the sub-groups that support the work of the Board
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Leading roles within the sub-groups.	Complete	Karen Jones	17.10.2024 - The Chief Executive of the council chairs the Co-ordination Group which is responsible for bringing agencies together to mitigate the impact of the changes. The Director of Environment and Regeneration leads the Place and Regeneration workstream and the delivery of interventions to support businesses and workers at risk of redundancy are led by the Economic Development and Employability teams respectively.
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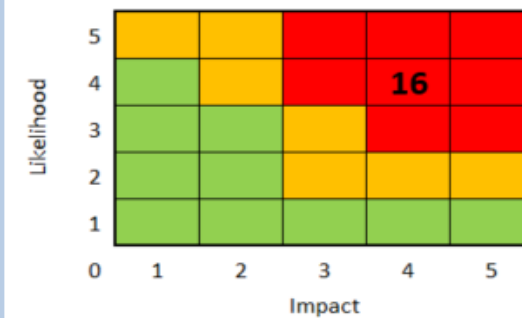
Local Economic Action Plan (LEAP) commissioned to assess the economic impact of the proposed transition, identify the short, medium and long terms interventions that can be considered to mitigate the impact and secure a just transition.	Complete	Karen Jones	17.10.2024 - The LEAP was endorsed by the Board May 2024. The recommendations are being translated into Short Form Delivery Plans with a priority focus on interventions that will support businesses, people at risk of redundancy and the wider community.
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## Mitigation Plan

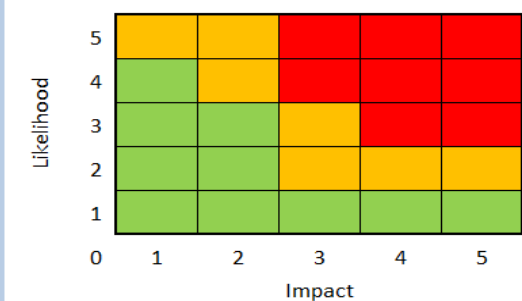
Action/s:	Progress	Responsible Officer	Owner's Comment
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Early engagement with government, industry and wider partners to deliver a shared.	Complete	Karen Jones	17.10.2024 - Lessons from elsewhere (Redcar and North Wales) indicate that without a strategic regeneration vehicle, such as a development corporation, the area is unlikely to avoid long term scarring. Early discussions have started with minister and officials to bring forward early advice on the best way to approach the
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### Residual Risk



### Target Risk



**Has there been any change in risk rating since last report?**

### Other Notes

# Community Tensions

**Risk Owner/s:** Andrew Jarrett

**Risk Reference:** SR19

**Risk Description**

**Date Risk Added:** 31.10.2023

**IF** there is continued or escalated instability and conflict across the world **THEN** there are heightened risks of community tensions and additional pressures on an already stretched homeless services.

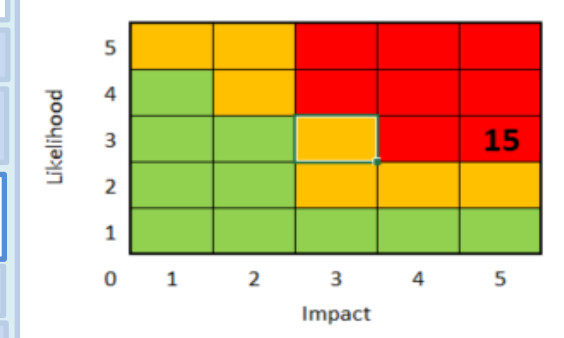
**Risk Category:** People

**Risk Appetite:** Open

**Risk Control/s**

**Inherent Risk**

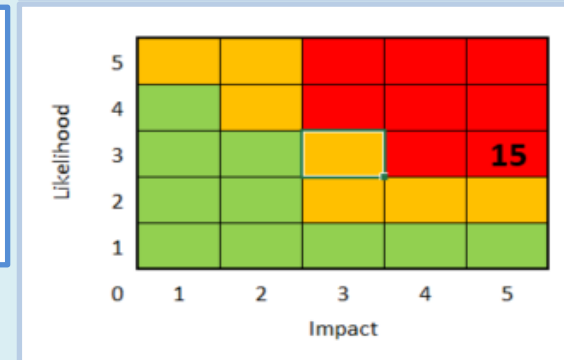
Action/s:	Progress	Responsible Officer	Owner's Comment



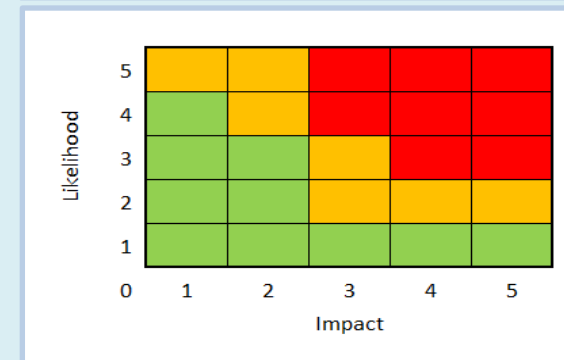
**Mitigation Plan**

**Residual Risk**

Action/s:	Progress	Responsible Officer	Owner's Comment
Encourage the identification of vulnerable people so early intervention support can prevent situations from escalating	In progress	Andrew Jarrett	No additional comments.
Contact with government and the Wales Strategic Migration Partnership to shape government approaches.	In progress	Andrew Jarrett	
Monitor community tension through the established Community Safety Partnership arrangements.	In progress	Andrew Jarrett	



**Target Risk**



Has there been any change in risk rating since last report?

**Other Notes**

# Homelessness

**Risk Owner/s:** Andrew Jarrett

**Risk Reference:** SR21

## Risk Description

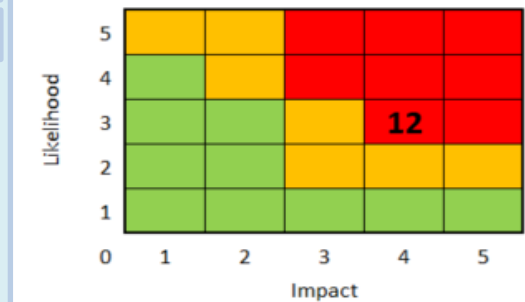
**IF** the continued use of hotel accommodation to discharge the council's statutory homeless duties leads to a 'change of use' in planning terms of such premises, and such use is not assessed and/or regularised, **THEN** the council will be at risk of legal challenge.

**Date Risk Added:** 21.02.2024

**Risk Category:** People

**Risk Appetite:** Open

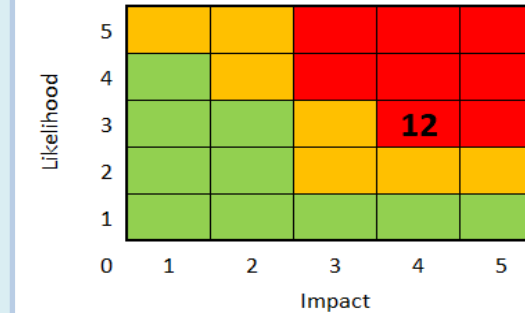
### Inherent Risk



## Risk Control/s

Action/s:	Progress	Responsible Officer	Owner's Comment
The service is currently implementing both a Rapid Rehousing Plan and Housing and Homelessness Strategy. Implementation groups and working groups have been set up to drive the work forward which will include development of accommodation (both temp and perm), including Housing First, and a restructure of staffing to ensure the plans can be delivered with the correct resources. This work will then put more focus on prevention and a reduction in presentations and need for temporary accommodation.	In progress	Chele Howard	<b>Updated 23.09.2024</b> - The work stated in these documents will continue over the coming years with the aim of increasing prevention of homelessness and decreasing presentations and reliance on temporary accommodation. This will also be reliant on partnership working with Registered Social Landlords, other landlords and developers to ensure the supply can meet the demand. Project groups are now well established to take forward the different work programmes and partnership meetings with Registered Social Landlords and private landlords are fully operational.
Agreement, obtained in principal, with an Registered Social Landlord (RSL) to develop 10 units of Triage temporary accommodation, work is underway in regards to the necessary development work to change the buildings current use into triage. A working group has been established to plan the delivery of a number of triage temporary accommodation units, work is underway in regard to the necessary development work into building use and there are ongoing discussions with Registered Social Landlords (RSLs) around progress opportunities.	In progress	Chele Howard	The restructure of Housing Options and Strategic Housing has commenced and the new structure is anticipated to be in place by the end of August. A plan for ending the use of B&Bs/Hotels has been developed and actions from this plan are being taken forward by Officers.  Planning Committee have received the report advising them on the conflict of laws.
During controlled building works at specific sites Building Control Officers will continue to take responsibility for these areas and discharge their duties to ensure the safety of occupants.	In progress	Ceri Morris	<i>No additional comments.</i>

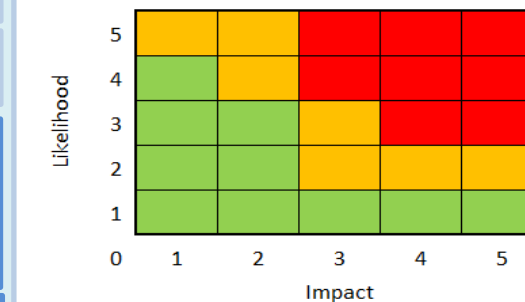
### Residual Risk



## Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
Prepare report for Planning Committee to advise of the conflict of laws and that while an exit plan is developed to no longer require large scale B&B/hotel use, it has been determined that the council's homeless duties will be prioritised, with the use of such premises not assessed and/or regularised.	Complete	Ceri Morris	<i>No additional comments.</i>
Review of Housing Support Grant (HSG) services with intention to redesign and recommission all services in line with changing needs of those that require ongoing homelessness prevention support.	In progress	Chele Howard	A review of Housing Support Grant services has been undertaken and proposals for recommissioning are in the process of development.

### Target Risk



**Has there been any change in risk rating since last report?**

### Other Notes

# Additional Learning Needs Education Tribunal (Wales) Act

**Risk Owner/s:** Andrew Thomas

**Risk Reference:** SR22

### Risk Description

**Date Risk Added:** 08.05.2024

**IF** council, schools and partners do not fulfil responsibilities and fail to comply with statutory duties and timescales as set out in the Additional Learning Needs Education Tribunal Wales (ALNET) Act and Code of Practice **THEN** there is potential for reputational damage and financial pressures.

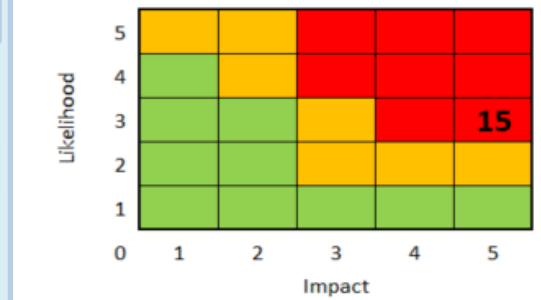
**Risk Category:** Governance

**Risk Appetite:** Cautious

### Risk Control/s

### Inherent Risk

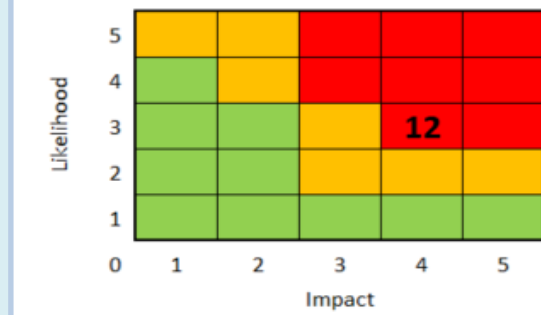
Action/s:	Progress	Responsible Officer	Owner's Comment
Training and support programme for schools to fully implement the new legislation.	In progress	Hayley Lervy	No additional comments.



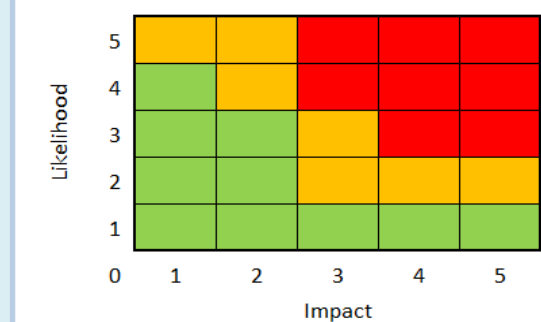
### Mitigation Plan

Strengthen partnership working and commitment to implementation with key partners.	In progress	Hayley Lervy	No additional comments.
Highlighting through Welsh Government forums including ADEW the significant concerns with the implementation programme.	In progress	Hayley Lervy	

### Residual Risk



### Target Risk



**Has there been any change in risk rating since last report?**

### Other Notes

# School & ELL Buildings

**Risk Owner/s:** Andrew Thomas

**Risk Reference:** SR23

## Risk Description

**Date Risk Added:** 08.05.2024

**IF** there is critical failure of Education, Leisure and Lifelong Learning buildings **THEN** the council will be unable to maintain business continuity.

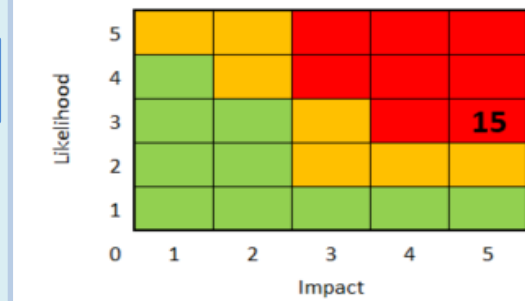
**Risk Category:** Property & Infrastructure

**Risk Appetite:** Open

## Risk Control/s

## Inherent Risk

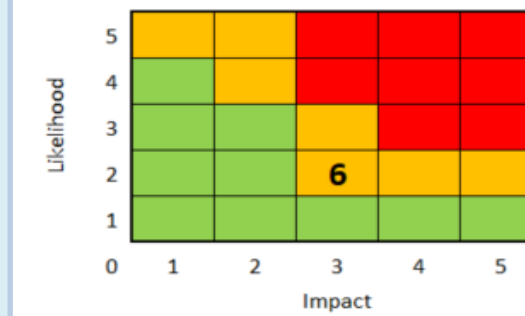
Action/s:	Progress	Responsible Officer	Owner's Comment



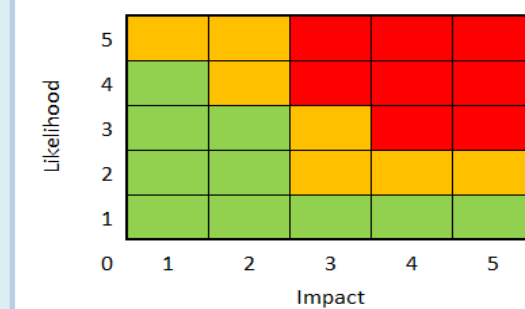
## Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
Identification of prioritised maintenance schemes is funded from capital maintenance programme.	In progress	Rhiannon Crowhurst	No additional comments.
Replace/remodel category 'D' buildings within the school estate.	In progress	Rhiannon Crowhurst	

## Residual Risk



## Target Risk



Has there been any change in risk rating since last report?

## Other Notes

New risk added 08.05.2024



# Climate Change

**Risk Owner/s:** Nicola Pearce

**Risk Reference:** SR24

### Risk Description

**IF** we don't prepare for climate change impacts with partner agencies **THEN** people, property and critical infrastructure may become increasingly susceptible to

**Date Risk Added:** 08.05.2024

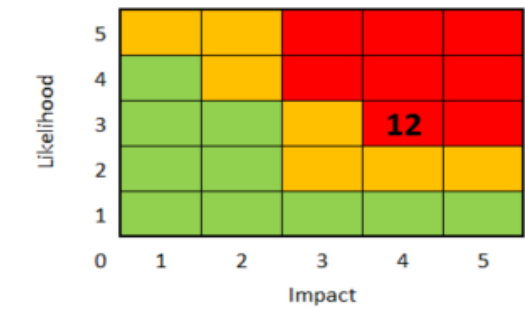
**Risk Category:** Property & Infrastructure

**Risk Appetite:** Open

### Risk Control/s

Action/s:	Progress	Responsible Officer	Owner's Comment
Produce & publish revised Flood Risk Management Plan.	In progress	Mike Roberts	The council's Flood Risk Plan will help pinpoint significant risks and target funding/effort to best effect.

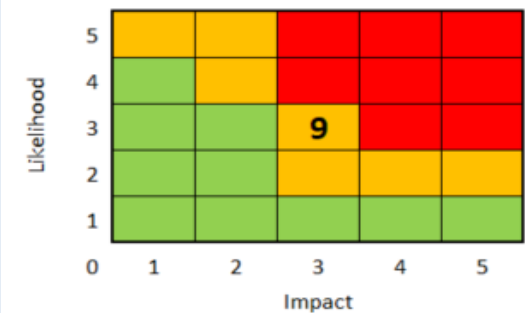
### Inherent Risk



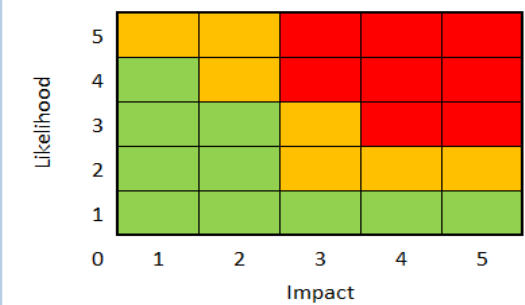
### Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
Lobby Welsh Government and UK Government for additional resourcing.	In progress	Environment & Regeneration Heads of Service	Additional Welsh Government funding for schemes will help mitigate risk, whilst the council's Flood Risk Plan will help pinpoint significant risks and target funding/effort to best effect. Considering flood risk in developing the local planning policy framework will also help to mitigate risk.
Consider issues as part of developing the Replacement Local Development Plan.	In progress	Ceri Morris	
Progress pipeline of drainage improvement and flood alleviation schemes.	In progress	Mike Roberts	
Consider risk avoidance and mitigation measures as part of Development Control and Highway Development Control decision making.	In progress	Ceri Morris and Dave Griffiths	

### Residual Risk



### Target Risk



**Has there been any change in risk rating**

### Other Notes

# Decarbonisation

**Risk Owner/s:** Nicola Pearce

**Risk Reference:** SR25

## Risk Description

**Date Risk Added:** 08.05.2024

**IF** the council does not invest sufficient time, money and effort into decarbonisation, or appropriate technical solutions are not available, **THEN** we will not achieve 'net zero' targets.

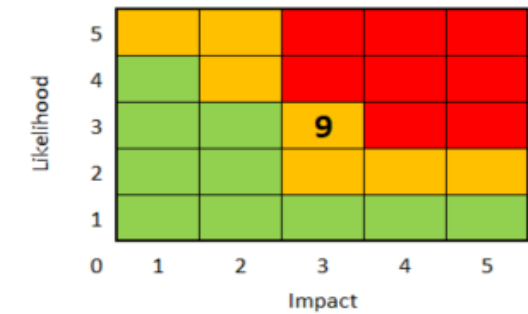
**Risk Category:** Property & Infrastructure

**Risk Appetite:** Open

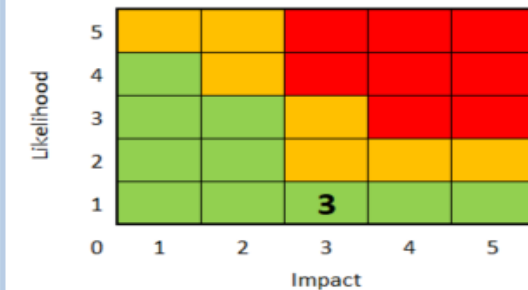
## Risk Control/s

## Inherent Risk

Action/s:	Progress	Responsible Officer	Owner's Comment
Establish a new section called 'Decarbonisation, Energy & Climate Change' within Property & Regeneration.	Complete	Simon Brennan	<p><b>14.10.2024</b> - Defining of roles and recruitment in the Decarbonisation, Energy &amp; Climate Change Team is ongoing.</p>
Create & recruit new post of 'Decarbonisation Strategy Manager'.	Complete	Simon Brennan	
Create & recruit new supporting posts of 'Corporate Policy & Delivery Officer - Climate Change' and 'Energy & Carbon Reduction Officer'.	Complete	Simon Brennan / Brett Suddell	
Commission Net Zero Strategy report for 2030 and implement with Service Managers.	In progress	Simon Brennan / Chris Jones / Brett Suddell	
Produce the Local Area Energy Plan for Neath Port Talbot.	Complete	Simon Brennan / Chris Jones	No additional comments



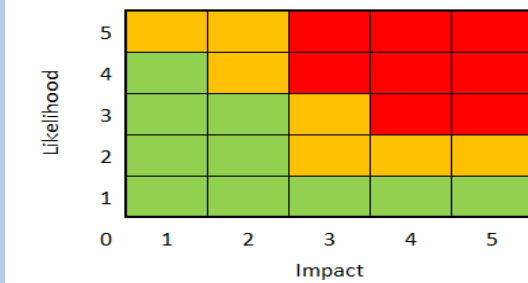
## Residual Risk



## Mitigation Plan

## Target Risk

Action/s:	Progress	Responsible Officer	Owner's Comment



Has there been any change in risk rating since last report?

## Other Notes

# Demographic Profiling

**Risk Owner/s:** Huw Jones

**Risk Reference:** SR10

## Risk Description

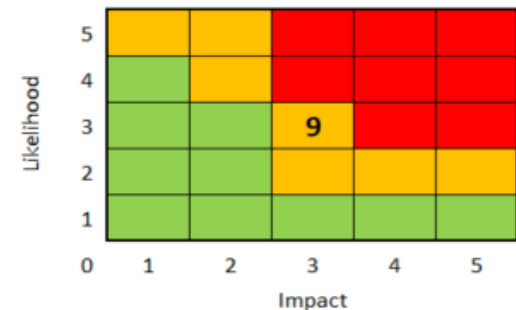
**IF** the council does not accurately factor in the demographic profile of its population into its corporate plan and financial planning processes **THEN** there is a risk that services will be unable to respond to all need appropriately and budgets will not be in balance.

**Date Risk Added:** 2022

**Risk Category:** Financial

**Risk Appetite:** Open

### Inherent Risk



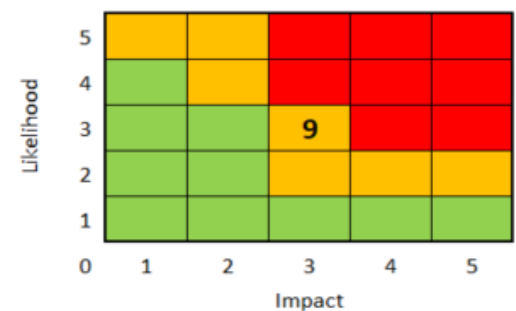
## Risk Control/s

Action/s:	Progress	Responsible Officer	Owner's Comment

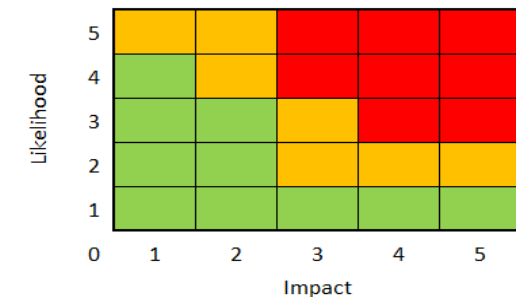
## Mitigation Plan

Action/s:	Progress	Responsible Officer	Owner's Comment
Build forecast demographic changes into the assumptions underpinning the medium term financial planning model.	In progress	Huw Jones	<p style="color: red; font-weight: bold;">Updated 26.09.2024 - Once the current budget round is complete these will be further revised as part of the production of a Medium Term Financial Plan (MTFP)</p>
Explicitly consider demographic pressures in devising strategies and policies to respond to changes forecast in the demographic profile of the area.	In progress	Heads of Service	
Ensure people from all backgrounds are engaged and involved in devising policy and strategy that is intended to meet their needs.	In progress	Heads of Service	

### Residual Risk



### Target Risk



Has there been any change in risk rating since last report?

### Other Notes

06.11.2024 - SR10 merged with SR06

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Table 3

Risks identified below in the table have been ranked from highest to lowest in relation to residual risk.

Risk Ref	Risk Category	Risk Owner	Responsible Officer/s	Risk Appetite	Inherent Risk Score	Risk Description	Movement since June 2024 (Quarter 1)	Residual Risk
SR 18	People	TBC	Karen Jones	Open	25	IF there isn't a sufficient government and industry response to the announcement of the changes at Tata THEN local people and the local economy will be severely impacted.	↔	16
SR 03	Property & Infrastructure	Nicola Pearce	Dave Griffiths	Open	25	IF there isn't an effective management system to address historic Coal Tips and Quarries on council owned land THEN there will be harm to people and the wider community.	↔	15
SR 19	People	Andrew Jarrett	Andrew Jarrett	Open	15	IF there is continued or escalated instability and conflict across the world THEN there are heightened risks of community tensions and additional pressures on an already stretched homeless services.	↔	15
SR 04	People	Noelwyn Daniel	Sheenagh Rees	Open	25	IF the council is unable to recruit and retain appropriately skills and qualified employees in sufficient numbers in light of national and local recruitment shortages THEN service delivery may be adversely impacted and the objectives set out in the Corporate Plan may not be fully realised.	↓	12
SR 02	Property & Infrastructure	Nicola Pearce	Nicola Pearce / Dave Griffiths / Ceri Morris	Open	20	IF action is not taken to respond to the technical surveys showing that there is a risk of landslip at Panteg THEN there could be harm or death caused to people.	↔	12
SR 22	Governance	Andrew Thomas	Hayley Lervy	Cautious	15	IF council, schools and partners do not fulfil responsibilities and fail to comply with statutory duties and timescales as set out in the Additional learning Needs Education Tribunal Wales (ALNET) Act and Code of Practice THEN there is potential for reputational damage and financial pressures.	↔	12

Risk Ref	Risk Category	Risk Owner	Responsible Officer/s	Risk Appetite	Inherent Risk Score	Risk Description	Movement since June 2024 (Quarter 1)	Residual Risk
SR 21	People	Andrew Jarrett	Chele Howard / Ceri Morris	Open	12	IF the continued use of hotel accommodation to discharge the council's statutory homeless duties leads to a 'change of use' in planning terms of such premises, and such use is not assessed and/or regularised, <b>THEN</b> the council will be at risk of legal challenge.	↔	12
SR 06	Financial	Huw Jones	Huw Jones	Open	15	IF there are insufficient capital and revenue resources <b>THEN</b> the council will have to agree priorities, raise council tax and make cuts in jobs and services to deliver a balanced budget.	↓	12
SR 14	Project /Programme	Nicola Pearce	Simon Brennan	Open	15	IF the council does not put in place sufficient capacity and capability <b>THEN</b> developer interest in the county borough will not be realised losing the opportunity to create new sustainable jobs and grow the local economy and opportunities to lever in funding will be lost.	↓	10
SR 01	Property & Infrastructure	Nicola Pearce	Dave Griffiths / Simon Brennan / Mike Roberts	Open	16	IF there is insufficient investment in the council's major infrastructure <b>THEN</b> it is at risk of failure	↔	9
SR 15	People	Andrew Jarrett	Andrew Jarrett	Open	15	IF there are insufficient resources provided to meet the needs of the most vulnerable people in the county borough <b>THEN</b> outcomes for the population will be poor and the council may breach its statutory duties.	↔	9
SR 24	Property & Infrastructure	Nicola Peace	Mike Roberts / Ceri Morris / Dave Griffiths	Open	12	IF we don't prepare for climate change impacts with partner agencies <b>THEN</b> people, property and critical infrastructure may become increasingly susceptible to coastal, fluvial and foul water flooding.	↔	9
SR 08	Reputational	Noelwyn Daniel	Sheenagh Rees	Cautious	12	IF the council fails to comply with the requirements of the Civil Contingencies Act 2004 <b>THEN</b> in the event of a major incident council services may be significantly adversely affected and the council may be in breach of its statutory responsibilities leading to litigation and reputational damage.	↔	9

Risk Ref	Risk Category	Risk Owner	Responsible Officer/s	Risk Appetite	Inherent Risk Score	Risk Description	Movement since June 2024 (Quarter 1)	Residual Risk
SR 10	Financial	Huw Jones	Huw Jones / Heads of Service	Open	9	<b>IF</b> the council does not accurately factor in the demographic profile of its population into its corporate plan and financial planning processes <b>THEN</b> there is a risk that services will be unable to respond to all need appropriately and budgets will not be in balance	↔	9
SR 05	TBC	Andrew Jarrett	Keri Warren	Open	12	<b>IF</b> the council does not manage the safeguarding regime safely <b>THEN</b> significant harm will be caused to children and vulnerable people.	↔	8
SR 09	Security	Noelwyn Daniel	Craig Griffiths / Chris Owen	Cautious	12	<b>IF</b> personal/ sensitive information is unlawfully disclosed <b>THEN</b> there will be major financial penalty and loss of public confidence.	↔	8
SR 07	People	Noelwyn Daniel	Sheenagh Rees	Open	15	<b>IF</b> the council fails to embed a culture of Health and Safety within its workforce <b>THEN</b> accidents and incidents could occur leading to injury and / or death.	↔	6
SR 11	Data/ Information Management	Noelwyn Daniel	Chris Owen	Minimalist	15	<b>IF</b> there is a disruption in operations or unavailability of technology or services, due to high dependency on tightly coupled technology or external environmental factors (such as total power loss, flood, etc.), <b>THEN</b> this would have a significant impact on service delivery across the council	↔	5
SR 12	Security	Noelwyn Daniel	Chris Owen	Cautious	15	<b>IF</b> there is a lack of protection around the digital and data ecosystem, <b>THEN</b> there is a risk to ensuring confidentiality and integrity of the technology systems and safeguarding of data.	↔	5
SR 16	Governance	Noelwyn Daniel	Craig Griffiths	Cautious	15	<b>IF</b> officers and members do not adhere to appropriate steps to be undertaken when making decisions, <b>THEN</b> the council may be challenged on making unlawful decisions which could cause reputational damage.	↔	3
SR 25	Property & Infrastructure	Nicola Pearce	Simon Brennan / Brett Suddell / Chris Jones	Open	9	<b>IF</b> the council does not invest sufficient time, money and effort into decarbonisation, or appropriate technical solutions are not available, <b>THEN</b> we will not achieve 'net zero' target aspirations.	↔	3

### Closed Risks

- SR 13 had been de-escalated to Social Services, Health and Housing Directorate Risk Register.
- SR 17 has been de-escalated to Education, Leisure and Lifelong Learning Directorate Risk Register.

Risk Ref	Risk Category	Risk Owner	Responsible Officer/s	Risk Appetite	Inherent Risk Score	Risk Description	Risk Removed	Residual Risk
SR 13	People	Andrew Jarrett	Claire Jones / Chris Frey-Davies	N/A	15	<b>IF</b> the situation in Ukraine escalates and government planning is insufficient to cater for the numbers of refugees arriving in NPT <b>THEN</b> there is a risk that local public services and budgets will be overwhelmed.	October 2023	15
SR 17	Governance	Andrew Thomas	Chris Millis	N/A	15	<b>IF</b> schools are not ready to implement the changes needed to implement curriculum reform and if there is a reduction or withdrawal of grants that support curriculum reform <b>THEN</b> the council will not be able to comply with statutory duties and realise the benefits for learners.	May 2024	5

### Removed from Strategic Risk Register

- SR 20 had been removed as the information is contained within SR 06 Capital and Revenue Finances.
- SR 23 has been removed as schools buildings are included within SR 01 Infrastructure.

Risk Ref	Risk Category	Risk Owner	Responsible Officer/s	Risk Appetite	Inherent Risk Score	Risk Description	Risk Removed	Residual Risk
SR 20	Financial	Huw Jones	Andrew Thomas	N/A	25	<b>IF</b> the Welsh Government's In-year Statement is that it has a £900m shortfall in its 2023-2024 revenue budget this will result in a much lower settlement for local government <b>THEN</b> cuts to services and jobs and high council tax levels will follow	May 2024	20
SR 23	Property & Infrastructure	Andrew Thomas	Rhiannon Crowhurst	Open	15	<b>IF</b> there is critical failure of Education, Leisure and Lifelong Learning buildings <b>THEN</b> the council will be unable to maintain business continuity.	Oct 2024	6



## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### GOVERNANCE AND AUDIT COMMITTEE

#### REPORT OF THE DIRECTOR OF STRATEGY & CORPORATE SERVICES

MR NOELWYN DANIEL

22<sup>nd</sup> November 2024

#### **Matter for Information**

**Wards Affected** – All wards

**Report Title** - Progress Update – Use of Performance Information: Service User Perspective and Outcomes

#### **Purpose of the Report**

The purpose of this report is to provide Governance and Audit Committee with an update on the work undertaken to implement the recommendations made by Audit Wales following their review of the Use of Performance Information: Service User Perspective and Outcomes.

#### **Background**

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.

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.

Audit Wales undertook the above examination during July – September 2023 the aim of which 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?'*

The findings of the examination were reported to Governance & Audit Committee on 12<sup>th</sup> July 2024 along with the Council's response to 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 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.

As requested by the Committee at the meeting on 12<sup>th</sup> July, an update on the progress made in implementing the above recommendations is attached at Appendix 1.

**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 update on progress contained in the attached Appendix.

**Appendix**

Appendix 1 - Progress Update – Use of Performance Information: Service User Perspective and Outcomes

**Background Papers**

None

**Officer Contact**

For further information on this report item, please contact:

Noelwyn Daniel, Corporate Director of Strategy and Corporate Services

E-mail: [n.daniel@npt.gov.uk](mailto:n.daniel@npt.gov.uk)

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

E-mail: [c.furlow@npt.gov.uk](mailto:c.furlow@npt.gov.uk)

Mrs Louise McAndrew, Corporate Strategic Planning & Governance Officer – Policy & Executive Support

Email: [l.mcandrew@npt.gov.uk](mailto:l.mcandrew@npt.gov.uk)

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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><b>Information on the perspective of the service user</b></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>	<p><b>30<sup>th</sup> April 2024 (delayed due to review of Corporate Plan)</b></p>	<p><b>Caryn Furlow-Harris</b></p>	<p>Work is ongoing with Senior Management Teams regarding the inclusion of service user perspective information in their service delivery plans, which will be woven into the performance monitoring reports of the Corporate Plan presented to Cabinet and Scrutiny Committees</p>
R2	<p><b>Outcomes information</b></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>	<p><b>30<sup>th</sup> April 2024 (delayed due to review of Corporate Plan)</b></p>	<p><b>Caryn Furlow-Harris</b></p>	<p>Good progress has been made in establishing a revised framework.</p> <p>This has included the formation of a Strategic Planning &amp; Performance Group chaired by the Director of Strategy and Corporate Services which has been established to:</p> <ul style="list-style-type: none"> <li>strengthen our approach to corporate planning and performance management across the council.</li> <li>Ensure Directorate Management Teams and Accountable Managers are fully informed and engaged on the</li> </ul>

					<p>corporate planning and performance management requirements and timescales</p> <ul style="list-style-type: none"> <li>• Ensure there is an effective and streamlined performance management framework that meets the needs of all Directorates and all of our statutory obligations.</li> </ul> <p>The membership of the Group is senior officers who sit on the respective Directorates Management Teams</p>
<p>R3 Page 314</p>	<p><b>Quality and accuracy of data</b> 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><b>30<sup>th</sup> April 2024 (completed - added to Internal Audit Plan</b></p>	<p><b>Caryn Furlow-Harris</b></p>	<p>The Internal Audit Plan 2024/25 (originally approved by Governance &amp; Audit Committee on 21/03/2024) includes a 'Performance Data' internal audit. The audit activity is scheduled for Quarter 4 2024/25.</p>

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### GOVERNANCE & AUDIT COMMITTEE

22<sup>nd</sup> NOVEMBER 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 July 2024 and an updated Register of Regulators Reports (Appendix 1).

#### National Reports

##### **1. Council's use of performance information: service user perspective**

The all Wales review undertaken by Audit Wales looked at whether the performance information provided to senior leaders helps them to understand the perspective of service users and the outcomes of the Council's activities so that they can manage their performance effectively. By senior leaders, we mean senior officers and senior members. This review was undertaken across at all 22 councils.

This report provides an overview of the work, findings and implications for councils and Welsh Government.

The local report for Neath Port Talbot and recommendations were presented to Governance and Audit Committee on 12<sup>th</sup> July 2024 along with the council's response.

## **2. Digital by design? Lessons from our digital strategy review across councils in Wales**

Audit Wales undertook a digital strategy review during 2022/2023 which looked at council's strategic approaches to digital, undertaking individual reviews at each of the 22 councils across Wales. The focus was on the extent to which digital strategies had been developed in accordance with the sustainable development principle; and would help to secure value for money in the use of councils' resources.

This report provides an overview of the work and what councils can do improve. Neath Port Talbot Council has been referenced within the report as an example of good practice in relation to the council's integrated digital strategy, investment made in digital capacity and capability and understanding of the current digital position.

The local report for Neath Port Talbot and the recommendation was presented to Governance and Audit Committee in October 2023.

## **3. Affordable Housing**

The report considers spending and performance against Welsh Government's social homes target and the underpinning governance and management arrangements.

The Welsh Government has set a target of building 20,000 new low carbon social homes by March 2026. The target builds on a previous commitment to deliver 20,000 affordable homes in the previous Senedd term. The Welsh Government exceeded that target, but a different definition makes the current target more challenging.

There are 7 recommendations contained within the report for Welsh Government. This report has been circulated to officers responsible for housing.



## **4. Active Travel**

The report focuses on national level arrangements led and/or managed by on the Welsh Government's and Transport to Wales' approach to Active Travel. Audit Wales has not examined interventions by individual local authorities, although they recognise their important front-line role and reflect certain evidence about issues at a local level.

Consideration has been taken to understand whether the Welsh Government is well placed to lead a step change in active travel rates, as part of its wider approach to modal shift. Findings demonstrated that despite increased spending through its Active Travel Fund and a new, wide-ranging, delivery plan, the Welsh Government remains a long way from achieving the step change in active travel intended through the Act.

There are 7 recommendations contained within the report for Welsh Government. This report has been circulated to both Director of Social Services, Health and Housing and Head of Housing and Communities,

### **Local Reports**

#### **1. Neath Port Talbot Council – Financial Sustainability**

During the early part of this financial year Audit Wales reviewed the council's strategic approach to support its financial sustainability, our understanding of the current financial position, and arrangements for reporting and oversight of financial sustainability. Audit Wales note that this audit was limited to a consideration of the arrangements that the council has put in place to support its financial sustainability, and was not a review of the council's wider financial management, or of the individual financial decisions that the council has made or intends to make.

Overall, Audit Wales found that the council has arrangements in place to support its financial sustainability in the short term but lacks a documented longer-term financial strategy to support more transformative change and inform Members' future spending decisions.

As the council does not have a financial strategy to support its financial sustainability over the longer-term the following recommendation was made:

**R1** - The council should develop and publish a clear and robust financial strategy showing how it intends to close the identified budget gap over the medium and longer-term. This would help support Members' and other stakeholders understanding in relation to the decisions that will be required to ensure the future financial sustainability of the council.

### **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 July 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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Name of Report / Inspection / Review	Recommendations for Local Government	Responsible Officer	Number of accepted recommendations	Publication Date	Date noted by Governance & Audit Committee	Status of Report	Scrutiny Committee responsible for monitoring action plan (or other monitoring arrangements)	Date Presented to Scrutiny	Target date for update to Governance & Audit Committee on the monitoring of progress (for assurance purposes)	Date of update received by Governance & Audit Committee on monitoring of progress
<a href="#">Neath Port Talbot Council - Financial Sustainability</a>	R1 The council should develop and publish a clear and robust financial strategy showing how it intends to close the identified budget gap over the medium and longer-term. This would help support Members' and other stakeholders understanding in relation to the decisions that will be required to ensure the future financial sustainability of the council.	Huw Jones	1 recommendation	Oct-24	22.10.2024	Local	Community, Finance and Strategic Leadership	TBA	TBA	TBA
<a href="#">Active Travel</a>	No local recommendations	N/A	10 Recommendations for Welsh Government	Sep-24	22.10.2024	National	N/A	N/A	N/A	N/A
<a href="#">Affordable Housing</a>	No local recommendations	N/A	7 Recommendations for Welsh Government	Sep-24	22.10.2024	National	N/A	N/A	N/A	N/A
<a href="#">Digital by design?</a>	No recommendations	N/A	N/A	Aug-24	22.10.2024	National	N/A	N/A	N/A	N/A
<a href="#">Council's use of performance information: service user perspective</a>	No recommendations	N/A	N/A	Jul-24	22.10.2024	National	N/A	N/A	N/A	N/A
<a href="#">Supporting Ukrainians in Wales</a>	No local recommendations	N/A	4 Recommendations for Welsh Government	Mar-24	12.07.2024	National	N/A	N/A	N/A	N/A
<a href="#">Neath Port Talbot Council Annual Audit Summary 2023 (March 2024)</a>	No recommendations	Karen Jones	N/A	Mar-24	12.07.2024	Local	Council	N/A	N/A	N/A
<a href="#">Neath Port Talbot Council - Use of Performance Information: Service User Perspective and Outcomes</a>	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	Noelwyn Daniel	3 Recommendations	Feb-24	12.07.2024	Local	Cabinet	17.04.2024	23.10.2024	23.10.2024
<a href="#">From Firefighting to Future-proofing - the Challenge for Welsh Public Services</a>	No Recommendations listed - report shared with relevant officers	N/A	No recommendations	Feb-24	21.03.2024	National	N/A	N/A	N/A	N/A
<a href="#">Sustainable development? – making best use of brownfield land and empty buildings</a>	R1 To enable stakeholders to assess potential sites councils should create a systematic process to find and publicise suitable sites for regeneration: • this should draw on data already held by councils, as well as external data sources to develop a composite and more complete picture of sites; and • where known, key barriers should be named to help efforts to overcome them R2 To help ensure that regeneration activity and the shaping of the environment is informed by the needs of communities Councils should increase opportunities for community-based involvement in regeneration, both in plan-making and actual development. R3 To provide focus and impetus to developing brownfield sites Councils should review their current regeneration approaches and where appropriate set clearer, more ambitious regeneration policies and targets. Together these should: • set out the approach and expectations of the council; • set out how their approach will be resourced; and • set out how the approach aligns with national policy goals and regional planning priorities. R4 To help enable stakeholders to assess potential sites the Welsh Government should: • work with councils to ensure that listings of identified sites for regeneration are reported by council area; and • produce a national listing informed by the local listings and through working in conjunction with other public sector bodies.	N/A	2 recommendations for Welsh Government / 3 recommendations for local authorities	Jan-24	21.03.2023	National	N/A	N/A	N/A	N/A

	R5 To help inform scrutiny of performance both locally and nationally the Welsh Government should create a national framework for monitoring and assessing levels of brownfield sites being developed compared to levels of sites available and levels of greenfield development									
<a href="#">Neath Port Talbot Council - Springing Forward - Strategic Management of Assets</a>	R1 Strategic asset management vision and strategy • In developing its new Corporate Asset Management Strategy, the Council should put the Sustainable Development Principle at the heart of its considerations. In particular setting out its long-term vision and the outcomes it wants to achieve over the short, medium and longer term.	Nicola Pearce	3 Recommendations	Dec-23	26.01.2024	Local	TBC	TBC	21.03.2024	TBA
	R2 Strategic asset management planning and delivery • 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.									
	R3 Strategic asset management governance and monitoring • 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: – 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									
<a href="#">Neath Port Talbot Council - Springing Forward - Strategic Workforce Management (2021-2022)</a>	R1 Workforce planning and delivery: • 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.	Noelwyn Daniel	2 recommendation	Dec-23	26.01.2024	Local	Cabinet	14.02.2024	21.03.2024	TBA
	R2 Workforce governance and monitoring: • 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.									
<a href="#">Neath Port Talbot Council - Review of Scrutiny</a>	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	Noelwyn Daniel	5 recommendations	Nov-23	26.01.2024	Local	Council	20.03.2024	TBC	TBA
	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.									
	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>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>									
<a href="#">Audit Wales Equality Report 2022-23</a>	No recommendations listed	N/A	No recommendations	Nov-23	26.01.2024	National	N/A	N/A	N/A	N/A
<a href="#">Neath Port Talbot Council - Digital Strategy Review</a>	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
<a href="#">Audit Wales Interim Report 2023-2024</a>	No recommendations listed	N/A	No recommendations	Oct-23	26.01.2024	National	N/A	N/A	N/A	TBA
<a href="#">Neath Port Talbot Council - Setting of Well-being Objectives</a>	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
<a href="#">Approaches to achieving net zero across the UK</a>	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
<a href="#">Springing Forward: Lessons for our work on workforce and assets</a>	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
<a href="#">Cracks in the Foundations' - Building Safety in Wales</a>	<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>		4 recommendations for local authorities / 4 recommendations for Welsh Government	Aug-23	12.10.2023	National		12.10.2023		

	<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> <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>									
<a href="#">Audit Wales Annual Plan 2023-2024</a>	No Recommendations listed	N/A	No recommendations	Apr-23	16.06.2023	National	N/A	N/A	N/A	N/A
<a href="#">Digital inclusion in Wales</a>	No Recommendations listed	N/A	No recommendations	Mar-23	16.06.2023	National	N/A	N/A	N/A	16.06.2023
<a href="#">Neath Port Talbot Council - Annual Audit Summary 2022</a>	No Recommendations listed	Karen Jones	No recommendations	Mar-23	16.06.2023	Local Letter	Council	26.04.2023	N/A	N/A
<a href="#">Neath Port Talbot Council - Assurance and Risk Assessment 2021-22 Financial Position Update</a>	No Recommendations listed	Huw Jones	No recommendations	Jan-23	17.03.2023	Local Letter	Cabinet	17.05.2023	16.06.2023	16.06.2023
<a href="#">Together we can' - Community Resilience and Self-Reliance</a>	<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 href="#">A Missed Opportunity' – Social Enterprises</a>	<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>	TBD	3 recommendations for local government	Dec-22	12.01.2023	National	N/A	TBD	16.06.2023	17.03.2023





	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: <ul style="list-style-type: none"> <li>• ensure that they draw on relevant, comprehensive and current data (nothing over 12 months old) to support analysis;</li> <li>• ensure integrated impact assessments capture information on: <ul style="list-style-type: none"> <li>- 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;</li> <li>- the cumulative impact/mitigation to ensure the assessment considers issues in the round and how it links across services provided across the council;</li> <li>- how the council will monitor and evaluate impact and will take corrective action; and</li> <li>- an action plan setting out the activities the Council will take as a result of the Integrated Impact Assessment</li> </ul> </li> </ul>									
<a href="#">Assurance and Risk Assessment Progress – Carbon Reduction</a>	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.	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
<a href="#">National Fraud Initiative 2020-2021</a>	All participants in the NFI exercise should ensure that they maximise the benefits of their participation. They should consider whether it is possible to work more efficiently on the NFI matches by reviewing the guidance section Audit committees, or equivalent, and officers leading the NFI should review the NFI self-appraisal checklist. This will ensure they are fully informed of their organisation's planning and progress in the 2022-23 NFI exercise. Where local auditors recommend improving the timeliness and rigour with which NFI matches are reviewed, NFI participants should take appropriate action	N/A	3 recommendations for local government	Oct-22	12.01.2023	National	N/A	N/A	N/A	17.03.2023
<a href="#">Equality Impact Assessments: More than a Tick Box Exercise</a>	R4 While there are examples of good practice related to distinct stages of the EIA process, all public bodies have lessons to learn about their overall approach. Public bodies should review their overall approach to EIAs considering the findings of this report and the detailed guidance available from the EHRC and the Practice Hub. We recognise that developments in response to our other recommendations and the Welsh Government's review of the PSED Wales specific regulations may have implications for current guidance in due course	N/A	1 recommendations for local government	Sep-22	12.01.2023	National	Cabinet	N/A	17.03.2023	17.03.2023
<a href="#">Public Sector Readiness for Net Zero Carbon by 2030 : Evidence Report</a>	No Recommendations listed	N/A	No recommendations for local government	Aug-22	12.01.2023	National	N/A	N/A	N/A	N/A
<a href="#">The Welsh Community Care Information System</a>	No Recommendations listed	N/A	No recommendations for local government	Jul-22	12.01.2023	National	N/A	N/A	N/A	N/A
<a href="#">Public Sector Readiness for Net Zero Carbon by 2030</a>	No Recommendations listed	N/A	No recommendations for local government	<a href="#">Jul-22</a>	12.01.2023	National	N/A	N/A	N/A	N/A
<a href="#">New Curriculum for Wales</a>	No Recommendations listed	N/A	No recommendations for local government	May-22	12.01.2023	National	N/A	N/A	N/A	N/A
<a href="#">Direct Payments for Adult Social Care</a>	R1 Review public information in discussion with service users and carers to ensure it is clear, concise and fully explains what they need to know about Direct Payments. R2 Undertake additional promotional work to encourage take up of Direct Payments. R3 Ensure advocacy services are considered at the first point of contact to provide independent advice on Direct Payments to service users and carers. R4 Ensure information about Direct Payments is available at the front door to social care and are included in the initial discussion on the available care options for service users and carers. R5 Provide training to social workers on Direct Payments to ensure they fully understand their potential and feel confident promoting it to service users and carers. R6 Work together to develop a joint Recruitment and Retention Plan for Personal Assistants. R7 Clarify policy expectations in plain accessible language and set out: <ul style="list-style-type: none"> <li>• what Direct Payments can pay for;</li> <li>• how application and assessment processes, timescales and review processes work;</li> <li>• how monitoring individual payments and the paperwork required to verify payments will work;</li> <li>• how unused monies are to be treated and whether they can be banked; and</li> <li>• how to administer and manage pooled budgets. Public information should be reviewed regularly (at least every two years) to ensure they are working effectively and remain relevant.</li> </ul>	Andrew Jarrett	1 recommendations for Welsh Government / 9 recommendations for Welsh Government & Local government	Apr-22	12.01.2023	National	Social Services, Housing and Community Safety Cabinet Board	N/A	17.03.2023	17.03.2023

	R9 Work together to establish a system to fully evaluate Direct Payments that captures all elements of the process – information, promotion, assessing, managing and evaluating impact on wellbeing and independence.									
	R10 Annually publish performance information for all elements of Direct Payments to enable a whole system view of delivery and impact to support									
NPT Annual Audit Summary 2021	No Recommendations listed	N/A	No recommendations	Mar-22	12.01.2023	Local	Council	16.03.2022	N/A	N/A
<a href="#">Local Government Financial Sustainability Tool</a>	No Recommendations listed	N/A	No recommendations for local government	Feb-22	12.01.2023	National	N/A	N/A	N/A	N/A
<a href="#">Care Home Commissioning for Older People</a>	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
	No Recommendations listed									
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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Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## **GOVERNANCE AND AUDIT COMMITTEE**

### **REPORT OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES – MR CRAIG GRIFFITHS**

**22<sup>ND</sup> NOVEMBER 2024**

#### **Matter for Information**

**Wards Affected:** All Wards

#### **Public Service Ombudsman for Wales Annual Report 2023/2024**

#### **Purpose of the Report:**

1. To advise Members of the receipt of the Ombudsman's Annual Report for 2023/2024 in respect of Neath Port Talbot County Borough Council.

#### **Executive Summary:**

2. The Public Service Ombudsman for Wales ("the Ombudsman") has two specific roles:
  - (a) To consider complaints about public service providers in Wales; and
  - (b) To consider complaints that members of local authorities or town and community councils have breached their Code of Conduct.
3. The Ombudsman sends letters on an annual basis to county borough councils and local health boards concerning the complaints they have received and considered during the previous financial year. The aim of the Annual Report is to provide the relevant bodies with information to help them improve their complaint handling and the services that they provide.

#### **Background:**

4. In recent years the Ombudsman has adopted the practice of sending an annual letter to each local authority which comes within their jurisdiction. A

full copy of the letter and Factsheet is reproduced for Members at Appendix 1.

5. Members should note that this letter relates to the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. Information received during this year will, bring insights on how public services reacted in the face of unprecedented demand and the most difficult of circumstances.
6. Comparatively little commentary is required on the Annual Letter. The number of service complaints received by the Ombudsman is set out in Table A of the Factsheet. This Council received thirty five (35) complaints – a decrease from thirty nine (39) in the previous financial year. Therefore, the number of complaints received is slightly less of the national average, compared with what one would expect from the population size of the Council area. However, it should be noted that when considering complaints per 1,000 residents, the Council is ranked 17<sup>th</sup> out of the 22 local authorities in Wales in the number of complaints received.
7. The mix of complaints is dealt with in Table B of the Factsheet. The numbers in the various categories are similar to the Welsh average overall.
8. The percentage of cases requiring intervention from the Ombudsman is comparatively low (see Table C), with only five of the thirty five complaints being marked as early resolution. The intervention provided the opportunity with the Council to look again at the issue and ensure that remedies could be achieved which met the needs of the complainant. In a lot of cases the Council's position did not change but the complainant was satisfied that a fresh view had been taken. The comparison of complaint outcomes with average outcomes is again broadly in line with the national average (as shown in Table D).
9. Table E indicated that the PSOW made 14 recommendations to the Council during the year but only 29% were complied with in the timescale specified. In respect of two of the early resolution cases, the reason for this is that the complaints in question took longer to investigate and prior agreement was achieved with the complainant, which was inadvertently not notified to the PSOW. All complaints though were resolved in timescales agreed with the complainant. Steps have been put in place to ensure the PSOW is aware of such extensions where appropriate. In addition, in the other cases the recommendations were complied with, and a copy of the final response was not issued to the PSOW in the timescale required.

10. The number of national Code of Conduct complaints increased slightly in 2023/2024 in respect of Local Authority elected members. In the Neath Port Talbot locality, the number of Code of Conduct complaints against County Borough Councils is low, there being just eight (8) (Table F), and in each case, bar one, the PSOW determined there was no case to answer. On however, was referred to the Standards Committee which saw the said Councillor suspended for a period of four (4) calendar months. In addition, there was a decrease in the number of complaints against town and community councils (Table G) (going from eleven (11) to four (4)), but as can be seen no further action was taken in respect of these matters and they were either closed after initial consideration, discontinued or withdrawn.
11. Overall, cuts in public expenditure create an environment in which there can be a mismatch between public expectations and the service which can be provided. This will make it even more important to deal promptly with any complaints which arise and look for practical and achievable solutions. The Council continues to work collaboratively with the PSOW to resolve any matter that might be referred to them by a member of the public whether that be via an early settlement or to provide clarification and documentation to assist in any investigation being undertaken.
12. The Complaints Standards Body has now implemented a model complaints policy with nearly 56 public bodies, and delivered 140 training sessions, completely free of charge, during the last financial year. The feedback has been excellent, and the training has been very popular and officers of the Council have engaged with this training process and found it extremely beneficial. The model complaints policy has now been adopted by Neath Port Talbot Council
13. Officers will continue improvement work in 2024/2025 and onwards and steps will be taken to try and reduce the number of cases which require intervention by the Ombudsman. This will include:
  - (a) Ensuring officers are aware of their obligations in responding to complaints and how the Council's Complaints Process functions to reduce the prospect of complaints being made to the Ombudsman stemming from process related issues.
  - (b) Ensuring systems are in place to keep the PSOW office aware of any extensions of time needed, which will be controlled via the Monitoring Officer. This will ensure they are aware that all recommendations had been complied with.

- (c) Ongoing review of the Council complaints process and the guidance provided to the public on how complaints can be made – including an easy read guide will be developed and publicised, with information on such processes in our Participation Strategy.
- (d) Further facilitating a working group of officers to consider complaints handling and steps that should be taken in responding to complaints and to consider the Ombudsman response to any complaints so that lessons can be learnt. These officers are also involved in Data Protection and Freedom of Information Act responses so training will also be provided in these areas to ensure compliance in those fields. Taking the opportunity to learn from complaints can contribute to the development of services that meet the needs and expectations of our citizens. In this way, citizens can be involved in improving services and ensuring that they meet long term needs and are sustainable. The ability to identify causes of complaint and service failure can also present an opportunity to design in service features which have a preventative impact.
- (e) Liaising with the Ombudsman to determine whether resources such as training are available from them to assist in complaint handling process.
- (f) Undertaking further training with Local Authority Elected Members on Code of Conduct matters and in particular the use of social media, which appears to be the source of numerous complaints to the Ombudsman. Training was provided in May 2022 and as part of member induction and will continue to form part of Code of Conduct Training in refresher sessions, on a bi annual basis
- (g) Specific sessions of training have been undertaken to group leaders in light of the new duties to ensure compliance with the code of conduct within political groups and Group Leaders have attended the Standards Committee to provide an overview of their approach to standards throughout 2023/2024
- (h) Continuing our Standards and Code of Conduct forum with Town and Community Council Clerks to ensure that standards and ethics of decision makers is considered actively within that setting and officers of those organisations are aware of key legal obligations.
- (i) The Standards Committee have implemented a Forward Work Programme (contained in their 2023/2024 Annual Report) to continue to enshrine the importance of the standards regime in the Council
- (j) Providing opportunities for members of the Standards Committee to attend meetings of Town and Community Councils to observe meetings and feedback any matters relevant to standards.
- (k) A review of the Constitution has recently been concluded (imbedding the Codes of Conduct further into documents) to ensure appropriate arrangements are in place to meet any obligations in respect of



complaints and this review will continue in future years via the Democratic Services Committee.

14. It should also be noted that the Ombudsman is now in receipt of a number of additional powers of investigation, recently granted by the Welsh Government. These include the ability to undertake “own initiative” complaints. These investigations are not instigated by a complaint from a resident but may occur where the Ombudsman suspects potential systemic failures of services or where residents feel unable to complain due to the fact that they are dependent on Council services or because they are vulnerable.

**Financial Impacts:**

15. No implications. Though it should be noted the Ombudsman has legal powers to require the Council to make payments to complainants where they have suffered financial loss or in compensation for “time and trouble”.

**Integrated Impact Assessment:**

16. An Integrated Impact Assessment is not requirement for this report.

**Valleys Communities Impacts:**

17. No implications

**Workforce Impacts:**

18. No implications

**Legal Impacts:**

19. No implications

**Consultation:**

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

**Recommendations:**

21. That Members note the content of the Public Service Ombudsman Annual Report for Neath Port Talbot County Borough Council for 2023/2024

enclosed at Appendix 1 and the steps that officers will continue to embark on as part of general improvement work.

**Appendices:**

22. Appendix 1 – Annual Letter of the Public Service Ombudsman for Wales for Neath Port Talbot County Borough Council

**List of Background Papers:**

23. None

**Officer Contact:**

Mr Craig Griffiths  
Head of Legal and Democratic Services



**Ombwdsmon  
Ombudsman**  
Cymru · Wales

Ask for: Communications



01656 641150

Date: 9 September 2024



Caseinfo@ombudsman.wales

Councillor Steve Hunt  
Neath Port Talbot Council

**By email only**  
cllr.s.k.hunt@npt.gov.uk  
chiefexecutive@npt.gov.uk

## Annual Letter 2023/24

Dear Councillor Hunt

### Role of PSOW

As you know, the role of the Public Services Ombudsman for Wales is to consider complaints about public services, to investigate alleged breaches of the councillor Code of Conduct, to set standards for complaints handling by public bodies and to drive improvement in complaints handling and learning from complaints. I also undertake investigations into public services on my own initiative.

### Purpose of letter

This letter is intended to provide an update on the work of my office, to share key issues for local government in Wales and to highlight any particular issues for your organisation, together with actions I would like your organisation to take.

### Overview of 2023/24

This letter, as always, coincides with my Annual Report – “A New Chapter Unfolds” – and comes at a time when public services continue to be in the spotlight, and under considerable pressures. My office has seen another increase in the number of people asking for our help – a 17% increase in overall contacts compared to the previous year, with nearly 10,000 enquiries and complaints received. Our caseload has increased substantially - by 37% - since 2019.

Page 1 of 12

ombwdsmon.cymru  
holwch@ombwdsmon.cymru  
0300 790 0203  
1 Ffordd yr Hen Gae, CF 35 5LJ  
Rydym yn hapus i dderbyn ac  
ymateb i ohebiaeth yn y Gymraeg.

ombudsman.wales  
ask@ombudsman.wales  
0300 790 0203  
1 Ffordd yr Hen Gae, CF 35 5LJ  
We are happy to accept and respond  
to correspondence in Welsh.

During 2023/24 we considered and closed more enquiries and complaints than we ever have done before, and we reduced the average cost for each case and investigation. We started the year with a focus on reducing our aging cases, those over 12 months old, by 50% by the end of the year. These cases are often the most complex and distressing for the people making the complaint. I am extremely pleased to say we exceeded this target, reducing our aged investigations by over 70%. We are now well on track to meeting our objective to complete investigation of complaints within 12 months.

### **Public Services Complaints and compliance with recommendations**

In total 1,108 complaints about local authorities were made to us last year – broadly the same number as the previous year. During this period, we intervened in (upheld, settled or resolved at an early stage) 14% of local authority complaints – a similar proportion to recent years.

We received 35 complaints about Neath Port Talbot Council in 2023/24 and closed 34. Neath Port Talbot Council's intervention rate was 15%. Further information on complaints about your organisation can be found in the appendices.

We made 14 recommendations to your council during the year. To ensure that our investigations and reports drive improvement, we follow up compliance with the recommendations agreed with your organisation. In 2023/24, 14 recommendations were due and 29% were complied with in the timescale agreed. The remainder were complied with, but outside the timescales agreed, or remain outstanding as at 9 April 2024.

Recommendations and timescales for complying with recommendations are always agreed with the public body concerned before being finalised, and we therefore expect organisations to comply within the timescales agreed.

### **Our Code of Conduct work**

My role is to investigate allegations that councillors have breached their Code of Conduct. Where an investigation finds evidence to support the complaint on a matter which is serious enough to require a referral in the public interest, these cases are referred either to the local Standards Committee or to the Adjudication Panel for Wales for consideration.

In 2023/24, we received 16% more Code of Conduct complaints than the previous year, relating to both Principal Councils and Town and Community Councils. My office made 21 referrals – to Standards Committees or the Adjudication Panel for Wales, an increase from 12 the previous year.

I am grateful to your Monitoring Officer for their positive engagement with my office over the last year. We will continue to engage with them on matters relating to the ethical standards framework, including Local Resolution Procedures this year.

## **Independent Review**

As you will be aware, I became aware of inappropriate comments, of a political nature, made by a member of my staff via social media. These comments were widely reported in the media. The member of staff in question was suspended and subsequently resigned. However, the comments prompted questions about my office's work on councillor Code of Conduct cases.

In view of the seriousness of the matter, I commissioned Dr Melissa McCullough to conduct an independent review of our Code of Conduct work, and I have published the full [Terms of Reference](#) for that review. I and my staff are engaging closely with the Monitoring Officer Group and the National Forum for Standards Committee Chairs in relation to this matter. I will be publishing Dr McCullough's final report on completion of the review and sharing it with the Senedd's Finance Committee this Autumn.

## **Supporting improvement of public services**

We continued our work on supporting improvement in public services last year and worked on our second wider Own Initiative investigation. The investigation includes four local authorities and considers carers' needs assessments. I am grateful to the investigated authorities for their co-operation and candour throughout the year, and we look forward to sharing our finalised report this Autumn. This will make recommendations to the investigated authorities and will ask all local authorities across Wales to make similar improvements.

We have continued our work on complaints handling standards for public bodies in Wales and now have 56 public bodies following our model complaints handling policy. These public bodies account for around 85% of the complaints we receive. We have continued our work to publish complaints statistics, gathered from public bodies, with data published twice a year.

We continued our work to publish complaints statistics into a third year, with data now published twice a year. This data allows us to see information with greater context - for example, last year 17% of complaints made to Neath Port Talbot Council's went on to be referred to PSOW.

## **Action we would like your organisation to take**


Further to this letter can I ask that your Council takes the following actions:

- Present my Annual Letter to the Cabinet and to the Governance and Audit Committee at the next available opportunity and notify me of when these meetings will take place.
- Consider the data in this letter, alongside your own data, to understand more about your performance on complaints, including any patterns or trends and your organisation's compliance with recommendations made by my office.

- Inform me of the outcome of the Council's considerations and proposed actions on the above matters at the earliest opportunity.

I would like to thank you, and your officers, for your continued openness and engagement with my office. Our information shows that local authorities are looking into more complaints than ever before and are using information from complaints to deliver better outcomes for the people of Wales.

Yours sincerely,



**Michelle Morris**  
Public Services Ombudsman

Cc. Karen Jones, Chief Executive, Neath Port Talbot Council



**Factsheet**

Appendix A - Complaints Received

<b>Local Authority</b>	<b>Complaints Received</b>	<b>Received per 1,000 residents</b>
Blaenau Gwent County Borough Council	15	0.22
Bridgend County Borough Council	59	0.41
Caerphilly County Borough Council	56	0.32
Cardiff Council*	149	0.41
Carmarthenshire County Council	69	0.37
Ceredigion County Council	32	0.45
Conwy County Borough Council	36	0.31
Denbighshire County Council**	31	0.32
Flintshire County Council	51	0.33
Cyngor Gwynedd	38	0.32
Isle of Anglesey County Council	38	0.55
Merthyr Tydfil County Borough Council	12	0.20
Monmouthshire County Council	29	0.31
Neath Port Talbot Council	35	0.25
Newport City Council	52	0.33
Pembrokeshire County Council	40	0.32
Powys County Council	54	0.41
Rhondda Cynon Taf County Borough Council	64	0.27
Swansea Council	81	0.34
Torfaen County Borough Council	14	0.15
Vale of Glamorgan Council	77	0.58
Wrexham County Borough Council	76	0.56
<b>Total</b>	<b>1108</b>	<b>0.36</b>
* inc 2 Rent Smart Wales		
** inc 1 Wales Penalty Processing Partnership		



Appendix B - Received by Subject

<b>Neath Port Talbot Council</b>	<b>Complaints Received</b>	<b>% share</b>
Adult Social Services	4	11%
Benefits Administration	1	3%
Children's Social Services	2	6%
Community Facilities, Recreation and Leisure	0	0%
Complaints Handling	7	20%
Covid-19	1	3%
Education	2	6%
Environment and Environmental Health	2	6%
Finance and Taxation	0	0%
Housing	3	9%
Licensing	0	0%
Planning and Building Control	6	17%
Roads and Transport	4	11%
Various Other	3	9%
<b>Total</b>	<b>35</b>	





# Ombudsmon Ombudsman

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## Appendix C - Complaint Outcomes (\* denotes intervention)

<b>Neath Port Talbot Council</b>		<b>% Share</b>
Out of Jurisdiction	6	18%
Premature	9	26%
Other cases closed after initial consideration	14	41%
Early Resolution/ voluntary settlement*	4	12%
Discontinued	0	0%
Other Reports - Not Upheld	0	0%
Other Reports Upheld*	1	3%
Public Interest Reports*	0	0%
Special Interest Reports*	0	0%
<b>Total</b>	<b>34</b>	



Appendix D - Cases with PSOW Intervention

	No. of interventions	No. of closures	% of interventions
Blaenau Gwent County Borough Council	1	16	6%
Bridgend County Borough Council	8	59	14%
Caerphilly County Borough Council	3	48	6%
Cardiff Council	28	144	19%
Cardiff Council - Rent Smart Wales	0	3	0%
Carmarthenshire County Council	8	60	13%
Ceredigion County Council	7	32	22%
Conwy County Borough Council	0	37	0%
Denbighshire County Council	2	32	6%
Denbighshire County Council - Wales Penalty Processing Partnership	0	1	0%
Flintshire County Council	8	57	14%
Cyngor Gwynedd	6	39	15%
Isle of Anglesey County Council	10	41	24%
Merthyr Tydfil County Borough Council	3	14	21%
Monmouthshire County Council	3	32	9%
Neath Port Talbot Council	5	34	15%
Newport City Council	5	51	10%
Pembrokeshire County Council	7	38	18%
Powys County Council	7	53	13%
Rhondda Cynon Taf County Borough Council	11	63	17%
Swansea Council	12	77	16%
Torfaen County Borough Council	2	14	14%
Vale of Glamorgan Council	15	71	21%
Wrexham County Borough Council	7	79	9%
<b>Total</b>	<b>158</b>	<b>1095</b>	<b>14%</b>



**Appendix E – Compliance performance comparison**

<b>Local Authority</b>	<b>Number of recommendations made in 2023-24</b>	<b>Number of recommendations falling due in 2023-24</b>	<b>% of recommendations, complied with on time</b>
Blaenau Gwent County Borough Council	1	1	100%
Bridgend County Borough Council	18	20	35%
Caerphilly County Borough Council	9	9	11%
Cardiff Council	74	75	92%
Carmarthenshire County Council	25	25	52%
Ceredigion County Council	23	23	78%
Swansea Council	29	32	63%
Conwy County Borough Council	0	1	0%
Denbighshire County Council	5	6	67%
Flintshire County Council	17	17	59%
Cyngor Gwynedd	12	19	74%
Isle of Anglesey County Council	26	24	92%
Merthyr Tydfil County Borough Council	11	9	56%
Monmouthshire County Council	4	4	25%
Neath Port Talbot Council	14	14	29%
Newport City Council	10	7	43%
Pembrokeshire County Council	24	23	96%
Powys County Council	18	16	31%
Rhondda Cynon Taf County Borough Council	26	26	77%
Torfaen County Borough Council	3	3	67%
Vale of Glamorgan Council	50	48	92%
Wrexham County Borough Council	16	19	42%



Appendix F - Code of Conduct Complaints

**Neath Port Talbot Council**

<b>Decision not to investigate</b>	<b>7</b>
<b>Discontinued</b>	<b>0</b>
<b>No evidence of breach</b>	<b>0</b>
<b>No action necessary</b>	<b>0</b>
<b>Refer to Adjudication Panel</b>	<b>0</b>
<b>Refer to Standards Committee</b>	<b>1</b>
<b>Total</b>	<b>8</b>



Appendix G - Town/Community Council Code of Complaints

Town/Community Council	Decision not to investigate	Investigations				Total
		Discontinued	No evidence of breach	No action necessary	Refer to Adjudication Panel	
Blaengwrach Community Council	0	0	0	0	0	0
Briton Ferry Town Council	1	0	0	0	0	1
Cilybebyll Community Council	0	0	0	0	0	0
Glynneath Town Council	2	0	0	0	0	2
Onllwyn Community Council	0	0	0	0	0	0
Pontardawe Town Council	1	0	0	0	0	1



## Information Sheet

**Appendix A** shows the number of complaints received by PSOW for all Local Authorities in 2023/24. These complaints are contextualised by the population of each authority.

**Appendix B** shows the categorisation of each complaint received, and what proportion of received complaints represents for the Local Authority.

**Appendix C** shows outcomes of the complaints which PSOW closed for the Local Authority in 2023/24. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

**Appendix D** shows Intervention Rates for all Local Authorities in 2023/24. An intervention is categorised by either an upheld complaint (either public interest or non-public interest), an early resolution, or a voluntary settlement.

**Appendix E** shows the compliance performance of each Local Authority.

**Appendix F** shows the outcomes of Code of Conduct complaints closed by PSOW related to Local Authority in 2023/24. This table shows both the number, and the proportion that each outcome represents for the Local Authority.

**Appendix G** shows the outcomes of Code of Conduct complaints closed by PSOW related to Town and Community Councils in the Local Authority's area in 2023/24. This table shows both the number, and the proportion that each outcome represents for each Town or Community Council.



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### GOVERNANCE AND AUDIT COMMITTEE

22<sup>nd</sup> November 2024

#### Report of the Audit Manager – Steph Payne

#### Matter for Information

#### Wards Affected: All Wards

#### Internal Audit Update Report 2024/25

#### 1. Purpose of the Report

To inform Members of the Internal Audit activity progress against the approved Internal Audit Plan 2024/25.

#### 2. Executive Summary

The Internal Audit Update Report is the first report in relation to the Internal Audit Plan 2024/25. The report summarises:

- The outcomes of the 2024/25 Internal Audit activity delivered up to October 2024 (**Appendix 1**);
- The progress against the Internal Audit Plan 2024/25 (**Appendix 2**);
- Service Lead responses in relation to Limited Assurance Rating Reports (**Appendices 3 to 6**); and
- Post Audit Reviews completed up to October 2024.

#### 3. Background

Governance and Audit Committee agreed the [Neath Port Talbot County Borough Council Internal Audit Plan 2024/25](#) on 21<sup>st</sup> March 2024.

In accordance with the [Public Sector Internal Audit Standards \(PSIAS\) 2017](#) and the [Governance and Audit Committee terms of reference](#), this report details the outcomes of Internal Audit work carried out in accordance with the agreed Plan.

#### **4. Internal Audit resourcing**

The new Audit Manager has been in post from September 2024, following retirement of the original post holder in May 2024.

The Audit Manager is the lead for the Internal Audit service. From September 2024 onwards, the Council does not have a separate Head of Internal Audit role.

Two members of the team are currently on long term sick leave.

As at October 2024, approximately 80 audit days have been lost in 2024/25 due to team sickness. Audit Manager turnover has also had an impact. Both are being managed through Plan allocations and reduction of the available contingency budget.

#### **5. Audit Work Undertaken**

As at 31<sup>st</sup> October 2024, a total of 24 audit reports have been issued in line with normal reporting processes:

- Seven Schools;
- Four National Fraud Initiative (NFI) activities;
- Three Mandatory Training Spot Check activities;
- Ethics – Members;
- Agency Costs – Waste Services;
- Fundamental Financial System Control Risk Self-Assessments 2023/24;
- General Primary Schools Report 2023/24;
- Schools Data Protection;
- Glamorgan Further Education Trust Fund Independent Examination;
- Live Kilometre Support Grant Claim 2023/24;
- Procurement Cards Non-Compliance;
- Officers Declarations; and
- Margam Crematorium.

In addition to the above, the following work has been undertaken:



- The Senior Auditor has attended the iTrent System (Payroll and HR) Project Board meetings;
- The Senior Auditor has attended the Mosaic System (Social Services) Project Board meetings;
- Six investigations have been progressed or concluded;
- Internal Audit have continued to provide advice to teams from across the Council; and
- 13 Post Audit Reviews have been completed (report section 6) confirming the implementation and progression of audit recommendations.

## 6. Post Audit Reviews Undertaken and Recommendations Tracking

Audit Report Title	Recommendations Made	Post Audit Review Outcome
Court Deputy Service	12	Six recommendations have been implemented. Six recommendations are in progress and are due to be actioned by 2024/25 year-end. A second Post Audit Review will be completed in April 2025.
Creditors	6	Three recommendations have been implemented. Three are in progress - these relate to update of Accounting Instructions and creation of a new Financial Information System (FIS) report. The three in progress areas will be reviewed as part of the 2024/25 Creditors internal audit activity.
Crymlyn Burrows Transfer Station	2	Both recommendations (mandatory training relevant) are in progress. The service is now 100% compliant for manual handling training and are gradually improving their overall mandatory training completion rates.

<b>Audit Report Title</b>	<b>Recommendations Made</b>	<b>Post Audit Review Outcome</b>
Crymlyn Primary School	1	The recommendation has been implemented.
Disabled Facilities Grant	3	All recommendations have been implemented.
Gnoll Primary School	2	One recommendation has been implemented. One is in progress - this relates to staff school meal debtors, which the school are actively pursuing.
Legal Regulatory Service	1	The recommendation has been implemented.
Mandatory Training – Engineering Services	8	Positive progress has been made. The overall mandatory training completion rate has improved from 33.1% (original audit) to 73.4% (post audit review). Staff sick leave and other medium term leave types will impact the service's ability to achieve 100%.
Mandatory Training – Strategy and Corporate Services Directorate	8	Positive progress has been made. The overall mandatory training completion rate has improved from 35.8% (original audit) to 73.8% (post audit review). Staff sick leave and other medium term leave types will impact the service's ability to achieve 100%.
South Wales Trunk Road Agency (SWTRA) Payment Processes	3	All recommendations have been implemented.
St. Joseph's Catholic Primary School	2	All recommendations have been implemented.
YGG Cwm Nedd	1	The recommendation has been implemented.
Ysgol Maes Y Coed	5	All recommendations have been implemented.

## **7. Integrated Impact Assessment**

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

## **8. Valley Communities Impact**

No implications.

## **9. Workforce Impacts**

No implications.

## **10. Legal Impacts**

Monitoring the implementation of Internal Audit recommendations assists the Council in managing identified risk areas and thereby reduces the prospects of legal challenge.

## **11. Risk Management Impacts**

The work of Internal Audit provides independent assurance on the adequacy and effectiveness of the Council's control environment (comprising of risk management, control systems and governance arrangements).

Failure to deliver effective governance would negatively impact on the achievement of the Council's objectives and priorities.

## **12. Consultation**

There is no requirement for external consultation on this item.

## **13. Recommendations**

That Members note the content of the report and appendices.

## **14. Reason for Proposed Decisions**

This is a matter for information therefore no decision is required.

Completion of the Internal Audit Update Reports ensures compliance with the PSIAS, the [Council Constitution](#) and the Governance and Audit Committee Terms of Reference.

## **15. Appendices**

**Appendix 1** – Issued reports to October 2024

**Appendix 2** – Internal Audit Plan 2024/25 position at October 2024

**Appendix 3** – Response from the Director of Social Services, Health and Housing and the Principal Officer, Business and Performance Management in relation to Report Number 7 – Mandatory Training: Business Support for Children’s Services Case Management Teams

**Appendix 4** – Response from the Head of Support Services and Transformation in relation to Report Number 8 – Mandatory Training: Management Information Service and Data Unit

**Appendix 5** – Response from the Director of Finance in relation to Report Number 19 – Procurement Cards Non-Compliance

**Appendix 6** – Response from the Head of Planning and Public Protection in relation to Report Number 21 – Mandatory Training: Trading Standards, Food and Health Protection

### **Officer Contact:**

Steph Payne, Audit Manager

[s.payne@npt.gov.uk](mailto:s.payne@npt.gov.uk)

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R1	Ethics - Members – Head of Legal and Democratic Services (Monitoring Officer)	<p>Audit review confirmed that appropriate internal processes and controls are in place for Member’s Ethics. This includes (but is not exclusive to) adoption and roll out of the Model Code of Conduct; respected officer key points of contact for any concerns regarding actual or perceived inappropriate behaviour; and a comprehensive training programme for all Members.</p> <p>Medium priority recommendations have been made for: Promotion and training on the Local Resolution Process; Consideration of updating the Code to take account of hybrid attendance at Council meetings; and Senior Officer vigilance in ensuring that all Member contact with staff is appropriate.</p>	Reasonable
R2	Agency Costs – Waste Services – Head of Streetcare	<p>Robust controls were in place for agency staff use budget monitoring routines, recording of information and schedule of work allocations.</p> <p>Use of agency staff to date has been to cover staff annual leave, vacancies and sickness; and to ensure appropriate service cover and delivery (including the Welsh Government statutory recycling target).</p> <p>Audit recommend that a costing exercise is undertaken to ensure that all essential elements of the waste collection service are manned as cost effectively as possible. Consideration should be given to increasing the current pool of permanent relief staff and the use of seasonal contracts over the use of agency staff.</p>	Substantial

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R3	Fundamental Financial System Control Risk Self Assessments (CRSA) – Director of Finance	<p>All 2023/24 Fundamental Financial System CRSA Questionnaires were completed, returned and reviewed by Internal Audit. No significant control weaknesses were identified.</p> <p>The CRSA outcome supported the Head of Internal Audit opinion 2023/24, as reported to July 2024 Governance and Audit Committee.</p>	Reasonable
R4	Blaengwrach Primary School – Head of Education Development	<p>Robust controls were in place for all tested areas.</p> <p>Audit testing confirmed the school was compliant with current Disclosure and Barring Service (DBS) guidance for all sampled staff. All governors at the school had the required DBS disclosure in place.</p>	Substantial
R5	Ysgol Hendrefelin – Head of Education Development	<p>Overall good controls were found to be in place, with only minor improvements recommended in relation to the administration of Vehicles (specifically the minibuses) and Petty Cash.</p> <p>Audit testing confirmed the school was compliant with current DBS guidance for all sampled staff. All governors at the school had the required DBS disclosure in place.</p>	Reasonable

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R6	Schools Data Protection – Head of Education Development	<p>An audit examination was carried out on the 63 schools within Neath Port Talbot County Borough Council (NPTCBC), to determine if they are registered with the Information Commissioner’s Office (ICO) and paying the correct tier fee. At the time of testing:</p> <ul style="list-style-type: none"> <li>- 1 school was found not to be registered on the ICO register;</li> <li>- 7 schools were found to be paying a Tier 1 fee (the incorrect fee for the size of their school); and</li> <li>- 12 schools were found not to be registered as a public authority under the Freedom of Information Act 2000.</li> </ul> <p>All schools were contacted to ensure immediate action could be taken to resolve the above audit observations.</p>	Reasonable
R7	Mandatory Training: Social Services, Health and Housing – Business Support for Children’s Services Case Management Teams – Head of Adult Services	<p>The sample of 29 staff examined during this audit had completed 27.2% of the overall mandatory training courses. However, there was significantly higher compliance regards Prevent Duty (72.4%).</p> <p>Mandatory training provides staff with the skills and knowledge they need to identify, minimise and report risks during their day-to-day activities. Non-compliance with mandatory training exposes NPTCBC to unnecessary reputational, health and safety, financial and safeguarding risks.</p> <p>8 recommendations were made (3 high priority and 5 medium priority). All recommendations were accepted.</p>	Limited  Please see Appendix 3.

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R8	Mandatory Training: Education, Leisure and Lifelong Learning – Management Information Service and Data Unit – Head of Support Services and Transformation	<p>The sample of 29 staff examined during this audit had completed 30.6% of the mandatory training courses.</p> <p>Mandatory training provides staff with the skills and knowledge they need to identify, minimise and report risks during their day-to-day activities. Non-compliance with mandatory training exposes NPTCBC to unnecessary reputational, health and safety, financial and safeguarding risks.</p> <p>8 recommendations were made (3 high priority and 5 medium priority). All recommendations were accepted.</p>	<p>Limited</p> <p>Please see Appendix 4.</p>
R9	Tairgwaith Primary School – Head of Education Development	<p>Robust controls were in place for all tested areas.</p> <p>Audit testing confirmed the school was compliant with current DBS guidance for all sampled staff. All governors at the school had the required DBS disclosure in place.</p>	Substantial
R10	St Therese's Catholic Primary School – Head of Education Development	<p>Good controls were in place for all tested areas, except for Health and Safety. Audit recommendations were made for completion and documentation of monthly Fire Door checks; and timely completion of the indoor physical education (PE) equipment professional check. Once implemented, the actions will address the identified issues.</p> <p>Audit testing confirmed the school was compliant with current DBS guidance for all sampled staff. All governors at the school had the required DBS disclosure in place.</p>	Reasonable



Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R11	Glamorgan Further Education Trust Fund Independent Examination – Director of Finance	<p>The Independent Examination review covered the 2023/24 Trust Fund Annual Report and Financial Statements; and was completed in line with Charity Commission guidance. It resulted in an unqualified Independent Examination Report outcome, with no matters of concern raised.</p> <p>A recommendation has been made to support proactive and timely investment fund transfer decisions, for example when investment fund expected end dates are communicated.</p>	Reasonable
R12	National Fraud Initiative (NFI) Duplicate Creditors – Director of Finance	<p>Information was provided by NFI in relation to 77 potential duplicate creditors setup on the Financial Information System (FIS). All 77 cases were investigated.</p> <p>No instances of fraud were suspected. No issues were identified for 69 cases.</p> <p>Four cases within the population were confirmed as potential duplicate creditors. The relevant officers have been informed to ensure review and update of the system.</p> <p>The remaining four cases had already been identified by Exchequer Payments staff and appropriate remedial action taken.</p>	Not applicable

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R13	Rhydyfro Primary School – Head of Education Development	<p>Good controls were in place for all tested areas. A recommendation was made in relation to facilities hire agreements, which once implemented will enhance the controls already in place.</p> <p>Audit testing confirmed the school was compliant with current DBS guidance for all sampled staff. All governors at the school had the required DBS disclosure in place.</p>	Substantial
R14	St Joseph’s Infant School – Head of Education Development	<p>Robust controls were in place for all tested areas.</p> <p>Audit testing confirmed the school was compliant with current DBS guidance for all sampled staff. All governors at the school had the required DBS disclosure in place.</p>	Substantial
R15	Live Kilometre (km) Support Grant Claim 2023/24 – Head of Engineering and Transport	<p>The Council is able to reclaim costs incurred when providing community service transport to eligible service users. Live km claims are submitted and paid on a quarterly basis. A final year end grant return is then completed.</p> <p>Audit review of the quarterly claims to supporting documentation identified an underclaim of 7,290 km. The 2023/24 grant claim was adjusted to reflect the complete figures (129,067.9 km in total) and has been certified by the Director of Finance.</p>	Reasonable

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R16	NFI Council Tax Reduction Scheme (CTRS) to HMRC Household Composition – Director of Finance	<p>The NFI report identified 108 instances where individuals in receipt of council tax reduction may have failed to declare a partner/non-dependent that resides at the property. All 108 cases were reviewed.</p> <p>No issues were identified for 39 cases.</p> <p>In 69 cases, a partner/non-dependant had not been declared and the liable person was in receipt of CTRS. In 39 of these instances the liable person was also in receipt of single person discount. These instances along with the applicable information have been referred to the Housing Benefits section for follow up, action and recovery.</p> <p>Robust CTRS administration processes were confirmed as operating within the Housing Benefit team.</p>	Not applicable

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R17	NFI CTRS to Employment Income, Pension Income and Duplicate Awards with Other Authorities – Director of Finance	<p>The NFI report identified 34 instances where individuals in receipt of council tax reduction may have failed to declare employment income, pension income or receipt of CTRS for a separate property within a different local authority area. All 34 cases were reviewed.</p> <p>No issues were identified for 33 cases.</p> <p>In 1 case the claimant is living within this local authority area and claiming benefits from both NPTCBC as well as another local authority. Details have been passed to the DWP for further investigation and action.</p> <p>Robust CTRS administration processes were confirmed as operating within the Housing Benefit team.</p>	Not applicable
R18	NFI Blue Badges – Director of Finance	<p>The NFI report identified 147 instances where a Blue Badge issued to two or more individuals contained the same contact details (potential fraud or badge mis-use risk). In each instance at least 1 of the Blue Badges was issued by NPTCBC.</p> <p>All 147 cases were reviewed and no fraud was identified.</p>	Not applicable

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R19	Procurement Cards Non-Compliance – Director of Finance	<p>Procurement card non-compliance (transactions that have not been coded and/or approved) has been highlighted in previous Internal Audit reports. However, instances of non-compliance remain at an unacceptable level.</p> <p>Non-compliance creates additional work for the e-Procurement team, the Service Accountants, the FIS team and the VAT Accountant. It also creates additional work for the card holder and card authoriser when responding to queries in relation to un-coded transactions.</p> <p>Following the audit, the Chief Executive tabled the report outcomes at the 2<sup>nd</sup> October 2024 Corporate Directors Group to enable and ensure appropriate focus, discussion and action on the area. Further update on agreed actions is confirmed at Appendix 5.</p>	<p>Limited</p> <p>Please see Appendix 5.</p>
R20	Officers Declarations – Head of Legal and Democratic Services (Monitoring Officer)	<p>Overall, the findings from this audit were positive and confirmed good practice within the Council’s approach.</p> <p>Minor improvement opportunities were identified and recommendations raised. These related to cascade of the following information to relevant officers – the updated definition of an Accountable Manager in relation to declaration requirements; and the need for declarations to be completed and authorised prior to receipt of any hospitality.</p>	Substantial

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R21	Mandatory Training: Environment and Regeneration – Trading Standards, Food and Health Protection – Head of Planning and Public Protection	<p>The sample of 30 staff examined during this audit had completed 57.9% of the mandatory training courses. The score is the highest result from the mandatory training spot checks completed by Internal Audit.</p> <p>Mandatory training provides staff with the skills and knowledge they need to identify, minimise and report risks during their day-to-day activities. Non-compliance with mandatory training exposes NPTCBC to unnecessary reputational, health and safety, financial and safeguarding risks.</p> <p>8 recommendations were made (3 high priority and 5 medium priority). All recommendations were accepted.</p>	<p>Limited</p> <p>Please see Appendix 6.</p>

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R22	Margam Crematorium – Head of Streetcare	<p>Core activities of the Crematorium were found to be of a high standard with robust controls in place for: Customer service; Cremation procedures; Records management; Scheduling; and Income management.</p> <p>Margam Crematorium achieved a Gold Level award in March 2024 from the Greener Globe Funeral Standard Awards. Since April 2024, the facility is also taking part in a best practice pilot programme to reduce energy consumption and enhance the efficiency of the cremation process.</p> <p>The audit identified control improvement opportunities for: Mandatory training completion and monitoring; Business Continuity Plan update; Web page update (current fees); service access to procurement cards; and increased ICT system use to replace paper-based processes. All audit recommendations were agreed.</p>	Reasonable
R23	Central Primary School – Head of Education Development	<p>Good controls were found to be in place for most of the tested areas. Audit recommendations were made in relation to governors DBS notifications, Procurement Cards, the administration of the Unofficial Fund and Corporate Governance. Once implemented, the actions will address the identified issues.</p> <p>Audit testing confirmed the school was compliant with current DBS guidance for all sampled staff.</p>	Reasonable

Appendix 1 – Issued Reports to October 2024

<b>Report Ref</b>	<b>Report Title and Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Assurance Rating</b>
R24	General Primary Schools Report 2023/24 – Head of Education Development	<p>With the exception of one school, this report confirms that the average number of recommendations made in school audit reports has reduced compared to reports issued in previous years. This indicates that increased controls have been put in place by schools thus reducing the residual risks in the audited areas.</p> <p>The remaining school (Cilffriw Primary School) had a no assurance audit outcome in 2023/24. A further internal audit of the school will be completed in 2024/25.</p>	Reasonable



**Assurance Categories:**

**Substantial Assurance** - Substantial assurance is provided in relation to the effectiveness of the internal controls operating at the time of the audit.

**Reasonable Assurance** - Reasonable assurance is provided in relation to the effectiveness of the internal controls operating within the service which will be further enhanced by the implementation of the agreed recommendations.

**Limited Assurance** - Limited assurance is provided in relation to the effectiveness of the internal controls operating within the service audited. The Head of Service is required to provide a written response to the Governance and Audit Committee on actions taken to address the issues raised during the audit.

**No Assurance** - Following the audit no assurance can be provided in relation to the internal controls operating within the service audited. The Head of Service will be required to attend this committee to advise members of what actions they have taken to address the failings identified during the audit.

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Appendix 2 – Internal Audit Plan 2024/25 position at October 2024

<b>Audit Plan Item</b>	<b>Risk Rating</b>	<b>Position as at October 2024</b>
<b>Carry Forward from 2023/24</b>		
Ethics – Members	M	Final report issued. R1.
Agency Costs – Waste Services	H	Final report issued. R2.
Fundamental Financial System Control Risk Self Assessments (CRSA) 2023/24	Various	Final report issued. R3.
Cyber Security	H	Audit cancelled based on updated assurance mapping. Audit Wales Cyber Security review scheduled for Quarter 3 2024/25.
Payroll	H	Fundamental financial system review. Audit in progress. Audit completion delayed due to timing and prioritisation of the local government pay award payroll amendments.
<b>Finance</b>		
Council Tax – Exemptions and Discounts	M	
Housing Benefits	L	Activity due in Quarter 4 2024/25. CRSA approach.
Creditors	L	Activity due in Quarter 4 2024/25. CRSA approach.
National Non-Domestic Rates (NNDR)	M	Activity due in Quarter 4 2024/25. CRSA approach.
Debtors	L	Activity due in Quarter 4 2024/25. CRSA approach.
Salary Sacrifice Schemes	M	Audit in progress. Audit completion delayed due to timing and prioritisation of the local government pay award payroll amendments.
Creditors (monthly checks)	M	Ongoing.
Capital Programme	H	Audit Manager to attend Capital Programme Steering Group.

Appendix 2 – Internal Audit Plan 2024/25 position at October 2024

<b>Audit Plan Item</b>	<b>Risk Rating</b>	<b>Position as at October 2024</b>
Treasury Management	H	New. Fundamental financial system review. Audit in progress.
VAT	M	New. Audit planning in progress.
<b>Strategy and Corporate Services</b>		
Procurement	H	
Complaints	H	Audit in progress.
Performance Data	M	Planned for Quarter 4 2024/25.
Procurement Card Use within the Directorate – Strategy and Corporate Services	H	New. Audit in progress.
<b>Education, Leisure and Lifelong Learning</b>		
Glamorgan Education Trust	M	Final report issued. R11.
Primary Schools	M	In progress. Final reports issued to date – R4; R9; R10; R13; R14; R23 and R24.
Comprehensive Schools	H	In progress. Final reports issued to date – R5.
Schools Data Protection	H	New. Final report issued. R6.
School Admissions	H	
Special Education Needs (SEN) Out of County Placements	H	
Leisure Services Insourcing	H	Completed via Audit Manager presence at the Leisure Options working group. Options presented to 2 <sup>nd</sup> October 2024 Cabinet and final decision made.
Mandatory Training – Service Spot Check	M	New. Final report issued. R8.
<b>Environment and Regeneration</b>		
Directorate Review of Overtime	H	Audit scope and breadth increased based on updated risk assessment. Audit started however progression delayed due to timing and prioritisation of the local government pay award payroll amendments.

Appendix 2 – Internal Audit Plan 2024/25 position at October 2024

<b>Audit Plan Item</b>	<b>Risk Rating</b>	<b>Position as at October 2024</b>
Margam Crematorium	M	Final report issued. R22.
Recycling Stock Control	M	Audit in progress. Audit work concluded and draft report to be issued in November 2024.
Building Services	H	Audit cancelled based on senior management request and updated assurance mapping. A 2024/25 in-house service review is in progress - led by the Head of Property and Regeneration.
South Wales Trunk Road Agency	M	Audit area to be agreed.
UK Shared Prosperity Fund	H	Audit planning in progress.
Decarbonisation	H	Audit planning in progress.
City Deal Projects	H	
Mandatory Training – Service Spot Check	M	New. Final report issued. R21.
<b>Social Services, Health and Housing</b>		
Hillside Secure Children’s Home	M	Draft report issued. To be finalised in November 2024.
Supported Living Costs	H	Audit deferred for consideration in 2025/26 risk-based audit planning exercise. Due to Mosaic system implementation and go live target of February 2025; and the impact on related services and processes.
Compliance with Admission to Care Processes – Infants	H	
Homelessness – to include Youth Homelessness and Gateway Service	H	
Mandatory Training – Service Spot Check	M	New. Final report issued. R7.
Procurement Card Use within the Directorate – Social Services, Health and Housing	H	New. Audit in progress.

Appendix 2 – Internal Audit Plan 2024/25 position at October 2024

<b>Audit Plan Item</b>	<b>Risk Rating</b>	<b>Position as at October 2024</b>
<b>Cross Directorate</b>		
Counter Fraud and National Fraud Initiative (NFI)	H	Ongoing. Final reports issued – R12; R16; R17; and R18.
Officers Declarations	M	Final report issued. R20.
Special Investigations and Whistleblowing	H	Ongoing.
Advice and Guidance Requests	M	Ongoing.
Attendance at working parties and task and finish groups	Not applicable	Ongoing.
Grants	H	Ongoing. Final reports issued to date – R15.
Procurement Cards Non-Compliance	H	New. Final report issued. R19.
<b>Other commitments and consultancy</b>		
Staff Association Lottery	Not applicable	Ongoing.
Vision Impaired West Glamorgan	Not applicable	Independent examination activity in progress.
Freedom of Information Requests	Not applicable	Ongoing.
Consultancy work	Various	Ongoing.

Appendix 3 – Response from the Director of Social Services, Health and Housing and the Principal Officer – Business and Performance Management relating to Report No.7

To: Governance and Audit Committee

From: The Director of Social Services, Health and Housing and the Principal Officer – Business and Performance Management

Subject: Internal Audit Report No 7 – Mandatory Training Business Support for Children’s Services Case Management Teams

All recommendations made within the Internal Audit report have been agreed and accepted.

The agreed expectation was for all available staff to complete relevant mandatory training courses by 30<sup>th</sup> September 2024. This action has been co-ordinated and monitored by the Principal Officer – Business and Performance Management.

As at October 2024 month end, of those staff available to work (excluding individuals on sick leave and other medium/long term leave types) the service can report a mandatory training course completion rate of 100%.

Service Business Managers have also implemented a robust reminder and monitoring process to ensure future mandatory training renewals are completed on time and within requirements.

Andrew Jarrett  
Director of Social Services, Health and Housing

Ian Finnemore  
Principal Officer – Business and Performance Management

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Appendix 4 – Response from the Head of Support Services and Transformation relating to Report No.8

To: Governance and Audit Committee

From: Head of Support Services and Transformation

Subject: Internal Audit Report No 8 – Mandatory Training Management Information Service and Data Unit

All of the recommendations made within the Internal Audit report have been agreed and accepted.

My accountable managers have given me assurances that their teams will undertake the mandatory training in line with the timescales agreed with the Auditor. The mandatory training required to be undertaken has been commenced.

When training has been completed it has been agreed that managers will collate the information and reminders will be issued to staff when refresher training is due.

Rhiannon Crowhurst  
Head of Support Services and Transformation

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## Appendix 5 – Response from the Director of Finance relating to Report No.19

To: Governance and Audit Committee

From: Director of Finance

Subject: Internal Audit Report No 19 – Procurement Cards Non-Compliance

All of the recommendations in the report have been accepted and agreed.

As this non-compliance issue was reported in the previous year's audit and hasn't been resolved, it was escalated to Corporate Directors Group on 2<sup>nd</sup> October 2024 for discussion by the Chief Executive.

It was agreed that the list on non-compliance would be shared with the group for them to discuss and action within their own management teams. We will review the position again in three months to see if there is an improvement before we look at suspending cards.

Huw Jones  
Director of Finance

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Appendix 6 – Response from the Head of Planning and Public Protection relating to Report No.21

To: Governance and Audit Committee

From: Head of Planning and Public Protection

Subject: Internal Audit Report No 21 – Mandatory Training Trading Standards, Food and Health Protection

The Trading Standards, Food and Health Protection Manager has acknowledged and accepted the recommendations made within the Internal Audit report. The Accountable Manager, supported by the Team Leaders, has committed to ensuring that their teams undertake the mandatory training in line with the timescales recommended by the Auditor.

Since the original report was issued on 26<sup>th</sup> September 2024, the latest data shows that there has been good progress made by staff in completing the mandatory training courses. Furthermore, since the report was issued arrangements have been made for all Accountable Managers across the wider service (including Trading Standards, Food and Health Protection) to receive monthly updates from the Directorate's Business Support team in the form of a spreadsheet tracking the staff completion rates of the various mandatory training courses – this improved oversight for managers/team leaders will facilitate the continued positive progression that is required.

Finally, as records held within iTrent (the payroll and HR system) are updated, with training data, automatic reminders will be sent to staff when mandatory training is due. This will help prevent future occurrences of non-compliance as managers will also be notified when their staff are due to undertake refresher training.

Ceri Morris  
Head of Planning and Public Protection

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By virtue of paragraph(s) 14 of Part 4 of Schedule 12A  
of the Local Government Act 1972.

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