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**Date: 2nd May 2024**

This meeting will be live-streamed and recorded and made available to view via the Council's website, except for discussions involving confidential or exempt items. Therefore the images/audio of those individuals speaking will be publicly available to all via the recording on the Council website at [www.caerphilly.gov.uk](http://www.caerphilly.gov.uk)

**You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided on request.**

To Whom It May Concern,

You are invited to attend the multi-locational Annual Meeting of Council which will be held in the Chamber, Penallta House and via Microsoft Teams on **Thursday, 9th May, 2024 at 5.30 pm** to consider the matters contained in the following agenda. Members of the public or Press may attend in person at Penallta House or may view the meeting live via the following link: <https://civico.net/caerphilly>.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chrissy', enclosed within a large, loopy oval shape.

**Christina Harrhy**  
CHIEF EXECUTIVE

## A G E N D A

Pages

- 1 To receive apologies for absence.
- 2 Declarations of Interest.

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

**A greener place Man gwyrddach**



- 3 Retiring Mayor's Remarks.
- 4 To consider a report of the Monitoring Officer and Head of Legal Services on changes to the Council's Constitution. 1 - 152
- 5 To elect a Presiding Member (Chair) of Council.
- 6 To elect a Deputy Presiding Member (Vice Chair) of Council.
- 7 To elect a Mayor of Council until the Annual Meeting in May 2025 and to note the payment of a civic salary.
- 8 To elect a Deputy Mayor of Council until the Annual Meeting in May 2025.
- 9 Mayor's Announcements.
- 10 To note the appointment of Leader of Council and the payment of a senior salary.
- 11 To note the appointment of a Deputy Leader and the payment of a senior salary.
- 12 To note the number of Members to be appointed to the Cabinet and the names the Leader has chosen to become Members of the Cabinet and the payment of senior salaries.
- 13 To note the appointment of the Leader of the main opposition group and the payment of a senior salary.
- 14 Leader's Statement.

To receive and consider the following reports: -

- 15 Financial Statements for 2022/23. 153 - 330
- 16 Review of Political Balance. 331 - 336
- 17 The Annual Report of the Standards Committee. 337 - 348
- 18 To appoint the Chair, Vice Chair and Members of Overview and Scrutiny Committees in accordance with the political balance for the ensuing year and to note the payment of a senior salary to the Chairs. 349 - 350

- 19 To appoint the Chair and/or Vice Chair and Members to the following Committees for the ensuing year (in accordance with the political balance) and to note the payment of a senior salary to the Chair of the Planning Committee and Chair of Licensing and Gambling/Taxi and General Committee.
- Appeals Panel  
 Appointments Committee  
 \*Governance and Audit Committee (\*Chair will be a Lay Member and will be appointed at the first meeting following the Annual Meeting of Council)  
 Democratic Services Committee  
 Investigating and Disciplinary Committee  
 Licensing and Gambling Committee/Taxi and General Committee  
 Planning Committee  
 \*Standards Committee (\*Chair and Vice Chair will be Lay Members)
- 20 To constitute Sub Committees/Working Parties/Panels/Boards and appoint Members to serve thereon for the ensuing year in accordance with the political balance. 353 - 354
- 21 To appoint/nominate representatives to serve on Outside Bodies where required. 355 - 360

**Circulation:**

All Members And Appropriate Officers

**HOW WE WILL USE YOUR INFORMATION**

Those individuals that attend committee meetings to speak/give evidence will be named in the minutes of that meeting, sometimes this will include their place of employment or business and opinions expressed. Minutes of Meetings including details of speakers will be publicly available to all via the Council website at [www.caerphilly.gov.uk](http://www.caerphilly.gov.uk). except for discussions involving confidential or exempt items.

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## **ANNUAL MEETING OF COUNCIL – 9<sup>TH</sup> MAY, 2024**

**SUBJECT: AMENDMENTS TO THE COUNCIL'S CONSTITUTION**

**REPORT BY: HEAD OF LEGAL SERVICES AND MONITORING OFFICER**

### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to ask Council to consider and endorse the track changes to the Scheme of Delegation as set out in Part 3 of the Constitution attached at Appendix 1.
- 1.2 To consider and endorse the changes to the Terms of Reference as track changed in Part 2 of the Constitution at Appendix 2.
- 1.3 To consider and endorse the changes to the Planning Code of Practice at Appendix 3.
- 1.4 To update the Member Training and Development Protocol to include cyber security training and safeguarding training together with the ancillary updates relating to committee titles and delegate authority for the Head of Democratic Services in consultation with the Cabinet Member and Chair of the Democratic Services Committee to deem certain training as mandatory all of which are shown as track changes in Appendix 4.
- 1.5 To consider whether Council wishes to appoint a Presiding Member (and Deputy Presiding Member) into the Council structure and if endorsed the appointed members to be undertake certain administrative functions as the Chair of the Council
- 1.6 To note the updated Integrated Impact Assessment at Appendix 6 and the increase in the font size for the Report Template to Arial 12 to comply with the guidance on accessibility of documents.
- 1.7 To authorise the Head of Legal Services and Monitoring Officer to make the necessary changes to the Constitution to give effect to the decisions of Council under this report.

### **2. SUMMARY**

- 2.1 The Council's Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these decisions are efficient, transparent and accountable to local people.
- 2.2 This report seeks to update Terms of Reference, the Scheme of Delegation, the

Member Training and Development Protocol and the Planning Code of Practice as described more fully in this report together with changes to the text size of the report template and updates to the Integrated Impact Assessment.

- 2.3 The report also seeks a decision from Council as to whether a Presiding Member and Deputy Presiding Member should be appointed and if so the duties annexed to these posts together with the term of such appointment and any remuneration payable to a Presiding Member.
- 2.4 Any changes authorised by Council will be affected by the Head of Legal Services and Monitoring Officer

### **3. RECOMMENDATIONS**

Council is asked to

- 3.1 Approve the changes to the Constitution shown as track changes in the attached at appendices 1, 2, 3 and 4.
- 3.2 Consider whether to appoint a Presiding Member and if appointed the term of office and whether to make a senior salary payment and the appointment of a Deputy Presiding Member and to annex administrative functions to these roles.
- 3.3 Endorse the updated Integrated Impact Assessment at Appendix 6 and the increase in the font size of the Report Template to Arial 12.
- 3.4 To authorise the Head of Legal Services and Monitoring Officer to make the necessary changes to the Constitution to give effect to the changes approved by Council.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To keep the Constitution under review and updated and to consider the appointment of a Presiding Member in addition to the separate Mayoral function.

### **5. THE REPORT**

#### **Part 2 and Part 3 of the Constitution and the Planning Code of Practice**

- 5.1 Following consultation with all Heads of Service, minor changes are proposed to the Terms of Reference of various Committees included in Part 2 of the Constitution and the Scheme of Delegation set out in Part 3 of the Constitution, which are shown track changed at Appendices 1 and 2 to this report. The changes represent changes and updates regarding legislation, together with job titles and inclusion of relevant functions.
- 5.2 Minor procedural changes have also been made to the Planning Code of Practice which is included in Part 5 of the Constitution
- 5.3 Council is therefore asked to consider and endorse the track changes identified in Appendices 1, 2 and 3 to this report and to delegate authority to the Head of Legal Services and Monitoring Officer to amend the Constitution, as necessary.

## **Member training and Development Protocol**

- 5.4 The Member Training and Development Protocol is included at Part 5 of the Council's Constitution that sets out a framework and process for identifying and delivering mandatory and non-mandatory training based on Members individual roles.
- 5.5 The proposed changes are to include Cyber Security training and Safeguarding training as part of the Mandatory Training requirements for members going forward and to include a provision whereby the Head of Democratic Services in consultation with the relevant Cabinet Member and the Chair of Democratic Services Committee may consider certain training as mandatory throughout the term of the Council. The other track changes identified are simply bringing the committee titles up to date in line with current arrangements. The training is mandatory to ensure all councillors have the necessary knowledge to enable them to operate with the confines of relevant legislation and guidance, have an understanding of the governance arrangements of the council and discharge the regulatory functions of the council.
- 5.6 Members will be aware that by making the Cyber Security and Safeguarding training mandatory, those members who refuse to attend the training or do not have a good reason for being unable to attend will be reported to the Standards Committee. Further it is hoped that the Leaders of the political groups will encourage their members to attend all training events, in particular mandatory training.
- 5.7 Council is asked to endorse these changes and to delegate authority to the Head of Legal Services and Monitoring Officer to amend the Constitution, as necessary.

## **Presiding Member and Deputy Presiding Member**

- 5.8 The ability to appoint a Presiding member was introduced by the Local Government (Democracy) (Wales) Act 2013 which amended the Local Government Act 1972.
- 5.9 The decision whether to appoint a Presiding Member rests with the Council who may also determine the functions and the term of office. This may include the appointment of the Presiding Member annually or for the duration of the council, subject to the following limits:-
- (a) the presiding member's resignation or disqualification,
  - (b) a successor becoming entitled to act as presiding member,
  - (c) the principal council determining not to have an office of presiding member, or
  - (d) an ordinary council election under section 26 of the Local Government Act 1972
- 5.10 The functions of the Presiding Member may include any functions of the Chairperson of the Council relating to its meetings and proceedings. The ceremonial and civic functions could then become a stand-alone role to be undertaken by the Mayor (or in his or her absence the Deputy Mayor).
- 5.11 A member of the Cabinet may not be elected as the Presiding Member. If remunerated a Presiding Member is entitled to a Band 3 Senior Salary and the post will count towards the Senior Salary Cap for this Council which is 18 posts.
- 5.12 Where a Presiding Member is appointed the Council **must appoint** a Deputy Presiding Member; a member of the Cabinet may not be elected as the deputy Presiding Member. The term of office follows the provisions as set out in paragraph

5.6. A deputy presiding member may do anything authorised or required to be done by the presiding member. The post of deputy presiding member will not be remunerated.

- 5.13 Council is asked to consider whether to adopt a Presiding Member and Mayoral Model. The Presiding Member would be responsible for the administrative functions as the Chair of the Council as set out in Article 5 of the Council's Constitution (reproduced at Appendix 5) involved with chairing Council meetings and upholding and promoting the purposes of the Constitution together with those duties as required under The Family Absence for Members of Local Authorities (Wales) Regulations 2013.
- 5.14 The role of the Presiding Member would be to chair meetings of the full Council and ensure Council meetings were conducted in line with the Council's Constitution.
- 5.15 It is proposed the Presiding Member undertake all other administrative functions relating to the application of the Council's Constitution previously aligned to the Mayor. This would include a number of functions set out in the Council Procedural Rules in Part 4 of the Constitution such as the urgency provisions relating to Questions by Members, Urgent Cabinet Decisions and the casting vote.
- 5.16 The transfer of the above functions to the Presiding Member would leave the Mayor free to act as the ceremonial head of the Council and to represent the Council at all civic and ceremonial functions.
- 5.17 To conclude Council is asked to consider whether it wishes to adopt a Presiding Member and Mayoral model as outlined above. If Council wishes to make changes to the existing arrangements it is recommended that the Head of Legal Services and Monitoring Officer be authorised to make such amendments to the Constitution.

### **Report Template and updated Integrated Impact Assessment**

- 5.18 Council is asked to note that the Integrated Impact Assessment (IIA) has recently been updated as set out at Appendix 6. This document along with the standard Report Template is included in the Constitution at Part 4. Following officer discussions regarding accessibility of our documents it is proposed that the font size for the Report Template is increased to Arial 12. This change will be introduced for all reports being presented to Council, its Committees and Cabinet from 1<sup>st</sup> September 2024.
- 5.19 Council is therefore asked to consider and endorse the changes in paragraph 5.18 and to delegate authority to the Head of Legal Services and Monitoring Officer to amend the Constitution, as necessary.

## **6. ASSUMPTIONS**

- 6.1 Not applicable.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 Due to the nature of this report, there is no requirement for an IIA to be undertaken.



## **8. FINANCIAL IMPLICATIONS**

- 8.1 Should Council decide to appoint and remunerate both a Presiding Member and Mayor and Deputy Mayor the posts will be entitled to the salaries set by the Independent Remuneration Panel for Wales at Band 3 for the Presiding Member and Mayor (£27,999) and Band 5 for a Deputy Mayor (£22,406). Whilst the Presiding Member salary will count towards the maximum cap of 18 senior salaries for the council, the Mayor and Deputy Mayor do not. The Deputy Presiding Officer does not receive any additional payment.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 There are no personnel implications arising from this report.

## **10. CONSULTATIONS**

- 10.1 The report has been circulated to the consultees below and any responses have been incorporated within the report.

Cllr Dix does not see the need for a presiding member and deputy. It will take most of the responsibilities currently provided by the Mayor. He believes the new roles will be another drain on council budgets. He assumes the mayor will still get the allowance, lots of cost and no benefit. He suggests that the mayor is kept and money saved to employ more frontline staff.

Cllr Whittle suggests preliminary meetings to discuss the idea and to look at the advantages and disadvantages.

## **11. STATUTORY POWER**

- 11.1 Local Government Act 1972 and 2000  
Local Government Democracy Wales Act 2013

Author: Robert Tranter, Head of Legal Services and Monitoring Officer  
Consultees: Dave Street Deputy Chief Executive  
Richard (Ed) Edmunds Corporate Director Education and Corporate Services  
Kath Peters Service Manager – Service Improvement and Partnerships  
Lisa Lane, Deputy Monitoring Officer and Head of Democratic Services  
Leaders of the political groups

### Appendices:

- Appendix 1 Part 3  
Appendix 2 Part 2  
Appendix 3 Planning Code of Practice  
Appendix 4 Member Training and Development Protocol  
Appendix 5 Extract from the Constitution  
Appendix 6 IIA



## **PART 3**

### **RESPONSIBILITY FOR FUNCTIONS**

*References:*

*Chapter 3, The Local Government Act 2000 Part II: Guidance for County and County Borough Councils in Wales on Executive Arrangements, July 2006*

*The Local Authorities Executive Arrangements (Functions and Responsibilities) (Wales) Regulations 2007 (SI2007 No. 399) (W.45)*  
*Section 13, Local Government Act 2000*

This Part of the Constitution sets out: -

- (1) Those functions which the law says only the Council can exercise ("the Council functions").
- (2) The functions which the law says may be dealt with in a way which is chosen by the Council ("local choice functions").
- (3) Functions not to be the sole responsibility of an Authority's Executive.
- (4) The functions which the law says are functions of the Executive ("Executive functions").
- (5) Other general delegations of functions.
- (6) Joint arrangements.

## 1. NOT RESPONSIBILITY OF THE EXECUTIVE - COUNCIL FUNCTIONS

### Schedule 1 The Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007 - SI2007 No. 399

Note that for each delegation set out in this part, the delegation includes the power to take any steps in relation to the delegated function, including the authorisation of, or defence of, any proceedings in any court, tribunal, board or panel.

<b>Function*</b> <b>*The detail of each function is set out in the next Table.</b>	<b>Decision making body</b>	<b>Delegation of functions</b>
Section A paras 1 to 42 incl..	Planning Committee (as set out in Article 8)	As set out in Article 8.
Section B paras 1 to 5, 12 to 17, 19 to 20, 26 to 30, 32, 35, 35A, 39 to 40	Taxi & General Committee (as set out in Article 8)	As set out in Article 8.
Section B paras 6 to 7	Licensing & Gambling Committee (as set out in Article 8)	As set out in Article 8.
Section B paras 22, 23, 24, 31, 33, 34, 36, 37, 42, 43	The Council	The Council, or the Chief Executive or any Director or the relevant Head of Service. In relation to paras. 33 & 34 any Principal Solicitor.
Section C	The Council	The Council, or the Chief Executive or any Director or the relevant Head of Service or any of the following: - *Trading Standards, Licensing & Registrars Manager * Licensing Manager * Assistant Licensing Manager * Senior Licensing Officer * Licensing Officer *Environmental Health Manager * <del>Senior Trading Standards Officer</del> <u>Trading Standards Team Manager</u> *Senior Environmental Health Officer *Trading Standards Officer *Senior Fair Trading Officer * Environmental Health Officer *Senior Commercial Safety Officer *Commercial Safety Officer *Fair Trading Officer Technical Assistant

		(Officers marked * are appointed under Section 19(1) of the Health and Safety at Work Act 1974 or any statutory amendment thereto)
Sections D, E, F, G and H.	The Council	The Council, or the Chief Executive or any Director or the relevant Head of Service. In relation to Section D, the Electoral Services Manager.
Section I paras. 1, 2, 5, 7, 9, 11, 12, 13, 14, 15, 16	The Council	The Council, or the Chief Executive or any Director or the relevant Head of Service.
Section I para 17	The Council	The Council
Section I para. 6	<p>(a) In relation to the appointment of Head of Paid Service, the Council <u>but note</u> the provisions in I paras. 11-13 below, which must be exercised by the Council.</p> <p>(b) A Committee of 9 Members (the Appointments Committee) shall discharge on behalf of the Council the appointment of a Chief Officer, deputy Chief Officers and Head of Democratic Services and to determine any details relating to such appointments (except remuneration of Chief Officers which must be determined by Council)</p> <p>(c) In relation to applications for voluntary early retirement/ redundancy, a committee ("the Pensions/ Compensation Committee") of 7</p>	<p>(b) All those matters within the Committee's Terms of Reference are delegated to that Committee.</p> <p>(c) All those matters within the Committee's Terms of Reference are delegated to that Committee.</p>

	<p>members to determine such applications and to approve the early release of pension benefits exercising the Council's discretionary powers under the Local Government Pensions Scheme Regulations</p> <p>(d) In relation to all other staff the Head of Paid Service or his/her nominee.</p>	<p>(d) The Chief Executive and any person nominated by the Chief Executive.</p>
Section I paras, 3 & 4.	The Planning Committee as described in Article 8.	As set out in Article 8.
Section I para. 8	The Standards Committee as described in Article 9.	As set out in Article 9.
Section I para. 10	Licensing Committee (as set out in Article 8)	As set out in Article 8.
<p>Those functions specified by law as being the responsibility of the Council including:</p> <p>(a) the setting of the Budget;</p> <p>(b) the setting of the policy framework;</p> <p>(c) any housing land transfers.</p>	The Council (receiving recommendations from the Executive)	The Council, or the Chief Executive or any Director or the relevant Head of Service.
<p>The functions of –</p> <p>(a) imposing any condition, limitation or other restriction on an approval, consent, licence, permission or registration granted –</p> <p>(i) in the exercise of a function specified in column (1) of Schedule 1; or</p> <p>(ii) otherwise than by an executive of the authority, in the</p>	The Council (receiving Recommendations from the Executive)	The Council, or the Chief Executive or any Director or the relevant Head of Service.

<p>exercise of any function under a local Act; or</p> <p>(b) determining any other terms to which any such approval, consent, licence, permission or registration is subject, are not to be the responsibility of an executive of the authority.</p>		
<p>The functions of determining whether, and in what manner, to enforce –</p> <p>(a) any failure to comply with an approval, consent, licence, permission or registration granted in the exercise of a function specified in column (1) of Schedule 1.</p> <p>(b) any failure to comply with a condition, limitation or term to which any such approval, consent, licence, permission or registration is subject, or</p> <p>(c) any other contravention in relation to a matter with regard to which the function of determining an application for approval, consent, licence, permission or registration would not be the responsibility of an executive of the authority is not to be the responsibility of the executive of the authority.</p>	<p>The Council (receiving recommendations from the Executive)</p>	<p>The Council, or the Chief Executive or any Director or the relevant Head of Service.</p>
<p>The function of –</p> <p>(a) amending, modifying or varying any such approval, consent,</p>	<p>The Council (receiving recommendations from the Executive)</p>	<p>The Council, or the Chief Executive or any Director or the relevant Head of Service.</p>

<p>licence, permission or registration granted or any condition, limitation, restriction or term as mentioned in paragraph (2) to which it is subject; or</p> <p>(b) revoking any such approval, consent, licence, permission or registration, is not to be the responsibility of an executive of the authority.</p>		
<p>The function of making any scheme authorised or required by regulations under section 18 of the Local Government and Housing Act 1989 (schemes for basic, attendance and special responsibility allowances for local authority members), or of amending, revoking or replacing any such scheme, is not to be the responsibility of an executive of the authority.</p> <p>Section 101 of the Local Government Act 1972 (Powers to Delegate Functions) does not apply in relation to this provision.</p>	<p>The Council (receiving recommendations from the Executive)</p>	
<p>The functions of determining</p> <p>(a) the amount of any allowance payable under —</p> <p>(i) subsection (5) of section 22 of the 1972 Act (chairman's expenses);</p> <p>(ii) subsection (4) of section 24 of that Act (vice-chairman's expenses);</p> <p>(iii) subsection (4) of section 173 (financial</p>	<p>The Council (receiving recommendations from the Executive)</p>	



<p>loss allowance) of that Act(1);</p> <p>(iv) section 175 of that Act (allowances for attending conferences and meetings);</p> <p>(b) the rates at which payments are to be made under section 174 of that Act (travelling and subsistence allowances);</p> <p>(c) the amount of any allowance payable pursuant to a scheme under section 18 of the Local Government and Housing Act 1989 or regulations made under section 100 of the 2000 Act, or the rates at which payments by way of any such allowance are to be made;</p> <p>(d) whether a charge should be made for any approval, consent, licence, permit or registration the issue of which is not the responsibility of an executive of the authority; and</p> <p>(e) where a charge is made for any such approval, consent, licence, permit or registration, the amount of the charge; are not to be the responsibility of an executive of the authority.</p> <p>* Section 101 of the Local Government Act 1972 (Powers to Delegate) does not apply in relation to (a) to (c) above.</p>		
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Subject to any provision of regulations under section 20 (joint exercise of functions) of the 2000 Act the function of making arrangements for the discharge of functions by a committee or officer under section 101(5) of the 1972 Act is not to be the responsibility of an executive of the authority.	The Council	The Chief Executive or any Director or the relevant Head of Service.
The function of making appointments under section 102 (appointment of committees) of the 1972 Act is not to be the responsibility of an executive of the authority.	The Council	The Chief Executive or any Director or the relevant Head of Service.

The detail of the functions set out above is as follows:-

<b>(1)</b> <b>Function</b>	<b>(2)</b> <b>Provision of Act or Statutory Instrument</b>
<b>A. Functions relating to town and country planning and development control</b>	
<b>1.</b> Power to determine applications for planning permission.	Sections 70(1)(a) and (b) and 72 of the Town and Country Planning Act 1990 (c.8).
<b>2.</b> Power to determine applications to develop land without compliance with conditions previously attached.	Section 73 of the Town and Country Planning Act 1990.
<b>3.</b> Power to grant planning permission for development already carried out.	Section 73A of the Town and Country Planning Act 1990.
<b>4.</b> Power to decline to determine application for planning permission & overlapping applications.	Sections S70A & S70B of the Town and Country Planning Act 1990.
<b>5.</b> Duties relating to the making of determinations of planning applications.	Sections 69, 74, 76, 91 and 92 of the Town and Country Planning Act 1990 and supporting regulations
<b>6.</b> Power to determine applications for planning permission made by a local authority, alone or jointly with another person.	Section 316 of the Town and Country Planning Act 1990 and the Town and Country Planning General Regulations 1992 (S.I. 1992/1492)

<b>7.</b> Power to make determinations, give approvals and agree certain other matters relating to the exercise of permitted development rights.	Town and Country Planning (General Permitted Development) Order 1995 (S.I. 1995/418) (as amended).
<b>8.</b> Power to enter into planning obligation, regulating development or use of land.	Section 106 of the Town and Country Planning Act 1990.
<b>9.</b> Power to issue a certificate of existing or proposed lawful use or development.	Sections 191(4) and 192(2) of the Town and Country Planning Act 1990.
<b>10.</b> Power to serve a completion notice.	Section 94(2) of the Town and Country Planning Act 1990.
<b>11.</b> Power to control the display of advertisements.	Section 220 of the Town and Country Planning Act 1990 and the Town and Country Planning (Control of Advertisements) Regulations 1992.
<b>12.</b> Power to authorise entry onto land.	Section 196A of the Town and Country Planning Act 1990.
<b>13.</b> Power to require the discontinuance of a use of land or alteration or renewal of buildings or works.	Section 102 of the Town and Country Planning Act 1990.
<b>14.</b> Power to serve a planning contravention notice, breach of condition notice or stop notice.	Sections 171C, 187A and 183(1) of the Town and Country Planning Act 1990.
<b>15.</b> Power to issue an enforcement notice.	Section 172 of the Town and Country Planning Act 1990.
<b>16.</b> Power to apply for an injunction restraining a breach of planning control.	Section 187B of the Town and Country Planning Act 1990.
<b>17.</b> Power to determine applications for hazardous substances consent, and related powers.	Sections 9(1) and 10 of the Planning (Hazardous Substances) Act 1990 (c. 10).
<b>18.</b> Duty to determine conditions to which old mining permissions, relevant planning permissions relating to dormant sites or active Phase I or II sites, or mineral permissions relating to mining sites, as the case may be, are to be subject.	Paragraph 2(6)(a) of Schedule 2 to the Planning and Compensation Act 1991, paragraph 9(6) of Schedule 13 to the Environment Act 1995 (c. 25) and paragraph 6(5) of Schedule 14 to that Act.

<b>19.</b> Power to require proper maintenance of land.	Section 215(1) of the Town and Country Planning Act 1990.
<b>20.</b> Power to determine applications for listed building consent, and related powers.	Sections 16(1) and (2), 17, 19 and 33(1) of the Planning (Listed Buildings and Conservation Areas) Act 1990 (c.9).
<b>21.</b> Power to determine applications for conservation area consent.	Section 16(1) of the Planning (Listed Buildings and Conservation Areas) Act 1990, as applied by section 74(3) of that Act.
<b>22.</b> Duties relating to applications for listed building consent and conservation area consent.	Section 13(1) of the Planning (Listed Buildings and Conservation Areas) Act 1990 and regulations 3 to 13 of the Planning (Listed Buildings and Conservation Areas) Regulations 1990 and paragraph 127 of the Welsh Office circular 61/96: Planning and the Historic Environment: Historic Buildings and Conservation Areas.
<b>23.</b> Power to serve a building preservation notice, and related powers.	Sections 3(1) and 4(1) of the Planning (Listed Buildings and Conservation Areas) Act 1990.
<b>24.</b> Power to issue a listed building enforcement notice.	Section 38 of the Planning (Listed Buildings and Conservation Areas) Act 1990.
<b>25.</b> Powers to acquire a listed building in need of repair and to serve a repairs notice.	Sections 47 and 48 of the Planning (Listed Buildings and Conservation Areas) Act 1990.
<b>26.</b> Power to apply for an injunction in relation to a listed building	Section 44A of the Planning (Listed Buildings and Conservation Areas) Act 1990.
<b>27.</b> Power to execute urgent works and recovery of expenses.	Section 54 & 55 of the Planning (Listed Buildings and Buildings in Conservation Areas) Act 1990.
<b>28.</b> Power related to discontinuance of mineral workings.	Schedule 9 of the Town and Country Planning Act 1990.
<b>29.</b> Power related to footpaths and bridleways.	Section 257 & 258 of the Town and Country Planning Act 1990.
<b>30.</b> Power as to certification of appropriate alternative development.	Section 17 of the Land Compensation Act 1961 (c.33).

31. Duties in relation to purchase notices.	Sections 137-144 of the Town and Country Planning Act 1990.
32. Powers related to blight notices.	Sections 149-171 of the Town and Country Planning Act 1990.
33. Local development orders	Sections 61A to D of the Town and Country Planning Act 1990 as amended
34. Simplified planning zones	Sections 82 to 87 and Schedule 7 of the Town and Country Planning Act 1990 as amended
35. Powers to revoke or modify a planning permission	Sections 97 to 99 of the Town and Country Planning Act 1990 as amended
36. Duty of mineral planning authority to review mineral workings	Section 105 of the Town and Country Planning Act 1990 as amended
37. Screening and scoping of Environmental Impact Assessment applications and other duties in respect of EIAs	Town and Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 1999 as amended
38. The determination of applications submitted under the Building Regulations	The Building Act 1984 as amended and associated Building Regulations
39. Duties as specified under the Building Act 1984 including the service of notice on dangerous structures.	The Building Act 1984 as amended and associated Building Regulations
40. Power to deal with non-material amendments	Section 96A of the Town & Country Planning Act 1990
41. Power to declare an application invalid	Section 62 of the Town & Country Planning Act 1990
42. Power to deal with statutory pre-application enquiries	The Town & Country Planning (Pre-Application Services) (Wales) (Regulations) 2016

<b>B. Licensing and registration functions (in so far as not covered by any other paragraph of this Schedule)</b>	
1. Power to issue licences authorising the use of land as a caravan site or mobile home site ("site licences").	Section 3(3) of the Caravan Sites and Control of Development Act 1960 (c. 62). And Section 7(1) of the Mobile Homes (Wales) Act 2013
2. Power to licence the use of moveable dwellings and camping sites.	Section 269(1) of the Public Health Act 1936 (c.49).
3. Power to licence hackney carriages and private hire vehicles.	(a) as to hackney carriages, the Town Police Clauses Act 1847 (10 & 11 Vict.

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	<p>c. 89), as extended by section 171 of the Public Health Act 1875 (38 &amp; 39 Vict. c. 55), and section 15 of the Transport Act 1985 (c. 67); and sections 47, 57, 58, 60 and 79 of the Local Government (Miscellaneous Provisions) Act 1976 (c. 57);</p> <p>(b) as to private hire vehicles, sections 48, 57, 58, 60 and 79 of the Local Government (Miscellaneous Provisions) Act 1976.</p>
<b>4.</b> Power to licence drivers of hackney carriages and private hire vehicles.	Sections 51, 53, 54, 59, 61 and 79 of the Local Government (Miscellaneous Provisions) Act 1976.
<b>5.</b> Power to licence operators of hackney carriages and private hire vehicles.	Sections 55 to 58, 62 and 79 of the Local Government (Miscellaneous Provisions) Act 1976.
<b>6.</b> Power to issue licences, certificates and permits in accordance with the Licensing Act 2003	Licensing Act 2003
<b>7.</b> Power to issues licences and permits in accordance with the Gambling Act 2005	Gambling Act 2005
There is no paragraph 8 duties are incorporated into the Gambling Act 2005	
There is no paragraph 9 duties are incorporated into the Gambling Act 2005	
There is no paragraph 10 duties are incorporated into the Gambling Act 2005	
There is no paragraph 11 duties are incorporated into the Gambling Act 2005	
<b>12.</b> Power to issue entertainments licences.	Section 12 of the Children and Young Persons Act 1933 (c.12)
<b>13.</b> Power to licence sex shops and sex cinemas & Sexual Entertainment Venues.	The Local Government (Miscellaneous Provisions) Act 1982, section 2 and Schedule 3 and S27 the Policing & Crime Act 2009.

<b>14.</b> Power to licence performances of hypnotism.	The Hypnotism Act 1952 (c. 46).
<b>15.</b> Power to licence premises for acupuncture, tattooing, cosmetic piercing, semi permanent skin colouring, and electrolysis.	Sections 13 to 17 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by the Local Government Act 2003.
<b>16.</b> Power to licence pleasure boats and pleasure vessels.	Section 94 of the Public Health Acts Amendment Act 1907 (c. 53).
<b>17.</b> Power to licence market and street trading.	Part III of, and Schedule 4 to, the Local Government (Miscellaneous Provisions) Act 1982.
<b>18.</b> Blank	
<b>19.</b> Power to issue registrations or licences for the manufacture and storage of explosives	The Explosive Regulations 2014
<b>19A.</b> Power to issues licences for the supply of fireworks	Fireworks Regulations 2004
<b>19B.</b> Power to issue licences for the keeping of petroleum spirit	The Petroleum (Consolidation) Regulations 2014 Health & Safety at Work etc Act 1974
<b>20.</b> Power of register and licence premises for the preparation of food.	Section 19 of the Food Safety Act 1990 (c. 16).
<b>21.</b> BLANK	
<b>22.</b> Power to issue, amend or replace safety certificates (whether general or special) for sports grounds.	The Safety of Sports Grounds Act 1975 (c. 52).
<b>23.</b> Power to issue, cancel, amend or replace safety certificates for regulated stands at sports grounds.	Part III of the Fire Safety and Safety of Places of Sport Act 1987 (c.27).
<b>24.</b> Duty to promote fire safety	Section 6 of the Fire and Rescue Services Act 2004 (c.21)
<b>25.</b> BLANK	
<b>26.</b> Power to licence dog boarding and other animal activities	Section 1 of the Animal Boarding Establishments Act 1963 (c. 43); the Riding Establishments Acts 1964 and 1970 (1964 c. 70 and 1970 c. 70);

<b>27.</b> Power to register animal trainers and exhibitors.	Section 1 of the Performing Animals (Regulation) Act 1925 (c. 38).
<b>28.</b> Power to licence zoos.	Section 1 of the Zoo Licensing Act 1981 (c. 37).
<b>29.</b> Power to licence dangerous wild animals.	Section 1 of the Dangerous Wild Animals Act 1976 (c. 38).
<b>29A.</b> Power to licence riding establishments	Riding Establishments Act 1964 & 1970
<b>30.</b> Power to enforce regulations in relation to animal by-products.	The Animal By-Products (Enforcement) (Wales) Regulations 2014
<b>31.</b> Power to licence the employment of children.	Part II of the Children and Young Persons Act 1933 (c.12), byelaws made under that Part, and Part II of the Children and Young Persons Act 1963 (c. 37).
<b>32.</b> Power to approve premises for the solemnisation of marriages and the registration of civil partnerships.	Marriages & Civil Partnerships (Approved Premises) Regulations 2005 & 2011
<b>33.</b> Power to register common land or town or village greens, except where the power is exercisable solely for the purpose of giving effect to—  (a) an exchange of lands effected by an order under section 19(3) of, or paragraph 6(4) of Schedule 3 to, the Acquisition of Land Act 1981 (c. 67) or  (b) an order under section 147 of the Enclosure Act 1845 (c. 8 & 9 Vict. c. 118).	Regulation 6 of the Commons Registration (New Land) Regulations 1969 (S.I. 1969/1843).
<b>34.</b> Power to register variation of rights of common.	Regulation 29 of the Commons Registration (General) Regulations 1966 (S.I. 1966/1471).
<b>35.</b> Power to issue a permit to conduct a street collection.	Police, Factories etc (Miscellaneous Provisions Act) 1916
<b>35A.</b> Power to issue a licence to conduct a house to house collection.	Section 2 of the House to House Collections Act 1939 as amended by the Local Government Act 1972 and the House to House Collections Regulations 1947



<b>36.</b> Power to grant consent for the operation of a loudspeaker.	Schedule 2 to the Noise and Statutory Nuisance Act 1993 (c. 40).
<b>37.</b> Power to grant a street works licence.	Section 50 of the New Roads and Street Works Act 1991 (c. 22).
<b>38.</b> BLANK	
<b>39.</b> Power to enforce regulations in relation to the movement of pigs.	Section 25 Pigs (Records, Identification and Movement (Wales) Order 2011.
<b>40.</b> Power to issue a licence to move cattle from a market.	Schedule 1 Para 3(3) of the Cattle Identification (Wales) Regulations 2007.
<b>41</b> BLANK	
<b>42.</b> Duty to enforce and execute Regulations (EC) No. 852/2004 and 853/2004 in relation to food business operators as further specified in regulation 5 of the Food (Hygiene) (Wales) Regulations 2006.	Regulation 5 of the Food (Hygiene) (Wales) Regulations 2006.
<b>43.</b> Functions in respect of establishing a Licensing Committee.	Section 6 of the Licensing Act 2003 (c.17).

<b>C. Functions relating to health and safety at work</b>	
Functions under any of the “relevant statutory provisions” within the meaning of Part I (health, safety and welfare in connection with work, and control of dangerous substances) of the Health and Safety at Work etc. Act 1974, to the extent that those functions are discharged otherwise than in the authority’s capacity as an employer.	Part I of the Health and Safety at Work etc. Act 1974 (c. 37).

<b>D. Functions relating to elections</b>	
<b>1.</b> Duty to appoint an electoral registration officer.	Section 8(2A) of the Representation of the People Act 1983 (c. 2).
<b>2.</b> Power to assign officers in relation to requisitions of the registration officer.	Section 52(4) of the Representation of the People Act 1983.

<b>3.</b> Power to dissolve community councils.	Section 28 of the Local Government Act 1972 (amended by Local Government (Wales) Act 1994).
<b>4.</b> Power to make orders for grouping communities.	Section 29 of the Local Government Act 1972 (amended by Local Government (Wales) Act 1994).
<b>5.</b> Power to make orders for dissolving groups and separating community councils from groups.	Section 29A of the Local Government Act 1972 (amended by Local Government (Wales) Act 1994).
<b>6.</b> Duty to appoint returning officer for local government elections.	Section 35 of the Representation of the People Act 1983.
<b>7.</b> Duty to provide assistance at European Parliamentary elections.	Section 6(7) and (8) of the European Parliamentary Elections Act 2002.
<b>8.</b> Duty to divide constituency into polling districts.	Section 18 of the Representation of the People Act 1983.
<b>9.</b> Power to divide electoral divisions into polling districts at local government elections.	Section 31 of the Representation of the People Act 1983.
<b>10.</b> Powers in respect of holding of elections.	Section 39(4) of the Representation of the People Act 1983.
<b>11.</b> Power to pay expenses properly incurred by electoral registration officers.	Section 54 of the Representation of the People Act 1983.
<b>12.</b> Power to fill vacancies in the event of insufficient nominations.	Section 21 of the Representation of the People Act 1985.
<b>13.</b> Duty to declare vacancy in office in certain cases.	Section 86 of the Local Government Act 1972.
<b>14.</b> Duty to give public notice of a casual vacancy.	Section 87 of the Local Government Act 1972.
<b>15.</b> Power to make temporary appointments to community councils.	Section 91 of the Local Government Act 1972.
<b>16.</b> Power to determine fees and conditions for supply of copies of, or extracts from, elections documents.	Rule 48(3) of the Local Elections (Principal Areas) Rules 1986 (S.I. 1986/2214) and rule 48(3) of the Local Elections (Parishes and Communities) Rules 1986 (S.I. 1986/2215).

<b>17.</b> Power to submit proposals to the the Welsh Ministers for an order under section 10 (pilot schemes for local elections in England and Wales) of the Representation of the People Act 2000.	Section 10 of the Representation of the People Act 2000 (c. 2).
<b>18.</b> Miscellaneous electoral functions under Part II, S.I. 2003/284.	The Senedd Cymru(Representation of the People) Order 2003, S.I. (2003/284).
<b>19.</b> Duty to assign officers to assist at the elections of the Police & Crime Commissioner	Section 54(4) Police Reform & Social Responsibility Act 2011

<b>E. Functions relating to name and status of areas and individuals</b>	
<b>1.</b> Power to change the name of a county or county borough.	Section 74 of the Local Government Act 1972.
<b>2.</b> Power to change the name of a community.	Section 76 of the Local Government Act 1972.
<b>3.</b> Power to confer title of honorary alderman or to admit to be an honorary freeman.	Section 249 of the Local Government Act 1972.
<b>4.</b> Power to petition for a charter to confer county borough status.	Section 245A of the Local Government Act 1972.

<b>F. Power to make, amend, revoke or re-enact byelaws</b>	Any provision of any enactment (including a local Act), whenever passed, and section 14 of the Interpretation Act 1978 (c. 300).
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<b>G. Power to promote or oppose local or personal Bills.</b>	Section 239 of the Local Government Act 1972.
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<b>H. Functions relating to pensions etc.</b>	
<b>1.</b> Functions relating to local government pensions, etc.	Regulations under section 7, 12 or 24 of the Superannuation Act 1972 (c. 11)
<b>2.</b> Functions relating to pensions, allowances and gratuities.	Regulations under section 18 (3A) of the Local Government and Housing Act 1989 (c.42).

3. Functions under existing pension schemes as respects persons employed by the fire and rescue authorities pursuant to section 1 of the Fire and Rescue Services Act 2004.	Sections 34 and 36 of the Fire and Rescue Services Act 2004.
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<b>I. Miscellaneous functions</b>	
1. Duty to approve authority's statement of accounts, income and expenditure and balance sheet or record of receipts and payments (as the case may be).	The Accounts and Audit (Wales) Regulations 2005.
2. Functions relating to sea fisheries.	Sections 1, 2, 10 and 19 of the Sea Fisheries Regulation Act 1966 (c. 38).
3. Powers relating to the preservation of trees.	Sections 197 to 214D of the Town and Country Planning Act 1990 and the Town and Country Planning (Trees) Regulations 1999 (S.I. 1999/1892).
4. Powers relating to the protection of important hedgerows.	The Hedgerows Regulations 1997 (S.I. 1997/1160).
5. Power to make standing orders.	Section 106 of, and paragraph 42 of Schedule 12 to, the Local Government Act 1972.
6. Appointment and dismissal of staff.	Section 112 of the Local Government Act 1972 and sections 7 and 8 of the Local Government and Housing Act 1989.
7. Power to make standing orders as to contracts.	Section 135 of the Local Government Act 1972.
8. Power to consider reports from the Public Services Ombudsman for Wales.	Section 19 of the Public Services Ombudsman (Wales) Act 2005 (c.10).
9. Power to make an order identifying a place as a designated public place for the purposes of police powers in relation to alcohol consumption.	Section 13(2) of the Criminal Justice and Police Act 2001 (c.16).

<b>11.</b> Power to appoint officers for particular purposes (appointment of “proper officers”).	Section 270(3) of the Local Government Act 1972 (c.42).
<b>12.</b> Duty to designate an officer as the head of the authority’s paid service, and to provide staff, etc.	Section 4(1) of the Local Government and Housing Act 1989 (c.42).
<b>13</b> <b>(a)</b> Duty to designate an officer as the monitoring officer and to provide staff, etc.	Section 5(1) of the Local Government and Housing Act 1989.
<b>13</b> <b>(b)</b> Duty to designate an officer as Head of Democratic Services to provide staff etc	Section 8 of the Local Government Wales Measure 2011
<b>14.</b> Duty to determine affordable borrowing limit.	Section 3 of the Local Government Act 2003 (c.22).
<b>15.</b> Approval of annual investment strategy in accordance with guidance.	Section 15 of the Local Government Act 2003.
<b>16.</b> Duty to make arrangements for proper administration of financial affairs.	Section 151 of the Local Government Act 1972 (c.11).
<b>17.</b> Determination of level and any change in the level of remuneration to be paid to a Chief Officer	Regulation 7 of the Local Authorities (Standing Orders) (Wales) Regulations 2006 as amended by the 2014 amendment regulations.

The Constitution establishes the following Committees to discharge some of the Council's functions. Their Terms of Reference and delegated powers are set out in detail in the parts of this Constitution as follows:

<b>Committee</b>	<b>In this Constitution at:</b>
Governance & Audit Committee	Article 8
Planning Committee	Article 8
Rights of Way Cabinet Committee	Part 3 Responsibility for Executive Functions
Licensing & Gambling Committee	Article 8 and Part 3 Table 1
Taxi & General Committee	Article 8 and Part 3 Table 1
Standards Committee	Article 9
Appointments Committee	Part 3 Table 1
Appeals Panel	Part 3 Table 2
Pensions/Compensation Committee	Part 3 Table 1
Democratic Services Committee	Article 8
Investigating and Disciplinary Committee	Officer Employment Procedure Rules Part 4

### **OTHER DELEGATED POWERS**

<b>Power</b>	<b>Delegation</b>
1. The power to fix criteria by which the qualifications for authorisation to allow individual staff are measured and applied, and to issue and certify authorisations of officers.	The Director or any Head of Service in that Directorate in relation to any staff in that Directorate.
2. All other functions including emergency action where this is necessary to protect the Council's interests.	The Council, or the Chief Executive or any Director or the relevant Head of Service.

The statutory functions referred to in the above table are as follows:-

Accommodation Agencies Act 1953  
 Agricultural Produce (Grading & Marking) Acts 1928, 1931  
 Agriculture (Miscellaneous Provisions) Act 1968  
 Agriculture Acts 1967 - 1970  
 Animal Boarding Establishments Act 1963  
 Animal Health Act 1981  
 Animal Welfare Act 2006  
 Anti Social Behaviour Act 2003  
 Anti Social Behaviour Crime & Policing Act 2014  
 Building Act 1984  
 Cancer Act 1939  
 Caravan Sites Act 1968  
 Caravan Sites and Control of Development Act 1960  
 Charities Acts 1992 and 2006  
 Children and Families Act 2014  
 Children and Young Persons (Protection from Tobacco) Act 1991  
 Children and Young Persons Acts 1933 - 1963

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Children Act 1989 – 2004  
 Children Leaving Care Act 2000  
 Clean Air Acts 1956 - 1993  
 Clean Neighbourhood and Environment Act 2005  
 Climate Change Act 2005  
 Commons Registration Act 1965/2006  
 Companies Act 1985 and 2006  
 Consumer Credit Act 1974 & 2006  
 Consumer Protection Act 1987  
 Consumer Rights Act 2015  
 Control of Horses (Wales) Act 2014  
 Control of Pollution Acts 1974 – 1989  
 Copyright Designs and Patents Act 1988  
 Countryside and Rights of Way Act 2000  
 Criminal Justice Act 1982, 1988, 1991  
 Criminal Justice and Police Act 2001  
 Dangerous Wild Animals Act 1976  
 Data Protection Legislation  
 Dogs (Fouling of Land) Act 1996  
 Education Act 1996  
 Education Act 1997  
 Education Act 2002 & 2005  
 Education (Fees & Awards) Act 1983 (Discretionary Award)  
 Education Reform Act 1988  
 Education & Inspections Act 2006  
 Electricity at Work Act 1989  
 Energy Act 1976  
 Energy Act 2011  
 Energy Conservation Act 1981  
 Enterprise Act 2002  
 Environment Act 1995  
 Environmental Protection Act 1990  
Environmental Protection (Single Use) (Plastic Products) Wales Act 2023  
 Environment (Wales) Act 2016  
 Estate Agents Act 1979  
 \*  
 European Union (Withdrawal) Act 2018  
 \*  
 Factories Act 1961  
 Farm and Garden Chemicals Act 1967  
 Fire Precautions Act 1971  
 Fire Safety and Safety of Places of Sports Act 1987  
 Fireworks Act 2003  
 Flood and Water Management Act 2010  
 Food and Environment Protection Act 1985  
 Food Hygiene Rating Wales Act 2013  
 Food Act 1984  
 \* Food Safety Act 1990  
 Forgery and Counterfeiting Act 1981  
 Fraud Act 2006  
 Freedom of Information Act 2000  
 Gambling Act 2005

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Hallmarking Act 1973  
Hazardous Substances Act 1990  
Health Act 2006  
[Health and Social Care Act 2008](#)  
Health and Safety at Work etc Act 1974  
[Health Service Procurement Wales Act 2024](#)  
Highways Act 1980  
Home Safety Act 1961  
House to House Collections Act 1939  
Housing Act 1985  
Housing Act 1996  
Housing Act 2004  
Housing (Wales) Act 2014  
Housing Grants, Construction and Regeneration Act 1996  
The Hypnotism Act 1952  
Insurance Brokers (Registration) Act 1977  
Insurance Companies Act 1982  
Intoxicating Substances (Supply) Act 1985  
Land Drainage Act 1991  
Law of Property Act 1925  
Leasehold Reform (Ground Rent) Act 2022  
Learning & Skills Act 2000  
Licensing Act 2003  
Local Government Byelaws (Wales) Act 2012  
Local Government (Miscellaneous Provisions) Acts 1976 and 1982  
Local Government Acts 1972 – 2003  
Local Government and Housing Act 1989  
Malicious Communications Act 1988  
Medicines Act 1968  
Medicine and Medical Devices Act 2021  
Mines & Quarries (Tips) Act 1969  
Mobile Homes (Wales) Act 2013  
Motor Cycle Noise Act 1987  
National Lotteries etc. Act 1993  
Natural Environment and Rural  
Communities Act 2006  
New Roads and Street Works Act 1991  
Noise Act 1996  
Noise and Statutory Nuisance Act 1993  
Offensive Weapons Act 2019  
Offices, Shops and Railway Premises Act 1963  
Olympic Symbol etc., (Protection) Act 1995  
Performance of Animals (Regs) Act 1925  
Planning Act 2008  
Planning & Compensation Act 1991  
Planning and Compulsory Purchase Act 2004  
Planning Listed Buildings and Conservation Areas Act 1990  
Planning (Wales) Act 2015  
Police Reform and Social Responsibility  
Act 2011  
Pollution Prevention and Control Act 1999  
Powers of the Criminal Courts (Sentencing) Act 2000

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Prevention of Damage by Pests Act 1949  
Proceeds of Crime Act 2002  
[Procurement Act 2023](#)  
Prices Acts 1974 and 1975  
Psychoactive Substances Act 2016  
Public Health (Control of Disease) Act 1984  
Public Health (Recurring Nuisances) Act 1969  
Public Health Acts 1936 to 1961  
Public Health (Wales) Act 2017  
Public Health (Minimum Price for Alcohol Wales) Act 2018  
Refuse Disposal (Amenity) Act 1978  
Registration Service Act 1953  
Regulation and Inspection of Social Care (Wales) Act 2016  
Renting Homes (Wales) Act 2016  
Reservoirs Act 1975  
Riding Establishments Acts 1964 to 1970  
Road Traffic (Foreign Vehicles) Act 1972  
Road Traffic Acts 1974 - 1988  
Safety of Sports Grounds Act 1975  
School Standards & Framework Act 1998  
School Standards and Organisation Wales Act 2013  
Scrap Metal Dealers Act 2013  
Scotch Whisky Act 1988  
Slaughter of Poultry Act 1967  
Slaughterhouses Act 1974

[Social Partnership & Public Procurement Wales Act 2023](#)

Social Services & Wellbeing (Wales) Act 2014  
Solicitors Act 1974  
Special Educational Needs & Disability Act 2001  
Sunbeds (Regulation) Act 2010  
Sunday Trading Act 1994  
Tattooing of Minors Act 1969  
Teaching & Higher Education Act 1998  
Telecommunications Act 1984  
The Children and Families Wales Measure 2010  
Theft Acts 1968 and 1978  
Timeshare Act 1992  
Town and Country Planning Act 1990  
Tobacco Advertising & Promotion Act 2002  
Town Police Clauses Act 1847  
Trade Marks Act 1994  
Trading Representations (Disabled Persons) Acts 1958 and 1972  
Trade Descriptions Act 1968  
Traffic Management Act 2004  
Transport Act 1985, 2000 & 2006  
Unsolicited Goods and Services Acts 1971 and 1975  
Vehicles (Crime) Act 2001  
Video Recordings Acts – 1984 and 2010  
Water Industry Act 1991  
Water Act 1989  
Weights and Measures Act 1985  
Wellbeing of Future Generations Act 2015

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Wildlife and Countryside Act 1981  
Zoo Licensing Act 1981

- \* The Food Hygiene (Wales) Regulations which enact in regulations the provisions under the Food Safety Act and European Communities Act regulations.

**2. FUNCTIONS WHICH MAY BE (BUT NEED NOT BE) THE RESPONSIBILITY OF AN AUTHORITY'S EXECUTIVE - "LOCAL CHOICE FUNCTIONS"**

<b>Function</b>	<b>Decision making body</b>	<b>Membership</b>	<b>Delegation of Functions</b>
<p><b>1.</b> Any function under a local Act other than a function specified or referred to in Schedule 1 of the Local Authorities Executive Arrangements (Functions and Responsibilities) (Wales) Regulations 2007 (as amended)</p>	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	<p>(a) The Cabinet</p> <p>(b) The Chief Executive or a Director or the relevant Head of Service after consultation with the Leader or the appropriate Cabinet member.</p>
<p><b>2.</b> The determination of an appeal against any decision made by or on behalf of the authority.</p>	<p>(a) The Council in relation to matters of disciplinary appeals a committee designated "the Appeals Panel " whose terms of reference are to hear and determine appeals from decisions connected with officer dismissal;</p> <p>(b) In relation to other appeals or applications as may fall to be considered by the Council in a quasi judicial manner, the Licensing Committee described in Article 8;</p>	<p>(a) 3 members</p> <p>(b) 15 members</p>	<p>(a) All those matters within the Panels Committee's Terms of Reference.</p> <p>(b) All those matters within the Committee's Terms of Reference.</p>
<p><b>3.</b> Functions in relation to the revision of decisions made in</p>	The Executive	The Executive as defined in Article 7 of	<p>(a) The Cabinet</p> <p>(b) The Chief Executive or a</p>

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<b>Function</b>	<b>Decision making body</b>	<b>Membership</b>	<b>Delegation of Functions</b>
connection with claims for housing benefit or council tax benefit and for appeals against such decisions under section 68 of and Schedule 7 to the Child Support, Pensions and Social Security Act 2000.		Part 2 of this Constitution.	Director or the relevant Head of Service after consultation with the Leader or the appropriate Cabinet member.
<b>4.</b> The making of arrangements in relation to appeals against the exclusion of pupils in maintained schools under section 52 of the Education Act 2002.	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	(a) The Cabinet (b) The Chief Executive or a Director or the relevant Head of Service after consultation with the Leader or the appropriate Cabinet member.
<b>5.</b> The making of arrangements pursuant to section 94(1), (1A) and (4) of, and Schedule 24 to, the School Standards and Framework Act 1998 (admission appeals).	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	(a) The Cabinet (b) The Chief Executive or a Director or the relevant Head of Service after consultation with the Leader or the appropriate Cabinet member.
<b>6.</b> The making of arrangements pursuant to section 95(2) of the School Standards and Framework Act 1998 (children to whom section 87 applies: appeals by governing bodies).	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	(a) The Cabinet (b) The Chief Executive or a Director or the relevant Head of Service after consultation with the Leader or the appropriate Cabinet member.

<b>Function</b>	<b>Decision making body</b>	<b>Membership</b>	<b>Delegation of Functions</b>
<b>7.</b> Any function relating to contaminated land.	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	<p>(a) The Cabinet</p> <p>(b) The Chief Executive or a Director or the relevant Head of Service or any of the following:-</p> <p style="padding-left: 40px;">Environmental Health Manager;</p> <p style="padding-left: 40px;">Senior Environmental Health Officer;</p> <p style="padding-left: 40px;">Environmental Health Officer;</p> <p style="padding-left: 40px;">Enforcement Officer)</p> <p style="padding-left: 40px;">after consultation with the Leader or the appropriate Cabinet member.</p>
<b>8.</b> The discharge of any function relating to the control of pollution or the management of air quality	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	<p>(a) The Cabinet</p> <p>(b) The Chief Executive or a Director or the relevant Head of Service or any of the following:-</p> <p style="padding-left: 40px;">Environmental Health Manager;</p> <p style="padding-left: 40px;">Senior Environmental Health Officer;</p> <p style="padding-left: 40px;">Environmental Health Officer;</p> <p style="padding-left: 40px;">Enforcement Officer</p>

<b>Function</b>	<b>Decision making body</b>	<b>Membership</b>	<b>Delegation of Functions</b>
			after consultation with the Leader or the appropriate Cabinet member.
<b>9.</b> The service of an abatement notice in respect of a statutory nuisance	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	(a) The Cabinet  (b) The Chief Executive or a Director or the relevant Head of Service or any of the following:-  Environmental Health Manager;  Senior Environmental Health Officer;  Housing Services Manager  Private Sector Housing Manager:  Environmental Health Officer;  Enforcement Officer
<b>10.</b> The passing of a resolution that Schedule 2 to the Noise and Statutory Nuisance Act 1993 should apply in the authority's area.	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	(a) The Cabinet  (b) The Chief Executive or a Director or the relevant Head of Service after consultation with the Leader or the appropriate Cabinet member.
<b>11.</b> The inspection of the authority's area to detect any statutory nuisance.	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	(a) The Cabinet  (b) The Chief Executive or a Director or the

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Function	Decision making body	Membership	Delegation of Functions
			<p>relevant Head of Service or any of the following:-</p> <p>Environmental Health Manager;</p> <p>Senior Environmental Health Officer;</p> <p>Environmental Health Officer;</p> <p>Enforcement Officer</p>
<p><b>12.</b> The investigation of any complaint as to the existence of a statutory nuisance.</p>	<p>The Executive</p>	<p>The Executive as defined in Article 7 of Part 2 of this Constitution.</p>	<p>(a) The Cabinet</p> <p>(b) The Chief Executive or a Director or the relevant Head of Service or any of the following:-</p> <p>Environmental Health Manager;</p> <p>Senior Environmental Health Officer;</p> <p>Housing Services Manager;</p> <p>Private Sector Housing Manager</p> <p>Environmental Health Officer;</p> <p>Enforcement Officer</p>
<p><b>13.</b> The obtaining of information under section 330 of the Town and Country Planning Act 1990</p>	<p>The Executive</p>	<p>The Executive as defined in Article 7 of Part 2 of this Constitution.</p>	<p>(a) The Cabinet</p> <p>(b) The Chief Executive or a Director or the relevant Head of</p>

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<b>Function</b>	<b>Decision making body</b>	<b>Membership</b>	<b>Delegation of Functions</b>
as to interests in land			Service or the Planning Services Manager after consultation with the Leader or the appropriate Cabinet member.
<b>14.</b> The obtaining of particulars of persons interested in land under section 16 of the Local Government (Miscellaneous Provisions) Act 1976.	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	(a) The Cabinet  (b) The Chief Executive or a Director or the relevant Head of Service.
<b>15.</b> The making of agreements for the execution of highways works	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	(a) The Cabinet  (b) The Chief Executive or a Director or the relevant Head of Service or the Transportation Engineering Group Manager or the <del>Highways Services Operations</del> Group Manager <u>or Highway Engineering Group Manager</u> after consultation with the Leader or the appropriate Cabinet member.
<b>16.</b> The appointment of any individual:-  (a) to any office other than an office in which he is employed by the authority;	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution.	(a) The Cabinet  (b) The Chief Executive or a Director or the

Caerphilly County Borough Constitution



Function	Decision making body	Membership	Delegation of Functions
<p>(b) to any body other than:-</p> <p>(i) the authority;</p> <p>(ii) a joint committee of two or more authorities; or</p> <p>(c) to any committee or sub-committee of such a body, and the revocation of any such appointment.</p>			<p>relevant Head of Service after consultation with the Leader or the appropriate Cabinet member.</p>
<p><b>17.</b> Power to make payments or provide other benefits in cases of maladministration etc.</p>	<p>The Council acting through the Standards Committee (Standards Committee may approve payments of up to £10,000 total in any one case.</p>	<p>Standards Committee as defined in Article 9 of Part 2 of this Constitution.</p>	<p>As set out in the terms of reference of the Standards Committee.</p>
<p><b>18.</b> Functions in respect of the calculation of council tax base in accordance with any of the following-</p> <p>(a) the determination of an item for T in section 33(1) and 44(1) of the Local Government Finance Act 1992;</p> <p>(b) the determination of an amount for item TP in</p>	<p>The Executive</p>	<p>The Executive as defined in Article 7 of Part 2 of this Constitution.</p>	<p>(a) The Cabinet</p> <p>(b) The Chief Executive or a Director or the relevant Head of Service after consultation with the Leader or the appropriate Cabinet member.</p>

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Function	Decision making body	Membership	Delegation of Functions
<p>sections 34(3), 45(3) 48(3) and 48(4) of the Local Government Finance Act 1992;</p> <p>(c) the determination of an amount required for determining an amount for the item mentioned in paragraph (a) or (b) above.</p>			
<p><b>19.</b> Licensing functions in accordance with Part 2 of the Licensing Act 2003 except section 6.</p>	<p>Council (through the Licensing &amp; Gambling Committee)</p>	<p>As in Article 8.</p>	<p>Licensing &amp; Gambling Committee. As set out in Article 8.</p>
<p><b>20.</b> Functions in respect of gambling in accordance with any of the following-</p> <p>(a) a resolution not to issue casino licenses in accordance with section 166 of the Gambling Act 2005 (c.19);</p> <p>(b) prescribing of fees in accordance with section 212 of the Gambling Act 2005;</p> <p>(c) making an order disapplying</p>	<p>The Council in respect of (a) a</p> <p>The Council through the Licensing &amp; Gambling Committee in respect of (b), (c), (d), (e)</p>	<p>As in Article 8.</p>	<p>None in relation to (a) and (f)</p> <p>The Licensing &amp; Gambling Committee as set out in Article 8 in respect of (b), (c), (d), (e)</p>

Function	Decision making body	Membership	Delegation of Functions
<p>section 279 or section 282(1) of the Gambling Act 2005 in accordance with section 284 of the Gambling Act 2005;</p> <p>(d) authorised persons in accordance with section 304 of the Gambling Act 2005;</p> <p>(e) prosecutions by a licensing authority in accordance with section 346 of the Gambling Act 2005; three-year licensing policy in accordance with Gambling Act 2005.</p>			
<p><b>21.</b> The approval and/or determination of school organisation proposals (including those which receive objections (except for those that are required to be considered by Welsh Ministers)).</p>	The Executive	The Executive as defined in Article 7 of Part 2 of this Constitution	The Cabinet

### **3. FUNCTIONS NOT TO BE THE SOLE RESPONSIBILITY OF AN AUTHORITY'S EXECUTIVE**

These relate to the approval of specified plans which the law, or separate decision of the Council, requires that the Executive will consider those plans but pass them by way of a recommendation to the Council to finally determine.

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(1)	(2)
Plans, schemes and strategies	Reference
<a href="#">The Caerphilly We Want Well-being Plan 2018 to 2023</a> <a href="#">Gwent Public Service Boards Wellbeing Plan</a>	Shared Purpose - Shared Future Guidance On planning under the Well-being of Future Generations (Wales) Act 2015
Crime and Disorder Reduction Strategy	Sections 5 and 6 of the Crime and Disorder Act 1998 (c.37).
Local Transport Plan	Section 108 of the Transport Act 2000 (c.38).
Plans and alterations which together comprise the Local Development Plan	Section 10A of the Town and Country Planning Act 1990 (c.8).
Blaenau Gwent & Caerphilly Youth Justice Plan 2018-2021	Section 40 of the Crime and Disorder Act 1998 (c.37).
Local Housing Strategy	Section 87 of the Local Government Act 2003 (c.26).

**Note: the provisions of regulation 5 of the 2007 regulations in relation to the above table.**

### **CIRCUMSTANCES IN WHICH THE FUNCTIONS ARE NOT TO BE THE RESPONSIBILITY OF AN AUTHORITY'S EXECUTIVE**

These provisions limit the right of the Executive to take a decision under certain circumstances (e.g. not in accordance with approved budget or policy framework). In these circumstances the Executive will refer the matter by way of a recommendation to the Council, for final determination.

(1)	(2)
Function	Circumstances
1. The adoption or approval of a plan or strategy (whether statutory or non-statutory), other than a plan or strategy for the control of the authority's borrowing or capital expenditure or referred to in Article 4.	The authority determines that the decision whether the plan or strategy should be adopted or approved should be taken by them.
2. The determination of any matter in the discharge of a function which —	The individual or body by whom, by virtue of any of sections 14 to 17 of the Local Government Act 2000 or provision made

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<p>(a) is the responsibility of the executive; and</p> <p>(b) is concerned with the authority's budget, or their borrowing or capital expenditure.</p>	<p>under section 18 or 20 of that Act, the determination is to be made —</p> <p>(a) is minded to determine the matter contrary to, or not wholly in accordance with —</p> <p>(i) the authority's budget; or</p> <p>(ii) the plan or strategy for the time being approved or adopted by the authority in relation to their borrowing or capital expenditure; and</p> <p>(b) is not authorised by the authority's executive arrangements, financial regulations, standing orders or other rules or procedures to make a determination in those terms.</p>
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**Note: the provisions of regs 6(2) to (5) of the 2007 regulations in relation to the above table.**

#### **4. RESPONSIBILITY FOR EXECUTIVE FUNCTIONS**

“Executive functions” are all the functions of the Council except:-

- (a) those which the law says are functions of the Council alone (Section 1 of this part of the Constitution);
- (b) the “local choice functions” (Section 2 of this part of the Constitution) which have been allocated to the Council rather than to the Executive. Note that Section 2 lists specific functions which have been allocated to the Executive;
- (c) functions which are not to be the sole responsibility of an authority’s Executive. These are set out in the table below;
- (d) circumstances in which functions are not to be the responsibility of an authority’s Executive. These are set out in a table below and generally relate to circumstances where the decision would conflict with the Council’s budget or its overall strategy policy framework.

#### **EXECUTIVE FUNCTIONS**

**NOTE THAT** the Executive powers delegated to any officer is subject to the right of the appropriate Cabinet member, or the Leader in any matter, to require that the proposed decision be taken by the Cabinet.

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**NOTE THAT** each delegation includes the power to take any steps in relation to the delegated function, including the authorisation of or defence of any proceedings in any court, tribunal, board or panel.

<b>Function</b>	<b>Responsible</b>	<b>Delegation</b>
<p>(a) The Finance and Resources function</p> <ul style="list-style-type: none"> <li>• The proper financial planning budgeting and control</li> <li>• Control of the Authority's resources</li> <li>• Information Technology Services</li> <li>• Personnel Services</li> <li>• Financial Services</li> <li>• Electoral Registration</li> <li>• Legal Services</li> <li>• Audit Services</li> <li>• Procurement Services</li> <li>• Democratic Services</li> <li>• Corporate Policy (including</li> <li>• <a href="#">Equalities &amp; Welsh Language</a> see paragraph (f)</li> <li>• <a href="#">Performance Management</a></li> <li>• Property Services</li> <li>• Corporate Asset Management</li> <li>• Corporate Health &amp; Safety including liaison with the Health &amp; Safety Executive</li> <li>• Information Governance including Data Protection/Freedom of Information</li> </ul>	The Cabinet	The Cabinet, or the Chief Executive or any Director or the relevant Head of Service and in relation to Financial Services any of the following: Finance Managers (Revenues, Corporate Services, Education, Environment & Social Services) Housing Benefits Manager Internal Audit Manager and in relation to Information Governance the Senior Information Risk Owner
<p>(b) The Personnel function All aspects of the Council's functions as an employer including the oversight of recruitment, terms and conditions of employment, conduct and discipline, structural review and the consequences thereof.</p>	The Cabinet	The Cabinet, or the Chief Executive or any Director or the relevant Head of Service.
<p>(c) The Housing function</p> <ul style="list-style-type: none"> <li>• Private Housing Enforcement (including but not limited to HMO's, clearance, compulsory purchase orders)</li> <li>• Area regeneration</li> <li>• To approve or refuse applications for funding for all types of housing grants and loans)</li> </ul>	The Cabinet	The Cabinet, or the Chief Executive, or any Director or the relevant Head of Service or any of the following: Housing Repair Operations Manager (in relation to Housing Repair Operations) Chief Housing Officer Housing Services Manager Housing Technical Manager

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<ul style="list-style-type: none"> <li>• Housing Agency Service</li> <li>• Homelessness &amp; Housing Advice</li> <li>• Landlord Services</li> <li>• Housing Strategy including but not limited to Local Housing Market Assessments, affordable housing, Gypsy and Traveller Accommodation Assessments and securing grants</li> <li>• Older Persons Accommodation Services</li> <li>• Housing Repair Operations</li> <li>• Delivery of Welsh Housing Quality Standards</li> <li>• Power to deal with all aspects of HMO Licensing</li> <li>• <a href="#">Common Housing Register</a></li> <li>• <a href="#">Resettlement support</a></li> <li>• Public Health (statutory nuisances, sewers and drains)</li> </ul>		<p>Private Sector Housing Manager  Housing Solutions Manager  Principal Housing Officer  Environmental Health officer</p>
<p>(d) The Social Services function</p> <ul style="list-style-type: none"> <li>• Strategic issues in relation to the provision of Children’s &amp; Adult Social Services other than those functions imposed by Section 2 and Schedule 1 of the Local Authority Social Services Act 1970 which fall to be specifically discharged by the Social Services Scrutiny Committee</li> <li>• Provision of advice, guidance and support</li> <li>• The assessment, care planning and reviewing of all support packages for service users meeting the defined eligibility thresholds in line with current legislation, regulation and statutory guidance</li> <li>• Commissioning and contracting for Social Services</li> </ul>	<p>The Cabinet</p>	<p>The Cabinet, or the Chief Executive or any Director or the relevant Head of Service.</p>
<p>(e) The Education &amp; Lifelong Learning function</p> <ul style="list-style-type: none"> <li>• The discharge of the Council's obligations as Local Education Authority under statute</li> </ul>	<p>The Cabinet</p>	<p>The Cabinet, or the Chief Executive or any Director or the relevant Head of Service.</p>

<ul style="list-style-type: none"> <li>• The implementation of the School Standards and Framework Act 1998 and associated legislation</li> <li>• The preparation and scrutiny of education and lifelong learning strategic plans and best value performance plans</li> <li>• Raising standards in schools, monitoring of schools' performance, curriculum advice and support and other activities set out in the LEA-Schools Code of Conduct</li> <li>• Local Management of Schools and Fair Funding</li> <li>• Forward planning re. school places, school admissions, student awards</li> <li>• Learning Support Services including educational psychology, education welfare, behavioural support and managing pupil exclusions</li> <li>• Governor support and training</li> <li>• Welsh Language Education</li> <li>• Agreed RE Syllabus</li> <li>• Partnerships</li> <li>• Lifelong learning, and Adult education</li> <li>• Public libraries Library Service</li> <li>• Music Service</li> <li>• Securing grants</li> <li>• Youth Service</li> </ul>		
<p>(f) The Environment function</p> <ul style="list-style-type: none"> <li>• Emergency Planning</li>   <li>• Community &amp; Leisure Services including waste collection, waste disposal, street cleansing, , public conveniences, Cemeteries and Bereavement Services, Parks &amp; Outdoor Sports Facilities, Fleet Management &amp; Maintenance, Sport &amp; Leisure Services, Community Centres, Building Cleaning</li> <li>• Countryside and Landscape Services</li> <li>• Public Rights of Way</li> </ul>	<p>The Cabinet</p> <p>The Cabinet</p>	<p>The Cabinet or the Chief Executive or any Director or relevant Head of Service</p> <p>The Cabinet, or the Chief Executive or any Director or the relevant Head of Service or any of the following:</p> <p>Waste Strategy &amp; Operations Manager</p> <p>Green Spaces and Transport Services Manager,</p> <p>Parks and Countryside Operations Manager,</p> <p>Green Space Strategy and Cemeteries Manager, Fleet Manager</p>

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<ul style="list-style-type: none"> <li>• Rural Development Programme Functions</li> <li>• Planning and Biodiversity duties</li> <li>• Land Management</li> <li>• Pollution Control (including noise, litter and illicit tipping, air and water quality, contaminated land <u>and single use plastic products</u>)</li> <li>• Public Health (including infectious diseases, statutory nuisance, sewer/drains, health promotion/education)</li> <li>• Trading Standards Enforcement</li> <li>• Food Safety Enforcement</li> <li>• Community Safety</li> <li>• Pest Control, Dog Warden, Animal Trespassing Services</li> <li>• Animal Health and Welfare Enforcement</li> <li>• Power to issue Scrap Metal Dealers Licences (including enforcement action)</li> <li>• Licensing (other than those functions set out in the 'Council functions' and the 'Local Choice functions' sections of this Part of the Constitution, when the functions are Council functions.</li> <li>• Catering</li> <li>• Channel Responsibilities</li> </ul>		<p>Sports and Leisure Facilities Manager,  Sports &amp; Leisure Development Manager  Trading Standards Licensing &amp; Registrars Manager  Civil Enforcement Officer  Community Safety Warden  Community Safety Officer  Environmental Health Manager  <del>Senior Trading Standards Officer</del>  <u>Trading Standards Team Manager</u>  Senior Environmental Health Officer  with delegated powers to the Head of Public Protection Community &amp; Leisure Services and the Head of Regeneration &amp; Planning to any authorised officer to take appropriate steps (including the service of any notices and taking of any proceedings) under the provisions of the Clean Neighbourhood and Environment Act 2005, the Anti-social Behaviour, Crime and Policing Act 2014 and the Anti-Social Behaviour Act 2003.  The Head of Public Protection Community &amp; Leisure Services is authorised to fix the level of fine for fixed penalty notices following consultation with relevant officers and Cabinet members.  Trading Standards Officer  Environmental Health Officer  Licensing Manager  Assistant Licensing Manager  Senior Fair Trading Officer  Fair Trading Officer  Senior Commercial Safety Officer  Commercial Safety Officer  Enforcement Officer  Technical Assistant  Senior Pest Control/Straying Animals Officer</p>
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<p>The power to grant, refuse, renew, vary, impose conditions and/or suspend a licence for dog breeding establishments</p> <p>The power to determine disputed decisions to suspend or vary and to reinstate or revoke a licence for dog breeding establishments</p> <p><del>Corporate Policy including Equalities and Welsh Language</del></p> <p><del>To approve or refuse applications for funding under the Technical Assistance Fund Greener Caerphilly Small Grants Fund</del></p> <p>Proper Officer for the Administration of Registration of Births, Deaths and Marriages under Section 13 of the Registration Service Act 1953 and Section 270 of the Local Government Act 1972</p> <p>Rights of Way matters including Local Access Forum</p>	<p>Pest Control/Animal Trespass/Dog Warden</p> <p>The above are authorised to take any action in relation to the functions in this section of the table including the authorising or defence of legal proceedings of any nature and in any court, tribunal, board or panel and without prejudice to the generality of this authorisation to exercise functions from the list of statutes appearing at the end of this table, so far as those functions are Executive functions.</p> <p>Licensing Officers</p> <p>Trading Standards, Licensing &amp; Registrar Manager</p> <p><del>The Cabinet or the Chief Executive or any Director or the relevant Head of Service</del></p> <p>The Cabinet or the Chief Executive or any Director or the relevant Head of Service</p> <p>Trading Standards, Licensing and Registrars Manager</p> <p>Rights of Way Cabinet Committee</p>	<p>Pest Control/Animal Trespass/Dog Warden</p> <p>The above are authorised to take any action in relation to the functions in this section of the table including the authorising or defence of legal proceedings of any nature and in any court, tribunal, board or panel and without prejudice to the generality of this authorisation to exercise functions from the list of statutes appearing at the end of this table, so far as those functions are Executive functions.</p> <p>Licensing Officers</p> <p>Trading Standards, Licensing &amp; Registrar Manager</p> <p><del>The Cabinet or the Chief Executive or any Director or the relevant Head of Service</del></p> <p>The Cabinet or the Chief Executive or any Director or the relevant Head of Service</p> <p>Trading Standards, Licensing and Registrars Manager</p> <p>See entry later in this section</p>
<p>(g) The Planning function</p> <ul style="list-style-type: none"> <li>• Planning - Development and Building Control</li> <li>• Planning - Strategic Planning and Urban Renewal</li> </ul>	<p>The Cabinet</p>	<p>The Cabinet, or the Chief Executive or any Director or the relevant Head of Service or the Planning Services Manager</p>

<ul style="list-style-type: none"> <li>• Planning Economic Development &amp; Rural functions</li> <li>• Planning Economic Development including European functions</li> <li>• Planning – Tourism including inward investment and Arts Development</li> <li>• Planning Business Development</li> <li>• Planning maximisation of funding opportunities from external funding sources including funding from Europe</li> <li>• Planning Sustainable Development</li> <li>• Planning control of non-native species</li> <li>• Regeneration including Communities First</li> </ul>		
<p>(h) Highways and Transportation Functions</p> <ul style="list-style-type: none"> <li>• Highways Maintenance</li> <li>• Street Lighting</li> <li>• Functions under the highways legislation</li> <li>• Construction</li> <li>• Civil Engineering Design and Procurement</li> <li>• Structures</li> <li>• Transportation Planning and Improvements</li> <li>• Engineering Services</li> <li>• Public Transport</li> <li>• Education and Social Services Transport Operations</li> <li>• Highway Development Control</li> <li>• Land Reclamation and Tips</li> <li>• <u>Land Drainage</u></li> <li>• <u>SuDs/SAB drainage</u></li> <li>• Road Safety Education and Training</li> <li>• Traffic Management including Traffic Regulation Orders and Notices</li> <li>• Car Parking/Enforcement</li> </ul>	Cabinet	<p>The Cabinet, or the Chief Executive of any Director or the relevant Head of Service. In relation to approval and signing of emergency road closure orders the Transportation Engineering Group Manager or the <a href="#">Highways Operations Group Manager</a> or the <a href="#">Engineering Projects Group Manager</a> or the <a href="#">Highway Services Group Manager</a> or the <a href="#">Highway Engineering Group Manager</a></p> <p>Civil Enforcement Officer</p>
<p>(i) The development and implementation of the Council's Corporate Plan and <a href="#">wellbeing objectives</a> <del>corporate themes</del> through</p>	The Cabinet	<p>The Cabinet, or the Chief Executive or any Director or the relevant Head of Service.</p>

a multi-agency approach of community planning of the delivery of services to achieve the Council's strategic objectives		
(j) The power to enter into joint or delegated function arrangements with one or more other authorities or bodies as permitted by law from time to time and to delegate executive functions.	The Cabinet	The Cabinet, or the Chief Executive or any Director or the relevant Head of Service.
(k) Any executive functions not allocated in accordance with the executive arrangements of the Council. Section 15(4) Local Government Act 2000	The Leader (NOTE: this reflects a delegated power given by S.15(4) Local Government Act 2000)	The Leader
(l) The power to set up committees of the Cabinet for any purpose and to delegate to that committee such power or powers as may be appropriate.	The Cabinet	The Cabinet
(m) Emergency action where this is necessary to protect the Council's interests.	The Cabinet	The Cabinet, or the Chief Executive or any Director or the relevant Head of Service.

The statutory functions referred to in the above table are as follows:-

Accommodation Agencies Act 1953  
Agricultural Produce (Grading & Marking) Acts 1928, 1931  
Agriculture (Miscellaneous Provisions) Act 1968  
Agriculture Acts 1967 - 1970  
Animal Boarding Establishments Act 1963  
Animal Health Act 1981  
Animal Welfare Act 2006  
Anti-Social Behaviour Act 2003  
Anti Social Behaviour Crime & Policing Act 2014  
Building Act 1984  
Cancer Act 1939  
Caravan Sites Act 1968  
Caravan Sites and Control of Development Act 1960  
Charities Act 1992 and 2006  
Children and Families Act 2014  
Children and Young Persons (Protection from Tobacco) Act 1991

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Children and Young Persons Acts 1933 - 1963  
 Children Act 1989 – 2004  
 Children Leaving Care Act 2000  
 Clean Air Acts 1956 - 1993  
 Clean Neighbourhoods and Environment Act 2005  
 Climate Change Act 2008  
 Commons Registration Act 1965/2006  
 Companies Act 1985 and 2006  
 Consumer Credit Act 1974 & 2006  
 Consumer Protection Act 1987  
 Consumer Rights Act 2015  
 Control of Horses (Wales) Act 2014  
 Control of Pollution Acts 1974 - 1989  
 Copyright Designs and Patents Act 1988  
 Counter Terrorism And Security Act 2015  
 Countryside & Rights of Way Act 2008  
 Criminal Justice Act 1982, 1988, 1991  
 Criminal Justice and Police Act 2001  
 Dangerous Wild Animals Act 1976  
 Data Protection Act Data Protection Legislation 1998  
 Dogs (Fouling of Land) Act 1996  
 Education Act 1996  
 Education Act 1997  
 Education Act 2002 & 2005  
 Education (Fees & Awards) Act 1983 (Discretionary Award)  
 Education Reform Act 1988  
 Education & Inspections Act 2006  
 Electricity at Work Act 1989  
 Energy Act 1976  
 Energy Act 2011  
 Energy Conservation Act 1981  
 Enterprise Act 2002  
 Environment Act 1995  
 Environmental Protection Act 1990  
Environmental Protection (Single Use) (Plastic Products) Wales Act 2023  
 Environment (Wales) Act 2016  
 Estate Agents Act 1979  
 \* European Union (Withdrawal) Act 2018  
 Factories Act 1961  
 Farm and Garden Chemicals Act 1967  
 Fire Precautions Act 1971  
 Fire Safety and Safety of Places of Sports Act 1987  
 Fireworks Act 2003  
 Flood and Water Management Act 2010  
 Food and Environment Protection Act 1985  
 Food Hygiene Rating (Wales) Act 2013  
 Food Act 1984  
 \* Food Safety Act 1990  
 Forgery and Counterfeiting Act 1981  
 Fraud Act 2006  
 Freedom of Information Act 2000  
 Gambling Act 2005

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Part 3 – Responsibilities for Functions

Updated May [2023/2024](#)

Hallmarking Act 1973  
 Hazardous Substances Act 1990  
 Health Act 2006  
[Health and Social Care Act 2008](#)  
 Health and Safety at Work etc Act 1974  
[Health Service Procurement Wales Act 2024](#)  
 Highways Act 1980  
 House to House Collections Act 1939  
 Home Safety Act 1961  
 Housing Act 1985  
 Housing Act 1996  
 Housing Act 2004  
 Housing (Wales) Act 2014  
 Housing Grants, Construction and Regeneration Act 1996  
 The Hypnotism Act 1952  
 Insurance Brokers (Registration) Act 1977  
 Insurance Companies Act 1982  
 Intoxicating Substances (Supply) Act 1985  
 Land Drainage Act 1991  
 Law of Property Act 1925  
 Leasehold Reform (Ground Rent) Act 2022  
 Learning & Skills Act 2000  
 Licensing Act 2003  
 Local Government Byelaws (Wales) Act 2012  
 Local Government (Miscellaneous Provisions) Acts 1976 and 1982  
 Local Government Acts 1972 – 2003  
 Local Government and Housing Act 1989  
 Malicious Communications Act 1988  
 Medicines Act 1968  
 Medicine and Medical Devices Act 2021  
 Mines and Quarries (Tips) Act 1969  
 Mobile Homes (Wales) Act 2013  
 Motor Cycle Noise Act 1987  
 Natural Environment & Rural Communities Act 2006  
 New Roads & Street Works Act 1991  
 National Lotteries etc. Act 1993  
 Noise Act 1996  
 Noise and Statutory Nuisance Act 1993  
 Offensive Weapons Act 2019  
 Offices, Shops and Railway Premises Act 1963  
 Olympic Symbol etc., (Protection) Act 1995  
 Performance of Animals (Regs) Act 1925  
 Pet Animals Act 1951  
 Planning Act 2008  
 Planning & Compulsory Purchase Act 2004  
 Planning, Listed Buildings & Conservation Areas Act 1990  
 Planning & Compensation Act 1991  
 Planning (Wales) Act 2015  
 Police Reform and Social Responsibility Act 2011  
 Pollution Prevention and Control Act 1999  
[Procurement Act 2023](#)  
 Powers of the Criminal Courts (Sentencing) Act 2000

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Prevention of Damage by Pests Act 1949  
 Proceeds of Crime Act 2002  
 Prices Acts 1974 and 1975  
 Psychoactive Substances Act 2016  
 Public Health (Control of Disease) Act 1984  
 Public Health (Recurring Nuisances) Act 1969  
 Public Health Acts 1936 to 1961  
 Public Health (Wales) Act 2017  
 Refuse Disposal (Amenity) Act 1978  
 Registration Service Act 1953  
 Regulation & Inspection of Social Care (Wales) Act 2016  
 Renting Homes (Wales) Act 2016  
 Reservoirs Act 1975  
 Riding Establishments Acts 1964 to 1970  
 Road Traffic (Foreign Vehicles) Act 1972  
 Road Traffic Acts 1974 - 1988  
 Safety of Sports Grounds Act 1975  
 School Standards & Framework Act 1998  
 School Standards and Organisation Wales Act 2013  
 Scotch Whisky Act 1988  
 Scrap Metal Dealers Act 2013  
 Slaughter of Poultry Act 1967  
 Slaughterhouses Act 1974  
[Social Partnership & Public Procurement Wales Act 2023](#)  
 Social Services & Wellbeing (Wales) Act 2014  
 Solicitors Act 1974  
 Special Educational Needs & Disability Act 2001  
 Sunbeds (Regulation) Act 2010  
 Sunday Trading Act 1994  
 Tattooing of Minors Act 1969  
 Teaching & Higher Education Act 1998  
 Theft Acts 1968 and 1978  
 The Children and Families Wales Measure 2010  
 Timeshare Act 1992  
 Tobacco Advertising & Promotion Act 2002  
 Town Police Clauses Act 1847  
 Trade Marks Act 1994  
 Trading Representations (Disabled Persons) Acts 1958 and 1972  
 Trade Descriptions Act 1968  
 Traffic Management Act 2004  
 Transport Act 1985, 2000 and 2006  
 Town & Country Planning Act 1990  
 Unsolicited Goods and Services Acts 1971 and 1975  
 Vehicles (Crime) Act 2001  
 Video Recordings Acts – 1984 & 2010  
 Water Industry Act 1991  
 Water Act 1989  
 Weights and Measures Act 1985  
 Wellbeing of Future Generations Act 2015  
 Wildlife & Countryside Act 1981  
 Zoo Licensing Act 1981

- \* The Food Hygiene (Wales) Regulations which enact in regulations the provisions under the Food Safety Act and European Communities Act regulations.



## **RIGHTS OF WAY**

A Rights of Way Cabinet Committee whose terms of reference are to discharge on behalf of the Cabinet the following functions: -

- a) Generally to consider and determine the creation, diversion and extinguishment of public rights of way
- b) To consider evidence and determine matters relating to the reclassification of Roads Used as Public Paths as required by the Wildlife and Countryside Act 1981
- c) To consider errors in the Definitive Map or the Definitive Statement and how they can be corrected.
- d) To make where appropriate Stopping Up Orders on Rights of Way under the Highways Act 1980
- e) To make where appropriate Modification Orders to Rights of Way as permitted by the Wildlife and Countryside Act 1981
- f) To consider evidence on claimed rights of way and to determine those claims
- g) To consider other such matters relating to the management of rights of way as specified on the Definitive Map or Statement as required to discharge the Authority's duties to manage Rights of Way.

## **POWERS DELEGATED TO THE COMMITTEE**

Those matters listed in the terms of reference above.

## **POWERS DELEGATED TO OFFICERS**

<b>Power</b>	<b>Delegated to</b>
All matters arising from the exercise of the committee's terms of reference	The Chief Executive or a Director or the relevant Head of Service after consultation with the Chair or Vice Chair of the committee.

\* Note that the decisions of this committee are excluded from the Executive call-in provisions of the Council's Constitution.

\*Note in relation to quorum, Cabinet at its meeting on 8<sup>th</sup> May, 2007, agreed that the quorum for a Committee would not fall below three in number.

## 5. GENERAL DELEGATIONS OF POWERS: COUNCIL & EXECUTIVE POWERS

<p><b>NOTE THAT</b> each delegation includes the power to take any steps in relation to the delegated function, including the authorisation of or defence of any proceedings in any court, tribunal, board or panel.</p>	<p><b>POWER DELEGATED TO</b></p>
(a) Determination of all matters which are not required to be considered by the Council or Cabinet or which have not been referred to a committee or a sub-committee for determination.	The Chief Executive or any Director or the relevant Head of Service.
(b) Determination of any urgent matter in the purview of the Council, the Cabinet or any committee of these where it is impractical to convene a meeting of that body to consider the matter.	Chief Executive or in his/her absence any Director.
(c) To serve requisitions for information under Local Government (Miscellaneous Provisions) Act 1976 or any other enabling legislation.	Any Director or the relevant Head of Service.
(d) The approval of tenders or award of contracts within the terms of the Council's Financial Standing Orders or Financial Regulations	As set out in the Council's Standing Orders for Contracts or Financial Regulations as set out in Part 4 of the Constitution
(e) In any legal proceedings to have authority to take all action in relation to those proceedings, to prosecute pursue defend appeal abandon or settle those proceedings, and to have the authority to instruct or brief Counsel where considered appropriate	Head of Legal Services or the Monitoring Officer or any Principal Solicitor, or the appropriate Director or the relevant Head of Service in consultation with the Head of Legal Services or any Principal Solicitor
<p>(f) To act as proper officer –</p> <p>(i) for the issue of determinations consents licences or notices within the Terms of Reference of the Planning Committee</p>	The Director of the Environment or the Head of Regeneration & Planning or the Planning Services Manager

<p>(ii) for the issue of determinations consents licences or notices on behalf of the Council</p>	<p>Chief Executive or the appropriate Director or the relevant Head of Service</p>
<p>(iii) for all matters arising out of Part VA of the Local Government Act 1972 (Access to Information) or the Local Government Act 2000</p>	<p>Chief Executive or Director of Corporate Services or Monitoring Officer</p>
<p>(iv) for the signing of any documents on behalf of the Council relating to land</p>	<p>Chief Executive or Head of Legal Services or any Principal Solicitor</p>
<p>(v) for the attestation of the Council's Seal as the officer authorised under the Council's Standing Orders</p>	<p>Chief Executive or Head of Legal Services or any Principal Solicitor</p>
<p>(vi) for the signing of any contractual documents on behalf of the Council relating to any other matter</p>	<p>Chief Executive or Director of Corporate Services or Head of Legal Services or any Principal Solicitor or the appropriate Director or the relevant Head of Service subject to that officer advising and obtaining the approval of the Head of Legal Services of the proposed signing of such document in advance of such signing</p>
<p>(vii) to act as Registrar of Local Land Charges and Commons Registration Officer</p>	<p>Head of Regeneration &amp; Planning or Development Control Manager or relevant Director or Head of Legal Services</p>
<p>(viii) Power to incur expenditure or take any other step in the day to day running in accordance with approved budgets of any Service area</p>	<p>Chief Executive or the appropriate Director or the relevant Head of Service</p>
<p>(ix) Power to set all fees and charges in accordance with the Council's policies</p>	<p>The Chief Executive or any Director or relevant Head of Service in consultation with the Head of Corporate Finance and the appropriate Cabinet Member</p>
<p>(x) To provide a certificate under Local Government (Contracts) Act 1997</p>	<p>S.151 Officer or Head of Corporate Finance</p>

(xi) To act as 'proper officer' in relation to any other function not named above and referred to in any requirement in law in force for the time being	The Chief Executive or Director of Corporate Services or Monitoring Officer
(xii) Functions relating to <del>Cardiff Capital Region City Deal</del> <a href="#">South East Wales Corporate Joint Committee</a>	The Leader or his/her nominated Deputy.
(xiii) To exercise the functions of the Council as a member of the Regional Partnership Board and to consider any specific arrangements which need to be put in place to meet statutory duties at a local and regional level	Cabinet Member for Social Care and Well-being.

6. The following joint arrangements have been established with other Local Authorities.

- Glamorgan Archives Joint Committee.
- Greater Gwent Cremation Joint Committee.
- Gwent Frailty Joint Committee.
- Gwent Archives Joint Committee
- Project Gwyrdd Joint Committee
- [South East Wales Corporate Joint Committee](#)
- ~~Cardiff Capital Region City Deal~~
- Gwent [Public Services Board](#) ~~PSB~~

# Article 1 – The Constitution

## 1.01 Powers of the Council

The Council will exercise all its powers and duties in accordance with the law and this Constitution.

## 1.02 The Constitution

This Constitution, and all its appendices, is the Constitution of the Caerphilly County Borough Council.

The purpose of the Constitution is to:

1. enable the Council to provide clear leadership to the community in partnership with citizens, businesses and other organisations;
2. support the active involvement of citizens in the process of local authority decision-making;
3. help councillors represent their constituents more effectively;
4. enable decisions to be taken efficiently and effectively;
5. create a powerful and effective means of holding decision-makers to public account;
6. ensure that no one will review or scrutinise a decision in which they were directly involved;
7. ensure that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions; and
8. provide a means of improving the delivery of services to the community through the most effective and co-ordinated use of the Council's services and the Council's decision-making processes.

## 1.03 Interpretation and Review of the Constitution

Where the Constitution permits the Council to choose between different courses of action, the Council will always choose that option which it thinks is closest to the purposes stated above.

The Council will monitor and evaluate the operation of the Constitution as set out in Article 15.

# Article 2 – Members of The Council

## 2.01 Composition and eligibility

- (a) **Composition.** The Council will comprise 69 members, otherwise called councillors. These councillors will be elected by the voters of each electoral division in accordance with a scheme drawn up by the Boundary Commission in Wales and approved by the National Assembly.
- (b) **Eligibility.** Only registered voters of the county borough council or those living or working in the area will be eligible to hold the office of councillor.

## 2.02 Election and terms of councillors

The regular election of councillors will be held on the first Thursday in May every five years. The terms of office of councillors will start on the fourth day after being elected and will finish on the fourth day after the date of the next regular election.

## 2.03 Roles and functions of all councillors

- (a) **Key roles.** All councillors will:
  - (i) collectively be the ultimate policy-makers and carry out a number of strategic and corporate management functions including representing the Council on other bodies;
  - (ii) contribute to the good governance of the area and actively encourage community participation and citizen involvement in decision making by the council and its partnerships;
  - (iii) effectively represent the interests of their electoral division and of individual constituents;
- (iv) respond to constituents' enquiries and representations, fairly and impartially;
- (v) participate in the governance and management of the Council;
- (vi) maintain the highest standards of conduct and ethics;
- (vii) where appropriate refer a local Crime & Disorder matter (as defined by S.19 of the Police & Justice Act 2006) to the Housing and Environment Committee as an Agenda item for discussion at a meeting of the Committee;
- (viii) lead on proposals relating to best interests and the wellbeing of the local community and future generations in accordance with the principles of the Well-being of Future Generations Act 2015.

(b) **Rights and duties**

- (i) Councillors will have such rights of access to such documents, information, land and buildings of the Council as are necessary for the proper discharge of their functions and in accordance with the law.
- (ii) Councillors will not make public information which is confidential or exempt without the consent of the Council or divulge information given in confidence to anyone other than a councillor or officer entitled to know it.
- (iii) For these purposes, "confidential" and "exempt" information are defined in the Access to Information Rules in Part 4 of this Constitution.

**2.04 Conduct**

Councillors will at all times observe the Members' Code of Conduct and the Protocol on Member/Officer Relations set out in Part 5 of this Constitution.

**2.05 Allowances**

Councillors will be entitled to receive salaries, expenses and allowances as set out in the Councillors' Salaries, Expenses and Allowances Payments document in Part 6 of this Constitution as determined by the Independent Remuneration Panel (Part 8 Section 141-160 and Schedules 2 and 3 of the Local Government (Wales) Measure 2011.

**2.06 Family Absence for Members of Local Authorities**

Members will observe the Family Absence for Members of Local Authorities Protocol set out in Part 5 of this Constitution.

**2.07 Member Training and Development**

Members will observe the Members Training and Development Protocol set out in Part 5 of this Constitution.

# Article 3 – Citizens and The Council

## 3.01 Citizens' rights

Citizens have the following rights. Their rights to information and to participate are explained in more detail in the Access to Information Rules in Part 4 of this Constitution:

### (a) Voting and petitions.

Citizens on the electoral roll for the area have the right to vote and sign a petition to request a referendum for an elected mayor form of Constitution.

Citizens can seek to raise a matter with the council by submitting a petition in accordance with the Council's Petition Scheme that can be found in part 5 of the Constitution.

### (b) Information.

Citizens have the right to:

- (i) attend meetings of the Council, the Executive and its committees except where confidential or exempt information is likely to be disclosed, and the meeting is therefore held in private;
- (ii) find out from the forward work programme what decisions will be taken by the executive or Council and which issues the overview and scrutiny committees will be considering, and when these matters will be discussed;
- (iii) see reports and background papers, and any records of decisions made by the Council and the executive; and
- (iv) inspect the Council's accounts in accordance with provisions made in Acts of Parliament and make their views known to the external auditor.

### (c) Complaints.

Citizens have the right to complain :

- (i) to the Council itself under its Corporate Complaints Procedure (leaflets are available describing this);
- (ii) to the Ombudsman about any injustice they have suffered as a result of maladministration, but they are encouraged to use the Council's own complaints scheme first;
- (iii) to the Ombudsman where they believe a member or co-opted member of the council has breached the Member's Code of Conduct.



**(d) Welsh Language**

Under the Welsh Language Standards, citizens have the right to:-

- (i) receive council services through the Welsh language;
- (ii) receive the same standard of service in Welsh as they would expect to receive in English;
- (iii) have their language preference respected, whether that preference is English or Welsh.

**3.02 Citizens' responsibilities**

Citizens must not be violent, abusive or threatening to councillors or officers and must not willfully harm things owned by the council, councillors or officers.

# Article 4 - The Full Council

## 4.01 Meanings

### (a) Policy Framework.

The policy framework means the following plans and strategies for the county borough together with decisions taken from time to time by the Council on matters affecting policy.

The Public Services Board's Well-being Plan  
Council's Corporate Plan and Well-being Objectives  
Regeneration Strategy  
Local Development Plan  
~~Corporate Plan~~

### (b) Budget.

The budget includes the allocation of financial resources to different services and projects, proposed contingency funds, the council tax base, setting the council tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits.

### (c) Housing Land Transfer.

Housing Land Transfer means the approval or adoption of applications (whether in draft form or not) to the Welsh Ministers for approval of a programme of disposal of 500 or more properties to a person under the Leasehold Reform, Housing and Urban Development Act 1993 or to dispose of land used for residential purposes where approval is required under sections 32 or 43 of the Housing Act 1985.

## 4.02 Functions of the full Council

Only the Council may exercise the following functions:

- (a) adopting and changing the Constitution;
- (b) approving or adopting the policy framework, the budget and any application to the Senedd Cymru in respect of any Housing Land Transfer;
- (c) subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 4 of this Constitution, making decisions about any matter in the discharge of an executive function which is covered by the policy framework or the budget where the decision maker is minded to make it in a manner which would be contrary to the policy framework or contrary to/or not wholly in accordance with the budget;
- (d) appointing the leader and the Cabinet portfolios (not the Cabinet members);

- (e) agreeing and/or amending the terms of reference for committees, sub-committees, panels and boards, deciding on their composition and making appointments to them;
- (f) appointing representatives to outside bodies unless the appointment is an executive function or has been delegated by the Council;
- (g) adopting or amending an allowances scheme;
- (h) changing the name of the area, conferring the title of honorary alderman or freedom of the county borough ;
- (i) making or confirming the appointment of the Chief Executive
- (j) making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or personal Bills;
- (k) all local choice functions set out in Part 3 of this Constitution which the Council decides should be undertaken by itself rather than the executive; and
- (l) performing the corporate joint committee functions set out in Article 11 of this Constitution including the making of a corporate joint committee and application and the gaining of consent to corporate joint committee regulation being made.
- (m) consulting local people, other persons carrying on a business in the Council's area, the officers of the Council and every trade union which is recognised by the Council about the extent to which the Council is meeting its performance requirements;
- (n) preparing an annual report on the extent to which the Council has met its performance requirements;
- (o) reviewing, approving and amending the Council's wellbeing objectives in accordance with section 9 of the Well-being of Future Generations (Wales) Act 2005 and the accompanying statutory guidance issued by the Welsh Ministers.
- (p) keeping under review the extent to which:
  - (i) it is exercising its functions effectively;
  - (ii) using its resources economically, efficiently and effectively; and
  - (iii) its governance arrangements are affecting for securing the matters set out in (i) and (ii) above.
- (q) all other matters which, by law, must be reserved to Council.

#### **4.03 Council meetings**

There are three types of Council meeting:

- (a) the annual meeting;
- (b) ordinary meetings;
- (c) extraordinary meetings

and they will be conducted in accordance with the Council Procedure Rules in Part 4 of this Constitution.

#### **4.04 Responsibility for functions**

The Council will maintain the tables in Part 3 of this Constitution setting out the responsibilities for the Council's functions which are not the responsibility of the executive.

# Article 5 - Chairing The Council

*References:*

*Sections 22, 23; Schedule 12; Local Government Act 1972  
Schedule 3, Local Government Act 2000*

## **5.01 Role and function of the chair of the council**

The Mayor of council and in their absence, the Deputy Mayor will have the following roles and functions:

The Mayor will be elected by the Council annually. The Mayor will have the following responsibilities:

1. to uphold and promote the purposes of the Constitution, and to interpret the Constitution when necessary;
2. to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of councillors and the interests of the community;
3. to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which members who are not on the executive and committee chairs can be held to account;
4. to promote public involvement in the Council's activities;
5. to be the conscience of the Council; and
6. to attend such civic and ceremonial functions as the Council and he/she determines appropriate
7. to carry out duties as required under The Family Absence for Members of Local Authorities (Wales) Regulations 2013 in accordance with the Family Absence for Members Protocol set out in Part 5 of this Constitution

## Article 6 - Overview and Scrutiny Committees

The overview and scrutiny function is central to new constitutions. The Assembly Guidance makes clear that overview and scrutiny committees should be powerful committees which meet in public to discuss and make recommendations on the improvement and development of policies and hold the executive and officers exercising delegated powers to account for their actions. They will also have a key role in considering other matters of local concern.

### 6.01 Terms of reference

The Council will appoint the overview and scrutiny committees set out in the left hand column of the table below to oversee and scrutinise the discharge of the functions conferred by section 21 of the Local Government Act 2000 in relation to the matters set out in the right hand column of the same table, whether these cover one or more service area responsibilities and will include certain delegated power decisions, as listed in Article 13.

References:

Section 21 and Schedule 1 (Paragraphs 7,8,10 and 11), Local Government Act 2000  
Chapter 4 and 6, The Local Government Act 2000 Part II: Guidance for County and County Borough Councils in Wales on Executive Arrangements, July 2001

The Police & Justice Act 2006 required Local Authorities to establish a Crime & Disorder Committee which was brought into effect in Wales on 1st October 2009. The Council's Housing and Environment Scrutiny Committee has the additional function conferred by the Police & Justice Act 2006.

The Well-being of Future Generations (Wales) Act 2015 requires the Council to formally collaborate with the Local Health Board, South Wales Fire & Rescue Authority and Natural Resources Wales as a Public Services Board for the geographical area of the Council and to use the sustainable development principle to meet the wellbeing duty/goals under the Act. The Act also provides for two or more PSBs to be able to merge if it would assist them in contributing to the achievement of the well-being goals. Each of the five PSBs Blaenau Gwent, Caerphilly, Monmouth, Newport, Torfaen agreed to disband the local PSB's and form a regional Public Service Board. The Local Delivery Partnership arrangements provide for the delivery of local priorities set out in the Gwent well-being plan and any local contribution to regional priorities which will be scrutinised by the appropriate scrutiny committee.

In considering membership of such committees, due regard will be paid to the potential contribution of community stakeholders outside the council. Overview and scrutiny committees for education functions will comply with the provisions of paragraphs 8, 9, 10 and 11 of schedule 1 to the Local Government act 2000 (i.e. include church and governor and parent governor representatives as voting appointed members of committees with education as all or part of their remit).

<b>Terms of Reference: Corporate and Regeneration Scrutiny Committee</b>	
Gwent Public Services Board Local Delivery Group Priorities	Relevant Local Delivery Group Priorities
Education and Corporate Services Directorate Responsibilities	To act as general overview and scrutiny committee for the Council
	The proper financial planning budgeting and control of the Authority's resources
	Council's Policies
	The development and implementation of the Council's corporate policies and themes.
	The delivery of service to achieve the Council's strategic objectives
	The implementation of Wales Programme for Improvement across the Authority in accordance with the provisions of the Local Government (Wales) Measure 2009
	Information Communication, Technology & Customer Services
	Human Resources
	Corporate Finance
	Electoral Services
	Legal Services
	Internal Audit Services
	Procurement Services
	Democratic Services
	Corporate Health and Safety including liaison with the Health and Safety Executive
	Performance Management
	Overview of all policy and finance issues considered by the Executive
Equalities and Welsh Language	
Emergency Planning	
Any other matter or topic which properly falls to an Overview & Scrutiny Committee function but not allocated specifically to any other of the Council's named Scrutiny Committees	
Directorate of Economy and Environment Responsibilities	Planning – Strategic & Development Plan Policy
	Planning – Urban Renewal & Town Centre Management
	Planning – Development & Building Control (excluding those matters set out in the Terms of Reference of the Planning Committee)
	Planning – Countryside & Landscape Services
	Economic Development & <u>External Funding Programmes</u> <del>European Programme Funding</del>

	Arts Development
	Tourism and Heritage

**Cabinet Members Reporting to Corporate and Regeneration Scrutiny Committee:**

**Relevant Cabinet Member(s). For more information in relation to the portfolios of Cabinet posts please see Article 7.**

<b>Terms of Reference: Education and Social Services Scrutiny Committee</b>	
Gwent Public Services Board Local Delivery Group Priorities	Relevant Local Delivery Group Priorities
Directorate of Education and Corporate Services Responsibilities	The discharge of the Council's obligations as Local Education Authority under statute and regulation.
	The preparation and scrutiny of statutory education and lifelong learning strategic plans, relevant Council Well-being Objectives and Directorate Performance
	To monitor the performance of the Education Achievement Service in relation to the delivery of the Raising Standards Agenda including monitoring, support and challenge in inverse proportion to success, delivered by the EAS on behalf of the Authority *.
	*Local Management of Schools and Fair Funding.
	Forward planning re. school places, , school admissions and student awards.
	Inclusion Services which involve Learning Support Services, educational psychology, education welfare, behavioural support and managing pupil exclusions.
	*Governor support and training.
	*Welsh Language Education.
	*Agreed RE Syllabus. Caerphilly Standing Advisory Council on Religion, Values and Ethics - SACRVE * means delivered by the EAS with statutory duty retained by the Council
	Joint Services via Gwent VI Service.
	National Grid for Learning Cymru.
	Adult Community Learning Partnership
	Lifelong learning, and community education.
Public Library Service.	



Directorate of Social Services and Housing Responsibilities	Music Service.
	Securing grants.
	Youth Service
	Provision of Children's & Adults Social Care under statute
	Provision of advice, guidance and support.
	The assessment, care planning and reviewing of all support packages for service users meeting the defined eligibility thresholds in line with current legislation regulation and statutory guidance
	Commissioning and contracting for Social Services
	The preparation and scrutiny of statutory social services plans, relevant Council Well-being Objectives and Directorate Performance
Directorate of Economy and Environment Responsibilities	Social Services Transport Operations
	<u>School Transport</u>

**Cabinet Members Reporting to Education and Social Services Scrutiny Committee:**

**Relevant Cabinet Member(s).** For more information in relation to the portfolios of Cabinet posts please see Article 7.

<b>Terms of Reference: Housing and Environment Scrutiny Committee</b>	
Gwent Public Services Board Local Delivery Group Priorities	Relevant Local Delivery Group Priorities .
Directorate of Economy and Environment Responsibilities	Waste Collection, Waste Treatment & Disposal and Street Cleansing
	Burials, Cemeteries and Bereavement Services
	Highways Maintenance
	Street Lighting
	Engineering Services
	Land Drainage
	Fleet Management & Maintenance
	Parks <u>Countryside</u> & Outdoor <u>Green Spaces</u> / Facilities
	Leisure & Sports Development
	Public Conveniences
	Public Transport
	Land Reclamation & Tips
	Road Safety
	Traffic Management (including Traffic Regulation Orders & Notices)

Directorate of the Social Services and Housing Responsibilities	Highway Development Control
	Car Parking <b>Civil Parking Enforcement</b>
	Civil Engineering Design & Procurement
	Structures
	Transportation & Planning Improvements
	Public Health (including infectious diseases and health promotion/education)
	Food Safety <b>Enforcement</b>
	Pollution Control (including noise, litter and illicit tipping, air and water quality, contaminated land)
	Public Health (statutory nuisance and sewer/drains)
	Trading Standards
	Health and Safety of commercial premises
	CCTV & Community Safety Wardens
	Pest Control, Dog Warden, Animal Trespassing Services
	Animal Health and Welfare Enforcement
	Licensing
	Registrar of Births, Deaths, Marriages/Civil Partnerships
	Building Cleaning
	Catering
	Community Centres
	<b>Land and</b> Property Services
	Corporate Asset Management
	Crime & Disorder To scrutinise the work of the SCCSP and the partners (“responsible authorities”) who comprise it ‘insofar as their activities relate to the partnership itself’. In other words, Members’ scrutiny role relates only to the work done by the SCCSP. The role includes: <ul style="list-style-type: none"> <li>• To consider actions taken by the responsible authorities on the SCCSP.</li> <li>• To consider Councillor Calls for Action.</li> <li>• To make reports or recommendations to the Council and or others and monitor those recommendations.</li> </ul> Scrutinising Partnership Activity - The Committee does not have statutory powers to scrutinise partners individually. It can only scrutinise activity taken in partnership when working collaboratively
	Housing Strategy Public Sector Housing Housing Repair Operations Private Sector Housing

## Cabinet Member Reporting to The Housing and Environment Scrutiny Committee:

Relevant Cabinet Member(s). For more information in relation to the portfolios of Cabinet posts please see Article 7. Cabinet Member Reporting to Joint Scrutiny Committee:

Terms of Reference: Joint Scrutiny Committee	
All Directorates	Cross cutting matters such as Finance, Performance, Transformation or other significant issues.  <a href="#"><u>Development of Well-being Objectives and the annual Self assessment report</u></a>

Relevant Cabinet Member(s). For more information in relation to the portfolios of Cabinet posts please see Article 7

**6.02 General role** (which may be discharged by the Committee itself or by appointing task and finish groups to examine an issue and report to the Committee for decision).

(a) Within their terms of reference, overview and scrutiny committees will:

- i) review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
- ii) make reports and/or recommendations to the full Council and/or the executive and/or any joint committee in connection with the discharge of any functions;
- iii) consider any matter affecting the area or its inhabitants; and
- iv) exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the executive.
- v) monitor the operation and performance of individual services, the Council's services and appropriate external bodies, including joint committees.
- vi) comment on draft budgets
- vii) examine performance monitoring information.
- viii) consider relevant Councillor Calls for Action

(b) With their terms of reference, overview and scrutiny committees may:

- i) assist the Council and the executive in the development of its budget and policy framework by in-depth analysis of policy issues;
- ii) conduct research, community and other consultation in the analysis of policy issues and possible options;
- iii) consider and implement mechanisms to encourage and enhance community participation in the development of policy options;
- iv) question members of the executive and/or officers about their views on issues and proposals affecting the area;

- v) liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.
  - vi) question and gather evidence from any person (with their consent).
- (c) **Finance.** Overview and scrutiny committees may exercise overall responsibility for the finances made available to them.
- (d) **Annual report.** Overview and scrutiny committees must report annually to full Council on their workings and report future work programmes and amended working methods if appropriate.
- (e) **Officers.** Overview and scrutiny committees may exercise overall responsibility for the work programme of the officers employed to support their work.

### **6.03 Proceedings of overview and scrutiny committees**

Overview and scrutiny committees will conduct their proceedings in accordance with the Overview and Scrutiny Procedure Rules set out in Part 4 of this Constitution.

### **6.04 Delegated powers**

- a) Each Overview and Scrutiny Committee has delegated to it all those matters falling within that Committee's terms of reference;
- b) Those powers delegated to an Overview and Scrutiny Committee may also be exercised by the Chief Executive or a Director or a Head of Service after consultation with the Chair or Vice-Chair of the appropriate Committee.

# Article 7 – The Executive

## THE ROLE OF THE EXECUTIVE

The Rules of Procedure in Part 4 of this constitution set out how the executive will operate. These include arrangements for meetings, scheme of delegation and sub-delegation of functions.

*References:*

*Section 11 and Schedule 1, paragraphs 1,2,3, Local Government Act 2000*

*Chapter 4 and 6, The Local Government Act 2000 Part II: Guidance for County and County Borough Councils in Wales on Executive Arrangements, July 2001*

*Wellbeing of Future Generations Act 2015*

### 7.01 Role

The executive will carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under this Constitution, and will have a collective responsibility for the well-being of the local community and future generations.

### 7.02 Form and composition

The executive will consist of the executive leader appointed by the Council together with eight councillors appointed to the executive by the executive leader and holding the following portfolios:

1. Deputy Leader for Prosperity, Regeneration & Climate Change
2. Cabinet Member Corporate Services, Property & Highways
3. Cabinet Member Finance & Performance
4. Cabinet Member Education & Communities
5. Cabinet Member Housing
6. Cabinet Member Waste, Leisure & Green Spaces
7. Cabinet Member Social Care
8. Cabinet Member Planning & Public Protection

**Prosperity, Regeneration & Climate Change (*this list is not exhaustive*), the following:-**

- Deputy representative on City Deal Joint Cabinet
- Economic Development and Regeneration
- Sustainability/Well-being of Future Generations
- Tourism & Cultural Facilities

**Corporate Services, Property & Highways Portfolio includes (*this list is not exhaustive*), the following:-**

- All aspects of the Council's functions as an employer (other than the appointment of staff) including the oversight of recruitment, terms and condition of employment, conduct and disciplines, structural review and consequences thereof
- Oversight of People Services
- Council business management
- Legal Services

- Executive link to Democratic Services including Member training
- Corporate Governance
- Electoral Services
- Information and Technology services
- Customer services
- Procurement services
- Corporate health and safety
- Communications
- Strategic Highways and Maintenance
- Integrated Transport Plan – Highways, Rail, Metro and other forms of transport
- Member of regional transport authority
- Flood and water management including land drainage
- Street lighting
- Transport including Education and Social Services transport operations
- Land reclamation and tips
- Traffic management including car parking, traffic regulation orders and notices
- Digital infrastructure
- Property services
- Emergency planning
- Fleet management and vehicle maintenance

***Finance & Performance Portfolio includes (this list is not exhaustive), the following:-***

- The proper financial budgeting and control of the Authority
- Internal Audit Services
- Corporate Performance including equalities and Welsh language
- Corporate Plan
- Caerphilly Transformation programme

***Education & Communities Portfolio includes (this list is not exhaustive), the following:-***

- The discharge of the Council’s statutory obligations as Local Education including (but not limited to) preparation and scrutiny of strategic education plans, forward planning, re: school places and admission, local management of schools and fair funding and learning support services
- Executive link to EAS
- Public library service
- Skills
- Youth service
- Adult learning (including community education)
- Youth engagement/liaison with youth forum
- Catering services
- Caerphilly Cares & Community regeneration

***Housing Portfolio includes (this list is not exhaustive), the following:-***

- Public sector housing

- Delivery of Welsh housing quality standards WHQS2
- Private housing including enforcement issues
- Homelessness
- Executive link with Housing Quality Task group issues
- New Build Programme

**Waste, Leisure & Green Spaces Portfolio includes (this list is not exhaustive), the following:-**

- Waste & recycling
- Cleansing
- Sport & leisure services
- Parks, recreation and outdoor sports facilities
- Country parks and countryside services
- Community centres
- Building cleansing
- Burial, cemeteries and bereavement services

**Social Care Portfolio includes (this list is not exhaustive) the following:-**

- All aspects of the provision of adult social care and services
- All aspects of the provision of children's social care and services
- Integration with health services
- Residential Care
- Domiciliary Care
- Supported Living
- Day Care
- Youth Offending
- Looked After Children
- Fostering and Adoption

**Planning & Public Protection Portfolio includes (this list is not exhaustive), the following:-**

- Planning – the proper operation of development [managementservices](#) and building control (excluding applications to the authority)
- Planning – Land use planning policies
- Public protection
- Trading Standards
- Environmental health
- Licensing
- Community safety
- Registration services
- 

### 7.03 Leader



The leader will be a councillor elected to the position of leader by the Council. The leader will hold office until:

- (a) he/she resigns from the office; or
- (b) he/she is suspended from being a councillor under Part III of the Local Government Act 2000 (although he/she may resume office at the end of the period of suspension); or
- (c) he/she is no longer a councillor; or
- (d) he/she is removed from office by resolution of the Council

#### **7.04 Other executive members**

Only councillors may be appointed to the executive. Neither co-optees nor substitutes for executive members is permitted. Although the Assembly Guidance notes that local authorities are free to have deputy cabinet members, it also points out that they are unable to substitute for a member of the executive at a cabinet meeting nor vote on behalf of the cabinet member for whom they deputise. Neither the chair nor vice chair of the Council may be appointed to the executive and members of the executive (including the leader) may not be members of an overview and scrutiny committee.

Other executive members shall hold office until:

- (a) they resign from office; or
- (b) they are suspended from being councillors under Part III of the Local Government Act 2000 (although they may resume office at the end of the period of suspension); or
- (c) they are no longer councillors; or
- (d) they are removed from office by the leader who must give written notice of any removal to the Council's Chief Executive. The removal will take effect two working days after receipt of the notice by the Chief Executive.

#### **7.05 Deputy cabinet members**

The Council has decided that there will be no post of deputy cabinet members other than up to two deputy leaders.

#### **7.06 Proceedings of the executive**

Proceedings of the executive shall take place in accordance with the Executive Procedure Rules set out in Part 4 of this Constitution.

#### **7.07 Responsibility for functions**

The leader will maintain a list setting out which individual members of the executive, committees of the executive, officers or joint arrangements are responsible for the exercise of particular executive functions as set out in Part 3 of this Constitution.

(Note: the Council has decided that there will not be a delegation of powers to individual Cabinet members).

**7.08 Acting as one of the Council's Representatives on the Public Services Board**

- (a) The Leader shall be one of the Council's two representatives at meetings of the Public Services Board.
- (b) The Leader shall designate the Deputy Leader to attend in their absence unless the Deputy Leader is also not available in which case the Leader shall designate another Member of the Cabinet

**7.09 Acting as the Council member of the Cabinet Corporate Joint Committee**

The Leader shall be the Council member of the South East Wales Corporate Joint Committee. Where the Leader is unable to discharge their functions in respect of the Corporate Joint Committee, the Council shall appoint another member of the Cabinet to discharge those functions on behalf of the Council.

## Article 8 – Regulatory & Other Committees

Planning and licensing are not executive or board functions. Councils will therefore need to create committees to undertake these functions under powers delegated from full Council. These are called "regulatory committees". The Council has also established

- (1) a Governance and Audit Committee
- (2) a Democratic Services Committee

### 8.01 Regulatory and other committees

The Council appoints the following committees with the Terms of Reference and delegated powers to the Committees and to officers, as set out on the following pages:-

#### a) **PLANNING COMMITTEE**

##### **Terms of Reference**

To discharge the functions of the Caerphilly County Borough Council in relation to all aspects of the following:

1. To exercise the functions of the Council as local planning authority
2. Without prejudice to the generality of the foregoing to discharge the following:
  - a) Development management and all aspects of planning enforcement
  - b) Advertisement Control
  - c) Building Preservation Notices
  - d) Tree Preservation, Felling Licences
  - e) Building Regulations
  - f) Dangerous structures and derelict sites.
  - g) Listed Building Control.
  - h) Access for disabled people
  - i) Street naming and numbering.
  - j) Minerals Planning - Policy control and enforcement
3. The institution of legal proceedings or the defence of legal proceedings in respect of infringements of legislation common law or procedures falling within the Terms of Reference of this Committee.

4. Power to take any action on behalf of the Council in relation to any matter within this Committee's Terms of Reference, where such action is necessary to protect the Council's interests and delay would significantly prejudice the attainment of the object in view.
5. Contracts and other expenditure within the Committee's Terms of Reference, where there is an existing relevant expenditure approved by the Council and subject to the Council's Standing Orders and Financial Regulations.
6. Power to authorise appropriate officers, in consultation with the Chairman and Vice Chairman, and if deemed necessary after seeking the views of appropriate members, to discharge any of this Committee's functions on behalf of the Committee.

PROVIDED THAT:

- (a) All matters relating to policy where there is no existing relevant policy decision of the Council shall be referred to the Cabinet for recommendation to the Council;
  - (b) All matters relating to financial expenditure where there is no existing relevant expenditure approved by the Council shall be referred to the Cabinet for recommendation to the Council.
  - (c) In the event that it appears to the Committee that a matter under consideration is also within the jurisdiction of another committee of this Council then the matter shall be referred to the Cabinet for a determination as to which committee shall determine the matter.
  - (d) Proposed virements within the revenue budgets agreed by the Council in excess of the sum fixed from time to time by the Council must be referred to the Cabinet for recommendation to the Council.
  - (e) Where the Head of Regeneration & Planning or the Planning Services Manager is prevented from supporting at a Public Inquiry the Committee's reasons for refusal then the member or members who promoted the decision will, if called upon to do so by the Head of Legal Services, appear as one of the Council's witnesses.
7. The Council at its meeting held on 8th May, 2014 agreed that the current restrictions within Standing Orders, which prohibits a meeting for sitting longer than four hours be removed from the Planning Committee, subject to a requirement on the Committee to take appropriate breaks, so as to ensure the comfort of those participating in the meeting.

POWERS DELEGATED TO THE COMMITTEE

All those matters listed above within the Committee's Terms of Reference subject to the Challenge Procedure.

POWERS DELEGATED TO THE COUNCIL'S OFFICERS

1. The determination by the Head of Regeneration & Planning or the Planning Services Manager of all enforcement matters under the Town and Country	Head of Regeneration & Planning or Planning Services Manager
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<p>Planning Act 1990 and associated legislation, other than</p> <p>(a) any case that any Member requests in writing to the Head of Regeneration &amp; Planning within 21 days of the publication of the weekly list containing the latest cases shall be determined only after consultation with the Chair and Vice-chair of the Planning Committee and local Member(s)</p> <p>(b) any case where it is recommended that it is not expedient to take enforcement action but the resulting development would be contrary to the Council's planning policies shall be determined only after consultation with the Chair and Vice-chair of the Planning Committee and local Member(s)</p> <p>(c) cases which in the opinion of the officers are likely to be controversial or of significant public interest or should in any event be determined only after consultation with the Chair and Vice-chair of the Planning Committee and local Member(s)</p> <p>(d) cases where the decision would conflict with an objection received from a statutory consultee shall be determined only after consultation with the Chair and Vice-chair of the Planning Committee and local Member(s)</p>	
<p>2. Emergency action on behalf of the Council in relation to any matter within the Committee's Terms of Reference where such action is necessary to protect the Council's interests and delay in bringing the matter before the Committee would significantly prejudice the attainment of the object in view</p>	<p>The Director or the Head of Regeneration &amp; Planning or the Planning Services Manager in consultation with the Chairman and the Vice Chairman of the Committee</p>
<p>3. The institution of legal proceedings in respect of any matter within the Committee's Terms of Reference and the defence of legal proceedings instituted against the Council</p>	<p>Head of Legal Services or any Principal Solicitor or the Head of Regeneration &amp; Planning or the Planning Services Manager in consultation with the Head of Legal Services or any Senior Solicitor.</p>
<p>4. Service of Building Preservation Notices</p>	<p>Head of Regeneration &amp; Planning or the Planning Services Manager</p>
<p>5. Approval or refusal of plans under Building Regulations</p>	<p>Head of Regeneration &amp; Planning or the Planning Services Manager</p>

6.	Completion certificates for guarantee purposes	Head of Regeneration & Planning or the Planning Services Manager
7.	Enforcement action under Building Regulations, dangerous structures and ruinous and dilapidated property	Head of Regeneration & Planning or the Planning Services Manager
8.	Determination of dates upon which duly authorised enforcement notices take effect	Head of Regeneration & Planning or the Planning Services Manager
9.	Approval of minor amendments to approved plans or relaxation of Building Regulations	Head of Regeneration & Planning or the Planning Services Manager
10.	Receipt of planning applications, determination of fees, extension of time for determination of planning applications	Head of Regeneration & Planning or the Planning Services Manager
11	Any action under the terms of a confirmed Tree Preservation Order, or any issue relating to Tree Felling Licences below 10 hectares.	Head of Regeneration & Planning or the Planning Services Manager.
12.	Signing on behalf of the Council all notices required in accordance with decisions, determinations and enforcements within the Terms of Reference of this Committee	Head of Regeneration & Planning or the Planning Services Manager
13.	Any steps required in connection with the progressing of appeals to the Welsh Ministers against the decision of the local planning authority.	Head of Regeneration & Planning or the Planning Services Manager
14.	Serving of notices for the proper maintenance of waste land.	Head of Regeneration & Planning or the Planning Services Manager
15.	Making any necessary determinations under Regulations 5,6,7,10 and 25 of The Town and Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 1999 or any amendment thereto.	Head of Regeneration & Planning or the Planning Services Manager
16.	Conservation Area consent including demolition of buildings or extension thereto.	Head of Regeneration & Planning or the Planning Services Manager

<p>17. In consultation with the Chairman and Vice-Chairman of the committee to correct or amend consents to take account of errors or omissions or minor amendments not considered at the committee which do not significantly affect the nature of the decision taken for the consent granted.</p>	<p>Head of Regeneration &amp; Planning or the Planning Services Manager</p>
<p>18. The determination of all applications for planning permission, reserved matters, listed building consent, conservation area consent, tree preservation order consent and advertisement consent and all other matters submitted for the determination, formal application or comment of the local planning authority under the relevant Town and Country Planning Act and associated legislation, <b>OTHER THAN :-</b></p> <p>(a) Development Threshold - All major planning applications or those involving Environmental Impact Assessments;</p> <p>(b) Objection Threshold Call In – Any planning application where a Member has requested in writing on material planning grounds to the Head of Regeneration &amp; Planning within the 21day consultation period that the application should be considered by the Planning Committee.</p> <p>(c) Departure Applications - any application where it is recommended that permission be granted contrary to the Council’s Planning Policies.</p> <p>(d) Officer Referral - any application which in the opinion of the Head of Regeneration &amp; Planning or the Planning Services Manager has a community wide impact, is of strategic significance or should in any event be determined by the Planning Committee.</p>	<p>Head of Regeneration &amp; Planning or the Planning Services Manager</p>

<p>(e) Any planning application submitted by any officer of the Council involved in the planning process or a Councillor.</p>	
<p>19 The consideration of details and schemes submitted pursuant to a condition applied to a planning permission in accordance with Section 72 of the Town and Country Planning Act 1990, <del>apart from details and schemes submitted as 'reserved matters' as defined by Article 2 of the Town and Country Planning (Development Management Procedure) (Wales) Order 2012</del></p>	<p>Head of Regeneration &amp; Planning or the Planning Services Manager</p>
<p>20. Discharging all other day to day aspects of the functions listed within the Committee's Terms of Reference which power shall be exercised by the appropriate Director or Head of Regeneration &amp; Planning or the Planning Services Manager after consultation with the Chairman and Vice Chairman of the Committee</p>	<p>Head of Regeneration &amp; Planning or the Planning Services Manager</p>

Explanatory note for delegations under paragraph 18 above.

For the purposes of criteria (a) of the above proposed scheme of delegation a major planning application is as defined in the Town and Country Planning (Development Management Procedures) (Wales) Order 2012 (DMPWO) namely:

- a proposal to erect 10 or more dwellings
- where the number of dwellings is not known (outline applications), the application site exceeds 0.5 hectares
- where the application site exceeds 1 hectare
- where proposed buildings/extensions create a floor area exceeding 1000 square metres
- winning and working of minerals
- waste development

For the purposes of criteria (b) whilst the call-in procedure is a fundamental and important part of the democratic process, unnecessary 'call-ins' can lead to unreasonable delay. Therefore, where it is considered that a Member or Members is/are unreasonably calling in planning applications or otherwise potentially abusing the 'call-in' process, the Chair and Vice-chair, in consultation with relevant Ward Member(s), will have the authority to withdraw any "call-in" request. The decision of this panel is final.

For the purposes of criteria (e) an officer is involved in the planning process if they are a member of staff in planning services, or involved in enforcing planning matters, or give advice or support to



Officers or Councillors involved in the planning process or could be perceived to be involved in the planning process.

## CHALLENGE PROCEDURE

1. This Procedure is only available in respect of development management control and associated matters where this Committee has delegated powers.
2. This Procedure is only available to any member not a member of the Planning Committee who is unable to attend the meeting of the Planning Committee at which the particular matter the subject of the challenge is to be considered for the first time.
3. Any Challenge should wherever possible be submitted within 21 days of the appearance of the matter in the Council's weekly list of applications but in any event no later than 48 hours before the time appointed for the meeting at which the matter is to be considered.
4. The Challenge shall:
  - (a) be in writing and
  - (b) be sent to the Chief Executive to be received by him no later than 48 hours before the date fixed for the meeting and
  - (c) shall be in the following form:

***"I am of the opinion that permission should be granted/refused/granted subject to the following conditions: .....for the following reason(s): ..... If the Planning Committee does not resolve accordingly, I require its decision to be deferred to the next meeting of the Planning Committee"***

## **GUIDELINES FOR SITE VISITS**

### **Purpose of site inspections**

- 1 Site inspections are fact-finding exercises to allow members to make a more informed decision than would be possible from reading the officer's report and considering the views expressed at the Planning Committee meeting.
- 2 The sole purpose of site inspections is to allow the chairperson and vice-chairperson and other members to look at the site and its surroundings. In conducting the site visit, the members will not formally debate the application, express a prior opinion, lobby for any particular decision or come to any decision.

### **Requests for Committee site inspections**

- 3 If Members wish an application to be reported to Planning Committee and be the subject of a site visit, they should advise the case officer or in his/her absence any other officer of the Development Management Team in writing (including email) within 21 days of receiving the weekly list of planning applications.
- 4 Site visits should be allowed on the basis of a request from either the chairperson or vice-chairperson, or from any local member including an adjoining ward Councillor whether or not a member of the committee. It is expected that local members will already be familiar with the site. Members are encouraged to go to the sites themselves, discuss proposals with officers, and look at the presentation that officers now email to Planning Committee Members before Committee.
- 5 Site visits may also be arranged, at the behest of the Head of Planning and Regeneration or Development Control Manager when they consider that there are particular site issues that members should be aware of prior to the determination of the application.

### **Criteria for agreeing to hold site inspections**

- 6 Any request for a formal site visit will have to comply with the following criteria:-
  - Illustrative material is insufficient to convey the issues;
  - A judgement is required on visual impact;
  - The setting and surroundings are relevant to the determination of the application;
  - The site has not been visited recently by the Planning Committee in relation to another planning application.
- 7 Requests for formal site visits made at Planning Committee will only be allowed in exceptional circumstances, e.g. where a Councillor is incapable of notifying officers of the need for a site visit when the application for planning permission was first publicised.

Examples where a site visit would not normally be appropriate include where:

- The member simply disagrees with the conclusion reached in the report.

- The member wishes to consider boundary or neighbour disputes.
- Loss of property values
- Any issues that are not material planning considerations.
- Where councillors have already visited the site within the last 12 months, except in exceptional circumstances.

Where there is any dispute about the need for a site visit, the final decision will be taken by the Chair and/or Vice-Chair of the Planning Committee in consultation with the Head of Planning and Regeneration and/or the Development Control Manager.

### **Notification of site visits**

- 8 All site visits will take place on the Monday before Planning Committee for applications being reported to that Committee. Where it is impractical to undertake all approved site visits on the Monday before the Planning Committee, the visit/s may take place on any day subject to the visit/s taking place before the Planning Committee to which the application/s is/are being reported. All Members (subject to declarations of interests) will be entitled to attend the site visits, and all Planning Committee Members will be encouraged to attend.

Committee Services will arrange the site visits, but will not attend to take minutes. A brief note will be prepared by Planning Officers and will be presented to the Planning Committee, confirming that a site visit has taken place and providing a summary of any additional information received or matters arising from the site visit.

### **Attendance At Site Inspections**

- 9 Site visits will normally be attended by the chairperson and vice-chairperson of Planning Committee, ward members and appropriate officers. All Members (subject to declarations of interest) will be encouraged to attend the site visits and all Planning Committee Members will be encouraged to attend.
- 10 Members may through the chairperson ask questions of officers to clarify factual matters relevant to the site inspection.
- 11 If a request is received from a third party to inspect the site from a different location, the members, as a group, should take the view whether to do so. Unless there are good reasons not to do so, such a request should normally be acceded to but only if all participants at the site inspection are extended the same invitation.
- 12 Members may only enter onto the site with the permission of the site owner who has the right of attendance at the site inspection.
- 13 The public does not have a right of access to a site but may attend and view the site by way of public vantage points or on site with the consent of the owner.
- 14 Applicants, their agents and members of the public, will not be allowed to speak at the site visits apart from providing matters of information or clarification; the informal meeting with the public that has become the part of the customer practice of the Council will end so that the site visits are undertaken in a more formal manner.

- 15 If a member finds it necessary to visit a site alone, he or she shall view it from public vantage points only, seek to avoid discussion with interested parties and, if dialogue occurs, make it clear that a decision will be taken when the Planning Committee has discussed it after the site inspection.
- 16 **Members are reminded that the rules of declarations of interest apply to site visits, and that if a member has an interest that would require the member to withdraw from a Planning Committee, the member is not entitled to attend the site meeting.**

#### **Conduct at site inspections**

- 17 The inspection will be chaired by the chairperson or vice chair of the Planning Committee who will ensure that it is conducted as a single meeting and in an orderly fashion.
- 18 The planning officer will give a brief summary of the application and the site inspection issues at the beginning of each site visit.
- 19 Members of the Planning Committee attending the site inspection shall not make comments that would create an impression that they have already formed a view on the merits of the application.
- 20 Members of the Planning Committee shall not discuss the application, other than to clarify issues of fact, and shall not make a decision while on site.
- 21 Non-Committee members may address their colleagues on issues of fact pertaining to the site context.

## LICENSING AND GAMBLING COMMITTEE

### Terms of Reference

- To discharge the functions of a licensing committee as required by the Licensing Act 2003 and the Gambling Act 2005 and to authorise, approve or determine any enforcement matters under the Acts;

### POWERS DELEGATED TO THE COMMITTEE

All those matters referred to in paragraph 1 above, including a power to delegate to a sub-committee the power to determine matters within the Committee's Terms of Reference.

### POWERS DELEGATED TO OFFICERS

POWER	DELEGATED TO
All matters arising from the exercise of the Committee's terms of reference (to include the power to issue licences and permits), with the power to establish one or more sub-committees in accordance with Section 9 of the Licensing Act 2003, and powers under the Gambling Act 2005 and power to delegate its functions under the Licensing Act 2003, and under the Gambling Act 2005 to a sub-committee or to an officer of the authority.	The Chief Executive or a Director or a relevant Head of Service or any of the following officers:- Licensing Manager & Assistant Licensing Manager, Senior Licensing <del>Administrator</del> <u>Officer</u> , Licensing <del>Administrator</del> <u>Officer</u> Trading Standards, Licensing & Registrars Manager Environmental Health Manager <del>*Senior Trading Standards Officer</del> <u>Trading Standards Team Manager</u> *Senior Environmental Health Officer *Trading Standards Officer *Senior Fair Trading Officer * Environmental Health Officer *Senior Commercial Safety Officer *Commercial Safety Officer *Fair Trading Officer *Enforcement Officer (Officers marked * where appropriate are appointed under Section 19(1) of the Health and Safety at Work Act 1974 or any statutory amendment thereto)]
The following officers are designated as authorised for the purposes of the Licensing Act 2003, and of the Gambling Act 2005 and are given delegated powers to act in that capacity.	Head of Public Protection Environmental Health Manager Trading Standards Licensing & Registrars Manager Licensing Manager Assistant Licensing Manager Senior Environmental Health Officer Environmental Health Officer Senior Trading Standards Officer Trading Standards Officer

	Senior Fair Trading Officer Fair Trading Officer Scientific Officer Senior Commercial Safety Officer Commercial Safety Officer Community Safety Wardens Enforcement Officer
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The Council on the 24<sup>th</sup> January 2017 approved the following procedural matters in relation to the Licensing and Gambling Committee and the Licensing and Gambling sub-committee, including a procedural change to the Council's Standing Orders, as follows: -

- (a) the quorum for the Licensing and Gambling sub-committee is two. Every effort will be made to maintain the sub-committee at three members present when dealing with an application but there will inevitably be some circumstances where a member is unable to attend at the last minute and a substitute cannot be found or a member part way through needs to declare an interest and withdraw from the hearing. In accordance with our Standing Orders, the chairman will have a casting vote.
- (b) that members serving on the Licensing and Gambling sub-committee will be drawn in rotation from the whole of the Licensing and Gambling Committee. This will allow each member an equal opportunity to contribute to the work of the Committee and will hopefully ensure a fairness to members in the demands being made on them to sit;
- (c) that the chair and vice-chair of the Licensing and Gambling Committee are not automatically on the Licensing and Gambling sub-committee but will be part of the normal rotation;
- (d) that the current restriction within Standing Orders which prohibits a meeting sitting for longer than four hours be removed from applying to the Licensing and Gambling Committees or its sub-committee, subject to a requirement on the committee to take appropriate breaks so as to ensure the comfort of those participating in the meeting.

## TAXI AND GENERAL COMMITTEE

### Terms of Reference

1. To discharge on behalf of the Council all matters relating to the grant, refusal, issue, revocation, cancellation and suspension of licences or permits and without prejudice to the generality of the foregoing to discharge these functions in respect of:
  - a) Private Hire Operators.
  - b) Private Hire and Hackney Carriage Drivers.
  - c) Private Hire Vehicles.
  - d) Hackney Carriage
  - e) Hypnotism
  - f) Lottery Registrations
  - g) Street Collections.
  - h) House-to-House Collections.
  - i) Street Trading.
  - j) Sex Shops & Sexual Entertainment Venues.
  - k) Burials in Public Cemeteries.
  - l) Reservoirs.
  - m) Dangerous Wild Animals.
  - n) Animal Boarding Establishments.
  - o) Guard Dogs.
  - p) Acupuncture\Cosmetic\Piercing\Electrolysis\Tattooing\Semi Permanent Skin Colouring.
  - q) Performing Animals.
  - r) ~~Pet Shops.~~
  - s) Zoos.
  - t) Camping Sites.
  - u) Caravan Sites.
  - v) Pleasure Boats.
  - w) Filling Materials.
  - x) Riding Establishments.
  - y) Charities for Disabled Persons and War Charities.
  - z) Explosives.
  - aa) Fireworks.
  - bb) Petroleum.
  - cc) Marriage & Civil Partnerships.
  - dd) Those matters set out in Part B of Schedule 1 of the Local Authorities Executive Arrangements (Functions and Responsibilities) (Wales) Regulations 2007 in so far as they are not governed by the Licensing Act 2003 and/or the Gambling Act 2005 or delegated separately under Part 3 of the Council's Constitution.
  - ee) Such other matters as may from time to time under statute or practice fall to be considered by the Council in a quasi-judicial manner, other than employment appeals or grievances in so far as they are not governed by the Licensing Act 2003 and/or the Gambling Act 2005 or delegated separately under Part 3 of the Council's Constitution.



POWERS DELEGATED TO THE COMMITTEE

All those matters listed above, including a power to delegate to a sub-committee the power to determine matters within the Committee's Terms of Reference.

POWERS DELEGATED TO OFFICERS

POWER	DELEGATED TO
All matters arising from the exercise of the Committee's terms of reference (to include the power to issue licences and permits),	The Chief Executive or a Director or a relevant Head of Service or any of the following officers:- Licensing Manager & Assistant Licensing Manager, Senior Licensing <del>Administrator, Officer</del> Licensing <del>Administrator, Officer</del> Trading Standards, Licensing & Registrars Manager Environmental Health Manager <del>*Senior Trading Standards Officer</del> <u>Trading Standards Team Manager</u> *Senior Environmental Health Officer *Trading Standards Officer *Senior Fair Trading Officer * Environmental Health Officer *Senior Commercial Safety Officer *Commercial Safety Officer *Fair Trading Officer *Enforcement Officer Acting Parks Manager (Officers marked * <i>where appropriate</i> are appointed under Section 19(1) of the Health and Safety at Work Act 1974 or any statutory amendment thereto)]

The Council on the 24<sup>th</sup> January 2017 approved the following procedural matters in relation to the Taxi and General Committee and the Taxi and General sub-committee, including a procedural change to the Council's Standing Orders, as follows: -

- (a) the quorum for the Taxi and General sub-committee is two. Every effort will be made to maintain the sub-committee at three members present when dealing with an application but there will inevitably be some circumstances where a member is unable to attend at the last minute and a substitute cannot be found or a member part way through needs to declare an interest and withdraw from the hearing. In accordance with our Standing Orders, the chairman will have a casting vote.
- (b) that members serving on the Taxi and General sub-committee will be drawn in rotation from the whole of the Taxi and General Committee. This will allow each member an equal opportunity to contribute to the work of the Committee and will hopefully ensure a fairness to members in the demands being made on them to

sit;

- (c) that the chair and vice-chair of the Taxi and General Committee are not automatically on the Taxi and General sub-committee but will be part of the normal rotation;
- (d) that the current restriction within Standing Orders which prohibits a meeting sitting for longer than four hours be removed from applying to the Taxi and General Committee or its sub-committee, subject to a requirement on the committee to take appropriate breaks so as to ensure the comfort of those participating in the meeting.

**c) RIGHTS OF WAY COMMITTEE**

**The functions of the (Council) Rights of Way Committee ceased to exist on the 16 February 2007 by virtue of changes in legislation. The function is now carried out by a committee of the Cabinet - see the entry in Part 3 of this Constitution.**

## **d) GOVERNANCE AND AUDIT COMMITTEE**

### **Terms of Reference**

#### **1. MEMBERSHIP**

- 1.1 The Governance and Audit Committee will have a membership of twelve individuals, eight shall be elected members being representative of all political groups and four lay co-opted members to be appointed by the Committee. No more than one member of the Cabinet may be a member of this Committee. The Cabinet member must not be the Leader.
- 1.2 The co-opted members, not being members of the Council, to be recruited for skills appropriate to the Governance and Audit Committee's work, and shall be appointed by the Councillor members of the Governance and Audit Committee for a fixed term to be determined by them when the appointment is made.
- 1.3 As and when necessary the appointment of lay members to the Committee shall be undertaken by an appointment panel consisting of three Governance and Audit Committee members, to include the Chairperson. The panel will be responsible for considering all applications for the vacancy, short listing, interviewing prospective candidates and appointing. .
- 1.4 The Governance and Audit Committee will appoint its chairperson who must be a lay member. The Deputy Chair cannot be a member of the Cabinet.
- 1.5 All members of the Governance and Audit Committee shall have a vote.

#### **2. MEETINGS**

- 2.1 The Committee will meet at least 4 times a year. Additional meetings may be convened as the chair deems necessary or when the Authority as a whole resolves that it should.
- 2.2 A quorum for the meeting will be one quarter of the whole membership.
- 2.3 The Committee shall be advised by the Director of Education and Corporate Services, the Section 151 Officer, the Head of Corporate Finance, the Head of Business Improvement and both the external and internal auditors. They may additionally, within an approved budget, seek independent advice from outside the authority
- 2.4 The Committee shall meet with the Council's external auditor on an informal basis as deemed necessary by the Committee to discuss and exchange information.
- 2.5 The Section 151 Officer, the Manager of Internal Audit and the representative of the External Auditor will have free and confidential access to the Chair of the Committee.
- 2.6 The external and internal auditors of the council shall have the right to request the chair of the audit committee to consider any matter which the auditors believe should be brought to the attention of the council

- 2.7 The Committee may ask any other officers to attend to assist it with its discussions on any particular matter.

### 3. TERMS OF REFERENCE

- 3.1 To review and scrutinise the Authority's financial affairs, to make reports and recommendations in relation to the Authority's financial affairs and to review and consider the financial statements prepared by the Authority or its external auditors.
- 3.1.1 to review the authority's accounting policies and procedures with a view to appropriateness and compliance.
- 3.1.2 to provide direction concerning accounting records and control systems as may be required by the Accounts and Audit Regulations (Wales) 2005.
- 3.1.3 to consider the external auditors report to those charged with governance on issues arising from the audit of the financial statements.
- 3.1.4 to review and consider the effectiveness on the Council's policy for the prevention of fraud and corruption.
- 3.2 Review and assess the risk management, internal control and corporate governance arrangements and to report and make recommendations on the adequacy and effectiveness of those arrangements:
- 3.2.1 To ensure that the authority has a sound system of internal control which facilitates the effective exercise of functions and which includes arrangements for the management of risk and adequate and effective financial management. To review the effectiveness of internal control at least once a year and approve an annual governance statement for inclusion with the authority's statement of accounts.
- 3.2.2 In reviewing corporate governance, risk management or internal control issues any member or officer of the authority may be required to attend before the committee to explain in relation to matters within their remit e.g. compliance or otherwise with council procedures, compliance or otherwise with established corporate governance standards and the degree to which risk has been considered and addressed.
- 3.2.3 to oversee and monitor the compliance and assurance requirements and to satisfy itself as to the adequacy of the structures, processes and responsibilities for identifying and managing key risks facing the organisation.
- 3.2.4 to review the councils corporate governance framework.
- 3.2.5 to receive, review and approve the annual governance statement and the resultant action plans.

- 3.2.6 to develop and keep under review a risk management strategy for the council including methodology for assessing risks in all functions of the council.
- 3.2.7 to oversee and monitor Council activities that are subject to the RIPA regulations.
- 3.2.8 to oversee and monitor the outcomes of complaints received by the Authority under the Council's Corporate Complaints Policy and to review the policy on an annual basis and to make comments on the adequacy and effectiveness of the policy.
- 3.3 Oversee the internal and external audit arrangements of the Council
  - 3.3.1 to liaise with the Wales Audit Office over the appointment of external auditors
  - 3.3.2 to consider the external auditors proposed audit plan
  - 3.3.3 to consider the external auditors Annual letter
  - 3.3.4 to approve, on behalf of the Council, a statement of aims and objectives of the internal audit function
  - 3.3.5 to consider the annual audit plan as to the allocation of internal audit resources against different categories of work
  - 3.3.6 to ensure that the internal audit function is adequately resourced and has appropriate standing within the organisation
  - 3.3.7 to consider the Head of Internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's internal control environment

POWERS DELEGATED TO THE COMMITTEE

All those matters listed above within the Committee's terms of reference.

POWERS DELEGATED TO OFFICERS

POWER	DELEGATED TO
All matters arising from the exercise of the Committee's terms of reference.	The Chief Executive or a Director or the Head of Corporate Finance after consultation with the Chair or Vice Chair of the Committee. Any officer mentioned above may authorise in writing that any delegated function given to him/her may be exercised by any officer named in that authorisation.

## **(e) Democratic Services Committee**

### **Terms of Reference**

9.1 The Democratic Services Committee shall have the following requirements and functions:

(a)

(i) Each Member of the Democratic Services Committee shall be a Member of the Council; and

No more than one Member of the committee shall be a Member of the executive which executive member must not be the Leader.

(ii) Each Member of the Democratic Services Committee shall be appointed by full Council.

(iii) The Chair of the Democratic Services Committee shall be appointed by full Council.

(b) The Democratic Services Committee is a body to which Section 15 of the Local Government and Housing Act 1989 (duty to allocate seats to political groups) applies.

(c) The Chair of the Democratic Services Committee must not be a member of the 'Executive group'.

(d) The Democratic Services Committee may appoint one or more sub-committees, and may arrange for the discharge of any of its functions by such a sub-committee.

(e) Any sub-committee of the Democratic Services Committee may not discharge functions other than those conferred on it.

(f) The Democratic Services Committee is to appoint the person who is to chair any sub-committee of such a Committee.

(g) All Members of the Democratic Services Committee, or of a sub-committee of the committee, may vote on any question that falls to be decided by the Committee.

(h) The Democratic Services Committee may require members and officers of the Council to attend before it to answer questions such members and officers having a duty to comply with but are not obliged to answer any questions which they would be entitled to refuse to answer in court proceedings in England and Wales. The Democratic Services Committee may invite other persons to attend meetings of the committee.

(i) The Democratic Services Committee must meet at least once in every calendar year.

(j) The Democratic Services Committee must meet if the Council resolves it should meet.

(k) At least one third of the members of the Democratic Services Committee may requisition a meeting by giving notice in writing to the chair of the committee.

(l) The Chair of the Democratic Services Committee must secure that meetings are held in accordance with the requirements stated in paragraph (i) - (k) above.



- (m)
  - (i) Designating one of the Council's Officers to be the Head of Democratic Services (who may not be the Chief Executive or Chief Finance Officer (as defined in the Local Government and Housing Act 1989). The Head of Democratic Services shall exercise the functions as set out in Section 9(1) of the Measure;
  - (ii) review the adequacy of provision by the Council of staff, accommodation and other resources to discharge Democratic Services functions; and
  - (iii) make reports and recommendations to the Council in relation to such provision.
- (n) To determine how it exercises its functions listed under paragraphs (m)(i)(ii)(iii) above and not exercise any functions other than those set out in these Terms of Reference.
- (o) To make reports and recommendations on Member induction activities following local elections.
- (p) To secure a programme of reasonable training and development opportunities for Councillors and co-opted members and make reports and recommendations to full Council as necessary.
- (q) To monitor the quality and value of Members' training and development.
- (r) To monitor the Council's membership of the WLGA Wales Charter for Member Support and Development.
- (s) To nominate a Member Development Champion from the Committee's membership.
- (t) To be consulted on reports published by the Independent Remuneration Panel for Wales (or other bodies) in respect of Member's salaries, expenses and allowances.
- (u) To make reports and recommendations on the support and advice provided for any other Member support service.
- (v) To assist the Council's Monitoring Officer to review and make recommendations about the Council's Constitution.
- (w) To review and make recommendations about Members role descriptions.
- (x) To review and make recommendations about Members Annual Reports.
- (y) To review and make recommendations about Webcasting and Remote Attendance.
- (z) To review and make recommendations about the Council's programme and timing of Council meetings.
- (aa) To review and make recommendations about the Council's Members' ICT Policy and provision.
- (bb) To review and make recommendations about Members Family absence policy.

- (cc) To review and make recommendations about the Youth Champion.
- (dd) To review and make recommendations to promote public engagement in Council business.
- (ee) To be consulted on reports published by the Welsh Government, Local Government Boundary Commission and Electoral Commission (or other bodies) in respect of ward boundaries, local authority boundaries and electoral arrangements.
- (ff) To consider any report or recommendation sent to its members prepared by the Head of Democratic Services under Section 9(1)(h) of the Measure at a meeting held not more than three months after copies of the report are first sent to members of the committee.
- (gg) As soon as practicable after it has prepared a report or made a recommendation under paragraph (ff) above arrange for a copy of it to be sent to each Member of the Council who is not a Member of the Committee.
- (hh) The Council must consider any report or recommendation at a meeting held not more than three months after copies of the report or recommendation are first sent to the Members of the Council.
- (ii) To have regard to formal guidance issued by The Welsh Ministers.
- (jj) An Executive Member sitting on the Democratic Services Committee should have within his/her portfolio Member Development and Training
- (kk) To oversee the Council's Constitution.

POWERS DELEGATED TO THE COMMITTEE

All those matters listed above within the Committee's terms of reference.

POWERS DELEGATED TO OFFICERS

POWER	DELEGATED TO
All matters arising from the exercise of the Committee's terms of reference.	The Head of Democratic Services in consultation with the Chair or Vice Chair of the Committee

# Article 9 – The Standards Committee

*References:*

*Sections 53-55 and Sections 81(5), Local Government Act 2000  
The Standards Committees (Wales) Regulations 2001 as amended (“the Regulations”)  
Local Government (Democracy) (Wales) Act 2013*

## 9.01 Standards Committee

- (a) The Council will establish a Standards Committee with the Terms of Reference and delegated powers to the Committee, and officers, as set out below:

Note: Two or more Councils may establish a Joint Standards Committee.

## 9.02 Composition

- (a) **Membership.** The Standards Committee will be composed of eight members. Its membership will include:

- i. Five ‘independent’ members, who are not either a councillor or an officer or the spouse of a councillor or an officer of this council or any other relevant authority as defined by the Act, appointed in accordance with the procedure set out in the Standards Committees (Wales) Regulations 2001 (the Council’s appointment criteria exclude someone who is an active member of a political party);
- ii. two councillors excluding any member of the Executive;
- iii. one member of a community council wholly or mainly in the Council’s area (a ‘community council member’).

- (b) **Term of office.**

- i. Independent members are appointed for a period of not less four years and may be re-appointed for one further consecutive term of up to four years only.
- ii. Members of the local authority who are members of the standards committee will have a term of office of no longer than the period until the next ordinary Local Government Elections following the Members appointment to the Committee. They may be reappointed for one further consecutive term.
- iii. A Member of the Standards Committee who is a Community Council Member will have a term of office of no longer than the period until the next ordinary elections for the Community Council following his or her appointment to the Standards Committee. They may be reappointed for one further consecutive term.

- (c) **Quorum.** A meeting of the standards committee shall only be quorate when:
- i. at least three members, including the chair, are present, and
  - ii. at least half the members present (including the chair) are independent members

(Note: See (f) below as to who can act as chair of the meeting)

(d) **Voting.** Independent members and community council members will be entitled to vote at meetings;

(e) **Community council members.** A community council member shall not take part in the proceedings of the standards committee when any matter relating to their community council is being considered;

(f) **Chairing the Committee.**

- i. The Chair and Vice-Chair of the Standards Committee must be independent members
- ii. The Chair and Vice-Chair will be elected by the members of the Standards Committee for the duration of the period of that person's appointment as an independent member by the Council
- iii. For the purpose of deciding whether the committee is quorate, "the Chair" means the Chair of the Standards Committee or in the absence of that person the Vice-Chair and in the absence of both of those persons an independent member present at the meeting chosen by members of the committee present at the meeting to preside for that meeting.

### 9.03 Terms of Reference

1. To promote and maintain high standards of conduct by the members and co-opted members of the authority.
2. To assist members and co-opted members of the authority to observe the authority's code of conduct.
3. To advise the Council on the adoption or revision of a code of conduct.
4. To monitor the operation of the Council's adopted Code of Conduct throughout the Authority.
5. To train councillors and advise on conduct matters generally.
6. Where statutes so permit, to arrange dispensation to speak and/or vote where a councillor has an interest.
7. To receive and implement advice from the Public Services Ombudsman For Wales or Standards Board or recommendation from the Adjudication Panel or case tribunals.

8. Where statute permits to receive reports and complaints in relation to councillors, to conduct or oversee appropriate investigations and to make appropriate recommendations to the Council.
9. To receive and hear complaints referred to the Committee under the Council's Local Resolution Protocol set out in Part 5 of the Council's Constitution.
10. To receive reports on the outcome of disciplinary matters.
11. To oversee the whistleblowing régime.
12.
  - (a) To receive Public Services Ombudsman For Wales reports in relation to allegations of maladministration or allegations of breach of a code of conduct and make appropriate recommendations.
  - (b) To consider referring a report from the Public Services Ombudsman for Wales to the appropriate Scrutiny Committee, where in the opinion of the Standards Committee there has been a serious failure in service delivery that would benefit from further consideration by the appropriate Scrutiny Committee. A report setting out the reason for referral will be presented to the relevant Scrutiny Committee along with the report from the Ombudsman. The Chair of Standards Committee (or a nominee) will be invited to attend the respective Scrutiny Committee when the report is presented.
13. To exercise such powers or duties as may be given to or imposed on Standards Committees from time to time by legislation.
14. To exercise in relation to community councils and their members within the County Borough area such of the foregoing matters as are covered by Section 56 of the Local Government Act 2000.
15. To consider referrals by the Head of Democratic Services of member(s) who refuse to attend the mandatory training or do not have good reason for being unable to attend mandatory training as set out in the Member Training and Development Protocol set out in Part 5 of this Constitution.

Note: Provision is made under the Regulations to enable the Standards Committee or a monitoring officer with the prior written agreement of the Chairperson of the Standards Committee to

- (a) refer a report of a misconduct investigation to another authority's Standards Committee for determination and/or
- (b) To refer a dispensation application to another authority's Standards Committee for determination.

### 9.05 Annual Report

As soon as possible after the end of each financial year, the Standards Committee must make an annual report to the Council.

The annual report must include: -

- (a) a description of how the Standards Committee has discharged its functions;
- (b) a summary of any reports and recommendations that were referred to the Standards Committee under Chapter 3 of Part 3 of the Local Government Act 2000;
- (c) a summary of the actions that the Standards Committee has taken following consideration of the reports and recommendations referred to in (b) above;
- (d) a summary of any notices that were given to the Standards Committee under Chapter 4 of Part 4 of the Local Government Act 2000; and
- (e) the Standards Committee's assessment of the extent to which leaders of political groups on the Council have complied with their duties to promote and maintain high standards of conduct by members of their group and to cooperate with the Standards Committee in the exercise of the Standards Committee's functions; and
- (f) any recommendations which the Standards Committee considers it appropriate to make to the Council about any matter which falls within the Committee's functions.

### 9.06 Joint Standards Committee

The Council may establish a joint standards committee with one or more local authorities for the purpose of discharging the statutory functions of the Standards Committee

### POWERS DELEGATED TO THE COMMITTEE

Delegated powers in relation to any matter within the terms of reference of the committee except where this involves expenditure where there is no approved budget.

### POWERS DELEGATED TO OFFICERS

POWER	DELEGATED TO
All matters arising from the exercise of any of the Committee's terms of reference.	The Monitoring Officer, Head of Legal Services, Chief Executive, or any Director or Head of Service after consultation with the Chair or Vice-Chair of the Committee

## Applications for Dispensation

The following procedure shall apply

- (a) that applications for dispensation from county borough or community or town council members must be unless this is impracticable be made in writing and must state:-
  - (i) the name of the member;
  - (ii) the nature of the interest;
  - (iii) the grounds for application.
- (b) the Monitoring Officer will report the application to the Standards Committee or where this is not possible with the Chair or the Vice-Chair of the committee and with one other independent member and will determine the application under delegated powers taking account of comments made in that consultation and the result notified in writing to the councillor involved;
- (c) that all applications and their results determined under delegated powers be reported to the Standards Committee for information.

The statutory grounds on which a Standards Committee can grant dispensation are as follows:-

- (i) No fewer than half of the members of the relevant authority or of a committee of the authority (as the case may be) by which the business is to be considered has an interest which relates to that business;
- (ii) No fewer than half of the members of a leader and cabinet executive of the relevant authority by which the business is to be considered has an interest which relates to that business and either paragraph (iv) or (v) also applies;
- (iii) In the case of a county or county borough council, the inability of the member to participate would upset the political balance of the relevant authority or of the committee of the authority by which the business is to be considered to such an extent that the outcome would be likely to be affected;
- (iv) The nature of the member's interest is such that the member's participation in the business to which the interest relates would not damage public confidence in the conduct of the relevant authority's business;
- (v) The interest is common to the member and a significant proportion of the general public;
- (vi) The participation of the member in the business to which the interest relates is justified by the member's particular role or expertise;
- (vii) The business to which the interest relates is to be considered by an overview and scrutiny committee of the relevant authority and the member's interest is not a pecuniary interest;
- (viii) The business which is to be considered relates to the finances or property of a voluntary organisation of whose management committee or board the member is

a member otherwise than as a representative of the relevant authority and the member has no other interest in that business provided that any dispensation shall not extend to participation in any vote with respect to that business; or

- (ix) It appears to the committee to be in the interests of the inhabitants of the area of the relevant authority that the disability should be removed; or
- (x) It appears to the Committee to be otherwise appropriate to grant a dispensation.

Note: A dispensation granted by the Standards Committee on the grounds set out in paragraph (x) above and which remains in effect must be reviewed by the Standards Committee once in every 12 month period from the date on which the dispensation is first granted.

When considering a review the Standards Committee must determine whether the dispensation should continue to have effect.



# Article 10 - Joint Arrangements

## References:

*Sections 2, 19, 20 Local Government Act 2000*

*The Local Authorities (Executive Arrangements) (Discharge of Functions) (Wales) Regulations 2001 (No. 2287)*

*The Local Authorities (Executive Arrangements) (Discharge of Functions) (Amendment) (Wales) Regulations 2002 (No. 2941)*

*The Local Authorities (Alternative Arrangements) (Wales) Regulations 2001*

*Chapter 4, The Local Government Act 2000 Part II: Guidance for County and County Borough Councils in Wales on Executive Arrangements, July 2001*

## 10.01 Joint arrangements

- (a) The Council may establish joint arrangements with one or more local authorities and/or their executives to exercise functions which are not executive functions – in any of the participating authorities, or advise the Council. Such arrangements may involve the appointment of a joint committee with these other local authorities.
- (b) The executive may establish joint arrangements with one or more local authorities to exercise functions which are executive functions. Such arrangements may involve the appointment of joint committees with these other local authorities.
- (c) The executive may appoint executive or non-executive members to a joint committee and those members need not reflect the political composition of the local authority as a whole.
- (d) The executive may appoint members to a joint committee from outside the executive where the joint committee has functions for only part of the area of the authority, and that area is smaller than two-fifths of the authority by area or population. In such cases, the executive may appoint to the joint committee any councillor who is a member for an electoral division which is wholly or partly contained within the area. The political balance requirements do not apply to such appointments.
- (e) Details of any joint arrangements including any delegations to joint committees will be found in the Council's scheme of delegations in Part 3 of this Constitution.

## 10.02 Access to information

- (a) The Access to Information Rules in Part 4 of this Constitution apply.
- (b) If all the members of a joint committee are members of the executive in each of the participating authorities then its access to information regime is the same as that applied to the executive.
- (c) If the joint committee contains members who are not on the executive of any participating authority then the access to information rules in Part VA of the Local Government Act 1972 will apply.

### **10.03 Delegation to and from other local authorities**

- (a) The Council may delegate functions to another local authority or, in certain circumstances, the executive of another local authority.
- (b) The executive may delegate executive functions to another local authority or the executive of another local authority in certain circumstances.
- (c) The decision whether or not to accept a delegation from another local authority shall be reserved to the Council meeting.

### **10.04 Contracting out**

The Council may contract out to another body or organisation functions which may be exercised by an officer and which are subject to an order under section 70 of the Deregulation and Contracting Out Act 1994, or under contracting arrangements where the contractor acts as the Council's agent under usual contracting principles, provided there is no delegation of the Council's discretionary decision making.

# Article 11 – Corporate Joint Committees

## 11 CORPORATE JOINT COMMITTEES

### 11.01 Introduction

Corporate joint committees may be established: -

11.01.1 at the instigation of the Welsh Ministers, to undertake the Council's transport, strategic planning, economic development and/or improving education functions; or

11.01.2 at the instigation of the Council, to undertake any of the Council's functions.

### 11.02 Corporate Joint Committees

11.02.1 The Council may, jointly with one or more other local authorities make a joint committee application to the Welsh Ministers, asking them to consider making regulations under section 72 of the Local Government and Elections (Wales) Act 2021 establishing a corporate joint committee to exercise a function of those authorities or the economic wellbeing function in relation to the principal areas of those authorities.

11.02.2 The Council shall not make such an application unless and until it has consulted: -

11.02.2.1 local people in the Council's area;

11.02.2.2 community councils in the Council's area;

11.02.2.3 the Public Services Board;

11.03.1 every trade union which is recognised (within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992) by the Council; and

11.04.1 such other persons as the Council considers appropriate.

11.05.1 The Council may, jointly with all other local authorities for the principal areas in a corporate joint committee's area, make an application to the Welsh Ministers asking them to consider making regulations under section 80 of the Local Government and Elections (Wales) Act 2021 to amend or revoke joint committee regulations which establish a corporate joint committee of which the Council is a member.

11.06.1 The Council may not exercise the power in section 11.2.3 to ask the Welsh Ministers to amend corporate joint committee regulations so as to omit or modify a function which relates to the Council's transport, strategic planning, economic development or improving education functions.

## Article 12 - Officers

Contracts for all officers will be with the authority rather than, in executive constitutions, the executive. All officers will be subject to the same code of conduct as part of their conditions of service.

The use of the word "officers" means all employees and staff engaged by the council to carry out its functions. This word has also been used instead of "employees" to cover those engaged under short term, agency or other non employed situations.

### References:

*Chapter 2 and 4, The Local Government Act 2000 Part II: Guidance for County and County Borough Councils in Wales on Executive Arrangements, July 2001*

### 12.01

- (a) **General.** The full Council may engage such staff (referred to as officers) as it considers necessary to carry out its functions. There are statutory obligations (e.g. Health & Safety) which apply to all of the Authority's officers.

Post	Functions and areas of responsibility
Chief Executive (and Head of Paid Service)	<ul style="list-style-type: none"> <li>• Overall corporate management and operational responsibility (including overall management responsibility for all officers);</li> <li>• The provision of professional and impartial advice to all parties in the decision making process the executive, overview and scrutiny committees, the full council and other committees;</li> <li>• Together with the monitoring officer, responsibility for a system of record keeping for all the authority's decisions (executive or otherwise);</li> <li>• Representing the authority on partnership and external bodies (as required by statute or the council); and</li> <li>• Service to the whole council, on a politically neutral basis.</li> </ul>
Director of Education and Corporate Services	To support the Chief Executive and manage agreed directorate services including Audit, Corporate Finance, I.T., Legal, Personnel, Property Services, Corporate Asset Management, Performance, oversight of Policy & Central Services function, Monitoring Officer and Procurement functions, Public and Private Housing. Education, community education, and libraries, Youth Service & Community Centres

<b>Post</b>	<b>Functions and areas of responsibility</b>
Corporate Director of the Economy and Environment	<ul style="list-style-type: none"> <li>* Highways, Transportation Engineering, Planning (management and strategic) Catering &amp; Cleaning</li> <li>* Registrars Births Deaths &amp; Marriages &amp; Civil Partnerships</li> <li>* Emergency Planning</li> <li>* Burials Cemeteries &amp; Bereavement Services</li> <li>* Environmental &amp; Community Health &amp; Trading Standards</li> <li>* Licensing</li> <li>* Community Safety</li> <li>* Oversight of Economic Development</li> <li>* Leisure &amp; Community Facilities</li> </ul>
	*
Corporate Director of Social Services and Housing	<ul style="list-style-type: none"> <li>* Social and welfare services for children and adults.</li> </ul>

- (b) **Head of paid service, monitoring officer and chief financial officer (S151 Officer).** The Council will designate the following posts as shown:

<b>Post</b>	<b>Designation</b>
Chief Executive	Head of Paid Service
Monitoring Officer	Monitoring Officer
Head of Corporate Finance	S151 Officer
Head of Democratic Services	Deputy Monitoring Officer

Such posts will have the functions described in Article 12.02–12.04 below.

- (c) **Structure.** The head of paid service will determine and publicise a description of the overall departmental structure of the Council showing the management structure and deployment of officers. This is set out at Part 7 of this Constitution.

## 12.02 Functions of the Chief Executive

### Discharge of Functions by the Council

- (a) Section 4 of the Local Government and Housing Act 1989 imposes a duty on authorities to designate one of their officers as Head of Paid Service. The Head of Paid Service will report to Full Council on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of Staff required for the discharge of functions, the organisation of the authority's staff and the appointment and proper management of the authority's staff.
- (b) **Restrictions on functions.** The head of paid service may not be the monitoring officer but may hold the post of chief finance officer if a qualified accountant.

**(c) Acting as one of the Council's Representatives on the Public Services Board**

The Head of Paid Service shall be one of the Council's two representatives at meetings of the Public Services Board.

**12.03 Functions of the monitoring officer**

*References:*

*Section 5, Local Government and Housing Act 1989*

*Sections 68 – 73; 78 - 80, Local Government Act 2000*

*Chapter 2, The Local Government Act 2000 Part II: Guidance for County and County Borough Councils in Wales on Executive Arrangements, July 2001*

- (a) **Maintaining the Constitution.** The monitoring officer will maintain an up-to-date version of the Constitution and will ensure that it is widely available for consultation by members, staff and the public.
- (b) **Ensuring lawfulness and fairness of decision making.** After consulting with the head of paid service and chief finance officer, the monitoring officer will report to the full Council [or to the executive in relation to an executive function] if he or she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- (c) **Supporting the Standards Committee.** The monitoring officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee.
- (d) **Receiving reports.** The monitoring officer will receive and act on reports made by the Ombudsman and decisions of the case tribunals.
- (e) **Conducting investigations.** The monitoring officer will conduct investigations into matters referred by the Ombudsman and make reports or recommendations in respect of them to the Standards Committee.
- (f) **Proper officer for access to information.** The monitoring officer will ensure that executive decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible.
- (g) **Advising whether decisions of the executive are within the budget and policy framework.** The monitoring officer will advise whether decisions of the executive are in accordance with the budget and policy framework.
- (h) **Providing advice.** The monitoring officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors.

- (i) **Restrictions on posts.** The monitoring officer cannot be the chief finance officer or the Chief Executive

#### 12.04 Functions of the chief finance officer (S151 Officer)

*Reference:*

*S.151 Local Government Act 1972.*

- (a) **Ensuring lawfulness and financial prudence of decision making.** After consulting with the head of paid service and the monitoring officer, the chief finance officer will report to the full Council or to the executive in relation to an executive function and the Council's external auditor if he or she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.
- (b) **Administration of financial affairs.** The chief finance officer will have responsibility for the administration of the financial affairs of the Council.
- (c) **Contributing to corporate management.** The chief finance officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.
- (d) **Providing advice.** The chief finance officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors and officers in their respective roles.
- (e) **Give financial information.** The chief finance officer will provide financial information to the media, members of the public and the community.

#### 12.05 Restrictions on Posts

- (a) The Chief Finance Officer cannot be the Monitoring Officer or the Head of Democratic Services.
- (b) The Chief Finance Officer must be a member of one or more of the following professional bodies: -
  - (i) the Institute of Chartered Accountants in England and Wales;
  - (ii) the Chartered Association of Certified Accountants;
  - (iii) the Chartered Institute of Public Finance and Accountancy;
  - (iv) the Chartered Institute of Management Accountants; or
  - (v) any other body of accountants established in the United Kingdom and for the time being approved by the Welsh Ministers for this purpose.

#### **12.06 Duty to provide sufficient resources to the monitoring officer and chief finance officer**

The Council will provide the monitoring officer and chief finance officer with such officers, accommodation and other resources as are in their opinion sufficient to allow their duties to be performed.

#### **12.07 Functions of the Head of Democratic Services**

- (a) To discharge the responsibilities contained in Section 9 of the Local Government (Wales) Measure 2011.
- (b) To review the adequacy of provision by the Authority of staff, accommodation and other resources to discharge democratic services functions.
- (c) To make reports and recommendations to the Authority in relation to such provision.
- (d) To carry out duties as required under the Family Absence For Members of Local Authorities (Wales) Regulations 2013.

The Head of Democratic Services must not be:

- (a) the Head of the Authority's Chief Executive , the Monitoring Officer or the Chief Finance Officer.

#### **12.08 Conduct**

All Officers will comply with the Officers' Code of Conduct and the Protocol on Officer/Member Relations set out in Part 5 of this Constitution.

#### **12.09 Employment**

The recruitment, selection and dismissal of officers will comply with the Officer Employment Rules set out in Part 4 of this Constitution.



# Article 13 - Decision Making

New constitutions established under the Local Government Act 2000 change the basis of decision making in local authorities fundamentally. They require the Council to record and keep up to date details of who has responsibility for which decisions, and to make this available to the public. They also change the way in which information about forthcoming decisions are publicised and the ways in which decisions of the executive are recorded.

## 13.01 Responsibility for decision-making

The Council will issue and keep up to date a record of what part of the Council or individual has responsibility for particular types of decisions or decisions relating to particular areas or functions. This record is set out in Part 3 of this Constitution.

## 13.02 Principles of decision-making

All decisions of the Council will be made in accordance with the following principles:

- (a) proportionality (i.e. the action must be proportionate to the desired outcome);
- (b) due consultation and the taking of professional advice from officers;
- (c) respect for human rights;
- (d) a presumption in favour of openness;
- (e) clarity of aims and desired outcomes; and
- (f) decisions are made in accordance with the policy framework, particularly with respect to sustainable *development* and *equality*.

## 13.03 Decisions reserved to full Council

Decisions relating to the functions listed in Article 4.02 will be made by the full Council and not delegated.

## 13.04 Decision making by the full Council

Subject to Article 13.07, the Council meeting will follow the Council Procedures Rules set out in Part 4 of this Constitution when considering any matter.

## 13.05 Decision making by the executive

Subject to Article 13.07, the executive will follow the Executive Procedures Rules set out in Part 4 of this Constitution when considering any matter.

### **13.06 Decision making by Council bodies acting as tribunals**

Many of the licensing and enforcement functions of ordinary committees will entail them acting in a "quasi judicial" capacity.

The Council, a councillor or an officer acting as a tribunal or in a quasi judicial manner or determining/considering (other than for the purposes of giving advice) the civil rights and obligations or the criminal responsibility of any person will follow a proper procedure which accords with the requirements of natural justice and the right to a fair trial contained in Article 6 of the European Convention on Human Rights.

Note: The principles set out above also apply where the powers are exercised by officers under their delegated powers.

### **13.07 Scrutiny of officer delegated power decisions**

Decisions taken under an officer's delegated powers in the following categories will be recorded in writing and notified to members by way of an Information Bulletin. These may be subject to scrutiny in accordance with Article 6.

- (a) Matters which are not within approved budgets or within the Council's approved policies;
- (b) Matters relating to the development of policy or budgets for the Authority;
- (c) Something which materially impacts upon the delivery of a service in respect of which a decision has been taken.
- (d) Matters which on consultation have produced responses which are contrary to the decision taken by the officer;
- (e) The sale, purchase or lease or other disposal of land or property which the Protocol for Disposal of Property requires a report.

Matters falling within categories (a) to (e) will be reported on the Information Bulletin and may be brought before a Scrutiny Committee in accordance with Article 6.

# Article 14 - Finance, Contracts And Legal Matters

*References:*

*Sections 135, 151, 223 & 234, Local Government Act 1972  
Part VIII, Local Government Finance Act 1988*

## **14.01 Financial management**

The management of the Council's financial affairs will be conducted in accordance with the financial rules set out in Part 4 of this Constitution.

## **14.02 Contracts**

Every contract made by the Council will comply with the Contracts Procedure Rules set out in Part 4 of this Constitution.

## **14.03 Legal proceedings**

The Head of Legal Services is authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where the Head of Legal Services considers that such action is necessary to protect the Council's interests.

## **14.04 Authentication of documents**

Where any document is necessary to any legal procedure or proceedings on behalf of the Council, it will be signed by the Head of Legal Services or other person authorised by him/her, unless any enactment otherwise authorises or requires, or the Council has given requisite authority to some other person.

## **14.05 Common Seal of the Council**

The Common Seal of the Council will be kept in a safe place in the custody of the Head of Legal Services. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Head of Legal Services should be sealed. The affixing of the Common Seal will be attested by the Head of Legal Services or the Chief Executive or some other person authorised by the Council.

# Article 15 - Review And Revision Of The Constitution

*References:*

*Sections 30 and 37, Local Government Act 2000*

Chapter 7 and 8, The Local Government Act 2000 Part II: Guidance for County and County Borough Councils in Wales on Executive Arrangements, July 2001

## **15.01 Duty to monitor and review the constitution**

The Monitoring Officer will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect.

## **15.02 Protocol for monitoring and review of constitution by monitoring officer**

A key role for the monitoring officer is to be aware of the strengths and weaknesses of the Constitution adopted by the Council, and to make recommendations for ways in which it could be amended in order better to achieve the purposes set out in Article 1. In undertaking this task the monitoring officer may:

- (a) observe meetings of different parts of the member and officer structure;
- (b) undertake an audit trail of a sample of decisions;
- (c) record and analyse issues raised with him/her by members, officers, the public and other relevant stakeholders; and
- (d) compare practices in this authority with those in other comparable authorities, or national examples of good practice.

## **15.03 Change where there is a Cabinet form of Executive.**

Changes to the constitution will only be approved by the full Council after consideration of the proposal by the Monitoring Officer.

# Article 16 – Suspension, Interpretation and Publication of the Constitution

## 16.01 Suspension of the Constitution

This Article ensures that the articles of the Constitution may not be suspended. This provides certainty and stability to the fundamental aspects of the Council's governance. However, it does provide for rules of procedure to be suspended provided this is to achieve an effect consistent with the purposes of the Constitution set out in Article 1. This might apply, for example, to rules of debate in Council where particular circumstances arise.

- (a) **Limit to suspension.** The Articles of this Constitution may not be suspended. The Rules of Procedure may be suspended by the full Council to the extent permitted within those Rules and the law.
- (b) **Procedure to suspend.** This is set out in the Council's Procedure rules in Part 4.

## 16.02 Interpretation

The ruling of the Chairman of the council as to the construction or application of this Constitution or as to any proceedings of the Council shall not be challenged at any meeting of the Council. Such interpretation will have regard to the purposes of this Constitution contained in Article 1.

## 16.03 Publication

- (a) The Chief Executive will provide an electronic version of this Constitution to each member of the authority upon delivery to him/her of that individual's declaration of acceptance of office on the member first being elected to the Council.
- (b) The Chief Executive will ensure that copies are available for inspection at council offices, libraries and other appropriate locations, and can be purchased by members of the local press and the public on payment of a reasonable fee.
- (c) The Monitoring Officer will ensure that the summary of the Constitution is made widely available within the area and is updated as necessary.

# Schedule 1: Description of Executive Arrangements

The following parts of this Constitution constitute the executive arrangements:

1. Article 6 of Part 2 (Overview and Scrutiny committees) and the Overview and Scrutiny Procedure Rules;
2. Article 7 of Part 2 (The Executive) and the Executive Procedure Rules;
3. Article 13 of Part 2 (Decision making) and the Access to Information Procedure Rules;
4. Part 3 (Responsibility for Functions).

**6. PLANNING APPLICATIONS SUBMITTED BY MEMBERS, COMMUNITY AND TOWN COUNCILS AND OFFICERS**

- 6.1 Planning applications submitted by, or on behalf of members or officers employed by the council who are involved in the planning process, or by, or on behalf of a spouse, partner, parent, child or sibling of a member or officer of the council involved in the planning process, where known, shall be decided by the Planning Committee and not under delegated powers by the Chief Planning Officer or the Development Control Manager. This will also apply where that person is acting as an agent for another party.
- 6.2 The affected member or officer must declare the existence and nature of the interest or relationship in accordance with the appropriate Code of Conduct and withdraw from involvement in the decision.
- 6.3 The affected officer shall take no part in the processing of the application and any recommendation made to the Planning Committee.
- 6.4 Where a community or town council submits a planning application, the planning committee ~~county borough council~~ members who are also members of that community or town council ~~should~~ must disclose their interest and not participate or vote on that application should it come to Planning Committee for decision. ~~(Note that while the Code of Conduct allows a member to speak but not vote having declared that interest, the member should not participate, so as to protect the decision from being challenged by way of judicial review).~~ If a member of the public speaks on the planning application before the planning committee, the planning committee member may speak, but must withdraw from the meeting immediately after speaking.

**7. PLANNING APPLICATIONS SUBMITTED BY THE COUNCIL**

- 7.1 It is essential that the council treat applications for its own development (or a development involving the council and another party) in the same manner as all other applications and that this is seen to be the case.
- 7.2 All such proposals will be subject to the same administration processes, including consultation, as private applications. Determination shall similarly take into account planning policy and any other material planning considerations.
- 7.3 Where appropriate, applications submitted by the council should be dealt with under delegated powers in accordance with the scheme of delegation.

**8. OFFICERS' REPORTS TO THE PLANNING COMMITTEE**

- 8.1 All planning matters considered by the Planning Committee will be the subject of appropriate written reports by the Chief Planning Officer incorporating his recommendations. Such reports shall be comprehensive but succinct in setting out the key planning issues to be considered in terms of the provisions of the development plan and other material planning considerations, the substance of any representations received and any relevant planning history.

**9. CONDUCT AND PROCEDURE OF PLANNING COMMITTEE MEETINGS**

## **Conduct**

- 9.1 The chairperson of the Planning Committee is responsible for the conduct of the meeting in accordance with the Rules of Procedure (Part 4 of The Constitution), and for the effective delivery of business in a professional, courteous and transparent manner. The members of the committee and officers shall respect that role and behave in a manner that is commensurate with the high standards of conduct and propriety that are expected in public office.
- 9.2 The chairperson will seek to ensure that members and officers are treated in accordance with the council's agreed Protocol on Member/Officer Relations, with regard to:
- The political neutrality of officers
  - The independence of officers
  - Mutual respect, courtesy, civility and professionalism with respect of differing views.
- 9.3 Members of the public are permitted to address the meeting in accordance with the council's agreed procedure. Where disturbance of the meeting occurs by way of public interference, the chairperson may suspend proceedings until matters are resolved or in extreme situations may close the meeting to the public.

## **Procedure**

- 9.4 The deliberations of the Committee will be confined to the published agenda and any urgent items that have been accepted by the chairperson in accordance with the Local Government Act 1972. The order of business will generally be in accordance with the agenda but the chairperson will seek to bring forward items of business that members of the public or applicants have come to hear.
- 9.5 The chairperson will ensure that meetings of the Planning Committee are conducted in accordance with the council's Rules of Procedure and safeguard that appropriate debate is able to take place in a structured and professional manner, with members being given the opportunity to raise material planning issues (normally through a single presentation). The chairperson will seek to avoid repetition or irrelevant debate.
- 9.6 Members shall endeavour to give not less than 24 hours notice (preferably in writing) to the Chief Planning Officer all questions requiring a technical or detailed response so that an appropriate response can be prepared for the meeting of the Planning Committee.
- 9.7 Planning officers will update the Planning Committee on each application in respect of submissions and other material matters not addressed in the main report and, through the chair, will be responsible for responding professionally to member questions.
- 9.8 Appropriate legal or administration officers will be responsible for advising the chairperson and the committee on matters of procedure and protocol.
- 9.9 Where officers advise the chairperson of material professional concerns or potential consequences of a particular course of action, or of any potential liabilities or errors



of fact, officers shall be afforded reasonable opportunity to concisely explain those matters to the Planning Committee before it reaches a decision.

9.10 Where a planning application is adjourned to the next meeting, a planning committee member, may not participate in a second meeting, if they were not present at the first meeting.

9.11 A member who is not present for the full presentation, to the planning committee and subsequent debate must not vote on the planning application.

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## Members Training and Development Protocol

### Introduction

Whilst each councillor role requires a different blend of skills, knowledge and competencies, this protocol provides Members with a consistent process for identifying and delivering mandatory and non-mandatory training based on Members individual roles.

This protocol creates three distinct categories:

#### a. **Mandatory Training**

The following training is mandatory to ensure all councillors have the necessary knowledge to enable them to operate within the Council's Code of Conduct, have an understanding of the Council's constitution, undertake common essential duties and, where appropriate, discharge regulatory or personnel committee functions.

- i) Induction training
- ii) Certain training associated with Members' statutory responsibilities, i.e. **Governance and** Audit Committee and regulatory committee membership and Committees with personnel functions.
- iii) Training considered mandatory by the Head of Democratic Services in consultation with the relevant Cabinet Member and Chair of Democratic Services Committee throughout the term of the Council.;

#### b. **Recommended Training**

This type of training is considered as important whilst recognising that Members have different levels of experience and knowledge of the councillor role. The amount of training commitment required will depend on individual Members specific committee roles.

#### c. **Requested Training**

This type of training is identified by individual Members as part of the councillor training needs analysis undertaken every 2 years. It is similar to Recommended Training in being considered helpful but not compulsory.

#### a. **Mandatory Training**

##### i) **Induction Training**

Induction Training will be delivered within the first month of a new Council. It is made up of two 2½ hour modules held in the daytime and repeated in the evening as follows:

##### **Module 1 – Governance**

- Code of Conduct – Understanding the Council's Code of Conduct and the role of the Council's Standards Committee and Public Service Ombudsman.
- The Council's Constitution – Understanding the key procedures for the operation of full Council and Council Committees.
- Electronic Voting and Webcasting – A guide to the operation of the Council's electronic voting system installed in the Council Chamber and to inform Members of the operation of webcasting of Council meetings.

## Module 2 - Equalities and Information Management

- Information Management and Data Protection - Requirements of data protection legislation, awareness required to handle all personal information safely and freedom of information legal obligations.
- Cyber Security training
- Safeguarding training
- Equalities and Welsh Language – To provide Members with an overview of the Council's Equalities and Welsh Language obligations.

### ii) **Certain training associated with Members' statutory responsibilities, i.e. Audit Committee and regulatory committee membership and Committees with personnel functions**

The Council has a Governance and Audit Committee, 3 regulatory committees; namely Planning Committee, Licensing Committee and Rights of Way Cabinet Committee and 3-4 personnel related committees; namely Pensions and Compensation Committee, Appointments Committee, and Appeals Committee and Investigating and Disciplinary Committee.

Members serving on these committees will receive mandatory training at least (it may be more if there are changes to legislation) twice per Council term to ensure that they understand the role of the committee, any considerations to be taken into account before coming to a decision and any appeals processes. Membership of these committees will be dependent on Members undertaking the mandatory training. Should a Member fail to undertake any mandatory training their membership will automatically cease. The twice council term training requirement will be made up of two 2½ hour training modules for each committee.

### iii) Training considered mandatory by the Head of Democratic Services in consultation with the relevant Cabinet member and the Chair of Democratic Services Committee during the term of the Council.

As the above mandatory training subjects are considered essential, feedback about the quality and usefulness of the training will be reported to the Democratic Services Committee.

In addition members who refuse to attend the mandatory training or do not have good reason for being unable to attend mandatory training will be reported to the Standards Committee and will be required to attend a meeting of the Standards Committee to explain their absence to the Committee. The Head of Democratic Services will refer a member to the Standards Committee. It will be a matter for the Standards Committee to consider what course of action it considers appropriate but could result in a Member being censured.

## b Recommended Training

### 1. Induction Training

This element of Induction Training will be delivered within the first month of a new Council and will focus on key Councillor roles. The recommended Induction Training may be delivered as a single 1 day module, held on a weekday and repeated on a weekend to ensure all Members can attend regardless of other responsibilities. It will assist Members understand their role as a local representative, effective committee member and political leader.

### The Councillor Role

Local Leadership – Role of the ward councillor, being an advocate for stakeholders and providing effective political leadership in the community.

Partnership working – Understanding the councillor role and being an effective Member on partnerships and outside bodies.

Communication Skills – Dealing constructively with the public and press, portraying a positive self image and skills for public speaking and social media.

Political Understanding – Creating and maintaining positive Member/Officer relationships. Exploring councillors’ unique roles - political activist, open minded decision maker and unbiased scrutineer.

Scrutiny and Challenge – The benefits of scrutiny and keys skills for successful scrutiny and policy development.

Regulating and Monitoring – Members responsibilities in the Council’s governance framework to include: standards committee, monitoring performance of Council services, risk management and budget monitoring.

## 2. Additional Recommended Training

Recommended training will support Councillors in their various committee roles. The amount of training any Member should attend will depend on an individual’s specific committee roles. The training will focus on the skills, knowledge and competencies required for each committee role. For instance, serving as a Cabinet Member may require a different skill set from being Chair of the Audit Committee. Similarly, a Scrutiny Member role may differ considerably from a Planning Committee Member role. Each of the Committee Role Skills training requirements can be delivered in a half day. A full list of identified committee roles are given below:

Recommended Training Frequency	Position	Proposed
Chairing Skills	Chairs of Scrutiny, <del>Governance &amp; Audit, Planning, Licensing and Democratic Services and SDAP Committees. Chairs of Town Centre Management Groups</del> etc.	Twice per Council term
	Cabinet Members	Twice per Council term

Roles & Responsibilities of Cabinet Members		
Performance Reviews	All Senior Salary Holders responsible for undertaking annual Performance Reviews	Twice per Council term
Scrutiny Skills	Scrutiny Committee Members	Twice per Council term
Committee skills, knowledge and competencies	All Members of each Council Committee/Panel etc.	Annually. To be delivered before the first meeting of each Committee or Panel immediately after the Council's Annual General Meeting. Likely to last approximately half an hour.
Update to legislation, case Law, national policies and funding etc.	Members of Committees and Panels etc. listed in Appendix 1 below	Twice per annum. To be delivered before the start of a committee meeting. Likely to last approx. half an hour.

### c. Requested Training

There is a well established process in place for identifying Members individual training needs. A training needs questionnaire is circulated to each member every two years which is designed to identify personal skills and knowledge training and development opportunities. A planned training programme is developed based on the outcome of the returned questionnaires. This process will continue to run concurrently with the proposed Training and Development Protocol outlined above.

#### Responsibilities and Publication

Democratic Services will manage the members training programme and in partnership with the Democratic Services Committee, Committee Chairs, the relevant Director and Heads of Service.

The training programme will be presented to Democratic Services Committee and published in May each year. The training offered and Members attendance will be published annually as part of each Members' Annual Report.

#### Appendix 1

~~[Education and Social Services Scrutiny Committee](#)~~  
~~[Housing and Environment Scrutiny Committee](#)~~  
~~[Corporate and Regeneration Scrutiny Committee](#)~~  
~~[Education for Life Scrutiny Committee](#)~~  
~~[Health Social Care and Well-Being Scrutiny Committee](#)~~  
~~[Policy and Resources Scrutiny Committee](#)~~  
~~[Crime and Disorder Scrutiny Committee](#)~~

~~Regeneration and Environment Scrutiny Committee~~

Appeals Panel (Disciplinary/Grievance)

Appointments Committee (Chief Officer Related Posts/Heads of Service)

~~Governance and~~ Audit Committee

Democratic Services Committee

Investigating~~on~~ and Disciplinary Committee

Licensing Committee

Planning Committee

Standards Committee

~~Sustainable Development Advisory Panel~~

Rights of Way Cabinet Committee





**Article 5**

**5.01 Role and function of the chair of the council**

The Mayor of council and in their absence, the Deputy Mayor will have the following roles and functions:

The Mayor will be elected by the Council annually. The Mayor will have the following responsibilities:

1. to uphold and promote the purposes of the Constitution, and to interpret the Constitution when necessary;
2. to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of councillors and the interests of the community;
3. to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which members who are not on the executive and committee chairs can be held to account;
4. to promote public involvement in the Council's activities;
5. to be the conscience of the Council; and
6. to attend such civic and ceremonial functions as the Council and he/she determines appropriate
7. to carry out duties as required under The Family Absence for Members of Local Authorities (Wales) Regulations 2013 in accordance with the Family Absence for Members Protocol set out in Part 5 of this Constitution

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## **Caerphilly County Borough Council - Integrated Impact Assessment**

This integrated impact assessment (IIA) has been designed to help support the Council in making informed and effective decisions whilst ensuring compliance with a range of relevant legislation, including:

- Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011
- Socio-economic Duty – Sections 1 to 3 of the Equality Act 2010
- Statutory Consultation v Doctrine of Legitimate Expectation and Gunning Principles
- Well-being of Future Generations (Wales) Act 2015
- Welsh Language (Wales) Measure 2011

**PLEASE NOTE:** Section 3 *Socio-economic Duty* only needs to be completed if proposals are of a strategic nature or when reviewing previous strategic decisions. See page 6 of the Preparing for the Commencement of the Socio-economic Duty Welsh Government Guidance.

**PLEASE NOTE:** Overwrite any grey text, it is there to guide you. Make sure the font colour is converted to black for accessibility reasons.

**1. Proposal Details**

Lead Officer	Head of Service	Service Area & Department	Date

**What is the proposal to be assessed?** *Provide brief details of the proposal and provide a link to any relevant report or documents.*

## 2. Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011

*(The Public Sector Equality Duty requires the Council to have “due regard” to the need to eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between different groups; and foster good relations between different groups). Please note that an individual may have more than one protected characteristic.*

<u>Protected Characteristics</u>	Does the proposal have any positive, negative or neutral impacts on the protected characteristics and how?	If there are negative impacts how will these be mitigated?	What evidence has been used to support this view?
<b>Age</b> <i>(people of all ages)</i>			
<b>Disability</b> <i>(people with disabilities/ long term conditions)</i>			
<b>Gender Reassignment</b> <i>(anybody who’s gender identity or gender expression is different to the sex they were assigned at birth)</i>			
<b>Marriage or Civil Partnership</b> <i>(people who are married or in a civil partnership)</i>			

<u>Protected Characteristics</u>	Does the proposal have any positive, negative or neutral impacts on the protected characteristics and how?	If there are negative impacts how will these be mitigated?	What evidence has been used to support this view?
<b>Pregnancy and Maternity</b> ( <i>women who are pregnant and/or on maternity leave</i> )			
<b>Race</b> ( <i>people from black, Asian and minority ethnic communities and different racial backgrounds</i> )			
<b>Religion or Belief</b> ( <i>people with different religions and beliefs including people with no beliefs</i> )			
<b>Sex</b> ( <i>women and men, girls and boys and those who self-identify their gender</i> )			
<b>Sexual Orientation</b> ( <i>lesbian, gay, bisexual, heterosexual, other</i> )			

### 3. Socio-economic Duty (Strategic Decisions Only)

*(The Socio-economic Duty gives us an opportunity to do things differently and put tackling inequality genuinely at the heart of key decision making. Socio-economic disadvantage means living on a low income compared to others in Wales, with little or no accumulated wealth, leading to greater material deprivation, restricting the ability to access basic goods and services)*

**Please consider these additional vulnerable groups and the impact your proposal may or may not have on them:**

- *Single parents and vulnerable families*
- *People with low literacy/numeracy*
- *Pensioners*
- *Looked after children*
- *Homeless people*
- *Carers*
- *Armed Forces Community*
- *Students*
- *Single adult households*
- *People misusing substances*
- *People who have experienced the asylum system*
- *People of all ages leaving a care setting*
- *People living in the most deprived areas in Wales (WIMD)*
- *People involved in the criminal justice system*

<u>Socio-economic Disadvantage</u>	Does the proposal have any positive, negative or neutral impacts on the following and how?	If there are negative impacts how will these be mitigated?	What evidence has been used to support this view?
<b>Low Income / Income Poverty</b> <i>(cannot afford to maintain regular payments such as bills, food, clothing, transport etc.)</i>			
<b>Low and/or No Wealth</b> <i>(enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provisions for the future)</i>			

<u>Socio-economic Disadvantage</u>	Does the proposal have any positive, negative or neutral impacts on the following and how?	If there are negative impacts how will these be mitigated?	What evidence has been used to support this view?
<b>Material Deprivation</b> ( <i>unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, hobbies etc.</i> )			
<b>Area Deprivation</b> ( <i>where you live (rural areas), where you work (accessibility of public transport) Impact on the environment?</i> )			
<b>Socio-economic Background</b> ( <i>social class i.e. parents education, employment and income</i> )			
<b>Socio-economic Disadvantage</b> ( <i>What cumulative impact will the proposal have on people or groups because of their protected characteristic(s) or vulnerability or because they are already disadvantaged</i> )			



#### 4. Corporate Plan – Council’s Well-being Objectives

*(How does your proposal deliver against any/all of the Council’s Well-being Objectives? Which in turn support the national well-being goals for Wales as outlined in the Well-being of Future Generations (Wales) Act 2015. Are there any impacts (positive, negative or neutral? If there are negative impacts how have these been mitigated?)* [Corporate Plan](#)

<b>Objective 1 - Enabling our Children to Succeed in Education</b>	
<b>Objective 2 - Enabling our Residents to Thrive</b>	
<b>Objective 3 - Enabling our Communities to Thrive</b>	
<b>Objective 4 - Enabling our Economy to Grow</b>	
<b>Objective 5 - Enabling our Environment to be Greener</b>	





#### **4a. Links to any other relevant Council Policy**

*(How does your proposal deliver against any other relevant Council Policy?)*

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## 5. Well-being of Future Generations (Wales) Act 2015 – The Five Ways of Working (ICLIP)

*(Also known as the sustainable development principles. The Act requires the Council to consider how any proposal improves the economic, social, environmental and cultural well-being of Wales using the five ways of working as a baseline)*

<u>Ways of Working</u>	How have you used the Sustainable Development Principles in forming the proposal?
<p><b>Long Term</b></p> 	<p>Consider the long-term impact of the proposal on the ability of communities to secure their well-being.</p>
<p><b>Prevention</b></p> 	<p>Consider how the proposal is preventing problems from occurring or getting worse</p>
<p><b>Integration</b></p> 	<p>Consider how your proposal will impact on other services provided in our communities (these might be Council services or services delivered by other organisations or groups)</p>
<p><b>Collaboration</b></p> 	<p>Consider how you are working with Council services or services delivered by other organisations or groups in our communities.</p>
<p><b>Involvement</b></p> 	<p>Consider how you involve people who have an interest in this proposal and ensure that they represent the diversity of our communities.</p>

## 6. Well-being of Future Generations (Wales) Act 2015

<u>Well-being Goals</u>	Does the proposal maximise our contribution to the Well-being Goal and how?
<p><b>A Prosperous Wales</b>  <i>An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work</i></p>	<p>Efficient use of resources, skilled, educated people generates wealth and provides jobs</p>
<p><b>A Resilient Wales</b>  <i>A nation which maintains and enhances a biodiverse natural environment healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for climate change)</i></p>	<p>Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change). Have you considered the environmental impact your proposal will have and have you completed an Environmental Impact Assessment or Strategic Environmental Assessment if required?</p>
<p><b>A Healthier Wales</b>  <i>A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood</i></p>	<p>People's physical and mental well-being is maximised and health impacts are understood</p>

<b><u>Well-being Goals</u></b>	<b>Does the proposal maximise our contribution to the Well-being Goal and how?</b>
<p><b>A More Equal Wales</b>  <i>A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio-economic background and circumstances)</i></p>	<p>People can fulfil their potential no matter what their background or circumstances. This includes the protected characteristics listed in Q2 above. Also consider the cumulative impacts.</p>
<p><b>A Wales of Cohesive Communities</b>  <i>Attractive, viable, safe and well-connected communities</i></p>	<p>Communities are attractive, viable, safe and well connected.</p>
<p><b>A Wales of Vibrant Culture and Thriving Welsh Language</b>  <i>A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation</i></p>	<p>Culture, heritage and the Welsh language are promoted and protected. People are encouraged to participate in sport, art and recreation.</p>
<p><b>A Globally Responsible Wales</b>  <i>A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being</i></p>	<p>Taking account of impact on global well-being when considering local social, economic and environmental well-being. Have you considered the environmental impact your proposal will have and have you completed an Environmental Impact Assessment or Strategic Environmental Assessment if required?</p>

## 7. Welsh Language (Wales) Measure 2011 and Welsh Language Standards

(The Welsh Language Measure 2011 and the Welsh Language Standards require the Council to have 'due regard' for the positive or negative impact a proposal may have on opportunities to use the Welsh language and ensuring the Welsh language is treated no less favourably than the English language) [Policy Making Standards - Good Practice Advice Document](#)



Requirement	Does the proposal have any positive, negative or neutral impacts on the following and how?	If there are negative impacts how will these be mitigated?	What evidence has been used to support this view? e.g the WESP, TAN20, LDP, Pupil Level Annual School Census
Links with Welsh Government's <a href="#">Cymraeg 2050 Strategy</a> and CCBC's <a href="#">Five Year Welsh Language Strategy 2022-2027</a> and the <a href="#">Language Profile</a>			
<b>Compliance with the <a href="#">Welsh Language Standards</a>.</b> <i>Specifically Standards 88 - 93</i>	Consider the rights of Welsh speakers to use Welsh when dealing with the council and for staff to use Welsh at Work	Ensure correspondence and details on the website is bilingual even if the proposal has no impact on the Welsh language e.g road resurfacing works	
<b>Opportunities to promote the Welsh language</b> e.g. status, use of Welsh language services, use of Welsh in everyday life in work / community	Actively encourage and promote the use of our services in Welsh to see an increase in demand over time		

Requirement	Does the proposal have any positive, negative or neutral impacts on the following and how?	If there are negative impacts how will these be mitigated?	What evidence has been used to support this view? <i>e.g the WESP, TAN20, LDP, Pupil Level Annual School Census</i>
<b>Opportunities for persons to use the Welsh language</b> <i>e.g. staff, residents and visitors</i>	The rights of Welsh speakers to use Welsh when dealing with the council and for staff to use Welsh at Work		
<b>Treating the Welsh language no less favourably than the English language</b>			

<b>7a. Having considered the impacts above, how has the proposal been developed so that there are positive effects, or increased positive effects on (a) opportunities for persons to use the Welsh language, and (b) treating the Welsh language no less favourably than the English language.</b>
Impact on the use of Welsh, sustainability of Welsh speaking communities, numbers and/or percentages of Welsh speakers, fluency and confidence of Welsh speakers and learners to use Welsh, transmission of Welsh at home/from one generation to the next, using Welsh in the workplace, increase Welsh language digital media infrastructure and/or media, promoting Welsh in everyday life and its status

## 8. Data and Information

*(What data or other evidence has been used to inform the development of the proposal? Evidence may include the outcome of previous consultations, existing databases, pilot projects, review of customer complaints and compliments and or other service user feedback, national and regional data, academic publications and consultants' reports etc.)*

<b>Data/evidence</b> <i>(Please provide link to report if appropriate)</i>	<b>Key relevant findings</b>	<b>How has the data/evidence informed this proposal?</b>
What data / evidence was used? Provide links to any reports if appropriate	What were the key findings? What did the data / evidence used tell you?	How has the data / evidence available helped inform the proposal? Did it support the proposal and how? If the data / evidence didn't support the proposal why was this?

<b>Were there any gaps identified in the evidence and data used to develop this proposal and how will these gaps be filled?</b> <i>Details of further consultation can be included in Section 9.</i>
Are there any gaps in the existing data and how will you go about filling these gaps?

## 9. Consultation

*(In some instances, there is a legal requirement to consult. In others, even where there is no legal obligation, there may be a legitimate expectation from people that a consultation will take place. Where it has been determined that consultation is required, [The Gunning Principles](#) must be adhered to. [Consider the Consultation and Engagement Framework](#). Please note that this may need to be updated as the proposal develops and to strengthen the assessment.*

**Briefly describe any recent or planned consultations paying particular attention to evidencing the Gunning Principles.**

Who was consulted?

When they were consulted did the consultation take place at the formative stage and was adequate time given for consultees to consider and respond?

Was sufficient information provided to consultees to allow them to make an informed decision on the proposal?

What were the key findings?

How have the consultation findings been taken into account?



**10. Monitoring and Review**

<b>How will the implementation and the impact of the proposal be monitored, including implementation of any amendments?</b>	For example, what monitoring will be used? How frequent?
<b>What are the practical arrangements for monitoring?</b>	For example, who will put this in place? When will it start?
<b>How will the results of the monitoring be used to develop future proposals?</b>	
<b>When is the proposal due to be reviewed?</b>	
<b>Who is responsible for ensuring this happens?</b>	

**11. Recommendation and Reasoning**

<input type="checkbox"/>	Implement proposal with no amendments
<input type="checkbox"/>	Implement proposal taking account of the mitigating actions outlined
<input type="checkbox"/>	Reject the proposal due to disproportionate impact on equality, poverty and socio-economic disadvantage

**Have you contacted relevant officers for advice and guidance?**

Yes

No

**12. Reason(s) for Recommendation**

*(Provide below a summary of the Integrated Impact Assessment. This summary should be included in the “Summary of Integrated Impact Assessment” section of the Corporate Report Template. The Integrated Impact Assessment should be published alongside the Report proposal).*

Include here a conclusion to your IIA. What is it telling you? How has the data / evidence used helped you to make the decision for Section 11 above? Mention any significant impacts (positive, negative or neutral) if any negative ones identified, how have they been mitigated to lessen the impact? Did you identify any cumulative impact your proposal will have? The summary you provide here will be copied into your report going forward for a decision through the committee process, therefore this section must be concise but informative.

### 13. Version Control

*(The IIA should be used in the early stages of the proposal development process. The IIA can be strengthened as time progresses to help shape the proposal. The Version Control section will act as an audit trail to evidence how the IIA has been developed over time)*

Version No.	Author	Brief description of the amendments/update	Revision Date

#### ***Integrated Impact Assessment Author***

<b>Name:</b>	
<b>Job Title:</b>	
<b>Date:</b>	

#### ***Head of Service Approval***

<b>Name:</b>	
<b>Job Title:</b>	
<b>Date:</b>	
<b>Signature</b>	

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## ANNUAL MEETING OF COUNCIL – 9<sup>TH</sup> MAY 2024

**SUBJECT: FINANCIAL STATEMENTS FOR 2022/23**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES**

### **1. PURPOSE OF REPORT**

- 1.1 To present Council with the Audit Wales 'Audit of Accounts Report' for the 2022/23 financial year.
- 1.2 To seek Council approval of the 2022/23 Audited Financial Accounts.

### **2. SUMMARY**

- 2.1 There has been disruption to the annual accounts preparation and audit certification process in recent years across the Local Government sector due to the Covid-19 pandemic and infrastructure asset audit issues raised in 2021/22. In addition to this, Audit Wales advised Local Authorities in March 2023 that the introduction of a revised auditing standard (ISA 315) for the 2022/23 financial year would have significant and far-reaching impacts on how auditors undertake audit risk assessments and the overall audit approach.
- 2.2 In light of the above, the Welsh Government wrote to Local Authorities in May 2023 informing them that the following deadlines would apply to the publication and audit of the 2022/23 Financial Accounts: -
  - Preparation of Draft Accounts 2022/23 – 31 July 2023.
  - Audit Wales certification – 30 November 2023.
  - Publication of Final Accounts 2022/23 – 31 December 2023.
- 2.3 Caerphilly CBC's 2022/23 Draft Financial Accounts were prepared and submitted to Audit Wales on 12 September 2023. Largely due to the additional workload associated with the introduction of the revised auditing standard (ISA 315), along with some delays in the submission of draft accounts, the certification of the 2022/23 audited accounts is being completed later than anticipated for some Local Authorities. However, the Caerphilly CBC audit has now been completed and the Audit Wales 'Audit of Accounts Report' is attached at Appendix 1.
- 2.4 The Audit Wales report and the 2022/23 Audited Financial Accounts attached at Appendix 2 were presented to and unanimously endorsed by the Governance and Audit Committee at its meeting on 01 May 2024.
- 2.5 Following Council approval of the 2022/23 Audited Financial Accounts they will be certified by the Auditor General on 14 May 2024.

### **3. RECOMMENDATIONS**

3.1 Council is asked to: -

3.1.1 Receive and comment upon the Audit Wales 'Audit of Accounts Report'.

3.1.2 Approve the 2022/23 Audited Financial Accounts.

3.1.3 Note that an 'Audit of Accounts Addendum Report' will be presented to the Governance and Audit Committee at its meeting on 08 October 2024, setting out details of Audit Wales' recommendations arising from the audit of the Council's 2022/23 Financial Accounts along with the associated management responses.

### **4. REASONS FOR THE RECOMMENDATIONS**

4.1 To ensure that the 2022/23 Financial Accounts are approved and submitted to the Auditor General for certification.

### **5. THE REPORT**

5.1 The Audit Wales 'Audit of Accounts Report' states that it is the Auditor General's intention to issue an unqualified audit opinion on the 2022/23 Financial Accounts.

5.2 Appendix 3 of the Auditor's Report provides details of the misstatements identified during the audit process which have subsequently been corrected by management. It is important to stress that these adjustments have no impact on the 2022/23 Provisional Outturn position reported to Cabinet on 26 July 2023 and Council on 27 September 2023, or on cash or usable reserve balances held at 31 March 2023.

5.3 There are three uncorrected non-trivial misstatements, the details of which are set out in paragraphs 8 to 12 of the Auditor's Report. The effect of these misstatements is not material to the financial statements taken as a whole, and Officers have therefore decided not to correct the misstatements as their correction would affect many figures within the financial statements.

5.4 Following certification of the accounts by the Auditor General, Audit Wales will issue an 'Audit of Accounts Addendum Report' which will set out the main findings of the audit along with recommendations and the associated management responses. The 'Addendum Report' will be presented to the Governance and Audit committee at its meeting on 08 October 2024.

#### **Conclusion**

5.5 It is the Auditor General's intention to issue an unqualified audit opinion on the 2022/23 Financial Accounts.

5.6 The 'Audit of Accounts Report' provides details of misstatements identified during the audit process. All misstatements have been adjusted with the exception of three non-trivial misstatements as detailed in paragraph 5.3 of this covering report.

5.7 The Audit Wales 'Audit of Accounts Addendum Report' will be presented to the Governance and Audit Committee on 08 October 2024.

### **6. ASSUMPTIONS**

6.1 A range of accounting assumptions and estimates have been made in respect of the Financial Accounts in accordance with best accounting practice and guidance.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 An Integrated Impact Assessment is not required as the Financial Accounts represent a statement of fact and do not require a change of policy or strategy.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 As identified throughout the report.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 There are no direct personnel implications arising from this report.

## **10. CONSULTATIONS**

- 10.1 The Audit Wales report and the 2022/23 Audited Financial Accounts were presented to the Governance and Audit Committee at its meeting on 01 May 2024.
- 10.2 Members sought clarification on a range of issues, in particular the number of corrected misstatements in relation to Property, Plant and Equipment. Officers explained that this has been a challenging area and that prior period adjustments were also required in relation to some of the audit findings. It was also explained that the Council does not currently have an integrated asset register and that this would be subject to a procurement exercise in the coming months to ensure that a fit-for-purpose system is place that will meet the needs of a number of service areas. Officers also explained that any lessons to be learned from the 2022/23 accounts preparation and audit process would be considered to ensure that measures are put in place to reduce the number of adjustments required in future years.
- 10.3 A query was also raised regarding whether hyperlinks could be inserted into the Financial Accounts to take the reader to relevant supporting notes to the core statements, and it was agreed that Officers would explore this moving forward.
- 10.4 Following consideration of the Audit Wales report and the 2022/23 Financial Accounts, the Governance and Audit Committee unanimously recommended to Council that the 2022/23 Audited Financial Accounts be approved.

## **11. STATUTORY POWER**

- 11.1 Accounts and Audit (Wales) Regulations 2014 (As Amended).

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Andrew Southcombe, Finance Manager, Corporate Finance  
(Email: [southak@caerphilly.gov.uk](mailto:southak@caerphilly.gov.uk))

Background Papers:

Working Papers for 2022/23 Financial Accounts

Appendices:

Appendix 1 Audit Wales 'Audit of Accounts Report – Caerphilly County Borough Council'.

Appendix 2 Financial Accounts for the Year Ended 31 March 2023.



## Audit of Accounts Report – Caerphilly County Borough Council

Audit year: 2022-23

Date issued: April 2024

Document reference: 4040A2024

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

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

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

# Contents

We currently intend to issue an unqualified audit report on your 2022-23 Statement of Accounts. There are some issues to report to you prior to their approval.

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# Audit of accounts report

## Introduction

- 1 This report summarises the main findings from our audit of your 2022-23 Statement of Accounts (the accounts). We have discussed the findings with the relevant officers.
- 2 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of materiality. The level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled. We have set the level at £7.7 million for this year's audit.
- 3 Further to the above materiality, there are some areas of the accounts that we judge to be of more importance to the reader, for which we have set a lower materiality level. This year our lower materiality levels are as follows:
  - £1,000 for senior officers' remuneration, pension and any exit packages; and
  - £10,000 for related party transactions and balances relating to senior officers and councillors, and their close family.
- 4 We have substantially completed our audit work.
- 5 In our professional view we have complied with the ethical standards that apply to our work. We remain independent of yourselves, and our objectivity has not been compromised in any way. There are no known relationships between us and yourselves that we believe could undermine our objectivity and independence.

## Proposed audit opinion

- 6 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**. We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise, we issue an unqualified opinion.
- 7 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards. Our proposed audit report is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

- 8 There are three areas where there are uncorrected non-trivial misstatements.
- 9 The first area of uncorrected misstatements relates to the accounts of the Cardiff Capital Region City Deal (CCRCD), which are consolidated into the Council's annual accounts. Misstatements arose because officers compiled the Council's draft 2022-23 accounts based on the 2021-22 CCRCD accounts. Officers took this action because the draft 2022-23 CCRCD accounts were yet to be produced by CCRCD officers.
- 10 When the 2022-23 CCRCD accounts were provided later, as expected, there were many differences between the 2021-22 and 2022-23 CCRDC figures. However, the differences are immaterial, albeit non-trivial, and we are therefore reporting their non-correction to you. Officers decided not to correct the misstatements because they are not material and that their correction would affect many figures within the accounts.
- 11 The second area of uncorrected misstatement relates to the overstatement of a debtor balance of £1.318 million in respect of the Council's Edtech invoices. The debtor had been overstated because officers had not taken account of a post year-end credit note by the Council, which was relevant to the debtor balance as at 31 March 2023.
- 12 The third area of uncorrected misstatement relates to the misclassification of £1.023 million, regarding the cost of replacing certain schools' roofs. The expenditure had been capitalised as an enhancing the properties but should have been classified as non-enhancing. If corrected, the revaluation decrease to the revaluation reserve would have decreased by the £1.023 million and the derecognitions adjustment increased by the same amount.

### Corrected misstatements

- 13 There were misstatements in the draft accounts that officers have corrected. We consider that the main corrections should be drawn to your attention, and we have therefore set them out in **Appendix 3**. There are many material adjustments for 2022-23, some of which also affect the prior year's 2021-22 figures. Where material, the prior year figures have been adjusted and explained in Note 5 of the accounts. We provide further commentary at paragraphs 18 and 19.

### Accounting for infrastructure assets

- 14 In common with many other local authorities, for a second year the Council has taken advantage of the temporary statutory relief for reduced disclosures relating to infrastructure (road) assets. The relief is permitted by an update to the Accounting

Code and Specifications for Future Codes for Infrastructure Assets and the 2022 amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.

- 15 In applying the relief the Council has not disclosed gross cost and accumulated depreciation for infrastructure assets. The non-disclosure is because historical reporting practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately; and would not faithfully represent the asset position to the users of the financial statements.
- 16 The relief is a temporary measure that is intended to allow councils to address the information deficits and prepare robust information to support the carrying value of infrastructure assets. The temporary relief is only applicable for financial years up to and including 2024-25.
- 17 The Council has continued to apply the temporary relief and therefore prepared its 2022-23 accounts in accordance with the relevant financial framework. Therefore, like last year, we are not amending our audit opinion.

## Other matters

- 18 While much of our audit progressed well, we identified significant weakness and a high level of error within some of the supporting records and documents that support the accounts submitted for our audit. The problems related largely to the Council's property, plant, and equipment (ie. the fixed assets), which adversely affected the quality and accuracy of key parts of the accounts and required officers to assess and re-do certain work; and we needed to undertake a significant level of extended audit testing.
- 19 We will be meeting with officers to discuss and agree actions for improvement for the 2023-24 accounts, and we will raise formal recommendations for improvement.

## Recommendations

- 20 We will issue a separate audit report<sup>1</sup> that will set out our main findings, recommendations, and management's responses. The report will also provide an update on management's implementation of our past recommendations.
- 21 Last year we reported nine recommendations, with management accepting eight of them. We are also reviewing any ongoing recommendations that precede 2023.
- 22 The report will be considered by the Governance and Audit Committee.

<sup>1</sup> The Audit of Accounts Addendum Report.

# Appendix 1

## Letter of representation

[Required to be on the Council's letterhead]

Auditor General for Wales

Audit Wales

1 Capital Quarter

Cardiff

CF10 4BZ

9 May 2024

## Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements of Caerphilly County Borough Council (the Council) for the year ended 31 March 2023. It is provided 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 Code of Practice on Local Authority Accounting in the United Kingdom; in particular the financial statements give a true and fair view in accordance therewith; 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 the Council and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

## **Financial statement representations**

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

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

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 effect of your three reported areas of uncorrected misstatements is not material to the financial statements taken as a whole. We are therefore satisfied that officers have not corrected the misstatements because they are not material, and their correction would affect many figures within the financial statements.



## Representations by the Council

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 full Council on 9 May 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:**

**Section 151 Officer**

**Leader of the Council**

**Date: 9 May 2024**

**Date: 9 May 2024**

# Appendix 2

## The report of the Auditor General for Wales to the members of Caerphilly County Borough Council

### Opinion on financial statements

I have audited the financial statements of Caerphilly County Borough Council for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

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

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

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

- give a true and fair view of the financial position of Caerphilly County Borough Council as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

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

### Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Caerphilly 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 the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23;
- 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 the Governance Statement has been prepared in accordance with guidance.

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

In the light of the knowledge and understanding of Caerphilly 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;
- assessing Caerphilly 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 Caerphilly 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 and those charged with governance, including obtaining and reviewing supporting documentation relating to Caerphilly 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 respect of the posting of unusual journals.
- Obtaining an understanding of Caerphilly County Borough Council's framework of authority as well as other legal and regulatory frameworks that Caerphilly 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 Caerphilly County Borough Council.
- Obtaining an understanding of related party relationships.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee, and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Caerphilly County Borough Council;
- 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 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 Caerphilly 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 Caerphilly County Borough Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales's Code of Audit Practice.

**Adrian Crompton**

**Auditor General for Wales**

**14 May 2024**

**1 Capital Quarter**

**Tyndall Street**

**Cardiff**

**CF10 4BXZ**

# Appendix 3

## Summary of corrections made

We identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

### Exhibit: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£9.486 million	<p><u>Note 23 - Property, Plant and Equipment</u></p> <ul style="list-style-type: none"> <li>Decrease “Cost or valuation” and Accumulated Depreciation by £9.486 million.</li> </ul>	Adjustments required as the Council has taken advantage of a recent and temporary statutory relief for reduced disclosures relating to infrastructure (road) assets.
£4.859 million	<p><u>Note 23 - Property, Plant and Equipment</u></p> <ul style="list-style-type: none"> <li>Decrease depreciation charge by £4.859 million.</li> <li>Decrease depreciation written back on revaluations by £4.859 million.</li> </ul>	The fixed asset register does not distinguish between land and buildings of council dwellings. Land is being incorrectly depreciated and hence depreciation is overstated.
£37.884 million	<p><u>Note 23 - Property, Plant and Equipment</u></p> <ul style="list-style-type: none"> <li>Decrease Other Land and Buildings by £37.884 million.</li> <li>Decrease Revaluation Reserve by £31.109 million.</li> <li>Decrease Depreciation, amortisation, impairment and other movements in revaluations (per Note 7 and the CIES) by £6.775 million.</li> </ul>	Valuations of schools were incorrectly uploaded to the Fixed Asset Register (Logotech).

Value of correction	Nature of correction	Reason for correction
£6.855 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> <li>Decrease Property, Plant and Equipment Cost by £6.855 million.</li> <li>Decrease Revaluation Reserve by £6.855 million.</li> </ul>	To amend the incorrect valuation of Maesycwmmer Primary in 2021-22.
£5.447 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> <li>Increase Property, Plant and Equipment Cost by £5.447 million.</li> <li>Increase Revaluation Reserve by £5.447 million.</li> </ul>	To add assets owned by the Authority that were not on the fixed asset register and balance sheet.
£6.259 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> <li>Decrease Assets Under Construction (AUC) by £6.259 million.</li> <li>Increase Other Land and Buildings by £6.259 million.</li> <li>Increase Revaluation</li> <li>Decreases to I&amp;E by £4.06 million.</li> <li>Increase Depreciation, amortisation, impairment and other movements in revaluations (per Note 7 and the CIES) by £4.06 million.</li> </ul>	Two assets should have been transferred from AUC (and revalued) to Land and Buildings when brought into use in 2021-22.
£2.249 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> <li>Decrease Property, Plant and Equipment Cost by £2.249 million.</li> <li>Decrease Property, Plant and Equipment</li> </ul>	To remove obsolete assets (houses purchased at Hafodyrynys) from the fixed asset register and balance sheet.



Value of correction	Nature of correction	Reason for correction
	accumulated depreciation by £2.249 million.	
£2.931 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> <li>• Increase Depreciation Charge by £2.931 million.</li> <li>• Increase Depreciation, amortisation, impairment and other movements in revaluations (per Note 7 and the CIES) by £2.931 million.</li> </ul>	To correct a number of assets not being correctly depreciated in the fixed asset register and balance sheet.
£4.278 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> <li>• Decrease Property, Plant and Equipment Cost by £4.278 million.</li> <li>• Decrease Accumulated Depreciation by £71,600.</li> <li>• Decrease Revaluation Reserve by £3.659 million.</li> <li>• Decrease Depreciation, amortisation, impairment and other movements in revaluations (per Note 7 and the CIES) by £1.224 million.</li> <li>• Increase Capital Adjustment Account by £676,400.</li> </ul>	To remove duplicated assets from the fixed asset register and balance sheet.
£5.171 million	<p><u>Note 23 - Property, Plant and Equipment</u></p> <ul style="list-style-type: none"> <li>• Decrease Assets Under Construction (AUC) by £5.171 million.</li> <li>• Increase Other Land and Buildings by £5.171 million.</li> </ul>	To ensure the correct classification within Note 23 Property, Plant and Equipment.

Value of correction	Nature of correction	Reason for correction
£28.586 million	<p><u>Note 23 - Property, Plant and Equipment</u></p> <ul style="list-style-type: none"> <li>Increase Gross cost written down on revaluation by £28.586 million.</li> <li>Decrease Revaluation Increases to Revaluation Reserve by £28.586 million.</li> </ul> <p><u>2021-22</u></p> <ul style="list-style-type: none"> <li>Increase Gross cost written down on revaluation by £24.017 million.</li> <li>Decrease Revaluation Increases to Revaluation Reserve by £24.017 million.</li> </ul>	To ensure the correct classification within Note 23 Property, Plant and Equipment.
£4.312 million	<p><u>Note 23 - Property, Plant and Equipment</u></p> <ul style="list-style-type: none"> <li>Increase Revaluation Reserve by £4.312 million.</li> <li>Increase Other Land and Buildings by £4.312 million.</li> </ul>	Uplift to Depreciated Replacement Cost (DRC) Assets not revalued in year (i.e. Leisure Centres) to ensure that Other Land and Buildings is not materially misstated.
£5.919 million	<p><u>Note 23 - Property, Plant and Equipment (PFI)</u></p> <ul style="list-style-type: none"> <li>Decrease Cost at 1 April 2022 by 5.919 million.</li> <li>Increase Revaluation Increase to Revaluation Reserve by £3.109 million.</li> <li>Decrease Additions by £3.109 million.</li> <li>Increase Depreciation at 1 April 2022 by £5.919 million.</li> <li>Decrease Depreciation charge by £483,000.</li> </ul>	To ensure the correct classification within Note 23 Property, Plant and Equipment (PFI).

Value of correction	Nature of correction	Reason for correction
	<ul style="list-style-type: none"> <li>Increase Depreciation Written Back on Revaluations by £483,000.</li> </ul>	
Various	<p><u>Note 20 – Related Party Transactions</u></p> <ul style="list-style-type: none"> <li>Balance outstanding from EAS increased by £176,000,</li> <li>Amounts paid out by Authority to Parish Trust increased by £17,000,</li> <li>Amounts paid out by Authority to Caerphilly Borough Mind increased by £115,000, and</li> <li>Amounts paid out by Authority to CVW Community Volunteers Wales increased by £14,600.</li> </ul>	To disclose material related-party omissions.
£9.139 million	<p><u>Note 7 Expenditure and Income Analysed by Nature</u></p> <ul style="list-style-type: none"> <li>Decrease Other service expenses by £9.139 million.</li> <li>Decrease Fees, charges and other service income £9.139 million.</li> </ul> <p><u>Housing Revenue Account</u></p> <ul style="list-style-type: none"> <li>Decrease Contributions towards expenditure by £9.139 million.</li> <li>Decrease Repairs and maintenance by £9.139 million.</li> </ul>	To remove internal re-charges.

Value of correction	Nature of correction	Reason for correction
£1.942 million	<p><u>Note 10 Other Operating Expenditure</u></p> <ul style="list-style-type: none"> <li>• Increase (Gains)/losses on the disposal of non-current assets by £1.942 million.</li> <li>• Decrease Derecognition of capital expenditure by £1.942 million.</li> </ul>	To ensure the correct classification.
£2.673 million	<p><u>Analysis of liabilities by maturity</u></p> <ul style="list-style-type: none"> <li>• Increase 5-10 years by £2.074 million.</li> <li>• Increase 10-15 years by £0.599 million</li> <li>• Decrease 20-25 years by £2.673 million.</li> </ul>	To disclose all loans in the correct maturity line.
£6.975 million	<p><u>Note 24 - Capital Commitments</u></p> <ul style="list-style-type: none"> <li>• Decrease Capital Commitments by £6.975 million.</li> </ul>	To correct the capital commitments disclosures. A number of balances were not capital commitments as defined by the Accounting Code.
£8.139 million	<p><u>Note 12 Taxation and Grant Income (2021-22 balances)</u></p> <ul style="list-style-type: none"> <li>• Increase Housing Support Grant by £8.139 million.</li> <li>• Decrease Children &amp; Communities (Families First) by £8.139 million.</li> </ul>	To ensure the correct classification.
£5.846 billion	<p>Cash Flow Statement (CFS) The following adjustments have been made to the CFS:</p> <ul style="list-style-type: none"> <li>• Decrease Net adjustment from the sale of short and long-term investments (in Note 42 Cash Flow Statement – Adjustments</li> </ul>	To correct disclosures and ensure compliance with the Accounting Code.

Value of correction	Nature of correction	Reason for correction
	<p>to Surplus or Deficit) by £5.846 billion.</p> <ul style="list-style-type: none"> <li>Decrease Purchase of short-term and long-term investments (in Note 44 Cash Flow Statement – Investing Activities) by £5.846 billion.</li> </ul>	
£2.611 million	<p><u>Comprehensive Income and Expenditure Statement (CIES)</u></p> <ul style="list-style-type: none"> <li>Decrease Financing &amp; Investment Income &amp; Expenditure (CIES &amp; Note 11) by £2.611 million, and</li> <li>Add new line to the CIES "Surplus or deficits from investments in Equity Instruments designated at FV through OCI" by £2.611 million.</li> </ul>	To ensure the correct classification.
£1.902 million	<p><u>Movement in Reserves Statement</u></p> <ul style="list-style-type: none"> <li>Decrease Council Fund Balance by £1.902 million.</li> <li>Increase Housing Revenue Account by £50,000.</li> <li>Increase Earmarked Reserves by £1.853 million.</li> </ul>	To ensure consistency with the Balance sheet and other notes in the accounts.
£1.467 million	<p><u>Balance Sheet</u> Increase Borrowings by £1.467 million.</p> <p><u>Comprehensive Income and Expenditure Statement (CIES)</u> Increase Financing Expenditure by £1.467 million.</p>	WG Strategic Acquisition fund has incorrectly been amortised over 25 years; the loan term is 10 years.

Value of correction	Nature of correction	Reason for correction
£10.548 million	<p data-bbox="464 521 746 584"><u>Note 5 Expenditure and Funding Analysis</u></p> <p data-bbox="464 591 823 745">The following adjustments are to the Net Expenditure Chargeable to Council Fund and HRA Balances column in Note5:</p> <ul data-bbox="464 757 836 1093" style="list-style-type: none"> <li data-bbox="464 757 836 846">• Increase Education and Lifelong learning by £9.344 million.</li> <li data-bbox="464 857 836 947">• Decrease Social Services and Housing Services by £4.276 million.</li> <li data-bbox="464 958 836 1021">• Decrease Communities by £10.548 million.</li> <li data-bbox="464 1032 836 1093">• Increase Corporate Services by £5.480 million.</li> </ul>	<p data-bbox="906 521 1219 676">To ensure the correct classification within Note 5 Expenditure and Funding Analysis and compliance with the Code.</p>
Various	<p data-bbox="464 1169 831 1232"><u>Note 23 PPE - 5 Year Revaluation Programme Table</u></p> <p data-bbox="464 1238 783 1301">Various adjustments to the table.</p>	<p data-bbox="906 1169 1235 1258">To ensure consistency with accounting records and other notes in the accounts.</p>
Various	<p data-bbox="464 1375 831 1464">Note 47 Joint Operations and Note 48 Related Businesses &amp; Companies.</p>	<p data-bbox="906 1375 1241 1563">Prior year figures were used for the Cardiff Capital Region City Deal (CCRCD) and Education Achievement Service (EAS) 2022-23 disclosures.</p>





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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.



# Financial Accounts

## For the year ended

### 31 March 2023



A greener place Man gwyrddach



## Financial accounts for the year ended 31 March 2023

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## Narrative Report

### Introduction

Caerphilly county borough covers an area stretching from the Brecon Beacons National Park in the north, to Cardiff and Newport in the south. It is bordered to the north by Merthyr Tydfil, the west by Rhondda Cynon Taf, and to the east by Blaenau Gwent and Torfaen local authorities.

The area lies at the heart of both the South Wales Valleys and the Cardiff Capital Region. The county borough occupies some 108 square miles (28,000 hectares) of the Valleys area of South East Wales. It is a little over 18.6 miles long and nearly 11 miles wide and is formed by the valleys of three rivers; the Rhymney, Sirhowy and Ebbw. Three quarters of the county borough is used for agriculture and forestry. We have an expanding economy and an attractive environment that benefits from excellent transport links with good access to public transport and the South Wales Metro. Active travel and accessibility are important for the county borough. The south has good links to the M4 motorway, and the north connects to the A465 and its links to the Midlands and West Wales/Ireland.

The county borough is made up of five principal town centres: Caerphilly, Blackwood, Risca, Bargoed and Ystrad Mynach. We also have four local centres: Newbridge, Rhymney, Nelson and Bedwas. Each town centre has their own characteristics and attractions that make them great places to shop, work, live and enjoy.

The Council provides services to approximately 176,000 residents living across a mixture of urban and rural communities, living in 76,000 households. The 2021 Census showed that 40.9% of our population is aged over 50 years and we know that this figure will increase proportionately as life expectancy increases. In relation to protected characteristics we have growing diversity in terms of ethnicity and national identity, and more people are more open to stating their gender identity and sexual orientation.

We have a higher proportion of people with no qualifications than the Wales average, 24.1% as compared with 19.9% for Wales, and a lower proportion of people with level 4 qualifications or above, 25.3% as compared with 31.5% for Wales. However, the economic activity of our population is broadly comparable with the Wales average with 53.2% of females and 60.6% of males in work. Changing working patterns show that 23.9% of people now work mainly from home, with 59.7% travelling to work by car or van. 4% of our residents have served in either the UK regular or reserved armed forces.

The Council is the 5th largest in Wales and is the largest employer in the area employing just over 8,000 staff, with 73% of them living in the county borough. The staff are employed in a variety of different roles within service areas which make up the following Directorates: -

- Corporate Services and Education
- Social Services and Housing
- Economy and Environment

The Directorates are headed by Corporate Directors who together with the Chief Executive and the Deputy Chief Executive make up the Corporate Management Team who oversee the delivery of the Council's business.

The Council operates a cabinet style of local government which is led by a Leader who is supported by 9 Cabinet Members. We have 69 elected Councillors who have a range of responsibilities, including agreeing the Council's policy framework, council tax and budget.

The Council delivers over 600 services to the county borough to ensure our people and place are thriving and resilient. From early years support to social care, schools to care homes, environmental protection and infrastructure, provision of social housing, planning, public protection, economic regeneration, and transport planning etc.

## Narrative Report

The Council continues to face significant financial challenges with the latest version of the Medium-Term Financial Plan (MTFP) showing an anticipated savings requirement of £45.213m for the two-year period 2025/26 to 2026/27. To meet this challenge new approaches to service delivery will be required, and this will be co-ordinated through our Transformation and Placeshaping Investment Programmes. It is vital that the required changes are developed at pace and that key decisions are made early to address this significant savings requirement.

The accounts on the following pages show the financial performance for the year of all activities undertaken by the Council. Whilst the accounts have been presented as clearly as possible, local authority accounts are technical and complex. Consequently, the purpose of this Narrative Report is to offer a guide to the most significant matters appearing in the accounts and to provide a summary of the financial performance for the year.

### **2022/2023 Revenue Expenditure**

Details of the Council's revenue expenditure for the year are provided in the Comprehensive Income and Expenditure Statement on page 16. The account is classified according to service expenditure areas.

In 2022/2023, the Council's expenditure and income compared to budget was: -

Service Area	Original Estimate £000	Revised Estimate £000	Outturn £000	In Year use of Reserves £000	Revenue Contribution to capital £000	(Overspend) /Underspend £000
Education and Lifelong Learning	152,453	152,453	154,347	514	462	(2,870)
Social Services and Housing	111,010	111,010	111,602	(1,252)	228	432
Communities	61,204	61,204	63,006	(3,705)	2,176	(273)
Corporate Services	77,271	77,271	75,993	(4,324)	320	5,282
Housing Revenue Account	0	0	(18,375)	(1,191)	14,226	5,340
<b>Total Service Expenditure</b>	<b>401,938</b>	<b>401,938</b>	<b>386,573</b>	<b>(9,958)</b>	<b>17,412</b>	<b>7,911</b>
Funding Income	(394,028)	(394,028)	(394,448)	0	0	420
Budget Strategy Contribution from Reserves	(7,910)	(7,910)	0	(7,910)	0	0
<b>Surplus / (Deficit) on Provision of Services</b>	<b>0</b>	<b>0</b>	<b>(7,875)</b>	<b>(17,868)</b>	<b>17,412</b>	<b>8,331</b>
Transfer to Earmarked Reserves						3,594
Transfer to General Fund Reserves						4,737
<b>Total Transfer to Balance Sheet</b>						<b>8,331</b>
<b>General Fund Reserves as at 31 March 2022</b>						<b>(27,235)</b>
Budget Strategy Contribution						1,050
In Year Movement						14,414
Outturn Contribution						(23,246)
<b>General Fund Reserves as at 31 March 2023</b>						<b>(35,017)</b>

## Narrative Report

Further details of the Council's outturn performance against budget can be found in the Head of Financial Services & Section 151 Officer's 'Provisional Revenue Budget Outturn for 2022/2023 Report' which was presented to Council in the autumn of 2023.

The actual expenditure is compared in broad terms to the revised budget for the current financial year. However, the expenditure on individual Directorates does not mirror that shown in the Comprehensive Income and Expenditure Statement because budget monitoring is carried out on a Directorate basis and re-categorised in the Comprehensive Income and Expenditure Statement to comply with recommended accounting practice. The Comprehensive Income and Expenditure Statement figures also include accounting adjustments in respect of depreciation, capital grants and contributions, IAS 19 pension costs and a number of items included within the Directorates within the budget summary that are shown below the Cost of Service line within the Account.

### Funding Income

The following table details the main sources of income received by the Council to fund service expenditure in 2022/2023:

	2022/2023		
	Revised		
	Estimate	Outturn	Variance
Funding Income	<u>£000</u>	<u>£000</u>	<u>£000</u>
Council Tax (net of Police Authority and Community Council Precepts)	(76,569)	(76,989)	420
Revenue Support Grant	(253,142)	(253,142)	0
Non Domestic Rates	(64,317)	(64,317)	0
<b>Total Funding Income</b>	<b><u>(394,028)</u></b>	<b><u>(394,448)</u></b>	<b><u>420</u></b>

### Housing Revenue Account

Details of the Housing Revenue Account are set out on pages 121 to 128. For 2022/2023, the actual outturn compared to budget, based on our management accounts for the year, was as follows:

	2022/2023		
	Original	Actual	
	Estimate	Outturn	Variance
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Expenditure	91,420	45,274	(46,146)
Income	(91,420)	(63,649)	27,771
<b>(Surplus)/Deficit for the year on HRA Services</b>	<b>0</b>	<b>(18,375)</b>	<b>(18,375)</b>

### Reserves

The amounts shown as unusable reserves relate to capital and pension reserves, which do not constitute 'usable resources'. Further details of movements are detailed in note 23.

	Restated	Movement	31 March 2023
	1 April 2022		
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Reserves - Usable	(233,308)	12,405	(220,903)
- Unusable	(280,539)	(513,022)	(793,561)
	<b><u>(513,847)</u></b>	<b><u>(500,617)</u></b>	<b><u>(1,014,464)</u></b>

## Narrative Report

### Loan Debt

The total amount outstanding as at 31 March 2023 was £311.248m, as measured on an amortised cost basis, the majority being owed by the Council to the PWLB. The balance comprises loans from the money market. Analysis of the loan debt is shown in the note 14. The nominal value represents the principal amount outstanding at the Balance Sheet date.

	<b>2021/2022</b>	<b>2022/2023</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
<b>Amortised Cost of Loans:</b>		
Loan debt repayable in one year	(6,823)	(8,937)
Loan debt repayable in more than one year	<u>(306,202)</u>	<u>(302,311)</u>
	<b><u>(313,025)</u></b>	<b><u>(311,248)</u></b>
<b>Nominal Value of Loans:</b>		
Loan debt repayable in one year	(4,086)	(6,237)
Loan debt repayable in more than one year	<u>(306,202)</u>	<u>(300,902)</u>
	<b><u>(310,288)</u></b>	<b><u>(307,139)</u></b>

### Policy on Payment of Creditors

The Late Payment of Commercial Debts (Interest) Act 1998 requires that creditors be paid without undue delay and within a 30-day settlement period. In 2022/2023 92.1% of payments were made within 30 days (90.81% in 2021/2022). However, it is the Council's aim to pay undisputed invoices to local small and medium sized businesses within an average of 13 calendar days to have a positive effect on the local economy. In 2022/2023, invoices were settled within an average of 6.01 calendar days (14.19 calendar days in 2021/2022).

### Pension Liability

Following the adoption of IAS 19 "Employee Benefits" by local authorities, the Council is required to recognise in its accounts, its share of the net assets/liabilities of any defined benefit pension scheme.

The net pensions asset/liability to be recognised is made up of two elements:

- Assets – the Council's attributable share of the investments held in the pension scheme to cover its liabilities, measured at fair value.
- Liabilities – the retirement benefits that have been promised under the formal terms of the pension scheme.

The total net liability included for 2022/2023 is £116,274m (£590,647m in 2021/2022). Although this liability has a substantial impact upon the net worth of the Council, statutory arrangements exist to fund the deficit to ensure that the financial position of the Council will remain healthy. The deficit will be made good by increased contributions over the remaining working lives of employees, as assessed by the scheme actuary.

Details of this liability are shown in the notes accompanying the Core Financial Statements in note 15.

**Narrative Report**

**2022/2023 Capital Expenditure**

Capital expenditure during the year amounted to some £62.137m (2021/2022 - £47.792m), the major items within this figure being identified below:

	<u>£000</u>	<u>£000</u>
<b>Housing:</b>		
Repairs and Improvements	23,665	
Improvement Grants & Private Sites	1,599	
	25,264	
<b>Non Housing:</b>		
Education & Lifelong Learning	14,275	
Social Services	1,082	
Infrastructure	12,640	
Business Enterprise Renewal Team	4,873	
Property	942	
Public Protection	582	
Sports and Leisure (including Countryside)	1,364	
Corporate Services	1,115	
	36,873	
		<b>62,137</b>
		<b>62,137</b>
Financed by : Grants		42,049
Other		20,088
		<b>62,137</b>
		<b>62,137</b>

Capital expenditure was financed by grants (£42.049m) and other sources (£20.088m). The Council has also entered into several finance leases in previous years for buildings for use in its Social Services provision and computer equipment in schools.

**Future Financial Developments**

Due to the extended period of austerity and increasing demand for a number of services, the financial position for Local Government has been challenging in recent years. During the period 2008/09 to 2022/23 Caerphilly CBC has delivered savings of £100m to address reductions in funding and inescapable cost pressures.

The total net underspend of £8.331m for the 2022/23 financial year (including schools and the Housing Revenue Account), is significantly lower than in recent years (net underspends of £38.517m and £37.815m in 2020/21 and 2021/22 respectively), and this signifies the return of a more realistic picture of financial performance that is not impacted by the significant levels of external grant funding received in recent years in response to the Covid-19 pandemic.

The Council has managed the financial challenges presented by the Cost-of-Living crisis during the 2022/23 financial year, but the position will be extremely challenging moving forward. The 2023/24 revenue budget approved by Council on 23 February 2023 included a range of measures to offset cost pressures of £55.478m. On 27 February 2024, Council approved the 2024/25 revenue budget which included further cost pressures of £56.464m and these pressures are being funded through an increase in the Welsh Government Financial Settlement of £8.904m, permanent savings of £19.552m, temporary savings of £11.449m, the one-off use of reserves totalling £10.624m, and £5.935m from a 6.9% increase in Council Tax.

Due to the unprecedented levels of inflation experienced during 2022/23 (Consumer Prices Index (CPI) peaking at 11.1%), the current economic outlook, and the range of temporary budgetary measures that were approved for the 2024/25 financial year, the Council's Medium-Term Financial Plan (MTFP) has

## Narrative Report

been updated based on a range of assumptions, resulting in a potential savings requirement of £45.213m for the two-year period 2025/26 to 2026/27.

Given the scale of the challenge that we collectively face, a financial strategy that seeks to continuously salami slice our services and deplete our reserves is not a sustainable or an appropriate approach, especially when the demands upon our services are far higher than ever, as our communities continue to present far greater and increasingly complex needs to us. To ensure we are able to meet the needs of our communities, whilst operating with reduced finances, a whole Council and a whole county borough holistic approach is needed.

The Council will require new approaches to service delivery, and this is being led by the Chief Executive, Leader, Corporate Management Team, and Cabinet and is being co-ordinated through our Transformation and Placeshaping Investment Programmes. It is vital that the required changes are developed at pace and that key decisions are made early to ensure that the projected savings requirement for 2025/26 and 2026/27 can be delivered.

### **Welsh Government Agency Arrangements**

During 2022-2023, the Council administered several Covid-19 and Cost of Living support schemes on behalf of Welsh Government. These schemes were administered on an agency basis with no income or expenditure included within the Council's revenue account. The Council made payments totalling £22.4m and received £20.3m in Welsh Government funding.

In addition, the Authority administered two energy schemes on behalf of the UK Government making payments of £39k and receiving grant of £642k.

### **Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023**

The above publication, (the Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA) governs the items to be disclosed in these financial accounts. Accounts. There have been no new standards issued that have an impact on the financial statements, however, the following should be noted:

IFRS 16 - Leases: removes the previous lease classifications of operating and finance leases and requires local authorities that are lessees to recognise all leases on their balance sheets as right-of-use assets (with exceptions for short-term and low value leases) with a corresponding lease liability representing the lessee's obligation to make lease payments for the asset. However, CIPFA/LASAAC have deferred implementation of IFRS 16 for local government to 1 April 2024.

Infrastructure Assets – Temporary Relief: Following a consultation in the summer of 2022, CIPFA/LASAAC issued a code update on 29 November 2022. The update amends both the 2021-22 and 2022-23 Codes and includes specifications for future codes on the disclosure of gross cost and accumulated depreciation for infrastructure assets. The Code has been updated to include a temporary relief from the Code's core requirement to disclose gross cost and accumulated depreciation of infrastructure assets until 31 March 2025.



## Statement of Responsibilities for the Statement of Accounts

### The Authority's responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Head of Financial Services & S151 Officer.
- to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets; and
- to approve the Statement of Accounts.

### Responsibilities of the Head of Financial Services & S151 Officer

The Head of Financial Services & S151 Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ('the Code of Practice').

In preparing this Statement of Accounts, the Head of Financial Services & S151 Officer has:

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

The Head of Financial Services & S151 Officer has also:

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

### Certificate of the Head of Financial Services & S151 Officer

**S. Harris, Head of Financial Services & S151 Officer**

**Date:**

The accounts were approved by the Council on

**Statement of Responsibilities for the Statement of Accounts**

Signed on behalf of Caerphilly County Borough Council:

**Councillor M. Adams, Mayor**

**Chair of Meeting Approving the Accounts**

**Date:**

**The report of the Auditor General for Wales to the members of Caerphilly  
County Borough Council**

**Opinion on financial statements**

I have audited the financial statements of Caerphilly County Borough Council for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

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

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion the financial statements:

- give a true and fair view of the financial position of Caerphilly County Borough Council as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

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

**Conclusions relating to going concern**

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Caerphilly 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 Caerphilly  
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 the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23;
- 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 the Governance Statement has been prepared in accordance with guidance.

**Matters on which I report by exception**

In the light of the knowledge and understanding of Caerphilly 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;

**The report of the Auditor General for Wales to the members of Caerphilly  
County Borough Council**

- assessing Caerphilly 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 Caerphilly 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 and those charged with governance, including obtaining and reviewing supporting documentation relating to Caerphilly 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 respect of the posting of unusual journals.
- Obtaining an understanding of Caerphilly County Borough Council's framework of authority as well as other legal and regulatory frameworks that Caerphilly 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 Caerphilly County Borough Council.
- Obtaining an understanding of related party relationships.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee, and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Caerphilly County Borough Council;

**The report of the Auditor General for Wales to the members of Caerphilly  
County Borough Council**

- 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 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 Caerphilly 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 Caerphilly County Borough Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales's Code of Audit Practice.

**Adrian Crompton**  
**Auditor General for Wales**  
**14 May 2024**

**1 Capital Quarter**  
**Tyndall Street**  
**Cardiff CF10 4BZ**

## Introduction to Accounting Statements

The Authority's accounts for the year 2022/2023 are set out in the following pages and comprise:

- a) **The Comprehensive Income and Expenditure Statement** – showing the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Authority raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
- b) **The Movement in Reserves Statement (MiRS)** – showing the movement in the year on the different reserves held by the Authority. It is analysed into 'Usable Reserves' being those that can be applied to fund expenditure or reduce local taxation and '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. This differs from the statutory amounts charged to the Council Fund Balance for council tax setting purposes and Housing Revenue Account Balance for dwellings rent setting purposes. The 'Net Increase/Decrease before Transfers to Earmarked Reserves' line shows the statutory Council Fund Balance and Housing Revenue Account Balance before the Authority undertakes any discretionary transfers to or from earmarked reserves.
- c) **The Balance Sheet** – showing the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are 'usable reserves', being those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.
- d) **The Cash Flow Statement** – which shows the changes in cash and cash equivalents of the Authority during the year. 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 (i.e. borrowing) to the Authority.
- e) **The Housing Revenue Account (HRA)** – this is separated into two statements. The HRA Income and Expenditure Statement which shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. The Authority charges rents to cover expenditure in accordance with regulations, which may be different from the accounting cost. The increase or decrease in the year in the balance on the HRA account (the basis of which rents are raised) is shown in the Movement on the Housing Revenue Account Statement.

The Financial Statements as a whole, are IFRS compliant. Further information and support is provided in the Notes to the Core Accounts and the Auditors' Report.

**Comprehensive Income and Expenditure Statement**

**For the year ended**

**31 March 2023**



# Caerphilly County Borough Council

## Comprehensive Income and Expenditure Statement

Restated 31 March 2022			31 March 2023				
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£000	£000	£000		£000	£000	£000	Note
197,838	(53,921)	143,917	Education and Lifelong Learning	233,505	(52,438)	181,067	
182,189	(78,831)	103,358	Social Services and Housing	180,628	(57,205)	123,423	
121,719	(35,843)	85,876	Communities	107,079	(31,317)	75,762	
96,904	(59,593)	37,311	Corporate Services	117,099	(60,462)	56,637	
46,787	(56,670)	(9,883)	Housing Revenue Account	44,591	(53,653)	(9,062)	
<b>645,437</b>	<b>(284,858)</b>	<b>360,579</b>	<b>Cost of Services</b>	<b>682,902</b>	<b>(255,075)</b>	<b>427,827</b>	
56,523	(1,866)	54,657	Other Operating Expenditure	53,760	0	53,760	11
30,061	(1,379)	28,682	Financing and Investment Income and Expenditure	35,028	(4,058)	30,970	12
	(427,964)	(427,964)	Taxation and Non-Specific Grant Income		(453,573)	(453,573)	13
		<b>15,954</b>	<b>(Surplus)/Deficit on Provision of Services</b>			<b>58,984</b>	
		(80,417)	(Surplus)/deficit on revaluation of non-current assets			(38,654)	33
		0	(Surplus)/deficit on financial assets measured at fair value			2,611	14
		(164,373)	Actuarial (gains)/losses on pensions assets/liabilities			(523,559)	15
		<b>(244,790)</b>	<b>Other Comprehensive (Income) and Expenditure</b>			<b>(559,602)</b>	
		<b>(228,836)</b>	<b>Total Comprehensive (Income) and Expenditure</b>			<b>(500,618)</b>	

**Movement in Reserves Statement**

**For the year ended**

**31 March 2023**

## Caerphilly County Borough Council

### Movement in Reserves Statement

Restated	Council Fund Balance £000	Earmarked Reserves £000	Total Council Fund Balances £000	Housing Revenue Account £000	Capital Grants Unapplied £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Note
<b>Balance at 1 April 2021</b>	<b>(22,496)</b>	<b>(115,923)</b>	<b>(138,419)</b>	<b>(14,915)</b>	<b>(17,653)</b>	<b>(10,256)</b>	<b>(181,243)</b>	<b>(103,769)</b>	<b>(285,012)</b>	
<b>Movement in reserves during 2021/2022</b>										
Total Comprehensive Income and Expenditure	9,461	0	9,461	6,493	0	0	15,954	(244,790)	(228,836)	
Adjustments between accounting basis and funding basis under regulations	(48,314)	0	(48,314)	(15,557)	(6,245)	(1,866)	(71,982)	72,170	188	9
<b>(Increase)/Decrease in Year</b>	<b>(38,853)</b>	<b>0</b>	<b>(38,853)</b>	<b>(9,064)</b>	<b>(6,245)</b>	<b>(1,866)</b>	<b>(56,028)</b>	<b>(172,620)</b>	<b>(228,648)</b>	
Transfers (to)/from earmarked reserves	32,596	(32,618)	(22)	0	4,011	(26)	3,963	(4,150)	(187)	
<b>Balance at 31 March 2022</b>	<b>(28,753)</b>	<b>(148,541)</b>	<b>(177,294)</b>	<b>(23,979)</b>	<b>(19,887)</b>	<b>(12,148)</b>	<b>(233,308)</b>	<b>(280,539)</b>	<b>(513,847)</b>	
<b>Movement in reserves during 2022/2023</b>										
Total Comprehensive Income and Expenditure	51,609	0	51,609	7,375	0	0	58,984	(559,602)	(500,618)	
Adjustments between accounting basis and funding basis under regulations	(38,275)	0	(38,275)	(11,524)	(1,300)	267	(50,832)	51,020	188	9
<b>(Increase)/Decrease in Year</b>	<b>13,334</b>	<b>0</b>	<b>13,334</b>	<b>(4,149)</b>	<b>(1,300)</b>	<b>267</b>	<b>8,152</b>	<b>(508,582)</b>	<b>(500,430)</b>	
Transfers (to)/from earmarked reserves	(21,449)	21,477	28	(50)	4,438	(162)	4,254	(4,441)	(187)	
<b>Balance at 31 March 2023</b>	<b>(36,868)</b>	<b>(127,064)</b>	<b>(163,932)</b>	<b>(28,178)</b>	<b>(16,749)</b>	<b>(12,043)</b>	<b>(220,902)</b>	<b>(793,562)</b>	<b>(1,014,464)</b>	

**Balance Sheet**

**As at 31 March 2023**

# Caerphilly County Borough Council

## Balance Sheet

Restated 31 March 2022 £000		31 March 2023 £000	Note
1,225,653	Property, Plant & Equipment	1,262,238	24
13,780	Heritage Assets	13,780	25
3,465	Investment Properties	3,459	
55,939	Long Term Investments	56,852	14
2,318	Long Term Debtors	2,779	
<b>1,301,155</b>	<b>Long Term Assets</b>	<b>1,339,108</b>	
146,096	Short Term Investments	110,805	14
0	Assets Held for Sale	0	
499	Inventories	493	
89,048	Short Term Debtors	95,675	27
9,102	Cash and Cash Equivalents	21,332	28
<b>244,745</b>	<b>Current Assets</b>	<b>228,305</b>	
(6,823)	Short Term Borrowing	(8,937)	14
(93,404)	Short Term Creditors	(93,686)	29
(1,000)	Short Term Provisions	(976)	
<b>(101,227)</b>	<b>Current Liabilities</b>	<b>(103,599)</b>	
(2,826)	Long Term Provisions	(3,793)	
(306,202)	Long Term Borrowing	(302,311)	14
(620,485)	Other Long Term Liabilities	(141,933)	14-16
(1,313)	Capital Grants Receipts in Advance	(1,313)	
<b>(930,826)</b>	<b>Long Term Liabilities</b>	<b>(449,350)</b>	
<b>513,847</b>	<b>Net Assets</b>	<b>1,014,464</b>	
(233,308)	Usable Reserves	(220,903)	23
(280,539)	Unusable Reserves	(793,561)	23
<b>(513,847)</b>	<b>Total Reserves</b>	<b>(1,014,464)</b>	

The notes on pages 24 to 121 form part of the statement of accounts.

**Cash Flow Statement**

**For the year ended 31 March 2023**

**Cash Flow Statement**

<b>Restated 2021/2022 £000</b>		<b>2022/2023 £000</b>	<b>Note</b>
<b>(15,954)</b>	<b>Net (surplus) or deficit on provision of services</b>	<b>(58,984)</b>	
123,979	Adjust net surplus or deficit on the provision of services for non cash movement	105,722	43
(32,906)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(40,780)	43
<b>75,119</b>	<b>Net cash flows from Operating Activities</b>	<b>5,958</b>	
(99,148)	Investing Activities	9,527	45
2,306	Financing Activities	(3,255)	46
<b>(21,723)</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>12,230</b>	
30,825	Cash and cash equivalents at the beginning of the reporting period	9,102	
<b>9,102</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>21,332</b>	28

**Notes  
to the  
Core Financial Statements**



## Notes to the Core Financial Statements

### 1. Accounting Policies

#### a) General Principles

The Statement of Accounts summarises the Authority's transactions for the 2022/2023 financial year and its position at the year-end of 31 March 2023. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended by the 2018 Regulations) in accordance with proper practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 (the Code) supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. Accounting policies have been consistently applied from one year to the next, unless stated otherwise. The financial statements are prepared on a going concern basis.

#### b) Accruals of Income and Expenditure

Revenue from contracts with service recipients, whether for services or the provision of goods is recognised when (or as) 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.
- Expenses relating to services received (including those provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Revenue from grants is recognised in accordance with accounting policy note h).

#### c) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

#### d) Charges to revenue for non-current assets

Services are debited with 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.
- Amortisation of intangible non-current assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis

## Notes to the Core Financial Statements

determined by the Authority in accordance with statutory guidance). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Council Fund balance (Minimum Revenue Provision – “MRP”), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### e) Employee Benefits

#### Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in

Reserves Statement so that holiday benefits are charged to Council Fund in the financial year in which the holiday absence occurs.

#### Termination Benefits

Termination benefits are amounts payable as result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis in the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

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

#### Post-Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pension Scheme, administered by Torfaen County Borough Council.

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees working for the Authority.

However, the arrangements for the Teachers' Scheme mean that liabilities for these benefits cannot be identified specifically to the Authority. The scheme is therefore accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and the Education and Children's Service line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

#### The Local Government Pension Scheme

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

- The liabilities of the Greater Gwent (Torfaen) Pension Scheme attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.0% (2.3% in 2020/2021) based on indicative returns of the iBoxx Sterling AA Rated Corporate Bond.

## Notes to the Core Financial Statements

- The assets of the Greater Gwent (Torfaen) Pension Scheme attributable to the Authority are included in the Balance Sheet at their fair value:
  - Quoted securities – current bid price
  - Unquoted securities – professional estimate
  - Unitised securities – current bid price
  - Property – market value.

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

- **Service cost comprising:**
  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
  - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement.
  - Net interest on the net defined benefit liability, i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability/asset during the period as a result of contribution and benefit payments.
- **Remeasurements comprising:**
  - The return on assets – excluding amounts included in the net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial gains/losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- **Contributions paid to the Torfaen Pension Fund:**
  - Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

### Former Authority Liabilities

The Authority has a number of unfunded pension liabilities in respect of employees of the former County and District councils with the Greater Gwent (Torfaen) Pension Fund and the Rhondda Cynon Taff pension fund. These pension costs are paid by the Authority as they arise in year. Further details can be found in Note 15.

### Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of

## Notes to the Core Financial Statements

staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### f) Events after the Reporting Period

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

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

### g) Financial Instruments

#### Financial Liabilities

Financial liabilities are initially measured at fair value and carried in the Balance Sheet at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability multiplied by the effective interest rate (EIR) for the instrument. For most of the borrowings that the Authority has, this means that the amount included in the Balance Sheet is the outstanding principal repayable (plus accrued interest, split between that element which is short term, due within one year and that which is long term, due over one year).

The Authority shall derecognise a financial liability (or a part of a financial liability) when, and only when, it is extinguished – i.e. when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed shall be recognised in Surplus or Deficit on the Provision of Services. There is no requirement to set aside an impairment loss allowance provision for financial liabilities since it is assumed that the Authority will meet its liabilities in full as they become due.

#### Financial Assets

A financial asset is a right to future economic benefits controlled by the Authority that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Authority. Financial Assets are classified into three categories:

- Amortised cost;
- Fair value through profit or loss (FVPL); and
- Fair value through other comprehensive income (FVOCI)

The accounting classification of financial assets depends on two main tests: whether the cash flows are solely payments of principal and interest; and if yes, the authority's business model for managing the assets. Under IFRS 9 there are three business models where financial assets meet the "solely payments of principal and interest" test. The classification depends on the Authority's model for managing the assets. The Authority's preferential business model is to collect cash flows, and subsequently financial assets will be held at amortised cost.

**Financial Assets measured at Amortised Cost** - Financial assets measured at amortised cost are characterised by cash flows that are solely payments of principal and interest and the Authority's business model is to collect those cash flows. These assets are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus

## Notes to the Core Financial Statements

accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Historically, the authority has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain 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.

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

**Financial Assets Measured at Fair Value through Profit or Loss** - Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

1. instruments with quoted market prices – the market price
2. other instruments with fixed and determinable payments – discounted cash flow analysis.
3. The inputs to the measurement techniques are categorised in accordance with the following three levels:
  - Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
  - Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
  - Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. There is no requirement to set aside an impairment loss allowance provision for financial assets measured at FVPL since increases in the chance of default are presumed to be already included in the fair value.

Financial assets that fall into this accounting measurement category are those held for trading; money market funds; company shares; and strategic investment pool funds. Equity instruments also fall into this category. The Authority's will evaluate each financial asset and determine whether such asset will be treated as FVPL; or whether a once in the assets lifetime an irrevocable election is made upon initial recognition to elect the investment at FVOCI rather than FVPL. The Authority, where applicable, will make the election in writing and signed by the Head of Corporate Finance and Section 151 Officer. The Authority will not revoke the election before derecognition of the financial asset.

### **Equity Instrument**

If the cash flows of a Financial Asset do not meet the solely payments of principal and interest test, then the asset is an equity instrument. An equity instrument is where the cash flows are not contractual but derive from the investor's ownership of the net assets of another entity. Equity instruments are measured at Fair Value through Profit or Loss unless an irrevocable election is made upon initial recognition to elect the investment at FVOCI rather than FVPL.

### **Expected Credit Loss Model**

The authority recognises expected credit losses on all its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

## Notes to the Core Financial Statements

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses. Where applicable the Authority will use data published by the main credit rating agencies for historical default losses to assess credit risk. These cash flow scenarios are then discounted at the Effective Interest Rate, weighted by their estimated probabilities and totalled to give an expected value. The difference between the expected value and the initial fair value is the expected credit loss, and a loss allowance is set aside for this amount.

CIPFA/LASAAC has ruled that the loss allowance should be zero where the borrower/debtor is a central or local government body. Note that this does not include local authority owned companies.

The Authority will not recognise a loss allowance for expected credit losses on a financial asset where the counterparty for a financial asset is central government or a local authority for which relevant statutory provisions prevent default.

The Authority will fund the impairment loss provision from Miscellaneous Finance/ working balances. A provision will be created on the balance sheet.

### **h) Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Authority when:

- The Authority has complied with the conditions attached to the payments, and
- The grants and contributions will be received.

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

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

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

### **i) Joint Operations**

Joint operations are arrangements where the parties that have joint control of the arrangements have rights to the assets and obligations for the liabilities relating to the arrangements. Joint Committees are examples of joint operations. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operations. Where material, the relevant proportion of the transactions and balances are recognised in the Authority's financial statements. These reflect the transactions and balances as per the draft accounts prepared for each Joint Operation.

### **j) Leases**

**Notes to the Core Financial Statements**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

**The Authority as Lessee**

**Finance Leases**

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset.

Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the Council Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

**Operating Leases**

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

**The Authority as Lessor**

**Operating Leases**

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

**Notes to the Core Financial Statements**

lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income is credited.

**Finance Leases**

The Authority has not granted any finance leases of property, plant and equipment to other parties.

**k) Overheads and Support Services**

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

**l) Property, Plant and Equipment**

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

**Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority, the cost of the item can be measured reliably and expenditure is above the de-minimis limit of £10,000. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

**Measurement**

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Donated assets are measured initially at current value. The difference between current value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction – depreciated historical cost
- council dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- surplus assets – fair value, estimated at the highest and best use from a market participant's perspective
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).



## Notes to the Core Financial Statements

Roads built by Developers are only adopted by the Authority under s38 Highways Adoption Agreements under which the roads need to be constructed to a specified standard. These roads are included at nil cost unless there is any subsequent capital investment on such assets. They will then be held at depreciated historical cost.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly ensuring their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.)

Where decreases in value are identified, they are accounted for by:

- 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 or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

### Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- 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 or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

### Depreciation

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

## Notes to the Core Financial Statements

Depreciation is calculated on a straight-line basis as follows:

- council dwellings – 15 to 40 years
- other land and buildings – 15 to 100 years
- vehicles, plant, furniture and equipment – up to 20 years
- infrastructure assets – 10 to 40 years

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately in accordance with our componentisation policy. The Authority applies its componentisation policy to assets that have a carrying value in excess of £3m where the cost of the replacement component represents 20% or more of the total asset.

Depreciation charges are made to the service revenue accounts and trading accounts and have been based on the amount at which an asset is included in the balance sheet, whether net current replacement cost or historical cost.

The depreciation charge will be based on the prior year closing Net Book Value and the remaining Useful Economic Life. A full year's depreciation charge will be made in the year the asset is disposed.

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

### Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. Assets are classed as "Held for Sale" where the asset is actively marketed, the sale is expected to qualify for recognition as a completed sale within one year of the date of classification and actions required to complete the plan indicate that significant changes to the plan or withdrawal of the plan are unlikely. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale. If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

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

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, buildings and developed land, net of statutory deductions and allowances) is set aside for the redemption of debt. The balance of receipts is

**Notes to the Core Financial Statements**

required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

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

**De-Recognised Capital Expenditure**

The Authority revalues its housing stock annually. Any capital expenditure incurred on the stock is then componentised. The capital expenditure is then derecognised to avoid double counting as the new component will be included in the revised carrying value.

This is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. The written off value is not a charge against Council Tenants, as the cost of the non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account in the Movement in Reserves Statement.

In respect of capital expenditure on components on general fund property plant and equipment, the capital expenditure is also de-recognised by writing off to Other Operating Expenditure as part of a gain or loss on disposal as mentioned above. The new component is also included in the revised carrying value of the asset.

**m) Heritage Assets**

The Authority's Heritage Assets consist of Civic Regalia, War Memorials and Land and Buildings, namely Babell Chapel, Gelligroes Mill, Elliott Colliery Winding House, Handball Court Nelson and Llancaiach Fawr Living History Museum. Such assets are held and classed as Heritage Assets as they increase the knowledge, understanding and appreciation of the Authority's history and local area. Further information can be found in Note 25.

Heritage Assets are accounted for in a different way from other property plant and equipment as they are considered to have infinite lives. Such assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property plant and equipment. As they have infinite lives, no depreciation is charged on these assets. Heritage Assets considered immaterial have been excluded from the Balance Sheet especially where their cost is not readily available and the benefit of valuing the asset is counterweighed by the cost of obtaining the valuation.

**n) Private Finance Initiatives (PFI)**

PFI contracts are agreements to receive services where the responsibility for making available the non-current assets needed to provide services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI schemes, and as ownership of the non-current assets will pass to the Authority at the end of the contracts for no additional charges, the Authority carries the non-current assets used in the contracts on the Balance Sheet as part of Property, Plant and Equipment.

The recognition of these non-current assets is balanced by the recognition of liabilities for amounts due to the scheme operators to pay for the assets.

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

The amounts payable to the PFI operators each year are analysed into four elements:

**Notes to the Core Financial Statements**

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- Finance cost – an interest charge of 9% for the road and 7% for the schools on the outstanding Balance Sheet liability, debited to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement;
- Principal element – i.e., payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator;
- Lifecycle replacement costs – recognised as non-current assets on the Balance Sheet.

Government grants received for PFI schemes, in excess of the current levels of expenditure (particularly in the early years of these contracts) are carried forward as earmarked reserves to fund future contract expenditure when payments will exceed available revenue support (see Notes 16 and 42 for the PFI Equalisation Reserves).

**o) Provisions and Reserves**

**Provisions**

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

**Reserves**

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure. Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in Note 23.

**p) Revenue Expenditure Funded from Capital under Statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a

## Notes to the Core Financial Statements

transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

### q) Interest Charges

Interest chargeable on debt is accounted for in the year to which it relates, not in the year it is paid. The Authority borrows funds in line with its capital investment and cash flow requirements. Funds are borrowed from both the Public Works Loan Board and from money markets. Loans can be fixed or variable interest debt. Decisions on whether to take fixed or variable interest debt depend upon the current portfolio, market conditions, forecasts and limits set in the annual Treasury Management Strategy Report.

Borrowing decisions also have to be considered in terms of their overall prudence and affordability, in accordance with the requirements of CIPFA's "The Prudential Code for Capital Finance in Local Authorities", and be contained within limits approved by Council in setting the Authority's "Prudential Indicators", in accordance with the Code.

### r) Debt Redemption

The Authority's Treasury Management Strategy permits the early repayment of borrowing. This may be undertaken if market conditions are favourable and there are no risks to cash flow. Such transactions may be carried out in order to reduce interest payable, to adjust the maturity profile or to restructure the ratio of fixed to variable interest-bearing debt.

### s) Related Party Transactions

The Authority is required to disclose separately, the value of transactions and year-end balances with its related parties, unless they are already the subjects of other disclosure requirements (see note 21 to the Financial Statements). In respect of a local authority its related parties include central government, other local authorities, precepting and levying bodies, other public bodies, its subsidiary companies, Pension Fund and bodies where Members and Senior Officers, and/or their close family and dependants, hold positions of influence and with whom the Authority has transacted.

### t) Recognition of Revenue from Non-Exchange Transactions

Assets and revenue arising from non-exchange transactions, for example Council Tax, National Non-Domestic rates etc. are recognised in accordance with the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, except where interpreted or adapted to fit the public sector as detailed in the Code and/or IPSAS 23, "Revenue from Non-Exchange Transactions (Taxes and Transfers)."

### Taxation transactions

Assets and revenue arising from taxation transactions are recognised in the period in which the taxable event occurs, provided that the assets satisfy the definition of an asset and meet the criteria for recognition as an asset.

### Non-taxation transactions

Assets and revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding. Services in-kind are not recognised. Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, the Authority recognises a liability until the condition is fulfilled.

### Basis of Measurement of Major Classes of Revenue from Non-Exchange Transactions

Taxation revenue is measured at the nominal value of cash, and cash equivalents. Assets and revenue recognised as a consequence of a transfer are measured at the fair value of the assets recognised as at the date of recognition:

## Notes to the Core Financial Statements

- Monetary assets are measured at their nominal value unless the time value of money is material, in which case present value is used, calculated using a discount rate that reflects the risk inherent in holding the asset; and
- Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession.
- Receivables are recognised when a binding transfer arrangement is in place, but cash or other assets have not been received.

### u) Accounting for local authority schools

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

### v) Value Added Tax

VAT payable has been excluded as an expense where it is recoverable from Her Majesty's Revenue and Customs. VAT receivable has been excluded from income.

### w) Community Infrastructure Levy

The Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Authority) with appropriate planning consent. The Authority charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund several infrastructure projects to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure; however, a small proportion of the charges may be used to fund revenue expenditure.

### x) Fair Value Measurement

The Authority measures some of its non-financial assets such as surplus assets at fair value at each reporting date. 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. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

## Notes to the Core Financial Statements

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

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

### y) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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 Authority'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 applied.

Prior period adjustments may also arise to correct the disclosure of material misstatement in any of the prior period figures.

## 2. Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Authority is deemed to control the services provided under the outsourcing agreement for two Schools and a Road and also to control the residual value of the assets at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangements and the Schools (valued at £30.122m) and Road (valued at £23.898m) are recognised as Property, Plant and Equipment on the Authority's Balance Sheet.
- School Assets - the Authority has established with the relevant bodies that its voluntary aided school is not controlled by the school, as ownership resides with the religious body and is occupied under informal arrangements only. As neither the Authority nor the school control the assets they are not included within the accounts of the Authority.
- A Joint Working Agreement formally established the Cardiff City Region Joint Committee as a Joint Committee, with delegated functions in March 2017. It is a partnership between the 10 Councils in South East Wales, including Caerphilly County Borough Council. Note 48 on Joint Operations provides further information.

## 3. Assumptions about the future/other sources of estimation or uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be

**Notes to the Core Financial Statements**

determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if actual results differ from assumptions</b>
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent upon assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. Should the useful economic life of an asset reduce by one year, the estimated effect on the annual depreciation charge would be an increase of £3.328m.
Pensions Liability	<p>Estimation of the net liability to pay pensions depends several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.</p> <p>To account for the McCloud Judgement (public service pensions age discrimination cases) the actuary has made an estimated adjustment to these liabilities from the 2022 valuation data to ensure that it is captured in the 31 March 2023 IAS 19 balance sheet figures. The final impact on the pension scheme will not be known until the required changes in legislation have been made.</p>	The effects on the net pensions' liability of changes in individual assumptions can be measured. For instance, for the Greater Gwent Scheme a 0.1% decrease in the discount rate assumption would result in an increase in pension liability of £20.165m, whereas a 0.1% increase in salaries rate assumption would result in an increase in the pension liability of £2.976m. However, assumptions interact in complex ways. During 2022/2023, the Authority's Actuaries advised that the net pensions liability for all schemes had decreased by £474.373m.
Fair value measurements	When the fair values of financial assets and liabilities cannot be measured based on quoted prices in active markets (i.e., Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets	<p>The authority uses the discounted cash flow (DCF) model to value financial assets and liabilities</p> <p>The significant unobservable inputs used in the fair value measurement</p>



**Notes to the Core Financial Statements**

	<p>or the discounted cash flow (DCF) model). Where possible, inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values.</p> <p>Judgements may include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the authority's assets and liabilities. Where Level 1 inputs are not available, the authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value.</p> <p>Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in note 14.</p>	<p>include management assumptions regarding discount rates.</p> <p>Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the financial assets/liabilities. Please refer to note 14.</p>
Provisions	<p>The Authority has included provisions for known insurance claims as at 31 March 2023. The value of these claims is based on information provided by our insurance brokers on the number of claims outstanding at the end of the financial year, the average settlement amount for each type of claim and the likelihood of each type of claim being settled. However, the outcome of these cases is still uncertain as outstanding legal cases and negotiations remain ongoing. The Authority is currently carrying a provision of £3.9m in relation to these claims.</p>	<p>The Authority maintains the insurance and risk management reserve to assist in control of the Authority's insurance risks. The provisions in place and the balance on the insurance and risk management reserve at 31 March 2023 are deemed to provide sufficient cover for the Authority's claims exposure. Details of our Insurance Reserves are set out in note 37.</p>
Arrears/Provision for Bad Debt	<p>At 31 March 2023, the Authority had an outstanding balance of short term debtors totalling £107m. Against this debtors balance, there is an impairment allowance of £12.1m. It is not certain that this impairment allowance would be sufficient as the Authority cannot assess with certainty which debts will be collected or not.</p>	<p>If collection rates were to deteriorate, there would be a consequential increase in the impairment of doubtful debts.</p>

## Notes to the Core Financial Statements

### 4. Accounting Standards issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but not yet adopted by the 2022/2023 Code. At the balance sheet date, there were no new relevant standards or amendments to existing standards published but not yet adopted by the 2022/2023 Code. However, the following standard was published a few years ago but deferred by CIPFA/LASAAC and is not going to be implemented until 1 April 2024.

#### IFRS 16 - Leases

This Standard removes the previous lease classifications of operating and finance leases and will require local authorities that are lessees to recognise all leases on their balance sheets as right-of-use assets (there are exemptions for short-term and low value leases) with a corresponding lease liability representing the lessee's obligation to make lease payments for the asset. The expected impact on the balance sheet is to increase property, plant and equipment, with an opposing entry to increase other long-term liabilities. In overall revenue budget terms the change is expected to be broadly neutral.

### 5. Prior Year Adjustment (PPA)

In preparing its 2022-2023 accounts, several adjustments were identified that related to the prior financial year 2021-2022.

This note summaries these adjustments and their impact upon the main statements and key notes in the Statement of Accounts.

The main adjustments are outlined below:

#### Incorrect Valuation

An error was identified on the valuation of Maesycwmmmer primary school in 2021-22. An adjustment has been made to correct this error. This has reduced the value by £6.855m.

#### Additional Assets

A number of pavilions were identified as not being included in the fixed asset register. These assets were valued as at 31 March 2023, resulting in a revaluation increase of £5.447m.

#### Assets Under Construction.

Three assets had incorrectly been classified as assets under construction. These assets had become operational in 2021-22. These assets have been reclassified from Assets Under Construction to Other Land and Buildings and revalued resulting in a net adjustment of £2.199m.

#### Hafodyrynys– Impairment

Properties were purchased at Hafodyrynys to allow for their demolition. These properties were included at cost rather than their Impaired value. This adjustment removes the cost from the balance sheet, an adjustment of £2.249m.

#### Duplicate Asset Adjustment

As part of the review of its asset register several duplicate assets were identified. An adjustment has been made to the asset register to remove these duplicate assets from the balance sheet. This resulted in a net reduction of £4.206m.

**Notes to the Core Financial Statements**

**Useful Economic Life (UEL) Adjustment**

The incorrect Useful Economic Life was allocated to a number of assets. This resulted in a reduced depreciation charge in respect of these assets of £2.931m.

**Cash Flow Statement – Investing Activities**

In 2021/22, the cash flow reflected daily movements in cash rather than annualised movements, last year's figures were amended from £2,013,813 for the purchase of long and short term investments and £1,926,894 for the proceeds from sale of long and short term investments to £86,919 net. The net figure reflects the annualised movements which better reflects the change in cash investing for the year as a whole.

	<b>Original 31 March 2022</b>		
	<b>Gross Expenditure</b>	<b>Gross Income</b>	<b>Net Expenditure</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>Comprehensive Income and Expenditure Account</u></b>			
Education and Lifelong Learning	197,231	(53,921)	143,310
Social Services and Housing	182,189	(78,831)	103,358
Communities	112,611	(35,843)	76,768
Corporate Services	96,904	(59,593)	37,311
HRA	46,787	(56,670)	(9,883)
<b>Cost of Services</b>	<b>635,722</b>	<b>(284,858)</b>	<b>350,864</b>
Other Operating Expenditure	55,775	(1,866)	53,909
Financing and Investment Income and Expenditure	30,061	(1,379)	28,682
Taxation and Non-Specific Grant Income		(427,964)	(427,964)
<b>(Surplus)/Deficit on Provision of Services</b>			<b>5,491</b>
(Surplus)/deficit on revaluation of non-current assets			(84,808)
(Surplus)/deficit on revaluation of available-for-sale financial assets			0
Actuarial (gains)/losses on pensions assets/liabilities			(164,373)
<b>Other Comprehensive Income and Expenditure</b>			<b>(249,181)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(243,690)</b>

**Notes to the Core Financial Statements**

	<b>Restatement Movement</b>		
	<b>Gross Expenditure</b>	<b>Gross Income</b>	<b>Net Expenditure</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>Comprehensive Income and Expenditure Account</u></b>			
Education and Lifelong Learning	607	0	607
Social Services and Housing	0	0	0
Communities	9,108	0	9,108
Corporate Services	0	0	0
HRA	0	0	0
<b>Cost of Services</b>	<b>9,715</b>	<b>0</b>	<b>9,715</b>
Other Operating Expenditure	748	0	748
Financing and Investment Income and Expenditure	0	0	0
Taxation and Non-Specific Grant Income		0	0
<b>(Surplus)/Deficit on Provision of Services</b>			<b>10,463</b>
(Surplus)/deficit on revaluation of non-current assets			4,391
(Surplus)/deficit on revaluation of available-for-sale financial assets			0
Actuarial (gains)/losses on pensions assets/liabilities			0
<b>Other Comprehensive (Income) and Expenditure</b>			<b>4,391</b>
<b>Total Comprehensive (Income) and Expenditure</b>			<b>14,854</b>

	<b>Restatement 31 March 2022</b>		
	<b>Gross Expenditure</b>	<b>Gross Income</b>	<b>Net Expenditure</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>Comprehensive Income and Expenditure Account</u></b>			
Education and Lifelong Learning	197,838	(53,921)	143,917
Social Services, Public Protection and Corporate Policy / Social Services and Housing	182,189	(78,831)	103,358
Environment / Communities	121,719	(35,843)	85,876
Corporate Services	96,904	(59,593)	37,311
HRA	46,787	(56,670)	(9,883)
<b>Cost of Services</b>	<b>645,437</b>	<b>(284,858)</b>	<b>360,579</b>
Other Operating Expenditure	56,523	(1,866)	54,657
Financing and Investment Income and Expenditure	30,061	(1,379)	28,682
Taxation and Non-Specific Grant Income	0	(427,964)	(427,964)
<b>(Surplus)/Deficit on Provision of Services</b>			<b>15,954</b>
(Surplus)/deficit on revaluation of non-current assets			(80,417)
(Surplus)/deficit on revaluation of available-for-sale financial assets			0
Actuarial (gains)/losses on pensions assets/liabilities			(164,373)
<b>Other Comprehensive Income and Expenditure</b>			<b>(244,790)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(228,836)</b>

Notes to the Core Financial Statements

	Original 31 March 2022	Restatement Movement	Restatement 31 March 2022
	£000	£000	£000
<b>Balance Sheet</b>			
Property, Plant & Equipment	1,240,507	(14,854)	1,225,653
Heritage Assets	13,780	0	13,780
Investment Properties	3,465	0	3,465
Long Term Investments	55,939	0	55,939
Long Term Debtors	2,318	0	2,318
<b>Long Term Assets</b>	<b>1,316,009</b>	<b>(14,854)</b>	<b>1,301,155</b>
Short Term Investments	146,096	0	146,096
Inventories	499	0	499
Short Term Debtors	89,048	0	89,048
Cash and Cash Equivalents	9,102	0	9,102
<b>Current Assets</b>	<b>244,745</b>	<b>0</b>	<b>244,745</b>
Short Term Borrowing	(6,823)	0	(6,823)
Short Term Creditors	(93,404)	0	(93,404)
Short Term Provisions	(1,000)	0	(1,000)
<b>Current Liabilities</b>	<b>(101,227)</b>	<b>0</b>	<b>(101,227)</b>
Long Term Provisions	(2,826)	0	(2,826)
Long Term Borrowing	(306,202)	0	(306,202)
Other Long Term Liabilities	(620,485)	0	(620,485)
Capital Grants Receipts in Advance	(1,313)	0	(1,313)
<b>Long Term Liabilities</b>	<b>(930,826)</b>	<b>0</b>	<b>(930,826)</b>
<b>Net Assets</b>	<b>528,701</b>	<b>(14,854)</b>	<b>513,847</b>
Usable Reserves	(233,308)	0	(233,308)
Unusable Reserves	(295,393)	14,854	(280,539)
<b>Total Reserves</b>	<b>(528,701)</b>	<b>14,854</b>	<b>(513,847)</b>

# Caerphilly County Borough Council

## Notes to the Core Financial Statements

Original 31 March 2022									
<u>Movement in Reserves Statement</u>	Council Fund Balance £000	Earmarked Reserves £000	Total Council Fund Balances £000	Housing Revenue Account £000	Capital Grants Unapplied £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2021 Restated</b>	<b>(22,496)</b>	<b>(115,923)</b>	<b>(138,419)</b>	<b>(14,915)</b>	<b>(17,653)</b>	<b>(10,256)</b>	<b>(181,243)</b>	<b>(103,769)</b>	<b>(285,012)</b>
<b>Movement in reserves during 2021/2022</b>									
Total Comprehensive Income and Expenditure	(1,002)	0	<b>(1,002)</b>	<b>6,493</b>	<b>0</b>	<b>0</b>	<b>5,491</b>	<b>(249,181)</b>	<b>(243,690)</b>
Adjustments between accounting basis and funding basis under regulations	(37,851)	0	<b>(37,851)</b>	(15,557)	(6,245)	(1,866)	<b>(61,519)</b>	<b>61,707</b>	188
<b>(Increase)/Decrease in Year</b>	<b>(38,853)</b>	<b>0</b>	<b>(38,853)</b>	<b>(9,064)</b>	<b>(6,245)</b>	<b>(1,866)</b>	<b>(56,028)</b>	<b>(187,474)</b>	<b>(243,502)</b>
Transfers (to)/from earmarked reserves	32,596	(32,618)	<b>(22)</b>	0	4,011	(26)	3,963	(4,150)	(187)
<b>Balance at 31 March 2022</b>	<b>(28,753)</b>	<b>(148,541)</b>	<b>(177,294)</b>	<b>(23,979)</b>	<b>(19,887)</b>	<b>(12,148)</b>	<b>(233,308)</b>	<b>(295,393)</b>	<b>(528,701)</b>

Restatement Movement									
<u>Movement in Reserves Statement</u>	Council Fund Balance £000	Earmarked Reserves £000	Total Council Fund Balances £000	Housing Revenue Account £000	Capital Grants Unapplied £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Movement in reserves during 2021/2022</b>									
Total Comprehensive Income and Expenditure	10,463	0	<b>10,463</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,463</b>	<b>4,391</b>	<b>14,854</b>
Adjustments between accounting basis and funding basis under regulations	(10,463)	0	<b>(10,463)</b>	0	0	0	<b>(10,463)</b>	<b>10,463</b>	<b>0</b>
<b>(Increase)/Decrease in Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,854</b>	<b>14,854</b>
Transfers (to)/from earmarked reserves	0	0	<b>0</b>	0	0	0	0	0	0
<b>Balance at 31 March 2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Caerphilly County Borough Council

## Notes to the Core Financial Statements

Restatement 31 March 2022									
<u>Movement in Reserves Statement</u>	Council Fund Balance £000	Earmarked Reserves £000	Total Council Fund Balances £000	Housing Revenue Account £000	Capital Grants Unapplied £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2021 Restated</b>	<b>(22,496)</b>	<b>(115,923)</b>	<b>(138,419)</b>	<b>(14,915)</b>	<b>(17,653)</b>	<b>(10,256)</b>	<b>(181,243)</b>	<b>(103,769)</b>	<b>(285,012)</b>
<b>Movement in reserves during 2021/2022</b>									
Total Comprehensive Income and Expenditure	9,461	0	9,461	6,493	0	0	15,954	(244,790)	(228,836)
Adjustments between accounting basis and funding basis under regulations	(48,314)	0	(48,314)	(15,557)	(6,245)	(1,866)	(71,982)	72,170	188
<b>(Increase)/Decrease in Year</b>	<b>(38,853)</b>	<b>0</b>	<b>(38,853)</b>	<b>(9,064)</b>	<b>(6,245)</b>	<b>(1,866)</b>	<b>(56,028)</b>	<b>(172,620)</b>	<b>(228,648)</b>
Transfers (to)/from earmarked reserves	32,596	(32,618)	(22)	0	4,011	(26)	3,963	(4,150)	(187)
<b>Balance at 31 March 2022</b>	<b>(28,753)</b>	<b>(148,541)</b>	<b>(177,294)</b>	<b>(23,979)</b>	<b>(19,887)</b>	<b>(12,148)</b>	<b>(233,308)</b>	<b>(280,539)</b>	<b>(513,847)</b>

### Cash Flow Statement

	2021/2022 £000	Restatement Movement £000	Restated 2021/2022 £000
<b>Net (surplus) or deficit on provision of services</b>	<b>(5,491)</b>	<b>(10,463)</b>	<b>(15,954)</b>
Adjust net surplus or deficit on the provision of services for non cash movement	114,264	9,715	123,979
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(33,654)	748	(32,906)
<b>Net cash flows from Operating Activities</b>	<b>75,119</b>	<b>0</b>	<b>75,119</b>
Investing Activities	(99,148)	0	(99,148)
Financing Activities	2,306	0	2,306
<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>(21,723)</b>	<b>0</b>	<b>(21,723)</b>
Cash and cash equivalents at the beginning of the reporting period	30,825	0	30,825
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9,102</b>	<b>0</b>	<b>9,102</b>

# Caerphilly County Borough Council

## Notes to the Core Financial Statements

<u>Expenditure and Funding Analysis</u>	2021-2022		
	Net Expenditure Chargeable to Council Fund and HRA Balances	Adjustments between the Funding and Accounting Basis (note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000
Education and Lifelong Learning	133,484	9,826	143,310
Social Services and Housing	90,307	13,051	103,358
Communities	53,642	23,126	76,768
Corporate Services	56,489	(19,178)	37,311
HRA	(9,279)	(604)	(9,883)
<b>Net Cost of Services</b>	<b>324,643</b>	<b>26,221</b>	<b>350,864</b>
Other Income and Expenditure	(372,559)	27,186	(345,373)
<b>Surplus/Deficit</b>	<b>(47,916)</b>	<b>53,407</b>	<b>5,491</b>
Opening Council Fund and HRA Balance at 1 April	(92,126)		
	<b>(47,916)</b>		
Surplus/(Deficit) on Council Fund and HRA Balance in Year			
<b>Closing Council Fund and HRA Balance at 31 March*</b>	<b>(140,042)</b>		

<u>Expenditure and Funding Analysis</u>	Restated 2021-2022		
	Net Expenditure Chargeable to Council Fund and HRA Balances	Adjustments between the Funding and Accounting Basis (note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000
Education and Lifelong Learning	133,484	10,433	143,917
Social Services and Housing	90,307	13,051	103,358
Communities	53,642	32,234	85,876
Corporate Services	56,489	(19,178)	37,311
HRA	(9,279)	(604)	(9,883)
<b>Net Cost of Services</b>	<b>324,643</b>	<b>35,936</b>	<b>360,579</b>
Other Income and Expenditure	(372,559)	27,934	(344,625)
<b>Surplus/Deficit</b>	<b>(47,916)</b>	<b>63,870</b>	<b>15,954</b>
Opening Council Fund and HRA Balance at 1 April	(92,126)		
	<b>(47,916)</b>		
Surplus/(Deficit) on Council Fund and HRA Balance in Year			
<b>Closing Council Fund and HRA Balance at 31 March*</b>	<b>(140,042)</b>		



**Notes to the Core Financial Statements**

<b><u>Expenditure and Funding Analysis</u></b>	<b>Restatement Movement 2021-2022</b>		
	<b>Net Expenditure Chargeable to Council Fund and HRA Balances</b>	<b>Adjustments between the Funding and Accounting Basis (note 5)</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Education and Lifelong Learning	0	607	607
Social Services and Housing	0	0	0
Communities	0	9,108	9,108
Corporate Services	0	0	0
HRA	0	0	0
<b>Net Cost of Services</b>	<b>0</b>	<b>9,715</b>	<b>9,715</b>
Other Income and Expenditure	0	748	748
<b>Surplus/Deficit</b>	<b>0</b>	<b>10,463</b>	<b>10,463</b>
Opening Council Fund and HRA Balance at 1 April	0		
	0		
Surplus/(Deficit) on Council Fund and HRA Balance in Year	0		
<b>Closing Council Fund and HRA Balance at 31 March*</b>	<b>0</b>		

<b>Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Adjustments between Funding and Accounting Basis 2021-2022</b>			
	<b>Adjustments for capital Purposes</b>	<b>Net Change for the Pensions Adjustments</b>	<b>Other Adjustments</b>	<b>Total Adjustments</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Education and Lifelong Learning	1,085	8,853	(112)	9,826
Social Services and Housing	1,539	11,541	(29)	13,051
Communities	12,895	10,262	(31)	23,126
Corporate Services	(3,761)	1,799	(17,216)	(19,178)
HRA	982	3,712	(5,298)	(604)
Net Cost of Services	12,740	36,167	(22,686)	26,221
Other income and expenditure from the Expenditure and Funding Analysis	(7,748)	14,433	20,501	27,186
Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	<b>4,992</b>	<b>50,600</b>	<b>(2,185)</b>	<b>53,407</b>

## Caerphilly County Borough Council

### Notes to the Core Financial Statements

<b>Adjustments between Funding and Accounting Basis 2021-2022 - Restated</b>				
<b>Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Adjustments for capital Purposes £000</b>	<b>Net Change for the Pensions Adjustments £000</b>	<b>Other Adjustments £000</b>	<b>Total Adjustments £000</b>
Education and Lifelong Learning	1,692	8,853	(112)	10,433
Social Services and Housing	1,539	11,541	(29)	13,051
Communities	22,003	10,262	(31)	32,234
Corporate Services	(3,761)	1,799	(17,216)	(19,178)
HRA	982	3,712	(5,298)	(604)
Net Cost of Services	22,455	36,167	(22,686)	35,936
Other income and expenditure from the Expenditure and Funding Analysis	(7,000)	14,433	20,501	27,934
Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	<b>15,455</b>	<b>50,600</b>	<b>(2,185)</b>	<b>63,870</b>

<b>Adjustments between Funding and Accounting Basis 2021-2022 - Restatement Movement</b>				
<b>Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Adjustments for capital Purposes £000</b>	<b>Net Change for the Pensions Adjustments £000</b>	<b>Other Adjustments £000</b>	<b>Total Adjustments £000</b>
Education and Lifelong Learning	607	0	0	607
Social Services, Public Protection and Corporate Policy / Social Services and Housing	0	0	0	0
Communities	9,108	0	0	9,108
Corporate Services	0	0	0	0
HRA	0	0	0	0
Net Cost of Services	9,715	0	0	9,715
Other income and expenditure from the Expenditure and Funding Analysis	748	0	0	748
Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	<b>10,463</b>	<b>0</b>	<b>0</b>	<b>10,463</b>

# Caerphilly County Borough Council

## Notes to the Core Financial Statements

### Note 8 - Expenditure and Income Analysed by Nature - extract

The Authority's expenditure and income is analysed as follows:

2021-2022	Assets Under Construction Impairment	Hafodyrnys Impairment	Duplicate Assets Adjustments	UEL Depreciation Adjustment	2021-2022 Restated	
£000	£000	£000			£000	
<b>Expenditure:</b>						
Depreciation, amortisation, impairment	33,773	4,060	2,249	475	2,931	43,488
Loss on disposal of assets	3,211	0	0	748		3,959
<b>Total expenditure</b>	<b>721,558</b>	<b>4,060</b>	<b>2,249</b>	<b>1,223</b>	<b>2,931</b>	<b>732,021</b>
<b>Total income</b>	<b>(716,067)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(716,067)</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>5,491</b>	<b>4,060</b>	<b>2,249</b>	<b>1,223</b>	<b>2,931</b>	<b>15,954</b>

### Note 9. extract Adjustments between accounting basis and funding basis under Regulations

#### Adjustments primarily involving the Capital Adjustment Account:

#### Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement

	2021/2022			Restatement Movements				
	Council Fund Balance	Housing Revenue Account	Movement in Unusable Reserves	Assets Under Construction Impairment	Hafodyrnys Impairment	Duplicate Asset Adjustment	UEL Depreciation Adjustment	Movement in Unusable Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Charges for depreciation and impairment of non-current assets	(18,325)	(15,363)	33,688	(4,060)	(2,249)	(475)	(2,931)	9,715
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	(1,226)	(76)	3,168	0	0	(748)	0	748
<b>Total Adjustments</b>	<b>(37,851)</b>	<b>(15,557)</b>	<b>61,707</b>	<b>(4,060)</b>	<b>(2,249)</b>	<b>(1,223)</b>	<b>(2,931)</b>	<b>10,463</b>

**Notes to the Core Financial Statements**

	Restated 2021/2022		
	Council Fund Balance	Usable Reserves Housing Revenue Account	Movement in Unusable Reserves
<b>Adjustments primarily involving the Capital Adjustment Account:</b>	<b>£000</b>	<b>£000</b>	<b>£000</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	(28,040)	(15,363)	43,403
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	(1,974)	(76)	2,050
<b>Total Adjustments</b>	<b>(48,314)</b>	<b>(15,557)</b>	<b>72,170</b>

Note 11. Other operating Expenditure	2021/2022	Derecognition of Capital Expenditure	Restated 2021/2022
	£000	£000	£000
Community Council Precepts	899	0	899
Gwent Police Authority Precept	17,506	0	17,506
Levies	9,685	0	9,685
(Gains)/losses on the disposal of non-current assets	1,303	748	2,051
Derecognition of Capital Expenditure	24,516	0	24,516
<b>Total</b>	<b>53,909</b>	<b>748</b>	<b>54,657</b>

# Caerphilly County Borough Council

## Notes to the Core Financial Statements

Note 24. Property, Plant and Equipment

	Other Land and Buildings	Restatement	Restated - Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Restatement	Restated Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Restatement	Restated Infrastructure Assets	Assets Under Construction	Restatement	Restated Assets Under Construction
<b>Cost or valuation:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2021	588,752	0	588,752	34,625	0	34,625	194,039	0	194,039	6,636	0	6,636
City Deal - Caerphilly's share of fixed assets at 1.4.21	0	0	0	0	0	0	0	0	0	296	0	296
Additions	12,062	0	12,062	2,488	0	2,488	4,970	0	4,970	5,762	0	5,762
Revaluation Increases to Revaluation Reserve	24,328	(1,408)	22,920	487	0	487	0	0	0	0	0	0
Revaluation Decreases to Revaluation Reserves	(9,761)	(2,983)	(12,744)	(85)	0	(85)	0	0	0	0	0	0
Revaluation Increases to Surplus/Deficit on Provision of Services	7,772	0	7,772	69	0	69	0	0	0	0	0	0
Revaluation Decreases to Surplus/Deficit on Provision of Services	(2,025)	(6,856)	(8,881)	0	0	0	0	0	0	0	0	0
Derecognitions - Disposals	(985)	(748)	(1,733)	(1,762)	0	(1,762)	0	0	0	0	0	0
Derecognitions - Other	(4,708)	0	(4,708)	0	0	0	0	0	0	0	0	0
Other Movements in Cost or Valuation	1,662	6,259	7,921	0	0	0	0	0	0	(1,684)	(6,259)	(7,943)
City Deal - Caerphilly's share of fixed assets at 1.4.21	0	0	0	500	0	500	0	0	0	(199)	0	(199)
<b>At 31 March 2022</b>	<b>617,097</b>	<b>(5,736)</b>	<b>611,361</b>	<b>36,322</b>	<b>0</b>	<b>36,322</b>	<b>199,009</b>	<b>0</b>	<b>199,009</b>	<b>10,811</b>	<b>(6,259)</b>	<b>4,552</b>
<b>Accumulated Depreciation and impairment:</b>												
At 1 April 2021	(4,375)	0	(4,375)	(22,093)	0	(22,093)	0	0	0	0	0	0
Depreciation Charge	(12,718)	0	(12,718)	(2,578)	(607)	(3,185)	(9,486)	(2,324)	(11,810)	0	0	0
Depreciation written back on Valuation	8,667	72	8,739	638	0	638	0	0	0	0	0	0
Depreciation written back on Disposals	0	0	0	1,002	0	1,002	0	0	0	0	0	0
City Deal - Caerphilly's share of FA Depreciation	0	0	0	(72)	0	(72)	0	0	0	0	0	0
<b>At 31 March 2022</b>	<b>(8,426)</b>	<b>72</b>	<b>(8,354)</b>	<b>(23,103)</b>	<b>(607)</b>	<b>(23,710)</b>	<b>(9,486)</b>	<b>(2,324)</b>	<b>(11,810)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Value at 31 March 2022</b>	<b>608,671</b>	<b>(5,664)</b>	<b>603,007</b>	<b>13,219</b>	<b>(607)</b>	<b>12,612</b>	<b>189,523</b>	<b>(2,324)</b>	<b>187,199</b>	<b>10,811</b>	<b>(6,259)</b>	<b>4,552</b>

**Notes to the Core Financial Statements**

Note 33 - Revaluation Reserve	2021/2022		Restated 2021/2022	
	£000	£000	£000	£000
Balance as at 1 April		(554,746)		(554,746)
Historic Cost Adjustment between Revaluation Reserve and Capital Adjustment Account		(32,119)		(32,119)
Downward revaluation of assets and impairment losses not charged to the Surplus and Deficit on the Provision of Services	9,846		2,983	12,829
Surplus on Revaluation of Assets	(94,654)		1408	(93,246)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		(84,808)		(80,417)
Difference between fair value depreciation and historical cost depreciation	15,033			15,033
Clear Revaluation Reserve for Assets Disposed in year.	0		676	676
Amount written off to the Capital Adjustment Account		15,033		15,709
<b>Balance as at 31 March</b>		<b>(656,640)</b>		<b>(651,573)</b>

Note 34 - Capital Adjustment account - Extract	2021/2022	Assets Under Construction		Duplicate	UEL	Restated 2021/2022
	£000	Impairment £000	Hafodrynys Impairment £000	Asset Adjustments £000	Depreciation Adjustment £000	
<b>Balance as at 1 April</b>	<b>(258,928)</b>					<b>(258,928)</b>
Depreciation:						<b>0</b>
In year charge	40,122	0	0	0	2,931	43,053
Attributable to revaluations	(39,670)	0	0	(72)	0	(39,742)
Asset Revaluations / Impairments:						<b>0</b>
Price adjustments	(5,816)	4,060	2,249	547	0	1,040
Disposals - Council Fund	2,874	0	0	72	0	2,946
<b>Total capital costs</b>	<b>41,869</b>	4,060	2,249	547	2,931	51,656
<b>Balance as at 31 March</b>	<b>(232,745)</b>	<b>4,060</b>	<b>2,249</b>	<b>547</b>	<b>2,931</b>	<b>(222,958)</b>

**Notes to the Core Financial Statements**

Note 43 - Cash Flow Statement - Adjustments to Surplus or Deficit	<u>2021/2022</u> £000	Assets Under Construction Impairment £000	Hafodrynys Impairment £000	Duplicate Asset Adjustments	UEL Depreciation Adjustment £000	Restated 2021/222 £000
<b>Adjustment to surplus or deficit on provision of services for non-cash movements:</b>						
Depreciation and Impairment - inclusive of downward revaluation	39,588	4,060	2,249	475	2,931	49,303
IAS19 Pensions Adjustment	50,595	0	0	0	0	50,595
Derecognition of Capital Expenditure	18,843	0	0	0	0	18,843
Other non-cash items charged to the net surplus or deficit on the provision of services	(5,814)	0	0	0	0	(5,814)
Increase / (Decrease) in Inventories	(95)	0	0	0	0	(95)
Increase / (Decrease) in Debtors	(7,150)	0	0	0	0	(7,150)
(Increase) / Decrease in Creditors	18,297	0	0	0	0	18,297
	<b>114,264</b>	<b>4,060</b>	<b>2,249</b>	<b>475</b>	<b>2,931</b>	<b>123,979</b>
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities:</b>						
Capital grants credited to surplus or deficit on provision of services	(34,814)	0	0	0	0	(34,814)
Carrying amount of non-current assets and held for sale assets	3,169	0	0	0	0	3,169
Net loss on sale of fixed assets	(2,009)	0	0	748	0	(1,261)
	<b>(33,654)</b>	<b>0</b>	<b>0</b>	<b>748</b>	<b>0</b>	<b>(32,906)</b>

**6. Expenditure and Funding Analysis**

The expenditure and funding analysis shows how annual expenditure is used and funded from resources such as government grants, rents, council tax, national non-domestic rates, by the Authority in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's service areas and reconciles the expenditure charged to the Council Fund Balance on an accounting basis to the management information basis as presented in the Narrative Report. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

## Caerphilly County Borough Council

### Notes to the Core Financial Statements

Restated 2021-2022				2022-2023		
Net Expenditure Chargeable to Council Fund and HRA Balances	Adjustments between the Funding and Accounting Basis (note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to Council Fund and HRA Balances	Adjustments between the Funding and Accounting Basis (note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
133,484	10,433	143,917	Education and Lifelong Learning	164,104	16,963	181,067
90,307	13,051	103,358	Social Services and Housing	112,940	10,483	123,423
53,642	32,234	85,876	Communities	54,777	20,985	75,762
56,489	(19,178)	37,311	Corporate Services	76,041	(19,405)	56,636
(9,279)	(604)	(9,883)	Housing Revenue Account	(4,149)	(4,912)	(9,061)
<b>324,643</b>	<b>35,936</b>	<b>360,579</b>	<b>Net Cost of Services</b>	<b>403,713</b>	<b>24,114</b>	<b>427,827</b>
(372,559)	27,934	(344,625)	Other Income and Expenditure	(394,529)	25,686	(368,843)
<b>(47,916)</b>	<b>63,870</b>	<b>15,954</b>	<b>Surplus/Deficit</b>	<b>9,184</b>	<b>49,800</b>	<b>58,984</b>
(153,337)			<b>Opening Council Fund and HRA Balance at 1 April</b>	(201,253)		
(47,916)			<b>Surplus or (Deficit) on Council Fund and HRA Balance in Year</b>	9,184		
<b>(201,253)</b>			<b>Closing Council Fund and HRA Balance at 31 March*</b>	<b>(192,069)</b>		

*\* For a split of this balance between the Council Fund and the HRA, see the Movement in Reserves Statement*



**Notes to the Core Financial Statements**

<b>Adjustments between Funding and Accounting Basis 2022-2023</b>				
<b>Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Adjustments for capital Purposes £000</b>	<b>Net Change for the Pensions Adjustments £000</b>	<b>Other Adjustments £000</b>	<b>Total Adjustments £000</b>
Education and Lifelong Learning	8,526	7,739	698	16,963
Social Services and Housing	823	9,514	146	10,483
Communities	11,848	8,969	168	20,985
Corporate Services	(3,371)	3,320	(19,354)	(19,405)
Housing Revenue Account	(3,720)	3,268	(4,460)	(4,912)
Net Cost of Services	14,106	32,810	(22,802)	24,114
Other income and expenditure from the Expenditure and Funding Analysis	(14,480)	16,381	23,785	25,686
Difference between Council Fund surplus/deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(374)	49,191	983	<b>49,800</b>

<b>Restated Adjustments between Funding and Accounting Basis 2021-22</b>				
<b>Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statement amounts</b>	<b>Adjustments for capital Purposes £000</b>	<b>Net Change for the Pensions Adjustments £000</b>	<b>Other Adjustments £000</b>	<b>Total Adjustments £000</b>
Education and Lifelong Learning	1,692	8,853	(112)	10,433
Social Services and Housing	1,539	11,541	(29)	13,051
Communities	22,003	10,262	(31)	32,234
Corporate Services	(3,761)	1,799	(17,216)	(19,178)
Housing Revenue Account	982	3,712	(5,298)	(604)
Net Cost of Services	22,455	36,167	(22,686)	35,936
Other income and expenditure from the Expenditure and Funding Analysis	(7,000)	14,433	20,501	27,934
Difference between Council Fund surplus/deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	15,455	50,600	(2,185)	<b>63,870</b>

## Notes to the Core Financial Statements

### Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### Net Change for the Pensions Adjustments

This is the net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

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

### Other Adjustments

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

- For **Financing and Investment Income and Expenditure** the other adjustments column recognises adjustments to the Council Fund for the timing differences for premiums and discounts.
- The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code.

### 7. Events after the reporting period

The Head of Financial Services & S151 Officer, acting as Responsible Financial Officer, gave authorisation for the issue of these accounts on 9<sup>th</sup> May 2024. In doing so, the Financial Accounts include all material events, relating to the financial year, but occurring after the date of the balance sheet.

**Notes to the Core Financial Statements**

**8. Expenditure and Income Analysed by Nature**

*The Authority's expenditure and income is analysed as follows:*

	Restated <b>2021-2022</b>	<b>2022-2023</b>
	<b>£000</b>	<b>£000</b>
<b>Expenditure:</b>		
Employee benefits expenses	257,139	284,391
Other service expenses	308,662	328,336
IAS 19 Pension Costs	50,595	49,186
Depreciation, amortisation, impairment and other movements in revaluations	43,488	37,699
Interest payments	15,615	18,318
Precepts and Levies	28,090	29,400
Loss on disposal of assets	3,959	1,194
Derecognition of Expenditure	24,473	23,166
<b>Total expenditure</b>	<b>732,021</b>	<b>771,690</b>
<b>Income:</b>		
Fees, charges and other service income	(133,568)	(127,708)
Gain on disposal of assets	(1,866)	0
Interest and investment income	(1,379)	(3,731)
Income from council tax, non-domestic rates	(153,435)	(160,785)
Government grants and contributions	(425,819)	(420,482)
<b>Total income</b>	<b>(716,067)</b>	<b>(712,706)</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>15,954</b>	<b>58,984</b>

**9. 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 Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The following sets out a description of the Usable Reserves that the adjustments are made against:

**Council Fund Balance**

The Council Fund is the statutory fund into which all the receipts of the Authority are required to be paid and out of which all liabilities of the Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the Council Fund Balance, which is not necessarily in accordance with proper accounting practice. The Council Fund Balance therefore summarises the resources that the Authority

**Notes to the Core Financial Statements**

is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Authority is required to recover) at the end of the financial year.

**Housing Revenue Account**

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Authority's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

**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 (Reserve) holds the grants and contributions received towards capital projects for which the Authority 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.

For details and explanations of Unusable Reserves for which adjustments are made against, see note 23.

Notes to the Core Financial Statements

	Usable Reserves				Movement in Unusable Reserves
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
<u>2022/2023</u>	£000	£000	£000	£000	£000
<b>Adjustments primarily involving the Capital</b>					
<b>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	(24,431)	(13,183)	0	0	37,614
Capital grants and contributions applied	28,459	9,653	0	0	(38,112)
Revenue expenditure funded from capital under statute	(2,678)	0	0	0	2,678
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	(967)	(227)	267	0	927
Derecognition of Capital Expenditure charged to the Comprehensive Income and Expenditure Statement	(1,823)	(21,343)	0	0	23,166
City Deal - Capital Adjustment Account	488	0	0	0	(300)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Statutory provision for the financing of capital investment	5,225	2,677	0	0	(7,902)
Capital expenditure charged against the Council Fund and Housing Revenue Account balances	3,186	14,226	0	0	(17,411)
<b>Adjustments primarily involving the Capital Grants</b>					
<b>Unapplied Account:</b>					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	1,300	0	0	(1,300)	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	10	0	0	0	(10)
<b>Adjustments primarily involving the Pensions Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(76,451)	(5,950)	0	0	82,401
Employer's pensions contributions and direct payments to pensioners payable in the year	30,534	2,681	0	0	(33,215)
<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	(1,122)	(58)	0	0	1,180
City Deal - Accumulated Absence	(5)	0	0	0	5
<b>Total Adjustments</b>	<b>(38,275)</b>	<b>(11,524)</b>	<b>267</b>	<b>(1,300)</b>	<b>51,021</b>

Notes to the Core Financial Statements

<u>Restated 2021/2022</u>	Usable Reserves				Movement in Unusable Reserves
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£000	£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	(28,040)	(15,363)	0	0	43,403
Capital grants and contributions applied	19,162	8,787	0	0	(27,949)
Revenue expenditure funded from capital under statute	(2,682)	0	0	0	2,682
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	(1,974)	(76)	(1,866)	0	3,916
Derecognition of Capital Expenditure charged to the Comprehensive Income and Expenditure Statement	(4,708)	(19,808)	0	0	24,516
City Deal - Capital Adjustment Account	488	0	0	0	(300)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Statutory provision for the financing of capital investment	4,782	2,370	0	0	(7,152)
Capital expenditure charged against the Council Fund and Housing Revenue Account balances	3,324	12,226	0	0	(15,550)
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	6,245	0	0	(6,245)	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	1,793	0	0	0	(1,793)
<b>Adjustments primarily involving the Pensions Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(73,079)	(5,958)	0	0	79,037
Employer's pensions contributions and direct payments to pensioners payable in the year	26,196	2,246	0	0	(28,442)
<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	184	19	0	0	(203)
City Deal - Accumulated Absence	(5)	0	0	0	5
<b>Total Adjustments</b>	<b>(48,314)</b>	<b>(15,557)</b>	<b>(1,866)</b>	<b>(6,245)</b>	<b>72,170</b>

**Notes to the Core Financial Statements**

**10. Transfers to/from Earmarked Reserves**

This note sets out the amounts set aside from the Council Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Council Fund and HRA expenditure in 2022/2023.

	Note	Balance at 1 April 2021 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2022 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2023 £000
<b>Council Fund:</b>								
Balances held by schools under a scheme of delegation	40	(11,340)	0	(5,923)	(17,263)	6,341	(393)	(11,315)
Capital Earmarked Reserves	39	(39,787)	7,877	(11,861)	(43,771)	2,609	(7,643)	(48,805)
Direct Services Earmarked Reserves		(84)	0	(1)	(85)	0	(2)	(87)
Service over/underspend Reserves	41	(7,286)	13,719	(15,303)	(8,870)	15,318	(10,328)	(3,880)
Insurance Earmarked Reserves	37	(6,021)	55	(1,294)	(7,260)	1,342	0	(5,918)
Other Earmarked Reserves	42	(51,399)	5,935	(25,772)	(71,236)	34,794	(20,509)	(56,951)
Cardiff Regional City Deal Earmarked Reserves		(6)	0	(50)	(56)	0	(52)	(108)
<b>Total</b>		<b>(115,923)</b>	<b>27,586</b>	<b>(60,204)</b>	<b>(148,541)</b>	<b>60,404</b>	<b>(38,927)</b>	<b>(127,064)</b>
<b>Housing Revenue Account:</b>								
HRA Fund Balance		(14,915)	0	(9,064)	(23,979)	5,869	(10,068)	(28,178)

**11. Other Operating Expenditure**

Other operating expenditure is made up as follows:

	Restated 2021/2022 £000	2022/2023 £000
Town and Community Council Precepts	899	928
Gwent Police Authority Precept	17,506	18,551
Levies	9,685	9,921
(Gains)/losses on the disposal of non-current assets	2,051	1,194
Derecognition of capital expenditure	24,516	23,166
<b>Total</b>	<b>54,657</b>	<b>53,760</b>

**Notes to the Core Financial Statements**

<b><u>Levies</u></b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
South Wales Fire Authority	9,099	9,287
Gwent Coroners' Service	365	395
Glamorgan Archives' Service	84	91
Gwent Archives' Service	137	148
<b>Total Levies</b>	<b>9,685</b>	<b>9,921</b>

<b><u>Precepts</u></b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
<b>Town and Community Councils:</b>		
Aber Valley Community Council	40	40
Argoed Community Council	13	14
Bargoed Town Council	125	150
Bedwas, Trethomas and Machen Community Council	100	102
Blackwood Community Council	59	59
Caerphilly Town Council	97	98
Darren Valley Community Council	13	13
Draethen, Waterloo and Rudry Community Council	20	20
Gelligaer Community Council	133	133
Llanbradach Community Council	34	35
Maesycwmmmer Community Council	18	18
Nelson Community Council	29	29
New Tredegar Community Council	17	17
Penyrheol, Treceenydd and Energlyn Community Council	64	64
Rhymney Community Council	35	35
Risca East Community Council	25	24
Risca West Community Council	50	50
Van Community Council	27	27
	<b>899</b>	<b>928</b>
<b>Gwent Police Authority</b>	<b>17,506</b>	<b>18,551</b>
<b>Total Precepts upon the Authority</b>	<b>18,405</b>	<b>19,479</b>

**12. Financing and Investment Income and Expenditure**

Financing and investment income and expenditure is made up as follows:

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
Interest payable and similar charges	15,615	18,318
Pensions interest costs and expected return on pensions assets	14,433	16,381
Interest receivable and similar income	(1,379)	(3,742)
City Deal - change in fair value of investment properties	13	13
<b>Total</b>	<b>28,682</b>	<b>30,970</b>



**Notes to the Core Financial Statements**

**13. Taxation and Grant Income**

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
Council tax income	(94,098)	(96,468)
Non domestic rates	(59,337)	(64,317)
Non-ringfenced government grants	(237,449)	(253,142)
Capital grants and contributions	(37,138)	(39,084)
City Deal - Corporation Tax	58	(562)
<b>Total</b>	<b>(427,964)</b>	<b>(453,573)</b>

**Council Tax Income**

Council tax derives from charges raised according to the value of residential properties, which from 1st April 2005, have been classified into nine valuation bands, using 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required by the Authority, the Police and Crime Commissioner for Gwent and Community Councils for the forthcoming year and dividing this amount by the council tax base. The council tax base is the total number of properties in each band adjusted by a proportion to convert the number to a band D equivalent. The basic amount for a band D property, £1,253.95 in 2022/2023 (£1,230.57 in 2021/2022) is multiplied by the proportion specified for the particular band, adjusted for discount, to give the individual amount due. The total amount due for 2022/2023 was £97.4m (£94.8m in 2021/2022).

*Council tax bills were based on the following multipliers for bands A to I:*

BAND	A	B	C	D	E	F	G	H	I
<b>Multiplier</b>	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9
<b>Chargeable Dwellings</b>	8,608	18,288	14,804	8,596	7,584	3,174	1,275	181	118

<b>Analysis of the net proceeds from council tax:</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
<b>Council tax collectable</b>		
Caerphilly County Borough Council	(76,398)	(77,914)
Gwent Police Authority - see note 11	(17,506)	(18,551)
Community Councils - see note 11	(899)	(928)
<b>Total amount due</b>	(94,803)	(97,393)
Less: Bad Debt Provision	705	925
<b>Net proceeds from council tax</b>	<b>(94,098)</b>	<b>(96,468)</b>

**National Non-Domestic Rates (NNDR) Income**

NNDR is organised on a national basis. The Welsh Government specifies an amount for the rate (53.5p in 2022/2023, 53.5p in 2021/2022) and subject to the effects of transitory arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Authority is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by the Welsh Government.

The Welsh Government redistributes the sums payable to local authorities based on a fixed amount per head of population. The Authority's redistribution for 2022/2023 was £64.317m in total (£59.337m in 2021/2022).

**Notes to the Core Financial Statements**

The anticipated NNDR proceeds of £37.3m for 2022/2023 (£37.8m in 2021/2022) was based on a total rateable value at the year-end of £86.8m (£87.4m for 2021/2022).

<b>Analysis of the net proceeds from Non-Domestic Rates:</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
Actual proceeds	<b>(36,374)</b>	<b>(36,739)</b>
Less: Discretionary relief	447	344
Cost of collection	284	288
Bad and doubtful debts	117	(20)
Contribution to NNDR Pool	<b><u>(35,526)</u></b>	<b><u>(36,127)</u></b>
Redistributed amount due from NNDR Pool	(59,337)	(64,317)
<b>Amount received from NNDR Pool</b>	<b><u>(59,337)</u></b>	<b><u>(64,317)</u></b>

**Non ring-fenced government grants**

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2022/2023:

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Taxation and Non Specific Grant Income</b>		
Revenue Support Grant	(236,571)	(253,142)
Hardship Fund - Council Tax Collection Grant	(878)	0
<b>Total</b>	<b><u>(237,449)</u></b>	<b><u>(253,142)</u></b>

**Agency Income and Expenditure**

**National Non-Domestic Rates**

The Authority acts as an agent on behalf of Welsh Government in the collection of National Non-Domestic Rates (NNDR). Details of the transactions are provided in the NNDR note above.

During the Covid-19 pandemic, the Authority acted as an agent on behalf of Welsh Government in the distribution of grants and reliefs. The following summarises the purpose of each grant or relief scheme:

**Business Support Grants**

Grants were payable to business of specific types (including retail, hospitality and leisure) that were liable for non-domestic rates and also for businesses that were forced to close or were materially impacted by the restrictions in place during lockdowns.

**Retail, Leisure and Hospitality Rate Relief**

To provide support for eligible properties by offering a discount of 100% on the non-domestic rates bill for 2021/2022 and 2022/2023.

**Care Workers Payments**

Payments to Carers of £500, announced by Welsh Government during the year as part of a nationwide scheme

**Freelancer Grants**

**Notes to the Core Financial Statements**

Grant provided to support freelance workers in cultural and creative sectors.

**Cost of Living Support Scheme**

Welsh Government provided grant support by providing cost of living support payments of £150.

**Self-Isolation Payment**

Payments of £500 were issued to people required to self-isolate as a result of either contracting Covid-19 themselves or coming into contact with a person identified as carrying Covid-19

**Winter Fuel Support Scheme**

To provide support to eligible households towards paying winter fuel costs.

**SSP Enhancement Payments**

The statutory sick payment enhancement scheme provides funding to allow employers to pay eligible social care workers at full pay if they cannot work due to Covid-19.

**Unpaid Carers Grant**

A one-off £500 payment available to all eligible unpaid carers in Wales who were in receipt of carers allowance on 31.3.22

**Energy Bills Support Scheme**

Payments of £400 were issued to eligible households to support them with winter energy costs

**Alternative Fuel Payments**

To provide support to households that heat their homes with fuel other than gas

The following tables summarise the transactions and balances related to the various grants and reliefs administered during 2022/2023.

2021/2022				2022/2023		
Payments Made £000	Funding Received £000	Balance at 31 March 2022 £000		Payments Made £000	Funding Received £000	Balance at 31 March 2023 £000
3,587	(4,725)	(1,139)	Business Support Grants	0	0	0
3,978	(3,972)	6	Care Worker Payments	5,007	0	5,007
113	(110)	3	Freelancer Grants	0	0	0
0	0	0	Cost of Living Support Scheme	9,946	(10,151)	(205)
3,512	(2,625)	887	Self Isolation Payments	1,151	(2,905)	(1,754)
2,247	(887)	1,360	Winter Fuel Payments	4,626	(5,641)	(1,015)
189	(192)	(3)	SSP Enhancement Payments	218	(212)	6
0	0	0	Unpaid Carers Grant	1,455	(1,454)	1
0	0	0	Alternative Fuel Payments	7	(91)	(84)
0	0	0	Energy Bill Scheme	32	(551)	(519)
<b>13,625</b>	<b>(12,512)</b>	<b>1,112</b>	<b>Total</b>	<b>22,442</b>	<b>(21,005)</b>	<b>1,437</b>

During the year, the Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

**Notes to the Core Financial Statements**

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
<b><u>Capital Grants</u></b>		
Welsh Government Grant	(16,040)	(27,703)
General Capital Grant	(8,674)	(3,328)
MRA Grant	(7,297)	(7,296)
Transport Grant	(1,785)	0
Other Grants	(398)	(757)
<b>Total Capital Grants</b>	<b>(34,194)</b>	<b>(39,084)</b>
<b><u>Revenue Grants &gt; £5m</u></b>		
Housing Benefit Subsidy	(44,923)	(42,495)
Covid 19 Hardship Fund	(16,090)	(831)
Housing Support Grant	(8,140)	(8,513)
Children & Communities (Families First)	(3,491)	(3,130)
LA Education Grant	(10,463)	(8,198)
Pupil Development Grant	(6,747)	(7,566)
Regional School Improvement Grant	(6,285)	(6,306)
Children & Communities Grant	(5,328)	(7,057)
<b><u>Revenue Grants &gt; £1m</u></b>		
Post 16 Schools	(4,516)	(3,967)
School to School Regional Consortium Grant	(4,209)	(3,297)
Social Care Recovery Fund	(4,036)	0
Free School Meals	0	(2,588)
Concessionary fares	(3,866)	(2,502)
Childcare Offer	(3,454)	(4,099)
Loss of Income	(2,100)	0
Grants from 3rd Parties	(2,916)	(3,063)
Sustainability and Workforce Grant	(2,974)	(2,678)
Housing Benefits - B&B	(1,903)	(1,409)
Cost Of Living	(1,670)	(296)
Sustainable Waste Management Grant	(1,164)	(833)
European Social Fund Grant	(1,136)	(865)
Community Care Grant	(1,122)	(985)
Early Years	0	(1,197)
Flood Response	(214)	(844)
<b><u>Revenue Grants &gt; £0.5m</u></b>		
Circular Economy Funding	(951)	0
Sports Council For Wales	(926)	(867)
European Regional Development Fund	(897)	(812)
Youth Support Grant	(873)	(592)
Coal Tips	(847)	0
Project Gwyrdd	(783)	(783)
Housing Benefits Grant	(719)	(339)
Road Maintenance	(709)	(326)
Housing Benefit Admin Grant	(606)	(601)
WG Homelessness Grant	0	(847)
Adult Learning Grant	0	(569)
ALN Covid Recovery Grant	0	(535)
<b><u>Revenue Grants &lt; £0.5m</u></b>		
Other	(6,625)	(7,768)
<b>Total Revenue Grants</b>	<b>(150,683)</b>	<b>(126,758)</b>
<b><u>Non Specific Grant Income</u></b>		
Non Domestic Rates (NDR)	(59,337)	(64,317)
Revenue Support Grant (RSG)	(237,449)	(253,142)
<b>Total Non-Specific Grant Income</b>	<b>(296,786)</b>	<b>(317,459)</b>

Notes to the Core Financial Statements

14. Financial Instruments

Categories of Financial Instruments - The following categories of financial instruments are carried in the Balance Sheet:

	31 March 2022					31 March 2023				
	Long-term	Short-term	Long-term	Short-term		Long-term	Short-term	Long-term	Short-term	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Financial Assets</b>	<b>Investments</b>		<b>Debtors</b>		<b>Total</b>	<b>Investments</b>		<b>Debtors</b>		<b>Total</b>
Fair value through profit or loss	0	40,015	0	0	40,015	0	40,131	0	0	40,131
Amortised cost	33,847	115,183	2,312	26,225	177,567	37,371	92,006	2,773	36,670	168,820
Fair value through OCI	22,092	0	0	0	22,092	19,481	0	0	0	19,481
<b>Total financial assets</b>	<b>55,939</b>	<b>155,198</b>	<b>2,312</b>	<b>26,225</b>	<b>239,674</b>	<b>56,852</b>	<b>132,137</b>	<b>2,773</b>	<b>36,670</b>	<b>228,432</b>
Non-financial assets	0	0	6	62,823	62,829	0	0	6	59,005	59,011
<b>Total</b>	<b>55,939</b>	<b>155,198</b>	<b>2,318</b>	<b>89,048</b>	<b>302,503</b>	<b>56,852</b>	<b>132,137</b>	<b>2,779</b>	<b>95,675</b>	<b>287,443</b>
<b>Financial Liabilities</b>	<b>Borrowings</b>		<b>Creditors</b>		<b>Total</b>	<b>Borrowings</b>		<b>Creditors</b>		<b>Total</b>
Amortised cost	(306,202)	(6,823)	(27,603)	(63,168)	(403,796)	(302,311)	(8,937)	(22,706)	(59,037)	(392,991)
<b>Total financial liabilities</b>	<b>(306,202)</b>	<b>(6,823)</b>	<b>(27,603)</b>	<b>(63,168)</b>	<b>(403,796)</b>	<b>(302,311)</b>	<b>(8,937)</b>	<b>(22,706)</b>	<b>(59,037)</b>	<b>(392,991)</b>
Non-financial liabilities	0	0	(592,882)	(30,236)	(623,118)	0	0	(119,227)	(34,649)	(153,876)
<b>Total</b>	<b>(306,202)</b>	<b>(6,823)</b>	<b>(620,485)</b>	<b>(93,404)</b>	<b>(1,026,914)</b>	<b>(302,311)</b>	<b>(8,937)</b>	<b>(141,933)</b>	<b>(93,686)</b>	<b>(546,867)</b>

Notes to the Core Financial Statements

**Income, Expenses, Gains and Losses**

	2021/2022		2022/2023	
	(Surplus) or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	(Surplus) or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Interest revenue:				
• financial assets measured at amortised cost	(500)	0	(1,051)	0
• equity instruments measured at fair value through profit and loss	(35)	0	(850)	0
Dividend Income:				
• fair value through other comprehensive income	(844)	0	(965)	0
(Gains) or losses				
• financial assets measured at fair value	0	(1,783)	0	2,611
<b>Total interest and investment income</b>	<b>(1,379)</b>	<b>(1,783)</b>	<b>(2,866)</b>	<b>2,611</b>
<b>Interest expense and similar charges</b>	<b>15,615</b>	<b>0</b>	<b>16,135</b>	<b>0</b>

**Notes to the Core Financial Statements**

**Material Soft Loans**

Soft loans are those received at below market rate in support of the authority’s service priorities. The interest rate at which the fair value of this soft loan has been arrived at is the PWLB certainty rate on a maturity loan at the point which the loan was received. Soft loans have been valued by discounting the contractual payments at the PWLB certainty rate for a similar loan. The periods of these loans are between 10 and 25 years. The movements on material soft loan balances are:

	<b>31 March 2022</b>	<b>31 March 2023</b>
	<b>£000</b>	<b>£000</b>
	<b>Soft Loans</b>	
Opening carrying amount as at 1 April	11,896	14,746
Cash value of new loans made in year	5,175	0
Fair value adjustment on initial recognition	(2,574)	1,437
Increase in discounted amount due to passage of time	249	300
<b>Closing carrying amount as at 31 March</b>	<b>14,746</b>	<b>16,483</b>

**Financial Assets - Amortised Cost**

The Authority has reviewed its investments under the IFRS 9 standard. Investments held at amortised cost meet the test of “Solely Payments of Principal and Interest (SPPI)”. All other treasury management investments held meet the test of “Solely Payments of Principal and Interest (SPPI)”. Such financial assets provide contractual cash flows to the Authority that are solely payments principal and interest on the outstanding principal in a manner consistent with a basic lending arrangement. Principal is defined as the fair value on initial recognition, less any repayments. Interest is defined as consideration for the time value of money and the credit risk and other basic lending risks inherent in the contract, plus reasonable administrative costs and profit margin.

Where the financial assets meet the SPPI test, the Authority’s business model is to collect cash flows over the whole of the instrument’s life, rather than managing the total return on the portfolio by both holding and selling the instrument. Sales before maturity are permitted within this business model but selling an instrument must be for reasons other than yield management. Consequently, all financial assets that are held for the purpose of collecting cash flows will be held at Amortised Cost.

Under IFRS 9 financial assets held at amortised cost are required to undergo a potential impairment loss calculation and the calculation of a loss allowance. For loans and investments, the loss allowance is equal to 12-month expected credit losses (ECLs) unless credit risk has increased significantly in which case it is equal to lifetime ECLs. As at 31 March 2023 the impairment loss allowance on an £118.715m of investments held at amortised cost was £7k.

**Notes to the Core Financial Statements**

	<u>31 March 2022</u>		<u>31 March 2023</u>	
	Amortised Cost	Impairment Loss Provision	Amortised Cost	Impairment Loss Provision
	£000	£000	£000	£000
Cash and Cash Equivalents	9,102	0	21,332	0
Fixed Term Deposits	88,585	6	77,227	7
Negotiable Instruments	51,104	6	30,579	0
Trade Receivables for goods and services provided	28,537	325	39,443	325
City Deal - Caerphilly's Share	239	0	239	0
<b>Total Financial Assets held at Amortised Cost</b>	<b>177,567</b>	<b>337</b>	<b>168,820</b>	<b>332</b>

The impairment loss provision excludes financial assets held with Central Government and Local Government. It also excludes equity investments that are measured at fair value through profit and loss.

**Equity Instruments at Fair Value Through Profit and Loss**

As at 31 March 2023, the Authority had two money market Sterling investment funds with a fair value of £40.131m. The funds have been valued at "Fair Value through Profit & Loss" (FVP&L) in accordance with IFRS 9. The investment funds do not provide contractual cash flows to the Authority that are solely payments principal and interest. There is no possibility of default on contractual payment and consequently there is no impairment loss allowance set aside.

	<u>31 March 2022</u>		<u>31 March 2023</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
<b><i>Money Market Funds held at Fair Value Through Profit and Loss</i></b>				
Long term	0	0	0	0
Short term	40,015	40,015	40,131	40,131
	<b>40,015</b>	<b>40,015</b>	<b>40,131</b>	<b>40,131</b>

The investment funds are held for treasury management purposes and support the Authority's daily liquidity requirements. Money market funds are a useful investment instruments that are low risk and simultaneously enhance returns. Both money market funds are AAA rated by the main credit rating agencies and domiciled in the UK.

In accordance with European money markets reform both funds are categorised as Low Volatility Nat Asset Valuation Funds (LVNAV). As a result of the LVNAV categorisation the fair value of both money market funds is equivalent to the carrying amount.

**Investments in Equity Instruments designated at fair value through other comprehensive income**



**Notes to the Core Financial Statements**

As at 31<sup>st</sup> March 2023, the Authority held investments in the following funds which they have elected to value at fair value through other comprehensive income (FVOCI). The Council has elected to account for the following investments in equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in fair value are not considered to be part of the Council's annual financial performance.

<b>Investments in equity instruments designated at fair value through other comprehensive income</b>	<b>31 March 2022</b>		<b>31 March 2023</b>	
	<b>Fair value</b>	<b>Dividends</b>	<b>Fair value</b>	<b>Dividends</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
CCLA Property Fund	10,944	396	9,140	396
Fundamentum REIT	981	16	895	26
Aegon Asset Management plc	2,478	126	2,171	127
Schroder Investment Management Ltd	2,759	177	2,614	197
Columbia Threadneedle Investments	2,375	49	2,129	78
Fidelity International	2,555	80	2,532	142
	<b>22,092</b>	<b>844</b>	<b>19,481</b>	<b>966</b>

**Fair Value of Financial Assets**

Some of the Authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including valuation techniques used to measure them:

<b>Financial assets measured at fair value</b>				
<b>Recurring fair value measurements</b>	<b>Input level in fair value hierarchy</b>	<b>Valuation technique used to measure fair value</b>	<b>As at 31 March 2022 £000</b>	<b>As at 31 March 2023 £000</b>
<b><i>Fair Value Through Profit or Loss:</i></b>				
Equity shareholders in quoted UK companies	Level 2	Quoted prices other than quoted prices in Level 1	40,015	40,131
<b><i>Fair Value Through OCI:</i></b>				
Equity shareholders in quoted UK companies	Level 1	Market Price	22,092	19,481
<b>Total</b>			<b>62,107</b>	<b>59,612</b>

**Transfers between Levels of the Fair Value Hierarchy** - There were no transfers between input levels 1 and 2 during the year.

**Changes in the Valuation Technique** - There was no change in the valuation technique used during the year for the financial instruments.

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

Except for the financial assets carried at fair value described in the preceding paragraphs all other financial liabilities, financial assets categorised as "held at amortised cost" and long-term debtors and creditors are carried in the Balance Sheet at amortised cost.

**Notes to the Core Financial Statements**

Our approach to providing the fair value of financial instruments is to use a market value for these instruments where possible or otherwise to use estimation techniques which involve data available in the market.

For financial assets with an available market these have been assessed by reference to the clean bid price at 31st March 2023 quoted via Bloomberg or directly from the Custodian as these are accurate sources of information on price.

For loans borrowed at 31st March 2023 we have estimated the fair values by discounting the instruments' contractual cash flows at an estimated market rate for local authority borrowing on the same remaining term to maturity. We use a market rate calculated from the prevailing swap rate plus a risk margin which has been estimated from inter local authority interest rates in the short term and the Transport for London bond yield in the long term. We have used these sources of data as we believe they offer the most accurate view of the market rate for a local authority. For periods in excess of 3 years, this market rate is between 0.1% and 0.4% lower than the PWLB (Public Works Loans Board) rate.

For LOBOs (Lenders Option Borrowers Option) loans with an amortised cost of £40.344m we have followed the above approach and added the value of the embedded options. The lender's options to propose an increase to the interest rate on the loan have been valued according to Bloomberg's proprietary model for Bermudan cancellable swaps. The borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.

The fair values of finance lease assets and liabilities and of PFI (Public Finance Initiative) scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA corporate bond yield

It is our general view that in the case of short-term investments, the carrying value at the balance sheet date is a reasonable approximation of the fair value. For long term loans and deposits, we used similar calculations as for loans borrowed, using interest rates appropriate to the credit risk of the counterparty and the remaining term of the investment as a discount rate.

<b><u>Financial Assets held at Amortised Cost</u></b>	<b>31 March 2022</b>		<b>31 March 2023</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Investments	139,689	140,727	108,045	105,091
Long term debtors	2,312	2,312	2,773	2,773
	<b>142,001</b>	<b>143,039</b>	<b>110,818</b>	<b>107,864</b>

Short-term debtors and Cash and Cash Equivalents are not included as their fair value is close to their carrying amount.

**Financial Liabilities**

A financial liability is an obligation to transfer economic benefits controlled by the Authority and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Authority.

The majority of the Authority's financial liabilities held during the year are measured at amortised cost and comprised:

**Notes to the Core Financial Statements**

	<u>31 March 2022</u>		<u>31 March 2023</u>	
	Short term	Long term	Short term	Long term
	£000	£000	£000	£000
Public Works Loan Board	(5,702)	(246,452)	(7,816)	(240,772)
Bank Loans	(563)	(40,343)	(563)	(40,342)
Other Loans	(558)	(19,407)	(558)	(21,196)
Private Finance Initiative Contracts	(2,201)	(24,256)	(2,226)	(21,674)
Lease Payables	(72)	(321)	(70)	(328)
Creditors - financial liabilities carried at contract amount	(60,895)	(3,026)	(56,741)	(703)
<b>Total Financial Liabilities measured at Amortised Cost</b>	<b>(69,991)</b>	<b>(333,805)</b>	<b>(67,974)</b>	<b>(325,015)</b>

The fair values are as follows:

	<u>31 March 2022</u>		<u>31 March 2023</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Financial liabilities	(313,025)	(243,798)	(311,248)	(300,161)
PFI and Finance Lease liabilities	(26,850)	(23,280)	(24,297)	(19,010)
Creditors	(63,921)	(63,921)	(57,444)	(57,444)
	<b>(403,796)</b>	<b>(330,999)</b>	<b>(392,989)</b>	<b>(376,615)</b>

**Analysis of Liabilities by maturity**

	<u>31 March 2022</u>	<u>31 March 2023</u>
	£000	£000
Maturing within 1 year	(69,991)	(69,381)
Maturing in 1 - 2 years	(9,252)	(6,668)
Maturing in 2 - 5 years	(13,686)	(29,357)
Maturing in 5 - 10 years	(36,023)	(41,214)
Maturing in 10 - 15 years	(79,743)	(104,579)
Maturing in 15 - 20 years	(61,891)	(20,906)
Maturing in 20 - 25 years	(38,694)	(31,357)
Maturing in 25 - 30 years	(9,977)	(11,972)
Maturing in 30 - 35 years	(50,196)	(49,712)
Maturing in 35 - 40 years	(14,000)	(7,500)
Maturing in 40 - 45 years	(10,000)	(20,342)
Maturing in 45 - 50 years	(10,343)	(1)
	<b>(403,796)</b>	<b>(392,989)</b>

**Notes to the Core Financial Statements**

**31 March 2023**

<b>Recurring fair value measurements using:</b>	<b>Quoted prices in active markets for identical assets (level 1) £000</b>	<b>Other significant observable inputs (level 2) £000</b>	<b>Significant unobservable inputs (level 3) £000</b>	<b>Total £000</b>
<b>Financial liabilities</b>				
<i>Financial liabilities held at amortised cost:</i>				
Loans/borrowings	0	(300,161)	0	(300,161)
Short-term creditors	0	(57,444)	0	(57,444)
<i>PFI and finance lease liabilities</i>	0	(19,010)	0	(19,010)
<b>Total</b>	<b>0</b>	<b>(376,615)</b>	<b>0</b>	<b>(376,615)</b>

**Financial assets**

Financial Assets held at Amortised Cost	0	117,743	0	117,743
Equity Instruments: Fair Value through Profit & Loss	19,481	0	0	19,481
Equity Instruments: Fair Value through Other Comprehensive Income	0	40,131	0	40,131
<b>Total</b>	<b>19,481</b>	<b>157,874</b>	<b>0</b>	<b>177,355</b>

**31 March 2022**

<b>Recurring fair value measurements using:</b>	<b>Quoted prices in active markets for identical assets (level 1) £000</b>	<b>Other significant observable inputs (level 2) £000</b>	<b>Significant unobservable inputs (level 3) £000</b>	<b>Total £000</b>
<b>Financial liabilities</b>				
<i>Financial liabilities held at amortised cost:</i>				
Loans/borrowings	0	(243,798)	0	(243,798)
Short-term creditors	0	(63,921)	0	(63,921)
<i>PFI and finance lease liabilities</i>	0	(23,280)	0	(23,280)
<b>Total</b>	<b>0</b>	<b>(330,999)</b>	<b>0</b>	<b>(330,999)</b>

**Financial assets**

Financial Assets held at Amortised Cost	0	140,727	0	140,727
Equity Instruments: Fair Value through Profit & Loss	22,092	0	0	22,092
Equity Instruments: Fair Value through Other Comprehensive Income	0	40,015	0	40,015
<b>Total</b>	<b>22,092</b>	<b>180,742</b>	<b>0</b>	<b>202,834</b>

**Notes to the Core Financial Statements**

Short term debtors and creditors are carried at cost as this is a fair approximation of their value. The fair value of the financial liabilities is higher than the carrying amount because the Authority’s portfolio of loans includes several fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2023) arising from a commitment to pay interest to lenders above current market rates.

As at 31 March 2023, short- and long-term financial assets included fixed term deposits valued at Amortised Cost.

The Authority also held negotiable instruments that included corporate bonds, CDs and Government securities. These are held at amortised cost in accordance with the Authority’s business model for managing investments. Negotiable instruments are tradeable in the financial markets and the price of such investments are quoted in the secondary money markets. For disclosure purposes, the price for negotiable instruments has been obtained and a fair value has been calculated as at 31 March 2023. The Authority had two money market investments that are held with short-term investments and categorised as an Equity Instrument and subsequently measured at Fair Value through Profit and Loss. The Authority had no liabilities measured at Fair Value through Profit or Loss at 31 March 2023.

The fair value for financial liabilities and financial assets that are not measured at fair value included in level 2 in the table above have been arrived at using other significant observable inputs. With respect to LOBO loans the observable inputs were the effective interest rate calculation, whereas PWLB loans were measured at cost plus accrued interest. For both liabilities there is no active market where a quoted price could be obtained.

The following assumptions have been used:

<b>Financial assets</b>	<b>Financial liabilities</b>
<ul style="list-style-type: none"> <li>▪ no early repayment or impairment is recognised</li> <li>▪ for fixed term investments the carrying amount of assets is assumed to be the approximate to fair value, and the contractual interest rate is taken to be the discount rate. Accrued interest has been included to the nominal amount in order to determine the fair value. These have been categorised as Investments Held at Amortised Cost.</li> <li>▪ the fair value of trade and other receivables is taken to be the invoiced or billed amount.</li> <li>▪ the fair value of negotiable instruments held at amortised cost that comprise various types of investment bonds have been valued at the mid-market price as quoted on 31 March 2023 for disclosure purposes only. Accrued interest has also been taken into consideration using the amortisation method.</li> </ul>	<ul style="list-style-type: none"> <li>▪ no early repayment is recognised</li> <li>▪ Estimated ranges of discount rates for liabilities at 31 March 2023 were of 4.277% to 5.28% for loans from the PWLB and the Market and applied with reference to the number of years outstanding to the maturity date.</li> <li>▪ The fair values for financial liabilities (PWLB debt and market debt) have been determined in line with Fair Value calculation tables provided to our Treasury Advisors, Arlingclose.</li> </ul>

**Nature and Extent of Risks arising from Financial Instruments**

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

- Credit risk – the possibility that other parties fail to pay amounts due to the Authority.

## Notes to the Core Financial Statements

- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.
- Re-financing risk – the possibility that the Authority may be required to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk – the possibility that financial loss may arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by Council in the annual treasury management strategy, and compliance with the CIPFA Prudential Code of Practice, the CIPFA Treasury Management Code of Practice, and Investment Guidance issued under the Local Government Act 2003. The Authority provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash (short-term and long-term). These are required to be reported and approved at or before the Authority's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the Treasury Management Annual Strategy ("the Annual Strategy") that outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported annually to Members.

The "2022/23 Treasury Management Annual Strategy (including Prudential Indicators)" was approved by Council on 24 February 2022 and is available on the Authority's website.

### Credit risk

Credit risk arises from deposits with banks, building societies and corporates, as well as credit exposures to the Authority's customers. Deposits are not made with counterparties unless they meet the minimum credit ratings as prescribed in the Annual Investment Strategy. The strategy employed for 2022/2023 allowed officers to place surplus funds with banks, building societies, corporates, sovereign bonds, the Debt Management Office (DMO) (the UK Government) (T-Bills and the DMADF) and other local authorities using a credit criteria that coincided with the Authority's attitude to risk. Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Authority.

Details of the Investment Strategy can be found on the Authority's website. The key areas of the Investment Strategy are that the minimum criteria for investment counterparties include:

- Credit ratings of Short Term of F2, Long Term BBB (Fitch or equivalent rating), and non-UK Sovereign rating of AAA
- Debt Management Office (Debt Management Account Deposit Facility) (DMADF)
- Debt Management Office – Treasury Bills
- Local Authorities
- AAA rated Money Market Funds
- Corporates

The Authority's maximum exposure to credit risk in relation to its investments in financial institutions will vary according to credit ratings assigned by the three main credit rating agencies and 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.

The following analysis summarises the Authority's potential maximum exposure to credit risk on financial assets, based on experience of default and un-collectability over the last five financial years, adjusted to reflect current market conditions.

**Notes to the Core Financial Statements**

Total Expected Credit Loss Restated Credit Rating	31 March 2022		31 March 2023	
	Long-Term £000	Short-term £000	Long-Term £000	Short-Term £000
A+	2	4	0	37
A	1	2	0	0
A-	1	1	0	0
BBB+	0	2	0	0
Debtors	0	27	0	37
	<u>4</u>	<u>36</u>	<u>0</u>	<u>74</u>

The Authority's deposits are placed either directly with the counterparty or indirectly with the counterparty via London money market brokers. At 31 March 2023, the Authority's long-term and short-term investments, and cash and cash equivalents were deposited with UK and non-UK counterparties in accordance with the approved treasury management Annual Investment Strategy. No credit limits were exceeded during the year and the Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits. The Authority does not generally allow credit for customers and the amount past due (but not impaired) as at the year-end can be analysed by age as follows:

	31 March 2022 £000	31 March 2023 £000
Three to six months	1,969	2,488
Six months to one year	2,492	1,219
More than one year	3,065	7,301
	<u>7,526</u>	<u>11,008</u>

Trade receivables are normally written off to the Surplus or Deficit on Provision of Services when overdue, but steps are taken to collect sums owing until all economic avenues have been explored.

**Liquidity risk**

As the Authority has ready access to borrowings from the Public Works Loans Board (PWLB), there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The strategy is to ensure the maturity profile is as smooth as possible through a combination of careful planning of new loans taken out and (where economically advantageous to do so) making early repayments.

**Refinancing and Maturity Risk**

The Authority 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 Authority relates to managing the exposure to replacing financial instruments as they mature. The risk relates to both the maturing of longer-term financial liabilities and longer-term financial assets.

**Notes to the Core Financial Statements**

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. This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs and for monitoring the spread of longer-term investments, to ensure stability of maturities and returns for longer term cash flow needs.

The maturity analysis of debt outstanding with the PWLB and market loans is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved by Council in the Treasury Management Strategy 2022/2023):

<b>Prudential Indicator Analysis</b>						
<b>Period</b>	<b>Minimum</b>	<b>Maximum</b>	<b>31 March 2022</b>		<b>31 March 2023</b>	
			<b>£000</b>		<b>£000</b>	
<12 Months	0%	35%	6,823	2%	8,937	3%
1-2 Years	0%	40%	3,884	1%	3,647	1%
2-5 Years	0%	50%	6,279	2%	21,413	7%
5-10 Years	0%	75%	97,713	31%	31,299	9%
>10 Years	0%	95%	198,327	64%	245,952	80%
			313,026	100%	311,248	100%

**Market risk**

**Interest rate risk**

The Authority is exposed to significant risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority.

For illustration, a rise in interest rates would have the following effects:

- For borrowings at variable rates the interest expense charged to the Comprehensive Income and Expenditure Account will rise;
- For borrowings at fixed rates the fair value of the borrowings will fall (no impact on revenue balances);
- For investments at variable rates the interest income credited to the Comprehensive Income and Expenditure Account will rise;
- For investments at fixed rates the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value (but are carried on the Balance Sheet at amortised cost) so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services. 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 Council Fund Balance pound for pound. Movements in fair value of Equity Instrument investments will be reflected in Other Comprehensive Income and Expenditure.

The Authority has strategies for managing interest rate risk. Its policy is to aim to keep a maximum of 30% of its borrowings in variable rate loans when interest rate levels are favourable. However, as at 31 March 2023, the Authority had £10m held in variable rate bank notice accounts. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is mitigated by the fact that a proportion of



**Notes to the Core Financial Statements**

government grant payable on financing costs will normally move with prevailing interest rates for the Authority's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out should be fixed or variable.

The approved Treasury Management Strategy for 2022/2023 has enabled officers to place surplus cash flow funds with financial institutions and corporates and has resulted in enhanced investment returns in comparison to previous financial years. According to the investment strategy, if interest rates had been 1% higher at 31 March 2023, with all other variables held constant, the financial effect would be:

	<b>£000</b>
Increase in interest payable on variable rate borrowings	239
Increase in interest receivable on variable rate investments	(500)
Decrease in fair value of investments held at FVPL	0
Impact on Surplus or Deficit on the Provision of Services	<b>(261)</b>
Decrease in fair value of investments held at FVOCI	114
Impact on Surplus or Deficit on Provision of Services	<b>114</b>
Decrease in fair value of fixed rate investment assets	1,140
Impact on Surplus or Deficit on Provision of Services	<b>1,140</b>

The impact of a 1% fall in interest rates would result in a similar variance, but with the movements reversed. The calculation is based on the PWLB discount rate used in the original fair value calculation, plus or minus 1%.

**Covered Bond Investments**

As at 31 March 2023, the Authority's long-term investments included covered bonds. Covered bonds are debt securities issued by a bank or mortgage institution and collateralised against a pool of ring-fenced assets that, in case of failure of the issuer, the investor can recover the investment by making a claim against the pool of ring-fenced assets.

**15. Retirement Benefits**

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

The Authority participates in two post-employment schemes:

- **The Local Government Pension Scheme, the Greater Gwent (Torfaen) Pension Scheme.**  
The scheme is a funded defined benefit final salary scheme, administered by Torfaen County Borough Council. The Authority and employees pay contributions into a fund calculated at a level intended to balance the pensions' liabilities with investment assets. Contribution rates are set by the Superannuation Regulations to meet 100% of the overall liabilities of the fund over a period of time, with necessary contribution increases being phased in. The Authority is responsible for all pension payments relating to added years benefits it has awarded, together with the related increases.

**Notes to the Core Financial Statements**

	2021/2022		2022/2023	
	% of pensionable		% of pensionable	
	£m	pay	£m	pay
Employer's contribution paid	26.543	21.50	30.984	22.50
Added years paid	0.963	0.78	0.939	0.68

- The Teachers' Pension Scheme.** This is a defined benefit scheme, administered by the Department for Education. The scheme is unfunded and as it is not possible for the Authority to identify its share of the underlying liabilities of the scheme attributable to its own employees, it is being accounted for as a defined contribution scheme, i.e. the cost charged to Cost of Services in the year is the cost of the employer contributions to the scheme. A "notional fund" is used as the basis for calculating the employers' contribution rate paid by each local education authority. In addition, the Authority is responsible for all pension payments relating to added years that have been awarded, together with the related increases.

	2021/2022		2022/2023	
	% of pensionable		% of pensionable	
	£m	pay	£m	pay
Employer's contribution paid (% change from 1.9.19)	14.872	23.68	15.682	23.68
Added years paid	1.678	2.67	1.710	2.58

**Former Authorities' Liability**

The former authorities' liability exists in respect of previous year's decisions to fund the pension benefits of employees of the former Glamorgan County Council, Mid Glamorgan County Council and Rhymney Valley District Council whose pension benefits are currently funded by the Rhondda Cynon Tâf County Borough Council Pension Fund. This has been included within the Authority's accounts as part of the required IAS 19 accounting disclosures. Actuarial assumptions are based upon the Rhondda Cynon Tâf County Borough Council Pension Fund.

Further information and the actuarial report are available on request from the Director of Finance, Rhondda Cynon Tâf County Borough Council, The Pavilions, Cambrian Park, Clydach Vale, Tonypanyd CF40 2XX.

**Unfunded Teachers Pensions Liability**

This liability exists in respect of unfunded Teachers' Discretionary Benefits paid to the former Authority employees by the Greater Gwent (Torfaen) Pension Fund. This has been included within the Authority's accounts as part of the required IAS 19 accounting disclosures. Actuarial assumptions are based upon the Greater Gwent (Torfaen) Pension Fund.

**Transactions Relating to Post-employment Benefits**

We recognise the cost of retirement benefits 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 Council Fund and the Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund Balance via the Movement in Reserves Statement during the year:

**Notes to the Core Financial Statements**

	<b>Local Government Pension Scheme</b>		<b>Discretionary Benefits Arrangements</b>	
	<b>2021/2022</b>	<b>2022/2023</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Comprehensive Income and Expenditure Statement:</b>				
<b>Cost of Services</b>				
<i>Service cost comprising:</i>				
• current service cost	65,158	65,334	0	0
• past service costs	(1,160)	0	0	0
• (gain)/loss from settlements/curtailments	0	0	0	0
• administration expenses	606	686	0	0
<i>Financing and Investment Income and Expenditure</i>				
• net interest expense	13,749	15,554	684	827
<i>Total Post Employment Benefits charged to the Surplus or Deficit on Provision of Services</i>	<b>78,353</b>	<b>81,574</b>	<b>684</b>	<b>827</b>
<i>Other Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement</i>				
<i>Remeasurement of the net defined benefit liability comprising:</i>				
• return on plan assets (excluding the amount included in the net interest expense)	(36,587)	31,865	0	0
• actuarial (gains) / losses arising on changes in demographic assumptions	(9,169)	(65,764)	(352)	(433)
• actuarial (gains) / losses arising on changes in financial assumptions	(118,462)	(599,984)	(1,150)	(6,022)
• actuarial (gains) / losses - experience	2,065	115,547	(718)	1,232
<i>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</i>	<b>(83,800)</b>	<b>(436,762)</b>	<b>(1,536)</b>	<b>(4,396)</b>
	<b>Local Government Pension Scheme</b>		<b>Discretionary Benefits Arrangements</b>	
	<b>2021/2022</b>	<b>2022/2023</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Movement in Reserves Statement:</b>				
• reversal of net charges made to the Surplus or Deficit on Provision of Services for post employment benefits in accordance with the Code	(78,353)	(81,574)	(684)	(827)
<i>Actual Amount Charged Against the Council Fund Balance for Pensions in the Year:</i>				
• employers' contributions payable to the scheme	26,480	31,302	1,962	1,913

Further information can be found in the Greater Gwent (Torfaen) Pension Fund's Annual Report, which is available upon request from the Director of Finance, County Borough of Torfaen, Civic Centre, Pontypool, NP4 6YB.

**Notes to the Core Financial Statements**

**Actuarial Gains and (Losses) relating to Pensions**

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to 31 March 2023 is a gain of £378.391m (£161.034m loss to 31 March 2022).

**Pensions Assets and Liabilities Recognised in the Balance Sheet:**

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
<b>Present value of the defined benefit obligation:</b>		
• Local Government Pension Scheme	(1,535,049)	(1,053,226)
• Former Authorities' Liability	(5,252)	(4,519)
• Teachers' Unfunded Discretionary Pension	(26,147)	(20,571)
<b>Fair value of plan assets:</b>		
• Local Government Pension Scheme	975,801	962,042
<b>Net liability arising from defined benefit obligations</b>	<b>(590,647)</b>	<b>(116,274)</b>

**Impact on the Council's Cash Flows**

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. The Fund's 'funding target' is to achieve and maintain a funding level of 100% of liabilities. The maximum deficit recovery period has been set at 25 years. At each Actuarial Valuation, a contribution rate is set to meet the funding target over the deficit recovery period.

The latest Actuarial Valuation as at 31 March 2019 covers the contribution rates from 1 April 2020 until 31 March 2023. The rates will remain at a minimum of 21.5% for the first two years and increase to a minimum 22.5% for the final year.

Consequently, whilst there is a significant shortfall (liability) between the benefits earned by past and current employees and the resources the Council has set aside to meet them, the statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary. The total contribution that the Authority expects to make to the Local Government Pension Scheme in the year to 31 March 2024 is £32.255m.

**Notes to the Core Financial Statements**

**Reconciliation of Present Value of Scheme Liabilities (Defined Benefit Obligation):**

	<u>2022/2023</u>			<b>Total</b>
	<b>Greater Gwent Scheme</b>	<b>Former Authorities Liability</b>	<b>Unfunded Teachers' Pension</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Opening balance at 1 April</b>	1,535,049	5,252	26,147	1,566,448
Current service cost	66,020	0	0	66,020
Interest cost	41,983	140	687	42,810
Contributions by scheme participants	8,505	0	0	8,505
Remeasurement (gains) and losses:				
• Actuarial (gains) / losses arising from changes in demographic assumptions	(65,764)	(31)	(402)	(66,197)
• Actuarial (gains) / losses arising from changes in financial assumptions	(599,984)	(808)	(5,214)	(606,006)
• Actuarial (gains) / losses - experience	99,681	441	791	100,913
Past service costs	0	0	0	0
Losses / (gains) on curtailment	0	0	0	0
Benefits paid	(32,264)	(475)	(1,438)	(34,177)
<b>Closing balance at 31 March</b>	<b>1,053,226</b>	<b>4,519</b>	<b>20,571</b>	<b>1,078,316</b>

	<u>2021/2022</u>			<b>Total</b>
	<b>Greater Gwent Scheme</b>	<b>Former Authorities Liability</b>	<b>Unfunded Teachers' Pension</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Opening balance at 1 April</b>	1,585,245	5,813	29,084	1,620,142
Current service cost	65,764	0	0	65,764
Interest cost	32,113	117	567	32,797
Contributions by scheme participants	7,511	0	0	7,511
Remeasurement (gains) and losses:				
• Actuarial (gains) / losses arising from changes in demographic assumptions	(9,169)	(96)	(256)	(9,521)
• Actuarial (gains) / losses arising from changes in financial assumptions	(118,462)	(113)	(1,037)	(119,612)
• Actuarial (gains) / losses - experience	2,065	21	(739)	1,347
Past service costs	0	0	0	0
Losses / (gains) on curtailment	0	0	0	0
Benefits paid	(30,018)	(490)	(1,472)	(31,980)
<b>Closing balance at 31 March</b>	<b>1,535,049</b>	<b>5,252</b>	<b>26,147</b>	<b>1,566,448</b>

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.

Notes to the Core Financial Statements

	Greater Gwent Scheme		Former Authorities Liability		Unfunded Teachers' Pension	
	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
	£000	£000	£000	£000	£000	£000
<b>Opening fair value of scheme assets</b>	916,877	975,801	0	0	0	0
Interest Income	18,364	26,429	0	0	0	0
Remeasurement gain/(loss)						
• return on plan assets, excluding the amount included in net interest expense	36,587	(31,865)	0	0	0	0
• Other - experience	0	(15,866)				
• member contributions	7,511	8,505	0	0	0	0
Contributions from employer	26,039	30,883	490	475	1,913	1,857
Benefits paid	(29,577)	(31,845)	(490)	(475)	(1,913)	(1,857)
Administration expenses	0	0	0	0	0	0
<b>Closing fair value of scheme assets</b>	<b>975,801</b>	<b>962,042</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Local Government Pension Scheme assets comprised:**

	31 March 2022				31 March 2023			
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	% of total assets	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	% of total assets
UK Property	0	20,721	20,721	2%	0	19,483	19,483	2%
Overseas Property	0	0	0	0%	0	0	0	0%
<b>Investment Funds and Unit Trusts:</b>							0	
Equities	0	726,219	726,219	74%	0	710,208	710,208	74%
Bonds	0	139,787	139,787	14%	0	128,160	128,160	13%
Infrastructure	0	0	0	0%	0	12,918	12,918	1%
Other	0	85,915	85,915	9%	0	86,281	86,281	9%
<b>Cash and Cash Equivalents:</b>								
All	0	3,159	3,159	1%	0	4,992	4,992	1%
	0	975,801	975,801	100%	0	962,042	962,042	100%

**Basis for Estimating Scheme Assets and Liabilities**

The calculation of these assets, liabilities and costs requires the actuary to make several assumptions relating to returns on investments, future inflation, pay and pension levels and rates of mortality. For the year ended 31 March 2023, the discount rate has been calculated as a weighted average of "spot yields"

**Notes to the Core Financial Statements**

on AA rated corporate bonds. These weightings reflect more accurately the duration of the pension liabilities of the typical LGPS employer.

Changes to the Local Government Pension Scheme permit employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. The actuaries assumed that 65% of employees retiring after 6 April 2020 would take advantage of this change to the pension scheme.

**The principal assumptions used by the actuary have been:**

	Local Government Pension Scheme		Former Authorities' Liability		Teachers' Pension Scheme	
	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
<i>Mortality assumptions:</i>						
Longevity at 65 for current pensioners:						
- Men	20.5	20.0	21.6	21.6	20.5	20.0
- Women	23.2	22.9	23.9	24.2	23.2	22.9
Longevity at 65 for future pensioners:						
- Men	21.8	20.8	n/a	n/a	n/a	n/a
- Women	25.1	24.7	n/a	n/a	n/a	n/a
Rate of inflation	3.2%	4.8%	3.1%	2.7%	3.2%	4.8%
Rate of increase in salaries	3.5%	3.5%	n/a	n/a	3.5%	3.5%
Rate of increase in pensions	3.2%	3.0%	3.1%	2.7%	3.2%	3.0%
Rate for discounting scheme liabilities	2.7%	4.8%	2.8%	4.8%	2.7%	4.8%
Take-up of option to convert annual pension into retirement lump sum	50.0%	50.0%	n/a	n/a	n/a	n/a

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

<b>Impact on the Defined Benefit Obligation in the Greater Gwent (Torfaen) Pension Scheme</b>	<b>Increase in obligation £000</b>	<b>Decrease in obligation £000</b>
Rate of increase in pension rate (increase by 0.1%)	17,479	0
Rate of increase in salaries (increase by 0.1%)	2,976	0
Rate for discounting scheme liabilities (decrease by 0.1%)	20,165	0

*It is estimated that a one year increase in life expectancy would increase the Employer's Defined Benefit Obligation by 4%*

**Notes to the Core Financial Statements**

**16. Private Finance Initiative (PFI) Transactions**

The Authority entered into two contracts under Private Finance Initiative arrangements, one with the Machrie Consortium for the provision of two replacement schools (Ysgol Gyfun Cwm Rhymni and Lewis School Pengam), and one with S.E.W. Ltd for the provision of a road (Sirhowy Enterprise Way).

Under both contracts, the relevant consortium has the responsibility for the design, build, finance and operation of the assets for a period of 30 years, commencing in September 2002 for the schools and December 2005 for the road. For the schools, this includes the provision of all ancillary services, although the Authority retains responsibility for educational, pastoral and financial arrangements. The Authority leases each school site to the Consortium and, upon expiry of the contract term (September 2032), has the option of re-tendering the provision of services. If the option is not taken, the assets will transfer to the Authority.

The Authority continues to own the land on which the road is built and, in consideration of a payment of £1, permits access to the land to S.E.W. Ltd, for the purposes of building and operating the road, for the lifetime of the contract. At the expiry of the contract term, the Authority has the option of extending the contract. If this option is not taken, the asset reverts to the ownership of the Authority.

The assets identified in the PFI contracts have been recognised in the Authority's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 24.

	31 March 2022			31 March 2023		
	Road £000	Schools £000	Total £000	Road £000	Schools £000	Total £000
<b>Gross PFI Liabilities are due:</b>						
Payable in 2023/2024	2,621	1,599	4,220	2,499	1,638	4,137
Payable within 2 to 5 years	8,947	6,980	15,927	8,608	7,276	15,884
Payable within 6 to 10 years	7,238	9,469	16,707	5,278	8,314	13,592
Payable within 11 to 15 years	524	779	1,303	324	0	324
<b>Total Gross Liabilities</b>	<b>19,330</b>	<b>18,827</b>	<b>38,157</b>	<b>16,709</b>	<b>17,228</b>	<b>33,937</b>
<b>Net PFI Liabilities are due:</b>						
Payable in 2023/2024	1,499	702	2,201	1,441	784	2,225
Payable within 2 to 5 years	5,663	3,962	9,625	5,606	4,512	10,118
Payable within 6 to 10 years	5,860	7,581	13,441	4,320	6,939	11,259
Payable within 11 to 15 years	461	729	1,190	297	0	297
<b>Total Net Liabilities</b>	<b>13,483</b>	<b>12,974</b>	<b>26,457</b>	<b>11,664</b>	<b>12,235</b>	<b>23,899</b>
<b>Finance charges allocated to future periods</b>	<b>(5,847)</b>	<b>(5,853)</b>	<b>(11,700)</b>	<b>(5,045)</b>	<b>(4,993)</b>	<b>(10,038)</b>
<b>Reconciliation between Net Book Values of PFI Assets held under PFI schemes:</b>						
Net Liability (as above)	13,483	12,974	26,457	11,664	12,235	23,899
Additions	0	1,355	1,355	0	1,355	1,355
Revaluations and impairments	0	10,374	10,374	0	13,483	13,483
Repayments/ Amortisation of capital sum	23,280	8,228	31,508	25,099	8,967	34,066
Accumulated Depreciation	(12,865)	(5,918)	(18,783)	(12,865)	(5,918)	(18,783)
<b>Net Book value of PFI Assets</b>	<b>23,898</b>	<b>27,013</b>	<b>50,911</b>	<b>23,898</b>	<b>30,122</b>	<b>54,020</b>

The Authority receives funding from the Welsh Government to meet the costs of the unitary charge payments. However, the scheduling of the funding is such that it differs annually during the period of the PFI contract, from that applying to the payments to the consortia. Whilst the funding profile of the



**Notes to the Core Financial Statements**

road scheme generally follows that of the unitary charge payments, that of the schools' scheme differs markedly, with the funding reducing annually over the period of the contract, whilst unitary charge payments increase annually over the same period. The result of the variance in these funding and expenditure profiles means that the funding received by the Authority in the early years of the contracts will exceed that required to meet the unitary charge, whilst subsequently, until the expiry of the contract term, the opposite will be true. As a result, the Authority has agreed that the initial funding "surpluses" will be set aside, to provide for the subsequent funding shortfalls, and is holding such funds as an earmarked reserve to meet future PFI liabilities (see note 42).

The balance held on this reserve and the movements during the financial year are as detailed below:

	2021/2022 £000	2022/2023 £000
Balance brought forward	(9,647)	(9,690)
<b>Amounts (set aside) / taken in year:</b> Schools	189	582
Road	(232)	724
	<b>(9,690)</b>	<b>(8,384)</b>

**Future commitments for PFI Schemes**

The Authority is committed to making the following payments for PFI obligations:

	Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total £000
<b><i>Road</i></b>				
Payable in 2023/2024	2,089	1,441	1,058	4,588
Payable within 2 to 5 years	8,427	5,606	3,002	17,035
Payable within 6 to 10 years	10,977	4,320	958	16,255
Payable within 11 to 15 years	1,401	297	27	1,725
	<b>22,894</b>	<b>11,664</b>	<b>5,045</b>	<b>39,603</b>
<b><i>School</i></b>				
Payable in 2023/2024	3,267	784	854	4,905
Payable within 2 to 5 years	13,418	4,512	2,764	20,694
Payable within 6 to 10 years	16,684	6,939	1,375	24,998
	<b>33,369</b>	<b>12,235</b>	<b>4,993</b>	<b>50,597</b>

**Termination Options**

The Authority has rights to terminate both contracts if it compensates the contractor in line with the termination clauses in the contract.

**17. Operating Leases**

**Authority as Lessee**

The Authority leases various buildings for the provision of services and for administrative purposes, which have been accounted for as operating leases. The rentals payable to lessors under such leases amounted to £960,197 in 2022/2023, (£967,250 in 2021/2022) and were charged to the relevant service area in the Comprehensive Income and Expenditure Statement.

**Notes to the Core Financial Statements**

Minimum lease payments due under non-cancellable operating leases in future years are:

	<b>2021/2022</b>		<b>2022/2023</b>	
	<b>Land &amp; Buildings £000</b>	<b>Total £000</b>	<b>Land &amp; Buildings £000</b>	<b>Total £000</b>
Not later than one year	739	739	812	812
Later than one year and not later than five years	2,768	2,768	3,067	3,067
Later than five years	9,218	9,218	10,117	10,117
	<b>12,725</b>	<b>12,725</b>	<b>13,996</b>	<b>13,996</b>

**Authority as Lessor**

The Authority has granted leases of land and buildings to various entities for periods of between 1 year and 30 years for the provision of community services, such as facilities, tourism services and community centres and for economic development purpose to provide suitable affordable accommodation for local businesses, with such arrangements being accounted for as operating leases. In addition, the Authority has also granted peppercorn leases (rentals of £1 per annum) of community halls, playing fields, pavilions etc. to voluntary organisations, community groups and other similar bodies for periods of between 1 year and 199 years. Such arrangements have been accounted for as operating leases.

Minimum lease payments receivable under non-cancellable leases in future years are:

	<b>2021/2022</b>			<b>2022/2023</b>		
	<b>Industrial Units £000</b>	<b>Other Land &amp; Buildings £000</b>	<b>Total £000</b>	<b>Industrial Units £000</b>	<b>Other Land &amp; Buildings £000</b>	<b>Total £000</b>
Not later than one year	99	581	680	120	571	691
Later than one year and not later than five years	432	1,959	2,391	312	1,853	2,165
Later than five years	0	2,209	2,209	0	2,175	2,175
	<b>531</b>	<b>4,749</b>	<b>5,280</b>	<b>432</b>	<b>4,599</b>	<b>5,031</b>

**18. Members' Allowances**

The total value of Members' Allowances payments in 2022/2023 was £1,417,225 (£1,294.824 in 2021/2022). More detailed information on Members' Allowances can be obtained from the Head of People Management & Development, Penallta House, Tredomen Park, Ystrad Mynach, Hengoed, CF82 7PG, or from the Authority's website via the following link- <https://www.caerphilly.gov.uk/My-Council/Councillors-and-committees/Salaries,-expenses-and-allowances>

**19. Officers' Emoluments**

The number of employees (excluding those employees who are listed separately overleaf) whose remuneration, excluding employer's pension contributions, was £60,000 or more in bands of £5,000, during the year ended 31 March 2023 were:

**Notes to the Core Financial Statements**

**2022/2023**

<b>Remuneration Band</b>	<b>Number of employees</b>		<b>Total</b>	<b>Left in year</b>
	<b>School based</b>	<b>Non-School based</b>		
£60,000 - £64,999	48	40	88	1
£65,000 - £69,999	30	9	39	2
£70,000 - £74,999	14	3	17	0
£75,000 - £79,999	11	3	14	1
£80,000 - £84,999	1	2	3	0
£85,000 - £89,999	2	1	3	0
£90,000 - £94,999	3	0	3	0
£95,000 - £99,999	4	2	6	0
£100,000 - £104,999	3	9	12	0
£110,000 - £114,999	2	0	2	0
	<b>118</b>	<b>69</b>	<b>187</b>	<b>4</b>

*Of the in-year leavers, 1 was non-school based and 3 were school based. The numbers also include employees at a voluntary aided school.*

**2021/2022**

<b>Remuneration Band</b>	<b>Number of employees</b>		<b>Total</b>	<b>Left in year</b>
	<b>School based</b>	<b>Non-School based</b>		
£60,000 - £64,999	53	29	82	0
£65,000 - £69,999	17	3	20	0
£70,000 - £74,999	9	4	13	0
£75,000 - £79,999	9	2	11	0
£80,000 - £84,999	3	0	3	1
£85,000 - £89,999	4	1	5	1
£90,000 - £94,999	5	1	6	0
£95,000 - £99,999	2	0	2	0
£100,000 - £104,999	0	7	7	0
£105,000 - £109,999	3	0	3	0
	<b>105</b>	<b>47</b>	<b>152</b>	<b>2</b>

*Of the leavers in the year, one was school based and one was non-school based. The numbers also include employees at a voluntary aided school.*

In accordance with the Accounts and Audit (Wales) Regulations 2014, the following tables show the remuneration and components of remuneration for statutory chief officers and designated heads of paid service that have responsibility for the management of the Authority and have the ability to control the major activities of the Authority – particularly in relation to activities involving expenditure of money.

## Caerphilly County Borough Council

### Notes to the Core Financial Statements

<b>2022/2023</b>			<b>Total Remuneration excluding Employer's Pension Contributions</b>	<b>Employer's Pension Contributions at 22.5 %</b>	<b>Total Remuneration including Employer's Pension Contributions</b>
<b>Post</b>	<b>Salary</b>	<b>Expenses / other payments</b>	<b>£</b>	<b>£</b>	<b>£</b>
Chief Executive *a	148,773	0	<b>148,773</b>	28,640	<b>177,413</b>
Corporate Director - Social Services & Housing *b	134,005	0	<b>134,005</b>	30,151	<b>164,156</b>
Corporate Director - Economy & Environment *c	134,005	0	<b>134,005</b>	30,151	<b>164,156</b>
Corporate Director - Education & Corporate Services *d	134,845	0	<b>134,845</b>	27,027	<b>161,872</b>
Head of Financial Services & S151 Officer *e	101,632	0	<b>101,632</b>	21,077	<b>122,709</b>
	<b>653,260</b>	<b>0</b>	<b>653,260</b>	<b>137,046</b>	<b>790,306</b>
<p><i>*a In addition to those payments listed above, the Chief Executive received Returning Officer expenses during the year to 31 March 2023 of £13,716 in respect of local government elections.</i></p> <p><i>*b In addition to those payments listed above, the Corporate Director - Social Services &amp; Housing received Returning Officer expenses during the year to 31 March 2023 of £600 in respect of local government elections.</i></p> <p><i>*c In addition to those payments listed above, the Corporate Director - Economy &amp; Environment received Returning Officer expenses during the year to 31 March 2023 of £300 in respect of local government elections.</i></p> <p><i>*d In addition to those payments listed above, the Corporate Director - Education &amp; Corporate Services received Returning Officer expenses during the year to 31 March 2023 of £550 in respect of local government elections.</i></p> <p><i>*e In addition to those payments listed above, the Head of Financial Services &amp; S151 Officer received Returning Officer expenses during the year to 31 March 2023 of £500 in respect of local government elections.</i></p>					

**Notes to the Core Financial Statements**

<b>2021/2022</b>					
<b>Post</b>	<b>Salary £</b>	<b>Expenses / other payments £</b>	<b>Total Remuneration excluding Employer's Pension Contributions £</b>	<b>Employer's Pension Contributions at 21.5% £</b>	<b>Total Remuneration including Employer's Pension Contributions £</b>
Chief Executive *a	146,848	0	<b>146,848</b>	27,456	<b>174,304</b>
Corporate Director - Social Services & Housing *b	136,037	0	<b>136,037</b>	29,248	<b>165,285</b>
Corporate Director - Economy & Environment	132,080	0	<b>132,080</b>	28,397	<b>160,477</b>
Corporate Director - Education & Corporate Services *c	132,920	0	<b>132,920</b>	25,546	<b>158,466</b>
Head of Financial Services & S151 Officer *d	101,303	0	<b>101,303</b>	11,884	<b>113,187</b>
Assistant Director - Social Services & Housing (Adult Services)*e	102,090	0	<b>102,090</b>	22,265	<b>124,355</b>
Assistant Director - Social Services & Housing (Children Services)*f	102,090	0	<b>102,090</b>	22,265	<b>124,355</b>
Head of Housing *g	31,719	0	<b>31,719</b>	3,820	<b>35,539</b>
	<b>885,087</b>	<b>0</b>	<b>885,087</b>	<b>170,881</b>	<b>1,055,968</b>

\*a In addition to those payments listed above, the Chief Executive received Returning Officer expenses during the year to 31 March 2022 of £11,231 in respect of a combined election for the Police and Crime Commissioner and Senedd Members.

\*b In addition to those payments listed above, the Corporate Director - Social Services & Housing received Returning Officer expenses during the year to 31 March 2022 of £550 in respect of a combined election for the Police and Crime Commissioner and Senedd Members. The Corporate Director also received additional salary of £3,898 whilst temporarily acting as Chief Executive.

\*c In addition to those payments listed above, the Corporate Director - Education & Corporate Services received Returning Officer expenses during the year to 31 March 2022 of £550 in respect of a combined election for the Police and Crime Commissioner and Senedd Members.

\*d In addition to those payments listed above, the Head of Financial Services & S151 Officer received Returning Officer expenses during the year to 31 March 2022 of £350 in respect of a combined election for the Police and Crime Commissioner and Senedd Members

\*e The Assistant Director - Social Services received additional salary of £2,012 during the year for "acting up" to Director, whilst the Corporate Director - Social Services & Housing was Acting Chief Executive

\*f The Assistant Director - Social Services received additional salary of £2,012 during the year for "acting up" to Director, whilst the Corporate Director - Social Services & Housing was Acting Chief Executive

\*g The Head of Housing - appointed on the 30th November 2021, is included in this note as the Director of Social Services & Housing acted up as Chief Executive until the 31st December 2021.

The annualised remuneration of the highest paid officer of the Authority (the Chief Executive) in the financial year to 31 March 2023 was £147,933. This was 6.1 times the median remuneration of the workforce, which was £24,054. (The remuneration of the highest paid officer of the Authority (the Chief Executive) in the financial year to 31 March 2022 was £146,848. This was 6.6 times the median remuneration of the workforce, which was £22,129).

**Notes to the Core Financial Statements**

**Exit Packages**

The numbers of exit packages with total cost per band and total cost of the compulsory redundancies, other redundancies and other departures are set out in the table below. The costs include redundancy costs, payments in lieu of notice and payments to staff for holidays not taken at time of departure. Where applicable, the employer's national insurance contributions are included, as well as any strain costs for early retirement payable by the Authority to the Pension Fund.

(a) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band [(b) + (c)]		(e) Total cost of exit packages in each band £	
	2021 / 2022	2022 / 2023	2021 / 2022	2022 / 2023	2021 / 2022	2022 / 2023	2021 / 2022	2022 / 2023
£0 - £20,000	4	0	93	90	97	90	472,165	374,096
£20,001 - £40,000	1	0	8	7	9	7	237,342	202,701
£40,001 - £60,000	0	0	1	2	1	2	50,100	85,405
<b>Total</b>	<b>5</b>	<b>0</b>	<b>102</b>	<b>99</b>	<b>107</b>	<b>99</b>	<b>759,607</b>	<b>662,202</b>

**20. External Audit Costs**

The Authority incurred the following costs in relation to the audit of the statement of accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors.

	2021/2022 £000	2022/2023 £000
Fees payable to the Auditor General for Wales with regard to external audit services carried out under the Code of Audit Practice prepared by the Auditor General for Wales	237	277
Fees payable to the Auditor General for Wales in respect of statutory inspection	105	108
Fees payable to the Auditor General for Wales for the certification of grant claims and returns	41	68
	<b>383</b>	<b>453</b>

**21. Related Party Transactions**

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

*During the year, transactions and year-end balances of related parties arose as follows:*

**Notes to the Core Financial Statements**

**Welsh Government**

Welsh Government has significant influence over the general operations of the Authority in respect of providing the statutory framework within which the Authority operates, providing the majority of funding in the form of revenue and capital grants, revenue support grant and NNDR. Details of revenue support grant and NNDR Pool transactions are summarised in Note 13. At 31 March 2023, £4.7m was due to Welsh Government (£5.3m in 2021/2022), whilst £34.2m was due to the Authority from Welsh Government (£42.8m in 2021/2022).

**Precepts and Levies**

Note 11 details precepts collected on behalf of other organisations and amounts levied on the Authority by Joint Committees.

**Chief Officers**

Details of chief officers' emoluments are provided in Note 19. All "declaration of interest" returns were received from directors which did not identify any other material related party transactions and other senior officers which did not identify any other material related party transactions for the officers or their close family and dependants.

**Members**

Members of the council have direct control over the Authority's financial and operating policies. The total of members allowances paid in 2022/2023 is shown in Note 18. During the year the "declaration of interest" returns were received for members and their close family and dependants. The table below shows a summary of the receipts and payments occurring during the year and the outstanding balances as at 31 March 2023.

Related Party, relationship and transaction details	Amounts paid out by Authority £000	Amounts received by Authority £000	Balance Outstanding - Debtors £000	Balance Outstanding - Creditors £000
<b>2022/2023</b>				
Caerphilly Skip Hire	12	7	1	0
Citizens Advice Bureau	428	1	0	10
Groundwork Trust	69	7	0	1
Caerphilly Uniform Exchange	14	0	0	1
Puddleducks Playgroup	52	3	2	0
Nelson Pizza	1	0	0	0
White Rose Information and Resource Centre	59	0	0	1
Parish Trust	17	0	0	0
Caerphilly Mind	115	0	0	0
Community Volunteers Wales	15	0	0	0

**Notes to the Core Financial Statements**

Related Party, relationship and transaction details	Amounts paid out by Authority	Amounts received by Authority	Balance Outstanding - Debtors	Balance Outstanding - Creditors
2021/2022	£000	£000	£000	£000
Caerphilly Skip Hire	94	9	1	0
Citizens Advice Bureau	405	0	0	0
Groundwork Trust	77	11	1	4
Homestart Caerphilly	111	0	0	17
Undercurrents (Aber Valley Arts)	7	0	0	0
Nelson Pizza	1	0	0	0
White Rose Information and Resource Centre	43	31	38	3

**Other Public Bodies (subject to common control by central government)**

The Authority has pooled budget arrangements with the Aneurin Bevan University Health Board in respect of the Gwent Frailty Project, which provides integrated community-based care services aiming to avoid hospital admissions and to assist independent living. Caerphilly County Borough Council is Lead Commissioner and is responsible for the Section 33 Agreement, management of the budget and agreeing annual locality commissioning plans for delivery of the service. As at 31 March 2023, £2,183,477 was due to the Authority from the Health Board (£4,403,482 at 31 March 2022) whilst the Authority owed £6,982,543 to the Health Board in respect of the project (£4,861,225 at 31 March 2022). The Income and Expenditure for the pooled budget is shown in note 30.

**Pension Contributions**

Employer's contributions are made to the Teachers' Pension Agency and the Greater Gwent (Torfaen) Pension Fund in respect of the Authority's employees. Further details of amounts involved are shown in Note 15.

***Other Entities Controlled or Significantly Influenced by the Authority:***

**Education Achievement Service (EAS)**

EAS is a limited company that provides advisory and inspection services to the Local Education Authority and its schools. Activities of the company are funded by Caerphilly, Blaenau Gwent, Monmouthshire, Newport and Torfaen County Borough Councils for further information see note 49.

Payments of £1.160m were made to the EAS during 2022/2023 (£1.169m in 2021/22). Income of £240k was received from the EAS in 2022/2023 (£227k in 2021/22) A balance of 196k was due from the EAS as at 31 March 2023. (A balance of £56k was due from the EAS as at 31 March 2022).



**Notes to the Core Financial Statements**

	Amounts paid out by Authority £000	Amounts received by Authority £000	Balance Outstanding - Debtors £000	Balance Outstanding - Creditors £000
EAS	1,160	240	196	0

**Cardiff City Region Deal**

The Transactions that Caerphilly County Borough Council has with the Cardiff City Region Deal are summarised within note 47.

In terms of Capital spending no contribution was made in 2022/2023 (nil Contribution in 2021/2022). The Authority had no outstanding balances due to or from the joint committee as at 31 March 2023. The Authority had no outstanding balances due to or from the joint committee as at 31 March 2022.

The Authority contributed £146k to the running costs of the joint committee in 2022/2023 (£138k in 2021/2022).

**22. Minimum Revenue Provision (MRP) Adjustment**

The Local Government Act 2003 requires the Authority to set aside a Minimum Revenue Provision for the redemption of debt in line with the regulations set out in the Local Authorities (Capital and Finance and Accounting) (Wales) Regulations 2003, as amended.

With effect from 2007/08, the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 revised the basis of charge in respect of Council Fund borrowing. The Regulations provide for a range of options as the basis of charge for MRP, within which authorities are permitted to adopt those most appropriate to their circumstances. However, in doing so, authorities must also take account of the requirement of the Regulations that MRP must be calculated in a prudent manner, ensuring that debt is charged to revenue over a period reasonably commensurate with that over which capital assets, to which the borrowing relates, provide benefits.

For Council Fund Supported Borrowing (i.e. where provision for the associated capital financing costs is included in the revenue support grant settlement received from the Welsh Government), MRP has been calculated at 2% over 50 years using the annuity method. The annuity method results in a lower charge in earlier years and a higher charge in the later years and takes into consideration the time value of money. MRP on any particular borrowing commences to be charged the year following that in which the borrowing has been incurred.

For Unsupported Borrowing (i.e. borrowing permitted in accordance with the Prudential Code for Capital Finance in Local Authorities, but for which no provision is made in the revenue settlement), MRP has been calculated on an asset life basis using the annuity method. The charge has been calculated using the average Public Works Loan Board (PWL) interest rate for new annuity loans in the year that an asset became operational. MRP is written down over the life of the asset where this has been determined by the Authority's Property Valuers. Where the asset life has not been determined the MRP charge has been subsequently calculated over 25 years. MRP commences to be charged from the year following that in which the asset to which the borrowing relates becomes operational. For assets acquired by finance leases or the Private Finance Initiative, MRP has been determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

**Notes to the Core Financial Statements**

The MRP charge for the HRA has been calculated by using an interest rate of 2% on the opening capital financing requirement on a reducing balance basis. For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Authority has not made an MRP charge, but has instead applied the capital receipts arising from principal repayments to reduce the capital financing requirement.

Actual provisions made during each year match the calculated amounts.

The amount shown in the note of reconciling items for the Movement in Reserves Statement as "Minimum revenue provision for capital financing" represents the accounting entry necessary to ensure that there is no overall increase or decrease in the Council Tax arising from depreciation charges, impairment losses or amortisations.

**23. Movements on Reserves**

Movements in the Authority's Usable Reserves are detailed below, in the Movement in Reserves Statement and also in Notes 37 - 42, whilst details of the movements in Unusable Reserves are shown below and in Notes 32 - 36. Some reserves are required to be held for statutory reasons, some are needed to comply with proper accounting practice and others have been set up voluntarily to earmark resources for future spending plans.

<u>Usable Reserves</u>		<b>Balance</b>	<b>Net</b>	<b>Balance</b>	<b>Net</b>	<b>Balance</b>
<b>Reserve</b>	<b>Note</b>	<b>1 April</b>	<b>Movement</b>	<b>31 March</b>	<b>Movement</b>	<b>31 March</b>
		<b>2021</b>	<b>in year</b>	<b>2022</b>	<b>in year</b>	<b>2023</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Council Fund		(21,313)	(5,922)	(27,235)	(7,782)	(35,017)
Housing Revenue Account	<b>38</b>	(14,915)	(9,064)	(23,979)	(4,199)	(28,178)
Direct Service Earmarked Reserves		(84)	(1)	(85)	(2)	(87)
Capital Earmarked Reserves	<b>39</b>	(39,787)	(3,984)	(43,771)	(5,034)	(48,805)
Service Over/Underspend Reserves	<b>41</b>	(7,286)	(1,584)	(8,870)	4,990	(3,880)
Schools Earmarked Reserves	<b>40</b>	(11,340)	(5,923)	(17,263)	5,948	(11,315)
Insurance Earmarked Reserves	<b>37</b>	(6,021)	(1,239)	(7,260)	1,342	(5,918)
Other Earmarked Reserves	<b>42</b>	(51,399)	(19,837)	(71,236)	14,285	(56,951)
Cardiff Regional City Deal Council Fund		(1,183)	(336)	(1,519)	(334)	(1,853)
Cardiff Regional City Deal Council Earmarked		(6)	(50)	(56)	(52)	(108)
Usable Capital Receipts	<b>36</b>	(10,256)	(1,892)	(12,148)	105	(12,043)
Capital Grants Unapplied	<b>35</b>	(17,653)	(2,233)	(19,886)	3,138	(16,748)
<b>Total Usable Reserves</b>		<b>(181,243)</b>	<b>(52,065)</b>	<b>(233,308)</b>	<b>12,405</b>	<b>(220,903)</b>

The Council Fund balance reported above relates to Caerphilly. The Council Fund balance reported in the Movement in Reserves Statement is inclusive of the Cardiff Regional City Deal Council Fund balance.

## Caerphilly County Borough Council

### Notes to the Core Financial Statements

<u>Unusable Reserves</u>	Balance 1 April 2021 £000	Restated Net Movement in year £000	Restated Balance 31 March 2022 £000	Net Movement in year £000	Balance 31 March 2023 £000	Purpose of Reserve	Further details of movements
Financial Instruments Adjustment Account	638	(1,792)	(1,154)	2,601	1,447	Amounts required by statute to be set aside in respect of discounts and premia on the rescheduling of the Authority's debts.	
Revaluation Reserve	(554,746)	(96,827)	(651,573)	(24,845)	(676,418)	Gains on revaluation of fixed assets not yet realised through sales.	<i>Note 33</i>
Capital Adjustment Account (CAA)	(258,928)	35,970	(222,958)	(17,505)	(240,463)	Capital resources set aside to meet past capital expenditure	<i>Note 34</i>
Deferred Capital Receipts	(408)	(143)	(551)	(82)	(633)	Proceeds to be received over future accounting periods arising principally from the sale of council dwellings	
Pensions Reserve	704,425	(113,778)	590,647	(474,373)	116,274	Reserve set aside to mitigate the impact of pension liabilities on Council Tax as required by statute	<i>Note 32</i>
Accumulated Absences Account	5,250	(200)	5,050	1,182	6,232	Account to absorb differences arising on the Council Fund balance from accruing for compensated absences earned but not taken in the year.	
<b>Total Unusable Reserves</b>	<b>(103,769)</b>	<b>(176,770)</b>	<b>(280,539)</b>	<b>(513,022)</b>	<b>(793,561)</b>		

Notes to the Core Financial Statements

24. Property, Plant and Equipment

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Assets under Construction	Surplus Assets	Total Property, Plant & Equipment	PFI Assets Included in Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation:</b>									
At 1 April 2022	413,858	611,361	36,322	187,201	3,663	4,552	810	1,257,767	63,777
Opening balance adjustment	0	3,409	(3,512)	103	0	0	0	0	0
Additions	22,051	13,819	2,039	10,759	468	10,273	0	59,409	0
Revaluation Increases to Revaluation Reserve	16,538	44,107	94	0	0	0	0	60,739	3,108
Revaluation Decreases to Revaluation Reserves	0	(22,058)	0	0	0	0	0	(22,058)	0
Revaluation Increases to Surplus/Deficit on Provision of Services	0	4,888	0	0	0	0	0	4,888	0
Revaluation Decreases to Surplus/Deficit on Provision of Services	0	(3,826)	0	0	0	0	0	(3,826)	0
Derecognitions - Disposals	0	(809)	(421)	0	0	(12)	0	(1,242)	0
Derecognitions - Other	(21,343)	(2,000)	177	0	0	0	0	(23,166)	0
Gross Cost written back on Revaluation	(13,137)	(15,136)	(14)	0	0	0	0	(28,287)	
Other movements in cost or valuations	5,171	34	103	0	0	(5,172)	0	136	0
City Deal - Caerphilly's share of fixed assets	0	0	500	0	0	(199)	0	301	0
<b>At 31 March 2023</b>	<b>423,138</b>	<b>633,789</b>	<b>35,288</b>	<b>198,063</b>	<b>4,131</b>	<b>9,442</b>	<b>810</b>	<b>1,304,661</b>	<b>66,885</b>
<b>Accumulated Depreciation and impairment:</b>									
At 1 April 2022	0	(8,354)	(23,710)	0	(50)	0	0	(32,114)	(12,865)
Opening balance adjustment	0	(399)	(105)	(2,426)	0	0	0	(2,930)	0
Depreciation Charge	(13,137)	(13,424)	(1,793)	(7,560)	(12)	0	0	(35,926)	(483)
Depreciation written back on Revaluation	13,137	15,493	(446)	0	4	0	0	28,188	483
Depreciation written back on Disposals	0	147	421	0	0	0	0	568	0
Other movements in depreciation	0	(494)	357	0	0	0	0	(137)	0
City Deal - Caerphilly's share of fixed assets	0	0	(72)	0	0	0	0	(72)	0
<b>At 31 March 2023</b>	<b>0</b>	<b>(7,031)</b>	<b>(25,348)</b>	<b>(9,986)</b>	<b>(58)</b>	<b>0</b>	<b>0</b>	<b>(42,423)</b>	<b>(12,865)</b>
<b>Net Book Value at 31 March 2023</b>	<b>423,138</b>	<b>626,758</b>	<b>9,940</b>	<b>188,077</b>	<b>4,073</b>	<b>9,442</b>	<b>810</b>	<b>1,262,238</b>	<b>54,020</b>
Net Book Value at 31 March 2022	413,858	603,007	12,612	187,201	3,613	4,552	810	1,225,653	50,911

**Notes to the Core Financial Statements**

**\*Infrastructure Assets**

*In accordance with the Temporary Relief offered by the Update to The Code on Infrastructure Assets, the above 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 uses of the financial statements. The £187m is Net Book Value and NOT Gross Book Value.*

*The Authority has decided to take advantage of the temporary relief due to the historic nature of the infrastructure assets carried in the balance sheet. Many infrastructure assets were transferred to Caerphilly on local government reorganisation on block. There was no split of these assets at that time, which doesn't allow for the proper derecognition of additional expenditure on these assets.*

*As at 31 March 2023, the Authority has gross book value of infrastructure assets of £360m and accumulated depreciation of £172m in its balance sheet.*

## Caerphilly County Borough Council

### Notes to the Core Financial Statements

<b>Restated</b>	<b>Council Dwellings</b>	<b>Other Land &amp; Buildings</b>	<b>Vehicles, Plant, Furniture &amp; Equipment</b>	<b>Infrastructure Assets*</b>	<b>Community Assets</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>Total Property, Plant &amp; Equipment</b>	<b>PFI Assets Included in Property, Plant &amp; Equipment</b>
<b>Cost or valuation:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2021	367,906	588,752	34,625	194,039	3,571	6,636	810	1,196,339	64,097
City Deal - Caerphilly's share of fixed assets at 1.4.21	0	0	0	0	0	296	0	296	0
Additions	19,808	12,062	2,488	4,970	0	5,762	0	45,090	0
Revaluation Increases to Revaluation Reserve	45,952	22,920	487	0	73	0	0	69,432	0
Revaluation Decreases to Revaluation Reserves	0	(12,744)	(85)	0	0	0	0	(12,829)	(320)
Revaluation Increases to Surplus/Deficit on Provision of Services	0	7,772	69	0	0	0	0	7,841	0
Revaluation Decreases to Surplus/Deficit on Provision of Services	0	(8,881)	0	0	0	0	0	(8,881)	0
Derecognitions - Disposals	0	(1,733)	(1,762)	0	0	0	0	(3,495)	0
Derecognitions - Other	(19,808)	(4,708)	0	0	0	0	0	(24,516)	0
Other movements in cost or valuations	0	7,921	0	2	19	(7,943)	0	(1)	0
City Deal - Caerphilly's share of fixed assets	0	0	500	0	0	(199)	0	301	0
<b>At 31 March 2022</b>	<b>413,858</b>	<b>611,361</b>	<b>36,322</b>	<b>199,011</b>	<b>3,663</b>	<b>4,552</b>	<b>810</b>	<b>1,269,577</b>	<b>63,777</b>
<b>Accumulated Depreciation and impairment:</b>									
At 1 April 2021	0	(4,375)	(22,093)	0	(41)	0	0	(26,509)	(12,865)
Depreciation Charge	(15,331)	(12,718)	(3,185)	(11,810)	(10)	0	0	(43,054)	0
Depreciation written back on Valuation	15,331	8,739	638	0	1	0	0	24,709	0
Depreciation written back on Disposals	0	0	1,002	0	0	0	0	1,002	0
City Deal - Caerphilly's share of FA Depreciation	0	0	(72)	0	0	0	0	(72)	0
<b>At 31 March 2022</b>	<b>0</b>	<b>(8,354)</b>	<b>(23,710)</b>	<b>(11,810)</b>	<b>(50)</b>	<b>0</b>	<b>0</b>	<b>(43,924)</b>	<b>(12,865)</b>
<b>Net Book Value at 31 March 2022</b>	<b>413,858</b>	<b>603,007</b>	<b>12,612</b>	<b>187,201</b>	<b>3,613</b>	<b>4,552</b>	<b>810</b>	<b>1,225,653</b>	<b>50,912</b>
Net Book Value at 31 March 2021	367,906	584,377	12,531	194,039	3,530	6,932	810	1,170,125	51,231

**Notes to the Core Financial Statements**

**Revaluations**

A revaluation exercise is carried out at least every five years of all Property, Plant and Equipment required to be measured at current value. Property, Plant and Equipment is also reviewed on an annual basis to ensure that they carrying amount is not materially different from the current value at the year end. As a result of the materiality review this year, due to increase in BCIS values, it was identified that all our schools were valued to ensure the accounts were not materially misstated.

During the year 2022-23 valuations were carried out both by Internal and External Valuers. Due to the availability of internal valuation resource the Authority commissioned external valuation expertise from Cooke and Arkwright and Savills. Cooke and Arkwright undertook valuations arising from the Authority's five-year rolling program. Savills valued the Authority's Council Dwellings. All the valuations are carried out in accordance with the methodologies and basis for estimation set out in the professional standards of Royal Institution of Chartered Surveyors. Valuation of vehicles, plant, furniture and equipment are valued at cost as a proxy for current value as these assets tend to be of low value and have a short asset life.

**5-Year Revaluation Programme**

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets held for sale £000	Total £000
<b>Carried at historical cost</b>	0	8,333	34,788	209,873	2,338	0	255,332
<b>Valued at current value as at:</b>							
31 March 2019	0	17,004	0	0	0	0	17,004
31 March 2020	0	25,572	0	0	1,234	0	26,806
31 March 2021	0	74,238	0	0	151	0	74,389
31 March 2022	0	89,252	0	0	130	0	89,382
31 March 2023	423,138	419,390	0	0	278	0	842,806
<b>Total Cost or Valuation</b>	423,138	633,789	34,788	209,873	4,131	0	1,305,719

Our internal valuers valued all our schools as a result of the materiality exercise mentioned above.

**Capital Commitments**

At 31 March 2023, the Authority had the following capital commitments in respect of binding contracts for goods and services that are yet to be provided:

**Notes to the Core Financial Statements**

		31 March 2022	31 March 2023
		£000	£000
<b>Highways and Transportation:</b>	Bridge strengthening & infrastructures	765	90
	Major highways improvements	2,939	0
	Infrastructure Retaining Walls	765	0
	Vehicle Restraint Services	348	0
	Caerphilly Interchange	345	0
	Troedrhwiwfwch	0	115
<b>Education:</b>	Cwm Gwyddon	0	5,701
	St Martins Comprehensive School Toilets	112	0
	Risca Comprehensive and LC Boiler	128	0
	Rhymney Library	0	145
<b>Economy and Enterprise:</b>	Monmouthshire & Brecon Canal	165	107
<b>HRA:</b>	Ty Darran, Risca	0	716
<b>Community and Leisure:</b>	Heolddu LC Equipment	0	101
	Bedwas ATP Replacement	263	0
		<b>5,830</b>	<b>6,975</b>

**25. Heritage Assets**

<u>Reconciliation of the carrying Value of Heritage Assets held by the Authority</u>	Other Land and Buildings	Civic Regalia	Total Heritage Assets
	£000	£000	£000
<b>Cost or Valuation</b>			
1 April 2021	13,524	256	13,780
Impairment (losses)/reversals recognised in the Revaluation Reserve	0	0	0
<b>31 March 2022</b>	<b>13,524</b>	<b>256</b>	<b>13,780</b>
<b>Cost or Valuation</b>			
1 April 2022	13,524	256	13,780
Impairment (losses)/reversals recognised in the Revaluation Reserve	0	0	0
<b>31 March 2023</b>	<b>13,524</b>	<b>256</b>	<b>13,780</b>

**Other Land and Buildings**

The collection of Heritage Assets includes a semi fortified manor house, mining museum, ancient chapel, a watermill and a handball court. Details of valuations, additions and disposals of Land and Buildings Heritage Assets are recorded on the Authority's Fixed Asset Register, whilst details of Civic



## Notes to the Core Financial Statements

Regalia are kept on a separate register by the mayor's assistant. Members of the public can gain access to the museums and other buildings daily.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property plant and equipment. The carrying amounts of Heritage Assets are reviewed where there is evidence of impairment for Heritage Assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment – see note 1 - summary of significant accounting policies. The trustees of the Authority's Museum will occasionally dispose of Heritage Assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (again see note 1 - summary of significant accounting policies). Internal valuers carried out all valuations apart from the valuation of civic regalia.

### **Babell Chapel**

This asset is a small Welsh Calvinistic Methodist Chapel built in 1827 and houses the grave of the 19<sup>th</sup> Century Welsh Language poet, Islwyn. The asset was valued at 31 March 2021 using the existing use value.

### **Elliot Colliery Winding House**

This asset is an historical mining museum. It was valued at 31 March 2021 using depreciated replacement cost. The Authority's Museum also holds a collection of historical items which are not recognised on the Balance Sheet as cost information is not readily available and the Authority believes that the benefits of obtaining the valuation for these items would not justify the cost. Nearly all the items in the collection are believed to have a value of less than £50 each and as far as the Authority is aware no individual item is worth more than £500.

### **Gelligroes Mill**

This watermill was built in the 17<sup>th</sup> Century and houses a radio museum and a candle making workshop, which has a Royal Warrant to make candles for HRH Prince Charles. The mill is also home to the Arthur Moore Amateur Radio Society. Arthur Moore was a Welsh wireless operator who, in 1912, heard the distress signal from RMS Titanic at the mill two days before news of the disaster had arrived in the UK. This was valued on 31 March 2021 using the existing use value.

### **Handball Court, Nelson**

This is a traditional Handball Court that is the last remaining in Wales. This has been valued on a depreciated replacement cost basis on 31 March 2021.

### **Llancaiach Fawr**

Llancaiach Fawr is a fortified Manor House. This was valued at 31 March 2021 using existing depreciated replacement cost. The Manor House also holds a small collection of items which are not recognised on the Balance Sheet as cost information is not readily available and the Authority believes that the benefits of obtaining the valuation for these items would not justify the cost. Nearly all the items in the collection are believed to have a value of less than £50 each and as far as the Authority is aware no individual item is worth more than £500.

### **War Memorials**

The Authority is responsible for maintaining a number of War Memorials honouring local people who fell in two world wars and other conflicts. These are situated in parks and streets and have been valued on a depreciated replacement cost basis.

**Notes to the Core Financial Statements**

**Civic Regalia**

The Authority has a collection of civic chains relating to Caerphilly County Borough Council and a number of former authorities. These chains were valued at £66,848 in 1999 by Thomas Fattorini Limited, specialist jewellers. The collection was valued by Thomas Fattorini Limited in 2020 at £256,006. The Authority also holds a number of Civic gifts. It is considered that none of these gifts are of significant value warranting disclosure within the Authority's accounts or recognising in the balance sheet.

**26. Capital Expenditure and Capital Financing**

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

	<b>31 March</b>	
	<b>2022</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Opening Capital Financing Requirement</b>	<b>375,669</b>	<b>368,804</b>
<b>Capital Investment:</b>		
Operational Assets	45,090	59,409
Invest to Save	0	0
Home Improvement Loans	19	146
Revenue Expenditure funded from Capital Under Statute	2,682	2,678
<b>Sources of Finance:</b>		
Grants	(31,648)	(42,049)
Other Contributions	(169)	(501)
Capital Expenditure Funded from Revenue	(15,550)	(17,411)
Capital Receipts Set Aside	(137)	82
Minimum Revenue Provision	(7,152)	(7,902)
<b>Closing Capital Financing Requirement</b>	<b>368,804</b>	<b>363,256</b>

**27. Debtors**

	<b>31 March 2022</b>	<b>31 March 2023</b>
	<b>£000</b>	<b>£000</b>
Trade receivables	24,002	34,042
Prepayments	1,326	1,787
Other Local Authorities and Public Bodies	23,041	29,379
Government Grants	30,415	20,507
Other receivable amounts	9,367	9,119
City Deal - Caerphilly's share of debtors	897	841
	<b>89,048</b>	<b>95,675</b>

**Notes to the Core Financial Statements**

**28. Cash and Cash Equivalents**

The balance of cash and cash equivalents comprise the following elements:

	<b>31 March 2022 £000</b>	<b>31 March 2023 £000</b>
Cash held by the Authority	82	82
Bank current accounts	794	10,944
City Deal - Caerphilly's share of cash held	8,226	10,306
<b>Total cash and cash equivalents</b>	<b>9,102</b>	<b>21,332</b>

**29. Creditors**

	<b>31 March 2022 £000</b>	<b>31 March 2023 £000</b>
Trade payables	(35,357)	(39,382)
Receipts in advance	(9,128)	(7,006)
Other Local Authorities and Public Bodies	(16,253)	(20,383)
HMRC	(5,338)	(4,958)
Accumulated Absence accrual	(5,045)	(6,225)
Other payables	(16,408)	(5,798)
City Deal - Caerphilly's share of creditors	(5,875)	(9,934)
<b>Total Creditors</b>	<b>(93,404)</b>	<b>(93,686)</b>

**30. Pooled Budgets for Health and Social Care**

Under Section 33 of the National Health Service (Wales) Act 2006, three agreements exist between the Aneurin Bevan University Health Board (ABUHB) and the five local authorities within its area. The Authority's transactions are included in the Social Services and Housing line of the Comprehensive Income and Expenditure Statement and the income and expenditure of the pooled budget arrangements are below.

**Notes to the Core Financial Statements**

**Gwent Frailty Programme**

The programme provides integrated community-based care services aimed at avoiding hospital admissions and assisting in independent living and is delivered on a locality basis. Caerphilly is the lead commissioner and is responsible for the Section 33 Agreement, management of the pooled budget and agreeing Annual Locality Commissioning Plans for the delivery of the Frailty services.

	<b>Year Ended 31 March 2022 £000</b>	<b>Year Ended 31 March 2023 £000</b>
<b><u>Funding - Pooled Fund Contributions</u></b>		
Blaenau Gwent County Borough Council	(610)	(599)
Caerphilly County Borough Council	(2,101)	(2,264)
Monmouthshire County Council	(1,456)	(1,469)
Newport City Council	(1,824)	(1,891)
Torfaen County Borough Council	(783)	(805)
Aneurin Bevan University Health Board	(9,213)	(9,493)
<b>Total Funding</b>	<b>(15,987)</b>	<b>(16,521)</b>
<b><u>Expenditure</u></b>		
<b><u>Reimbursements</u></b>		
Blaenau Gwent County Borough Council	511	556
Caerphilly County Borough Council	1,787	1,970
Monmouthshire County Council	1,436	1,477
Newport City Council	1,834	1,826
Torfaen County Borough Council	796	821
Aneurin Bevan University Health Board	9,067	9,059
Central Costs	678	738
Invest to Save Loan Repayment	0	0
<b>Total Expenditure</b>	<b>16,109</b>	<b>16,447</b>
Net in-year (Under)/Overspend	<b>122</b>	<b>(74)</b>
Balance brought forward at 1 April	<b>(503)</b>	<b>(381)</b>
Balance carried forward at 31 March	<b>(381)</b>	<b>(455)</b>

**Notes to the Core Financial Statements**

**Gwent-Wide Integrated Community Equipment Service GWICES**

The service facilitates modern and closer integration for health and social care community equipment services. The service is delivered on a locality basis according to the boundaries of each authority. Torfaen County Borough Council is the lead authority.

	<b>Year Ended 31 March 2022 £000</b>	<b>Year Ended 31 March 2023 £000</b>
<b><u>Funding - Pooled Fund Contributions</u></b>		
Blaenau Gwent County Borough Council	(480)	(164)
Caerphilly County Borough Council	(534)	(503)
Monmouthshire County Council	(419)	(322)
Newport City Council	(413)	(334)
Torfaen County Borough Council	(417)	(368)
Torfaen County Borough Council Telecare	(118)	(79)
Torfaen County Borough Council ICF	(666)	(748)
Torfaen County Borough Council SCRF	(500)	0
Aneurin Bevan University Health Board	(1,040)	(865)
Community Resource Team	(225)	(112)
Contribution to Lead Commissioner - LAs	(149)	(153)
Contribution to Lead Commissioner - LHB	(30)	(31)
Reserve	0	(261)
<b>Total Funding</b>	<b>(4,991)</b>	<b>(3,940)</b>
<b><u>Expenditure</u></b>		
Staff	174	182
Non-Staff	4,033	3,758
<b>Total Expenditure</b>	<b>4,207</b>	<b>3,940</b>
<b>Net (Surplus)/Deficit Arising on the Pooled Budget</b>	<b>(784)</b>	<b>0</b>

**Notes to the Core Financial Statements**

**Care Homes for Older People in Gwent**

The Social Services and Wellbeing (Wales) Act 2014 (effective from April 2018) envisaged that this would be a single pooled fund which removes the traditional health and social care division between partners, offering flexibility in the single fund's use according to locally agreed needs. However, in the Gwent region and in other regions in Wales, the approach adopted towards the mechanics of the pooled fund arrangement is that (at least in its initial stage), it will not share financial risk nor introduce any potential cross-subsidy between the partners. Torfaen County Borough Council is the lead Council for the Gwent region. One of the anticipated benefits to an integrated regional commissioning approach to care homes is a coherent, strategic approach which will support the sector in its medium- and longer-term business planning and mitigate the current risks the sector is experiencing.

	<b>Year Ended 31 March 2022 £000</b>	<b>Year Ended 31 March 2023 £000</b>
<b><u>Funding - Pooled Fund Contributions</u></b>		
Blaenau Gwent County Borough Council	(6,953)	(8,185)
Caerphilly County Borough Council	(22,762)	(26,918)
Monmouthshire County Council	(9,420)	(10,828)
Newport City Council	(18,629)	(23,144)
Torfaen County Borough Council	(10,670)	(13,071)
Aneurin Bevan University Health Board	(31,410)	(36,563)
<b>Total Funding</b>	<b>(99,844)</b>	<b>(118,709)</b>
<b>Expenditure</b>		
<b><u>Reimbursements</u></b>		
Gwent Local Authority Residential Homes	14,900	16,828
Other Elderly Frail Residential Care	11,545	13,076
Other Elderly Mentally Infirm Residential Care	20,444	23,928
Elderly Frail Funded Nursing Care	19,594	24,513
Elderly Mentally Infirm Funded Nursing Care	11,101	14,216
Elderly Frail Continuing Health Care	6,611	6,949
Elderly Mentally Infirm Continuing Health Care	15,360	18,896
Step Up/Step Down	227	241
Lead Commissioner Costs	62	62
<b>Total Expenditure</b>	<b>99,844</b>	<b>118,709</b>
Net in-year (Under) / Overspend	<b>0</b>	<b>0</b>
Balance brought forward at 1 April	<b>0</b>	<b>0</b>
Balance carried forward at 31 March	<b>0</b>	<b>0</b>

**31. Other Funds**

The Authority holds several accounts on behalf of clients on a trustee basis, which are not consolidated in the balance sheet.

***The total value of these accounts as at 31 March 2023 was:***

**Notes to the Core Financial Statements**

£186,750 - relating to Education Trust Funds administered by the Interim Head of Corporate Finance, (£181,770 in 2021/2022), which are held to provide prizes and awards to pupils in the Authority's schools. Of these funds, £43 is vested in shareholdings and £186,707 is held in bank deposits (£43 and £181,727 respectively in 2021/2022). There are no other underlying assets or liabilities. The Trust Funds received £4,980 in dividends and interest during the year (£1,628 in 2021/2022) and incurred expenditure of £nil (£nil in 2021/2022).

In addition, the Director of Social Services administers funds on behalf of clients in residential homes. These accounts do not have official trustee status. The total value of these accounts as at 31 March 2023 was £5,358,139 (£5,678,011 as at 31 March 2022.)

**32. Pensions Reserve**

The Pensions Reserve absorbs timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. Post-employment benefits are accounted for 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 resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or as it eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
<b>Balance as at 1 April</b>	<b>704,425</b>	<b>590,647</b>
Actuarial (gains) or losses on pensions assets and liabilities	(164,373)	(523,559)
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	79,037	82,401
Employer's pension contributions and direct payments to pensioners payable in the year	(28,442)	(33,215)
<b>Balance at 31 March</b>	<b>590,647</b>	<b>116,274</b>

**Notes to the Core Financial Statements**

**33. Revaluation Reserve**

The Revaluation Reserve replaced the Fixed Asset Restatement Account (FARA) on 1 April 2007 and was included in the Balance Sheet with a nil opening balance. The closing position on the Reserve at 31 March 2023 therefore only shows revaluation gains accumulated since 1 April 2007.

	<b>Restated 2021/2022 £000</b>	<b>2022/2023 £000</b>	<b>£000</b>
Balance as at 1 April	<b>(554,746)</b>		<b>(651,573)</b>
Historic Cost Adjustment between Revaluation Reserve and Capital Adjustment Account	(32,119)	0	
Downward revaluation of assets and impairment losses not charged to Surplus and Deficit on the Provision of Services	12,829	94,054	
Surplus on Revaluation of Assets	(93,246)	(132,708)	
Surplus or deficit on revaluation of non-current assets not posted to Surplus or Deficit on the Provision of Services	(80,417)		(38,654)
Difference between fair value depreciation and historical cost depreciation	15,033	13,673	
Clear Revaluation Reserve for Assets Disposed in year.	676	136	
Amount written off to the Capital Adjustment Account	15,033		13,809
<b>Balance as at 31 March</b>	<b>(651,573)</b>		<b>(676,418)</b>



**Notes to the Core Financial Statements**

**34. Capital Adjustment Account**

The Capital Adjustment Account was implemented on 1 April 2007 from the closing balances on both the FARA and the Capital Financing Account, (as mentioned in note 33 above). The account contains the amounts that are required by statute to be set aside from capital receipts for the repayment of external loans, the amount of revenue and capital receipts used to finance capital expenditure and compensatory adjustments from the above-mentioned Revaluation Reserve to convert current value depreciation/impairment loss debits to historical cost.

	<b>Restated 2021/2022</b>		<b>2022/2023</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance as at 1 April</b>		<b>(258,928)</b>		<b>(222,958)</b>
Historic Cost Adjustment between Revaluation Reserve and Capital Adjustment Account		32,119		0
Set Aside - Capital Receipts		(137)		0
<b>Funding:</b>				
Revenue funding applied	(15,550)		(17,411)	
Capital receipts applied	142		82	
Capital grants and contributions applied	(31,960)		(42,550)	
<b>Total Funding</b>		<b>(47,368)</b>		<b>(59,879)</b>
MRP		(7,152)		(7,902)
<b>Depreciation:</b>				
In year charge	43,053		38,857	
Attributable to revaluations	(39,742)		(42,429)	
Written back on revaluations	24,018		28,575	
Written back on disposals	0		0	
		27,329		25,003
Derecognition of capital expenditure		24,516		23,166
<b>Asset Revaluations / Impairments:</b>				
Price adjustments	1,040		(1,062)	
		1,040		(1,062)
Disposals - Council Fund	2,946		791	
Disposals - HRA	295		0	
		3,241		791
Revenue Expenditure funded from Capital	2,682		2,678	
		2,682		2,678
Invest to save		0		0
<b>Total capital costs</b>		<b>51,656</b>		<b>42,674</b>
City Deal - Caerphilly's share of Capital Adjustment Account		(300)		(300)
<b>Balance as at 31 March</b>		<b>(222,958)</b>		<b>(240,463)</b>

**Notes to the Core Financial Statements**

**35. Capital Grants Unapplied**

The Authority receives grants and other contributions towards the funding of capital projects. The following table represents amounts received and carried forward to fund projects yet to be implemented or completed at the end of the financial year.

	<b>2021/2022</b>		<b>2022/2023</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Opening balance</b>		<b>(17,653)</b>		<b>(19,886)</b>
<b>Grants:</b>				
HRA	2,941		0	
Education	(1,494)		(101)	
Property Services	(46)		46	
Community and Leisure	240		246	
Highways	(1,458)		970	
Corporate Projects	615		0	
Economic Development	(320)		(812)	
Corporate	<u>(2,794)</u>		<u>2,801</u>	
		(2,316)		3,150
<b>Section 106 Contributions:</b>				
Highways	(132)		0	
Economic Development	215		(12)	
Community and Leisure	<u>0</u>		<u>0</u>	
		83		(12)
<b>Other Contributions:</b>				
Private Housing	<u>0</u>		<u>0</u>	
		0		0
<b>Balance as at 31 March</b>		<b><u>(19,886)</u></b>		<b><u>(16,748)</u></b>

**36. Capital Receipts Reserve**

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
Amounts receivable in year	(2,029)	105
Amounts set aside	137	0
Amounts applied to finance new capital investment in year	<u>0</u>	<u>0</u>
Total increase/(decrease) in realised capital resources in year	(1,892)	105
Balance brought forward at 1 April	(10,256)	(12,148)
<b>Balance at 31 March</b>	<b><u>(12,148)</u></b>	<b><u>(12,043)</u></b>

**Notes to the Core Financial Statements**

**37. Movements in Insurance Earmarked Reserves**

These reserves are established to meet assessed self-insured possible liabilities associated with potential claims, and to fund risk management initiatives aimed at minimising the potential cost of future claims.

<b>Reserve:</b>	<b>Balance at 1 April 2022 £000</b>	<b>Transfers from Reserves £000</b>	<b>Transfers to Reserves £000</b>	<b>Balance at 31 March 2023 £000</b>
Insurance Reserve	(7,033)	1,285	0	(5,748)
Risk Management Reserve	(227)	57	0	(170)
	<b>(7,260)</b>	<b>1,342</b>	<b>0</b>	<b>(5,918)</b>

**38. Movement in Other Housing Reserves**

Details of the movement upon Housing reserves are included with the Notes to the Housing Revenue Account Summary on page 127, Note 7.

**39. Movements in Capital Earmarked Reserves**

These reserves represent amounts set aside to finance the Authority's Council Fund capital programme, the majority of which are earmarked to specific schemes.

<b>Reserve:</b>	<b>Balance at 1 April 2022 £000</b>	<b>Transfers from Reserves £000</b>	<b>Transfers to Reserves £000</b>	<b>Balance at 31 March 2023 £000</b>
Housing Earmarked Capital	(215)	0	0	(215)
Private Housing	(100)	100	0	0
Corporate - All Authority	(4,024)	1,135	(3,260)	(6,149)
Social Services	(3,197)	543	(292)	(2,946)
Corporate Projects	(16,052)	0	0	(16,052)
Planning	(212)	0	0	(212)
Education	(15,541)	0	(70)	(15,611)
Highways and Transportation	(860)	513	(355)	(702)
Property	(626)	0	0	(626)
Corporate Services	(307)	0	0	(307)
Economic Development & Tourism	(172)	0	(212)	(384)
Trading Standards	0	0	(24)	(24)
Environmental Health	(126)	0	(75)	(201)
Community & Leisure	(2,339)	318	(3,355)	(5,376)
	<b>(43,771)</b>	<b>2,609</b>	<b>(7,643)</b>	<b>(48,805)</b>

**Notes to the Core Financial Statements**

**40. Movements in Schools' Earmarked Reserves**

These reserves represent the cumulative balances carried forward by individual schools in accordance with the scheme of delegation. The reserves are used to fund future expenditure and their use is under the control of the individual schools and is not available for the Authority to use for other purposes.

<b>Reserve:</b>	<b>Balance at 1 April 2022 £000</b>	<b>Transfers from Reserves £000</b>	<b>Transfers to Reserves £000</b>	<b>Balance at 31 March 2023 £000</b>
Secondary Schools	(4,856)	2,938	0	(1,918)
Middle School	(252)	2	0	(250)
Primary Schools	(11,239)	3,298	(393)	(8,334)
Special School	(916)	103	0	(813)
<b>Total Schools Balances</b>	<b>(17,263)</b>	<b>6,341</b>	<b>(393)</b>	<b>(11,315)</b>

**41. Movements in Service Under / Overspend Earmarked Reserves**

These reserves represent the cumulative under and overspend balances carried forward by the Authority's services in accordance with its Financial Regulations. The reserves are used to fund future expenditure, and their use is under the control of the individual service areas.

<b>Reserve:</b>	<b>Balance at 1 April 2022 £000</b>	<b>Transfers from Reserves £000</b>	<b>Transfers to Reserves £000</b>	<b>Balance at 31 March 2023 £000</b>
Education	(1,075)	2,885	(3,296)	(1,486)
Corporate Services	(568)	2,417	(3,012)	(1,163)
Social Services	(5,397)	4,214	(1,530)	(2,713)
Housing Non HRA	(600)	1,766	(162)	1,004
Communities Directorate	(1,230)	4,036	(2,328)	478
	<b>(8,870)</b>	<b>15,318</b>	<b>(10,328)</b>	<b>(3,880)</b>

Notes to the Core Financial Statements

42. Movements in Other Reserves

<u>Reserve:</u>	<u>Purpose of reserve:</u>	<b>Balance at 1 April 2022 £000</b>	<b>Transfers from reserves £000</b>	<b>Transfers to reserves £000</b>	<b>Balance at 31 March 2023 £000</b>
Waste Management Reserve	to cover future costs in respect of landfill sites	(235)	235	0	0
PFI Equalisation Reserve (Schools)	to match PFI funding and unitary charge payments over the period of the contracts - see note 14	(7,770)	1,434	(852)	(7,188)
PFI Equalisation Reserve (Roads)		(1,920)	724	0	(1,196)
PFI Schools Earmarked Reserve	reinvestment and works outside the scope of the PFI projects	(1,447)	0	(130)	(1,577)
Service Initiative Reserves	to fund expenditure upon service specific initiatives	(38,124)	26,465	(17,869)	(29,528)
Carbon Trust Fund Reserve	to provide match funding to draw down grant from the Carbon Trust, to fund major works for energy efficiency measures	(276)	121	(169)	(324)
Area Forum Reserve	to meet costs incurred from environmental works undertaken by the Authority as identified by the local area partnerships	(39)	14	0	(25)
Cemeteries Reserve	to meet costs incurred in general upkeep and maintenance of Authority-owned cemeteries	(295)	32	(74)	(337)
Electoral Admin Reserve	to meet the objectives of the Electoral Administration Act 2006	(709)	190	0	(519)
Health & Safety Initiatives Reserve	to promote health and safety across the authority	(263)	0	0	(263)
Corporate PC Replacement Reserve	to fund the replacement of computers throughout the Authority	(582)	0	(235)	(817)
Social Services Partnership Reserve	to support collaborative initiatives with other LAs and public bodies	(2,459)	126	(535)	(2,868)
Invest to Save Reserve	to promote savings initiatives across the authority	(735)	0	(127)	(862)
Local Management of Schools	to undertake school based initiatives	(2,093)	0	(136)	(2,229)
Community Infrastructure Levy Reserve	to recycle CIL charges to fund infrastructure and to support local developments	(3,802)	3,715	(375)	(462)
Interest Equalisation Reserves	to manage interest adjustments on soft loans received by us.	(10,428)	1,737	0	(8,691)
Other Reserves	a number of smaller reserves held for a variety of purposes.	(59)	1	(7)	(65)
<b>Total</b>		<b>(71,236)</b>	<b>34,794</b>	<b>(20,509)</b>	<b>(56,951)</b>

**Caerphilly County Borough Council**

**Notes to the Core Financial Statements**

**43. Cash Flow Statement – Adjustments to Surplus or Deficit**

	<b>Restated 2021/2022 £000</b>	<b>2022/2023 £000</b>
<b><i>Adjustment to surplus or deficit on provision of services for non-cash movements:</i></b>		
Depreciation and Impairment - inclusive of downward revaluation	49,303	62,213
IAS19 Pensions Adjustment	50,595	49,186
Derecognition of Capital Expenditure	18,843	678
Other non-cash items charged to the net surplus or deficit on the provision of services	(5,814)	1,986
Increase / (Decrease) in Inventories	(95)	8
Increase / (Decrease) in Debtors	(7,150)	(7,348)
(Increase) / Decrease in Creditors	18,297	(1,001)
	<b>123,979</b>	<b>105,722</b>
<b><i>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities:</i></b>		
Capital grants credited to surplus or deficit on provision of services	(34,814)	(40,032)
Carrying amount of non-current assets and held for sale assets	3,169	0
Net loss on sale of fixed assets	(1,261)	(748)
Net adjustment from the sale of short and long term investments	0	0
	<b>(32,906)</b>	<b>(40,780)</b>

*Contributions to / from Reserves narrative has been amended to Other Non Cash Items Charged to the Net Surplus or Deficit on the provision of services.*

**44. Cash Flow Statement – Operating Activities**

	<b>2021/2022 £000</b>	<b>2022/2023 £000</b>
Interest received	475	3,056
Dividends received	0	950
Interest paid	(12,912)	(19,230)
	<b>(12,437)</b>	<b>(15,224)</b>

**45. Cash Flow Statement – Investing Activities**

	<b>Restated 2021/2022 £000</b>	<b>2022/2023 £000</b>
Purchase of property, plant and equipment and intangible assets	(48,058)	(61,963)
Purchase of short-term and long-term investments	(86,919)	0
Proceeds from sale of property, plant and equipment and intangible assets	1,866	0
Proceeds from sale of short-term and long-term investments	0	32,370
Other receipts from investing activities	34,337	39,120
Other payments from investing activities	(374)	0
	<b>(99,148)</b>	<b>9,527</b>

## Caerphilly County Borough Council

### Notes to the Core Financial Statements

#### 46. Cash Flow Statement - Financing Activities

	2021/2022 £000	2022/2023 £000
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(1,970)	(2,636)
Repayments of short-term and long-term borrowing	(4,463)	(4,076)
Cash receipts of short-term and long-term borrowing	6,003	600
Other receipts for financing activities	0	122
City Deal - Grant receipts	2,736	2,735
	<b>2,306</b>	<b>(3,255)</b>

#### 47. Reconciliation of liabilities arising from financing activities

	As at 1 April 2022	Financing cash flows	Non-cash changes		As at 31 March 2023
			Acquisition	Other non- cash changes	
	£000	£000	£000	£000	£000
Long-term borrowings	(306,203)	(600)	0	4,492	(302,311)
Short-term borrowings	(6,823)	(5,679)	0	3,565	(8,937)
Lease liabilities	(393)	78	0	(83)	(398)
On balance sheet PFI liabilities	(26,457)	2,558	0	0	(23,899)
<b>Total liabilities from financing activities</b>	<b>(339,876)</b>	<b>(3,643)</b>	<b>0</b>	<b>7,974</b>	<b>(335,545)</b>

#### 48. Joint Operations

A joint operation is defined as “a contractual arrangement under which the participants engage in joint activities that do not create an entity because it would not be carrying on a trade or business of its own. A contractual arrangement where all significant matters of operating and financial policy are predetermined does not create an entity because the policies are those of its participants, not of a separate entity”.

The Code states that where such joint operations exist, each participant should account directly for its share of the assets, liabilities, income, expenditure and cash flows held within or arising from the arrangements. A review of shared practices within the Authority identified that the following should be regarded as joint operations:

- Cardiff City Region City Deal
- Glamorgan Archive Joint Committee
- Greater Gwent Cremation Joint Committee
- Gwent Joint Records Committee
- Gwent Wide Integrated Community Equipment Service Project (GWICES)
- Project Gwyrdd

In respect of the Cardiff Capital Region City Deal (CCRCD), the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures.

The Council's remaining interests in other entities, in aggregate, are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative

# Caerphilly County Borough Council

## Notes to the Core Financial Statements

information. For this reason, group accounts are not deemed necessary for these entities within these statements.

***The Authority's share of the Income and Expenditure Account and Balance Sheet of some of the committees, where material, is given below:***

### **Cardiff Capital Region City Deal (CCRCD)**

The CCRCD is a £1.2 billion deal between the UK Government, the Welsh Government and the 10 constituent councils in South East Wales, which includes Caerphilly. The investment is over a 20-year period and the key aim of the fund is to create 25,000 new jobs by 2036 and lever £4 billion of private sector investment. The comparative figures for 2021/2022 have been revised to reflect the final audited accounts.

<b>Cardiff Capital Region City Deal (CCRCD)</b>	<b>2021/2022</b>		<b>2022/2023</b>	
	<b>Total £000</b>	<b>CCBC share £000</b>	<b>Total £000</b>	<b>CCBC share £000</b>
<b>Income &amp; Expenditure Account</b>				
Cost of Services	6,273	751	23,247	2,782
Operating Income	(8,592)	(1,028)	(24,176)	(2,893)
<b>Net Cost of Services</b>	<b>(2,319)</b>	<b>(277)</b>	<b>(929)</b>	<b>(111)</b>
Interest & Investment Income	(168)	(20)	(1,562)	(187)
Movement in fair Value of Investment Properties	112	13	2,411	289
<b>Financing &amp; Investment Income &amp; Expenditure</b>	<b>(56)</b>	<b>(7)</b>	<b>849</b>	<b>102</b>
Capital Grants & Contributions	(5,181)	(620)	(28,220)	(3,377)
Corporation Tax	488	58	(158)	(19)
<b>Taxation and Non Specific Grant Income (Surplus) / Deficit on Provision of Services</b>	<b>(4,693)</b>	<b>(562)</b>	<b>(28,378)</b>	<b>(3,396)</b>
Other Comprehensive Income & Expenditure	0	0	0	0
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(7,068)</b>	<b>(845)</b>	<b>(28,458)</b>	<b>(3,406)</b>

### **Balance Sheet**

Long term assets	51,634	6,180	94,784	11,344
Current assets	76,231	9,123	68,674	8,219
Current liabilities	(49,091)	(5,875)	(38,033)	(4,552)
Long term liabilities	(27,743)	(3,320)	(46,563)	(5,573)
<b>Total Assets less Liabilities</b>	<b>51,031</b>	<b>6,108</b>	<b>78,862</b>	<b>9,438</b>
Usable Reserves	14,511	1,737	22,885	2,739
Unusable Reserves	36,520	4,371	55,977	6,699
	<b>51,031</b>	<b>6,108</b>	<b>78,862</b>	<b>9,438</b>



**Notes to the Core Financial Statements**

**49. Related Businesses and Companies**

Authorities must consider whether they need to produce group accounts for interests held in other organisations where they meet the definition of subsidiaries, associates and joint ventures. The Authority has reviewed all its relationships in this regard and although the Authority has an interest in the following company, it does not meet the requirements for the preparation of group accounts.

**Education Achievement Service (EAS)**

The five local authorities of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen have formed an Education Achievement Service (EAS). The integrated service has been designed to raise education standards in South East Wales.

The EAS became operational in September 2012. It is a joint company limited by guarantee and wholly owned and completely controlled by the five local authorities, but operating at arms-length. It is not a profit-making company and it is a separate legal entity. There is no lead authority with each being represented equally with a 20% interest and having equal voting rights. The company has a board consisting of the Lead Director and elected member representatives from the partner authorities. The collaboration agreement commits the Authority to participate in the EAS company for a minimum period of four years.

The company's latest unaudited trading results for the year ending 31 March 2023 are as follows (the previous year's figures have been restated to reflect the final audited position):

	<b>Year Ended</b>	<b>Year Ended</b>
<b><u>Statement of Profit or Loss</u></b>	<b>31 March 2022</b>	<b>31 March 2023</b>
	<b>£000</b>	<b>£000</b>
Revenue	6,288	6,878
Cost of sales	(5,193)	(5,283)
<b>Gross Surplus</b>	<b>1,095</b>	<b>1,595</b>
Other operating income and expenditure	(1,984)	(1,994)
<b>Operating Surplus</b>	<b>(889)</b>	<b>(399)</b>
Investment Income	1	39
Financing costs	(291)	(315)
<b>Deficit before Tax</b>	<b>(1,179)</b>	<b>(675)</b>
<b>Other Comprehensive Income</b>		
Actuarial gain/(loss) on pension scheme	3,732	12,005
Adjustment to underwritten balance	(2,545)	(11,225)
Other Comprehensive Income net of income tax	1,187	780
<b>Total Comprehensive Income for the year</b>	<b>8</b>	<b>105</b>

# Caerphilly County Borough Council

## Notes to the Core Financial Statements

<b><u>Statement of Financial Position</u></b>	Year Ended	Year Ended
	31 March 2022 £000	31 March 2023 £000
Non-Current Assets	11,287	30
Current Assets	1,894	2,244
<b>Total Assets</b>	<b>13,181</b>	<b>2,274</b>
Non-Current Liabilities	11,225	0
Current Liabilities	1,691	1,904
<b>Total Liabilities</b>	<b>12,916</b>	<b>1,904</b>
<b>Net Assets</b>	<b>265</b>	<b>370</b>
<b>Retained Profit</b>	<b>265</b>	<b>370</b>

**Housing Revenue Account**  
**for the year ended 31 March 2023**

**Housing Revenue Account**

<u>2021/2022</u>		<u>2022/2023</u>		
<u>£000</u>		<u>£000</u>	<u>£000</u>	<u>Note</u>
	<b>Income</b>			
(49,749)	Dwelling rents	(50,559)		1
(307)	Non-dwelling rents	(312)		
(1,059)	Charges for services and facilities	(1,099)		
(5,555)	Contributions towards expenditure	(1,683)		
<b>(56,670)</b>	<b>Total Income</b>		<b>(53,653)</b>	
	<b>Expenditure</b>			
16,281	Repairs and maintenance	13,734		
10,330	Supervision and management	11,369		
2,974	Special Services	3,934		
1,174	Rents, rates, taxes and other charges	1,130		
15,363	Depreciation and impairment of non-current assets	13,183		2
34	Debt Management Costs	29		
492	Increase in bad debt provision	1,047		
<b>46,648</b>	<b>Total Expenditure</b>		<b>44,426</b>	
(10,022)	<b>Net Expenditure/(Income) of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement</b>		(9,227)	
139	HRA services share of Corporate and Democratic Core Costs		167	
<b>(9,883)</b>	<b>Net Expenditure of HRA Services</b>		<b>(9,060)</b>	
5,546	Interest payable and similar charges	5,375		
(7,297)	Major Repairs Allowance	(7,296)		8
(1,490)	Other Grants	(2,358)		
19,884	(Gain) / Loss on sale of HRA non-current assets	21,570		
(267)	Interest and investment income	(856)		
16,376			16,435	
<b>6,493</b>	<b>(Surplus)/deficit for the year on HRA services</b>		<b>7,375</b>	

**Movement on Housing Revenue Account Statement**

<u>2021/2022</u>		<u>2022/2023</u>		
<u>£000</u>		<u>£000</u>	<u>£000</u>	<u>Note</u>
(14,915)	Balance on the HRA at the end of the previous year		(23,979)	
6,493	(Surplus) or Deficit for the year on the HRA Income and Expenditure Statement	7,375		
(15,557)	Adjustments between accounting basis and funding basis under statute	(11,524)		
(9,064)	Net (increase)/decrease before transfers to or from reserves	(4,149)		
0	Transfers (to) / from Reserves	(50)		
(9,064)	(Increase) or decrease in year on the HRA		(4,199)	
<b>(23,979)</b>	<b>Balance on the HRA at the end of the current year</b>		<b>(28,178)</b>	<b>7</b>

**Note of Movement on Housing Revenue Account Statement**

<u>2021/2022</u>		<u>2022/2023</u>		
<u>£000</u>		<u>£000</u>	<u>£000</u>	<u>Note</u>
	<b>Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year</b>			
0	Difference between amounts charged to income and expenditure for amortisation of premia and discounts and the charge for the year determined in accordance with statute	0		
(15,363)	Depreciation and Impairment of non-current assets	(13,183)		2
(19,808)	Derecognition of Capital Expenditure charged to the HRA Income and Expenditure Statement	(21,343)		
(76)	Gain/(Loss) on sale of HRA non-current assets	(227)		
(5,958)	Net charges made for retirement benefits in accordance with IAS 19	(5,950)		9
8,787	Capital Grants and Contributions Applied (including Major Repairs Allowance)	9,653		
(32,418)			(31,050)	
	<b>Items not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year</b>			
2,246	Employer's contributions payable to the Greater Gwent Pension Fund and retirement benefits payable direct to pensioners	2,681		9
2,370	HRA Minimum Revenue Provision	2,677		
12,226	Capital expenditure funded by the HRA	14,226		
19	Adjustment involving the Accumulated Absences Account	(58)		
16,861			19,526	
<b>(15,557)</b>	<b>Net additional amount required by statute to be credited to the HRA Balance for the year</b>		<b>(11,524)</b>	

**Notes to the Housing Revenue Account**

**1. Rent of Dwellings**

This is the total rent income collectable for the year after allowance is made for voids on empty properties. As at 31 March 2023, 3.06% of lettable properties were void (an increase on 2.4% in 2021/2022) although this fluctuates throughout the year. The average weekly rent at 31 March 2023 was £101.48 (£99.54 in 2021/2022), based on a 48-week collection period.

**2. Depreciation and Impairment**

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
Operational assets comprising:		
Dwellings (refer to Note 24 Core Financial Statements)	15,331	13,137
Other Land & Buildings	16	8
Vehicles, Plant and Equipment	38	38
Asset Impairments/revaluations	(22)	0
	<b>15,363</b>	<b>13,183</b>
<b>Total HRA depreciation and impairment</b>	<b>15,363</b>	<b>13,183</b>

**3. Rent Arrears**

The rent arrears encompass monies owed by both current and former council tenants. During the year, total rent arrears increased by £339,000. The total of current rent arrears represents 7.11% of Gross Rent Income.

	<b>£000</b>
Arrears at 31 March 2022	3,423
Bad Debt Provision 31 March 2022	(1,484)
<b>Net Arrears at 31 March 2022</b>	<b>1,939</b>
Arrears at 31 March 2023	4,618
Bad Debt Provision 31 March 2023	(2,340)
<b>Net Arrears at 31 March 2023</b>	<b>2,278</b>

**4. Housing Stock**

The Authority was responsible for managing an average of 10,653 dwellings during 2022/2023. The type of stock is made up of approximately 59% houses, 26% flats and 15% bungalows.

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>Number</b>	<b>Number</b>
Stock at 1 April	10,645	10,648
Acquisitions/New Build	7	29
Sales/Demolitions/Expired Leases	(4)	(19)
<b>Stock at 31 March</b>	<b>10,648</b>	<b>10,658</b>

**Notes to the Housing Revenue Account**

**5. Capital Expenditure and Financing**

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>Assets</b>	<b>Assets</b>
	<b>£000</b>	<b>£000</b>
<b>Capital Expenditure:</b>		
Operational Assets : Houses	23,792	23,665
Vehicles, Plant & Equipment	0	0
<b>Total Expenditure</b>	<b>23,792</b>	<b>23,665</b>
<b>Capital Financing :</b>		
Capital Grants	(4,485)	(2,370)
Major Repairs Allowance	(7,297)	(7,296)
Revenue Reserves	(12,011)	(14,226)
Capital Receipts	0	227
<b>Total Income</b>	<b>(23,793)</b>	<b>(23,665)</b>

**6. Capital Receipts and Unapplied Capital Income**

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
Sale of Council Dwellings	(169)	0
Sale of Land	(6)	0
Other Capital Receipts	(44)	227
<b>Total</b>	<b>(219)</b>	<b>227</b>

**7. Balance Carried Forward**

The working balance at 31 March 2023 was £28.178m, a net increase of £4.199m over the year.

<b>Reserve:</b>	<b>Balance at 1 April 2022</b>	<b>Appropriati ons From Reserves</b>	<b>Appropriati ons To Reserves</b>	<b>Balance at 31 March 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Housing Fund Balances</b> - represents the general, unallocated balances associated with the Housing Revenue Account	(21,579)	4,447	(5,522)	(22,654)
<b>HRA Earmarked Reserve</b> - exists to meet future commitments in respect of planned programme works	(2,400)	1,422	(4,546)	(5,524)
	<b>(23,979)</b>	<b>5,869</b>	<b>(10,068)</b>	<b>(28,178)</b>



Notes to the Housing Revenue Account

8. Major Repairs Allowance

	2021/2022 £000	2022/2023 £000
Amount Received in Year	(7,297)	(7,296)
Amounts Applied in Year	7,297	7,296
<b>Amounts Carried Forward</b>	<b>0</b>	<b>0</b>

9. HRA share of contributions to or from the Pension Reserve

	2021/2022 £000	2022/2023 £000
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	(5,958)	(5,950)
Employer's pension contributions and direct payments to pensioners payable in the year	2,246	2,681
<b>Total Contribution (to) / from the Pension Reserve</b>	<b>(3,712)</b>	<b>(3,269)</b>

## Glossary of Terms

The Statement of Accounts contains a number of technical terms which will not be familiar to the lay person. To assist the reader of the accounts, a number of these terms have been explained using non-technical terminology.

**Accruals basis** – An accounting concept in which transactions are reflected in the accounts of the period in which they take place, as opposed to the period in which payments are made or income received.

**Actuary** - A qualified person who works out insurance and pension fund valuations, taking into account factors such as trends in insurance claims and life expectancy.

**Amortisation** – The reduction in value of an intangible asset (e.g. computer software) by pro-rating its cost over a period of years.

**Authority** - Caerphilly County Borough Council.

**Available-for-sale Reserve** – A reserve that holds the gains or losses on revaluation of investments (classified as available-for-sale) that are not yet realised through sales.

**Balance Sheet** - A statement listing all assets and liabilities of the Authority at the 31 March.

**Borrowing** - Can be short-term (less than 1 year to maturity) or long-term (more than 1 year to maturity) and represents money loaned to the Authority by third parties.

**Budget** - A budget is the spending plan for the financial year in question i.e. 2022/2023.

**Capital Adjustment Account** - An account that relates to capital and non-current asset transactions. This includes the application of capital monies e.g. capital grants to finance the capital schemes of the Authority and to manage the disposal of non-current assets.

**Capital Expenditure** - Expenditure on non-current assets which will be used by the Authority over many years to provide services e.g. buildings.

**Capital Receipts** - Proceeds from the sale of non-current assets e.g. land or buildings.

**Cash Flow Statement** - A statement recording all movements in cash during the year for both revenue activities and capital activities.

**Comprehensive Income and Expenditure Statement** – A statement recording day to day spending and income e.g. salaries, running costs etc. on all revenue services of the Authority.

**Contingent Asset** - A possible asset that arises from a past event but whose existence will only be confirmed after an uncertain future event e.g. the outcome of a court case.

**Contingent Liability** - A possible financial cost of a past event but which will only be confirmed by the occurrence of one or more uncertain future events e.g. the outcome of a legal case. Unlike a provision, no amounts are set aside in the accounts, only a note explaining the relevant facts.

**Creditor** - Someone who is owed money for goods or services provided to the Authority.

**Current Assets** - Assets that are short term and are liquid by nature i.e. cash, inventories, debtors.

**Current Liabilities** - Liabilities that are short term (less than one year).

**Debt Management Office (DMO)** - An executive agency of HM Treasury with responsibilities for debt and cash management for the UK Government, lending to local authorities (via the PWLB (see below) and managing certain public sector funds.

**Debtor** - Someone who owes money for goods or services provided by the Authority.

**Depreciation** - The notional reduction in value of assets due to their wear and tear in providing services to the Authority.

**Direct Revenue Financing** - A contribution made from the revenue accounts during the financial year to help pay for capital projects.

**Financial Instruments** - A collective name for investments, trade debtors, trade creditors and borrowings.

**Financial Year** - This is the accounting period, starting on 1 April and finishing on 31 March in the following year. For 2022/2023, it runs from 1 April 2022 to 31 March 2023.

**Finance Leases** - A method whereby capital assets are financed over a number of years by means of annual payments to a leasing company. The ownership of the asset by the Authority is deemed to have taken place at the start of the lease arrangement.

## Glossary of Terms

**Financial Instruments Adjustment Account** - An account which is used to manage the loan interest charged to the Council Fund in accordance with IAS 32 & 39.

**Government Grants** - Assistance by Government and inter-government agencies and similar bodies, whether local, national or international usually in the form of cash.

**Heritage Asset** - A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities held and maintained for its contribution to knowledge and culture.

**Housing Revenue Account Income and Expenditure Account** - This account contains all expenditure and income in relation to the Authority's Council Dwellings including Council Houses.

**IAS** - International Accounting Standard

**IFRIC** - International Financial Reporting Interpretations Committee

**IFRS** - International Financial Reporting Standards

**Impairment** - Impairments occur when non-current asset values change significantly due to changes in circumstances. They can occur if there is a significant change in a non-current asset's market value or significant physical damage e.g. fire. The cost of impairment is charged to the revenue account in the year it occurs.

**Inventories** - These are raw materials and consumables that are used in carrying out services e.g. bricks, nails, food, beverages etc. The values of these items which have not been used at 31 March are shown as current assets in the balance sheet.

**Investments** - These can be short-term (less than 1 year to maturity) or long-term (more than 1 year to maturity) and represent surplus funds of the Authority invested with third parties.

**Levies** - Levies are charges on the Authority by other public bodies / non-billing organisations to enable them to cover their costs in the performance of their services.

**Minimum Revenue Provision (MRP)** - A minimum annual charge that must be made to the revenue accounts to systematically reduce the principal element of loans which have been raised and used to pay for capital schemes.

**Movement in Reserves Statement** - A statement showing the in-year movement on all the different reserves held by the Authority.

**National Non-Domestic Rates (NNDR)** - Also known as the Business Rate, it is the charge occupiers of business premises pay to finance part of the Authority's revenue spending. The charge is based on the rateable value of the business premises.

**Non-Current Assets** - These are long term assets which are used for more than 1 year.

**Non-Current Assets: Enhancement Expenditure** - This is where capital expenditure on an asset does not alter the book value of the asset e.g. window replacement.

**Operating Leases** - A method of paying for the use of capital assets e.g. vehicles by means of annual payments to a leasing company over a number of years. The leasing company retains ownership of the asset during and at the end of the lease agreement.

**Precepts** - Precepts are levied on the Authority by non-billing organisations e.g. police, community councils to enable them to cover their costs in the performance of their services or duties.

**Pension Current Service Cost** - This represents the increase in the present value of a defined benefit obligation resulting from employee service in the year after netting off contributions from scheme participants.

**Pension Gain or Loss on Settlement** - This arises when the Authority enters into a transaction that eliminates all further legal or constructive obligations for part or all the benefits provided under the defined benefit plan.

**Pension Liability (IAS 19)** - This represents the indebtedness of the Authority in relation to the retirement benefits due to its employees, after allowing for the Authority's share of investments in the Pension Fund.

**Pension Net Interest on the Defined Benefit Liability/Asset** - This is the change during the year in the net defined benefit liability/asset arising from the passage of time.

**Pension Past Service Cost** - This represents the change in the present value of the defined benefit obligation for employee service in prior periods resulting from a plan amendment or curtailment.

**Pension Reserve (IAS 19)** - This reserve matches the pension liability and is charged with the gain or loss which arises when the pension fund Actuary revalues the assets and liabilities within the pension

## Glossary of Terms

fund each year. It also ensures that the charge made to the Income and Expenditure Account under IAS 19 is replaced with the pension cost required to be made for Council Tax purposes.

**Provision** - A provision is an amount set aside in the accounts for a past event which is likely to incur a financial cost some time in the future.

**Public Works Loans Board (PWLB)** - This is a Government Agency which provides longer term loans to local authorities at preferential rates of interest.

**Related Party Transactions** - These are disclosed to highlight any relationships that may exist between the Authority and third parties which may materially affect or influence the way the Authority or third parties are able to operate.

**Reserves** - Reserves are sums set aside to meet future expenditure. They may be earmarked to fund specific expenditure or be held as general reserves to fund non-specific future expenditure.

**Revaluation Reserve** - This reserve is used to record gains in non-current asset values as a result of formal revaluations.

**Revenue Expenditure funded from Capital under Statute** - This represents expenditure which does not result in, or remain matched with, assets controlled by the Authority.

**Revenue Support Grant** - This is the principal source of finance from Central Government towards revenue expenditure incurred for non-Council housing purposes.

**Trust Funds** - These are monies not belonging to the Authority that are administered by the Authority on behalf of third-party individuals or organisations.

**Work in Progress** - This represents the value of work done on unfinished projects at the date of the Balance Sheet (31 March).

## Annual Governance Statement

### 1. Introduction

- 1.1 The Governance Framework comprises the systems, processes, culture, and values by which the Council is directed and controlled and the activities through which it accounts to, engages with, and leads the community.
- 1.2 The system of internal control is a significant part of that framework. The system of internal control is based on an ongoing process designed: -
- To Identify and prioritise the risks to the achievement of the Council's policies, aims and objectives.
  - To evaluate the likelihood and impact of those risks being realised.
  - To manage the identified risks effectively.
- 1.3 The 2022/23 financial year presented some key challenges for the Council, in particular the ongoing impact of the cost-of-living crisis. The Consumer Prices Index (CPI) inflation rate peaked at 11.1% in October 2022, which is the highest level in 40 years, and the impacts of this have been keenly felt by both the Council and our residents. More details are provided in Section 5.2.10 of this document.

### 2. Scope of responsibility

- 2.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. The Council also had a duty under the Local Government Act 1999 and the Local Government and Elections (Wales) Act 2021 (Part 6 chapter one), which provides for a new and reformed legislative framework for local government elections, democracy, governance, and performance. A principal Council has a duty (Section 89) to keep under review the extent to which it is fulfilling the 'performance requirements' that is, the extent to which: -
- it is exercising its functions effectively;
  - it is using its resources economically, efficiently, and effectively; and
  - its governance is effective for securing the above.

We also have a duty to consult a range of people and to report on performance (Sections 90 and 91).

- 2.2 The Well-being of Future Generations (Wales) Act 2015 places a duty on public bodies to carry out sustainable development in setting its objectives. To do this we have set and published Well-being Objectives including the steps we will take, and the resources we will need to deliver them.
- 2.3 Audit Wales and the Future Generations Commissioner accept that public bodies will publish one set of objectives covering improvement and well-being and there is an expectation that the Corporate Plan, which encompasses the Well-being Objectives is reviewed annually.

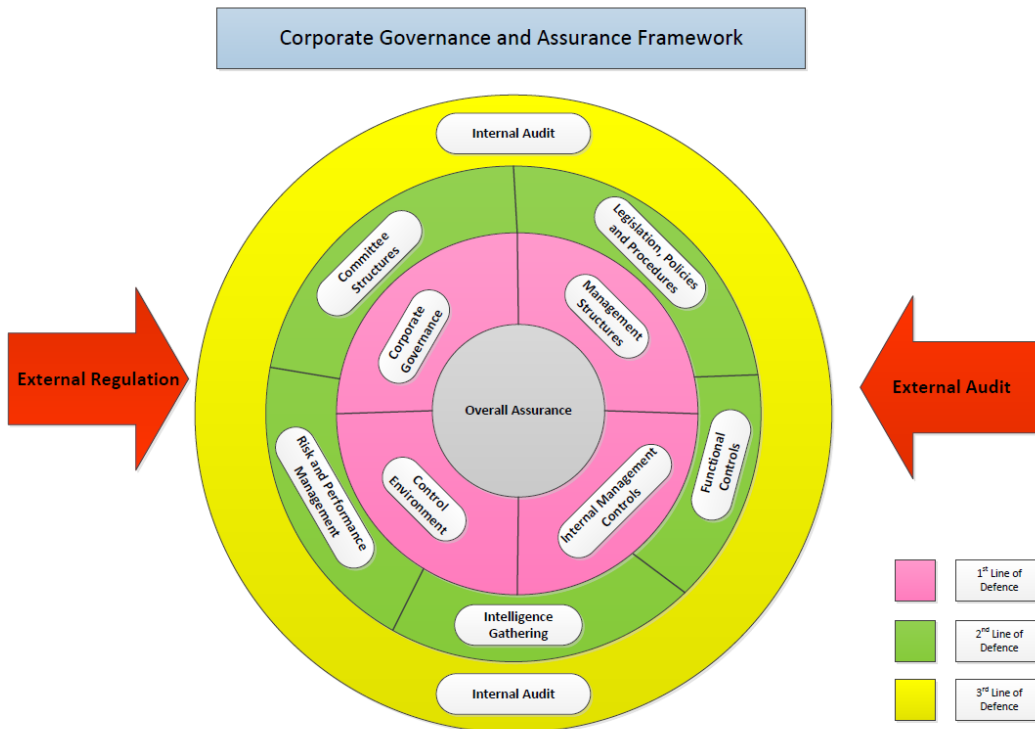
## Annual Governance Statement

- 2.4 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 2.5 The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework 'Delivering Good Governance in Local Government'. The Code is available through the following link: -
- [Code of Corporate Governance](#)
- 2.6 The Annual Governance Statement (AGS) explains how the Council has complied with the Code and meets the requirements of regulation 5(4) of the Accounts & Audit (Wales) Regulations 2014 in relation to the publication of a Statement on Internal Control. The AGS also incorporates CIPFA's guidance on the content of Annual Governance Statements.

### **3. The purpose of the governance framework**

- 3.1 The governance framework comprises the systems, processes, culture, and values by which the Council is directed and controlled and the activities through which it accounts to, engages with, and leads the community.
- 3.2 During the 2016/17 financial year an Assurance Framework was produced as a diagrammatic representation of the governance and assurance processes that are in place. The Framework was endorsed by the then Audit Committee in December 2016, and continues to be relevant. Its purpose is to provide clarity and understanding of the connections between functions and activities that enable the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Annual Governance Statement



3.3 The system of internal control is an integral part of the Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

4. The governance framework

4.1 The following paragraphs describe the key elements of the systems and processes that comprise the Council's current governance arrangements: -

4.1.1 **Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users.**

- The Council's Corporate Plan (2018-2023), approved by Council on 17 April 2018, set out the Cabinet's commitments, priorities, and Well-being Objectives. A copy of the Plan is available through the link below: -

[Link to Corporate Plan](#)

- The Well-being Objectives were informed by the information from the local assessment of well-being carried out by the Caerphilly Public Services Board (PSB). The Corporate Plan included our well-being statement detailing why we chose our Objectives at that time, and how they would be monitored and resourced.

### Annual Governance Statement

- During the 2022/23 financial year work began on development of the new five-year Corporate Plan for 2023-2028, with the first workshops commencing in November 2022. The new plan was agreed by Council on 29 November 2023 and is available through the link below: -

[Link to Updated Corporate Plan](#)

- Long-term outcomes and interim performance standards have been established for each Well-being Objective and progress will be reported via the relevant Scrutiny Committees on a six-monthly basis. Annual reports will also be presented to Council on progress made.
- Through our chosen Objectives we contribute to the high level strategic Public Services Board (PSB) Well-being Plan for the county borough area ('The Caerphilly We Want 2018-2023'). Our Corporate Plan follows the same planning cycle to ensure alignment and because it is based on the same data and community.
- The Council's Annual Self-Assessment Report tells citizens and service users how we have performed against the Well-being Objectives, as required under the Well-being of Future Generations (Wales) Act 2015 and the Local Government and Elections (Wales) Act 2021.
- The Corporate Plan, PSB Well-being Plan and Annual Self-Assessment Report are endorsed by Council and communicated via media release.
- The Council structures its communications programme around the Council's Well-being themes with planned activity aligned to the chosen objectives as demonstrated in the Caerphilly newsletter and Place Shaping communications.
- Following the Local Government elections in May 2022, the newly appointed Cabinet is leading the administration until May 2027. As mentioned above, new Well-being Objectives have been developed which are now incorporated into the five-year Corporate Plan for 2023-2028.

#### 4.1.2 **Reviewing the Council's vision and its implications for the Council's governance arrangements.**

- The five PSBs in the region merged to form the Gwent PSB in September 2021, with Caerphilly CBC providing the secretariat. During 2021 and early 2022 the PSB partners produced a regional well-being assessment identifying over one hundred issues affecting well-being in Gwent, supplemented by twenty-two local community assessments. Residents, communities, and others were consulted on the findings to check that they resonated with the lived experience to produce a new regional vision of well-being. The well-being assessment has been used to develop the next iteration of the well-being plan, which is set on a Gwent regional footprint. This work continued over the 2022 and 2023 calendar years, with the Gwent PSBs new Well-being Plan for the period 2023-2028 being signed off in July 2023. A link to the new Plan is provided below: -

[Gwent-WBP-Final-digital-version-2023-2.pdf \(gwentpsb.org\)](#)

- The Council's Corporate Plan is regularly reviewed and refined to ensure we have employed the sustainable development principle to reflect our changing aspirations, at a local and national level.
- As mentioned above, the new Corporate Plan for the period 2023-2028 was approved by Council on 29 November 2023. The Plan was developed using the data from the local assessment of well-being and comprehensive community engagement to inform the new Well-being Objectives.
- The Council has used the information in the local assessment of well-being, which identified the well-being needs and strengths of the area. The Council is a facilitating



## Annual Governance Statement

partner in the Gwent PSB and leads on the data assessment work. This data assessment is used to ensure we are supporting the economic, environmental, social, and cultural well-being of the area.

- Face to face and online engagement sessions were held in the county borough as part of the ongoing Caerphilly Conversation to test the views of our communities on what the Council should prioritise. The output of each engagement exercise feeds into planning at relevant points in the year e.g. budget setting. The evidence has also been used to develop the well-being plan for Gwent 2023- 2028, agreed by the Gwent PSB in July 2023.
- This approach was taken as part of the sustainable development principle to take a longer-term view, consider how we may improve well-being, how we integrate our activity with others, particularly through collaborating with partners and our communities.
- Delivering the Well-being Objectives of the Council has taken account of the statutory guidance for public bodies under the Well-being of Future Generations (Wales) Act 2015. The Council has updated its risk registers, planning tools, self-evaluation and reporting templates.
- The Council has continued to work on its transformation programme through the Team Caerphilly - Better Together Strategy. This has now been rebranded as Mobilising Team Caerphilly and during the last twelve months significant work has been undertaken through the 'discovery phase' of the programme to identify a wide range of projects that will help the Council balance its budget moving forward. We are now moving into the delivery stage with numerous projects being defined in detail, and a range of proposals will be presented for scrutiny and decision throughout the 2024/25 financial year. Further details of the transformation programme and the associated governance arrangements are available through the link below: -

[Mobilising Team Caerphilly Governance Arrangements](#)

### 4.1.3 ***Measuring the quality of services for users, ensuring they are delivered in accordance with the Council's objectives and ensuring that they represent the best use of resources.***

- A new performance framework was established and approved by the Cabinet on 26 February 2020. This performance framework has a number of component parts: -
  - Corporate Performance Assessment (CPA).
  - Directorate Performance Assessments (DPAs).
  - Service Planning.
  - Risk Management.
  - MyTime Extra.
- **Corporate Performance Assessment (CPA)** - The CPA dashboard is used by the Corporate Management Team (CMT) and Cabinet to monitor the Council's progress in delivering its strategic priorities, identifying and challenging areas of underperformance and discussing and agreeing any remedial actions that may be required. The dashboard provides a graphical and easily accessible overview of: -
  - Progress against CMT priorities, Directorate Management Team (DMT) priorities, Wellbeing Objectives, and the Mobilising Team Caerphilly transformation programme.
  - Budget position (over / underspend) by Directorate.
  - Corporate risk position.
  - Sickness absence position by Directorate and Service.
  - Workforce position (starters and leavers).
  - Complaints and compliments received by Directorates.
  - Public Accountability Measures.

### Annual Governance Statement

- Freedom of Information requests received and compliance.
- The CPA dashboard is presented twice-yearly to Cabinet and will also be presented to an all-Member Joint Scrutiny Committee moving forward. The dashboard provides a position of the organisation at a point in time and enables constructive challenge and improvement activity to be agreed.
- **Directorate Performance Assessments (DPA's)** - The CPA dashboard is underpinned by a more detailed set of Directorate Performance Assessment (DPA) dashboards. DPAs provide Directorate Management Teams with a range of data to keep progress under review, drive performance improvement, and manage resources, intelligence, and risks. Information in the DPA dashboards is grouped as follows: -
  - Overall summary of the quarter.
  - Progress on Directorate priorities.
  - Performance data.
  - Customer intelligence.
  - Resources – Financial, workforce, and assets.
  - Risk Register.
  - Well-being Objectives.
  - Lessons learned.
  - Conclusion.
- The DPAs are received by Directorate Management Teams on a routine basis providing opportunities to account for progress, challenge performance and agree improvement activity. The 2022/23 end of year CPA was presented to an all-Member Joint Scrutiny Committee on 20 July 2023 and subsequently to Cabinet on 20 September 2023.
- The new performance framework is different from the previous process by joining a wide range of different information in the one place to form an overall self-assessment of individual Directorates. This provides a “single source of the truth” and makes it easier to identify reasons for self-assessment learning and judgements.
- **Service Planning** – The approach to service planning centres on a Directorate service planning workshop, if required by the relevant Director.
- In advance of the workshop, Heads of Service are tasked with working through a set of questions with their staff to identify key priorities and targets for the year ahead; recognise service contributions to the Wellbeing Objectives; propose measures of success; and define potential risks.
- In 2022 Cabinet Members were invited to a series of workshops to provide a political leadership perspective on emerging priorities and the development of Well-being Objectives for 2023-2028. These were tested against the views of our communities, the data from the local assessment of well-being, and re-tested with senior managers to determine their completeness and deliverability
- Corporate priorities are transposed into the DPA and CPA dashboards for quarterly review. The outputs are also incorporated into the MyTime Extra review process as well as being published and distributed as a booklet to staff from across the service, thus providing a golden thread throughout the organisation.
- Where services have existing mechanisms in place for setting priorities (for example Education have robust processes that meet ESTYN requirements), they will populate the DPA dashboards with the relevant information before the beginning of the financial year.
- **Risk Management** - The monitoring of risk is now embedded within the CPA and DPA dashboards rather than existing as a standalone document. As such, risks are monitored

### Annual Governance Statement

quarterly by the Corporate Management Team and Directorate Management Teams, with risk levels and mitigating actions being discussed and agreed.

- The CPA contains the Council's 'high level risks' and is owned and updated by CMT. DPAs contain Directorate as well as CMT risks. The Council's risk position continues to be reported twice-yearly to the Governance & Audit Committee and Cabinet.
- **MyTime Extra** – The Council has improved the Personal Development Review (PDR) process for all staff. The new approach is undertaken formally on an annual basis (MyTime Extra) and has been rolled out across the Council. The approach is based on a set of principles to support annual meetings with staff to explore what has gone well and not so well and to set goals and priorities for the following year. The concept was introduced as part of the Council's transformation programme. The annual discussion enables staff to reflect on their prior year achievements, discuss any learning that has emerged, define their contribution to the service objectives defined at service planning workshops, and to explore their training and development needs. MyTime Extra enables a specific link to be made between the work of the individual and the priorities of the organisation. There are also regular individual MyTime 1-1 meetings between employees and managers throughout the year to monitor progress.
- The Council's performance framework as set out above provides Cabinet, Scrutiny Committees, CMT and DMTs with a regular and embedded mechanism for monitoring progress, managing performance, and driving improvement. The dashboards provide a 'single source of the truth,' enable key aspects of performance to be discussed, actions to be agreed, and learning to be generated. The ability to specifically link individual contributions to organisational goals provides a platform for every employee to understand how they fit, and to be recognised for the part they play in delivering the Council's objectives, thus providing a golden thread throughout the organisation.

#### 4.1.4 ***Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny, and officer functions, with clear delegation arrangements and protocols for effective communication.***

- The Council's Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent, and accountable to local people.
- Policy and decision-making are facilitated through the Cabinet supported by a framework of Statutory and Scrutiny Committees. Delegated decisions made by authorised senior officers, under the scheme of delegation, are posted on the intranet, when appropriate. The CMT has no collective decision-making powers, but the Chief Executive and Directors do have some delegated powers.
- The Council's Constitution is a living document and is reviewed and refreshed on a regular basis to reflect current legislation and working practices. Periodic reports are presented to the Council in relation to any proposed changes to the Constitution, with the latest report being presented on 11 May 2023. The report recommended a number of changes, the details of which are available through the following links: -

[Refinements to the Council's Constitution Appendix 3](#)

- In addition, Members approved that overseeing the Constitution should be added to the terms of reference of the Council's Democratic Services Committee.
- Various guidance notes for Officers and Members have been prepared to sit alongside the Council's Constitution and training has been rolled out. The documentation is available on

## Annual Governance Statement

the corporate governance pages on the Council's intranet. These arrangements have now been formally embedded within the Council's governance arrangements.

### 4.1.5 ***Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.***

- The Council's Constitution contains formal codes of conduct that articulate the standards of ethical behaviour that are expected from both elected members and officers. These incorporate procedures for the disclosure of personal interests and offers of gifts and hospitality.
- Both members and officers are made aware of the personal conduct and disclosure requirements, and they are available for reference on the Council's intranet.
- All declarations of member gifts and hospitality are reported to the Council's Standards Committee. For officers, a quarterly update is given to the Council's Governance & Audit Committee.
- The Council has an agreed Workforce Development Strategy 2021–24 and one of the actions arising from it is to create a Management Development Programme to ensure current and future managers and leaders have the necessary skills to deliver the vision of the Council's transformation strategy.
- Customer Services standards have been introduced as standards of behaviour adopted by the Council that all staff should be adhering to.

### 4.1.6 ***Reviewing and updating standing orders for contracts, financial regulations, a scheme of delegation and supporting procedure notes/ manuals, which clearly define how decisions are taken and the processes and controls to manage risks.***

- The Monitoring Officer in conjunction with senior officers and members undertakes periodic reviews of the Council's Constitution including reviewing Standing Orders for Contracts, Financial Regulations, and the Scheme of Delegation, to ensure that current practices and legislation are reflected.
- The standard member reporting procedure requires consideration of risk for all significant decisions. This is also underpinned by a robust structure and system for identifying and evaluating all significant business risks at both corporate and operational levels, the key elements of which are a Corporate Risk Register, Directorate Risk Registers and Service Level Risk Assessments. These are all key elements of the new performance framework that was approved by Cabinet on 26 February 2020.
- The Council has formally agreed a Risk Management Strategy which was originally endorsed in 2013 and updated in 2017. More recently, an updated Risk Management Strategy was approved by the Governance and Audit Committee on 25 January 2022. The updated Strategy is available through the following link: -

[Risk Management Strategy 2022](#)

- The Corporate Risk Register is reported to the Governance and Audit Committee twice-yearly, with CMT providing quarterly updates through the CPA. The Cabinet also receives mid-year and year-end updates as part of the Corporate Performance Assessment (CPA). The Council's Joint Scrutiny Committee also receives updates through the Corporate Performance Assessment (CPA) and Directorate Performance Assessments (DPAs).

### 4.1.7 ***Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities.***

## Annual Governance Statement

- The Council has appointed a Governance & Audit Committee, with terms of reference that comply with CIPFA guidelines. These extend to monitoring and reviewing the adequacy of the governance framework.
- Training for new members of the Committee and refresher training is carried out periodically and at least twice in a Council term. Ad-hoc training is provided as required or where specific needs have been identified.
- The Terms of Reference are reviewed and updated periodically with the latest review being completed in February 2021 and reported to the Committee on 19 March 2021.
- Four Lay Members have been appointed to the Committee in accordance with the Local Government and Elections Act (Wales) 2021.
- During the 2024/25 financial year a self-evaluation and skills/knowledge assessment will be undertaken for the Governance and Audit Committee based on the latest CIPFA guidance.

### 4.1.8 ***Ensuring compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful.***

- The Council aims to ensure compliance with established policies, procedures, laws and regulations through a variety of mechanisms, including the following: -
  - Corporate Management Team.
  - Directorate Management Teams.
  - Heads of Service.
  - Head of Legal Services & Monitoring Officer.
  - Head of Financial Services & S151 Officer.
  - Senior Information Risk Owner (SIRO).
  - Data Protection Officer.
  - Internal Audit.
  - External Audit.
  - Performance Management Framework.
- The Head of Legal Services & Monitoring Officer and the Head of Financial Services & Section 151 Officer attend each formal meeting of the Corporate Management Team, have regular briefings with the Chief Executive, and also attend all Cabinet meetings. Furthermore, the standard committee reporting procedure and report template requires these Officers to examine reports to the Executive for compliance with legal and procedural issues. The report template also includes a section on financial implications which is reviewed by the Head of Financial Services & S151 Officer.
- The Council has a Deputy Monitoring Officer and during 2022/23 Council approved the establishment of a new Deputy Chief Executive post and a new Deputy Section 151 Officer role. Appointments have since been made to both of these posts.

### 4.1.9 ***Arrangements for whistle blowing and for receiving and investigating complaints from the public.***

- The Council has in operation a widely publicised Whistleblowing Policy, which forms part of the Council's Constitution. This is overseen by senior officers within the Council and reported to the Council's Standards Committee on an annual basis, with the latest report being presented to the Committee on 28 February 2023, covering the 2021/22 financial year. There were no whistleblowing referrals during the 2022/23 financial year and a report will be presented to the Standards Committee in the coming months to confirm this position.
- The Council also operates a formal Corporate Complaints Procedure, which has been widely publicised.

## Annual Governance Statement

- The Governance & Audit Committee has continued to play a more proactive role in monitoring the level of complaints and the procedures that are in place, with reports being presented periodically. The Cabinet also receives reports to enable the Executive to review the complaints dealt with under the Corporate Complaints policy. In addition, individual Scrutiny Committees may receive reports on complaints when requested.
- There are a number of avenues for members of the public to report concerns, complaints and other matters.
- As part of the Council's transformation programme, a review of complaints handling has been undertaken, with the aim being to ensure consistency across the Council together with the introduction of a new centralised complaints logging system. The new logging system has been developed and as a result of ongoing trials changes are being made to the system to enhance the features available, which in turn will streamline the process further. It is anticipated that the system will be fully rolled out in April 2024 and will provide data that will allow services to be refined and improved.

### 4.1.10 ***Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.***

- Formal induction programmes and training and development plans are in place for members. Where identified through the staff appraisal process, senior officers participate in management development training.
- Council approved an Induction Programme which was implemented following the Local Government elections in May 2022 and includes certain aspects of member training as mandatory.
- In order to meet members' specific ongoing training needs, feedback is sought following the Induction Programme and a Training Needs Analysis Questionnaire is distributed to all members with the responses reviewed and the outcome used to inform future training programmes.
- The Council continues to participate in the Leadership Programme facilitated by the Welsh Local Government Association (WLGA), which comprises training for members who hold or aspire to hold senior office.
- A review of induction arrangements for officers is being undertaken as this area can be improved. Although some progress has been made with developing an I.T. solution, this is still in progress and needs review in line with the impact of the General Data Protection Regulation (GDPR).

### 4.1.11 ***Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation / engagement.***

- The Council has a corporate communication strategy which defines the way the Council will communicate with its staff, residents, partners and other stakeholders. In February 2020, the Council also adopted its Consultation and Engagement Framework, setting out a series of high-level principles which build upon the way the Council engages with its citizens and supports enhanced consultation and engagement activity across communities. The framework complements the principles within the Corporate Communication and Engagement Strategy and also has clear links to the Council's transformation strategy. The framework's intentions are: -
  - To highlight the continued importance of effective consultation and engagement and the clear strategic link to the decision-making process.
  - To demonstrate the key role that engaged, empowered communities have in supporting the future proofing of Council services.

## Annual Governance Statement

- To provide a clear definition of engagement and explain the 'Spectrum of Engagement'.
  - To outline the principles and standards that underpin meaningful engagement and consultation.
- Since its adoption, the Council has made good progress in building upon these intentions. Internally, the Council's engagement team have organised a series of awareness raising/information sessions for staff on effective consultation and engagement.
  - The Council has also undertaken a number of significant consultation exercises since the framework's inception. The "Caerphilly Conversation" is an ongoing resident survey which seeks resident views on a wide range of subject areas, including satisfaction with Council services, service transformation going forward, what the Council should focus on, and the role of communities.
  - The feedback from these surveys has been shared with CMT, Cabinet and the wider staff group, and the information is used for service and financial planning.
  - During 2022/23 the Council has been developing a new on-line engagement platform to complement face-to-face activity. This platform dubbed 'Engagement HQ' allows topic based and geographically based engagement, including mapping, sentiment analysis, analytics and feedback in an open and transparent common tool to be used across the Council.

### 4.1.12 ***Incorporating good governance arrangements in respect of partnerships and other group working as identified in the CIPFA Framework "Delivering Good Governance in Local Government" and reflecting these in the Council's overall governance arrangements.***

- The Council has adopted a partnerships and collaborations framework which specifies the minimum governance requirements in respect of all the Council's partnerships and the enhanced requirements in respect of its key partnerships.
- In addition, the framework sets out the requirements for creating new partnerships and collaborations and importantly includes the arrangements for disbanding and exiting arrangements.
- The Council maintains details of all current partnerships and collaborations, and this is reviewed and updated bi-annually.
- The Council has long-standing partnership arrangements with the third sector and has enshrined these in its joint agreements. In 2013 this agreement brought in the PSB partners, third sector organisations, Community and Town Councils and the Caerphilly Business Forum. The Third Sector Partnership Agreement has been updated to align with the PSB's Well-being Plan and was signed by all PSB organisations in July 2019.
- From 2021 partnership governance started to be developed to provide a framework for the up-and-coming Gwent Regional Well-being Plan. A new Gwent Third Sector Partnership agreement was developed during the latter part of 2022/23.
- Caerphilly CBC is a member of the South East Wales Corporate Joint Committee (CJC). There are four CJC's in Wales and their membership is made up of the leaders of the Councils in the respective regions and National Park Authorities that sit within specific regions. The CJs can directly employ staff and must have a Chief Executive, Finance Officer, and Monitoring Officer. The four CJs were established by regulations under the Local Government and Elections (Wales) Act 2021, came into effect in April 2021, and were given the following functions from June 2022: -
  - Developing transport policies.
  - Preparing a strategic development plan.

## Annual Governance Statement

- Economic wellbeing – anything a CJC considers is likely to promote or improve the economic wellbeing of its area.

### 5. Review of effectiveness

5.1 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 Corporate Governance Review Panel (which has responsibility for the development and maintenance of the governance environment), the Internal Audit Manager's annual report, and comments made by Audit Wales, Estyn, and Care Inspectorate Wales. The review covers all significant corporate systems, processes, and controls, spanning the whole range of the Council's activities, including in particular those designed to ensure:-

- The Council's policies are put into place.
- Laws and regulations are complied with.
- Required processes are adhered to.
- Performance and financial statements and other published information are accurate and reliable.
- Human, financial, data/information and other resources are managed efficiently and effectively.
- Services are delivered efficiently and effectively.

5.2 The following paragraphs describe the processes that have been applied in maintaining and reviewing the effectiveness of the Council's governance framework.

#### 5.2.1 **Corporate Level Review**

- A Corporate Governance Review Panel has been established to oversee the compilation of the Annual Governance Statement. Membership of the Panel is as follows: -
  - Corporate Director for Education & Corporate Services (Chair).
  - Head of Financial Services & S151 Officer.
  - Head of Legal Services & Monitoring Officer.
  - Head of Transformation.
  - Senior Information Risk Owner (SIRO)/Head of Customer & Digital Services.
  - Internal Audit Manager.
  - Cabinet Member for Finance & Performance.
  - Chair of Governance & Audit Committee.

#### 5.2.2 **Directorate Level Review**

- The Council adopts Directorate Assurance Statements requiring members of the Corporate Management Team to review the operation of a range of governance systems and procedures within their service areas, and to indicate whether there are any significant non-compliance issues. These are analysed by the Corporate Governance Review Panel to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues and as such need to be included in the Annual Governance Statement.



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- The new performance management framework has resulted in the introduction of Directorate Performance Assessments (DPA's) as detailed in Section 4.1.3.

### 5.2.3 **Scrutiny Committees**

- The Council has Scrutiny Committees which meet in public and make recommendations on the improvement and development of policies and hold the Executive and officers exercising delegated powers to account for their decisions. At its meeting on 11 May 2023, Council approved a reduction in the number of Scrutiny Committees from five to three.

### 5.2.4 **Governance & Audit Committee**

- The Council has appointed a Governance & Audit Committee whose terms of reference comply with the latest CIPFA guidelines. These extend to monitoring and reviewing the adequacy of the governance framework.
- Periodic ad-hoc training and development sessions are held for members of the Committee to ensure that they are equipped with the knowledge required to effectively undertake their roles.
- The Council appointed four Lay Members to the Committee in December 2021 and April 2022, in line with the requirements of the Local Government and Elections (Wales) Act 2021.

### 5.2.5 **Standards Committee**

- The Council has appointed a Standards Committee in accordance with the provisions of the Local government Act 2000 and associated regulations. Its terms of reference are set out in the Council's Constitution.

### 5.2.6 **Business Improvement Team (BIT)**

The Business Improvement Team (BIT) is responsible for implementing and maintaining the Council's performance management framework. The Team supports and challenges the Council as a whole, and individual services, to continuously improve using relevant data and the team also supports service reviews that are undertaken as part of the Council's transformation programme.

- The BIT is part of the Council's Service Improvement and Partnership Unit which includes Policy, Equalities, Welsh Language and voluntary sector support. This has strengthened our approach to performance management by reinforcing the links to our policy and planning activities. It has enhanced our ability to respond to the requirements of the Well-being of Future Generations (Wales) Act 2015 in terms of having a lead role within the Gwent Public Services Board (PSB), demonstrating our own contribution to the well-being goals for Wales, delivering our Well-being Objectives, and embedding the sustainable development principle.
- The BIT also works with the Council's external auditors to co-ordinate audits and inspections, and the outcomes and recommendations arising from these audits and inspections are reported to and monitored by the Chief Executive, CMT and the Governance & Audit Committee.

### 5.2.7 **Information Governance**

### Annual Governance Statement

- The Council's Information Governance structure continues to provide assurance that information is used appropriately and kept securely.
- The Head of Customer & Digital Services is the Council's Senior Information Risk Owner (SIRO), and the Procurement and Information Manager is the Deputy SIRO.
- The SIRO's role is to assure the Council's information through implementation of the Information Risk Management Policy.
- The process for Heads of Service, as Information Asset Owners, is to submit half-yearly information risk returns to the SIRO and this continued throughout 2022/23. The process provides the SIRO with enhanced visibility to ensure risks are reported appropriately, measures to reduce risk are effective across all services, and information risk management is embedded into the culture of the organisation.
- Information Security reports directly to the Procurement and Information Manager. The recruitment of a dedicated IT Security Manager and apprentice took place during 2022/23 to increase capacity in response to increasing cyber security risks.
- The Data Protection Officer (DPO) required by Article 37 of GDPR is the Information Governance Manager. This post provides DPO reports to CMT via the SIRO and the relevant Cabinet Member quarterly. The post also fulfils the DPO function for all of the Council's Schools via a Service Level Agreement and works closely with Legal Services via the Exemption Panel.
- A network of Information Governance (IG) Stewards within each Service Area assist Heads of Service in assuring their information by communicating key messages on IG policies and training and developing and maintaining a GDPR compliant Record of Processing Activities via Information Asset Registers and Privacy Notices.
- Investment in Information Governance continued throughout 2022/23 with the contract for the existing Information Compliance Officer extended for an additional year and two additional Information Compliance Officers recruited in March 2022 to improve the Council's data protection and access rights (Freedom of Information Act 2000 and Environmental Information Regulations 2004) compliance.
- Encouraging effective records management practices across the Council including during the set-up of new technologies will continue, to ensure records repositories are well managed and to encourage services to make the best use of Council data.
- Effective records management, especially of electronic formats, will also help to address growing demands of information rights requests whilst staff Council-wide work in an agile way. The potential to automate aspects of information requests is being explored, alongside other measures to manage the volumes of requests received.
- Information Governance and IT Security continue to work closely together, and this will continue moving forward.
- At its meeting on 14 June 2022, the Governance & Audit Committee considered the 'Draft Cyber Security Strategy 2022-2025', and this was subsequently formally approved by Cabinet at its meeting on 30 November 2022. The Strategy is available through the following link: -

[Cyber Security Strategy 2022-2025](#)

#### 5.2.8 **Internal Audit**

- Internal Audit Services is responsible for monitoring the quality and effectiveness of the system of governance and internal control. A risk-based Internal Audit Plan is produced each financial year, which is agreed by the Chief Executive and the Governance & Audit Committee. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Directorate. Each report includes recommendations for improvements and an agreed management action plan. The process includes follow-up

## Annual Governance Statement

reviews of agreed recommendations to ensure that they are acted upon. CMT and the Governance & Audit Committee receive regular updates on progress against Internal Audit recommendations.

- During 2017/18 the Internal Audit Services' conformance with the Public Sector Internal Audit Standards (PSIAS) was subject to external peer review which determined that with the exception of a few minor issues the Section was compliant. A new review cycle has now been entered into and plans are in place for a further external review to take place during 2024/25.
- In recent years, a number of the Internal Audit Team staff have left the Council's employment due to retirement or resignation. However, good progress has been in recruiting to these posts with just one vacant post now remaining. Furthermore, the capacity of the team has been increased, and four members of staff are currently studying for formal qualifications.
- During the 2021/22 financial year an Anti-Fraud Strategy was drafted, and this was endorsed by the Governance & Audit Committee on 14 June 2022. The Strategy is underpinned by an Action Plan that was presented to the Committee on 11 October 2022.

[Anti-Fraud Strategy](#)

[Anti-Fraud Action Plan](#)

- Based on the audit work undertaken during the 2022/23 financial year the Acting Internal Audit Manager has concluded that overall, the Council's systems and control procedures are effective.

### 5.2.9 **External Audit (Audit Wales)**

- The Council receives Audit Wales reports on the annual statement of accounts, and other areas such as financial management and the financial position, performance management, risk management, and governance.
- At its meeting on 18 April 2023, the Governance & Audit Committee received the Audit Wales 'Annual Audit Summary 2022' which provided a summary of audit work completed during 2021/22. The Audit Summary confirmed that the Auditor General gave an unqualified true and fair opinion on the Council's 2021/22 financial statements, provided details of local work undertaken for Caerphilly CBC, a summary of wider local government studies, and details of planned work for 2022/23. The report is available through the following link: -

[Annual Audit Summary 2022](#)

- CMT and Cabinet meet annually with Audit Wales, Care Inspectorate Wales and Estyn as part of an Assurance & Risk Assessment Review and this informs the forward work programme for audit reviews and inspections. CMT and the Governance & Audit Committee receive regular updates on progress against recommendations arising from Audit Wales and Regulator reviews.

### 5.2.10 **Extraordinary Events – Cost-of-Living Crisis**

- The 2022/23 financial year presented some key challenges for the Council, in particular the ongoing impact of the cost-of-living crisis. The Consumer Prices Index (CPI) inflation rate peaked at 11.1% in October 2022, which is the highest level in 40 years, and the impacts of this have been keenly felt by both the Council and our residents.
- During 2022/23 the Council received grant funding from the Welsh Government (WG) for the Cost-of-Living Support Scheme and administered circa 76,000 payments to our

## Annual Governance Statement

residents totalling £11.6m. The Council also made in excess of 24,000 Winter Fuel Payments totalling £4.8m on behalf of the Welsh Government.

- At its meeting on 04 October 2022, Council agreed to set aside £3m of usable reserves to create a Cost-of-Living Hardship Fund to support a range of initiatives that will assist our communities.
- The cost-of-living crisis has impacted on Council budgets with financial pressures being experienced across all areas, in particular energy, fuel, food and drink, and construction/contractor costs. Despite this, the Provisional Revenue Budget outturn position for 2022/23 shows a net underspend of £8.3m across all service areas (including schools and the Housing Revenue Account (HRA)).
- The financial position remains extremely challenging moving forward and the Council approved a balanced budget for the 2023/24 financial year on 23 February 2023, which included a range of measures to offset cost pressures totalling £55.4m. On 27 February 2024, Council approved the 2024/25 revenue budget which included further cost pressures totalling £56.5m. These pressures are being funded through an increase in the Welsh Government Financial Settlement of £8.9m, permanent savings of £19.6m, temporary savings of £11.5m, the one-off use of reserves totalling £10.6m, and £5.9m from a 6.9% increase in Council Tax.
- As at 31 March 2023, the balance of usable reserves held by the Council totalled £220m. This balance will reduce significantly moving forward with £15.3m of the usable reserves having since been set aside to support the 2023/24 revenue budget, and a further £10.6m being allocated to support the 2024/25 revenue budget. A report on usable reserves was presented to Cabinet on 27 February 2024 and is available through the following link: -

### [Update on Reserves](#)

- Due to the unprecedented levels of inflation, the current economic outlook, and the range of temporary budgetary measures that were approved for the 2024/25 financial year, the Council's Medium-Term Financial Plan (MTFP) has been updated based on a range of assumptions, resulting in a potential savings requirement of £45.2m for the two-year period 2025/26 to 2026/27.
- A financial strategy that seeks to continuously "salami slice" our services and deplete our reserves is not a sustainable or an appropriate approach, especially when the demands upon our services are far higher than ever, as our communities continue to present far greater and increasingly complex needs to us. To ensure we are able to meet the needs of our communities, whilst operating with reduced finances, a whole council and a whole county borough holistic approach has been defined and is now beginning to be delivered.
- The scale of the financial challenge facing the Council requires new approaches to service delivery and this is being led by the Chief Executive, Leader, CMT, and Cabinet and is being co-ordinated through our Transformation and Placeshaping Investment Programmes. It is vital that the required changes are developed at pace and that key decisions are made early to ensure that the projected savings requirement for 2025/26 and 2026/27 can be delivered.

### 5.3 **Review Outcome**

- The Council's governance arrangements are regarded as generally fit-for-purpose and are in accordance with the governance framework. The Council is committed to maintaining and improving the governance framework and resources are prioritised for this.
- The 2021/22 Annual Governance Statement identified one area where improvements could be made to strengthen existing processes and procedures during 2022/23: -

**Annual Governance Statement**

- 1. In January 2023 we will present an updated Medium-Term Financial Plan to the Cabinet aligned to the emerging corporate priorities of the new administration and the Council's transformation programme.**

**Update** – An updated Medium-Term Financial Plan (MTFP) was presented to Full Council on 23 February 2023, and this showed a potential savings requirement of £48.3m for the two-year period 2024/25 to 2025/26. A further updated MTFP was presented to Council on 27 February 2024, and this shows a revised savings requirement of £45.2m for the two-year period 2025/26 to 2026/27. The updated Corporate Plan covering the five year period 2023-2028 was approved by Council on 29 November 2023. A further iteration of the MTFP will be presented to Cabinet and Council in the coming months which will include details of the potential savings arising from projects currently under consideration as part of the Mobilising Team Caerphilly Transformation Programme.

- The review of the Council's governance arrangements operating throughout 2022/23 has highlighted one area where further steps will need to be taken to ensure that sound governance arrangements are in place and are fit-for-purpose to deal with emerging issues: -
  - 1. During Summer 2024 we will present a further update on the MTFP to Cabinet and Council along with specific proposals to address the anticipated financial gap aligned to the Mobilising Team Caerphilly Transformation Programme.**
- We propose over the coming months to take steps to address the above matter to further enhance our governance arrangements. We are satisfied that these steps will address the issue identified during the review process and we will monitor implementation.

**Signed:-**

**Cllr Sean Morgan  
Leader of the Council**

**9<sup>th</sup> May 2024**

**Dave Street  
Deputy Chief Executive**

**9<sup>th</sup> May 2024**

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## ANNUAL MEETING OF COUNCIL – 9TH MAY 2024

**SUBJECT: REVIEW OF POLITICAL BALANCE**

**REPORT BY: HEAD OF LEGAL SERVICES AND MONITORING OFFICER**

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### **1. PURPOSE OF REPORT**

- 1.1 To carry out a review of political balance across the authority and the allocation of seats to political groups in accordance with section 15 of the Local Government and Housing Act 1989.

### **2. SUMMARY**

- 2.1 This report outlines the political balance of the authority.

### **3. RECOMMENDATIONS**

- 3.1 That the Council notes the political balance as outlined in Appendix 1 and the general allocation of seats to the Committees in accordance with the political balance.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 In order to comply with statutory requirements to keep the political balance of the authority under review and to allocate seats on committees in accordance with that balance.

### **5. THE REPORT**

- 5.1 Sections 15 to 17 of the Local Government and Housing Act 1989 (the 1989 Act) sets out requirements to ensure there is political balance on the committees set out in this report.
- 5.2 The Council is required to review the political balance of its Committees and determine the allocation in accordance with the principles set out in Section 15 of the

1989 Act namely:-

- (a) Not all the seats on the body are allocated to the same political group.
- (b) That the majority of seats on the body are allocated to a particular political group if the number of people belonging to that group represents a majority of the council's membership.
- (c) Subject to those earlier rules the number of seats on the ordinary committees of the council allocated to each group bear the same proportion to the total of all seats allocated as is borne by the number of members of that group to the membership of the authority.
- (d) Subject to paragraphs (a) to (c) above, that the number of the seats on the body which are allocated to each political group bears the same proportion to the number of all the seats on that body as is borne by the number of members of that group to the membership of the authority.

5.3 In applying the political balance rules under Section 15 the Council has so far as is practicable allocated the seats according to the overall percentage that a party has of the total seats of the authority. However, it is impossible to obtain a perfect percentage balance on every committee and there are therefore two principles:-

- (i) The majority group must have the majority on any committee.
- (ii) That the overall allocation of seats is as close as possible to the overall percentage that a party holds on the council.

5.4 The composition of the Council is as follows

<b>Groups</b>	<b>Number of Councillors</b>	<b>Political Balance</b>
Labour	44	64%
Plaid Cymru	18	26%
Independent Group	5	7%
Independent member	1	2%
Vacant	1	1%

5.5 Based on the composition of the Council the proportional allocation of seats on politically balanced Committees is outlined below.

<b><u>Committees</u></b>	<b><u>Available Seats</u></b>	<b><u>Labour</u></b>	<b><u>Plaid Cymru</u></b>	<b><u>Independent</u></b>
Appeals	3	2	1	0
Appointments	9	6	2	1
Licensing	15	10	4	1
Planning	16	11	4	1
Democratic Services	16	11	4	1
Governance & Audit**	8	6	2	0
** (4 lay members)				
Investigating & Disciplinary	7	5	2	0



### **Scrutiny Committees**

Education & Social Services	18	12	5	1
Corporate & Regeneration	18	12	5	1
Housing & Environment	18	12	5	1

#### **5.6 Conclusion**

Members are asked to consider and note the political balance in accordance with the detail contained in this report.

#### **6. ASSUMPTIONS**

- 6.1 There are no assumptions contained in this report as the Council is under a statutory duty to review the political balance of the authority and apply that balance to the allocation of seats on committees.

#### **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 The report is based on statutory requirements and is for noting only so there is no requirement to undertake an Integrated Impact Assessment.

#### **8. FINANCIAL IMPLICATIONS**

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

#### **9. PERSONNEL IMPLICATIONS**

- 9.1 There are no personnel implications arising from this report

#### **10. CONSULTATIONS**

- 10.1 The views of the consultees have been incorporated into this report.

#### **11. STATUTORY POWER**

- 11.1 Local Government and Housing Act 1989 and regulations made under the Act and Local Government (Wales) Measure 2011.  
Local Government (Committees and Political Groups) Regulations 1990

Author: Lisa Lane Head of Democratic Services and Deputy Monitoring Officer  
Consultees: Robert Tranter Head of Legal Services and Monitoring Officer  
Dave Street Deputy Chief Executive  
Richard (Ed) Edmunds Corporate Director Education and Corporate Services

Appendix 1 Political Balance

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**Caerphilly County Borough Council**  
Political balance as at May 2024

Seats	No	%
Total	69	100
Labour Group	44	64
Plaid Cymru Group	18	26
Independent Group	5	7
Single Member	1	2
Vacant Seat	1	1

**Seats allocated to particular committee sizes**

Committee Size	Labour			Plaid Cymru			Independent			Single Member		
	Calculated	Actual	%	Calculated	Actual	%	Calculated	Actual	%	Calculated	Actual	%
2	1.3	1	50.0	0.5	1	50.0	0.1	0	0.0	0.0	0	0.0
3	1.9	2	66.7	0.8	1	33.3	0.2	0	0.0	0.1	0	0.0
4	2.6	3	75.0	1.0	1	25.0	0.3	0	0.0	0.1	0	0.0
5	3.2	3	60.0	1.3	1	20.0	0.4	0	0.0	0.1	0	0.0
6	3.8	4	66.7	1.6	2	33.3	0.4	0	0.0	0.1	0	0.0
7	4.5	5	71.4	1.8	2	28.6	0.5	0	0.0	0.1	0	0.0
8	5.1	6	75.0	2.1	2	25.0	0.6	0	0.0	0.2	0	0.0
9	5.7	6	66.7	2.3	2	22.2	0.7	1	11.1	0.2	0	0.0
10	6.4	6	60.0	2.6	3	30.0	0.7	1	10.0	0.2	0	0.0
11	7.0	7	63.6	2.9	3	27.3	0.8	1	9.1	0.2	0	0.0
12	7.7	8	66.7	3.1	3	25.0	0.9	1	8.3	0.2	0	0.0
13	8.3	9	69.2	3.4	3	23.1	0.9	1	7.7	0.3	0	0.0
14	8.9	9	64.3	3.7	4	28.6	1.0	1	7.1	0.3	0	0.0
15	9.6	10	66.7	3.9	4	26.7	1.1	1	6.7	0.3	0	0.0
16	10.2	11	68.8	4.2	4	25.0	1.2	1	6.3	0.3	0	0.0
17	10.8	11	64.7	4.4	5	29.4	1.2	1	5.9	0.3	0	0.0
18	11.5	12	66.7	4.7	5	27.8	1.3	1	5.6	0.4	0	0.0
19	12.1	13	68.4	5.0	5	26.3	1.4	1	5.3	0.4	0	0.0
20	12.8	13	65.0	5.2	5	25.0	1.4	2	10.0	0.4	0	0.0
21	13.4	14	66.7	5.5	5	23.8	1.5	2	9.5	0.4	0	0.0
22	14.0	14	63.6	5.7	6	27.3	1.6	2	9.1	0.4	0	1.0
23	14.7	15	65.2	6.0	6	26.1	1.7	2	8.7	0.5	0	0.0
24	15.3	16	66.7	6.3	7	29.2	1.7	2	8.3	0.5	0	0.0
25	15.9	16	64.0	6.5	7	28.0	1.8	2	8.0	0.5	0	0.0
26	16.6	17	65.4	6.8	7	26.9	1.9	2	7.7	0.5	0	0.0
27	17.2	18	66.7	7.0	7	25.9	2.0	2	7.4	0.5	0	0.0
28	17.9	18	64.3	7.3	8	28.6	2.0	2	7.1	0.6	0	0.0
29	18.5	19	65.5	7.6	8	27.6	2.1	2	6.9	0.6	0	0.0
30	19.1	20	66.7	7.8	8	26.7	2.2	2	6.7	0.6	0	0.0
31	19.8	20	64.5	8.1	8	25.8	2.2	3	9.7	0.6	0	0.0
32	20.4	21	65.6	8.3	8	25.0	2.3	3	9.4	0.6	0	0.0
33	21.0	21	63.6	8.6	9	27.3	2.4	3	9.1	0.7	0	0.0
34	21.7	22	64.7	8.9	9	26.5	2.5	3	8.8	0.7	0	0.0
35	22.3	23	65.7	9.1	9	25.7	2.5	3	8.6	0.7	0	0.0
36	23.0	24	66.7	9.4	9	25.0	2.6	3	8.3	0.7	0	0.0
37	23.6	24	64.9	9.7	10	27.0	2.7	3	8.1	0.7	0	0.0
38	24.2	25	65.8	9.9	10	26.3	2.8	3	7.9	0.8	0	0.0
39	24.9	26	66.7	10.2	10	25.6	2.8	3	7.7	0.8	0	0.0
40	25.5	26	65.0	10.4	10	25.0	2.9	3	7.5	0.8	0	0.0
41	26.1	27	65.9	10.7	11	26.8	3.0	3	7.3	0.8	0	0.0
42	26.8	27	64.3	11.0	11	26.2	3.0	4	9.5	0.8	0	0.0
43	27.4	28	65.1	11.2	11	25.6	3.1	4	9.3	0.9	0	0.0
44	28.1	29	65.9	11.5	12	27.3	3.2	4	9.1	0.9	0	0.0
45	28.7	29	64.4	11.7	12	26.7	3.3	4	8.9	0.9	0	0.0
46	29.3	30	65.2	12.0	12	26.1	3.3	4	8.7	0.9	0	0.0

47	30.0	31	66.0	12.3	12	25.5	3.4	4	8.5	0.9	0	0.0
48	30.6	31	64.6	12.5	13	27.1	3.5	4	8.3	1.0	0	0.0
49	31.2	32	65.3	12.8	13	26.5	3.6	4	8.2	1.0	0	0.0
50	31.9	33	66.0	13.0	13	26.0	3.6	4	8.0	1.0	0	0.0
51	32.5	34	66.7	13.3	13	25.5	3.7	4	7.8	1.0	0	0.0
52	33.2	34	65.4	13.6	14	26.9	3.8	4	7.7	1.0	0	0.0
53	33.8	35	66.0	13.8	14	26.4	3.8	4	7.5	1.1	0	0.0
54	34.4	36	66.7	14.1	14	25.9	3.9	4	7.4	1.1	0	0.0
55	35.1	36	65.5	14.3	15	27.3	4.0	4	7.3	1.1	0	0.0
56	35.7	37	66.1	14.6	15	26.8	4.1	4	7.1	1.1	0	0.0
57	36.3	37	64.9	14.9	15	26.3	4.1	5	8.8	1.1	0	0.0
58	37.0	38	65.5	15.1	15	25.9	4.2	5	8.6	1.2	0	0.0
59	37.6	39	66.1	15.4	15	25.4	4.3	5	8.5	1.2	0	0.0
60	38.3	39	65.0	15.7	16	26.7	4.3	5	8.3	1.2	0	0.0
61	38.9	40	65.6	15.9	16	26.2	4.4	5	8.2	1.2	0	0.0
62	39.5	41	66.1	16.2	16	25.8	4.5	5	8.1	1.2	0	0.0
63	40.2	41	65.1	16.4	16	25.4	4.6	5	7.9	1.3	1	1.6
64	40.8	41	64.1	16.7	17	26.6	4.6	5	7.8	1.3	1	1.6
65	41.4	42	64.6	17.0	17	26.2	4.7	5	7.7	1.3	1	1.5
66	42.1	43	65.2	17.2	17	25.8	4.8	5	7.6	1.3	1	1.5
67	42.7	44	65.7	17.5	17	25.4	4.9	5	7.5	1.3	1	1.5
68	43.4	44	64.7	17.7	18	26.5	4.9	5	7.4	1.4	1	1.5
69	44.0	45	65.2	18.0	18	26.1	5.0	5	7.2	1.4	1	1.4

Main committee sizes highlighted:

# **ANNUAL REPORT**

**OF**

**CAERPHILLY COUNTY  
BOROUGH COUNCIL**

**STANDARDS COMMITTEE**

**2023-24**

1. Introduction
2. Period Covered by the Report
3. Terms of Reference
4. Membership of the Committee
5. Code of Conduct Complaints
6. Local Resolution Protocol
7. Applications for Dispensation
8. Code of Conduct Training
9. Whistleblowing Policy
10. Code Compliance by Town and Community Councils
11. Other Activities
12. Group Leaders Duties
13. Conclusion

## 1. **Introduction**

- 1.1 The law requires every County Borough Council in Wales to establish and maintain a Standards Committee. Such committees are responsible for overseeing standards of conduct for elected members of both the principal council (Caerphilly CBC) and the constituent community and town councils within the principal council's area. The Committee receives and determines applications for dispensation from elected members in relation to the Code of Conduct and adjudicates upon code complaints referred to the Council by the Public Services Ombudsman for Wales ("the Ombudsman"). However, only rarely has the Committee been requested to undertake this latter function. The Committee also receives reports in relation to the operation of the Council's whistleblowing policy.

## 2. **Period Covered By The Report**

- 2.1 This report covers the activities of the Standards Committee during the period of the 2023/24 civic year from the local government election to the annual meeting of council.

## 3. **The Standards Committee Terms of Reference**

- 3.1 To promote and maintain high standards of conduct by the members and co-opted members of the authority.
- 3.2 To assist members and co-opted members of the authority to observe the authority's code of conduct.
- 3.3 To advise the Council on the adoption or revision of a code of conduct.
- 3.4 To monitor the operation of the Council's adopted Code of Conduct throughout the Authority.
- 3.5 To train councillors and advise on conduct matters generally.
- 3.6 To arrange dispensation to speak and/or vote where a councillor has an interest.
- 3.7 To receive and implement advice from the Public Services Ombudsman For Wales or recommendation from the Adjudication Panel or case tribunals.
- 3.8 Where statute permits to receive reports and complaints in relation to councillors, to conduct or oversee appropriate investigations and to make appropriate recommendations to the Council.
- 3.9 To receive and hear complaints referred to the Committee under the Council's Local Resolution Protocol set out in Part 5 of the Council's Constitution.
- 3.10 To receive reports on the outcome of disciplinary matters.
- 3.11 To oversee the whistleblowing régime.
- 3.12 (a) To receive Public Services Ombudsman For Wales reports in relation to allegations of maladministration or allegations of breach of a code of conduct and make

appropriate recommendations.

- (b) To consider referring a report from the Public Services Ombudsman for Wales to the appropriate Scrutiny Committee, where in the opinion of the Standards Committee there has been a serious failure in service delivery that would benefit from further consideration by the appropriate Scrutiny Committee. A report setting out the reason for referral will be presented to the relevant Scrutiny Committee along with the report from the Ombudsman. The Chair of Standards Committee (or a nominee) will be invited to attend the respective Scrutiny Committee when the report is presented.
- 3.13 To exercise such powers or duties as may be given to or imposed on Standards Committees from time to time by legislation.
- 3.14 To exercise in relation to community councils and their members within the County Borough area such of the foregoing matters as are covered by Section 56 of the Local Government Act 2000.
- 3.15 To consider referrals by the Head of Democratic Services of member(s) who refuse to attend the mandatory training or do not have good reason for being unable to attend mandatory training as set out in the Member Training and Development Protocol set out in Part 5 of this Constitution.

**Note:** Provision is made under the Regulations to enable the Standards Committee or a monitoring officer with the prior written agreement of the Chairperson of the Standards Committee to

- (a) refer a report of a misconduct investigation to another authority's Standards Committee for determination and/or
- (b) To refer a dispensation application to another authority's Standards Committee for determination.

#### **4. Membership of the Committee**

4.1 The Panel consists of 8 members: 2 county councillors, 1 community councillor and 5 independent, lay members.

4.2 During the period covered by this report, there have been no changes to the composition of this Committee. The committee is:

- The co-opted members are. Mr. Peter Brunt (Chair) Mrs. Linda Davies, Mr. Jon Card, Ms. Lisa Jay and Mr. Vik Yadh (Vice – chair).
- Community councillor Anne Gray. .

County councillors John Taylor and Diane Price. Councillor Pat Cook has substituted for Councillor Price at several meetings due to her on-going health issues.



## 5. **Code of Conduct Complaints**

- 5.1 The Committee was required to adjudicate upon one Code of Conduct complaint during the period of this report. The Committee received a referral of an investigation report by the Public Services Ombudsman for Wales into a complaint against Councillor Jon Scriven. The Committee decided to censure Councillor Scriven for a post on his Facebook page. Please find attached as Appendix 1, the decision notice.
- 5.2 For the period covered by this report the Ombudsman's Annual Report stated that she had considered and closed a total of 3 code of conduct complaints against councillors from Caerphilly County Borough Council.

## 6. **Local Resolution Protocol**

- 6.1 Like all principal councils in Wales, the Council has its own Local Resolution Protocol, that can be found in part 5 of the Council's Constitution. The purpose of the protocol is to deal with low-level 'member on member' complaints at a local level. The use of these protocols is actively encouraged by the Ombudsman at all levels of local government in Wales. The Monitoring Officer dealt with one referral under the protocol during 23/24. The disagreement between the 2 members was successfully resolved informally at stage 1. Whilst details of the councillors involved must remain confidential under the protocol, the dispute arose as a result of a something said on social media.

## 7. **Applications For Dispensation**

- 7.1 The grounds upon which the Committee may grant a dispensation are set out in the Standards Committees (Grant of Dispensations) (Wales) Regulations 2001.
- 7.2 The Committee continues to approach each application with a presumption in favour of granting a dispensation wherever practicable, particularly in relation to granting a dispensation to speak only.
- 7.3 The Committee dealt with one application for a dispensation during the year. The application came from Councillor Edwards-Etheridge of Blackwood Town Council. The dispensation was granted under paragraph (vi) of the regulations namely "the participation of the member in the business to which the interest relates is justified by the member's particular role or expertise".

## 8. **Code Of Conduct Training**

- 8.1 Whilst no formal Code of conduct training was undertaken during the year, being the second year of the new council, the Monitoring Officer and Deputy Monitoring officer were always available to offer elected members advice on the code of conduct. The Committee wishes to encourage members to undertake all forms of training offered to them in order to enable them to perform their duties as elected representatives of their communities throughout the county borough.

## 9. **Whistleblowing Policy**

- 9.1 The Committee has oversight of the authority's Whistleblowing Policy. The process is regulated by the Public Interest Disclosure Act 1998, which protects against dismissal and other detriment for employees who disclose wrongdoing. There have been no whistleblowing complaints recorded during the period of this report.

## 10. **Code Of Conduct Compliance By Town & Community Councils**

- 10.1 The Ombudsman's annual report recorded that there were 2 complaints made against community councillors in the county borough but the Ombudsman decided not to investigate the complaints.

## 11. **Other Activities**

- 11.1 The Chair of the Standards Committee continued to attend remotely quarterly meetings of the National Standards Committee Forum, the purpose of which is to share experiences and best practice with other Standards Committee chairs from across Wales. Once more the Forum received a presentation from the Public Services Ombudsman for Wales, Ms Michelle Morris.

## 12. **Duties On Group Leaders**

- 12.1 The Local Democracy and Elections Act 2021 introduced 2 duties on the leaders of political groups within councils. The first duty on group leaders is to take reasonable steps to promote and maintain high standards by the members of the group, however the duty does not make leaders of a political group accountable for the behaviour of their members as conduct must be a matter of individual responsibility. Welsh Government guidance says that group leaders do have a role in taking reasonable steps in maintaining standards, setting an example, using their influence to promote a positive culture, being proactive in promoting high standards of conduct in their group and addressing issues as soon as they arise.

- 12.2 The guidance says that reasonable steps the group leader can undertake include:
- demonstrating personal commitment to and attending relevant development or training around equalities and standards;
  - encouraging group members to attend relevant development or training around equalities and standards;
  - ensuring nominees to a committee have received the recommended training for that committee;
  - promoting civility and respect within group communications and meetings and in formal council meetings;
  - promoting informal resolution procedures in the council, and working with the standards committee and monitoring officers to achieve local resolution;

- promoting a culture within the group which supports high standards of conduct and integrity;
- attend a meeting of the council's standards committee if requested to discuss Code of Conduct issues;
- work to implement any recommendations from the Standards Committee about improving standards;
- work together with other group leaders, within reason, to collectively support high standards of conduct within the council.

12.3 The second duty requires that a leader of a political group consisting of members of a county council or county borough council in Wales, must co-operate with the council's standards committee (and any sub-committee of the committee) in the exercise of the standards committee's functions.

12.4 The group leaders have endorsed the steps listed in paragraph 10.02 and have ensured all of their respective members have received training on the code of conduct. It is hoped moving forward that the group leaders will continue to promote civility and respect in formal meetings of the council and communications with each other, in particular on social media.

### 13. **Conclusion**

13.1 We have been much encouraged by the good levels of compliance with the Code of Conduct exhibited by councillors across the county borough and very much hope this will continue .

Appendices: Appendix 1 – Decision Notice

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## CAERPHILLY COUNTY BOROUGH COUNCIL

## NOTICE OF DETERMINATION OF THE STANDARDS COMMITTEE

Member	Councillor Jon Scriven
Relevant Authority	Caerphilly County Borough Council
Date and Location of Hearing	23 February, 2024 Conducted In-Person and via Microsoft Teams
Complainant	Christina Harrhy
Public Services Ombudsman Reference No:	202203322/202203379

**Background**

1. On 23<sup>rd</sup> February, 2024, the Council's Standards Committee considered a report from the Public Services Ombudsman for Wales ("the Ombudsman") into a complaint from Christina Harrhy, the chief executive at Caerphilly County Borough Council, that Councillor Jon Scriven ("the Member") had failed to observe the Council's Code of Conduct for Members. The complaint was received on 24<sup>th</sup> August 2022.
2. It was alleged that the Member had used his position inappropriately in relation to the misuse of social media by posting on Facebook a photograph of the Member holding a rifle with the accompanying message, "Ogmore-by-Sea tonight for a quick swim and make sure there wasn't any English people trying to cross the channel".
3. The Ombudsman determined that the Member may have breached the Council's Code of Conduct, in particular, the following paragraph which provides that:
  - **6(1)(a) – Members must not conduct themselves in a manner which could reasonably be regarded as bringing their office or authority into disrepute.**
4. During the Ombudsman's investigation, copies of relevant documents were obtained from the Council, witness statements were obtained, and a statement was provided by the Member.
5. The Ombudsman referred her investigation report to the Monitoring Officer of Caerphilly County Borough Council on 7<sup>th</sup> December 2023 for consideration by its Standards Committee.
6. Under its procedure, the Standards Committee met on 19<sup>th</sup> January 2024 to consider the report of the Ombudsman and decided that there was a case to answer against the Member, and determined that the Member should be given the opportunity to

make representations either orally or in writing in respect of the findings of the investigation report and any allegation that he has failed, or may have failed, to comply with the Council's Code of Conduct.

### **The Hearing**

The Standards Committee heard the matter in public. The Member appeared in person before the Committee whilst the Ombudsman's representatives, Ms Ginwalla and Mr Phelps, joined the meeting remotely. The Monitoring Officer outlined the matter before the Committee. The Committee considered the Ombudsman's investigation report and appendices. The Committee also considered the oral representations of the Member and those of the Ombudsman's representative.

The Committee, in accordance with their adopted procedure dealt with the case in three stages. Their decision in relation to each stage is detailed below.

#### **Stage 1 – Findings of Fact**

The Committee first considered any finding of fact that it needed to make.

The Committee heard from the Ombudsman's representative and the Member that there were no real areas of disagreement between the parties on the factual background. The Committee retired to consider its decision. The Committee decided to accept the facts as stated in the Ombudsman's report at paragraphs 48 to 57. As to the sole fact in dispute at paragraph 58 of the report, the Committee felt that on the balance of probabilities the conclusion reached by the Ombudsman at paragraph 61 was reasonable.

#### **Stage 2 – Did the Member fail to follow the Code of Conduct**

Following the acceptance of the findings of fact, the Committee proceeded to hear representations from the Member and the Ombudsman's representative as to whether the facts amounted to a breach of the code of conduct. After careful consideration of all the evidence presented, the Committee determined that the Member had failed to comply with paragraph 6(1)(a) of the Code of Conduct.

Posting the message on his personal Facebook page was ill-judged and unfortunate. The Member had committed a criminal offence under section 5 of the Public Order Act 1986. Whilst hearing that the Member did not intend to cause any offence and the whole episode had caused personal distress to the Member, looking at the incident as a whole, the Committee considered that the Member's actions brought the Council and his office as a member into disrepute contrary to section 6(1)(a) of the code of conduct.

#### **Stage 3 - Sanction**

In considering what sanction was appropriate, the Committee listened to representations from the Ombudsman's representative and the Member. The Ombudsman's representative felt that this was a serious breach that went to the heart of the code of conduct and warranted suspension. The representative referred the Committee to the Sanctions Guidance issued by the President of the Adjudication Panel for Wales. The Member felt that the whole episode had gone on for too long causing stress to him and his family. He had

apologised and taken down the post promptly in 2022. He no longer used social media and reiterated that he had not meant to cause anyone offence..

The Committee decided to censure the Member for the breach of paragraph 6(1)(a) of the code of conduct. The Committee warned the Member to be careful in his use of social media going forward. Whilst hearing that the Member didn't mean to cause offence in making the post on Facebook, he did cause offence and accepted that a criminal offence was committed.

### **Decision**

That Councillor Scriven be censured for his breach of paragraph 6(1)(a) of the codes of conduct for members of Caerphilly County Borough Council and Penyrheol, Trecenydd & Energlyn Community Council. That Councillor Scriven receives further training from the Monitoring Officer on the code of conduct and when it applies, and the use of social media.

### **Appeal**

The Member may seek permission to appeal against the Committee's determination to an appeals tribunal drawn from the Adjudication Panel for Wales by giving notice in writing within 21 days of receiving this notification of determination to the president of the Adjudication Panel for Wales. The notice seeking permission to appeal must specify the grounds of appeal and whether or not permission to appeal is granted, he consents to the appeal being conducted by written representations. (Further details can be found on the Adjudication Panel's website [www.adjudicationpanel.gov.wales](http://www.adjudicationpanel.gov.wales) )

### **Notification of decision**

In accordance with the Local Government Investigations (Functions of Monitoring Officers and Standards Committees) (Wales) Regulations 2001 (as amended) the Member, the complainant and the Public Services Ombudsman for Wales are notified of the Committee's decision by this Notice of Determination.

Caerphilly County Borough Council Standards Committee

Dated: 6<sup>th</sup> March, 2024

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# Agenda Item 18

## MEMBERSHIP OF OVERVIEW AND SCRUTINY COMMITTEES

### Education and Social Services Scrutiny Committee - 18 Members (12 - 5 - 1)

Councillors: E. M. Aldworth, C. Bishop, D. Cushing, A. Broughton-Pettit, M. Chacon-Dawson, P. Cook, M. Evans, A. Farina-Childs, C. Gordon, T. Heron, A. Leonard, J. Roberts, J. Simmonds, S. Skivens, J. Winslade, K. Woodland.

Chair: Teresa Parry

Vice-Chair: Brenda Miles

### Housing and Environment Scrutiny Committee - 18 Members (12 - 5 - 1)

Councillors: C. Bishop, M. Chacon-Dawson, R. Chapman, D. Cushing, C. Cuss, T.D. Davies (MBE), T. Heron, A. Hussey, D. Ingram-Jones, M. James, B. Owen, L. Phipps, H. Pritchard, J. A. Pritchard, J. Rao, A. McConnell.

Chair: Andrew Whitcombe

Vice-Chair: Shane Williams

### Corporate and Regeneration Scrutiny Committee - 18 Members (12 - 5 - 1)

Councillors M. Adams, G. Enright, C. Forehead, J. Fussell, A. Gair, D. Harse, L. Jeremiah, J. Jones, S. Kent, C. Mann, M. Powell, D.W.R. Preece, C. Thomas, L. Whittle, W. Williams, C. Wright.

Chair: Gary Johnston

Vice-Chair: Amanda McConnell

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# Agenda Item 19

## MEMBERSHIP OF COMMITTEES

### Appeals Panel (Disciplinary/Grievance) - 3 Members (2 - 1)

Councillors G. Enright, B. Miles, W. Williams,

Nominated substitutes M. Adams, T. Parry, D.W.R. Preece

Chair: B. Miles

Vice-Chair: W. Williams

### Appointments Committee (Chief Officer Related Posts/Heads of Service) - 9 Members (6 - 2 - 1 - including Cabinet Member)

Councillors N. George, A. Whitcombe, E. Stenner, C. Mann, J. Taylor, Vacant (Independent) and relevant Cabinet Member

Chair: E.M. Aldworth

Vice-Chair: A. McConnell

Substitute Councillors: J. Simmonds, M. Chacon-Dawson, P. Cook, J. Scriven

### Democratic Services Committee - 16 Members (11 - 4 - 1)

Councillors D. T. Davies, G. Ead, A. Farina-Childs, C. Forehead, A. Hussey, L. Jeremiah, C. Mann, A. McConnell, J. A. Pritchard, J. Simmonds, C. Thomas, A. Whitcombe, J. Winslade, K. Woodland

Chair: M. James

Vice-Chair: L. Phipps

### Governance and Audit Committee - 12 Members (4 Lay Members/8 Councillors) (6 - 2)

Councillors M. Adams, E.M. Aldworth, A. Broughton-Pettit, M. Chacon-Dawson, E. Davies, G. Enright, J. Taylor

*Lay Members: Mr N. Yates, Mr L. M Rees, Mrs V. Pearson, Mrs J. Williams*

Chair: Mr L. M. Rees

Vice-Chair: C. Wright

### Investigating and Disciplinary Committee - 7 Members (5 - 2)

Councillors E. M. Aldworth, A. Angel, R. Chapman, E. Davies, C. Gordon, J. Taylor, A. Whitcombe

Substitutes Councillors G. Enright, A. Leonard, W. Williams

### Licensing and Gambling Committee/Taxi and General Committee - 15 Members (10 - 4 - 1)

Councillors M. Adams, E.M. Aldworth, R. Chapman, P. Cook, D. Cushing, G. Ead, C. Gordon, D. Harse, T. Heron, J. Jones, D.W.R. Preece, J. Roberts, J. Scriven

Chair: S. Williams

Vice-Chair: W. Williams

### Planning Committee - 16 Members (11 - 4 - 1)

Councillors M. Adams, A. Angel, R. Chapman, N. Dix, G. Ead, J. Fussell, A. Hussey, B. Miles, M. Powell, J. Simmonds, J. Taylor, S. Williams, A. Whitcombe, K. Woodland

Chair: R. Saralis

Vice-Chair: E.M. Aldworth

**Standards Committee - 2 Members (5 Lay Members/1 Community Councillor)**

Councillors S. Williams (Substitute Councillor P. Cook), J. Taylor (Substitute Councillor J. Scriven)

**Rights of Way Cabinet Committee**

Councillors N. George, P. Leonard, C. Morgan, J. Pritchard, E. Stenner

# Agenda Item 20

## CURRENT REPRESENTATIVES

### SUB-COMMITTEES/WORKING PARTIES/PANELS/BOARDS

1. **Advisory Panel for the Appointment and Removal of Local Authority Governors – 7 Members (5 - 2)**

Councillors **M. Adams, C. Andrews (Cabinet Member), M. Chacon-Dawson, M. James, B. Miles, J. Roberts, A. Whitcombe**

Nominated Substitutes: **T. Parry, J. Taylor, C. Wright, A. Gair**

2. **Caerphilly Community Safety Delivery Group – 1 Member**

Councillor **P. Leonard**

3. **Caerphilly Local Access Forum**

Councillor **C. Morgan**

4. **Community Council Liaison Sub-Committee - 16 Members (11 - 4 - 1)**

Councillors **A. Angel, R. Chapman, P. Cook, D. Harse, A. Gair, N. George, C. Gordon, T. Heron (Chair), D. Ingram-Jones, A. McConnell, T. Parry, J.A. Pritchard, C. Thomas, L. Whittle, J. Winslade, Vacant (Independent)**

5. **Corporate Joint Consultative Committee (Cabinet and Leader)**

Councillors **S. Morgan, J. Pritchard, C. Andrews, S. Cook, E. Forehead, N. George, P. Leonard, C. Morgan, E. Stenner**

6. **Education Achievement Service Board (EAS)**

Councillor **E. Stenner** (Substitute Councillor **E. Forehead**)

7. **Education Achievement Service Audit and Risk Assurance Committee**

Councillors **B. Miles, A. Whitcombe**

8. **Monmouthshire and Brecon Canal - Crumlin Arm Working Group (adjoining ward members (Abercarn/Crosskeys/Crumlin/Newbridge/Risca East/Risca West) and Cabinet Member**

Councillors: **D.W.R. Preece, A. Whitcombe (Abercarn), J. Simmonds (Crosskeys), K. Woodland (Crumlin), N. George, P. Leonard, A. Leonard (Risca East), Bob Owen, Ceri Wright (Risca West), plus Cabinet Member C. Morgan (Cabinet Member for Waste, Leisure and Green Spaces)**

Nominated Reserve: Councillor **C. Thomas (Crumlin)**

By Invitation: Councillors **A. Hussey, L. Jeremiah and G. Johnston (Newbridge Ward Related Matters)**

9. **Pensions/Compensation Committee - 8 Members (6 - 2 including relevant Cabinet Member)**  
Councillors **P. Cook, G. Enright, C. Gordon, B. Miles, M. Powell, J. Scriven, W. Williams** plus appropriate Cabinet Member  
Substitutes **M. Adams, E. M. Aldworth, J. Taylor**
10. **Prosiect Gwyrd Joint Scrutiny Panel - 2 Members (1 - 1)**  
Councillors **C. Elsbury, A. Hussey**
11. **Rights of Way Cabinet Committee (5 Cabinet Members)**  
Councillors **N. George, P. Leonard, C. Morgan, J. Pritchard, E. Stenner**
12. **River Rhymney Task Group - 3 Members (2 - 1)**  
Councillors **D. Harse, C. Morgan, S. Kent**
13. **Scrutiny Leadership Group**  
Chairs and Vice Chairs of Scrutiny Committees, Democratic Services Committee and Governance and Audit Committee (Lay Member)
14. **Standing Advisory Council on Religious Education - 6 Members (4 - 2)**  
Councillors **E.M. Aldworth, M. Chacon-Dawson, B. Miles, T. Parry, J. Taylor (Chair), A. Whitcombe**
15. **View Point Panel**  
Scrutiny Committee Members and Relevant Cabinet Members
16. **Voluntary Sector Liaison Committee/Voluntary Sector Liaison Sub Committee - 15 Members (10 - 4 - 1)**  
Councillors **A. Broughton-Pettit, M. Chacon-Dawson, R. Chapman, P. Cook, J. Fussell, C. Gordon, T. Heron, J. Jones, T. Parry, D.W.R. Preece, H. Pritchard, E. Stenner, L. Whittle, S. Williams, W. Williams**

**REPRESENTATION ON ASSOCIATIONS/OUTSIDE BODIES**  
**1 YEAR UNLESS OTHERWISE INDICATED**

## **CAERPHILLY COUNTY BOROUGH COUNCIL CHAMPIONS**

1. **Armed Forces Community Covenant Champion**  
Councillor T. Heron
2. **Poverty Champion**  
Councillor C. Andrews
3. **Dementia Friend Champion**  
Councillor C. Andrews
4. **Domestic Abuse Champions**  
Councillors E. Forehead and P. Leonard
5. **Equalities/Unity Over Division Champion**  
Councillor P. Leonard
6. **Future Generations Champion**  
Councillor J. Prichard
7. **Homeless Persons Champion**  
Councillor S. Cook
8. **Inclusion Champion**  
Councillor C. Andrews
9. **LGBTQ Champion**  
Councillor C. Andrews
10. **Mental Health Champion**  
Councillor E. Forehead
11. **Age Friendly Champion (Formerly Older Persons Champion)**  
Councillor C. Andrews
12. **White Ribbon Campaign Champion**  
Councillor E. Forehead
13. **Youth Champion (appointed by Youth Forum)**  
*Appointed by the Youth Forum*

## **OUTSIDE BODIES AND ASSOCIATIONS**

1. **Army Benevolent Fund - Gwent**  
Councillor T. Heron
2. **Association of Public Services Excellence (APSE) Welsh Regional Committee**  
Councillors S. Cook, N. George, C. Morgan

3. **Caerphilly Foster Panel**  
Councillor J. Simmonds
4. **Carbon Reduction Group**  
Councillor J. Pritchard
5. **Cardiff Capital Region Joint Committee (Regional Cabinet)**  
Leader of Council and Deputy Leader of Council - Councillor S. Morgan and Councillor J. Pritchard
6. **Cardiff Capital Region Joint Scrutiny Committee**  
Councillor (Chair of Housing and Environment) and Councillor C. Elsbury
7. **Cardiff Capital Region CJC Governance and Audit Sub-Committee**  
Councillor C. Wright
8. **Cardiff Capital Region CJC Regional Transport Sub-Committee**  
Councillor N. George
9. **Cardiff Capital Region CJC Strategic Development Sub-Committee**  
Councillor P. Leonard
10. **Care and Repair - Caerphilly**  
Councillor S. Cook and Private Sector Housing Manager
11. **Citizens Advice Bureau Trustee Board**  
Councillor N. George
12. **Coleg Gwent Further Education Corporation (Crosskeys Community Partnership)**  
Councillor C. Andrews
13. **Coleg Harlech WEA North**  
Councillor C. Andrews
14. **Coleg Y Cymoedd Corporation (formerly Ystrad Mynach College Board of Governors)**  
Sian Farquharson, Challenge Advisor EAS
15. **Corporate Parenting Group**  
Councillors E. Forehead, C. Andrews, D. Cushing, C. Bishop, J. Simmonds (Foster Panel Member)
16. **Corporate Safeguarding Group**  
Councillors C. Andrews, E. Forehead, T. Heron, D. Cushing, C. Bishop, B. Owen
17. **Fields in Trust (formerly National Playing Fields Association)**  
Councillor C. Morgan
18. **Glamorgan Archives Joint Committee**  
Councillors J. Winslade and J. Simmonds
19. **Greater Gwent Cremation Joint Committee – 2 Members**  
Councillors J. Simmonds and J. Taylor



20. **Groundwork Wales**  
S. Williams
21. **Gwent Association of Voluntary Organisations**  
Relevant Officer and Councillor C. Andrews
22. **Gwent Regional Partnership Board**  
Councillor E. Forehead
23. **Gwent Archives Joint Committee – 2 Members**  
Councillors J. Winslade and J. Simmonds
24. **Gwent Police and Crime Panel - politically balanced across Gwent**  
Councillors C. Forehead, M. Chacon-Dawson, C. Mann
25. **Gwent Public Services Board Joint Scrutiny Committee**  
Councillors A. Angel and S. Williams
26. **Industrial Communities Alliance (formerly Coalfield Communities Campaign)**  
Councillor E. Stenner
27. **Islwyn Indoor Bowls Club Management Board**  
Councillors M. Adams and C. Morgan
28. **Joint Council for Wales**  
Councillors N. George and E. Stenner
29. **The Learning Centre (Pupil Referral Unit)**  
Councillor M. Evans
30. **Local Authority Action for Southern Africa (LACTSA)**  
Councillor N. George
31. **Local Government Association**  
Leader of the Council, Councillor S. Morgan and J. Pritchard + 2 Cabinet Members
32. **Monmouthshire and Brecon Canal Joint Steering Group** (Formally  
Monmouthshire and Brecon Canal Regeneration Partnership)  
Councillors J. Simmonds, C. Morgan (Councillor A. Whitcombe)
33. **Monmouthshire Farm School Endowment Trust**  
Councillor C. Andrews
34. **PATROL** (Parking and Traffic Regulations Outside London) Adjudication Joint  
Committee – Councillor N. George
35. **Pen Bryn Oer Wind Farm Community Benefit Panel**  
Member for Twyn Carno Ward - Councillor C. Cuss
36. **PFI Liaison Committee**  
Cabinet Member for Education and Achievement – Councillor C. Andrews
37. **Prosiect Gwyrdd Joint Committee**  
Councillors C. Morgan and J. Pritchard

38. **Regional Technical Statement (Aggregates)**  
Councillor N. George
39. **Regional Transport Authority**  
Councillor S. Morgan
40. **Reserve Forces and Cadets Association for Wales**  
Councillor T. Heron
41. **Safer Caerphilly Community Safety Partnership**  
Councillor P. Leonard
42. **Schools Admission Forum**  
Cabinet Member for Education and Achievement - Councillor C. Andrews
43. **Schools Budget Forum**  
Councillors E. Stenner and C. Andrews
44. **South East Area Environment Group**  
Councillor C. Morgan
45. **South East Wales Strategic Planning Group**  
Councillor P. Leonard
46. **South Wales Regional Aggregates Working Party**  
Councillor C. Morgan
47. **Sportlot Community Chest Panel**  
Councillors A. Gair, C. Thomas, W. Williams
48. **St. Johns Cymru Wales**  
Councillor C. Andrews
49. **Strategic Planning Panel**  
Councillor P. Leonard
50. **Urban Commission (Local Government Association)**  
Councillor N. George
51. **Wales and National Nuclear Free Zone Forum**  
Councillor C. Forehead
52. **Wales Council for Deaf People**  
Councillor A. Gair
53. **Welsh Books Council (3 years) and Wales Book Council Executive Committee (1 year)**  
Councillor N. George
54. **Welsh Centre for International Affairs**  
Councillor P. Leonard
55. **Welsh Church Fund**  
Councillor E. Stenner and Substitute Councillor N. George

56. **Welsh Local Government Association**  
Leader of the Council, Councillor S. Morgan and Councillors J. Pritchard + 2 Cabinet Members
57. **Welsh Local Government Association - Executive Board**  
Leader of the Council – S. Morgan
58. **WJEC**  
Councillor C. Andrews
59. **Workers Education Association - South Wales District Committee**  
Councillor C. Forehead

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